

Business Plan Workbook #16	
Course	Pricing Your Dream
Topics Addressed	Calculating Your Indirect Costs

Key Points

What are Indirect Costs?

Indirect costs are all the other costs involved in running your business. Indirect costs include things like:

- Rent
- Utilities (electricity, gas, etc.)
- Property taxes
- Special equipment
- Marketing costs
- Your salary
- The salary of any employees not directly involved in making your product or providing your service (example: a security guard, janitorial staff, etc.)
- Equipment maintenance costs

Total Costs

If you add all the direct costs and all the indirect costs, you will have your total costs for running your business.

The gross profit you make from your business each month needs to be enough to pay for all of your indirect costs, and hopefully leave a little extra money for your profit.

Double-Check Your Pricing

A good way to double-check your pricing is to see how much you need to sell each month to pay for all your indirect costs.

Related Business Plan Questions

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Write down in detail the process you will go through in order to set the prices for your product or service.

Q: What are your indirect costs? Include things like rent, taxes, and utilities.