Digital Marketing Company Business Plan and Operations Starter Kit

A working kit for digital marketing agencies. It prices every program account at the true cost of a billable hour and passes media through at cost, so the largest line on the invoice never reads as margin. It turns onboarding fees and monthly reconciliations into a collection pattern, measures how much of the paid week is billable, finds cash break-even through the August trough and the December invoice lag, and scores the plan on six pass-or-fail tests.

DIGITAL MARKETING AGENCY
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/DIGITAL-AGENCIES/
SHARE THIS KIT: LINKEDIN · X · FACEBOOK · BLUESKY · THREADS · EMAIL
BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

An agency can bill more than a hundred thousand dollars a month and still run short of cash. Payroll leaves on the first, the platform bills the media account mid-month, the client pays the reconciliation thirty days later, and the biggest line on the invoice is money the agency only passes through. This kit writes those numbers down and tests them.

WHAT IS INSIDE

3	Business plan, part one: programs, clients and referral sources, positioning, pricing
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: equipment and brand, setup, pre-opening, working capital
6	Sales forecast builder for program accounts and retained advisory, ramp, season, capacity check
7	Program pricing at true cost, media passed through, write-down check
8	Operating and cash break-even, break-even program accounts, office share and debt coverage
9	Retainer pricing at true cost per billable hour, effective rate, and the scope creep check
10	Billable utilization, the true cost of a billable hour, and where paid hours leak
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	Program checklists, Friday numbers and six questions
15	Your first 30 days, lease 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 program and retainer 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.
2. Use pencil. Rates, scopes and payment terms move before a proposal is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every program and the weekly review. Run the page 7 write-down check and update the page 9 retainer table each month.

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 digital marketing agency 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, account access, confidentiality and data-handling or financial advice. Business registration, insurance, contract, privacy and platform terms; requirements vary by location; review with a qualified professional.

PAGE 3

Business plan, part one

A lender and anyone weighing a share of the agency open here first. Both want proof that program accounts and retainers throw off enough cash to carry salaries, the lease and the loan through the troughs, and both ask how much of the top line is client media passed through at cost. Answer each in plain prose; the full sections go on their own sheets.

1. Executive summary (draft it last)

Say what the agency sells, who signs each retainer, how much cash the shop needs and what it buys, from laptops to the first payroll. Then name the month the page 6 forecast first clears cash break-even and state the page 4 result.

2. Channels and clients

Set out the channels the shop runs, from paid search to lifecycle email, and what a marketing director buys: leads at a defensible cost per acquisition, a report that reads without translation, one channel it stops worrying about.

3. Offer, focus and delivery capacity

Say which channels the agency runs in-house and which it brokers. Total the hours your specialists can bill in a week, then convert that into program accounts and retained seats you can serve without hiring.

4. Program lines, retainer lines and pricing

For each line, note the billable hours it consumes a month, the client media budget and the fee. A rate copied from a rival's card, with no hours behind it, is a guess dressed as a price.

PROGRAM OR RETAINER LINE	HOURS A MONTH	AGENCY FEE	CLIENT MEDIA, AT COST	FEE PER BILLED HOUR

> *Owner question: our biggest client keeps bolting on channels and pays late. Resign the account or reprice it?*
>
> Answer in three columns: contribution after media pass-through and contractor hours, the days its invoice takes to clear, and the same pair for the next account. Log added work, media bought and days to payment for every account (page 14), then set the largest client beside the next at the same scope; it is a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how a program runs from signed agreement to monthly report: onboarding, the media plan, the weekly check, the reconciliation and the report. Name who reviews the work when you are not in the room.

6. Team

List every role, its hours and its pay, including a market wage for your own hours. Name the person who can run a client week without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where conversations come from, how a conversation becomes a proposal, and why clients stay or refer; the accounts you keep pay for the proposals you lose.

