## Profit per minute spreadsheet guide

The attached spreadsheet has been created to assist you to calculate the estimated gross profit that you make from a variety of treatments.

Column (B) lists the type of treatment and there is a sample row for you to add in any of your own.

Column (C) Enter the price of your treatment including GST

Column (D) will automatically calculate the price excluding GST

Column (E) COGS stands for Cost of Goods Sold. This is where you enter the amount it costs you in product to perform the treatment.

Column (F) Enter the hourly rate for your therapist. This should include superannuation.

Column (G) auto calculates this to a cost per minute.

Column (H) enter the number of minutes required for your therapist to perform the treatment. It is a good idea to include a consultation and time to prescribe take home products.

Colum (I) automatically calculates the total cost of your therapist for the treatment listed in this row.

Column (J) is referred to as the Contribution Margin. This is the margin of profit that you earn from a service after the direct variable expenses (wages and cost of goods sold) are subtracted.

Column (K) displays the Gross Profit margin earned per minute of the treatment.

Many salon owners want to know what this final profit figure should be. The short answer is that it depends on a lot of factors. The type of treatment, the number of clients, the number of therapists, the location of the business and the type of client all factor into your target profit per minute. This spreadsheet is useful for evaluating the difference in profitability amongst the varying treatments on your menu. It is helpful to review pricing, add treatments or discard treatments.