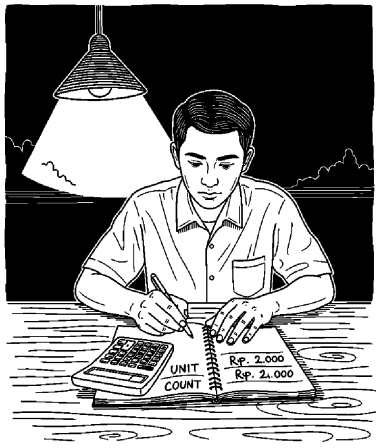
HIGH-VOLUME

WORKSHEET 1 OF 9

Single-Product Break-Even Quick-Calc

Run this whenever you need the current floor in under ten minutes.



Complementary worksheet for
Break-Even Analysis Handbook
by Ibrahim Anwar

SECTION 1

What This Is For

This worksheet produces two numbers — BEP in units and BEP in revenue — from the inputs an operator already carries in their head or cash book. It takes nine rows and ten minutes. The result is a daily floor: the minimum sales count below which every operating day adds to the loss rather than covering it.

Use it at the start of any month when costs may have shifted, before pricing a promotion, or any time a trigger fires from Chapter 07. It is also the right starting point for operators who have never calculated break-even before. Get the single-product version right first; the multi-product version in worksheet hv-2 builds directly on top of it.

SECTION 2

Benefits

What you get when you actually run this worksheet on a real situation:

- Converts two abstract formulas into one filled table the operator can read in 30 seconds.
- Produces a daily BEP figure calibrated to this month's actual operating days, including public holidays — not a generic 30-day average.
- Forces a check on whether variable cost per unit has changed since the last calculation, which catches input cost creep before it compounds.
- Serves as the baseline input for the sensitivity matrix in niche-search worksheet ns-2 — both documents share fixed cost and CM inputs.
- Takes under ten minutes with a calculator and last month's cash book. No software required.

SECTION 3

Framework To Use

Two-Formula Floor

Every product has a floor defined by two calculations. Both must be computed; they cross-check each other.

1	{'label': 'Selling Price − Variable Cost', 'text': '= CM per Unit'}
▼	
2	{'label': 'CM per Unit ÷ Selling Price', 'text': '= CM Ratio'}
▼	
3	{'label': 'Fixed Costs ÷ CM per Unit', 'text': '= BEP Units'}
▼	
4	{'label': 'Fixed Costs ÷ CM Ratio', 'text': '= BEP Revenue'}
▼	
5	{'label': 'BEP Units ÷ Operating Days', 'text': '= Daily Floor'}

SECTION 4

How To Use

Follow these steps in order. Each one builds on the previous.

1. Step 1: Write your selling price per unit in row A. If you sell multiple variants at different prices, use a weighted average based on last month's actual sales mix.

2. Step 2: List every cost that leaves the business when one unit is sold — materials, packaging, per-unit commission, per-order delivery. Sum them in row B. Do not include rent, salaries, or any cost that runs whether or not you sell anything.

3. Step 3: Subtract B from A and write the result in row C. That is your contribution margin per unit.

4. Step 4: Divide CM per unit by selling price and write the decimal in row D. A food stall with CM $0.63 on a $1.56 price has a CM Ratio of 0.40, meaning 40 cents of every dollar in sales is available to cover fixed costs.

5. Step 5: Enter total fixed costs from this month's actual books in row E. Use the full audited figure from the Chapter 02 worksheet if available — owner's salary, loan principal installments, and depreciation included.

6. Step 6: Divide fixed costs by CM per unit for BEP Units. Divide fixed costs by CM Ratio for BEP Revenue. Both should agree: BEP Units times selling price should equal BEP Revenue within rounding.

7. Step 7: Count actual operating days this month — subtract public holidays and any confirmed closure days. Divide monthly BEP Units by that number for the daily floor.

8. Step 8: Write today's date and today's sales count at the bottom. Are you above or below the daily floor right now?

SECTION 5

Example Use

A laundry service charges $7.50 per kilogram. Variable costs per kg total $1.87 (detergent, packaging, electricity per kg, fuel allocation). Fixed costs this month are $1,250 — rent, two permanent staff salaries, and monthly depreciation on the washer and dryer. The month has 24 operating days.

Row A: $7.50 selling price.
Row B: $1.87 variable cost.
Row C: $5.63 contribution margin per kg.
Row D: $5.63 ÷ $7.50 = 0.75 CM Ratio (75%).
Row E: $1,250 total fixed costs.

BEP Units = $1,250 ÷ $5.63 = 222 kg per month.
BEP Revenue = $1,250 ÷ 0.75 = $1,667 per month.
Cross-check: 222 kg × $7.50 = $1,665 — within rounding. Consistent.

Daily BEP = 222 ÷ 24 = 9.25 kg per day. Round up to 10 kg.

The owner knows that any day the laundry processes fewer than 10 kg, fixed costs are not covered for that day. On Tuesday, 7 kg came in. The owner now has a concrete number to decide whether a next-day pickup promotion is worth running — not a feeling, a three-kilogram gap.

