



Manufacturing Business EOU - One EOU = 1 T-Shirt

Selling Price (Per Unit) \$ 22.00

Variable Expenses

Cost of Goods Manufactured and Sold

Materials \$ 3.00

Labor \$ 7.50

Total COGS \$ 10.50

Other Variable Expenses

Commissions \$ 0.50

Shipping and Handling \$ 1.25

Total Other Variable Expenses \$ 1.75

Total Variable Expenses \$ 12.25

Contribution Margin Per Unit \$ 9.75



Wholesale Business - One unit of Sale = 12 T-shirts

Selling Price (Per Unit) \$ 240.00

Variable Expenses

Cost of Goods Manufactured and Sold

Materials (t-shirts from wholesaler) \$ 30.00

Labor \$ 22.50

Total COGS \$ 52.50

Other Variable Expenses

Commissions \$ 5.00

Shipping and Handling \$ 2.00

Total Other Variable Expenses \$ 7.00

Total Variable Expenses \$ 59.50

Contribution Margin Per Unit \$ 180.50



| Retail Business - One Unit of Sale = 1 T-shirt | |
|--|-----------------|
| Selling Price (Per Unit) | \$ 34.99 |
| Variable Expenses | |
| Cost of Goods Manufactured and Sold | |
| T-shirts | \$ 22.00 |
| Labor | \$ - |
| Total COGS | \$ 22.00 |
| Other Variable Expenses | |
| Commissions | \$ 3.25 |
| Shipping and Handling | \$ 7.00 |
| Total Other Variable Expenses | \$ 10.25 |
| Total Variable Expenses | \$ 32.25 |
| Contribution Margin Per Unit | \$ 2.74 |



A business with more than one product should calculate the EOU for each product individually. However, if you're selling many similar products you can group them together to create a typical EOU. Here's an example.

| EOU for more than one t-shirt product | |
|---------------------------------------|----------------|
| Selling Price (Per Unit) | \$ 8.00 |
| Variable Expenses | |
| Cost of Goods Manufactured and Sold | |
| T-shirts from wholesaler | \$ 3.69 |
| Labor | \$ - |
| Total COGS | \$ 3.69 |
| Total Variable Expenses | \$ 3.69 |
| Contribution Margin Per Unit | \$ 4.31 |

(this number taken from the chart)

| Product | Description | Cost |
|---|---------------------------|---------------|
| 1 | Hang in There Cat T-shirt | \$ 3.25 |
| 2 | Karen Meme T-shirt | \$ 4.00 |
| 3 | Marvel T-shirt | \$ 4.25 |
| 4 | Purrrride T-shirt | \$ 3.25 |
| Total (add shirt costs together) | | 14.75 |
| Average Price (divide above by the number of products) | | 3.6875 |

on the right where we calculate average cost)



| Service Business EOU - Hair Salon | |
|--------------------------------------|-----------------|
| Selling Price (Per Unit) | \$ 45.00 |
| Variable Expenses | |
| Cost of Goods Manufactured and Sold | |
| Materials | \$ 5.00 |
| Labor per hour | \$ 30.00 |
| Total COGS | \$ 35.00 |
| Other Variable Expenses | |
| Commissions | \$ - |
| Shipping and Handling | \$ - |
| Total Other Variable Expenses | \$ - |
| Total Variable Expenses | \$ 35.00 |
| Contribution Margin Per Unit | \$ 10.00 |



| Technology Business EOU (App downloads) | | |
|---|---------|----------------|
| Selling Price (Per Unit) | | \$ 1.99 |
| Variable Expenses | | |
| Cost of Goods Manufactured and Sold | | |
| Materials | \$ - | |
| Labor | \$ - | |
| Total COGS | | \$ - |
| Other Variable Expenses | | |
| Commissions | \$ 0.50 | |
| Shipping and Handling | \$ - | |
| Total Other Variable Expenses | | \$ 0.50 |
| Total Variable Expenses | | \$ 0.50 |
| Contribution Margin Per Unit | | \$ 1.49 |