

Buzzin Magazine

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Breaking Even

It's a topic in business that we all love! How can you not be excited about calculating the break even point of a business?

But, is breaking even really a success?

Well that all depends on the age of the business. It would be reasonable to expect a new **sole trader** to be ecstatic at achieving break even at the end of the first year of trading.

However in the long term, making £0 profit is not going to be sustainable. If an organization makes no profit, then it is unable to invest and grow. This will make survival more difficult in the longer term.

As organisations grow they benefit from **economies of scale**. This is the business way to explain "buying in bulk. Basically the more you buy, the cheaper the unit cost becomes.

So in answer to the question ... it all depends on the business in question!

#buzzin word of the Week

Margin of Safety

Difference between actual output and break even point.

#buzzin Videos

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Who Am I?

I have wings and sound like I have royal links. However my cash flow problems have kept me grounded?