



How To Price Embroidery Module 2 “Plugging In The Numbers!”

In the previous module I went through the Expense Spread Sheet and the Production & Artwork Timing Forms. In this module I am going to go through the pages inside of the Pricing Structure Workbook. There are 20 pages within this Workbook but they may not all apply to you and your business. I created it so that it would encompass your total business, not matter what type of **Apparel Decorating Products** you offer.

1. Income Department
2. Equipment Department
3. Company Payroll
4. Cost Analysis-Total Company
5. Cost Analysis-Embroidery
6. Cost Per Hour-Second-Minute
7. Production Timing Form
8. Production Timings
9. Price List Prep Sheet
10. Wholesale Price List
11. Corporate Price List
12. Retail Price List
13. Product & Embroidery Price List with Quantity Pricing
14. Cost Analysis-Artwork
15. Design Timing Form
16. Cost Analysis-Transfers
17. Cost Analysis-DTG Printing
18. Cost Analysis-Promotional Products
19. Cost Analysis-Screen Printing
20. Products & Print Price List with Quantity Pricing

In this module, I am going to show you how to take your information from the **Expense Spreadsheet** that you created with all of your business expenses on it and add it into the **Cost Analysis-Total Business Spreadsheet**. If you have all of your information inside of QuickBooks then you do not have to fill out the **Expense Spreadsheet**.

This will show you your actual breakeven point that you have to make on a weekly, daily and even hourly basis. This is the real beginning of learning how to price for profit!

I do not want you to be nervous when you see the figures, feel intimidated or wonder what you are doing wrong. That is not the purpose of these sheets. You need to start being conscious of all of your time, where you are spending it and what your employees are doing with their time. As you have heard many times, “Time is Money” and you cannot take back or change what you have already done. You can only look forward to the future.

Cost Analysis -Total Business Spreadsheet

This **Total Cost Analysis Spreadsheet** that I have used for many years was originally created by Jimmy Lamb, one of the industry leaders. Jimmy and I worked together for quite some time. He allowed me to share it in my training sessions and I adopted it and expanded on it many times for my program.

We are going to take all of the expenses that you have added to your Expense Spreadsheet and add them to the Cost Analysis Total Business Spreadsheet. We are then going to go through each expense to make sure that it is OK and then add more for future growth. This must all be built into your pricing structure as you are creating it.

After I sold my business, I was doing some embroidery from home, I really did not pay any rent, but if I ever decided to go out to a commercial location, I would then need to bump up my prices to reflect the change. You want all of them built in from the very beginning. I only had a small charge for rent, but I only occupied a very small space. I use a 12' x 14' room for my work room and a 9' x 12' room that is for my office. That is just an estimated charge that I plugged into the form for rent. I had no intension of moving my business out of my home. If I did, I would have to change those figures to reflect that.

If your business is in your home, the allowable charge is usually a percentage of your total mortgage. If your area occupies 25% of the total space of your

home, your rental payment would be 25% of your total mortgage payment. I have a storage area for supplies and old files in my basement and I am allowed to add that amount of square feet to the total square feet area of my workroom and office space for my year end tax deductions. Check with your accountant to make sure of this.

It is extremely important for all of your future planning goals to plug all of these figures into your pricing structure. Without them you have no way of building for your future.

Income -Departments Spreadsheet

I will go over the Income-Department Spreadsheet and show you how to fill it out. This sheet is to record all of your income in the first column and then divide it into the different departments or service areas of your business. This is going to give you the percentage of income that is coming into each department or service area of your business.

Start with your Year-End Workbook and fill in your income figures from that finished workbook. This will make it easier.

| Income Percentage For Each Department | | | | | | | | | | | | | | |
|---------------------------------------|--------------------|--------------------|---------------|--------------------|---------------|---------------------|---------------|---------------|--------------|---------------|--------------|----------------|--------------|--------------------|
| Month | Amount of Income | Embroidery | 66.67% | Artwork/Digitizing | 16.67% | Transfers/Heatpress | 16.67% | DTG Printing | 0.00% | Promo Prod | 0.00% | Screenprinting | 0.00% | Total |
| January | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| February | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| March | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| April | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| May | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| June | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| July | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| August | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| September | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| October | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| November | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| December | \$6,000.00 | \$4,000.00 | 66.67% | \$1,000.00 | 16.67% | \$1,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$6,000.00 |
| Total | \$72,000.00 | \$48,000.00 | 66.67% | \$12,000.00 | 16.67% | \$12,000.00 | 16.67% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$0.00 | 0.00% | \$72,000.00 |
| Average | \$6,000.00 | \$4,000.00 | | \$1,000.00 | | \$1,000.00 | | \$0.00 | | \$0.00 | | \$0.00 | | \$6,000.00 |

