

This is a real order. A new local client — a handyman business — calls for 24 embroidered golf shirts and 12 hats. The shop is not over-busy. They take it.

What follows is that order taken through all five PRICE drivers — the way a complete pricing system handles it. This worked example is shown for a single-head embroidery machine. A multi-head comparison appears at the end of this document.

The Order	
Field	Detail
Client	New — local handyman business. No prior relationship, no established price.
Garments	24 golf shirts (12 ash, 12 navy)
Hats	12 hats
Logo — left chest / left front	9,000 stitches + one row of lettering. One design file for shirts, separate file for hats.
Names — right chest	6 shirts only, specific sizes, right chest. Each requires individual file load and setup.
Color complication	Two-color run (ash + navy) = thread changeover required mid-run
Digitizing	Logo design + digitizing required — not yet done at time of quote
Timeline requested	8–10 days
Shop capacity	Not over-busy at time of order
Garment cost	\$14.60 per shirt wholesale \$6.75 per hat wholesale

Most shop owners reading this have priced an order exactly this way, because stitch-count pricing was the only system they had. This is not a criticism. It is a recognition. The PRICE Framework is the alternative.

How Most Shops Would Price This Order		
PRICE Driver	What the Shop Does	What Gets Missed
P — Production Cost	Garment cost noted. Thread estimated loosely.	Logo design provided free. Backing, stabilizer, digitizing not itemized. Inbound freight absorbed. Overhead not calculated.
R — Real Labor	Stitch count used as a proxy.	This order takes 13+ hours on a single-head machine. Most shops estimate 3–4 hours. That gap is where the money disappears.
I — Intended Profit	Hopes something is left over.	No profit target built in. If costs run high, nothing is left.
C — Capacity Pressure	Shop is slow. Standard rate applied.	8–10 days is real compression for this order's complexity, even in a slow shop.
E — End Customer Value	New client. Priced as any walk-in.	Local business. Recurring order potential not factored in.

P — Production Cost

Everything it actually costs to run this order — not just the garments.

The Handyman Order — Worked Example

All Five PRICE Drivers Applied — reference & teaching

Item	Amount
Garment / blank cost (24 shirts × \$14.60)	\$350.40
Garment markup / retail upcharge (~\$22/shirt; \$7.40 × 24)	\$177.60
Hat cost (12 hats × \$6.75)	\$81.00
Hat markup (~\$12; \$5.25 × 12)	\$63.00
Thread (estimated 2 color runs, 36 pcs)	\$12.00
Backing / stabilizer (36 pcs)	\$8.50
Sample / sewout garment (1 test shirt)	\$14.60
Logo design / graphic development (from scratch)	\$0.00

A professional graphics package for a new business runs \$299 and up. Most embroidery shops provide this service for free, absorbing skilled design work they were never trained to provide and never charge for. This order required a logo built from scratch. That work has a real market value whether the shop charged for it or not. The \$0.00 is not an oversight. It is a choice most shops make without realizing they are making it.

Item	Amount
Digitizing (two design files — flat goods and caps)	\$65.00
Inbound freight (order size doesn't qualify for free shipping)	\$18.00
Overhead allocation (\$8.50/machine hr × 13.2 machine hrs)	\$112.20

Most shops skip 4–6 lines in this section. Logo design, markup on blanks, the sewout garment, digitizing, inbound freight, and overhead are the most commonly missed. Each one is real money that was spent — whether it was factored into the quoted price or not. The overhead allocation alone is often the biggest surprise: at \$8.50/hr over 13.2 machine hours, it is \$112.20 on this order. Most shops estimate 3–4 machine hours and calculate \$25–34 instead. That understatement is \$78–87 of unrecovered overhead, on a single order.

	Amount
P — Production Cost Subtotal	\$884.30

R — Real Labor

Not machine time. Human time — every minute this order touches a person.

Effective labor rate used: \$30.00/hr (shop owner + production time combined)

In a single-head machine business, the owner's time and the machine's time run on the same clock. When the machine is running, the owner is hooping the next piece, trimming the last one, or managing the run. Machine time and labor time are not additive — they are the same hours viewed through two different lenses. P captures what the machine costs per hour (overhead). R captures what the person costs per hour (labor). Both are real. They are not double-counted in the calculations below.

