



## How To Price Embroidery “Creating Your Price Lists!” Module 3

In Module 1, I showed you how to start timing all of your jobs, both the production and the artwork on **Production and Artwork Tracking and Timing Spread forms**. In Module 2, I talked about gathering all of the necessary information required for creating your **Pricing Structure**. I transferred all of the expenses from the **Expense Spread Sheet** to the **Cost Analysis Spread Sheet**. In this session I am going to take all of those figures and create an **Embroidery Price List**.

You are going to see how all of the work you have been doing with your **Production timing** is going to pay off. You will see how and why all of those figures and the timing of your production are so important. We are going to be incorporating those figures into a **Price List Prep Sheet** and this will really tell the story of what you should be charging for each embroidery. You will see how the extra charges are built-in as part of the final price. To me this is the exciting part! Once you have all of this done, it is done forever!

### Embroidery Supplies

You will notice, I do not have a column on the Price List Prep Sheet for supplies, but I want to talk about it here. Your supplies are part of your overhead, so it is figured into your cost per minute on the Price List Prep Sheet. The average cost of your supplies for each embroidery on a knit garment with the design being 8,000 stitches is about \$.42. This includes your backing, topping thread and bobbin. This may differ slightly between brands of products, but this is a good cost to start with.

**Thread** - About .08 cents for Polyester

**Bobbin** - About .04 cents for the Magna-glides.

**No Show Backing** - 2 layers @ 11 cents each for .22 cents

**Tearaway Backing** - 1 layer @ .03

**Topping** - 1 layer @ .05 cents

You use approximately 7 yards of top thread and 4 yards of bobbin thread per 1000 stitches. The actual amount of thread that you use also depends on how tight your tension is running. A tighter tension will yield more logos per cone of thread and bobbin.

Your embroidery supplies per embroidery are small, but you want to keep this in mind if you wanted to add an additional charge for supplies, that is up to you. I do not do that. I have enough cushion built into my price list that it is not necessary.

### 3 Price Lists Created Inside Of The Pricing Workbook

I am going to go over the Price List Prep Sheet and show you exactly how it works and how it automatically creates your price lists for you. I have 3 Price lists created for you inside of the Pricing Structure Workbook.

You have at least 3 different types of customers or price lists and you need to be prepared for each one of them at all times.

- **Wholesale or Dealer** - This is the customer that purchases your services and resells them. They usually bring in their own products and you add your embroidery for a lower price.
- **Corporate Customer**-This is the customer that purchases products and services from you in one package.
- **Retail Customer** - This is the person that brings in their products and wants you to add your embroidery to them.

Most small embroiderers or small business owners of decoration apparel shops cannot afford to work on a wholesale or dealer level. You cannot make enough money and I do not advise anyone to do this when they are first starting out. You have to have many multi-head machines in order to make this work for you profitably. You have to at least have a good mix of wholesale and corporate customers to make this work.

The bulk of your sales should be from your **Corporate** customers. You are making money on the garment and the decoration. This could be one item or thousands of items. You will create your price list to cover each quantity of items as well as the decoration option. When I speak of Corporate customers,

it does not have to be small business or corporations. This can be any type of item that you sell and add the embroidery to it. I will talk more about this in Module 4.

Your **Corporate** sales are the ones that you need to concentrate on the most. This is where you need to put your efforts into for your marketing and trying to build up your customer list.

When you have **Retail** customers, you will need to charge more for your services because you are not making any money on the garments. They are bringing in their own garments and you have to make up a little bit for this. This can be a one-person sale, a club or organization, a school or even a small business that purchased their items from some other store like Target or Kohls and wants you to add the embroidery to it. You must charge more in order to be able to make any money on the job.

