Auto Repair Shop Business Plan and Operations Starter Kit

A working kit for an independent repair shop. It prices every ticket at the true cost of a billed hour with the parts markup shown, turns the pickup payment into a collection pattern, counts what each bay can carry, shows what a paid hour that never reaches an invoice costs, finds cash break-even through the slow months, and scores the plan on six pass-or-fail tests.

AUTO REPAIR AND SERVICE
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/AUTO-REPAIR-SHOPS/
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PAGE 2

Start here

An auto repair shop can be busiest in July and short of cash in February. Parts are ordered before the ticket is written, a bay that waits on a part sells no labor, and a finished repair is not always a paid one. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

3	Business plan, part one: the work you take, the bays you field and the ticket price
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: lifts and equipment, shop setup, pre-opening, working capital
6	Sales forecast builder for repair tickets, ramp, season, capacity check
7	Labor operations at the true cost of a billed hour, and where the payable hours go
8	Operating and cash break-even, break-even tickets, bay share and debt coverage
9	Parts categories, their markup and margin, and what fill rate and returns cost
10	Bay capacity, utilization and the ticket built from labor and parts
11	Twelve-month cash forecast, expected and slow-start cases
12	Runway, and a worked example scored on the page 4 check
13	What moves the result: the worked example's what-if table
14	Shop checklists, weekly numbers review and six questions to investigate
15	Your first 30 days, vehicle, equipment and yard questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build repair sales on page 6 and costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Parts prices, technician pay and the season move before a lease is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every ticket and the numbers review every week. Run the page 7 labor check when each pay period closes and update the page 9 parts table after every supplier price change.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the auto repair shop questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 14 were drafted by AI models from World Consulting Group desk research and challenged by a second AI model. None was measured in the field, so treat them as hypotheses to test, not findings.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, equipment safety and waste disposal or financial advice. Insurance, equipment safety, waste disposal, consumer authorization and warranty terms, and employment terms vary by location. Where they apply to your shop, complete a compliance and registration review with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender reads this page to see whether the tickets you sell turn into money before the parts invoice and payroll land. Answer in short sentences and write the full sections on separate sheets.

1. Executive summary (write it last)

Describe the work, the area you serve, the money you need and what it buys, lifts and tools to first payroll; then give the month the page 6 sales forecast first exceeds the cash break-even sales level from page 8, and the page 4 result.

2. What a driver hands you, and what you hand back

Start from the complaint, not the service menu: a pedal that pulses under braking, warm air from the vents in July, a dash light nobody can read. Write what the driver leaves with besides a fixed car: an estimate signed before a wrench moves, the worn parts boxed for inspection, a phone call the moment a caliper turns out to be seized. Note who can say yes to extra work and which accounts, retail, fleet or warranty, settle on their own terms.

3. The ground you can reach and the bays you can keep busy

Name the towns inside your tow radius and the realistic drive time from each. A vehicle waiting on a flatbed occupies nothing, but a vehicle waiting on a part ties up a bay you already pay rent on. Count how many technicians you can put on the floor on a Monday, multiply by the hours they actually bill, and compare that with the tickets the book already promises.

4. What one repair ticket is worth

Labor and parts arrive on the same invoice, so price the pair together. Build the labor side from the operations the ticket contains and the hours each one is charged at; build the parts side from the categories it carries and the markup on each. A labor price with no billed hours under it, or a markup that ignores returns, will not hold up in a full week.

> *Owner question: if one bay is working, what does it bring in for the hour, what does an empty bay still cost me, and how many repair orders must I write to cover rent, the loan and my own wage?*
>
> Answer it in three separate numbers. The page 10 ticket shows the earning side of a working bay, the fixed lines on page 8 show what an idle one still costs, and the break-even count there fixes the number of repair orders that covers those lines, the owner's market wage included, before any profit beyond that wage.

PAGE 4

Business plan, part two

5. Operations

Describe how a repair runs from the first call to the keys back: the estimate, the authorization, the parts order, the work on the bay, the road test and the payment at pickup. Name who approves extra work when you are not there.

6. Team

Write down every job on the payroll, its paid hours and its rate, and the billed hours each technician actually turns. Then name who could run the shop floor if you were away a week; page 14's first question goes at that gap.

7. Marketing and sales

Explain where the calls come from, how a call becomes a booked appointment, and why a driver repeats your name to a neighbor, then compare a referral's cost to win with your other sources.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below, with the money needed, its sources and its runway.

