

## **Skill Set No. 2**

### **Master Pricing For Profit**

### **Quick Start Guide**

**It is now time to think about that very important skill set: Mastering Pricing for Profit and creating a profitable price list. This is a must for a profitable embroidery business. What is a profitable price list?**

A profitable price list is one that will bring in enough money to pay all of the bills, pay you a salary, and plan ahead for future growth. How do I master pricing for profit? Here are the basic steps.

**Step 1. Go through all of the videos.** Watch each one and then go back and start the process as you are re-watching the videos.

**Step 2. Download the Income/Expense Accounting Workbook.** Go through each section and add all of the figures for your income and expenses for each month.

**Step 3. Click on the How To Price link and scroll down to Module 2- Download your Pricing Structure Workbook** and if you have completed the Income/Expense Accounting workbook, you can transfer your total income figures to the Income page in your new workbook. You can transfer the monthly figures over or wipe out the monthly figures and transfer the Total Annual figures to get your percentage of income for each category or department.

**Step 4. Add your equipment costs to your Equipment Department Spreadsheet.**

**Step 5. Add your Payroll to your Payroll by Department Spreadsheet.**  
This includes your salary.

**Step 6. Add your total monthly from your Income/Expense workbook to your Total Business Cost Analysis Spreadsheet.** This will give you your breakeven point.

**Step 7. Make your adjustments such as Number of Heads and Machine speed to your Price List Prep Sheet.**

**Step 8. Start Creating Your Price Lists.**

Obviously, there is much more to completing the steps than what I have outlined here, but this is a way to get you started. Do not skip this process and create your pricing by gathering other embroiderers price lists. This does not work and can cause your business to sink. I know this very well. Getting your pricing together really is not hard, but it does take a bit of time to develop this skill set and create a money-making embroidery price list.

You will find that you have a lot more confidence when you are working with your customers when you know exactly how much you should be charging them for each job. Your customer will have more confidence in you when you are firm with your pricing and can give them a quote quickly. **This step alone will bring in more business.**