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. Draft program agreements with payment terms, retainer agreements, insurance and software quotes and the office or coworking agreement, and put the requirements that apply where you operate 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 closing cash, payment timing included, 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. Paid hours needed in the busiest month (pages 7, 9 and 10), at full-run volume, fit the hours you can staff (page 6), and planned program accounts reach break-even (page 8).	
5. Signed program agreements and retainer agreements back the account count; a list of contacts supports a forecast of conversations, not of accounts.	
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 lease or hire a specialist. **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 insurer, the software vendor or the office, or a documented calculation. Agency budgets break on payroll before the first reconciliation lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
EQUIPMENT AND BRAND				
Laptops, monitors and phones				
Reporting, CRM and project software setup				
Brand, website and case-study collateral				
SETUP AND APPROVALS				
Business entity, contracts and accounting setup				
Insurance down payment				
Office or coworking deposit and first month				
PRE-OPENING				
Pre-opening payroll and recruiting				
Launch marketing, events and content				
Dashboards and case-study assets				
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 setup 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 signed program agreements, retainer agreements and the hours your specialists can bill, not from the payroll you need to cover. Count program accounts first; add retained advisory at the volume the conversation record supports.

```
Monthly sales for a line = units times average fee 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 FEE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Program accounts (managed channels)	accounts				
Retained advisory	accounts				

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 program and retainer sales times ramp (the share of full-run volume the pipeline and the retainer base 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 proposal record by month; a signed program or retainer with a start date replaces its ramped figure that month.

CAPACITY CHECK

```
Paid hours available per month = the sum over billable people of each person's hours a day times days worked a week, times 52, divided by 12; paid hours needed = billable hours on program accounts and retainers divided by utilization
```

Write how many hours your billable people are paid each day and how many days you work each week. Add up the monthly billable hours your program accounts and retainers need (accounts a month times billable hours each, page 7, plus retainer hours used, page 9) and divide by utilization (page 10). If the plan needs more paid hours than you can staff, the plan is wrong, whatever the proposals say.

PAGE 7

Program pricing, media at cost and realization

A program fee is hours times a rate; the client's media is a separate check that never becomes margin.

```
Agency invoice = billable hours x standard rate x realization (the share of the rate card that survives write-downs), plus the client's media re-billed at cost
Delivery cost = billable hours x the true cost of a billed hour (page 10; pitch work, admin and write-down hours already sit inside that cost); contribution = agency invoice minus delivery cost, minus the media, minus the payment and platform fees (line 15) and the unbilled travel and consumables (line 16) at their page 8 shares; contribution per billed hour = contribution / billable hours
Win rate = programs won / proposals sent; proposals needed = programs needed / win rate
```

WORKED EXAMPLE: THREE PROGRAMS PRICED FROM THEIR HOURS (ILLUSTRATIVE)

PROGRAM TYPE	ACCOUNTS A MONTH	RATE X REALIZATION	HOURS A MONTH	AGENCY INVOICE	DELIVERY COST	MEDIA AND PASS-THROUGH, PLUS FEES	CONTRIBUTION	PER BILLABLE HOUR	WIN RATE
Paid search program	5	$140 x 92%	26	$9,349	$1,425	$6,252	$1,672	$64.30	35%
Paid social program	3	$135 x 90%	22	$7,673	$1,206	$5,207	$1,260	$57.27	35%
SEO and lifecycle email	4	$125 x 90%	24	$2,700	$1,315	$73	$1,312	$54.67	40%

Delivery cost at $54.81 a billed hour (page 10); payment and platform fees (line 15) plus unbilled travel and delivery consumables (line 16), together 2.7 percent of billing; the client's media re-billed at cost. Every billed hour is costed here; page 8 keeps salaried specialists in line 3 and only overflow above in line 14. That $54.81 rate covers the salaried specialists; the owner's billed hours carry the line 4 market wage, not this rate. Do not count media as margin, but still use the gross invoice, net of sales tax, for cash, share and break-even ratios. Retained advisory sits beside them at 4 clients a month and 25.1 billable hours each, counted in the capacity check.

YOUR OWN PROGRAM LINES

PROGRAM TYPE	ACCOUNTS A MONTH	RATE X REALIZATION	HOURS A MONTH	AGENCY INVOICE	DELIVERY COST	MEDIA AND PASS-THROUGH, PLUS FEES	CONTRIBUTION	PER BILLABLE HOUR	WIN RATE

ONBOARDING FEES, MONTHLY RECONCILIATIONS AND RETAINERS: TIMING OF CASH

MONEY LINE	PAYMENT STEP	SHARE OF THE INVOICE	CLEARED INTO THE BANK
Program accounts (managed channels)	Onboarding fee, paid with the signed agreement	50%	in that month
Program accounts (managed channels)	Balance on the first monthly reconciliation, net 30	50%	the next month
Retained advisory	Invoiced on the first, paid net 30	100%	the next month

Of every $100 the agency invoices in a month, the bank receives $42 in that month and $58 the next month. Program accounts carry 84 percent of full-run billing and retained advisory 16, so this pattern is a weighted average for this sentence only; page 11 applies each line's own terms. The half taken at onboarding is borrowed from project-work terms, so applying it to a recurring program is a conversion this kit states openly. The other 50 percent is the arithmetic complement; net-30 sets the month, not the size. The platform is paid before the client pays.

WRITE-DOWN CHECK