DOES THE PLAN PASS? SCORE IT BEFORE ANYONE ELSE READS IT

TEST	PASS?
Gate 0. Agreements with payment terms, insurance, lift and equipment quotes, supplier terms and the approvals the plan needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and each month-end closing cash, with every receipt and payment placed in its month, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. Repair tickets in the busiest month fit the bay hours you can staff (page 10).	
5. Service records and an appointment book back the ticket count; a lead count supports a forecast of appointments, not of tickets.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

Not ready: Gate 0 fails. **Green:** Gate 0 and all six tests pass. **Amber:** Tests 1 and 3 pass, but Test 2, 4, 5 or 6 fails, so fix the plan before you sign a shop lease or take an equipment loan. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the lift supplier, the parts jobber or the insurer, or a documented calculation. A repair shop budget can break on the first parts order and the first payroll before the first week of tickets is collected, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
EQUIPMENT AND SYSTEMS				
Lifts and major shop equipment				
Hand tools, power tools and scan tools				
Brake lathe, tire changer, balancer and compressor				
Shop software, first year and setup				
FACILITY AND SETUP				
Lease deposit and first month				
Leasehold improvements, electrical and signage				
Insurance down payment and first premium				
Formation and professional fees				
PRE-OPENING				
Opening parts inventory				
Hiring, pre-opening payroll and training				
Launch marketing, website and signage				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the shop fit-out runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build them from the tickets the bays can carry at the price the work sells for, not from the payroll you need to cover.

```
Monthly sales for a line = units times average price times days open in the month (or times 1 for units counted per month)
Days open in a month = days open per week times 52, divided by 12
```

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE PRICE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Repair tickets	tickets				

Full-run month

RAMP AND SEASONS

MONTH	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Ramp, % of full run												
Season, % of full-run month (M1 = opening month)												
Expected sales												

Expected sales for each month = full-run ticket sales times ramp (the share of full-run volume the bays and the appointment book have reached) times season. Use 100 percent where a factor does not apply. Ramp and season are your assumptions; write down the evidence for each, such as your booked appointments by month.

CAPACITY CHECK

```
Tickets a month = bays times hours open a day times days open a month, divided by billed hours a ticket, times utilization
```

Write how many bays you can staff, the hours a bay is open a day and the days a month, and the billed hours an average ticket takes (page 7). Divide the bay hours by the hours a ticket and multiply by the utilization you plan to book (page 10). If the plan needs more tickets than the bays can carry, the plan is wrong, whatever the appointment book says.

PAGE 7

What a billed hour really costs the shop

A repair order sells labor one operation at a time, and the shop collects for the hours the job is charged at rather than the hours the technician is paid for. That difference is where the labor margin lives or dies.

```
Labor price = what the operation's labor is charged for on the repair order
Loaded wage = hourly pay grossed up for payroll taxes, workers compensation and benefits
Billed-hour cost = loaded wage times paid hours, divided by the hours that reach an invoice
Ticket labor cost = charged hours times the billed-hour cost
```

WORKED EXAMPLE: FOUR OPERATIONS (ILLUSTRATIVE)

OPERATION	SHARE OF TICKETS	BILLED HOURS	LABOR PRICE	LABOR AT TRUE COST	CONTRIBUTION PER BILLED HOUR
Brake service	26%	1.6	$225	$84	$88.44
Scheduled maintenance	30%	0.5	$60	$26	$67.82
Cooling and A/C	20%	1.3	$170	$68	$78.58
Diagnostics with drivability	24%	1	$140	$52	$87.82

Pay of $26.50 plus a 28 percent burden makes the loaded rate $33.92. Each tech is on the clock 40 hours but flags 26, so one billable hour carries $52.18 of that $33.92. Across the four jobs the ticket averages 1.07 charged hours against $144 of labor, leaving $56 of cost, or 38.6 percent of the labor price. Road tests, comebacks and the gaps between jobs sit inside that figure instead of going unbilled.

THE SHOP'S OWN OPERATION LIST

OPERATION	SHARE OF TICKETS	BILLED HOURS	LABOR PRICE	LABOR AT TRUE COST	CONTRIBUTION PER BILLED HOUR

Technicians are on the clock for their full shift, and only the charged hours reach a customer invoice, so the unbilled hours sit inside line 14, which carries every technician hour.