## Price List Prep Sheet

Quan	No. Heads	Stitch Count	Numb. Runs	Total Runs	Machine Speed	Run time Each	Set up Time	Total Job Minutes	Total job Hours	Cost per Minute	Emboid Cost ea	Clean upCost	Rec. Cost	Prep Cost	Applique Pieces per item	Applique Cost	Final Cost per Embroidery	Wholesale Profit Percent	Corporate Profit Percent	Retail Price Profit Percent	Wholesale Selling Price	Corporate Selling Price	Retail Selling Price
1	1	5000	1.00	1.00	750.00	6.67	10	18.92	0.32	0.36	\$ 6.81	\$0.49	\$0.38	0.12	0	\$ 7.79	125%	150%	175%	\$9.74	\$ 11.68	\$ 13.63	
2	1	5000	2.00	2.00	750.00	6.67	10	27.83	0.46	0.36	\$ 5.01	\$0.49	\$0.38	0.12	0	\$ 5.99	125%	150%	175%	\$7.49	\$ 8.98	\$ 10.48	
6	1	5000	6.00	6.00	750.00	6.67	10	63.50	1.06	0.36	\$ 3.81	\$0.49	\$0.38	0.12	0	\$ 4.79	125%	150%	175%	\$5.99	\$ 7.19	\$ 8.38	
12	1	5000	12.00	12.00	750.00	6.67	10	117.00	1.95	0.36	\$ 3.51	\$0.49	\$0.38	0.12	0	\$ 4.49	125%	150%	175%	\$5.61	\$ 6.74	\$ 7.86	
24	1	5000	24.00	24.00	750.00	6.67	10	224.00	3.73	0.36	\$ 3.36	\$0.49	\$0.38	0.12	0	\$ 4.34	125%	150%	175%	\$5.43	\$ 6.51	\$ 7.60	
48	1	5000	48.00	48.00	750.00	6.67	10	438.00	7.30	0.36	\$ 3.28	\$0.49	\$0.38	0.12	0	\$ 4.27	125%	150%	175%	\$5.33	\$ 6.40	\$ 7.47	
72	1	5000	72.00	72.00	750.00	6.67	10	652.00	10.87	0.36	\$ 3.26	\$0.49	\$0.38	0.12	0	\$ 4.24	125%	150%	175%	\$5.30	\$ 6.36	\$ 7.42	
144	1	5000	144.00	144.00	750.00	6.67	10	1,294.00	21.57	0.36	\$ 3.23	\$0.49	\$0.38	0.12	0	\$ 4.22	125%	150%	175%	\$5.27	\$ 6.32	\$ 7.38	
288	1	5000	288.00	288.00	750.00	6.67	10	2,578.00	42.97	0.36	\$ 3.22	\$0.49	\$0.38	0.12	0	\$ 4.20	125%	150%	175%	\$5.25	\$ 6.31	\$ 7.36	
1	1	6500	1.00	1.00	750.00	8.67	10	20.92	0.35	0.36	\$ 7.52	\$0.49	\$0.38	0.12	0	\$ 8.51	125%	150%	175%	\$10.64	\$ 12.76	\$ 14.89	
2	1	6500	2.00	2.00	750.00	8.67	10	31.83	0.53	0.36	\$ 5.73	\$0.49	\$0.38	0.12	0	\$ 6.71	125%	150%	175%	\$8.39	\$ 10.06	\$ 11.74	
6	1	6500	6.00	6.00	750.00	8.67	10	75.50	1.26	0.36	\$ 4.53	\$0.49	\$0.38	0.12	0	\$ 5.51	125%	150%	175%	\$6.89	\$ 8.27	\$ 9.64	
12	1	6500	12.00	12.00	750.00	8.67	10	141.00	2.35	0.36	\$ 4.23	\$0.49	\$0.38	0.12	0	\$ 5.21	125%	150%	175%	\$6.51	\$ 7.82	\$ 9.12	
24	1	6500	24.00	24.00	750.00	8.67	10	272.00	4.53	0.36	\$ 4.08	\$0.49	\$0.38	0.12	0	\$ 5.06	125%	150%	175%	\$6.33	\$ 7.59	\$ 8.86	
48	1	6500	48.00	48.00	750.00	8.67	10	534.00	8.90	0.36	\$ 4.00	\$0.49	\$0.38	0.12	0	\$ 4.99	125%	150%	175%	\$6.23	\$ 7.48	\$ 8.72	
