UNIT COST CALCULATOR

Pre-Flight Worksheet

Date: ________________

Prepared by: ________________________

Fill this out before opening the calculator. Bring your last 3-12 months of P&L, payroll, vendor invoices, and rent / subscription bills.

01 Product or Service Identity

Define what you are costing

PRODUCT / SERVICE NAME

TYPE (product / service / subscription)

ANALYSIS PERIOD (per month / per year)

DEFINE YOUR "UNIT" (e.g., one adult-size, single-color, front-print t-shirt)

02 Expected Volume

Use a CONSERVATIVE number — not best case

EXPECTED UNITS SOLD per period above = V

AVG UNITS SOLD LAST 6-12 MONTHS (sanity check)

03 Direct (Variable) Costs Per Unit

Costs that change with each unit sold

COST ITEM	$ PER UNIT
Raw materials / blank product	$
Direct production labor (time × hourly rate)	$
Packaging / hang tag	$
Per-unit shipping or fulfillment	$
Sales commission or marketplace fee	$
	$
TOTAL DIRECT COSTS PER UNIT (A)	**$**

04 Indirect Variable Costs (Total for period)

Scale with volume but not tied to one unit

Examples: customer support • returns / rework • usage-based SaaS • delivery inefficiencies

TOTAL INDIRECT VARIABLE (B) $ **B ÷ V =** INDIRECT PER UNIT (b) $

05 Fixed Overhead Costs (Total for period)

Don't move with volume in the short term

Examples: rent • non-production salaries • software subscriptions • insurance • baseline marketing

■ **INCLUDE OWNER'S SALARY — use a fair-market value for your own time, not what you happen to pay yourself today.**

TOTAL FIXED COSTS (C) $ **C ÷ V =** FIXED PER UNIT (c) $

06 Selling Price (Optional)

SELLING PRICE PER UNIT (P) $

Entering price unlocks margin and break-even.
Try several prices and watch how the math moves.

QUICK MATH — pencil it out

Total Unit Cost = A + b + c	**$** ____________
Contribution Margin = P – (A + b)	**$** ____________
Gross Margin = P – Total Unit Cost	**$** ____________
Break-Even Units = C ÷ Contrib. Margin	______ **units**