```
Hours written down = hours logged minus hours the fee assumed; cost = those hours at the true cost of a billed hour. Price added scope as a change order first.
```

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. Office or coworking suite, five to six seats	
2. Insurance cover, six policies from liability to workers compensation	
3. Three salaried specialists at $29 an hour, with taxes and benefits (the minimum delivery staff)	
4. Owner's market wage (sales, delivery, management)	
5. Loan interest (working capital and launch loan)	
6. Phones, internet, video and collaboration tools	
7. The agency's own marketing, website, content and events	
8. Ad ops, reporting, CRM, project and accounting software	
9. Accounting, bookkeeping, legal and bank fees	
10. Professional development, certifications and memberships	
11. Part-time account coordinator	
12. Non-billable travel, client entertainment and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Media and production pass-through, billed to the client at cost	
14. Contract specialists above the salaried staff, with their fees	
15. Payment and platform fees	
16. Unbilled travel, delivery consumables, agreement software and other extras	
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 program accounts = (fixed costs, principal and other recurring cash out minus retainer
contribution) divided by one average program account's contribution (its average invoice times its
contribution margin ratio)
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 program accounts (use cash break-even)	one figure per month		
Office share and debt service coverage at full-run sales		ratios, monthly only	

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

PAGE 9

Retainer pricing on hours used, and the scope-creep check

A retainer is the easiest line to sell and the hardest to keep profitable: the client buys a feeling of access while you spend hours. Price each one on the hours the work actually takes, not the hours the agreement names.

```
Rate realized = monthly fee / hours the work actually used (the agreement's included hours are a promise, not the cost)
Delivery cost = hours worked x the true cost of a billed hour (page 10)
Contribution = the fee minus delivery cost, minus the card and platform fees (line 15) and the unbilled travel and consumables (line 16) at their page 8 shares; contribution per retained hour = contribution / hours worked
```

WORKED EXAMPLE: FOUR RETAINED CLIENTS IN THREE CLIENT TYPES (ILLUSTRATIVE)

CLIENT TYPE	CLIENTS HELD	MONTHLY FEE	HOURS THE FEE BUYS	HOURS WORKED	RATE REALIZED	DELIVERY COST	CARD FEES	CONTRIBUTION	PER RETAINED HOUR
Fractional marketing lead	1	$5,000	30	32	$156.25	$1,754	$135	$3,111	$97.22
Content and creative	2	$4,000	26	28	$142.86	$1,535	$108	$2,357	$84.18
Analytics and reporting	1	$1,800	12	12.5	$144.00	$685	$49	$1,066	$85.28

Delivery cost at the true cost of $54.81 per billable hour from page 10; payment and platform fees at 2.7 percent of billing (page 8 lines 15 and 16). On contribution per retained hour the fractional marketing lead leads at $97.22 and content and creative trails at $84.18. Three lines are already past the hours their fee buys: the fractional marketing lead by 2, content and creative by 2, analytics and reporting by 0.5. Every worked hour carries its true cost, because the retainer price rests on it; page 8 holds the salaried specialists inside line 3 and only the overflow above them in line 14, with the retained hours counted in the capacity check. Page 12 runs 4 retainers at an average of $3,700 a month in its example. Economic columns are per client; multiply by clients held for row totals.

YOUR RETAINED CLIENTS, LINE BY LINE

CLIENT TYPE	CLIENTS HELD	MONTHLY FEE	HOURS THE FEE BUYS	HOURS WORKED	RATE REALIZED	DELIVERY COST	CARD FEES	CONTRIBUTION	PER RETAINED HOUR

SCOPE CREEP CHECK

A retained client adds a call, then a weekly call, then one more deliverable. At every month end, put the hours worked beside the hours the fee buys.