Equipment Department Spreadsheet

On the Equipment Department Spreadsheet, I have you fill in the pricing for all of the equipment that you currently own along with what you plan to purchase in the near future. If you are making payments now on your equipment, add that figure, but add another figure for more equipment if this is your plan. If you do not have this extra built into your pricing structure, you do not have any way of building up a reserve to purchase this equipment when you need it. This is extremely important.

| | |
|---|------------------------------------|
| Embroidery Equipment | Payment for planned payment |
| Embroidery Machine | \$200.00 |
| | |
| Total of Embroidery Equipment | \$200.00 |
| Artwork Programs and/or Equip | |
| Embroidery Software | \$50.00 |
| | |
| Total of Artwork Programs and/or Equip | \$50.00 |
| Heatpress/Vinyl Cutting/Rhinestone Setting Equip | |
| Heatpress | \$129.00 |
| | |
| Total of Heatpress Equipment | \$129.00 |
| DTG Printing | |
| DTG Printer | \$0.00 |
| | |
| Total DTG Printing Equip | \$0.00 |
| Sewing Equip | |
| Zig Zag Sewing Machine | \$0.00 |
| | |
| Total Sewing Equip | \$0.00 |
| Screen Printing Equip | |
| 4 color printer | \$0.00 |
| Drying Oven | \$0.00 |
| | |
| Total Screen Printing Equip | \$0.00 |
| Total Company Equipment | \$379.00 |

Payroll Spreadsheet

On this sheet you are going to add the payroll for you and your employees if you have any. This is very important. You must add a salary for yourself into the pricing structure. If you chose not to take it that is your choice, but I would highly advise that you take at least a small amount each week. This really gives you an uplift and it helps you to see progress. We all need to be paid at least a small amount for all of the hard work that we do.

| Production Embroidery | | Weekly | Monthly | Payroll Taxes | Hours per week |
|---|--------|------------------|--------------------|------------------|----------------|
| Design Production & Set up | | | | | |
| Set up / Artwork or Digitizing | | | | | |
| Artwork Employee | | \$0.00 | \$ - | \$0.00 | 8.00 |
| Percentage of Owners Salary-15% | 16.67% | \$66.67 | \$ 266.67 | \$80.00 | |
| Total Design Production & Set Up | | | \$ 266.67 | \$80.00 | |
| Production Transfers-Vinyl-Heatpress | | | | | |
| Employee 1 | | \$0.00 | \$0.00 | \$0.00 | 8.00 |
| Employee 2 | | \$0.00 | \$0.00 | \$0.00 | |
| Percentage of Owners Salary | 16.67% | \$66.67 | \$266.67 | \$80.00 | |
| Total Payroll Production Heatpress | | | \$266.67 | \$80.00 | |
| Production DTG Printing | | | | | |
| Employee 1 | | \$0.00 | \$0.00 | \$0.00 | 0.00 |
| Employee 2 | | \$0.00 | \$0.00 | \$0.00 | |
| Percentage of Owners Salary | 0.00% | \$0.00 | \$0.00 | \$0.00 | |
| Total Production DTG Printing | | | \$0.00 | \$0.00 | |
| Production Sewing Services | | | | | |
| Employee 1 | | \$0.00 | \$0.00 | \$0.00 | 0.00 |
| Percentage of Owners Salary | 0.00% | \$0.00 | \$0.00 | \$0.00 | |
| Total Production Sewing Services | | | \$0.00 | \$0.00 | |
| Production Screen Printing | | | | | |
| Employee 1 | | \$0.00 | \$0.00 | \$0.00 | 0.00 |
| Employee 2 | | \$0.00 | \$0.00 | \$0.00 | |
| Percentage of Owners Salary | 0.00% | \$0.00 | \$0.00 | \$0.00 | |
| Total Production Screen Printing | | | \$0.00 | \$0.00 | |
| | | | | | |
| | | | | | |
| Total Company Payroll | | \$400.00 | \$1,600.00 | \$480.00 | |
| Company Owners Salary | | \$ 400.00 | \$ 1,600.00 | \$ 480.00 | |

Expense Spreadsheet Totals

Add the expenses from the Expense Spreadsheet inside of your Year-End Workbook. That workbook is newer than this expense spreadsheet. I am going to take the average monthly expense and add it to the Cost Analysis-Total Company Spreadsheet. I will be using the Monthly averages.

