

The Price Is Right:

A Pricing Model Worksheet

Cost-Plus Pricing

What:

Cost of making the product \times Markup = Selling price

Your Turn:

Choose a product, calculate the costs associated with it, and select a reasonable markup. What is the selling price?

Competitive Pricing

What:

Using your competitors' prices as a guide, price your products slightly less.

Your Turn:

Find a competitor product that's similar to yours and choose a lower price.

Keystone Pricing

What:

Double the wholesale cost you paid for a product.

Your Turn:

Determine how much you paid your supplier for your chosen product, then multiply it by two.

Manufacturer Suggested Retail Price (MSRP)

What:

The price a manufacturer recommends for all their retailers.

Your Turn:

How much does your manufacturer recommend selling your chosen product for?