

From the Desk of Nathan Harrison

RETAIL MATH

The following is an over simplified, retail performance report to show how money is made in this business.

MORE IMPORTANT is the importance of markdowns and how to make money with them.

PURCHASE: 24 pieces @ \$25 = \$600

SELL 12 pc @ \$50 retail \$600.00

Balance is 12 pc. Markdown 25% to \$37.50

SELL 6pc @ \$37.50 \$225.00

Balance is 6 pc markdown to \$27.50

SELL 3 pc @ \$27.50 \$ 82.50

Balance is 3 pc markdown to \$18.00

SELL 2 PC @ 18.00 \$ 36.00

Balance is 1 pc markdown to \$5

SELL 1 pc @ \$5.00 \$ 5.00

\$948.50 = 58%

Obviously a retailer wants better sales, better margins, more volume.

This is a very simplified version. Want more? Just call me.

Thank you,

Nathan