

Assignment 7: Do Costs Breakdown.

Welcome back :) do you find that breaking down the cost structure of your business a little bit frustrating, it's okay, you will get used to it!

As a quick reminder, It's necessary to download the pdf file first and go through it, if you already did so then grab that calculator you are avoiding and let's do some simple math.

Assignment 7

For this assignment, I would like you to do a cost breakdown.

- Pick one of your products / Research a product
- List & calculate the cogs | Materials, direct labor, shipping, transaction fees.
- List & calculate overhead costs | Website - rent - salaries (including paying your self & your space | rent of one room if you work from home)
- How much is it going to cost you to be in business for one year?
- How many units should you sell per month to break even?
- How many units should you sell to cover your living expenses?
- How many units should you sell to be nicely profitable?
- How much should you spend on marketing to reach your sales? | 30~50% of your profit margin

Tools:

- [Creative Hive pricing calculator spreadsheet](#)
- [Omni margin calculator](#)
- [Omni break-even calculator](#)
- [Omni wage calculator](#)
- [Omni budget calculator](#)

Free resources to study beyond this course scope:

- [Seven Types of Funding Sources for your Startup](#)

Note: keep in mind that this is not an accounting or financial management course, it only walks you through the basics to starting out your business, if you need further information then you need to ask for certified public accountant (CPA) assistance.

Note: Take your time and do the math correctly, it's critical unless you are planning on losing your money. If you have any question, please let me know in the Q&A section. I will see you in the next video.