## Typical Unit of Sale Worksheet -- Product

1. **Contents**

Name everything contained in one unit of sale. (For example: One unit in a Product business might be *1 burger with lettuce, tomato and mayo, one soft drink and chips*. Do not include any overhead costs here.)

1. **Sales Price**

What will you sell this one unit for to customers?

1. **COGS (Cost of Goods Sold)**

Itemize everything in the content (#1 above) that is necessary to make one unit. Use another sheet if you need more room.

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| --- | --- |
| **Item** | **Estimated cost to you** *(see note)* |
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|  |  |
|  |  |
|  |  |
| **Total cost to produce one unit =** | **$** |
| **Total # of hours necessary for one unit=**  *While labor for Product businesses is listed in Overhead expenses, Product businesses need to determine how much time it takes to produce each unit and the value of that time, in order to understand capacity and costs.* |  |

Note:

* *Sales Price* is what the customer pays for the product or unit
* *Cost* is what you pay to produce the product or unit

## Typical Unit of Sale Worksheet -- Service

1. **Contents**

What is the number of customer hours in each unit? In Sarah’s massage business, remember, each customer costs her 1.5 hours.

1. **Sales Price**

What will you sell this one time unit for? Sarah sells her time at $60 / hour.

1. **COGS (Cost of Goods Sold)**

The formula for your minimum hourly cost is:

*Total Expenses / customer hours per month*

Note:

* *Price* is what the customer pays for the product or unit (the sales price)
* *Cost* is what you pay to produce the product or unit

**Recap**

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| --- | --- | --- |
|  | **Product business** | **Service business** |
| **Labor** | Overhead expense, although it’s important to understand how much time each unit takes to produce | COGS expense, in hours |
| **Materials** | COGS expense | COGS expense (usually very small or none) |