```
Creep hours = hours worked this month - hours the fee buys; creep cost = those hours x the true cost of a billed hour. Where the creep repeats, reprice the retainer, bill the extra work by the hour, or cut the scope in writing.
```

PAGE 10

Billable utilization and the true cost of a billable hour

The agency pays for a specialist's whole week; a client pays only for the hours it is invoiced. Pitching, internal meetings and rework are paid hours nobody bills, so every invoiced hour must carry them.

```
Utilization = hours clients are invoiced for / hours the agency pays for
Loaded cost of an hour = the specialist's wage x (1 + the employer share for payroll taxes, benefits and paid holiday)
True cost of a billed hour = every paid hour at loaded cost / the hours clients were actually invoiced
```

WORKED EXAMPLE: THREE SALARIED SPECIALISTS ACROSS ONE WEEK (ILLUSTRATIVE)

HOURS	HOURS	SHARE OF THE WHOLE PAID WEEK
Hours the agency pays for	120	100%
Hours invoiced to clients	80	67%
Pitching, proposals and discovery	14	11.7%
Rework and written-off hours	6	5.0%
Admin, training and internal meetings	20	16.7%

Payroll taxes and benefits add 26 percent to a $29.00 wage, so a paid specialist hour costs the agency $36.54; at 67 percent utilization every invoiced hour carries $54.81. Quote the billed-hour figure; a salary number always flatters the margin.

YOUR BILLABLE PEOPLE, ONE WEEK EACH

SPECIALIST OR ROLE	PAID HOURS	BILLABLE	BUSINESS DEVELOPMENT	WRITE-DOWNS, REWORK	UTILIZATION	BILLABLE-HOUR COST

WHERE LOSING A SPECIALIST HURTS MOST

A departing specialist takes the account history, the platform access and the client relationship with them, unless the account file, the change log and the contact notes are current. Keep all three current on every account, so whoever inherits it starts from the same file.

PAGE 11

Twelve-month cash forecast

Salaries and media leave before the reconciliation lands. Enter $000 (51.25 is $51,250), receipts net of sales tax; collected tax stays out of 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: media, pass-through, fees and consumables (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: office or coworking space (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
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 billable day 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. Salaries, contractors and media suppliers 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

Runway, and what the August trough costs