| Month Totals | Expense Receipt Amount | Loan Lease Payment | Purchase | Payroll | Payroll Taxes | Insurance | Accounting Legal Expense | Rent | Utilities | Telephone | Internet | Embroid Supplies | DTG Supplies | Screen Printing Supplies | Signs & Banners Supplies | Promo Supplies | Coaching Training Education | Website Expense | Office Supplies | Bank Expense | Incoming Freight | Bldg Repair Maint | Machine Repair Maintenance | Advertising | Automobile | Travel/Entertain Trade Shows Seminars | Miscell | Total |
|---|------------------------|--------------------|----------|---------|---------------|-----------|--------------------------|------|-----------|-----------|----------|------------------|--------------|--------------------------|--------------------------|----------------|-----------------------------|-----------------|-----------------|--------------|------------------|-------------------|----------------------------|-------------|------------|---------------------------------------|---------|---------|
| January | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| February | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| March | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| April | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| May | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| June | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| July | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| August | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| September | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| October | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| November | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| December | 4461.9 | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |
| | 53542.8 | 4548 | 0 | 19200 | 5760 | 1140 | 1168 | 4800 | 1500 | 1020 | 300 | 3000 | 0 | 0 | 0 | 0 | 2399.4 | 348 | 600 | 2700 | 600 | 300 | 600 | 420 | 720 | 1499.4 | 300 | 53542.8 |
| Monthly Average for Cost Analysis Spreadsheet | | 379 | 0 | 1600 | 480 | 95 | 99 | 400 | 125 | 85 | 25 | 250 | 0 | 0 | 0 | 0 | 199.95 | 79 | 50 | 225 | 50 | 25 | 50 | 35 | 60 | 124.95 | 25 | 4461.9 |

You will use the Monthly average figure to add to the Cost Analysis Spreadsheet

If you have not worked for 12 months in your business you will need to highlight the cell in the first average column and change it to the number of months that you have worked in your business. This currently is set for 12 months. Just highlight the 12 and change it to the right number of months. Leave the rest of the formula alone. It will not work if that is changed. You will then copy and paste that formula across all of the rest of the yellow boxes.

| | A | B | C |
|----|---|------------------------|--------------------|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | Expense Receipt Amount | Loan Lease Payment |
| 5 | Month Totals | 4461.9 | 379 |
| 6 | January | 4461.9 | 379 |
| 7 | February | 4461.9 | 379 |
| 8 | March | 4461.9 | 379 |
| 9 | April | 4461.9 | 379 |
| 10 | May | 4461.9 | 379 |
| 11 | June | 4461.9 | 379 |
| 12 | July | 4461.9 | 379 |
| 13 | August | 4461.9 | 379 |
| 14 | September | 4461.9 | 379 |
| 15 | October | 4461.9 | 379 |
| 16 | November | 4461.9 | 379 |
| 17 | December | 4461.9 | 379 |
| 18 | | | |
| 19 | | 53542.8 | 4548 |
| 20 | | | |
| 21 | Monthly Average for Cost Analysis Spreadsheet | | 379 |

Cost Analysis-Total Business

You will take the figures from the Expense Spreadsheet and add them to the Cost Analysis-Total Business page where the Blue numbers are in the first column. You will see there are 3 black numbers at the top. Those numbers flow in automatically from the Equipment sheet, and the Payroll sheet. The numbers at the top of the Department or Service areas are the percentage of income that is coming in. That flows in automatically from the Income sheet.

