Price-Rise Calculator

Step 1: do the maths before you decide

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Fear of a price rise usually comes from not knowing the numbers. Work these out for your top product or service. Use the editable Google Sheet to calculate automatically.

1 Gross profit per sale

Price − direct cost of making or delivering ONE sale = gross profit per sale

Product / service	Price now	Direct cost	Profit now	New price	New profit
Moses: lunch plate (example)	$10	$7	$3	$11 (+10%)	$4 (+33%)

2 Break-even: how many customers could you lose?

Current profit per sale ÷ New profit per sale = share of sales you need

Moses: 3 ÷ 4 = 0.75 → he needs 75% of his sales, so he can lose up to 25% and earn the same.

Mine: _____ ÷ _____ = _____ → I can lose up to _____ % of sales and earn the same.

3 How much should you raise? Three signals

- ☐ Sold out: often sold out, fully booked, or turning people away
- ☐ Costs up: costs have gone up noticeably since your last price change
- ☐ High close rate: new customers almost always say yes (you are probably cheap)

One signal
a 5–10% rise is usually safe

All three (especially sold out)
consider more; sold out again? raise again

Plan a small rise every year (around 3–6%) so you never fall far behind your costs. Small, regular increases feel normal; one huge increase after years of nothing feels like a shock. Example figures, not targets or forecasts.

Examples only; results vary. General business education, not financial, legal or tax advice.
Free tool from LoftyBiz. More free tools and Systex (our own product): loftybiz.net

Price-Rise Letter Template

Step 2: tell your regulars the right way

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1 The plan

Week 0
New price for NEW customers only. Watch: do they keep buying?

Week 1
Tell regulars: about 4 weeks' notice (monthly plans: at least one billing cycle).

Week 5
New price for everyone. Regulars kept the old price during notice.

2 Your message: four parts

1 Thank you	Thank you for being a loyal customer (and mean it).
2 Honest reason	One or two sentences: rising costs, or improvements you are making.
3 New price + date	The exact new price and the exact date it starts.
4 What stays the same	What stays the same, or gets better.

Fill-in template (card at the counter, message to your customer group, or email)

Thank you for _____ (every week / for being with us since _____).

Since _____, the cost of _____ has gone up.

To keep _____, our _____ will be $_____ from _____ (date).

Until then, it stays at $_____.

Same _____, same _____, and the same welcome.

Worked example (illustrative): Moses's lunch spot

"Thank you for eating with us every week. Since last year, the price of cooking oil, gas and rice has gone up a lot. To keep the same portions and quality, our plate will be $11 from the first of next month. Until then, it stays at $10. Same food, same portions, and the same welcome."

Do

- ☐ Change new customers first
- ☐ Give notice and keep the old price meanwhile
- ☐ Give one honest reason and a clear date

Don't

- ☐ Apologise over and over
- ☐ Shrink the portion or service quietly
- ☐ Give special discounts on the spot

Loyalty, complaints and tracking

Step 3: protect your best customers and check the result

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1 Reward your best, longest customers (optional)

Offer to keep their old price a little longer, or give something extra, if they pay ahead. Example: a gym raising its monthly fee from $150 to $170 lets current members lock in $150 for six months if they pay upfront. Members feel valued and the gym collects cash early.

My loyalty offer: _____

2 If a regular complains

- ☐ Listen, and thank them for telling you.
- ☐ Explain the reason calmly (the same reason as in your message).
- ☐ No special discount on the spot: word travels and soon everyone expects one.
- ☐ If they leave, let them go politely. Remember the maths: you can lose some and still earn more.

3 Track for two months

Week	Regular customers	Total sales ($)	Gross profit ($)	Notes
Before				
Week 1				
Week 2				
Week 3				
Week 4				
Week 5				
Week 6				
Week 7				
Week 8				

In most cases you'll see a small dip in customers, if any, and a clear rise in profit. Results vary. Make it a yearly system: a profit check, the customer letter and a review date, every year.