72	1	6500	72.00	72.00	750.00	8.67	10	796.00	13.27	0.36	\$ 3.98	\$0.49	\$0.38	0.12	0	\$ 4.96	125%	150%	175%	\$6.20	\$ 7.44	\$ 8.68	
144	1	6500	144.00	144.00	750.00	8.67	10	1,582.00	26.37	0.36	\$ 3.95	\$0.49	\$0.38	0.12	0	\$ 4.94	125%	150%	175%	\$6.17	\$ 7.40	\$ 8.64	
288	1	6500	288.00	288.00	750.00	8.67	10	3,154.00	52.57	0.36	\$ 3.94	\$0.49	\$0.38	0.12	0	\$ 4.92	125%	150%	175%	\$6.15	\$ 7.38	\$ 8.62	
1	1	8000	1.00	1.00	750.00	10.67	10	22.92	0.38	0.36	\$ 8.24	\$0.49	\$0.38	0.12	0	\$ 9.23	125%	150%	175%	\$11.53	\$ 13.84	\$ 16.15	
2	1	8000	2.00	2.00	750.00	10.67	10	35.83	0.60	0.36	\$ 6.45	\$0.49	\$0.38	0.12	0	\$ 7.43	125%	150%	175%	\$9.29	\$ 11.14	\$ 13.00	
6	1	8000	6.00	6.00	750.00	10.67	10	87.50	1.46	0.36	\$ 5.25	\$0.49	\$0.38	0.12	0	\$ 6.23	125%	150%	175%	\$7.79	\$ 9.34	\$ 10.90	
12	1	8000	12.00	12.00	750.00	10.67	10	165.00	2.75	0.36	\$ 4.95	\$0.49	\$0.38	0.12	0	\$ 5.93	125%	150%	175%	\$7.41	\$ 8.89	\$ 10.38	
24	1	8000	24.00	24.00	750.00	10.67	10	320.00	5.33	0.36	\$ 4.80	\$0.49	\$0.38	0.12	0	\$ 5.78	125%	150%	175%	\$7.22	\$ 8.67	\$ 10.11	
48	1	8000	48.00	48.00	750.00	10.67	10	630.00	10.50	0.36	\$ 4.72	\$0.49	\$0.38	0.12	0	\$ 5.71	125%	150%	175%	\$7.13	\$ 8.56	\$ 9.98	
72	1	8000	72.00	72.00	750.00	10.67	10	940.00	15.67	0.36	\$ 4.70	\$0.49	\$0.38	0.12	0	\$ 5.68	125%	150%	175%	\$7.10	\$ 8.52	\$ 9.94	
144	1	8000	144.00	144.00	750.00	10.67	10	1,870.00	31.17	0.36	\$ 4.67	\$0.49	\$0.38	0.12	0	\$ 5.66	125%	150%	175%	\$7.07	\$ 8.48	\$ 9.90	
288	1	8000	288.00	288.00	750.00	10.67	10	3,730.00	62.17	0.36	\$ 4.66	\$0.49	\$0.38	0.12	0	\$ 5.64	125%	150%	175%	\$7.05	\$ 8.46	\$ 9.87	
1	1	10000	1.00	1.00	750.00	13.33	10	25.58	0.43	0.36	\$ 9.20	\$0.49	\$0.38	0.12	0	\$ 10.19	125%	150%	175%	\$12.73	\$ 15.28	\$ 17.83	
2	1	10000	2.00	2.00	750.00	13.33	10	41.17	0.69	0.36	\$ 7.40	\$0.49	\$0.38	0.12	0	\$ 8.39	125%	150%	175%	\$10.49	\$ 12.58	\$ 14.68	
6	1	10000	6.00	6.00	750.00	13.33	10	103.50	1.73	0.36	\$ 6.21	\$0.49	\$0.38	0.12	0	\$ 7.19	125%	150%	175%	\$8.99	\$ 10.78	\$ 12.58	
12	1	10000	12.00	12.00	750.00	13.33	10	197.00	3.28	0.36	\$ 5.91	\$0.49	\$0.38	0.12	0	\$ 6.89	125%	150%	175%	\$8.61	\$ 10.33	\$ 12.06	
24	1	10000	24.00	24.00	750.00	13.33	10	384.00	6.40	0.36	\$ 5.76	\$0.49	\$0.38	0.12	0	\$ 6.74	125%	150%	175%	\$8.42	\$ 10.11	\$ 11.79	

