MARGIN & MARKUP TABLE

Desired Margin	Mark-up Percent	Mark-up Multiplier	Desired Margin	Mark-up Percent	Mark-up Multiplier	Desired Margin	Mark-up Percent	Mark-up Multiplier	Desired Margin	Mark-up Percent	Mark-up Multiplier	Desired Margin	Mark-up Percent	Mark-up Multiplier
1%	1.01%	1.010	21%	26.58%	1.266	41%	69.49%	1.695	61%	156.41%	2.564	81%	426%	5.263
2%	2.04%	1.020	22%	28.21%	1.282	42%	72.41%	1.724	62%	163.16%	2.632	82%	456%	5.556
3%	3.09%	1.031	23%	29.87%	1.299	43%	75.44%	1.754	63%	170.27%	2.703	83%	488%	5.882
4%	4.17%	1.042	24%	31.58%	1.316	44%	78.57%	1.786	64%	177.78%	2.778	84%	525%	6.250
5%	5.26%	1.053	25%	33.33%	1.333	45%	81.82%	1.818	65%	185.71%	2.857	85%	567%	6.667
6%	6.38%	1.064	26%	35.14%	1.351	46%	85.19%	1.852	66%	194.12%	2.941	86%	614%	7.143
7%	7.53%	1.075	27%	36.99%	1.370	47%	88.68%	1.887	67%	203.03%	3.030	87%	669%	7.692
8%	8.70%	1.087	28%	38.89%	1.389	48%	92.31%	1.923	68%	212.50%	3.125	88%	733%	8.333
9%	9.89%	1.099	29%	40.85%	1.408	49%	96.08%	1.961	69%	222.58%	3.226	89%	809%	9.091
10%	11.11%	1.111	30%	42.86%	1.429	50%	100.00%	2.000	70%	233.33%	3.333	90%	900%	10.000
11%	12.36%	1.124	31%	44.93%	1.449	51%	104.08%	2.041	71%	244.83%	3.448	91%	1011%	11.111
12%	13.64%	1.136	32%	47.06%	1.471	52%	108.33%	2.083	72%	257.14%	3.571	92%	1150%	12.500
13%	14.94%	1.149	33%	49.25%	1.493	53%	112.77%	2.128	73%	270.37%	3.704	93%	1329%	14.286
14%	16.28%	1.163	34%	51.52%	1.515	54%	117.39%	2.174	74%	284.62%	3.846	94%	1567%	16.667
15%	17.65%	1.176	35%	53.85%	1.538	55%	122.22%	2.222	75%	300.00%	4.000	95%	1900%	20.000
16%	19.05%	1.190	36%	56.25%	1.563	56%	127.27%	2.273	76%	316.67%	4.167	96%	2400%	25.000
17%	20.48%	1.205	37%	58.73%	1.587	57%	132.56%	2.326	77%	334.78%	4.348	97%	3233%	33.333
18%	21.95%	1.220	38%	61.29%	1.613	58%	138.10%	2.381	78%	354.55%	4.545	98%	4900%	50.000
19%	23.46%	1.235	39%	63.93%	1.639	59%	143.90%	2.439	79%	376.19%	4.762	99%	9900%	100.000
20%	25.00%	1.250	40%	66.67%	1.667	60%	150.00%	2.500	80%	400.00%	5.000			

Markup vs Gross Margin; Which is Preferable?

Though markup is often used by operations or sales departments to set prices it often overstates the profitability of the transaction.
Mathematically markup is always a larger number when compared to the gross margin.
Consequently, non-financial individuals think they are obtaining a larger profit than is often the case.
By calculating sales prices in gross margin terms they can compare the profitability of that transaction to the economics of the financial statements.

Steps to minimize Markups vs Margin Mistakes

Terminology and calculations aside, it is very important to remember that there are more factors that affect the selling price than merely cost.
What the market will bear, or what the customer is willing to pay, will ultimately impact the selling price.
The key is to find the price that optimizes profits while maintaining a competitive advantage.Below are steps you can take to avoid confusion when working with markup rates vs margin rates:

1. Use a pricing model or pricing tool to quote sales. Have the tool calculate both the markup percentage and the gross margin percentage

2. Relate gross margin percentage per sales invoice to income statement

3. Organize your chart of accounts to compare gross margin rate to sales quotes

4. Educate your sales force on the differences. By targeting the gross margin percentage vs the markup percentage you can throw an additional 2 - 3 percent profit to the bottom line!