```
Runway = how many months, counted from the last closed month, before closing cash first falls below your floor
```

Worked example: a hypothetical digital marketing agency

Worked figures to show the method; not benchmarks. The three specialists are salaried from month 1; program accounts bill at onboarding and on the monthly reconciliation. Cash floor $39,434. Program accounts pay on the page 7 terms (50 percent at onboarding, 50 percent a month after the reconciliation); retained advisory is invoiced on the first and paid a month later; media is paid in the month of the work; the season peaks in November and troughs in August; the owner draws a wage in cash.

Page 5, budget	Opening the agency takes $227,000: a $65,000 bank loan (10.5 percent over 5 years) and $162,000 from the owner. Of that, $161,100 is held as cash against the account ramp, the seasonal troughs, the invoice lag, the cash floor and the buffer. Page 5 sizes it in two passes: the $39,434 floor, one month of buffer on top, then $82,173 for the deepest point of a pass that opens with nothing, rounded up to $161,100.
Page 8, costs	Fixed cost is $38,565 a month, $2,600 of it office or coworking space and $528 loan interest; principal adds $869 a month, both figures year 1 averages; variable costs take 49.9 percent, leaving a contribution margin ratio of 0.501. Lines 13 to 16 absorb 47.2, 0, 1.2 and 1.5 percent of sales, with line 13 blended across both income lines. The twelve fixed lines run $2,600, $420, $18,997, $8,800, $528, $320, $1,800, $1,100, $700, $500, $2,300 and $500 a month, in that order.
Page 8, break-even	Operating break-even sits at about $76,976 a month. Cash break-even - fixed $38,565 plus principal $869, over 0.501 - is about $78,711 a month: 9.0005 accounts a month from program accounts (managed channels) once retained advisory has carried its own contribution (line 13 costs program accounts 55.9 percent and retained advisory nothing, while lines 14 to 16 draw the same share from either line, giving a contribution ratio of 0.414 on program accounts and 0.973 on retained advisory). That rounds up to 10 against the 12 the plan carries.
Page 6, sales	Program accounts: 12 accounts a month at $6,713.58. Retained advisory: 4 accounts a month at $3,700. A mature month bills about $95,363; the accounts step up 45, 60, 70, 80, 85, 90 and 95 percent in months 1 to 7, then sit at 100 percent; season runs 90, 95, 105, 105, 105, 100, 90, 85, 105, 110, 112, 98 percent over months 1 to 12, on both lines.
Page 19, expected case	Month 1 bills $38,622; it closes at $118,708 and month 12 at $125,894. Month 4 is the lowest at $78,927, still $39,493 above the floor.
Page 19, slow start	Holding each line at 70 percent of the expected case: month 1 sells $27,035 and closes at $119,595, while month 12 finishes at minus $5,506. Cash falls under the floor in month 6 (closing $35,024) and below zero in month 10 (closing minus $1,497), so the runway from opening is 5 months.
Page 8, coverage	On a mature month of $95,363 the planning coverage ratio, before tax and equipment replacement, stands at 6.97 where the example lender wants 1.25; the month-12 run rate also reads 6.97, and Test 3 counts both. The office takes about 2.7 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is treated as met for the example here. Test 1 passes: twelve months at the month-12 run rate average $95,363 of sales, above the $78,711 break-even, and closing cash stays above the floor through a second year (the low is $133,866 in month 1 of year 2). (Context: the expected case first clears cash break-even in month 4.) Test 2 fails: at 70 percent on each line, cash drops under the floor in month 6; $45,000 more reserve at opening clears it. Test 3 passes on the planning formula, though the definition that finally counts is the lender's. Test 4 passes: in the fullest month