Margin and markup, with an example

Margin is the share of the price you keep. Markup is how much you add on top of your cost. They are not the same number.

Steps

1. Say a part costs you $100 and you charge $150.
2. Your markup is 50%, because you added $50 to the $100 cost.
3. Your margin is 33.33%, because $50 is a third of the $150 price.

Good to know

In Prices you can say which one you mean, and HQ works out the price from your cost.

If a price falls below your margin target, HQ flags it.

https://orshihq.com/help/margin-vs-markup