| To keep it simple | | | | | | | | | | |
|--|-------------------|--------------------|--------------------|-------------------|--------------------|---------------|---------------|---------------|--|--|
| This percentage of the cost of each department will be the same as the percentage of the Sales | | | | | | | | | | |
| for that department unless there is additional equipment or supplies for that depart | | | | | | | | | | |
| | | | 67% | 0.166666667 | 0.166666667 | 0 | 0 | 0 | | |
| | | | 67% | 17% | 17% | 0% | 0% | 0% | | |
| CATEGORY | MONTHLY COST | YEARLY COST | Embroidery | Artwork | Transfers | DTG | Promo Prod | ScreenPrint | | |
| EQUIPMENT LOAN/LEASE | \$379.00 | \$4,548.00 | \$2,400.00 | \$600.00 | \$1,548.00 | \$0.00 | \$0.00 | \$0.00 | | |
| PAYROLL | \$ 1,600.00 | \$19,200.00 | \$12,800.00 | \$3,200.00 | \$3,200.00 | \$0.00 | \$0.00 | \$0.00 | | |
| PAYROLL TAXES | \$ 480.00 | \$5,760.00 | \$3,840.00 | \$960.00 | \$960.00 | \$0.00 | \$0.00 | \$0.00 | | |
| BUSINESS INSURANCE | \$95.00 | \$1,140.00 | \$760.00 | \$190.00 | \$190.00 | \$0.00 | \$0.00 | \$0.00 | | |
| ACCOUNTING/LEGAL | \$99.00 | \$1,188.00 | \$792.00 | \$198.00 | \$198.00 | \$0.00 | \$0.00 | \$0.00 | | |
| RENT | \$400.00 | \$4,800.00 | \$3,200.00 | \$800.00 | \$800.00 | \$0.00 | \$0.00 | \$0.00 | | |
| UTILITIES | \$125.00 | \$1,500.00 | \$1,000.00 | \$250.00 | \$250.00 | \$0.00 | \$0.00 | \$0.00 | | |
| TELEPHONE | \$85.00 | \$1,020.00 | \$680.00 | \$170.00 | \$170.00 | \$0.00 | \$0.00 | \$0.00 | | |
| INTERNET EXPENSE | \$25.00 | \$300.00 | \$200.00 | \$50.00 | \$50.00 | \$0.00 | \$0.00 | \$0.00 | | |
| MANUFACTURING SUPPLIES | \$250.00 | \$3,000.00 | \$2,000.00 | \$500.00 | \$500.00 | \$0.00 | \$0.00 | \$0.00 | | |
| OFFICE SUPPLIES | \$50.00 | \$600.00 | \$400.00 | \$100.00 | \$100.00 | \$0.00 | \$0.00 | \$0.00 | | |
| OFFICE EQUIPMENT | \$75.00 | \$900.00 | \$600.00 | \$150.00 | \$150.00 | \$0.00 | \$0.00 | \$0.00 | | |
| BANK EXPENSE/ CC FEES | \$225.00 | \$2,700.00 | \$1,800.00 | \$450.00 | \$450.00 | \$0.00 | \$0.00 | \$0.00 | | |
| FREIGHT | \$50.00 | \$600.00 | \$400.00 | \$100.00 | \$100.00 | \$0.00 | \$0.00 | \$0.00 | | |
| BLDG REPAIR & MAINTENANCE | \$50.00 | \$600.00 | \$400.00 | \$100.00 | \$100.00 | \$0.00 | \$0.00 | \$0.00 | | |
| MACHINE REPAIR & MAINTENANCE | \$50.00 | \$600.00 | \$400.00 | \$100.00 | \$100.00 | \$0.00 | \$0.00 | \$0.00 | | |
| ADVERTISING | \$35.00 | \$420.00 | \$280.00 | \$70.00 | \$70.00 | \$0.00 | \$0.00 | \$0.00 | | |
| MEMBERSHIP SITE EXPENSE | \$49.95 | \$599.40 | \$399.60 | \$99.90 | \$99.90 | \$0.00 | \$0.00 | \$0.00 | | |
| COACHING-EDUCATION | \$199.95 | \$2,399.40 | \$1,599.60 | \$399.90 | \$399.90 | \$0.00 | \$0.00 | \$0.00 | | |
| WEBSITE EXPENSE | \$79.00 | \$948.00 | \$632.00 | \$158.00 | \$158.00 | \$0.00 | \$0.00 | \$0.00 | | |
| AUTOMOBILE EXPENSE | \$60.00 | \$720.00 | \$480.00 | \$120.00 | \$120.00 | \$0.00 | \$0.00 | \$0.00 | | |
| TRAVEL/ENTERTAINM/TRADESHOW | \$124.95 | \$1,499.40 | \$999.60 | \$249.90 | \$249.90 | \$0.00 | \$0.00 | \$0.00 | | |
| MISCELLANEOUS | \$25.00 | \$300.00 | \$200.00 | \$50.00 | \$50.00 | \$0.00 | \$0.00 | \$0.00 | | |
| YEARLY TOTAL | \$4,611.85 | \$55,342.20 | \$36,262.80 | \$9,065.70 | \$10,013.70 | \$0.00 | \$0.00 | \$0.00 | | |