of the year (month 11, season 112 percent, scored at full ramp) the page 7 programs and the page 9 retainers consume 439 billable hours, about 660 paid hours at 67 percent utilization (page 10), inside the 693 paid hours on hand (4 billable people on 8-hour days, 5 days a week: three line-3 specialists plus the owner), so the work fits; the 12 planned program accounts clear the break-even count. Test 5 fails: there is no evidence to score it on. Test 6 passes: a full year at full run, troughs included, leaves $100,114 after principal, with no full-run month below zero, so it needs no cushion. That is the steady-state year, not the forecast: page 19's year one gives up about $35,206 because the account list fills as the year runs and the August trough arrives before the first full autumn. Nine of the twelve program accounts carry break-even; August and the December invoice lag test the reserve.

PAGE 13

What moves the result

Each row changes one input of the page 12 example and reruns the forecast. 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	CASH BREAK-EVEN AND DEADLINE
A tenth fewer program accounts and retainers (lines 13 to 16 fall)	minus $4,778	Expected case holds the floor
Program accounts: average fee 5 percent higher, same volume (only payment and platform fees rise)	plus $1,756	Break-even accounts fall from 9.0005 to 8.6 a month, so from 10 to 9: per-unit costs stay the same, so the ratio rises from 0.501 to 0.510 on the new sales; only the fee rises; pass-through stays at cost (sales-linked fees, line 15, take 1.2 percent of each added dollar; line 16 is held flat in this scenario)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $76,715
Lose the paid search program account (5 a month, $46,744 of billing), from month 6 onward	minus $15,482	Expected case still clears the floor; slow start below the floor in month 7 (closing $20,606); full-run coverage falls below zero; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Every client pays two months after billing (staff and bills still paid on time)	no change	Expected case below the floor in month 2 (closing $35,836), below zero in month 4; slow start below the floor in month 3 (closing $12,873); would fail Test 1
The 50 percent reconciliation on every paid search program billed from month 6 never arrives for 2 months ($23,372 a month); media already bought	no change	Clears the floor; shortfall deadline unchanged (month 6); $46,744 never collected
Programs run 15 percent over the fee's hours, absorbed in the staff's paid hours (654 needed of the 693 they are paid for; line 14 stays at zero until 24 percent over; in the peak month 11 it needs 733, 40 more than the staff supply, so work is rescheduled or contracted out)	no change	Cash break-even is unchanged at about $78,711; expected case still clears the floor; slow start deadline unchanged (month 6)
Realization falls 5 points on every program account (the weakest from 90 to 85 percent of standard fees; about $1,956 a month less billed), from month 1 onward	minus $1,932	Expected case still clears the floor; slow start below the floor in month 5 (closing $38,680)
The fractional marketing lead client pays nothing for 2 months from month 6 ($5,000 a month, fee owed)	no change	Clears the floor; shortfall deadline unchanged (month 6); $10,000 never collected
Setup overrun of $10,000 beyond the contingency, paid from the cash reserve	no change	Expected case still clears the floor; slow start below the floor in month 5 (closing $34,648)
Opening 3 months late (office or coworking space, insurance, loan interest and principal, $4,417 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 $59,378 in month 9 from the planned opening, $19,549 lower than on time; slow start below the floor in month 8 from the planned opening (month 6 on time)

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