Labor Task	Hours	Amount
Pre-Production		

The Handyman Order — Worked Example

All Five PRICE Drivers Applied — reference & teaching

Labor Task	Hours	Amount
Client consultation / logo intake	0.50 hrs	\$15.00
Logo design / graphic development	1.00 hr	\$30.00
Digitizing coordination + proof approval	0.50 hrs	\$15.00
Order entry / job setup	0.33 hrs	\$9.90
Production Run		
Production run — 24 shirts, left chest (3 pcs/hr)	8.00 hrs	\$240.00
Thread changeover (ash → navy mid-run)	0.25 hrs	\$7.50
Production run — 12 hats, left front (3 pcs/hr)	4.00 hrs	\$120.00
Name personalization — 6 shirts, right chest	1.20 hrs	\$36.00
Post-Production		
Inspect + sort names to correct sizes	0.30 hrs	\$9.00
Pack + bag 36 pieces (1.5 min/piece)	0.90 hrs	\$27.00
Invoice + delivery coordination	0.33 hrs	\$9.90
Over 17 hours of human labor on a single order. In a stitch-count quote, none of it was counted. The production run alone — shirts, hats, and names — takes 13.2 hours. That is not a half-day job. That is the better part of two full work days on a single-head machine.		
R — Real Labor Subtotal (17.31 hrs × \$30.00/hr)		\$519.30

I — Intended Profit

Profit designed into the price before quoting — not what is left over after.

Item	Amount
P + R cost base	\$1,403.60
Target profit margin	20%
I — Intended Profit Amount (20% × P+R base)	\$280.72

86% of diagnostic respondents have no consistent profit target. Most price to what they believe the market will bear, or to what they hope will be left over. Intended Profit is a decision made before the quote, not a residual calculated after. A 20% net margin minimum is the NNEP baseline.

C — Capacity Pressure

What this order costs the shop when the schedule is full or the timeline is tight.

The Handyman Order — Worked Example

All Five PRICE Drivers Applied — reference & teaching

Item	Amount
Schedule pressure level	2 (moderate, not over-busy, not idle)
Rush premium	\$0.00 (no true rush, standard timeline accepted)
Capacity surcharge	\$15.00 (8–10 days is real compression for this order's complexity)

The shop is not over-busy, yet 8–10 days is not generous for an order requiring logo design, two digitizing files, a sewout, a thread changeover, and 13+ hours of production time. Rush pressure exists even in a slow shop when the order has this many moving parts. 58% of diagnostic respondents charge the same price regardless of schedule level.

E — End Customer Value

The context of the customer relationship in the pricing decision.

Item	Amount
New customer premium	\$20.00 (extra coordination, no files, no history, higher risk of scope changes)
Reorder potential adjustment	\$0.00 (first order — earn the relationship before adjusting for it)
Event / deadline premium	\$0.00 (no immovable event date)
Volume relationship adjustment	\$0.00 (no established volume history)

New customers cost more to serve. The \$20 new account premium is not a penalty — it reflects real coordination cost. Reorder potential is high and noted. It is not discounted on a first order.

The Handyman Order — Worked Example

All Five PRICE Drivers Applied — reference & teaching

PRICE the Order — Single-Head Summary	
Driver	Amount
P — Production Cost	\$884.30
R — Real Labor	\$519.30
I — Intended Profit	\$280.72
C — Capacity Pressure	\$15.00
E — End Customer Value	\$20.00
PRICE Floor — Suggested Minimum to Quote (P+R+I+C+E)	\$1,719.02

What the Stitch-Count Quote Would Have Looked Like	
A stitch-count quote on this order, at \$2.00 per thousand stitches (which many shops would consider high) plus \$10.00 per name, produces a total of \$708.00.	
Item	Amount
36 pieces × 9,000 stitches ÷ 1,000 × \$2.00	\$648.00
6 individual names × \$10.00	\$60.00
Stitch-count quote total	\$708.00

At \$708.00, this shop collected 41 cents on every dollar their work was worth. The gap between the stitch-count quote and the PRICE Floor is \$1,011.02.

That calculation does not account for logo design, two digitizing files, inbound freight, more than 17 hours of human labor, overhead allocation, or any profit target. Every one of those costs was real. None of them appeared in the quote.

That is not a talent problem. That is a system gap. The PRICE Floor on this order is \$1,719.02. That is the number a complete pricing system produces. It is also the number this shop now knows — before they quote, not after they deliver.