WHAT GOES WRONG

A 40-hour week that flags 26 hours means each billed hour absorbs 54 percent more paid time than it sells, before the 28 percent burden is added. Price at a competitor's rate without this arithmetic and the shop gives away 14 paid hours every week.

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost here. Loan principal is not an operating cost: it enters cash break-even below and the cash forecast on page 11, so interest and principal are each counted once. A line that starts or steps up during year 1 goes in at its amount once in place; page 11 uses each month's amount.

FIXED COSTS PER MONTH	PER MONTH
1. Rent, 3,300 square feet of shop and bay space	
2. Insurance: garage liability, garage keepers and property	
3. Utilities: power, gas, water and internet	
4. Owner's market wage (selling, estimating and management)	
5. Loan interest (lifts, equipment and tools loan)	
6. Marketing and advertising	
7. Shop management software and card reader	
8. Accounting, payroll service and bank fees	
9. Tool and equipment maintenance and calibration	
10. Service vehicle: parts runs and customer shuttle	
11. Diagnostic subscriptions and technical data	
12. Service advisor, porter, training and uniforms	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Parts at cost, blended across the four categories (page 9)	
14. Technician labor at the true cost of a billed hour (page 7)	
15. Card processing fees	
16. Shop supplies, waste disposal and sublet work	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even tickets = (fixed costs and principal) divided by one average ticket's cash contribution. Cash
contribution = ticket price less parts, card processing, shop supplies and sublet work, less the
technician hours line 14 pays
Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

RESULT	PER MONTH	PER WEEK	PER DAY OPEN
Operating break-even sales			
Cash break-even sales			
Break-even tickets	one figure per month		
Bay share and debt service coverage at full-run sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; per open day = weekly divided by days open per week. Bay share = line 1 divided by net sales.

PAGE 9

The parts line: markup, fill and returns

Parts are bought first and paid for later. The markup has to cover the stock on the shelf, the parts that come back and the one that has to be ordered twice.

```
Parts charge = cost with the markup applied
Parts income a ticket = the four prices weighted by how often each sells
Margin a ticket = parts income minus parts cost
Parts share = parts cost over the combined labor and parts price
```

WORKED EXAMPLE: THE FOUR PARTS GROUPS PRICED (ILLUSTRATIVE)

PARTS CATEGORY	SHARE OF TICKETS	COST PER TICKET	MARKUP	PRICE PER TICKET	MARGIN PER TICKET
Brake pads and rotors	26%	$130	2.20	$286	$156
Oil, filters and maintenance fluids	30%	$30	2.00	$60	$30
Cooling and A/C parts	20%	$75	2.10	$158	$83
Sensors and ignition parts	24%	$95	2.20	$209	$114

Mixing the four categories gives $81 of cost and $174 of revenue on a ticket: a 2.16 markup and $93 kept. The supplier is paid long before the customer is, so the markup finances the shelf and absorbs the parts that end up back on it.

ORDER FILL AND RETURNS

MEASURE	THIS EXAMPLE	WHAT THAT DOES TO A TICKET
First-time fill rate	92.0 percent	A car waiting on a part ties up a bay for nothing
Parts that come back or never move	4.0 percent	About $3 of the $81 average parts cost a ticket

A chart that shows 53.7 percent on paper gives most of it back on a wrong-fitment return or a comeback. A return credit undoes a sale rather than earning one.

THE SHOP'S PARTS LIST

PARTS CATEGORY	SHARE OF TICKETS	COST PER TICKET	MARKUP	PRICE PER TICKET	MARGIN PER TICKET

PAGE 10

How many tickets the bays can take

The bays decide what the shop can sell. A bay open for eight hours cannot sell nine, and a vehicle waiting on a part keeps a bay earning nothing.

```
Capacity = bays x daily hours x days open, divided by charged hours a ticket
Planned tickets = capacity times the utilization booked
Ticket price = labor price plus parts price; the labor and parts at cost are the page 7 and page 9
shares of it
```

WORKED EXAMPLE: FLOOR SPACE AND TICKET COUNT (ILLUSTRATIVE)

LINE	EXAMPLE	HOW IT IS BUILT
Bays	3	Bays staffed at the same time
Hours open a day	8	Each technician covers the repair orders on the book, and no one is posted to a bay to fill open hours
Days open a month	22	A closed day still owes the landlord
Hours open a month	528	Bay count x open hours x open days
Billed hours a ticket	1.07	The page 7 average across the four operations
Tickets at 100 percent	495	Open hours divided by the hours charged on a ticket
Utilization booked	52 percent	The portion of open hours the plan expects to sell
Tickets a month	258	The page 6 sales line, ahead of ramp and season
Season peak (month 3)	112 percent	288 tickets, 58 percent of capacity

