



Meet-up 4: Your Income and Costs

A business makes money, but importantly a *healthy* business makes more money than it spends. Remember Module 4 from the Bootcamp? In this module, we explored business models, income and costs – the tough stuff.

Overhead costs – Overhead costs are any costs that you need to pay to keep your business running. Most overhead costs are incurred on a monthly basis, but some can be incurred annually. e.g. office rental, software subscriptions, marketing, professional services, mobile phone.

Cost of sales – The costs associated with an individual sale of your product or service. E.g. Manufacturing cost of a product, delivery cost. These are not your general costs but costs that are specific to that sale.

1. Go back and look at your Business Model & Income, & Costs & Break-even Analysis from Module 4 of the Bootcamp.

2. Income

- Look again at your business model and income. Do you have a good understanding of your cost of sale and therefore your gross profit per sale? Are there any other ways your business could generate income?

3. Costs

- Review all your overhead costs. You may need to do some research to discover some of these costs, if you haven't started already. Refer to the Module 4 slides and worksheet for a reminder of various costs your business may face.

4. Consider and share

How can you increase the profitability of your business? Consider the following:

- Increase prices
- Increase gross profit by decreasing costs of sales
- Increase sales
- Decrease monthly costs (overheads)

Think of examples of how you might use each of these strategies to increase the profitability of your business.

- We will discuss together in the next meet-up