

PRODUCT "UNIT" COST ANALYSIS

Here is but one brief example of figuring your invention's per unit cost at various market levels.

A. MATERIAL COST PER PIECE

- 1. Material cost per unit \$ _____
 - 2. Number of units produced _____ X _____
- Total Material cost \$ _____

B. PROTOTYPE & TOOLING COST

- 1. Prototype expense \$ _____
- 2. Cost of initial mold(s) \$ _____ Total (1) + (2) \$ _____

Type of tooling _____
 Mold: # of chambers _____
 Steel or aluminium _____
 Longevity _____ Total # units possible _____

Manufacturer willing to amortize cost of tooling:
 c) Estimate sales # of units _____
 To pay back cost of mold _____
 d) "Amortized cost" per unit _____

- 3. (1) + (2) divided by your sales projection of the number of units to be sold within a time frame.

\$ _____ / _____ units = Per Unit Cost \$ _____

C. PACKAGING

	<u>Per unit cost</u>	X	<u>Per order cost</u>	Total # of units
A. Unit packaging cost	\$ _____	\$ _____		
B. Bulk Packaging				
Inner Carton	\$ _____	\$ _____		
Master Case	\$ _____	\$ _____		
C. Pt. Of Purchase Display	\$ _____	\$ _____		
Total packaging cost per unit	\$ _____	\$ _____		

D. PRODUCT LIABILITY Per Unit \$ _____ Total packaging costs \$ _____

E. OTHER

	<u>Per unit cost</u>	<u>Per order</u>
1. Slush Fund	\$ _____	\$ _____
2. Intellectual Property Costs (Patent/TM)	\$ _____	\$ _____
3. Advertising Budgeted	\$ _____	\$ _____

Add up A thru E 'per unit costs'

PRICE OER UNIT \$ _____

F. MANUFACTURER'S MARK UP (10%standard)

- Price per unit \$ _____
- Plus 10% \$ _____

MANUFACTURER'S PRICE \$ _____

G. DISTRIBUTOR PRICE (40% standard markup)

Total Manufacturer's Cost \$ _____

Plus 40% \$ _____

(Sales Commission Standard 10%)

DISTRIBUTOR PRICE \$ _____

I. RETAIL PRICE (40% standard markup)

Distributor Price \$ _____

Plus 40% \$ _____

RETAIL PRICE \$ _____

CALIFORNIA INVENTIN CENTER

Golden Gate University

536 Mission Street, San Francisco, CA 94105-2968