

gross profit break-even

Template

Our break-even template is a simple tool you can use to work out how much you need to sell in order to achieve your desired financial return.

Desired financial return

Level of overhead

Gross profit percentage

%

Gross profit margin required

Total Sales Required

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Template

first[®]

Instructions

1. Enter your desired financial return. Note that this figure is for the entire year. For example, if you want to bring in \$250,000 after expenses, enter \$250,000 in this field.
2. Enter the cost of your expenses (overheads) for the year. This includes your fixed costs such as rent, internet access, utilities, equipment leases, and non-production payroll. At this point, the break-even calculator will display the gross margin required.
3. Enter your normal Gross Profit percentage. If you don't know this figure, check your annual accounts. Gross margin is the money remaining after you subtract COGS (cost of goods sold) from your sales.
4. Analyse the figures in the 'Results' section. Here you'll see the total sales you'll need make in order to reach your desired financial return.
5. Make appropriate changes to any of the input boxes if you feel you need to.
6. Now that you have your baseline, print out your results. You'll likely want to refer back to these figures as you experiment with different scenarios.