

Step 19 · Pricing Math

Frequently Asked Questions

What should I charge for a latte?

Cost the exact size and recipe first: coffee, milk, flavorings, packaging, normal waste, and applicable selling fees. The price must leave a contribution toward staffing, overhead, and owner needs. Compare current local offers of similar size and quality, then test customer response. Another shop's price is context, not proof that it works for your costs.

What tool should I use to cost my menu?

Use a spreadsheet or costing app you can maintain and check. It should connect purchase prices and pack sizes to recipe quantities, usable yield, and portions, then update items when prices change. Test one real drink and one batch by hand before trusting its results. Consider invoice and sales connections only if they save useful work; a complicated system with stale inputs will still give misleading costs.

What percentage of sales should my ingredients and supplies cost?

Use other owners' percentages only when they count the same things. Define whether your figure includes packaging, waste, and other supplies, then calculate it consistently from your own records. Coffee, food, and different selling channels can produce very different results. A low ingredient percentage does not prove profitability: payroll, rent, fees, and other costs still have to be covered.

How do I tell whether my drink prices are too high or too low?

Compare like-for-like drinks on current nearby menus: size, recipe, quality, service, and what the displayed price includes. Then check your own costs and how customers actually buy. Friends' opinions and another operator's prices are clues, not a pricing decision. If your needed price does not fit your customers, revisit the offer or cost structure rather than copying a competitor blindly.

Educational guidance. Check your own circumstances with the appropriate local professional.