WHAT THE CUSTOMER PAYS, SPLIT TWO WAYS

COMPONENT	PER TICKET	SHARE OF THE TICKET
Parts revenue on a ticket	$174	54.7 percent
Labor revenue on a ticket	$144	45.3 percent
Ticket price	$318	100 percent
Parts at cost (line 13)	$81	25.3 percent
Labor at true cost (line 14)	$56	17.5 percent
Card processing fees (line 15)	$9	2.7 percent
Shop supplies and sublet (line 16)	$11	3.5 percent
Contribution before fixed costs	$162	What is left of the ticket

3 bays times 8 hours and 22 days is 528 hours open a month. At 1.07 billed hours a ticket that is 495 tickets at full occupancy; the plan books 52 percent, or 258 tickets. The busiest season month asks for 288 tickets, 58 percent of capacity, so Test 4 passes with 42 points of headroom.

WHAT GOES WRONG

A fourth bay bought before the third is full turns part of the $5,800 rent into empty floor, and selling hours nobody can staff repeats the error on the revenue side. The plan books 52 percent of the bay hours, and the ramp does not reach that until month 9.

PAGE 11

Twelve-month cash forecast

Parts and payroll can leave before the tickets are collected. Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: collections, in the month each payment lands, net of sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: parts, supplies and outside work (lines 13, 16)												
Out: technician labor, owner wage if drawn (lines 4, 14)												
Out: bay and shop rent (line 1)												
Out: other costs, with loan interest and fees (lines 2, 3, 5 to 12, 15)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
Memo: receivables = last month's + billed minus collected												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first day the shop is open after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Technicians, parts suppliers and rent are paid in the month of the work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

How long the cash lasts, and what a slow stretch costs

Runway is how many months the forecast lasts before a monthly close drops under your cash floor, counted from the last closed month or from opening day

Worked example: a hypothetical auto repair shop

Assumed figures, there to show the arithmetic and not shop benchmarks. Customers settle at the counter, and the crew is on payroll from month one. Cash floor $30,011. Money arrives at the counter in the month the work is invoiced, outgoings follow the work, the owner is paid in cash, and no fresh money is borrowed or injected.

Page 5, budget	Startup comes to $203,400: a $120,000 loan at 9.8 percent across six years plus $83,400 from the owner, of which $76,100 is a working capital reserve that day one does not touch. The two sizing passes on page 5: the $30,011 floor, a further month of it at $30,011, and $16,020 to cover the full depth of the opening pass, which starts with no cash, rounded up to $76,100.
Page 8, costs	Each month the fixed base is $28,723: $5,800 for shop, bays and yard plus $923 of loan interest, while principal averages $1,288 across year one. Variable costs absorb 49.0 percent, so every sales dollar leaves 0.510. Lines 13 to 16 take 25.3, 17.5, 2.7 and 3.5 percent of sales. Lines 1 to 12 run $5,800, $1,000, $1,300, $8,500, $923, $3,000, $400, $900, $650, $750, $500 and $5,000 a month.
Page 8, break-even	$56,320 a month is where operating break-even sits. Cash break-even (fixed $28,723 plus principal $1,288, divided by 0.510) is about $58,845 a month: 185.0 tickets a month from repair tickets, so 185, against the 257.56 the plan assumes.
Page 6, sales	Repair work carries 258 tickets a month at $318.12 each. About $81,935 comes in during a full-run month. Ramp runs 45, 55, 65, 72, 80, 86, 92, 96 percent through months 1 to 8, then 100. The season index is 102, 108, 112, 112, 108, 102, 97, 97, 92, 88, 87, 95 percent over the twelve months.
Page 19, expected case	Opening month sales $37,608, with month 1 closing at $65,269 and month 12 at $124,317. Low: month 2, closing $60,080, $30,069 over the floor.
Page 19, slow start	At 70 percent of expected sales the first month sells $26,326 and ends at $59,515; by month 12 the close is $1,813. Month 5 closes at $27,001, under the floor, which gives 4 months of runway from opening.
Page 8, coverage	Full-run sales of $81,935 carry coverage of 6.33 before tax and equipment replacement, where this lender wants 1.25; month 12 also gives 6.33, and Test 3 requires both figures. Bay share is about 7.1 percent.

