

Most business owners pull the Discount Lever way too often and normally when it is not required at all. The matrix below shows exactly how much more business you need to create when discounting. Think what your business could do now you know this.

Your Gross Profit Margin

20% 25% 30% 35% 40% 45% 50% 55% 60%

Price Discount

Increase in Number of Sales to maintain profit

2%	11%	9%	7%	6%	5%	5%	4%	4%	3%
4%	25%	19%	15%	13%	10%	10%	9%	8%	7%
6%	43%	32%	25%	21%	18%	15%	14%	12%	11%
8%	67%	47%	36%	30%	25%	22%	19%	17%	15%
10%	100%	67%	50%	40%	33%	29%	25%	22%	20%
12%	150%	92%	67%	52%	43%	36%	32%	28%	25%
14%	233%	127%	88%	67%	54%	45%	39%	34%	30%
16%	400%	178%	114%	84%	67%	55%	47%	41%	36%
18%	900%	257%	150%	106%	82%	67%	56%	49%	43%
20%	-	400%	200%	133%	100%	80%	67%	57%	50%
25%	-	-	500%	250%	167%	125%	100%	83%	71%

Many business owners fear raising their prices. The interesting thing is, by increasing your price, you can actually afford to lose customers and still have the same profitability. Less customers leads to more time. Think what your business could do now you know this.

Your Gross Profit Margin

20% 25% 30% 35% 40% 45% 50% 55% 60%

Price Increase	Decrease in Number of Sales to maintain profit								
2%	9%	7%	7%	6%	5%	5%	4%	4%	3%
4%	17%	14%	12%	10%	9%	8%	7%	7%	6%
6%	23%	19%	15%	13%	12%	11%	10%	10%	9%
8%	29%	24%	21%	19%	17%	15%	14%	13%	12%
10%	33%	29%	25%	22%	20%	18%	17%	15%	14%
12%	38%	32%	29%	26%	23%	21%	19%	18%	17%
14%	41%	36%	32%	29%	26%	24%	22%	20%	19%
16%	44%	39%	35%	31%	29%	26%	24%	23%	21%
18%	47%	42%	38%	34%	31%	29%	26%	25%	23%
20%	50%	44%	40%	36%	33%	31%	29%	27%	25%
25%	56%	50%	45%	42%	38%	26%	33%	31%	29%
30%	60%	55%	50%	46%	43%	40%	38%	35%	33%