Gross Margin/Price Reduction Chart

Use this chart to determine the sale increase that is needed to make up for the price reduction in the selling price.

To use this chart: The left column select the % that you cut the price. In the top row select the gross margin % you making now on the item and find where two intersect. This is the % of sales increase that you will need to maintain the same gross profit dollars.

Gross Margin	**10%**	**15%**	**20%**	**25%**	**30%**	**35%**	**40%**	**45%**	**50%**
Price Cut									
2%	25%	15%	11%	9%	7%	6%	5%	5%	4%
3%	43%	25%	18%	14%	11%	9%	8%	7%	6%
4%	66%	36%	25%	19%	15%	13%	11%	10%	9%
5%	100%	50%	33%	25%	20%	17%	14%	12%	11%
6%	150%	67%	43%	32%	25%	21%	18%	15%	14%
7%	233%	88%	54%	39%	30%	25%	21%	18%	16%
8%	400%	114%	67%	47%	36%	30%	25%	22%	19%
9%		150%	82%	56%	43%	35%	29%	25%	22%
10%		200%	100%	67%	50%	40%	33%	29%	25%
11%			122%	79%	58%	46%	38%	32%	28%
12%			150%	92%	67%	50%	43%	36%	32%
13%				108%	77%	52%	48%	41%	35%
14%				127%	86%	67%	54%	45%	39%
15%				150%	100%	75%	60%	50%	43%
16%					114%	84%	67%	55%	47%
17%					131%	94%	74%	61%	52%
18%					150%	106%	82%	67%	56%
19%						119%	91%	73%	61%
20%						133%	100%	80%	67%