

VARIABLE COST

(DEFINE WHAT ONE UNIT IS FOR YOUR BUSINESS AND WHAT IT COSTS YOU TO PRODUCE ONE UNIT. IF YOU HAVE MORE THAN ONE VERY DIFFERENT UNIT REPEAT THIS CALCULATION.)

MY UNIT (ONE TYPICAL SALE) IS:	COST
COST OF MATERIALS/MERCHANDISE (PER UNIT)	
COST OF PACKAGING PER UNIT	
COST OF TRANSPORT PER UNIT	
COST OF LABOR -PER UNIT THE COST OF YOUR TIME (OR YOUR EMPLOYEE'S) TO MAKE ONE UNIT OR PROVIDE ONE SERVICE. MULTIPLY THE NUMBER OF HOURS BY THE AMOUNT CHARGED PER HOUR. _____ X _____ HOURS USED \$ PER HOUR	
COST OF PAYROLL TAX (SELF EMPLOYMENT-FICA) 10% OF SALARY/UNIT	
OTHER COSTS/UNIT	
TOTAL VARIABLE COST/UNIT (ADD ALL OF THE COSTS):	

NOTE 1: ANYBODY BEING PAID MONTHLY, AS AN OVERHEAD COST, DOES NOT ALSO NEED TO BE PAID IN THE VARIABLE COST.

NOTE 2: IT IS IMPORTANT TO FIGURE OUT THE COST OF YOUR TIME, BUT YOU CAN CHOOSE TO NOT ACTUALLY PAY YOURSELF UNTIL THE BUSINESS SELLS ENOUGH UNITS TO BE PROFITABLE. IT DEPENDS ON YOUR FINANCIAL SITUATION.

GROSS PROFIT

(WHAT IS YOUR GROSS PROFIT ON THIS UNIT? GROSS PROFIT = PRICE - VARIABLE COST.)

BREAK-EVEN POINT

(CALCULATE YOUR BREAK-EVEN POINT. BREAK-EVEN POINT = OVERHEAD COSTS/GROSS PROFIT.)

SALES AND PROFIT GOALS

(DESCRIBE YOUR SALES AND PROFIT GOALS FOR YOUR BUSINESS IN TERMS OF DOLLARS AND UNITS.)