THIS EXAMPLE SCORES AMBER ON PAGE 4

For this example Gate 0 counts as met. Test 1 passes: at about $81,935 in month 12 the rate clears the $58,845 break-even, and on that rate the floor holds through a second year, its lowest close $136,929 in month 1 of year 2. (Background only, not scored: expected sales reach cash break-even in month 3.) Test 2 fails: at 70 percent of sales the floor breaks in month 5, and a further $28,200 of reserve would see it through. Test 3 clears on the planning formula, subject to the lender's own definition. Test 4 passes: the busiest full-run month is month 3 at season 112 percent; three bays at eight hours over twenty-two days (page 10) give capacity near 495 tickets, the plan books 52 percent or 258, and the peak asks for 288, which is 58 percent of capacity. Test 5 fails: the example carries no service records or appointment book, and a test without evidence counts as a fail. Test 6 passes: after principal, twelve full-run months end roughly $141,310 to the good, no month among them dips below zero, and no cushion is needed. That describes a steady-state year, not the forecast: page 19 adds about $48,217 of cash over its opening year once ramp, payment timing and the early months are allowed for. No allowance appears here for income tax, equipment replacement or parts stock (page 19); a live plan should carry its own. The plan sells 258 tickets a month against a break-even near 185. The ceiling is demand, not bay hours: the plan fills about half of what three bays can carry, so a fourth bay bought now adds rent, tools and a technician the book cannot keep busy.

PAGE 13

What moves the result

Each row changes one input of the page 12 example and reruns the forecast. A row names Test 1, 3 or 6 when the change would newly fail or pass it; a test the example already fails stays failed. The last column also gives the slow start, which is Test 2.

WHAT MOVES THE RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH AT FULL RUN	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $4,179	Expected case holds the floor
Repair tickets: average price 5 percent higher, same volume (only sales-linked fees rise)	plus $3,986	Break-even tickets fall from 185.0 to 168.9 a month, so from 185 to 169: per-unit costs stay the same, so the ratio rises from 0.510 to 0.532 on the new sales (sales-linked fees, line 15, take 2.7 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $56,884
A technician quits and one bay loses its hours; 26 tickets a month, about 10 percent of the plan, never come back ($8,271 of billing), from month 1 onward	minus $4,218	Expected case still clears the floor; slow start below the floor in month 4 (closing $24,099)
Fleet and warranty work becomes the whole book and pays 60 days after billing instead of at pickup (crew and bills still paid on time)	no change	Expected case below the floor in month 1 (closing $27,661), below zero in month 2; slow start below the floor in month 2 (closing minus $13,515); would fail Test 1
Three percent of one month's billing is never collected: declined cards, abandoned vehicles and disputed repairs ($2,458 a month)	minus $2,458	Expected case still clears the floor; slow start below the floor in month 4 (closing $27,288, with the 3 percent loss taken on slow-start billing); $29,497 never collected at full-run billing
Parts cost rises 8 percent on a supplier price move and the matrix is not re-priced (line 13 rises from 25.3 to 27.3 percent, parts gross profit falls from 53.7 to 50.0 percent, about $1,655 a month at full run)	minus $1,655	Cash break-even rises to about $61,272; expected case still clears the floor; slow start below the floor in month 4 (closing $28,742)
Comebacks and warranty rework add 6 percent to the true cost of a billed hour, from 52.18 to 55.32, and line 14 rises from 17.5 to 18.6 percent (about $860 a month at full run)	minus $860	Cash break-even rises to about $60,082; expected case still clears the floor; slow start deadline unchanged (month 5)
Fit-out overrun of $8,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 4 (closing $23,739)
Opening 3 months late (shop, bays and yard space, insurance, loan interest and principal, $9,011 a month, paid while closed; no sales; the ramp starts at the new opening, and seasons stay on the calendar)	no change	Expected case holds the floor; its low falls to $31,794 in month 7 from the planned opening, $28,286 lower than on time; slow start below the floor in month 5 from the planned opening, as on time

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

```
Contribution margin ratio zero or below: break-even is N/A; score Tests 1 and 6 as failed
One unit's contribution, or the count it is multiplied by, zero or below: break-even units are N/A, and no unit count can be scored
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A; score Test 3 as passed
```

PAGE 14

Lift lists, a weekly review and six questions

Bench lists, not a safety program. Add the equipment-safety, disposal, authorization and inspection steps this trade needs, as the qualified advisers you use require.