Cost Analysis-Embroidery

| Income from Last Month | | \$ 4,000.00 | | | | | | | |
|---|-------------------|-------------------|-----------------|-----------------|----------------|--------------------|------------|------------|------------|
| Percentage of Income from Total Company | | 67% | | 0.666666667 | | | | | |
| Total Expenses | Total Company | Embroidery | Embroidery | Embroidery | Embroidery | Embroidery | Embroidery | Embroidery | Embroidery |
| CATEGORY | Total Monthly C | Emb Monthly Cost | Weekly | Day | Hourly Cost | Annual Cost | | | |
| EQUIPMENT LOAN/LEASE | \$379.00 | \$200.00 | \$50.00 | \$10.00 | \$1.25 | \$2,400.00 | | | |
| PAYROLL | \$1,600.00 | \$1,066.67 | \$266.67 | \$53.33 | \$6.67 | \$12,800.00 | | | |
| PAYROLL TAXES | \$480.00 | \$320.00 | \$80.00 | \$16.00 | \$2.00 | \$3,840.00 | | | |
| BUSINESS INSURANCE | \$95.00 | \$63.33 | \$15.83 | \$3.17 | \$0.40 | \$760.00 | | | |
| ACCOUNTING/LEGAL | \$99.00 | \$66.00 | \$16.50 | \$3.30 | \$0.41 | \$792.00 | | | |
| RENT | \$400.00 | \$266.67 | \$66.67 | \$13.33 | \$1.67 | \$3,200.00 | | | |
| UTILITIES | \$125.00 | \$83.33 | \$20.83 | \$4.17 | \$0.52 | \$1,000.00 | | | |
| TELEPHONE | \$85.00 | \$56.67 | \$14.17 | \$2.83 | \$0.35 | \$680.00 | | | |
| INTERNET EXPENSE | \$25.00 | \$16.67 | \$4.17 | \$0.83 | \$0.10 | \$200.00 | | | |
| MANUFACTURING SUPPLIES | \$250.00 | \$166.67 | \$41.67 | \$8.33 | \$1.04 | \$2,000.00 | | | |
| OFFICE SUPPLIES | \$50.00 | \$33.33 | \$8.33 | \$1.67 | \$0.21 | \$400.00 | | | |
| OFFICE EQUIPMENT | \$75.00 | \$50.00 | \$12.50 | \$2.50 | \$0.31 | \$600.00 | | | |
| BANK EXPENSE/ CC FEES | \$225.00 | \$150.00 | \$37.50 | \$7.50 | \$0.94 | \$1,800.00 | | | |
| FREIGHT | \$50.00 | \$33.33 | \$8.33 | \$1.67 | \$0.21 | \$400.00 | | | |
| BLDG REPAIR & MAINTENANCE | \$50.00 | \$33.33 | \$8.33 | \$1.67 | \$0.21 | \$400.00 | | | |
| MACHINE REPAIR & MAINTENANCE | \$50.00 | \$33.33 | \$8.33 | \$1.67 | \$0.21 | \$400.00 | | | |
| ADVERTISING | \$35.00 | \$23.33 | \$5.83 | \$1.17 | \$0.15 | \$280.00 | | | |
| MEMBERSHIP SITE EXPENSE | \$49.95 | \$33.30 | \$8.33 | \$1.67 | \$0.21 | \$399.60 | | | |
| COACHING | \$199.95 | \$133.30 | \$33.33 | \$6.67 | \$0.83 | \$1,599.60 | | | |
| WEBSITE EXPENSE | \$79.00 | \$52.67 | \$13.17 | \$2.63 | \$0.33 | \$632.00 | | | |
| AUTOMOBILE EXPENSE | \$60.00 | \$40.00 | \$10.00 | \$2.00 | \$0.25 | \$480.00 | | | |
| TRAVEL/ENTERTAINMENT/TRADESHOWS | \$124.95 | \$83.30 | \$20.83 | \$4.17 | \$0.52 | \$999.60 | | | |
| MISCELLANEOUS | \$25.00 | \$16.67 | \$4.17 | \$0.83 | \$0.10 | \$200.00 | | | |
| Total Month | \$4,611.85 | \$3,021.90 | \$755.48 | \$151.10 | \$18.89 | \$36,262.80 | | | |
| Total Hourly Cost-Total Cost Analysis | | | | | \$21.59 | \$36,262.80 | | | |
| 50% Profit added - This is the minimum total you should be bringing in per hour. | | | | | | \$32.38 | | | |

