Costing and record sheet

What one unit costs to make, and what came in and went out this week.

Treasured Vessels Girls' Centre
Walukuba-Masese Road, Jinja, Uganda
treasuredvesselsuganda.org

WHAT ONE UNIT COSTS

THE ITEM I AM COSTING — **UGX**

Materials

Everything consumed making one. Include the small things: thread, buttons, packaging.

Other direct costs

Transport to buy, charcoal, electricity, mobile money charges. Divide by the units that trip or batch produced.

My own labour

Hours taken, at a rate I would accept from somebody else. A business that only works because I am unpaid is not a business.

Share of fixed costs

Rent if any, servicing, and money set aside to replace the machine when it dies. The line everyone omits.

Total cost to make one

My selling price

What the market will actually pay, not what I hope.

Margin on one

Selling price minus total cost. If this is nil or negative, stop and change something.

THIS WEEK

DAY	MONEY IN, AND FROM WHAT	MONEY OUT, AND ON WHAT	OWED TO ME
Monday			
Tuesday			
Wednesday			
Thursday			
Friday			
Saturday			
Week total			

Photocopy freely. Any training programme may use this sheet.

The same sheet, worked through

One dress. Illustrative figures, not Jinja prices: put your own in.

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WHAT ONE DRESS COSTS

COST LINE	UGX
Materials Fabric 18,000. Thread, zip and buttons 4,000.	22,000
Other direct costs 15,000 fare to buy fabric for five dresses, so 3,000 each.	3,000
My own labour Three hours at 3,000 an hour.	9,000
Share of fixed costs 80,000 a month for servicing and the machine replacement fund, across about twenty dresses.	4,000
Total cost to make one	38,000
Selling price	45,000
Margin on one Twenty dresses a month is 140,000, on top of the labour already paid above.	7,000

Reading your own sheet

- **If the margin is negative**, you are paying customers to take your work. Raise the price, cut a cost, or stop making that item.
- **If the margin is only positive because your labour is nil**, you have a hobby that is losing money. Put a real rate in.
- **If the market will not pay the total**, that is not a pricing problem. It is the market telling you something, and you have found it out on paper instead of after six months.
- **If you left out the fourth line**, the business works until the machine breaks, and then it stops. Set the money aside from the first month.
- **If the small items surprised you**, that is normal. Thread, buttons and packaging are where margin quietly disappears.
- **Keep the weekly record even when it is boring.** "Owed to me" is the column that saves businesses: money you have earned and not collected is the commonest reason a trading business runs out of cash.

A loan is not a grant. Do this exercise before borrowing from anyone, including a government scheme or a group fund.