

KNOW YOUR COSTS, SET YOUR PRICES, KEEP MORE OF WHAT YOU EARN

Pricing & Profit Workbook

Cost and time calculators, margin and break-even worksheets,
discount math,
price increases, profitability ranking and a monthly profit tracker.

US Letter · Free sample

Business name

Product or service

Date started

Price Calculator (1 of 2)

Work out the cost of one product or job, add your target profit, and see the price. Make a copy for each item.

Item

Product / service

Date

Unit (each / hour / project)

Notes

Step	My figure	Where the number comes from
A. Materials and supplies		
B. Packaging, shipping, fees		
C. Hours of work for this item		
D. Hourly rate needed (from time page)		
E. Labor cost (C x D)		
F. Share of fixed costs for this item		
G. TOTAL COST (A + B + E + F)		
H. Profit margin I want, as a share of price (like 0.30)		
I. Price to charge (G / (1 - H))		
J. Check: profit per item (I - G)		

Example (made-up numbers): If G is 40 and H is 0.30, then I = 40 / 0.70 = about 57.14.

Markup vs Margin

Definitions

- Profit = price minus cost
- Margin = profit / price
- Markup = profit / cost
- To reach a target margin: $\text{price} = \text{cost} / (1 - \text{margin})$
- To reach a target markup: $\text{price} = \text{cost} \times (1 + \text{markup})$

A markup of 0.50 on 60 gives a price of 90, which is a margin of only $30 / 90$, about 0.33.

[illegible]