YOUR QUICK TOUR

Turn one big number into a clear sales target

Break-even connects price, unit cost, monthly overhead and sales volume. Change one input and the crossing point moves.

Meet Nadia and the busy cupcake counter 3

Read the break-even map 4

Sort fixed, variable and mixed costs 5

Calculate units and sales value 6

Work through a simple example 7

Check services and capacity 8

Handle a mix of offers 9

Stress-test the target 10

10 business ideas with first tests 11

Your seven-day break-even sprint 13

Your break-even worksheet 14

YOUR FINISH LINE

One defendable model with a consistent period, realistic contribution, capacity check, target profit and review date.

01 / MEET YOUR GUIDE

Nadia sells plenty but still feels stuck

Fictional example: Nadia, her cupcake counter and all costs, prices and results are invented.



THE BUSY MONTH

Orders look healthy, but Nadia watches revenue only. Rent, software and wages continue even when sales slow, while ingredients and payment fees rise with every box.

THE CLEAR TARGET

She separates monthly fixed costs from variable cost per box. Each sale contributes toward overhead, so she can see how many boxes cover the month.

THE LESSON

Revenue alone cannot reveal the crossing point. Use consistent assumptions, then compare the target with demand and real capacity.

02 / SEE THE SYSTEM

Read the break-even map

At break-even, total revenue equals total cost. There is no profit or loss in the simplified model.

FIXED COSTS

Costs tied mainly to time or committed capacity: rent, core salaries, insurance, software and similar overheads for the chosen period.

VARIABLE COST PER UNIT

Costs that move with each sale: materials, packaging, transaction fees, delivery subsidy, sales commission or direct fulfilment.

CONTRIBUTION PER UNIT

Selling price minus variable cost per unit. This is the amount each sale contributes toward fixed costs and then profit.

BREAK-EVEN POINT

The volume or sales value where total contribution covers fixed costs. Above it may produce profit; below it produces a loss in the model.

DRAW IT

Horizontal axis: units or time. Vertical axis: money. Plot total cost and total revenue; their crossing is break-even.