SECTION 6

The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

Single-Product Break-Even Quick-Calc

Run this whenever you need the current floor in under ten minutes.

INPUT	YOUR NUMBER	NOTES
Selling price per unit (A)		Average across variants if needed
Variable cost per unit (B)		All costs that exit when one unit sells
Contribution margin per unit (A − B)		
CM Ratio (CM ÷ A)		Express as decimal, e.g. 0.40
Total fixed costs this month		Use audited figure from Chapter 02
BEP Units (Fixed ÷ CM per unit)		
BEP Revenue (Fixed ÷ CM Ratio)		Cross-check: BEP Units × Price
Actual operating days this month		Subtract public holidays
Daily BEP (BEP Units ÷ Operating Days)		

SECTION 6 (CONTINUED)

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. Is today's sales count above or below the daily BEP? If below, what is the gap — and is there still time to close it?

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2. Has any input cost changed since the last time you ran this? If yes, recalculate variable cost per unit before using the result.

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3. Compare this month's BEP Revenue against the same month last year. If fixed costs have grown and CM has not improved, the gap is compounding silently.

SECTION 7

Tips and Traps

TIPS

- Run this at the start of every month, not mid-month. The daily BEP changes when operating days change, and the month's days are only known at the start.
- If you sell multiple products, use the highest-volume product here and save the multi-product version for worksheet hv-2. A single-product approximate is better than no floor at all.
- Cross-check BEP Units × selling price against BEP Revenue every time. A mismatch larger than rounding means a data entry error in variable costs or the CM Ratio.
- Tape the daily BEP figure to the cash register or point-of-sale screen. The number is only useful when it changes daily decisions, not when it sits in a file.

TRAPS

- Including any fixed cost in variable cost row B. Rent, permanent salaries, and contracted utilities are fixed — they do not exit when a sale happens. Including them makes CM look lower than it is and sets a daily floor too high to be realistic.
- Using 30 as the operating-day divisor regardless of the month. A month with three public holidays and a Sunday-closure schedule may have only 22 operating days. The daily BEP is 8 kg in a 30-day month versus 10 kg in a 22-day month — a real difference in daily decisions.
- Leaving this worksheet in a file and reading it once a quarter. BEP needs to be visible at the point of sale, not archived after calculation.

SECTION 8

Appendixes

Appendix A — Variable Cost Checklist by Business Type

```
Food / F&B:
  Ingredients and raw materials         YES — variable
  Takeaway packaging                    YES — variable
  Gas / fuel for cooking (per serving)  YES — variable
  Monthly gas contract minimum          NO  — fixed
  Permanent staff salaries              NO  — fixed
  Rent                                  NO  — fixed

Retail / distribution:
  Cost of goods sold per unit           YES — variable
  Per-order packing material            YES — variable
  Delivery cost per order               YES — variable
  Warehouse rent                        NO  — fixed
  Staff salaries                        NO  — fixed

Service (laundry, repair, consulting):
  Consumables per job (detergent, parts) YES — variable
  Commission per booking                  YES — variable
  Electricity per job (where measurable)  YES — variable
  Fixed monthly office rent               NO  — fixed
  Permanent employee salaries             NO  — fixed

Semi-variable costs (split into fixed and variable):
  Electricity bill: fixed connection fee (fixed) +
    per-kWh usage (variable per unit where measurable)
  Phone plan: base plan (fixed) +
    per-message or per-minute overages (variable)
```

Appendix B — When to Recalculate BEP Immediately

Five triggers that end the current BEP's validity (Chapter 07):

1. New permanent employee hired
   → Add base salary + social security contributions to fixed costs.

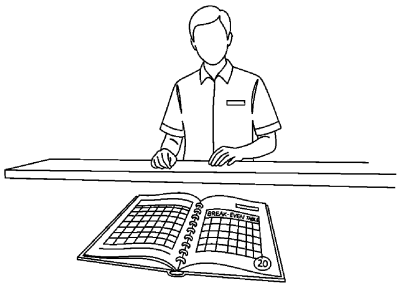
2. Rent change (new lease, renewal, location move)
   → Update fixed costs before signing — not after.

3. Raw material price increase above 5%
   → Variable cost per unit rises; CM drops; BEP rises.
   → Recalculate before the next pricing decision.

4. Selling price change
   → Affects CM per unit directly. Even a 5% discount
   changes the daily floor.

5. Major product or channel added or discontinued
   → Sales mix shifts; move to worksheet hv-2 (WACM)
   after updating the single-product floor here.

If none of these five triggers have fired since the last calculation, the current BEP is still valid. No need to recalculate unless you want a check.



WHERE THIS WORKSHEET COMES FROM

Break-Even Analysis Handbook

Calculate How Many Units Must Sell Before This Business Turns a Profit

by Ibrahim Anwar

This worksheet is one of nine in the *Break-Even Analysis Handbook* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

Available on Google Play Books

play.google.com/store/books

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