

## StartUp: Price

*Dry Delights* has carefully set their prices ensuring that customers get quality fruit for a great price. Each bag of fruit is sold for five dollars. Five dollars is a great price, because it is cheap so that people will buy multiple bags. This gives them the ability to buy multiples bags of different fruits rather than buying a single bag at a store. Each product ranges from roughly \$1.23 to \$1.76 to make, because some fruits are more expensive than others. We marked each product at the same price, because the cost to produce the different fruits is very close. With a cost to make at \$1.23 and a selling price of \$5, this means that we have a profit margin of 75.4%. Having such a large profit margin proves our companies viability and shows how it will have a bright future. We are able to make a great amount of money per unit, generating the maximum amount of profit. Although the revenue is high, there are a few additional factors that need to be considered to fully understand our profit. Time is a huge factor that comes into play. Each batch of fruit takes roughly an hour and a half to prepare for the dehydrator. After being prepared and layed out on the dehydrator, it stays on the dehydrator for roughly 8 hours. With a minimum wage of 16 dollars an hour, the person who makes the product will need to be payed 24 dollars per batch. Each batch yields about 10 bags, which would generate 50 dollars in revenue. The total profit made per batch is \$13.7 after paying all workers.