

Break-even calculator

Our break-even calculator is a simple tool you can use to work out how much you need to sell in order to achieve your desired financial return.

Required return

Enter your desired annual financial return

Enter your expenses

The gross margin required is

Work out your margin

Enter the cost of labor to produce each good/service

Enter the cost of materials to produce each good/service

The total cost to produce each good/service

Enter the sale price of each good/service

The total cost to produce each good/service

The gross margin required is

Results – sales required

Enter the number of weeks you can work each year

Number of units that need to be sold to reach target:

Total value of sales needed:

This equates to sales per week

Instructions

1. Enter your desired financial return. Note that this figure is for the entire year. For example, if you want to bring in \$250,000 after expenses, enter \$250,000 in this field.
2. Enter the cost of your expenses (overheads) for the year. This includes your fixed costs such as rent, internet access, utilities, equipment leases, and non-production payroll. At this point, the break-even calculator will display the gross margin required.
3. Enter your costs for both labor and materials. Pay attention to the calculations the tool makes at this point. Consider:
 - › How your costs and gross margin per unit relate to your pricing.
 - › Whether your margin is too small or too much.Before adjusting these, first establish your baseline using your existing prices and costs.
4. Enter your current, or best guess, sale price per unit.
5. Enter the number of weeks per year you intend to work. If you regularly shut down for two weeks in July and another two weeks in December, you would enter 48 weeks here. Factor in any holidays as well.
6. Analyse the figures in the 'Results' section. Here you'll see the total sales you'll need make in order to reach your desired financial return.
7. Make appropriate changes to any of the input boxes if you feel you need to.
8. Now that you have your baseline, print out your results. You'll likely want to refer back to these figures as you experiment with different scenarios.

Your web address and contact details

Your standard disclaimer