

RULE OF THUMB METHOD

AS	= Annual Sales
MS	= Monthly Sales
ANP	= Annual Net Profit
INV	= Inventory
F&E	= Fixtures & Equipment

Answering Services	80% to 125% of AS
Auto Dealers	50% ANP + F&E + INV
Auto Repairs	3 x MS + INV
Babysitting Services	100% AS
Beauty Shop	25% to 35% AS + F&E + INV
Bicycle Shop	3 x MS + INV
Bookkeeping Services	50% of AS
Clothing Store	2 x MS + INV
Coffee Shop	4 x MS + INV
Convenience Market	25% of AS + INV
Deli	4 x MS + INV
Flower Shop	4 x MS + INV
Gas Station	3 x MS + F&E + INV
Gift Shop	4 x MS + INV
Grocery Store	2 x MS + INV
Manufacturing	75% ANP + F&E + INV
Motel	350% AS
Office Supplies	4 x MS + INV
Pet Shop	40% ANP + F&E + INV
Pizza	4 x MS + INV
Real Estate Office	20 to 25% of gross commission
Restaurant	4 x MS + INV
Retail Business (in general)	25 to 50% AS + INV
Service Business (in general)	4 to 4 1/2 MS + F&E + INV
Travel Agencies	35% AS
Video Sales/Rental	\$50 per VHS tape + F&E