Cost Analysis Artwork

| | | | | | | |
|--|------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Income from Last Month | | \$ 1,000.00 | | | | |
| Percentage of Income from Total Company | | 17% | 0.16666667 | | | |
| Total Expenses | Total Company | Artwork-Set Up | Artwork-Set Up | Artwork-Set Up | Artwork-Set Up | Artwork-Set Up |
| CATEGORY | Total Monthly C | Art Monthly Cost | Weekly | Day | Hourly Cost | Annual Cost |
| EQUIPMENT LOAN/LEASE | \$379.00 | \$50.00 | \$12.50 | \$2.50 | \$0.31 | \$600.00 |
| PAYROLL | \$1,600.00 | \$266.67 | \$66.67 | \$13.33 | \$1.67 | \$3,200.00 |
| PAYROLL TAXES | \$480.00 | \$80.00 | \$20.00 | \$4.00 | \$0.50 | \$960.00 |
| BUSINESS INSURANCE | \$95.00 | \$15.83 | \$3.96 | \$0.79 | \$0.10 | \$190.00 |
| ACCOUNTING/LEGAL | \$99.00 | \$16.50 | \$4.13 | \$0.83 | \$0.10 | \$198.00 |
| RENT | \$400.00 | \$66.67 | \$16.67 | \$3.33 | \$0.42 | \$800.00 |
| UTILITIES | \$125.00 | \$20.83 | \$5.21 | \$1.04 | \$0.13 | \$250.00 |
| TELEPHONE | \$85.00 | \$14.17 | \$3.54 | \$0.71 | \$0.09 | \$170.00 |
| INTERNET EXPENSE | \$25.00 | \$4.17 | \$1.04 | \$0.21 | \$0.03 | \$50.00 |
| MANUFACTURING SUPPLIES | \$250.00 | \$41.67 | \$10.42 | \$2.08 | \$0.26 | \$500.00 |
| OFFICE SUPPLIES | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| OFFICE EQUIPMENT | \$75.00 | \$12.50 | \$3.13 | \$0.63 | \$0.08 | \$150.00 |
| BANK EXPENSE/ CC FEES | \$225.00 | \$37.50 | \$9.38 | \$1.88 | \$0.23 | \$450.00 |
| FREIGHT | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| BLDG REPAIR & MAINTENANCE | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| MACHINE REPAIR & MAINTENANCE | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| ADVERTISING | \$35.00 | \$5.83 | \$1.46 | \$0.29 | \$0.04 | \$70.00 |
| MEMBERSHIP SITE EXPENSE | \$49.95 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$99.90 |
| COACHING | \$199.95 | \$33.33 | \$8.33 | \$1.67 | \$0.21 | \$399.90 |
| WEBSITE EXPENSE | \$79.00 | \$13.17 | \$3.29 | \$0.66 | \$0.08 | \$158.00 |
| AUTOMOBILE EXPENSE | \$60.00 | \$10.00 | \$2.50 | \$0.50 | \$0.06 | \$120.00 |
| TRAVEL/ENTERTAINMENT/TRADESHOWS | \$124.95 | \$20.83 | \$5.21 | \$1.04 | \$0.13 | \$249.90 |
| MISCELLANEOUS | \$25.00 | \$4.17 | \$1.04 | \$0.21 | \$0.03 | \$50.00 |
| Total Month | \$4,611.85 | \$755.48 | \$188.87 | \$37.77 | \$4.72 | \$9,065.70 |

Cost Analysis-Transfers

| | | | | | | |
|--|---------------------------|---------------------|------------------|------------------|--------------------|--------------------|
| Income from Last Month | | 1000 | | | | |
| Percentage of Income from Total Company | | 17% | 0.16666667 | | | |
| Total Expenses | Total Company | Transfers | Transfers | Transfers | Transfers | Transfers |
| CATEGORY | Total Monthly Cost | MONTHLY COST | Weekly | Day | Hourly Cost | Annual Cost |
| EQUIPMENT LOAN/LEASE | \$379.00 | \$129.00 | \$32.25 | \$6.45 | \$0.81 | \$1,548.00 |
| PAYROLL | \$1,600.00 | \$266.67 | \$66.67 | \$13.33 | \$1.67 | \$3,200.00 |
| PAYROLL TAXES | \$480.00 | \$80.00 | \$20.00 | \$4.00 | \$0.50 | \$960.00 |
| BUSINESS INSURANCE | \$95.00 | \$15.83 | \$3.96 | \$0.79 | \$0.10 | \$190.00 |
| ACCOUNTING/LEGAL | \$99.00 | \$16.50 | \$4.13 | \$0.83 | \$0.10 | \$198.00 |
| RENT | \$400.00 | \$66.67 | \$16.67 | \$3.33 | \$0.42 | \$800.00 |
| UTILITIES | \$125.00 | \$20.83 | \$5.21 | \$1.04 | \$0.13 | \$250.00 |
| TELEPHONE | \$85.00 | \$14.17 | \$3.54 | \$0.71 | \$0.09 | \$170.00 |
| INTERNET EXPENSE | \$25.00 | \$4.17 | \$1.04 | \$0.21 | \$0.03 | \$50.00 |
| MANUFACTURING SUPPLIES | \$250.00 | \$41.67 | \$10.42 | \$2.08 | \$0.26 | \$500.00 |
| OFFICE SUPPLIES | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| OFFICE EQUIPMENT | \$75.00 | \$12.50 | \$3.13 | \$0.63 | \$0.08 | \$150.00 |
| BANK EXPENSE/ CC FEES | \$225.00 | \$37.50 | \$9.38 | \$1.88 | \$0.23 | \$450.00 |
| FREIGHT | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| BLDG REPAIR & MAINTENANCE | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| MACHINE REPAIR & MAINTENANCE | \$50.00 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$100.00 |
| ADVERTISING | \$35.00 | \$5.83 | \$1.46 | \$0.29 | \$0.04 | \$70.00 |
| MEMBERSHIP SITE EXPENSE | \$49.95 | \$8.33 | \$2.08 | \$0.42 | \$0.05 | \$99.90 |
| COACHING | \$199.95 | \$33.33 | \$8.33 | \$1.67 | \$0.21 | \$399.90 |
| WEBSITE EXPENSE | \$79.00 | \$13.17 | \$3.29 | \$0.66 | \$0.08 | \$158.00 |
| AUTOMOBILE EXPENSE | \$60.00 | \$10.00 | \$2.50 | \$0.50 | \$0.06 | \$120.00 |
| TRAVEL/ENTERTAINMENT/TRADESHOWS | \$124.95 | \$20.83 | \$5.21 | \$1.04 | \$0.13 | \$249.90 |
| MISCELLANEOUS | \$25.00 | \$4.17 | \$1.04 | \$0.21 | \$0.03 | \$50.00 |
| Total Month | \$4,611.85 | \$834.48 | \$208.62 | \$41.72 | \$5.22 | \$10,013.70 |

