PROFESSIONAL COMMUNICATIONS
COST PER UNIT / BASE PRICE

Company Name: ______________________________

Business Partners:

_____________________________________ _____________________________________

_____________________________________ _____________________________________

STEP 1: COST PER UNIT PLAN

- Main Product or Service to be offered by your company: ____________________________________

- In the chart below, create a Cost per Unit Plan for your company's product or service. It should be similar to the example we did in class.

- Use the chart you create to calculate the total cost to the customer for your product or service.

COST PER UNIT

- How much will it cost to produce the product or service?

To yield 3 dozen cookies the cost analysis:

Cookie Ingredients		#/Package	Package size	Package Price	#/Ingredient	Price/Each
Flour	2 c	~8 c / bag	1 bag = 1 kg	¥17.8	8/2 = 4	¥17.8/4 = ¥4.45
Sugar	1 c	~10 c / bag	1 bag = 5 lbs	¥40	10/1 = 10	¥40/10 = ¥4
Butter	½ c	= 1 c / stick	1 stick = 250 g	¥21	1/(1/2) = 2	¥21/2 = ¥11.5
Color	½ t	~ 9 t / bottle	1 bottle = 1.5 oz	¥24	9/(1/2) = 18	¥24/18 = ¥1.34
Vanilla	½ t	~ 96 t / bottle	1 bottle = 16 oz	¥48	96/(1/2) = 192	¥48/192 = ¥0.35
Baking Powder	2 t	~ 50 t / bottle	1 can = 250 g	¥8	50/2 = 25	¥8/25 = ¥0.32
Salt	½ t	~100 t / bag	1 bag = 300 g	¥3.5	100/(1/2) = 200	¥3.5/200 = ¥.02
Egg	1	~13 eggs / bag	1 bag	¥10	13/1 = 13	¥10/13 = ¥0.77

Total Price for 3 dozen cookies is ¥22.75. Price per cookie (Cost Per Unit) is ¥22.75/36 = ¥0.63

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Total Cost of Product to Customer: ______________x __________________ = ____________________
COST PER UNIT QUANTITY IN PACKAGE TOTAL COST

STEP 2: BASE PRICE PER UNIT

1. *Use the total cost to customer and calculate what you should charge as a base price per unit in order to receive the percent of profit you want.*
2. *Create three plans base on three different profit margins with the lowest margin being 30%.*

PLAN A: Projected percent profit margin: **30%** Profit multiplier: 1.3

- __________________ x _________________ = ________________
  Total Cost per Unit Profit multiplier Base Price per unit

PLAN B: Projected percent profit margin: _______% Profit multiplier: ______________

- __________________ x _________________ = ________________
  Total Cost per Unit Profit multiplier Base Price per unit

PLAN C: Projected percent profit margin: _______% Profit multiplier: _______________

- __________________ x _________________ = ________________
  Total Cost per Unit Profit multiplier Base Price per unit