BEFORE A VEHICLE GOES ON THE LIFT

- [ ] No wrench turns until the repair order carries a signature and the parts sit on the shelf.
- [ ] Read back the part number, the side, the count and the VIN against what the order says.
- [ ] Fix the hours the job is sold at, and name the person who clocks time to it.
- [ ] Put on paper who can authorize added work and the ceiling price, before anything is touched.
- [ ] Call the owner of the vehicle a day ahead to settle drop-off, keys and how long the bay is held.
- [ ] Take the complaint in the driver's words, then state what the road test must show to close it.

WHEN A TICKET CLOSES, AND WHEN ONE COMES BACK

- [ ] Match the clock cards to the hours charged on each closing ticket.
- [ ] With customer authorization, photograph the completed job, removed components and mileage, and cover plates, VINs and documents before storing or sending an image.
- [ ] Note the warranty on each part and file the invoice the same day.
- [ ] Money comes at collection, or log the day a fleet or warranty account clears.
- [ ] Every comeback goes in the log: the failure, the cost, and whether the same hours were paid twice.
- [ ] Refill the shelf on the parts that turn, and mark anything that will not see the week out.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Tickets closed, split by how the money arrived				
Clocked hours set against hours charged, one technician at a time				
How full each bay ran, and overtime by technician				
Return jobs, the hours they swallowed, and the bill				
Inquiries, bookings and the share that turned into work, by where the call came from				
Money owed by fleet and warranty accounts inside the month				
The hours the owner personally spent working				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Could a ticket be priced and approved with the owner in another building, and do techs settle a diagnosis or swap a part without calling him?
2. **Reactive operations.** Last week, how many callers complained that no one returned the call, the warning light came back or the vehicle was late, and how many of those returns earned nothing?
3. **Growth without structure.** How many tickets a day stop for a chat about added work, and how many hours vanish into a part ordered twice or a second trip for stock?
4. **Talent and retention.** Which jobs sit with a single technician who owns the diagnosis, the relationship and the part number?
5. **Revenue plateau.** What gap opens between a service visit and the repair it flags, and what fraction of service customers ever hears that recommendation priced?
6. **Strategic confusion.** Do two repair orders of the same kind take far more clock hours than the other, and did the tech deliver what the estimate sold?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Put each one against a record: the repair order log, the clock cards, the parts return sheet, or the comeback record.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log paid and billed hours for every technician. Log the hours the owner spends estimating and selling.
Week 2	Fill the page 7 operation table at true cost per billed hour and mark any operation priced below its labor, parts, fees and supplies.
Week 3	Set up the parts table on page 9 by category and record fill rate, returns and days from order to delivery.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a service advisor may make without calling you.
After month 1	Run the labor check on every pay period and measure bay utilization on page 10.

BEFORE YOU BUY EQUIPMENT OR RENT A YARD, GET WRITTEN ANSWERS TO THESE

- ☐ What will each truck and major piece of equipment cost per month in total, including payment, insurance, fuel and maintenance?
- ☐ What does an inspection by a qualified mechanic find on each used truck or machine, and what will each repair cost?
- ☐ What does the yard cost, what does it include (storage, security, access hours), and how much notice does either side give to end it?
- ☐ What does insurance cost for vehicles, equipment, liability and work at customer sites, and what does it exclude?
- ☐ If equipment is financed or leased, what is the monthly payment and what does ending early cost?
- ☐ Which customers require proof of insurance or other documents before work starts?
- ☐ What is your plan, and its cost, when a truck or machine is down?

Have qualified professionals review equipment, yard and insurance commitments before you sign. These questions prepare you for those conversations; they do not replace them.

WHAT THE FULL KIT ADDS

The full Auto Repair Shop Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a repair pricing calculator from billed hours, parts cost and a target margin, a parts matrix and return tracker, editable repair order, appointment and technician scheduling trackers, bay and comeback checklists and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. Real Repair Cost for book time, labor prices and the independent hourly band; AutoLeap for the parts markup matrix, the 55 to 58 percent parts gross profit target and the startup cost range; O*NET OnLine for the technician and manager wages; Shopmonkey for shop software pricing; Stripe for card processing; the Federal Reserve H.15 for the prime rate. Where no published figure was found, the research note labels the input judgment.

