

What is breakeven point in the organization

[Finance](#)



The breakeven point is the point or event when an organization neither makes any profit or any loss. One of the ways through which an underperforming organization achieve the breakeven point is that it needs to make efforts to increase its number of sales with the assistance of marketing techniques while ensuring that the variable cost is kept low. Secondly, the organization can reach the breakeven point by decreasing the variable costs of production (Heisinger, 2008, p. 258). This can be done by cutting down some staff members that are not essential for the production of goods and services. They can even try to decrease other variable expenses. The last method through which organizations can attain breakeven point is that it can decrease or control their fixed cost. For example, the organization can choose to cut down its employees that are working in permanent positions. The organization needs to cut down its fixed employees while ensuring that the production of goods and services is not hampered.