# WELCOME TO Pricing The Print 



By

## David King Commander of Results

## What is Your Break Even?

## Your Cost Per Month to Keep The Lights On?

 Your Cost of Goods Sold? What Must You SELL?$$
\begin{gathered}
\text { Monthly Cost }=\$ 10,000 \\
\text { COGS }=25 \% \\
\text { Must Sell }=\$ 13,334
\end{gathered}
$$

What Will You Make OVER THE BREAK EVEN? $\$ 65$ on every $\$ 100$ in Sales Goes To Bottom Line!

# What is The Potential 

> Printer Speed?????
> Set Printer at Best Speed for All Work Starting Printing and Measure 60 seconds NOW YOU HAVE A SPEED LIPM

6 LIPM means in 1 hour you can print 30 linear feet. Typical roll nets about 75\%. Average Sell Price for Digital Graphic is $\$ 5$ so with a COGS at $25 \%$ your Net Profit per printer is $\$ 3.75$ sq. ft. This printer can produce $\$ 337.50$ per hour.

For an 8 hour 5 day week For a 16 hour 5 day week For a 20 hour 5 day week
\$140,400 per year
\$280,800 per year
\$351,000 per year

Must Have A Good Printer that can run at night un-attended!

# Employee Ratio 

## \$110,000 per Employee

## Sales Walls

\$100,000<br>\$250,000<br>\$750,000<br>\$1,200,000

## How Should You Setup Your Books

## Expenses vs. Cost of Good Sold?

Expenses are the money expended each month to run your business. This includes ALL expenses that you MUST PAY to keep your business running. Cost of goods sold are the money spent on items and services that are DIRECTLY related to producing a sale.

## Expenses

6-1000 Marketing -Print, Advertising, WEB, Radio, etc. 6-1080 Contributions and Donations
6-1200 Dues \& Subscriptions
6-1230 Contributions \& Donations
6-1250 Auto-Parkins, etc.
6-1275 Fuel - Milease
6-1300 Equipment Lease
6-1350 Equipment Rental
6-1400 Insurance
6-1500 Interest
6-1600 Late Fees Paid
6-1650 Bank Fees
6-1700 Leasehold Improvement Expense
6-1800 Legal \& Accounting
6-1850 Visa/MC/Amex/Discover Fees
6-1900 License Fees
6-2000 Maintenance \& Repairs
6-2050 Computer Maintenance
6-2100 Media Bookings
6-2200 Office Supplies 6-2250 Computer Supplies
6-2300 Postage \& Delivery 6-2400 Rent
6-2450 Shrinkage/Spoilage
6-3000 Depreciation Expense

6-5100 Payroll
6-5110 Wases
6-5120 Employee Day Care Expense
6-5130 Employer Expenses
6-5140 Payroll Service
6-5150 FICA-Employer
6-5160 Employee Medical
6-5170 Employee Dental Expense
6-5180 SUI Taxes
6-5190 FUTA
6-5199 Employee Expense
6-5200 Telephone
6-5250 Cell Phone Expense
6-5275 Waste Removal
6-5300 Travel
6-5375 Meals \& Entertainment
6-5400 Utilities
6-5410 Gas/Oil
6-5420 Electricity
6-5430 Water
6-5440 Internet Services
6-5500 Depreciation Expense 6-5600 Discounts

6-5610 Discounts Given
6-5620 Discounts Taken
6-7000 Miscellaneous Expense
6-8500 Bad Debt
TOTAL EXPENSES

## Cost of Goods Sold

5-1000 Media Billing Costs
5-1100 Equipment Sales Expenses
5-1200 Design Cost
5-1400 Offset Printing Costs
5-1700 Digital Graphics Costs
5-1800 Installation
5-2000 Consulting Costs
5-2100 Video \& Disc Costs
5-2200 Light Table, Stands etc. Costs
5-2500 MISC Costs
5-2600 Events \& Promotions
5-2700 Photography
5-3000 Cost - Thermal
5-4000 Freight
5-5000 Commissions Paid
5-9900 Freight

TOTAL COST of GOODS SOLD \$

Gross Sales
Cost of Goods Sold
Gross Profit
Expenses
Net Profit/Loss

# How do you COST the Print 

## ALWAYS cost the Prints by the Linear Foot

You Sell the prints by the sq. ft .

