

TASK DETAIL	
Title	BREAK-EVEN ANALYSIS & SALES TARGET
Type	TEAM
Activity Stage	BUSINESS PLANNING
Department	ALL DEPARTMENT
Durasi	1x SESSION, 2 LESSON HOUR
LEARNING OBJECTIVE	OUTPUT
•	1. Break-Even Analysis 2. Sales Target Estimation

INTRODUCTION

To generate profit, a company must sell its products or services at sales targets that exceed total costs within a certain period. To determine these targets, a company can perform a break-even analysis. Once the sales target is established, the company can estimate the amount of inventory needed.

No	ACTIVITY
1	Introduction to Break-even Analysis The facilitator explains the purpose and steps of break-even analysis. A break-even template can be downloaded from the "Template" section of the Portal (id.penworldwide.org).
2	Departmental Break-even Calculation Each department is instructed to complete a break-even analysis using the provided template. Essential information to prepare includes: <ul style="list-style-type: none"> • Average selling price per product/service • Average variable costs • Annual fixed costs
3	Department Presentations Each department presents its break-even calculation results and recommendations for sales targets. If the break-even point is too high, the company can discuss reducing overly large budget items.
4	Finalizing Sales Targets and Inventory Planning Once the break-even calculations and sales targets align with the company's objectives, the company determines the required inventory levels and updates the company budget accordingly. Inventory quantities should match the planned sales targets.
5	Budget Review Finally, double-check each budget component for calculation errors and incorrect links or references.

REFERENCE

TASK TEMPLATE

1. Break Even Analysis – [LINK](#)