

The formula, the rounding rule, and the calendar. A sophomore can run all three.

STEP 1: LANDED COST (THE HONEST NUMBER)

landed cost = (invoice + shipping + fees) ÷ units

Invoice \$_____ + shipping/fees \$_____ ÷ _____ units = \$_____ per unit

STEP 2: THE MARGIN FLOOR

floor price = landed cost ÷ (1 – target margin)

Worked example: \$14.52 ÷ (1 – 0.40) = \$24.20 → charge **\$24**. Target margin for spirit wear: 40% is a sound floor. Margin ≠ markup: cost × 1.4 gives you 29% margin, and that mix-up eats programs.

STEP 3: ROUND TO THE LADDER

- ☐ Whole dollars only. The line moves at the speed of the math.
- ☐ Keep a coherent ladder (tee \$_____ / long-sleeve \$_____ / hoodie \$_____)

THE MARKDOWN CALENDAR (DECIDE AT LAUNCH, BEFORE ANYONE'S EGO IS INVESTED)

WEEK 2	Velocity check. Under a quarter sold: diagnose (price? design? awareness?) before touching the price. Over half: you priced low; note it.
WEEK 6	Whatever's stalled: 25% off, loudly. Date: _____
WEEK 10	Cut to cost. Cash for the next drop beats a box in April. Date: _____

THE DROP LOG (FEEDS THE NEXT PRICING MEETING)

ITEM	LANDED	PRICE	WK-2 SELL-THROUGH	MARKED DOWN?	LESSON

Full playbook + the interactive calculator: "Pricing your first drop," on the RallyOrder blog.