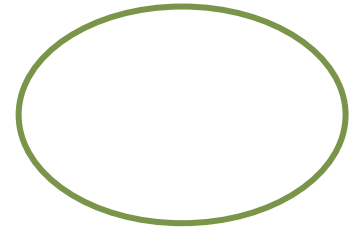


## PRICING EXERCISE

Consider the four pricing factors in the context of what you are selling.

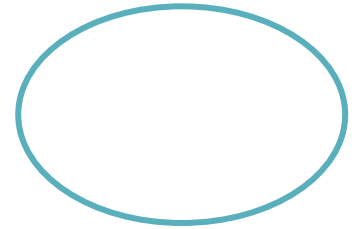
### WHAT:



### COSTS:

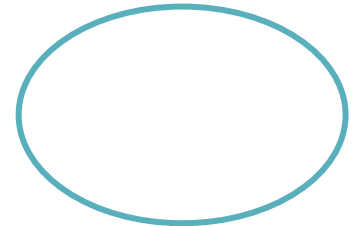
Estimate each of these (including reinvestment), then divided by 0.70 to estimate taxes.

Direct Costs	Indirect Costs	Owner's Compensation
Total: \$	Total: \$	Total: \$



### CUSTOMER PERSPECTIVE:

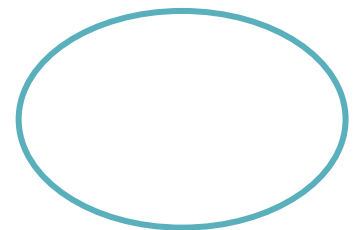
What is my customer willing and able to pay?



### COMPETITOR PERSPECTIVE:

What are others charging for similar work?

Competitor #1			Competitor #2			Competitor #3		
Higher	Same	Lower	Higher	Same	Lower	Higher	Same	Lower



### COMPETENCIES:

What adds value to the work?

## PRICING FOR PROFIT

Here's the link to the live version: <https://bit.ly/4gLZOj8>

<b>Goods</b>		#	\$	<i>Planning Percentages</i>	
<b>Sales Income</b>				<b>\$100</b>	100.0%
<i>Item A</i>		4	\$25	\$100	
<i>Item B</i>		0	\$0	\$0	
<b>Business Expenses</b>			\$	<b>\$75</b>	75.0%
Studio rent			\$12		
Supplies & materials			\$48		
Utilities			\$15		
Research			\$0		
Website			\$0		
Professional development			\$0		
Subscriptions			\$0		
Equipment			\$0		
Travel			\$0		
Mileage			\$0		
Lodging			\$0		
Meals			\$0		
<i>Other</i>			\$0		
<i>Other</i>			\$0		
<i>Other</i>			\$0		
<b>Net Income</b>				<b>\$25</b>	
<b>Tax Estimates</b>		%	\$	<b>\$8</b>	7.6%
Self-employment tax		15.3%	\$3.83		
Federal income		12.0%	\$3.00		
State income		3.0%	\$0.75		
<b>Net After-Tax Income</b>				<b>\$17</b>	
Leave in Business		20.0%	\$3	\$3	3.5%
Distribute to Owner		80.0%	\$14	\$14	13.9%