Break-Even & Cost Worksheet

A simple way to know how many sales or hours it actually takes to cover costs before you're profitable.

Fixed Costs (Monthly, Don't Change With Volume)

ITEM	MONTHLY COST
Rent / lease	
Salaries (non-commission)	
Insurance	
Software / subscriptions	
Loan payments	
Total Fixed Costs	

Variable Costs (Change With Each Sale Or Job)

ITEM	COST PER UNIT / JOB
Materials	
Direct labor	
Commission	
Shipping / delivery	
Total Variable Cost Per Unit	

The Math

Price per unit or job, minus variable cost per unit, equals contribution margin per unit. Total fixed costs divided by contribution margin equals units needed to break even.

Questions To Work Through

1. Is your break-even number realistic given your actual sales volume?
2. What happens to break-even if a fixed cost increases?
3. What's the fastest lever to pull if you need to lower the break-even point: cut costs, raise price, or increase volume?