Cost Analysis DTG-Promo Products-Screen Printing

| | | | | | | |
|--|---------------------------|---------------------|---------------|---------------|--------------------|--------------------|
| Income from Last Month | | 0 | | | | |
| Percentage of Income from Total Company | | 0% | 0 | | | |
| Total Expenses | Total Company | DTG | DTG | DTG | DTG | DTG |
| CATEGORY | Total Monthly Cost | MONTHLY COST | Weekly | Day | Hourly Cost | Annual Cost |
| EQUIPMENT LOAN/LEASE | \$379.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| PAYROLL | \$1,600.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| PAYROLL TAXES | \$480.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| BUSINESS INSURANCE | \$95.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| ACCOUNTING/LEGAL | \$99.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| RENT | \$400.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| UTILITIES | \$125.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| TELEPHONE | \$85.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| INTERNET EXPENSE | \$25.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| MANUFACTURING SUPPLIES | \$250.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| OFFICE SUPPLIES | \$50.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| OFFICE EQUIPMENT | \$75.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| BANK EXPENSE/ CC FEES | \$225.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| FREIGHT | \$50.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| BLDG REPAIR & MAINTENANCE | \$50.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| MACHINE REPAIR & MAINTENANCE | \$50.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| ADVERTISING | \$35.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| MEMBERSHIP SITE EXPENSE | \$49.95 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| COACHING | \$199.95 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| WEBSITE EXPENSE | \$79.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| AUTOMOBILE EXPENSE | \$60.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| TRAVEL/ENTERTAINMENT/TRADESHOWS | \$124.95 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| MISCELLANEOUS | \$25.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total Month | \$4,611.85 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

I did not add the last 2 sheets because they are also 0 totals because this is not part of the service of this one company.

You want to pay attention to your total business breakeven point when you are creating your price lists for your other services. You always want to add at least 50% to that breakeven for profit. If you can add more for your market, please do so! It is to your advantage.

Cost Per Hour, Minute, Second Spreadsheet

This gives you your breakeven point in hours, minutes and seconds. If you have more than one employee in the embroidery department, you will divide the cost by the number of employees only in that department. Where you see the number 1, you will replace that number with your embroidery production employees.

| | | | | | |
|--|----------------------|------------------|------------------------|---------------------|------------------------|
| This Break Even point is linked to Your Cost Analysis-Total Business Spread Sheet-Embroidery Column | | | | | |
| | Cost per Hour | | Cost per Minute | | Cost per Second |
| Break Even Point | \$21.59 | per hour | \$0.36 | per minute | \$ 0.006 per second |
| Number of Employees | 1 | \$21.59 per hour | \$0.36 per minute | \$ 0.006 per second | |
| In a business with employees, you would divide the Cost per Hour by the number of employees in the embroidery department of the business. | | | | | |

Production Form

This form is included in module 1, but inside of this Workbook it has a cost attached to it. This is so you can actually figure the costing of each of your jobs.

