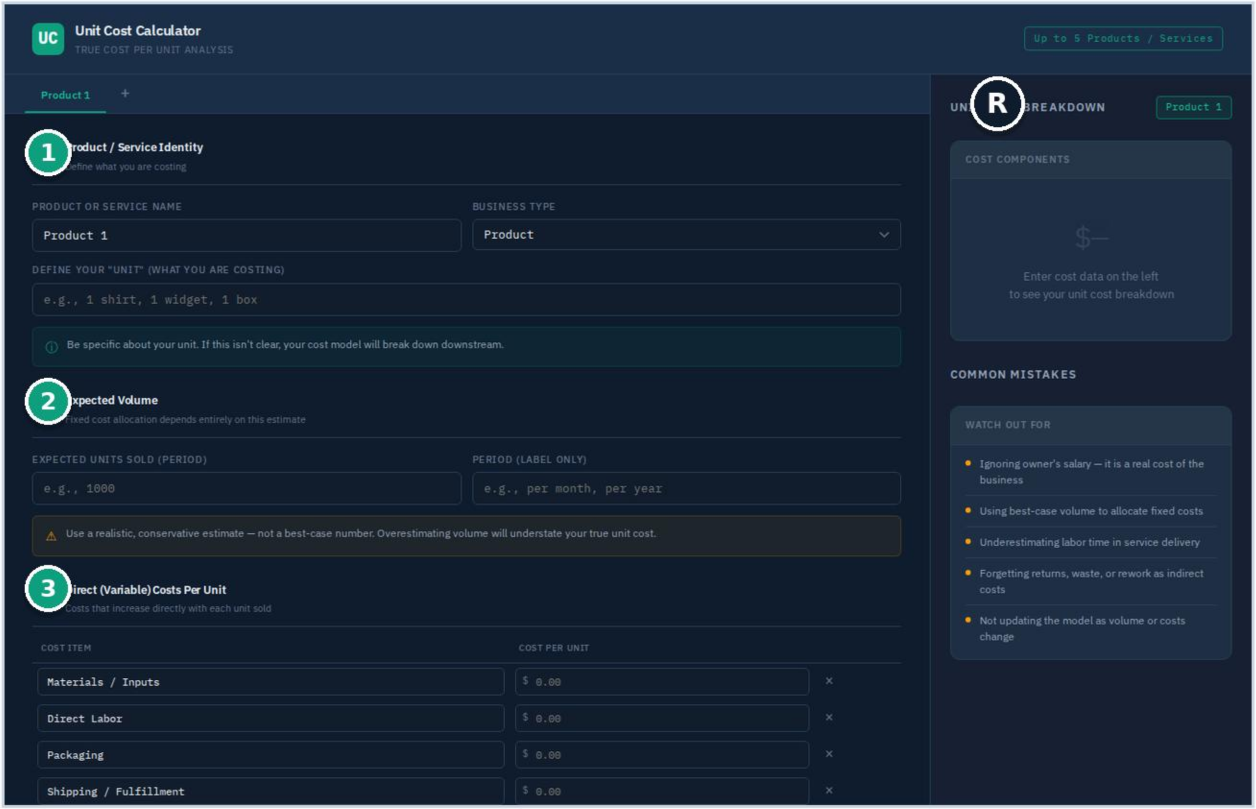
The six-section flow

Work through sections 01 to 06 in order. The right panel updates live as you type.



Sections 04, 05, and 06 are below the fold — scroll to reach them.