## Applique Costs

I have 2 columns inserted just in case you need to figure a job that has applique on it. You can create a separate set of price lists with applique if you would like to. If you are a person that does a lot of applique, it might be worth your while to do that. You just put in the amount of applique pieces in

the Applique Pieces column for each garment and it will figure your total cost for you. This is a simple way to figure the extra cost for the applique application. You will need to add the actual price of your applique pieces that you purchase from the company that cuts your applique for you.

If you cut your own, you will need to add in that extra labor plus the cost of the fabric. To figure the extra labor just time out some jobs where you are cutting the applique pieces and see how long it is taking you. Remember what your breakeven cost is per hour and minute. Multiply this extra labor by your breakeven minutes cost. This will give you the labor cost. Add in the cost of the fabric and you will have the total cost for the applique. Don't forget to add a markup to your labor for a profit on this part of the job as well.

## Figuring Your Profit Markup

I have a markup of 25% on the Wholesale Price list, a 50% markup on the Corporate Price List and a 75% markup on the Retail Price List on the Price List Prep Sheet. I would try and use a 100% markup on the retail if possible and do not drop your markup on the wholesale below 20%. It is not going to be beneficial to you to be embroidering for less than that. You are going to have to be very careful when you are creating your markups. If you are in doubt, just use mine.

When you decide what percentage you want as a profit point or markup, you must change that figure to reflect the **Profit Percentage dollar amount** that you want to use.

With this sheet you have the total cost of each embroidery in each stitch count category. You can use this sheet to see where you can increase or decrease your profit percentage depending on the type of customer or even if you are bidding on a job. You will be able to see at a glance if you are going to be able to make any money on a job. This will be an invaluable tool for you when it is all completed.

This is a great tool to use when someone is complaining about your pricing. You can look to see if you can decrease your price and still make any money. You will have your ***Total Cost per embroidery***. When you look at your prices you can then decide if you want to increase that percentage of profit or

decrease it. It all depends on your market and how much money you want to make.

On the Price List Prep Sheet I have the 3 different Price Lists for you to work with. You can change the percentage to whatever you want. When you do change it, it will update the last 3 columns which are your actual selling prices.

## Percentage To Markup Chart

Profit Point/Desired Markup Percentage	Number to add to the Profit Percentage Column on Price List Prep
100%	200%
95%	195%
90%	190%
85%	185%
80%	180%
75%	175%
70%	170%
65%	165%
60%	160%
55%	155%
50%	150%
45%	145%
40%	140%
35%	135%
30%	130%
25%	125%
20%	120%

Stitch Count	1 Piece	2-5	6-11	12-23	24-47	48-71	72-143	144-287	288 & up
EMBW-5000	\$9.74	\$7.49	\$5.99	\$5.61	\$5.43	\$5.33	\$5.30	\$5.27	\$5.25
EMBW-6500	\$10.64	\$8.39	\$6.89	\$6.51	\$6.33	\$6.23	\$6.20	\$6.17	\$6.15
EMBW-8000	\$11.53	\$9.29	\$7.79	\$7.41	\$7.22	\$7.13	\$7.10	\$7.07	\$7.05
EMBW-10000	\$12.73	\$10.49	\$8.99	\$8.61	\$8.42	\$8.33	\$8.30	\$8.27	\$8.25
EMBW-12000	\$13.93	\$11.68	\$10.19	\$9.81	\$9.62	\$9.53	\$9.50	\$9.47	\$9.45
EMBW-14000	\$15.13	\$12.88	\$11.38	\$11.01	\$10.82	\$10.73	\$10.70	\$10.67	\$10.65
EMBW-16000	\$16.33	\$14.08	\$12.58	\$12.21	\$12.02	\$11.93	\$11.90	\$11.87	\$11.85
EMBW-18000	\$17.53	\$15.28	\$13.78	\$13.41	\$13.22	\$13.13	\$13.10	\$13.06	\$13.05
EMBW-20000	\$18.73	\$16.48	\$14.98	\$14.61	\$14.42	\$14.33	\$14.30	\$14.26	\$14.25
EMBW-22000	\$19.93	\$17.68	\$16.18	\$15.81	\$15.62	\$15.53	\$15.49	\$15.46	\$15.45
EMBW-24000	\$21.13	\$18.88	\$17.38	\$17.01	\$16.82	\$16.72	\$16.69	\$16.66	\$16.65
EMBW-26000	\$22.33	\$20.08	\$18.58	\$18.20	\$18.02	\$17.92	\$17.89	\$17.86	\$17.85
EMBW-28000	\$23.53	\$21.28	\$19.78	\$19.40	\$19.22	\$19.12	\$19.09	\$19.06	\$19.04
EMBW-30000	\$24.73	\$22.48	\$20.98	\$20.60	\$20.42	\$20.32	\$20.29	\$20.26	\$20.24
EMBW-32000	\$25.92	\$23.68	\$22.18	\$21.80	\$21.61	\$21.52	\$21.49	\$21.46	\$21.44
EMBW-35000	\$27.72	\$25.47	\$23.98	\$23.60	\$23.41	\$23.32	\$23.29	\$23.26	\$23.24
EMBW-40000	\$30.72	\$28.47	\$26.97	\$26.60	\$26.41	\$26.32	\$26.29	\$26.26	\$26.24
EMBW-45000	\$33.72	\$31.47	\$29.97	\$29.60	\$29.41	\$29.32	\$29.28	\$29.25	\$29.24
EMBW-50000	\$36.72	\$34.47	\$32.97	\$32.59	\$32.41	\$32.31	\$32.28	\$32.25	\$32.24
EMBW-60000	\$42.71	\$40.46	\$38.97	\$38.59	\$38.40	\$38.31	\$38.28	\$38.25	\$38.23
EMBW-70000	\$48.71	\$46.46	\$44.96	\$44.59	\$44.40	\$44.31	\$44.27	\$44.24	\$44.23
EMBW-80000	\$54.70	\$52.46	\$50.96	\$50.58	\$50.39	\$50.30	\$50.27	\$50.24	\$50.22

