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BUSINESS RESOURCE · BUSINESS OPERATIONS

Product portfolio basics for small business owners

Find out which products and services carry your business, then choose one change to try for four weeks.

Every business reaches a point where the list of things it sells grows longer than the time it has to manage them. A quick review of your products and services shows you which ones carry your business. By the end of this guide, you can choose one change to try next.

> *Know what each item earns you, and you can decide what to keep, change or pause.*

Four checks for every product or service

01

List everything you sell

Include packages, add-ons and services, each with its price. Many owners find items they had forgotten or that overlap.

02

See what sells

Look at the last 12 months and count how many times each item sold. Mark your top three and your bottom three.

03

Find what each sale leaves for your business

Take the price and subtract your materials, supplies, fees and the value of your time. The formula: price minus (materials + supplies + fees + your time at an hourly rate) equals what the sale leaves.

04

Ask your customers

Talk with three to five regular customers about what they come for and what they would like to see. Reviews and the questions people ask at the counter or by phone help too.

A worked example

A custom cake sells for	After costs and two hours of time, it leaves	A $25 box of cookies leaves
$60	$12	$14

Ingredients and packaging for the cake cost $18, and it takes two hours. If you value your time at $15 an hour, the cake leaves $60 minus $18 minus $30, which is $12. The box of cookies has $6 of ingredients and takes 20 minutes, or $5 of your time, so it leaves $14 and sells quickly. The cookies leave more per sale and take a fraction of the time, so they may deserve more space in your offer. Your own items will tell their own story.

Choose one change and try it

Pick one move: keep an item as it is, adjust its price or package, add something new, or pause something that no longer fits. Try it for four weeks, note what happens, then decide on the next change.

YOUR ACTION STEP **15 minutes**

Fill in the product worksheet

Copy this table, fill it in for your five best-known items and circle the one you want to improve first.

Item	Price	Cost (materials, supplies, fees)	Time (min)	What it leaves	Times sold (12 months)	Decision (keep, adjust, add, pause)

TRUSTED SOURCES

- U.S. Chamber of Commerce (CO-), How to Price Your Product: A Step-by-Step Calculation
- Trinity Valley Small Business Development Center (SBDC), How to Determine Your Pricing Strategy: Stop Guessing and Start Profiting
- SCORE, How to Price Your Product or Service

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