

Product/service break-even

This calculation will identify the number of hours or units you need to sell of a single item in order to break even.

Overhead costs	
Enter your total annual exporting overhead costs. Include costs that remain the same regardless of how much you sell, such as rent, insurance, wages, marketing, travel.	
Sale price	
Enter the sale price of your product or service. If you're selling a service, this will be your hourly charge-out rate.	
Labor costs	
Enter the direct labor cost to produce the product or service. If it's too difficult to allocate specific labor cost per unit, leave this at zero and include any labor costs in overhead.	
Direct costs	
Enter the direct cost allocated to the product or service. For example, agent fees, tariffs, materials, purchases or inventory. If you're selling a service by the hour, this may be \$0.	

Your results

Total units to sell	Total sales required	Units per week
(Margin per product / overhead costs)	(Units to break-even x sale price)	(Number of units / 52 weeks)

How to change your results

Lower overhead, increase/decrease price, increase/decrease labor and materials. Each will impact how much you need to sell in order to break even.

Product/service example			
Natural oil cleansing product			
Overhead	\$600,000	Margin per product	\$30
Sale price	\$45	Total units to sell	20,000
Labor costs	\$5	Total sales revenue required	\$900,000
Direct costs	\$10	Units per week	385