## Wholesale Price List

## Creating Other Price Lists

If you do not do any Dealer or Wholesale work, you can change the percentage on that price list and create another one from it. It could be Clubs & Organizations or even Schools. It can be whatever you want it to be to cover all of your pricing situations. All you have to do is change the percentage on the markup and it will automatically change the pricing on the Price List. Then you will change the title on the Price List to reflect the change.

These sheets are all linked together so you want to make sure that you keep them linked together so that all of your figures will flow from one to another and then you will automatically have your prices figured for you as you make changes.

## The Process of Creating The Price Lists

To create the price lists, you will be using your Price List Prep Sheet. I explain each column to you in the video and how they work. It is very important for you to understand this entire process. The figures on the Price List Prep Sheet flow in from the Cost per Hour, Minutes, Seconds spreadsheet and from the Production Timings spreadsheet.

You will need to change the number of embroidery machine heads that you have and the machine speed that you run on an average. The other numbers from the Prep column over to the left are all set. You do not touch any of them except the blue numbers. All of the other columns have formulas in them and if you make any changes to them, it will prevent the workbook from updating as it should when you make changes.

The way that I have it set up for you, your price lists are already created. You do not even have to create your price lists. Just scroll over to the Wholesale Price List tab, the Corporate Price List tab and the Retail Price List tab. You will see the Price Lists that are already created.

All of your prices on the Price Lists are linked to the **Price List Prep Sheet**. As you update any of your information on the **Price List Prep Sheet** or the **Cost Analysis Spread Sheet**, the prices will automatically be updated. If you decide that you want to change your percentage point or markup, then all that you have to do is change the number in the ***Profit Percentage*** column on your **Price List Prep Sheet**. If you change any information in your **Cost Analysis Spread Sheet** your ***Cost Column*** will automatically update on your

**Price List Prep Sheet.** This **Price List Prep Sheet** is going to be a very valuable tool for you.

On the **Price List Prep Sheet** and the **Embroidery Price List** I have quantities of up to 288 pieces and 150,000 stitches. You can increase these quantities at any time. You can even quickly add a quantity in to see if your pricing is right on a higher quantity than the 288 pieces. I do this regularly when larger quantities come in just to see if my pricing is still where I want it to be.

Every few months you can re-evaluate where you are and make the appropriate changes without having to do much work. It will take you a lot of time in the beginning to get this all done, but once it is done, it is done. You only have to do it once. You will have the pricing structure that will work for you in every situation.

Thank you for watching Module 3. In Module 4 I am going to show you how to create package pricing with a combination of your product and embroidery together as a single price.