Pricing Calculator

Solid foundations. Clear direction.

Printable calculation worksheet. Use a calculator to complete the steps below.

A. Monthly business costs (£) _____

B. Monthly pay target before personal tax (£) _____

C. Billable hours per month (greater than zero) _____

D. Direct cost per billable hour (£) _____

E. Target margin on sales (%) - less than 100 _____

1. Cost per hour = (A + B) / C + D £ _____

2. Planning selling rate = cost per hour / (1 - E / 100)

My planning rate: £ _____ per hour

Example: (£300 costs + £1,800 pay) / 60 hours + £0 direct cost = £35 cost per hour. At a 20% margin: £35 / 0.80 = £43.75 per hour.

Margin differs from markup. A 20% margin means cost is 80% of your selling price. Allow for relevant taxes, pensions and contingency in your assumptions. VAT is not calculated here. This is a planning estimate, not a market price or a guarantee of profit.