

Start Here — The NNEP Pricing System

Read this before you open any worksheet.

Read this before you open any worksheet. It explains the current situation, the framework, the tools, and the sequence. It takes about ten minutes to read. Reading this makes everything else move easier and faster.

The Problem

You got into embroidery because you are good at it. You have the machine, the skills, the customers, and the work. Yet at the end of most months, the bank account does not reflect how busy you have been, much less how hard you have worked.

That gap — between busy and profitable — almost always comes back to pricing. Not because you are pricing recklessly. Because you are pricing without a complete pricing system.

Most embroidery shops price by stitch count, by what the shop down the road charges, or by a gut feel that gets adjusted based on the customer, the deadline, and how that particular week is going. That is not a system. That is a set of habits. And these long-standing habits produce inconsistent profit margins.

The NNEP Pricing Diagnostic found that the average pricing system score is **7.54 out of 20**.

66.8% of shop owners have never calculated their true production cost.

These are not struggling shops. These are busy, working, experienced operators who have been leaving money on the table without knowing it.

That is not a talent problem. That is a system gap.

The tools in this portal exist to close that gap. Yet before you open a single worksheet, you need to understand what the system is and why it works.

Start Here — The NNEP Pricing System

Read this before you open any worksheet.

The PRICE Framework

Don't quote stitches. PRICE the order.

The PRICE Framework defines the five drivers of a profitable embroidery order. Every order you produce is already being shaped by these five factors, whether you are pricing for them, or not. Most shops are applying one or two deliberately. The rest gets filled in by guesswork.

Stitch count measures machine activity. It does not measure the business around it. The PRICE Framework measures the order — all of it.

P Production Cost

Everything it actually costs to produce the order. Garments, thread, backing, digitizing, overhead, freight. Not an estimate — a calculation. Most shops underestimate this number, which sets the margin problem before the quote is even built.

R Real Labor

Not just machine run time. Every hour of human time the order requires: client consultation, art prep, file setup, hooping, machine time, finishing, packing, invoicing, customer communication. Real Labor is where the most money disappears in small and mid-size shops.

I Intended Profit

Profit designed into the price before you quote, not whatever is left over after costs. Most shops find out their margin at the end of the month. Profitable shops define it at the beginning of every order. A 20% net margin minimum is NNEP's recommended baseline.

C Capacity Pressure

Pricing that reflects what the order actually costs you given your current workload. A rush order when you are fully booked costs more than the same order in a slow week. Capacity-aware pricing keeps busy shops profitable instead of just busy.

E End Customer Value

The strategic context of the order. A new account with long-term potential, a large repeat customer, a one-time order with no reorder potential — these are not the same. End Customer Value allows pricing to reflect the real economics of each unique relationship.

When all five drivers are calculated and applied to every order, pricing becomes a system. The quote that you give represents your real costs and your intended profit — not a stitch count chart, not a competitor's pricing, not a gut feeling.

Start Here — The NNEP Pricing System

Read this before you open any worksheet.

The Tools — What Each One Does

There are four Worksheets in this portal and two reference resources. Here is what each one is for and when to use it.

A note on format

All four tools are available right now as fillable **PDF Worksheets** — download, fill in, save. Interactive **HTML Calculator** versions of these same tools are coming when the new member portal launches. The framework and the numbers are identical either way; only the format changes. Use the Worksheets now — when the Calculators go live, nothing you've already worked out is lost.

The Four Worksheets

Real Labor Worksheet — PRICE DRIVER: R

Determines your Effective Labor Rate — the true hourly cost of running your shop. This is the number that flows into every labor line in the Quoting Worksheet. Run it once, update it when your costs change. You cannot accurately calculate Real Labor on any order without this number first.

When to use it: Before you run any other worksheet. Set it once, update it annually or when staffing wages or overhead changes significantly.

Overhead Rate Worksheet — PRICE DRIVER: P

Calculates your overhead rate per machine hour: annual overhead cost divided by annual production hours. That rate is what you enter as the overhead allocation in the Quoting Worksheet. Without it, overhead is invisible in your quotes, and invisible overhead is profit margin disappearing silently on every order.

When to use it: After the Real Labor Worksheet. Set it once, update it annually or when overhead costs change.

PRICE Quoting Worksheet — PRICE DRIVERS: P + R + I + C + E

All five PRICE drivers in one place. Enter your numbers for a specific order — garment costs, labor hours, overhead allocation, profit target, capacity adjustment — and the worksheet produces your PRICE Floor: the minimum this order should be quoted to cover all costs and hit your intended profit.

When to use it: Before every quote. This is the tool you use on every order going forward. The Real Labor Worksheet and Overhead Rate Worksheet must be completed first.

PRICE Profit Assessment Worksheet — PRICE DRIVERS: ALL FIVE IN POST-JOB REVIEW

After the order ships, enter the actual numbers and compare them to what you quoted. The Variance column shows you exactly where the job landed versus where you priced it. That column is where your pricing education lives. Review it before quoting similar orders. Over time, your quotes get tighter because your numbers get more accurate.

