

HOW TO SET YOUR PRICES

I know how you feel. You have no idea how you should set your prices for your program. It seems like an impossible task. But it's not. I know. When I came to YWAM San Diego I didn't know a spreadsheet from a database. I had no idea what a budget was. But even a wrong-brained guy like me has been able to get a grasp on this stuff. So you can too. As I've been through this, I've received a lot of wisdom from Joe Matta. Here's what I've learned...

MISSION ADVENTURES COST ANALYSIS SCHEDULE					
INCOME					
Adjust Only Non-bold Fields	Days Per Cycle	Cycles	Campers/Cycle	Rate Per Cycle	Total Income
	10	2	50	\$450.00	\$45,000
EXPENSES					
DIRECT EXPENSES	Cost Per Day	Cost Per Cycle	Total Expense	\$ for Base	\$ for Program
Food	\$7.00	\$70.00	\$7,000	\$7,000	
Housing	\$10.00	\$100.00	\$10,000	\$10,000	
Transportation	\$6.00	\$60.00	\$6,000	\$6,000	
Kid Kits	\$3.00	\$30.00	\$3,000		\$3,000
Staff Supplies (Kits, Shirt, Gifts)	\$0.60	\$6.00	\$600		\$600
Program (Set, etc..)	\$0.50	\$5.00	\$500		\$500
Total Direct Expense	\$27.10	\$271.00	\$27,100	\$23,000	\$4,100
INDIRECT EXPENSES	Cost Per Day	Cost Per Cycle	Total Expense	\$ for Base	\$ for Program
Administration	\$1.50	\$15.00	\$1,500		\$1,500
Equipment/Sound	\$0.50	\$5.00	\$500		\$500
Insurance	\$0.50	\$5.00	\$500	\$500	
Maintenance	\$0.50	\$5.00	\$500	\$500	
Miscellaneous	\$0.50	\$5.00	\$500	\$500	
Utilities	\$0.50	\$5.00	\$500	\$500	
Total Indirect Expense	\$4.00	\$40.00	\$4,000	\$2,000	\$2,000
ADVERTISING/PROMO	Cost Per Day	Cost Per Cycle	Total Expense	\$ for Base	\$ for Program
Advertising	\$0.50	\$5.00	\$500		\$500
Promotion/Videos	\$0.50	\$5.00	\$500		\$500
Youth Specialties	\$1.50	\$15.00	\$1,500		\$1,500
WAVES Gathering	\$1.00	\$10.00	\$1,000		\$1,000
Total Advertising Expense	\$3.50	\$35.00	\$3,500		\$3,500
TOTAL COST	\$34.60	\$346.00	\$34,600	\$25,000	\$9,600
TOTAL INCOME			\$45,000	\$32,514	\$12,486
PROFIT OR (LOSS)			\$10,400	\$7,514	\$2,886

Please Note: The figures in this sample budget are not necessarily accurate. They should not be used as a guide in your budget.

Eeeww, numbers!

If you set your spreadsheet up right, you can have the machine do the math for you. If you're numerically challenged, like me, this is a God-send.

MISSION ADVENTURES COST ANALYSIS

Here is a cost analysis schedule (also known as a sample budget) for a Mission Adventures program. The first section is a computation of the income. The second section is a list of all the expenses. At the bottom you can see the ending balance for this budget.

INCOME COMPUTATION

Days per Cycle: This is the number of days per cycle. There are ten days per cycle in this example.

Cycles: This refers to the number of times we will run the program. For this example, the program runs twice.

Campers/Cycle: This is the number of participants expected for each cycle. 50 kids are expected each cycle in this example.

Rate per Cycle: This is the amount charged per person for each cycle. For this example, the price is \$450 per person.

Income: This is the expected revenue in dollars for the summer. Here we expect 2 cycles x \$450 per person x 50 people per cycle = \$45,000.00

EXPENSE COMPUTATION

The second section has a list of items that make up the expenses for this MA program. This list is not exhaustive. Your list may contain more and different items. Here are explanations for some of the items on the list.

Cost Per Day: This is the cost for that item for one person for one day.

Cost per Cycle: This refers to the cost per kid per cycle. This is determined by taking the Cost Per Day and multiplying it by the number of Days Per Cycle.

Total Expenses: This is the total expenses for each item in the list. This number is determined by taking the Cost Per Cycle and multiplying it by the Campers/Cycle and the number of cycles.

\$ For Base: This column is a list of expenses that the base may typically be responsible for. Show this column to your base administrator/

accountant type... They'll really like what they see.

\$ for Program: This is a column of expenses that you may be responsible for. Again, show this to your administrator types when you need to pony up for Youth Specialties

Direct Expenses: These are often referred to as the "hard costs." This is the stuff that's easily accounted for, because physical goods are utilized in this part of the analysis

Kid Kit: This is the cost of the Kit given to each participant. It's a good idea to put the full price of the Kit in here, even if you expect to get discounts for prompt payment. That way you'll have some room in your budget.

Program: This is the cost of putting on all the great stuff that make up a Mission Adventures program. Some of the costs in this category may be things like the Passion Play.

Indirect Expenses: These are often referred to as "soft costs." This is the stuff that's harder to keep track of—it's usually not a physical product purchased. More often it's a service.

Administration: This is the cost of running your office. It includes things like the expenses you incur in registering your teams.

Advertising/Promo: These are expenses related to promoting your program. Usually this is money set aside for future expenses.

Youth Specialties: Be sure to build the cost of attending the YS conventions into your budget. That way you'll have money already set aside and you won't have to depend on the whims/mercy of your leaders.

WAVES Gathering: Build the cost of attending the WAVES Gathering into your program and you won't have to worry about whether or not you can afford to go. In this example there's more than enough for two people to attend, plus some travel money.

Miscellaneous: Something always comes up and eats up money! So be sure to build in some fudge room in your spreadsheet.

Transportation

Many of the categories on this Sample Budget deserve to have their very own spreadsheet. Transportation is one of the categories that can really benefit from thorough think-through of all the costs involved. (Food is another one... Ask Joe to show you his Sandwich Spreadsheet...)

Anyway, back to transportation. You may not ever have to think about such things as gas, oil, repairs, insurance, depreciation, and the cost of replacing the vehicles as part of your everyday life. However, all these factors are really important in determining how much it costs you to transport your teams. Trust me. You want to think about this stuff.

So I encourage you to get with your base's number crunching types and go further than this Sample Budget shows. Just be careful not to get too good at this spreadsheet thing. You may find yourself with a new job on the base... like Accountant!