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on auto repair shops, 2026, an internal working file that is not published, described on page 2; the questions are hypotheses and no figure in this kit comes from it. Auto repair and service owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, equipment safety and waste disposal or financial advice. Provided as is, without warranty. © 2026 World Consulting Group. Free diagnostic tool at businessconsultant.services. The site's privacy page explains what the diagnostic tool sends to an AI provider for analysis and the third-party analytics on the site.

About the author. Kamyar Shah is the founder of World Consulting Group and works as a fractional COO and CMO. He has more than 25 years of experience and more than 650 engagements across more than a dozen industries. Contact and the latest version: businessconsultant.services.

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini and answer the prompt below with your own tickets and technician costs.

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as customer contracts, customer names or addresses, vehicle photographs with plates or identifiers, keys and access codes, insurance claim papers, employee records or bank account details. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) an auto repair shop. I have attached the Auto Repair Shop Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my tickets, bays and technicians, using my figures.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a ticket price, parts cost, technician wage, close rate, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average price (every line here is counted per month). Each month's expected sales = full-run ticket sales times ramp times season; a confirmed appointment for a line replaces its ramped figure that month, never both; before opening, count expected appointments by month, each marked MY ESTIMATE until confirmed.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's technician hours go in line 14 at the true cost of a billed hour. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the work; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even tickets = (fixed costs and principal) divided by one average ticket's cash contribution. Cash contribution = ticket price less parts, card processing, shop supplies and sublet work, less the technician hours line 14 pays. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Tickets a month = bays times hours open a day times days open a month, divided by billed hours a ticket, times utilization.
- Bay share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first day the shop is open after startup spending is paid. Place every receipt and payment (supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and parts stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice beside it, never a substitute. Enter each ticket in the month it is paid at pickup; payroll and suppliers are paid in the month worked. A fleet or warranty balance counts in the month it clears, not when the work was billed. In the slow-start case, every month's sales, booked appointments included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway counts the months ahead, starting at the latest closed month (before opening, from the first day the shop is open), before the first month in which closing cash falls below my cash floor. Round variable cost shares to one decimal. In the cash forecast and slow start, charge lines 13 to 16 using their individual per-line rates so they can be entered into their specific page 11 rows, and the rows still add to the blended total.
(Continued on page 17.)

PAGE 17

The prompt, continued

Paste this part directly after the rules on page 16, as one message.

5. Do not give legal, tax, accounting, insurance or employment advice. Do not name laws, government fee amounts or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous customer IDs. Do not ask for names, home addresses, vehicle photographs with plates, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Services, customer segments and lead sources, service area, the bays I can staff and the paid hours each technician works a day, days worked per week, and days open per week. Also give the number of technicians on the schedule and their total paid hours a month, check them against the billed hours my sales build implies, then use those paid hours and the billed hours to compute the true cost of a billed hour on page 7; line 14 holds only the technician hours my sales build pays for, any guaranteed pay the volume cannot support goes in a named fixed line outside lines 13 to 16, and the printed example assumes none.
b. Sales build: for repair tickets, the tickets a month at full run and the average ticket price; a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month from my own appointment record or my market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For each operation: the share of tickets that include it, the billed (charged) hours a ticket takes, and the labor price charged for it; my base wage, payroll burden percent, and the paid, billed, drive and rework hours in a technician's week.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (lift dealer quote, supplier quote, insurer quote or calculation) for each line on page 5, from the lifts and tools to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Technician labor is line 14, set by the billed hours and the true cost of a billed hour, not a fixed line. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my technician hours go in line 14 at the true cost of a billed hour.
f. Variable cost shares of net sales for lines 13 to 16: line 13, parts at cost, blended across the four categories (page 9); line 14, technician labor at the true cost of a billed hour (page 7); line 15, card processing fees; line 16, shop supplies, waste disposal and sublet work; and any sales line whose own shares differ, given for that line.
g. For each parts category: the share of tickets that carry it, the parts cost a ticket, and the markup (price divided by cost) I charge; my first-time fill rate and the share of parts returned or never used.
h. For capacity: the number of bays, hours open a day, days open a month, the utilization I plan to book, and the busiest season month as a percent of a normal month; my payment schedule (what share of the ticket is paid at pickup and what share later).
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

Paste this part directly after the text on page 17, still as one message.