| Job Name | Job No. | Date Beginning | | | | | | | |
|-----------------|---|-------------------|------------------|------------------|----------------|--------------|---------------|---------|--------------------|
| Stitch Count | Location on Garment | Date Ending | | | | | | | |
| Type of garment | No. of Trims | Trim Time | | | 0.00 | | | | |
| How many heads? | No. Color Changes | Color Change Time | | | 0.00 | | | | |
| Machine Name | Machine Speed | 750 | Quantity | | 24.00 | | | | |
| Quan. | Production Step | Time started | Completed | Seconds | Minutes | Total hours | Cost | \$20.65 | Linked to Daily Cc |
| 1 | Receive and write up order from customer | | | | 17.00 | 0.28 | 5.85 | | |
| | Open box of goods/Count with packing slip | | | | | 0.00 | 0.00 | | |
| | Lay garments out for production in sizes | | | | | 0.00 | 0.00 | | |
| | Plan out production-hoops-machine-process | | | | | 0.00 | 0.00 | | |
| 1 | Hoop the garments | | | | 48.00 | 0.80 | 16.52 | | |
| | Hard to hoop item? How long? | | | | | 0.00 | 0.00 | | |
| | Set up machine for design & production run | | | | | 0.00 | 0.00 | | |
| | Load garment into the machine | | | | | 0.00 | 0.00 | | |
| 1 | Run Production-Actual running | | | | 320.00 | 5.33 | 110.14 | | |
| | Remove from machine | | | | | 0.00 | 0.00 | | |
| | Trim Garments | | | | 28.00 | 0.47 | 9.64 | | |
| | Remove backing | | | | | 0.00 | 0.00 | | |
| | Remove any stains or oil | | | | | 0.00 | 0.00 | | |
| | Steam | | | | 22.00 | 0.37 | 7.57 | | |
| | Place garments in size stacks | | | | | 0.00 | 0.00 | | |
| | Count garments | | | | | 0.00 | 0.00 | | |
| | Fill out packing slip | | | | | 0.00 | 0.00 | | |
| | Packed garments in box | | | | | 0.00 | 0.00 | | |
| | Weigh box/ prepare shipping label for shipping | | | | | 0.00 | 0.00 | | |
| | Staple all paperwork together for billing | | | | | 0.00 | 0.00 | | |
| | Design and Machine issues | Quantity | Sec. each | Total Sec | Minutes | Hours | | | |
| | How many Thread breaks | 4 | | 30 | 0.50 | 0.01 | 0.17 | | |
| | Break or change any needles? | | | 0 | 0.00 | 0.00 | 0.00 | | |
| | How many Trims in Design | | | 0 | 0.00 | 0.00 | 0.00 | | |
| | How many Color changes | | | 0 | 0.00 | 0.00 | 0.00 | | |
| | Total time spent on job | | | | | 7.26 | 149.90 | | |
| | How much actual time was the machine running? | | | | 320 | | | | |
| | Total Breakeven point cost for each embroidery | | | | | | 6.25 | | |
| | Was there any machine downtime for repairs? Explain | | | | | | | | |
| | Was there any other problems with this job? | | | | | | | | |

Timing each step of your production and all of your processes is very important. You need to spend a lot of time going over all of the processes that are included with each job. You really do not realize how much time is actually wasted during your job

There are a lot of steps and each one of these steps cost money. This is huge in your final pricing strategy.

Production Timings For Each Area

You will need to time many jobs so that you can come up with an average to add to this sheet. Until you have the chance to do that, you can just use the numbers that are there. These are an average of many jobs from several different embroiderers that I have worked with. You can be comfortable with these numbers for the present time.

| Step | Time | Cost per second | Total Cost |
|--|------------|-----------------|---------------|
| Take an order-Receiving Cost | 27 | \$ 0.006 | \$0.16 |
| Open a box-Receiving Cost | 6 | \$ 0.006 | \$0.04 |
| Lay out Garments-Receiving Cost | 10 | \$ 0.006 | \$0.06 |
| Extra Problem Issues time | 20 | \$ 0.006 | \$0.12 |
| Total Receiving Cost | 63 | \$ 0.006 | \$0.38 |
| Plan the Production-Prep Cost | 10 | \$ 0.006 | \$0.06 |
| Hoop-Prep Cost | 10 | \$ 0.006 | \$0.06 |
| Total Prep Cost | 20 | \$ 0.006 | \$0.12 |
| Clean up (trim-cut off backing-Steam-Pack) | 81 | \$ 0.006 | \$0.49 |
| Total Time & Cost in addition to embroidery stitch count charge | 164 | \$ 0.006 | \$0.98 |
| Seconds per garment at your cost per second must be added to Stitch Count Pricing | | | |
| The totals of these costs are linked to the Price Prep Sheet in their respective columns. | | | |

Now that concludes Module 2. Inside of Module 3 we are going to actually create our price lists.