1. Ink Cost - 1 Liter of ink divided by 750= CPSF
2. Media Cost - Length of roll divided by cost 3. Laminate Cost - Length of roll divided by cost 4. Board Cost $-48^{\prime \prime} \times 96$ " use 25 sq . ft.

## Typical Market Sell Prices

## Market Prices - Soft Goods

| Product | Retail | Street | Lowest |
| :--- | :--- | :--- | :---: |
| Banner 13 | $\$ 7.00$ | $\$ 4.00$ | $\$ 1.10$ |
| Banner Mesh | $\$ 8.00$ | $\$ 8.00$ | $\$ 3.00$ |
| Fabric | $\$ 12.00$ | $\$ 10.00$ | $\$ 5.00$ |
| Floor Graphics | $\$ 12.00$ | $\$ 10.00$ | $\$ 6.00$ |
| Wall Paper Vinyl | $\$ 10.00$ | $\$ 7.00$ | $\$ 3.00$ |
| Wall/ Barricade Wrap | $\$ 8.00$ | $\$ 6.00$ | $\$ 2.00$ |
| Lambda Print Only | $\$ 10.00$ | $\$ 6.00$ | $\$ 1.50$ |
| Vehicle Wrap | $\$ 12.00$ | $\$ 8.00$ | $\$ 5.00$ |
| Window 1 Layer | $\$ 12.00$ | $\$ 10.00$ | $\$ 6.00$ |
| Window 2 Layer | $\$ 20.00$ | $\$ 15.00$ | $\$ 12.00$ |

## Market Prices - Hard Goods - Solvent with Laminate

| Product | Retail | Street | Lowest |
| :--- | :---: | :---: | :---: |
| Foamcore | $\$ 14.00$ | $\$ 10.00$ | $\$ 6.00$ |
| Coroplast | $\$ 14.00$ | $\$ 10.00$ | $\$ 6.00$ |
| PolyStyrene .040 .060 | $\$ 14.00$ | $\$ 10.00$ | $\$ 6.00$ |
| PolyStyrene .080 | $\$ 20.00$ | $\$ 15.00$ | $\$ 10.00$ |
| Gator 3/16" | $\$ 20.00$ | $\$ 15.00$ | $\$ 10.00$ |
| Sintra/PVC 3mm | $\$ 20.00$ | $\$ 15.00$ | $\$ 10.00$ |
| Gator 1/2" | $\$ 24.00$ | $\$ 19.00$ | $\$ 14.00$ |
| Dibond 3mm | $\$ 30.00$ | $\$ 25.00$ | $\$ 20.00$ |
| Magnet | $\$ 25.00$ | $\$ 20.00$ | $\$ 15.00$ |
|  |  |  |  |

DOUBLE SIDED GRAPHICS add $50 \%$

| Market Prices - Hard Goods - Direct Print |  |  |  |
| :--- | :--- | :--- | :---: |
| Product | Retail | Street | Lowest |
| Stop Light | $\$ 10.00$ | $\$ 7.00$ | $\$ 3.00$ |
| Foamcore | $\$ 9.00$ | $\$ 6.00$ | $\$ 3.00$ |
| Coroplast | $\$ 9.00$ | $\$ 6.00$ | $\$ 3.00$ |
| PolyStyrene .040 .060 | $\$ 9.00$ | $\$ 6.00$ | $\$ 3.00$ |
| Gator 3/16" | $\$ 15.00$ | $\$ 10.00$ | $\$ 5.00$ |
| Sintra/PVC 3 mm | $\$ 15.00$ | $\$ 10.00$ | $\$ 5.00$ |
| Gator $1 / 2 "$ | $\$ 19.00$ | $\$ 15.00$ | $\$ 9.00$ |
| Dibond 3 mm | $\$ 25.00$ | $\$ 20.00$ | $\$ 15.00$ |
| Magnet | $\$ 20.00$ | $\$ 15.00$ | $\$ 10.00$ |

There are other products in the Soft \& Hard Goods categories that I did not cover. The products here are the most popular.

