

Module 5 Worksheet

Working Out the Money Side - Costs and Pricing

AI Prompts for Cost Research ✓

Copy and paste these prompts, replacing [your service] with your actual business idea:

- Basic cost exploration:** *"What are the typical monthly costs for running a small [your service] business?"*
 - Start-up costs:** *"What would I need to spend to get a [your service] business started on the Isle of Man?"*
 - Equipment and supplies:** *"What equipment and supplies does a [your service] business typically need, and what do they cost?"*
 - Insurance requirements:** *"What insurance do I need for a [your service] business and roughly what does it cost?"*
 - Vehicle costs:** *"What are typical vehicle/travel costs for a [your service] business serving local customers?"*
 - Marketing budget:** *"How much should a small [your service] business budget for marketing and advertising each month?"*
-

AI Prompts for Pricing Research ✓

- Local market rates:** *"What do [your service] businesses typically charge per hour/job on the Isle of Man?"*
 - Pricing strategy:** *"How should I price my [your service] to be competitive but still profitable?"*
 - Value-based pricing:** *"What factors make customers willing to pay more for [your service]?"*
 - Pricing calculation:** *"If my monthly costs are £[amount] and I want to earn £[amount] per month, what should I charge per hour working [number] hours per week?"*
 - Competitor pricing:** *"How can I price my [your service] competitively against established local businesses?"*
-

Your Monthly Costs ✓

- Fixed Costs (same every month):**
 - Vehicle/travel expenses: £ _____

- Insurance: £ _____
- Phone/mobile: £ _____
- Equipment replacement fund: £ _____
- Marketing/advertising: £ _____
- Other: _____ £ _____

Total Monthly Fixed Costs: £ _____

Variable Costs (depends on how busy you are):

- Fuel per job: £ _____
- Supplies per job: £ _____
- Other per job: £ _____

Average Variable Cost Per Job: £ _____

Your Income Goals ✓

Personal income targets:

- What do you want to earn per month? £ _____
- What do you need to earn minimum? £ _____
- How many hours per week do you want to work? _____

Business growth targets:

- Money to save for equipment: £ _____ per month
- Money for business growth: £ _____ per month
- Emergency fund contribution: £ _____ per month

Total Monthly Target: £ _____

Your Pricing Calculation ✓

Work out your hourly rate:

Monthly costs: £ _____

Personal income goal: £ _____

Business growth fund: £ _____

= Total needed per month: £ _____

Hours you'll work per month: _____ (weeks per month × hours per week)

Your minimum hourly rate: £ _____ (Total needed ÷ hours per month)

Add a safety margin (recommend 20%): Your target hourly rate: £ _____

Your Job-Based Pricing ✓

If you charge per job rather than hourly:

Typical job time: _____ hours Your hourly rate: £ _____ Variable costs per job: £ _____

Your price per typical job: £ _____

Compare with local market: Local competitors charge: £ _____ to £ _____ Your pricing is: Similar Lower Higher

Reality Check Questions ⚠️

Cost questions:

- Have I forgotten any important costs?
- Are my cost estimates realistic or optimistic?
- What if costs are 20% higher than expected?

Pricing questions:

- Will customers actually pay this rate?
- How does this compare to competitors?
- Can I justify this price with my service quality?

Income questions:

- Is my target income realistic for year 1?
 - Am I being too ambitious or not ambitious enough?
 - What if I only get 70% of my target customers?
-

AI Tips for Better Money Conversations 💡

Ask for ranges, not exact numbers

- "What's the typical range for [cost/price]?"
- "What would be low, medium, and high estimates?"

Get AI to explain the reasoning

- "Why do [your service] businesses typically charge this amount?"

- "What factors affect pricing in this industry?"

Test different scenarios

- "What if I only work 20 hours per week instead of 30?"
- "How would my pricing change if fuel costs doubled?"

Ask for local considerations

- "What Isle of Man specific factors might affect my costs?"
 - "How do rural vs town pricing differ for [your service]?"
-

Simple Profit Check ✓

Monthly profit calculation:

Income per month: £ _____ (rate × hours worked)

Fixed costs per month: £ _____

Variable costs per month: £ _____ (cost per job × jobs per month)

= Your monthly profit: £ _____

Is this enough? Does this cover:

- Your personal income needs? Yes No
- Business growth fund? Yes No
- Emergency cushion? Yes No

If not, you need to: Increase your rates Reduce your costs

Work more hours Get more efficient

Confidence Builders 🎯

You can always adjust: Prices aren't set in stone - you can change them as you learn

Start somewhere: Better to begin with realistic estimates than never start at all

Local knowledge matters: You understand your area better than AI does

Value justifies price: If you provide good service, customers will pay fair rates

Your Money Summary ✓

Complete these sentences:

"My monthly costs will be approximately: £ _____"

"I need to charge £ _____ per hour/job to meet my goals"

"This compares to local competitors by being: _____"

"I feel _____ about these numbers because _____"

Ready for Module 6? ✓

You're ready when you can tick these boxes:

- I know my monthly business costs
 - I've calculated a realistic hourly/job rate
 - I understand how my pricing compares locally
 - I can explain why my pricing is fair
 - I feel confident about my financial targets
-

Extra Money Planning Prompts 🚀

Want to dig deeper? Try these:

- Seasonal planning:** *"How do costs and income typically vary by season for [your service] businesses?"*
 - Growth planning:** *"How might my costs and pricing change as my [your service] business grows?"*
 - Risk planning:** *"What financial challenges do new [your service] businesses typically face and how can I prepare?"*
 - Efficiency planning:** *"How can [your service] businesses reduce costs and increase profitability over time?"*
-

Next: Module 6 - Finding Your First Customers

Remember: These numbers are your starting point. It's fine to adjust them as you gain experience and learn more about your market!