

Variable Cost Analysis Example

Quantity Break	10	20	50	100	500	1,000
Price	3.32	3.00	2.75	2.50	2.00	1.67
Q X P						
Difference Q X P						
Difference Q						
Variable Cost (Diff. Q x P / Diff. Q)						
Lowest Variable Cost (insert lowest in each column)						
Variable Cost/Run (LVC x Q)						
Set-up Cost (Lowest Q x P – Lowest VC)						
Target Cost (Set-up Cost + VC/R)						
Savings ((Q x P) – Target Cost)						
% Savings						