SMALL BUSINESS

Product Pricing Template

Costs per item	
Raw materials per item	£ 0.00
Transportation	£ 0.00
Packaging	£ 0.00
Labour	£ 0.00
Other	£ 0.00
Total cost	**£ 0.00**

Plus	
Required margin	0.00 %
VAT rate (if any)	20.00 %

Results: Selling price

Excluding VAT	Including VAT
£ 0.00	**£ 0.00**

Reset form

SMALL BUSINESS

Product Pricing Template

Your Product Pricing Template can help you calculate how much you should sell your offerings for, in order to make the margin you want. You'll be able to add in all your costs, plus whatever sales taxes you need to pay in your area.

1 Enter your cost of raw materials

Begin by entering the unit cost of your raw materials.

For example, if you own a picture framing business, your raw materials will predominantly be the parts of the frame. You'll want to make use of this calculator for each product type or size that you sell, as each will come to different suggested selling prices.

2 Enter your transportation costs

Now enter any transport costs associated with creating your product.

Using our above example, your raw materials may have to be delivered from out of town, meaning there will be some transport costs involved.

3 Enter your packaging costs

If your customers visit your store to buy your goods, you may not have any packaging costs and can leave this box blank.

4 Enter your labour costs

Your labour costs will vary between different types of products, so it's important to calculate them only for the product you're plugging into the template.

5 Enter any other costs

- **Storage costs** – For the average time your raw materials are stored somewhere.
- **Rent** – You might have to look at adding a small portion of this cost to every product you sell.
- **Marketing** – Averaging out the cost of your advertising for each item sold.

6 Add your required margin

The next important step is to enter the required margin you want to make on this particular product to ensure it's worth your while. You might have a percentage of your total costs in mind that you want to add as a margin.

7 Evaluate your results

Once you've added in all figures, you can analyze the results at the bottom. There are two results to check:

- Your sell price excluding VAT.
- Your sell price including VAT

If this price is what your customers would be prepared to pay and is in line with some of your competitors' prices, you may have found your product price. If not, review the template and adjust.

Note. This is a guide only and should neither replace competent advice, nor be taken or relied upon as financial or professional advice. Seek professional advice before making any decision that could affect your business.