## Volume Discounts

## Discounts MUST BE ON SQ. FT. Volume ONLY

1 to 49 sq. ft. = $\$ 0$ off Retail 50 to 99 sq. ft. = $\$ 1$ off Retail 100 to 149 sq. ft. $=\quad \$ 2$ off Retail 150 to 199 sq. ft. $=\quad \$ 3$ off Retail 200 to 249 sq. ft. $=\quad \$ 4$ off Retail 250+<br>$=$<br>\$5 off Retail

## Customer Discounts

## Discount Extended to Customers

Retail Clients = 0\% off Sale<br>Term Clients High Volume Clients = 20\% off Sale<br>Resellers<br>$=25 \%$ off Sale

## How to Cost the HIGH Volume Jobs

## A COST UP Model is best for these jobs

1. Determine the Value of Each Machine with Labor

- Solvent Printer $\$ 100$ to $\$ 150$ per hour
- Flatbed Printer $\$ 200$ to $\$ 400$ per hour

2. Cost the Materials and add $10 \%$ for waste/errors
3. Determine the time needed to print the job
4. Multiple the print time by the machine VALUE
5. Add the Material Costs and the Machine Value

Example: 40022 " x 24 " Sintra Prints on Flatbed
a. 50 sheets + waste (55), of Sintra @ \$20 each $=\$ 1,100$
b. $1,615 \mathrm{sq}$. ft. of ink @ $\$ .30$ per sq. ft. $=\$ 484$
c. 4 sheets per hour print speed $=13.75$ hours
d. $13.75 \times$ Flatbed $=\$ 3,437$ plus $\operatorname{cog}=\$ 5,021$
e. TOTAL $=\$ 12.55$ each board or $\$ 3.41$ per sq. ft.!

## Good



# Where To Find <br> Good Sales People <br> <br> Internally 

 <br> <br> Internally}

Then Go To Craigslist Then Linkedin

## Your Looking for: <br> Magazine Sales People News Paper Sales People <br> Radio Sales People

# Sales Commissions 

## Sales People Need To Be Rewarded Based On How Aligned Theirs Goals Are To The Companies Goals

| $0 \%$ to $10 \%$ off Sale | $=$ | Full Commission 15\% |
| :--- | :--- | :--- |
| $11 \%$ to $20 \%$ off Sale | $=$ | $10 \%$ Commission |
| $21 \%$ to $30 \%$ off Sale | $=$ | $5 \%$ Commission |
| $31 \%$ or Higher | $=$ | Discussion |

Base Salary I paid was \$24,000 per year

# Sales Commissions 

The Average Sales Person runs at 10\% of Gross Sales
At $\$ 350,000$ in sales plus the base salary

$$
\begin{array}{lll}
\$ 350,000 \times 10 \% & = & \$ 35,000 \\
\text { Base Salary } & = & \$ 24,000 \\
\text { Total } & = & \$ 59,000
\end{array}
$$

$\$ 350,000=\$ 6,800$ a Week or 9 Sales a Week
Non-Recoverable Draw Against Commission for first 90 Days Recoverable Draw Against Commission from 91 to 180 days

## What Can You Expect As Your ROI

When you first start with Large Format Graphics
50\% COGS

As you become efficient - \$250,000 25\% COGS

## EVERY \$100 Sold \$65 Goes to Gross Profit!

# What Did You Get Back for Your \$60,000 Investment? 

 25\% Efficient \& Sales Experience 1 Sales Person = $\$ 198,000$ GP2 Sales People $=\$ 396,000$ GP
3 Sales People $=\$ 594,000$ GP

## BUSINESS RULES!

## $\checkmark$ Know Your Limits!

$\checkmark \quad$ Always Ask Your Customers What They Expect From Their Graphics
$\checkmark \quad$ Color is FREE, You Only Pay For The Materials
$\checkmark \quad$ Always Make It Clear as to What You Will Do for Them and How Much it will Cost
$\checkmark \quad$ Know Your Printer Speed - So You Can Calculate Job Time
$\checkmark$ Just Because Someone Else Can Do The Job for LESS, Does Not Make It Better

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