What Changes With More Machine Heads	
More than half the embroidery industry runs single-head machines. Many shops also operate two single-head machines running simultaneously, or a multi-head machine. Machine configuration changes production time, and therefore changes overhead allocation and labor hours on the production run.	
The order is identical across all three scenarios below. What changes is machine configuration, throughput rate, and overhead rate per hour. Pre-production and post-production labor stays the same. Garment costs, digitizing, freight, and all other P line items stay the same.	
On a 2-machine setup, one operator runs both machines simultaneously, hooping on one while the other sews. This cuts machine time in half but does not cut labor in half, because the operator is actively working both machines the entire time. On a 4-head machine, one operator runs all four heads — setup time, thread changeovers, and name personalization remain single-operator sequential tasks; they do not divide by four. Overhead rates differ by equipment configuration: two single-head machines carry approximately \$11.00/hr in overhead; a 4-head machine carries approximately \$19.00/hr. Faster throughput does not automatically mean lower cost.	

The Handyman Order — Worked Example

All Five PRICE Drivers Applied — reference & teaching

Production Task	1 Head (3/hr)	2 Machines (6/hr)	4-Head (12/hr)
24 shirts — left chest	8.00 hrs	4.00 hrs	2.00 hrs
Thread changeover	0.25 hrs	0.25 hrs	0.25 hrs
12 hats — left front	4.00 hrs	2.00 hrs	1.00 hr
6 name personalizations	1.20 hrs	1.20 hrs	1.20 hrs
Pre + post production	2.36 hrs	2.36 hrs	2.36 hrs
Total Labor Hours	17.31 hrs	9.81 hrs	6.81 hrs

Machine hours for overhead allocation (production run only): 1 head = 13.2 hrs | 2 machines = 6.45 hrs | 4-head = 4.45 hrs

	1 Head	2 Machines	4-Head
Overhead rate used	\$8.50/hr	\$11.00/hr	\$19.00/hr
Overhead allocation	\$112.20	\$67.95	\$84.55
P: Production Cost	\$884.30	\$840.05	\$856.65
R: Real Labor (\$30.00/hr)	\$519.30	\$294.30	\$204.30
P + R base	\$1,403.60	\$1,134.35	\$1,060.95
I: Intended Profit (20%)	\$280.72	\$226.87	\$212.19
C: Capacity Pressure	\$15.00	\$15.00	\$15.00
E: End Customer Value	\$20.00	\$20.00	\$20.00
PRICE Floor	\$1,719.02	\$1,456.22	\$1,512.14

	1 Head	2 Machines	4-Head
Stitch-count quote	\$708.00	\$708.00	\$708.00
PRICE Floor	\$1,719.02	\$1,456.22	\$1,512.14
Gap	\$1,011.02	\$748.22	\$804.14
Shop collected	41¢ per dollar	49¢ per dollar	47¢ per dollar

The 4-head shop has a HIGHER PRICE Floor than the 2-machine shop on this order, despite faster sewing. Higher overhead rate more than offsets the labor savings at this order size.

The Multi-Head Myth. A 4-head or 6-head machine does not automatically mean more profitable. It means more capacity, which only translates to better unit economics at the order sizes that justify it. The sweet spot for a multi-head machine is 48 to 144 pieces per run. At 24–36 pieces — the order size most shops run most of the time — a 4-head machine carries higher overhead, similar labor complexity, and no meaningful cost advantage over two single-head machines. More heads is not a pricing strategy. PRICE is a pricing strategy.

Applying This to Your Shop

This order is not exceptional. It is a normal decorated apparel order with a few standard complexities: two colors, individual names, a new client, logo design from scratch. Most shops run orders like this every week.

The Handyman Order — Worked Example

All Five PRICE Drivers Applied — reference & teaching

Here is what to do with the PRICE Quoting Worksheet:

1. Pull your last quote for an order of similar scope.
2. Open the PRICE Quoting Worksheet.
3. Run that order through every section: P, R, I, C, E.
4. Compare the PRICE Floor to what you actually charged.

The gap between those two numbers is what this PRICE Framework system is designed to close.

You do not need to run this on every order forever. Run it on three or four typical orders — the kinds of jobs you handle week after week — at different sizes and complexity levels. You will have a pricing baseline grounded in your real numbers rather than on habit.

"An embroidery professional's salary should not be determined by what is left in the bank at the end of the month. It should be achieved with profits from every single order." — Jennifer Cox, NNEP