

Costing 101 – Costing and Pricing Products – Session 3

Barbados Beauty
Professionals
Association



ASSIGNMENT + RESEARCH

Determine how long product lasts x3

Determine how long each service lasts x3

Test your services
Test your prices



Choose 1 and
test it and
determine if your price is right.

PEDICURES



* Foot Soak	(32oz)	\$16.00	—	50 pedis	0.32/pedi
* Moisturizing cream	(24oz)	\$9.00	—	20 pedis	0.45/pedi
* Nail polish	(1oz)	\$6.00	—	20 pedis	0.30/pedi
					<hr/>
					\$1.07

- Lab etc.

- Pedicure – 1 hour length and 1 hour of labour labour rate
- 48 hr. 2500 (month weekly earnings = 625.00 hourly rate = $625 \times 148 = \$13.02/\text{hour}$
materials - \$1.00 labour- \$13.00 total direct cost = \$14.00
- Add on 50% of direct costs as overheads.. $14.00 + 7 = 21.00$
- Add profit markup @40% = \$8.40
- Total costs = \$29.40
- \$60 -00

\$
 6.40
 2.21
 1.25
 1.00
 5.00
 4.25

 20.21

Tracey

MATS

persen

Texturiser : service

\$1.20/oz

Products:	firm fibrequale	\$2.00	4/6 tub (64 oz)	5 oz
:	sustenance	\$74.00	\$2.31 (32.02)	102
:	normalising shampoo	\$40.00	\$1.25 (32.02)	102
:	scalp base	\$24.00	\$2.00 (12.02)	0.5 oz
:	after care #1	\$25.00	\$2.49 (11.25oz)	2.0 oz
:	" " #2	\$24.00	\$2.13 (11.25oz)	2.0 oz

Tracy

Labour

\$5,000 per month

\$1250 per week

or \$31.25 per hour based on a 40 week.

⇒ Duration of service = 2 hrs.

$$\begin{array}{r} \text{Materials} = \$ 20.21 \\ \text{Labour} = \$ 62.50 \\ \hline \text{Direct costs} \quad \$ 82.71 \end{array}$$

TOTAL COSTS

Current
\$150

Actual

\$132.19

\$2.19

x 4

8.76

x 20

Service: Textmaster

MATS

- \$20.21

LAB

- \$62.50

overhead

- \$26.00

(\$13 x 2 hrs)

TOTAL

\$108.71

profit @ 40%

43.48

SP

\$152.19

= Current charge
\$150 - 00

Service

Prods

SERVICES

Materials
Labour
Overheads (rent etc)

. PRODUCTS

Product — \$ *wholesaler or vendor*
* Labour (order + seller cuts)
Overheads
* Freight } to get product to
* Duties } location
⇒ Profit