What each section is for

1 Identity
Name your product. Define exactly what one "unit" is.

2 Volume
Conservative monthly or annual unit volume.

3 Direct Costs
Per-unit costs traceable to one unit.

4 Indirect Variable
Period total for variable costs not tied to one unit.

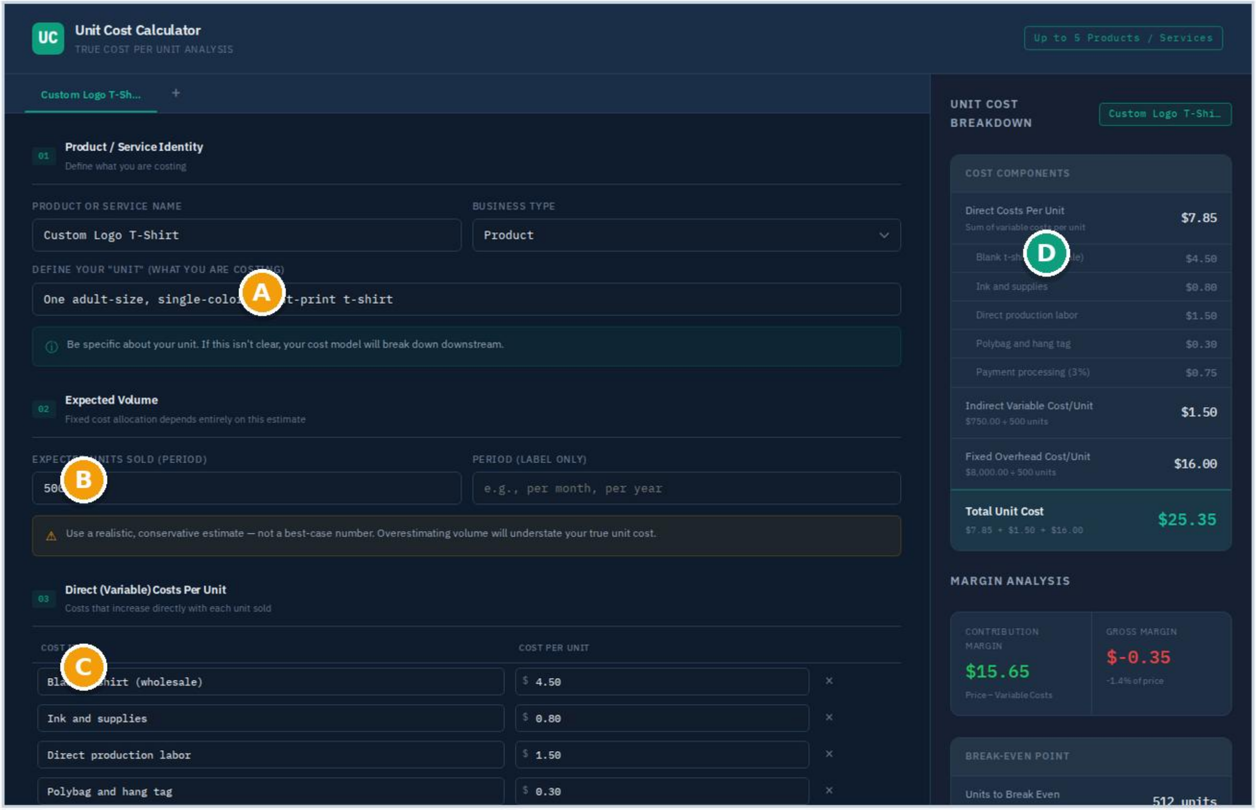
5 Fixed Overhead
Period total for rent, salaries, software, owner's pay.

6 Selling Price
Optional — unlocks margin and break-even analysis.

R Results Panel
Live unit cost, margins, break-even, sensitivity.

Inputs in action

Same form, filled in: 500 t-shirts/month, $25 selling price.



What changed when we filled it in

A Unit defined precisely

"One adult-size, single-color, front-print t-shirt" — not just "t-shirts."

B Volume = 500

Conservative figure based on past 6 months (range was 420 to 640).

C Five direct cost lines

Shirt, ink, labor, packaging, payment processing — totaling $7.85.

D Right panel updates live

$7.85 + $1.50 + $16.00 = $25.35 total. Indirect and fixed convert to per-unit only after Volume is set.

Tip — try several scenarios

Once filled in, change one input at a time and watch the right panel respond. Try different volumes, prices, or fixed cost levels. Each what-if takes seconds.

Reading the results

All four output blocks: cost components, margins, break-even, and sensitivity.

Five things to read off the panel

1 Total Unit Cost = $25.35

Direct $7.85 + Indirect $1.50 + Fixed $16.00. The price floor.

2 Contribution Margin = $15.65

Price minus variable costs. Each shirt sold contributes $15.65 toward fixed costs and profit.

3 Gross Margin = -$0.35

Price minus TOTAL cost. Negative means fixed costs aren't being covered at this volume.

4 Break-Even = 512 units

Fixed costs ÷ contribution margin. We need 12 more shirts/month than forecast just to cover overhead.

5 Volume sensitivity table

Shows total unit cost at 25% to 300% of forecast volume. Sell 750/month and unit cost drops to $19.52.

The owner's three levers

- Raise price (each $1 up = $1 more contribution margin)
- Sell more units (spreads $8,000 fixed cost wider)
- Cut fixed costs (lowers the break-even bar)

Re-run the calculator with each lever moved to compare impact.