

Pricing for Profit

One product, one service, one job — not your whole business. Fill in the boxes, then work down the ladder. The number at the bottom is the one that matters.

WHAT YOU ARE PRICING

What is it?

Price you charge now

How many a month?

WHAT ONE OF THEM COSTS YOU

Materials and direct costs

Supplies, parts, ingredients, subcontractors, card fees.

Labor to do it

Hours × what you pay. Include your own time — pay yourself.

Monthly overhead

Rent, insurance, vehicles, software, phone, admin.

WHAT IT IS WORTH TO THEM

What does one of these save, earn or spare your customer?

Same basis as your price. A rough number is worth more than a blank — this is the number that tells you whether the price has room in it.

WORK IT DOWN

1 Materials + labor for one

2 Monthly overhead ÷ how many a month

3 All-in cost of one (1 + 2)

4 What you charge

5 What you keep (4 – 3)

6 As a percentage (5 ÷ 4)

7 Net profit you want to keep

8 Your floor price (3 ÷ [100% – 7])

9 Gap (8 – 4) × how many a month × 12

Line 8 is not cost plus a bit. Divide, do not multiply — a 20% markup does not leave you 20%.

THE PART THE MATH CANNOT DO

When did you last raise this price?

Why do they buy from you instead of the alternative?

If you lost your three cheapest customers, what would happen?

What would have to be true for you to charge 20% more?

IF YOU RAISED IT 5%

New price minus line 3 is your new profit per job. Multiply the increase by how many a month, then by 12.

IF YOU DISCOUNTED 10%

Take 10% off the price, subtract line 3 again. Divide your old profit per job by the new one — that is how many times the work you now need.