

Break-Even Analysis

Building Materials & Hardware

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This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

Background

Computes break-even from discrete inputs — blended gross margin and monthly fixed costs (staff, rent, finance, overheads) — giving the monthly sales needed to break even and the margin of safety. Use it to set your survival sales level. For the P&L use the Store P&L Modeller.

Purpose of this tool & output

The sales you must do to cover costs

How the output is used

Use it to find the sales you must do to cover costs — the break-even turnover given your margins, fixed costs and credit burden.

Who should vet it

Your CA or accountant, to confirm the fixed costs and blended margin used in the break-even.

Important cautions

Thin gross margins mean you need high sales just to cover fixed and finance costs; watch the margin-of-safety cushion closely.

Companion documents

- Store P&L Modeller
- Working Capital Planner
- Category ROI / GMROI Analysis
- Cash Flow Management Plan
- Landed Cost & Margin Model
- Building Materials Business Valuation

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.