

EYES

Enlarging Youth Entrepreneurial Spirit

Module: Running a caf?



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Sales Price Calculation

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Step 1

Understand the basic process of calculating your costs per unit. Open the document “Process” and follow the exercise. You will find out about the costs for a chocolate butter cream cake.

Step 2

The above exercise mainly considered the costs of ingredients. However, this will not be sufficient to run your café successfully on the long run! You have to calculate your sales prices more detailed. Find out about the following other items that will increase your sales price:

- Staff costs (including social security contributions)
- Overheads (electricity, water, rents, leasing, insurance, waste collection charges, promotion, etc.)
- Calculated entrepreneur’s wage
- Calculated profit for new investments
- VAT and other taxes

Step 3

After finding out about these costs you have to prorate the staff costs and overheads for all the items on your menu. This gives you a clear idea of real costs, though, doing this for the first time is quite time-consuming. However, as a business owner you should be aware of these costs for the meals and beverages you will offer.

Step 4

Based on the above calculations you will be able to fix sales prices for the menu now! But keep in mind:

- From the promotional effect it will be better to have a price like 9,90 € than 10,10 €.
- For some items (i.e. cup of tea) the calculation might be too low in comparison to usual sales prices in other cafés, for others (i.e. chocolate butter cream cake) it might be vice versa. So you have to balance the sales prices in some way.
- However, be aware which are the items you make profit with and promote those in sales!