



Pricing your cakes effectively plays a major role in your cake business, It determines whether your business will move forward or not

When you're running a cake business, it's really important to get your pricing right from the very start. So today, I'm going to teach you how to figure out your cake prices.

Baking a quality cake takes skill, time and a lot of dedication. You deserve to be paid well for your hard work. One of the most repeated questions I see and hear from home or small cake businesses is:

‘How much should I charge for this cake?’

This is the most common question i see in cake or baking groups every single day, no matter the number of times bakers read about pricing...Some persons keep asking the same question every time

Truth is, your pricing should not be the same with someone else's pricing because...you buy cake supplies at different prices depending on your location. You may also have different cake sizes, different frosting whether buttercream, whip cream or fondant.

Different designs too (Yes, the complexity of the design your client wants should also affect your pricing) And lest I forget, the kind of flavor client wants matters too: Vanilla, chocolate, red velvet, cookies and cream etc

The most challenging time is when you're transitioning from being a hobby baker, doing favours and freebies for friends, to a full fledged cake entrepreneur and trying to make a living from your business. So When pricing your cakes...Please consider the following:

Cost of Ingredients + Labour cost(Time spent) + Indirect cost + Profit = Actual Cake Price

Cost of Ingredients

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For instance, if you plan to bake an 8inch buttercream cake and the total supplies cost **₦4,155** (that is the cost for the exact measurement of ingredients you will need for that particular cake job)

Please include it even if you already have the ingredients at home.

Labour Cost (Time Spent)

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If it would take you 3 hours to complete the job and you charge ₦500 per hour that would mean: **₦500 x 3 = ₦1,500.**

It is totally up to you to decide what amount you want to charge for your time

Indirect cost

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Indirect costs include: Rent, Utility bills, cost of maintaining your Baking Equipment etc.

Please see cake pricing calculator to understand exactly how indirect cost is determined

Let's Assume Indirect Cost to be = **₦833**

Profit

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Your profit is calculated as 30% of the sum of all the other parameters i.e
(Cost of ingredients + Labour Cost + Indirect Cost) X 30%

Let's assume Profit to be = **₦1946**

Actual price for our 8" buttercream cake would be:

Cost of ingredients + Labour cost + Indirect cost + Profit = 4155 + 1500 + 833 + 1946. Actual cake Price = ₦8434

So here's what you are probably thinking in your mind right now:

*“Okay Jacqueline, these tips and strategies are so helpful. I really want to implement all of these in my cake business, **but** i do not like math and i don't have the time to work out my cake pricing like this for every cake order i get”*

I feel your pain sweet baker.

Pricing can be SO overwhelming. For instance, you need to add up all the little ingredients you use (how much can a teaspoon of baking powder really cost?!?).

You need to know what to add to cover your Indirect Cost. Most importantly, you need to actually put a monetary value on your time!

The easiest way to determine your cake prices without breaking a sweat is by creating a **Cake pricing Calculator**.

A **Cake Pricing Calculator** allows you to calculate and see all your cake prices at a glance without needing to go through the stress of calculating every value.

Jacqueline's Cake Pricing Calculator							
Cake Size	8"	10"	12"	14"	16"	18"	20"
Cost of Ingredients	4155	0	0	0	0	0	0
Indirect Cost	833	0	0	0	0	0	0
Labour cost	1500	0	0	0	0	0	0
30% Profit	1946	0	0	0	0	0	0
Actual cake Cost	8434	0	0	0	0	0	0
Starting Cake Price	9000	0	0	0	0	0	0

You can create your own calculator with any spreadsheet software you have. For example, Excel, Numbers or Google Sheets.

From the screenshot above, you only need to input three values (**Cost of ingredients, Labour cost and Indirect cost**).

Then the parameters below the red line (**Profit, Actual Cake Cost and Starting Price**) will automatically generate values depending on the first three parameters. That means you do not need to touch anything below the **red line**. Repeat this for other cake sizes.

The auto calculation is possible because there are formulas already installed in the cells marked with red.

Also, rather than give a client the actual cake cost **₦8434** as seen in the screenshot which doesn't look so presentable, you round up the figure to **₦9000** to serve as your Starting Cake Price.

Starting Cake price is the actual cake cost rounded up to the nearest whole number

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I understand that a lot of us are very busy and may not have the time or inclination to create our own **Cake pricing Calculator**

Not to worry, I have already done the hard work for you. You just need three numbers to get your cake cost using my Cake Pricing Calculator template.

I've made it as easy as possible because You bake yummy treats and you deserve to be paid your worth!

Don't let fear or doubt hold you back from growing a sustainable business that supports you. Earn more by charging a fair price for your baked goods.

**REMEMBER, CHANGE CAN ONLY HAPPEN IF YOU
START APPLYING NEW METHODS AND STOP DOING
THE THINGS THAT YOU DID IN THE PAST WHICH DID
NOT WORK FOR YOUR BUSINESS ALL THE BEST**

**Kindly check the next lecture to download
your cake pricing calculator**

Yet to get the cake pricing calculator? Click on the video below to watch me cost a cake live using a simple, easy to use cake pricing calculator.