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when each customer pays me (at pickup, by card or cash, or on account for fleet and warranty work and how many days later), deposits I collect or pay and when, and when payroll and my parts supplier are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, lift and equipment replacement and parts stock build-up.
m. Cash on hand on the first working day after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my auto repair shop, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even tickets; bay share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). In Test 6, charge line 14 at each month's own hours, because the shop carries no guaranteed technician hours, not at a year-average share of sales. Add the memo rows the page 11 form shows for each month, kept out of closing cash: the ticket or billing count for the month, any amount still owed or in transit at month end, and sales tax collected, remitted, and owed at month end (last month's owed + collected minus remitted).
6. Labor operations at true cost per billed hour, the gap between paid and billed hours, and each operation's contribution per billed hour.
7. Parts revenue, cost and margin per ticket by category, the blended markup, and what the fill rate and returns cost.
8. Bay capacity and utilization, the ticket built from labor and parts, and whether the peak season fits the capacity.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every ticket count or payment timing I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with ticket counts by month, payment timing and technician hours, before anyone sees the plan, and recheck the page 4 result with a calculator.

The worked example's twelve-month forecast, filled in

The page 12 example entered on the page 11 form, month by month. It prints whole dollars so each column adds up as shown; the form takes thousands (51.25 means $51,250). Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $30,011.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**76,100**	**65,269**	**60,080**	**60,489**	**64,175**	**70,268**	**76,913**	**84,192**	**93,093**	**101,526**	**108,287**	**114,631**
In: sales receipts	37,608	48,669	59,649	66,072	70,792	71,873	73,119	76,298	75,380	72,103	71,283	77,838
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: parts, supplies and outside work (lines 13, 16)	10,831	14,017	17,179	19,029	20,388	20,700	21,058	21,974	21,709	20,766	20,530	22,417
Out: technician labor, owner wage if drawn (lines 4, 14)	15,081	17,016	18,939	20,062	20,889	21,076	21,297	21,852	21,692	21,118	20,973	22,122
Out: bay and shop rent (line 1)	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Out: other costs, with loan interest and fees (lines 2, 3, 5 to 12, 15)	15,439	15,737	16,034	16,207	16,334	16,364	16,397	16,483	16,458	16,370	16,348	16,525
Out: income tax set-aside, equipment replacement, stock build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(10,831)**	**(5,189)**	**409**	**3,686**	**6,093**	**6,645**	**7,279**	**8,901**	**8,433**	**6,761**	**6,344**	**9,686**
Closing cash, expected	**65,269**	**60,080**	**60,489**	**64,175**	**70,268**	**76,913**	**84,192**	**93,093**	**101,526**	**108,287**	**114,631**	**124,317**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**76,100**	**59,515**	**46,879**	**38,163**	**31,739**	**27,001**	**22,649**	**18,741**	**15,969**	**12,868**	**8,598**	**4,035**
Sales receipts, slow start	26,326	34,069	41,754	46,251	49,554	50,311	51,183	53,409	52,766	50,472	49,898	54,487
Out: variable costs, slow start (lines 13 to 16)	12,900	16,694	20,459	22,664	24,281	24,652	25,080	26,170	25,856	24,731	24,450	26,698
Out: fixed costs (lines 1 to 12), principal, bills, less funding	30,011	30,011	30,011	30,011	30,011	30,011	30,011	30,011	30,011	30,011	30,011	30,011
Net cash flow, slow start	**(16,585)**	**(12,636)**	**(8,716)**	**(6,424)**	**(4,738)**	**(4,352)**	**(3,908)**	**(2,772)**	**(3,101)**	**(4,270)**	**(4,563)**	**(2,222)**
Closing cash, slow start	**59,515**	**46,879**	**38,163**	**31,739**	**27,001**	**22,649**	**18,741**	**15,969**	**12,868**	**8,598**	**4,035**	**1,813**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**12,612**	**15,119**	**16,790**	**16,790**	**15,119**	**12,612**	**10,522**	**10,522**	**8,433**	**6,761**	**6,344**	**9,687**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $81,935 a month, against month 12's own $77,838): closing cash runs $136,929 in month 1 and $265,628 in month 12, lowest $136,929 in month 1, above the floor. Sales are net of sales tax, and the example pays each month's tax in the month it is collected, so it owes none at any month end; enter your own rate and payment timing in the page 11 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because any hour you cannot cut sits in the fixed lines; waste or purchases you cannot cut make a real slow start worse.