

pattern **PRICING**

TIME EXPENDITURE

ACTUAL EXPENSES

- Designing _____
- Pattern writing _____
- Photography _____
- Editing photos _____
- Working w/testers _____
- Finalizing pattern _____
- Graphic Design _____
- SEO Research _____
- Writing post _____
- Uploading listings _____
- Recording video _____
- Editing video _____
- Uploading video _____
- Recording video _____
- Pre-marketing _____
- Launching _____
- Post-marketing _____
- _____
- _____
- _____

- Tech Editor _____
- Testers _____
- Shipping _____
- Photography _____
- Modeling _____
- Videography _____
- Virtual Assistant _____
- Yarn Costs _____
- _____
- _____
- _____

Total Expenses _____

FUTURE EXPENSES

- Marketplace Fees _____ 7%
- CC Processing _____ 3%
- Income Taxes _____ 15%
- _____
- _____

Total Time Spent: _____

Total Markup _____

pattern **PRICING**

■ BUSINESS EXPENSES

- Computer _____
- Camera _____
- Microphone _____
- Lighting _____
- Office Supplies _____
- Website _____
- Email Provider _____
- Other Subscription _____
- Other Subscription _____
- Utilities _____
- Phone _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Total Annual Expenses _____

■ COST CALCULATION

Total Time Spent _____

✘ Wages per Hour _____

Labor Costs _____

+ Expenses from pgl _____

= Total Cost _____

✘ (1+Total Markup) _____

Cost of Pattern (C)

■ COST + BUSINESS EXP.

Annual Business Exp. _____

✘ % of business paid for by
pattern sales _____

= Business expenses covered by
pattern sales _____

÷ Number of patterns designed
each year _____

= Expenses covered by this
pattern (E)

■ NECESSARY SALES

Total of C + E =

hypothetical pricing

■ COST CALCULATION

Total Time Spent	<u>18 hours</u>
✘ Wages per Hour	<u>\$12</u>
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Labor Costs	<u>\$216</u>
+ Expenses from pgl	<u>\$85</u>
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= Total Cost	<u>\$301</u>
✘ (1+Total Markup)	<u>1.25</u>
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Cost of Pattern (C)	<u>\$376.25</u>

■ COST + BUSINESS EXP.

Annual Business Exp.	<u>\$12000.00</u>
✘ % of business paid for by pattern sales	<u>.25</u>
<hr/>	
= Business expenses covered by pattern sales	<u>\$3000.00</u>
÷ Number of patterns designed each year	<u>24</u>
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= Expenses covered by this pattern (E)	<u>\$125</u>

■ NECESSARY SALES

Total of C + E =	<u>\$501.25</u>
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■ NOTES

Now that I know that I need to make \$501.25 to cover the cost of designing this particular pattern and making it available for sale, I can calculate how many patterns I need to sell to cover my costs.

If I use my baseline price of \$5, I need to sell 101 patterns to cover my costs.

If there is some special value to this pattern and I can charge \$6, I will need to sell 84 patterns.

If, however, I add this pattern to my blog and, then, sell the pattern for just \$3, I will need to sell 167 copies of the pattern.

It is, actually, more difficult to sell a pattern that is offered for free. So, thankfully, ads on my site will help to defer the costs incurred to produce this design.

With an RPM (that's ad-speak) of \$20, I would need to drive 25,000 views to this post in order to recoup my \$501.25 investment.