When to use it: After every order ships. File it with the job. Build the habit.

The Two Reference Resources

Handyman Order — Worked Example

A real 24-shirt and 12-hat corporate order walked through every PRICE driver with actual numbers. If the framework feels abstract, start here before you touch the worksheets. It shows you how a complete order quote works from Production Cost

Start Here — The NNEP Pricing System

Read this before you open any worksheet.

through End Customer Value, with a final PRICE Floor that reflects the full economics of the job.

When to use it: Before your first order run-through on the Quoting Worksheet, or any time the framework needs a concrete example.

Customer Pushback Response Guide

Eight price objections with plain-language response frameworks. For the moment when a customer says they found it cheaper somewhere else, asks you to match a competitor's price, or pushes back on your quote. What to say, how to say it, and what not to do. Pricing the order correctly is step one. Holding that price in the conversation with your customer is step two.

When to use it: Any time a customer questions your price. Read it before those conversations, not during them.

Start Here — The NNEP Pricing System

Read this before you open any worksheet.

The Sequence — Use the Tools in This Order

The tools are designed to feed each other. Running them out of order produces incomplete numbers. Here is the sequence and why it matters.

Step	Tool	Why It Matters
1	Read This Document	You are doing this now. Understand the framework before you open a worksheet.
2	Real Labor Worksheet	Run this first. Your Effective Labor Rate feeds into every labor line in the Quoting Worksheet. Without it, R is guesswork.
3	Overhead Rate Worksheet	Run this second. Your overhead rate per machine hour feeds into the Production Cost section of the Quoting Worksheet. Without it, overhead is invisible.
4	PRICE Quoting Worksheet	Now you are ready. Enter a real order — one you have already priced, or a new one coming in. Walk through all five drivers. Note where your quote lands relative to the calculated PRICE Floor.
5	Profit Assessment Worksheet	After the order ships. Compare quoted prices to actual results. Review the variance. Carry those numbers into your next similar quote.

The first time through, steps 2 and 3 take the most time because you are gathering numbers about your shop that you may not have calculated before. That is the point. Once those numbers exist, every quote after that is faster and more accurate.

Start Here — The NNEP Pricing System

Read this before you open any worksheet.

Where to Start Right Now

If you have not yet taken the NNEP Pricing Diagnostic, do that first. It is at nnep.com/diagnostic. It takes three minutes and gives you a score out of 20 that shows where your pricing system is working and where it is not. That score will make the tools in this portal more meaningful.

If you have your score, here is the most direct path based on where you landed:

Score 0 to 7 — Pricing Blind Spots

Open the Handyman Worked Example first. See the full PRICE build applied to a real order before you work with your own numbers. Then run the Real Labor Worksheet and Overhead Rate Worksheet. Do not skip those two steps — they are the foundation everything else depends on.

Score 8 to 15 — Partial Pricing System

You have some of the system in place. The Real Labor Worksheet is likely where your profits are leaking — most shops in this range are underestimating what their labor actually costs. Start there, then run the Overhead Rate Worksheet, then run a recent order through the Quoting Worksheet to see where your PRICE Floor actually lands.

Score 16 to 20 — Strong Pricing System

You are already operating with structure. The Profit Assessment Worksheet is your highest-leverage tool. It closes the feedback loop on every order and tells you whether your system is actually producing the profit margins you intended. Run it on your next three orders and review the variance column.

Start Here — The NNEP Pricing System

Read this before you open any worksheet.

A Note from Jennifer

I have been in this industry for thirty years. I have talked to thousands of shop owners. The pricing problem is not a knowledge problem. Most of you know, on some level, that you should be charging more. It is a system problem. You have not had the tools to calculate the right number with confidence, so you have defaulted to habit, to competitors' prices, or to whatever felt defensible in the moment.

These tools will not fix everything overnight. Yet the first time you run a real order through the Quoting Worksheet and see your PRICE Floor, something changes. You stop guessing. You start knowing. That shift, from habit to system, is what this portal is designed to produce.

"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 earned with every single order."

All the best, Jennifer

Quick Reference

Tool	PRICE Driver	When to Use	Sequence
Real Labor Worksheet	R — Real Labor	Once per shop; update when wages or costs change, review annually	Step 2 — First
Overhead Rate Worksheet	P — Production Cost	Once per shop; update annually	Step 3 — Second
PRICE Quoting Worksheet	P + R + I + C + E	Before every quote	Step 4 — Every order
Profit Assessment Worksheet	All five — post-job	After every order ships	Step 5 — After delivery
Handyman Worked Example	Reference	Before first worksheet run	Read first if new to PRICE
Pushback Response Guide	Reference	Before price conversations	Keep within reach

NNEP Annual Membership · nneppricing.com/members · The System for Success