```
Ratio zero or below: break-even N/A; Tests 1 and 6 fail
Unit contribution or count zero or below: break-even units N/A; Test 4 fails
Other lines cover fixed costs and principal: break-even units are 0, never negative
No loan: coverage N/A; Test 3 passes
```

PAGE 14

Program checklists, the weekly numbers review and six questions to investigate

Operational checklists only, not a quality system. Add the access, confidentiality and data-handling steps your clients' advisers require.

BEFORE THE FIRST PROGRAM MONTH

- ☐ Hold the kickoff until the agreement, scope note, onboarding fee and invoice schedule exist in writing.
- ☐ Record who approves creative and media spend, and the day the monthly report lands.
- ☐ Fix the hours the fee buys and the media budget the client funds before work starts.
- ☐ List every cost the client reimburses at cost, and when each one is invoiced.
- ☐ Set up the account file, hours log and change list on day one, not at month end.
- ☐ Note the client's ad account and analytics access, who else can see it, and the confidentiality terms.

PROGRAM MONTH END

- ☐ Lay hours logged against hours the fee assumed, for every program account, before the report goes out.
- ☐ Lay hours worked against hours the fee buys, on every retainer.
- ☐ Check the platform invoice on arrival, reconcile the client's media spend and bill it that day.
- ☐ Work out realization: the fee billed against the standard value of the hours used.
- ☐ Log every proposal with its source, the days it took to decide and its outcome.
- ☐ Ask the client, before the review, what to drop next month and which channel to test.

WHAT TO CHECK EVERY FRIDAY

NUMBER TO WATCH	TARGET	THIS WEEK	LAST WEEK	GAP TO TARGET
Invoices raised and cash cleared, by program and retainer				
Hours logged against hours the fee assumed				
Each specialist's billed hours against the paid week				
Hours worked against hours the fee buys, per retainer				
Media billed for the client, media recovered				
Proposals sent, won, and the win rate by source				
Invoices past 30 days, and owner hours billed				

SIX QUESTIONS WORTH AN HOUR OF YOUR WEEK

1. **Owner dependency.** Does every proposal price wait on the owner, and do specialists park a client question until the owner is free?
2. **Reactive delivery.** Count the client messages a week asking where the report is, saying that is not what we agreed, or adding a channel, and count the hours nobody billed.
3. **Growth outrunning structure.** How many accounts need a mid-month scope conversation, and how many hours get written down before the invoice goes out?
4. **Key-person risk.** How many accounts rest on one specialist who alone holds the history, the logins and the files?
5. **Second-channel ceiling.** How long before a first program becomes a second channel, and what share of program clients ever buy one?
6. **Mix drift.** Do accounts of one program type consume very different hours, and does the client's media budget drift from the plan?

Drawn from AI-assisted World Consulting Group desk research (page 2). Test each against a record: the client message log, hours logged against hours assumed, the proposal log, or the retainer hours sheet.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log hours on every program, retainer and the owner's own billing.
Week 2	Fill the page 7 program table at the true cost of a billable hour and mark any program priced below its labor, media and fees.
Week 3	Fill the page 9 retainer table and record hours used against hours included for every retainer.
Week 4	Enter actual closing cash on page 11 and recalculate runway; write down the calls a specialist may make alone.
After month 1	Run the write-down check on every program month and measure billable utilization on page 10.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- ☐ Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- ☐ Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- ☐ What does the space need before you can open, and who pays to add or upgrade it?
- ☐ Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- ☐ When does rent start, at signing, at permit or at opening?
- ☐ Are there limits on operating hours, signage, parking, deliveries or the uses allowed in the space?
- ☐ What happens to the lease and the fixtures if you sell the business?

Have a qualified professional review the lease before you sign. These questions prepare you for that conversation; they do not replace it.

WHAT THE FULL KIT ADDS

The full Digital Marketing Company 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 program pricing calculator, media reconciliation and retainer and invoice trackers, a proposal and pipeline tracker, and program and hiring checklists. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on digital marketing agencies, 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. Digital marketing agency owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, account access, confidentiality and data-handling 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, paste the prompt below, and answer with your own programs and costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

Check each 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 data settings, never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as client ad accounts, platform logins or bank account details. Totals serve the arithmetic; rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) a digital marketing agency that bills ongoing channel programs. I have attached the Digital Marketing Company Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my program accounts and retainers, using my numbers only.

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 rate, fee, salary, realization figure, 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 fee (every line is counted per month; average fee is the client-facing invoice, net of sales tax, including media passed through at cost). Each month's expected sales = full-run program and retainer sales times ramp times season; a signed program or retainer replaces its ramped figure that month, never both; before opening, count expected signings 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 own billable hours sit inside line 4 (client work and management); staff hours go in line 3 or 14. Payroll 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 program accounts = (fixed costs, principal and other recurring cash out minus retainer contribution) divided by one average program account's contribution (its average invoice times its contribution margin ratio). If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid hours available per month = the sum over billable people of each person's hours a day times days worked a week, times 52, divided by 12; paid hours needed = billable hours on program accounts and retainers divided by utilization.
- Office 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, since no line is held at fixed bookings, 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 billable day after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Enter the onboarding fee, the monthly reconciliation and each retainer in the month it lands; payroll, contractors and media suppliers are paid in the month worked. In the slow-start case, every month's sales, signed programs 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 = the number of consecutive future months, counted from the latest closed month (before opening, from the first billable day), before the first month in which closing cash falls below my cash floor.
(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, licensing, permit, account access, confidentiality and data-handling obligations, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees 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 client IDs. Do not ask for names, addresses, 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, client segments and referral sources, positioning, the billable people I can staff (specialists and myself) and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for program accounts, the full-run accounts a month by type, each type's billable hours a month, standard rate, realization, media passed through at cost and how it is billed (media is billed at cost and is not margin); for retained advisory, the retainers at full run, each one's monthly fee, hours included and hours used; 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 proposal 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 program type (the counts, hours, rate, realization and pass-through from b above): proposals given and won last quarter; my payment terms for each sales line (retainer or deposit share and when it is collected, progress billing and when, the final invoice and how many days after completion it is paid); and the programs I need a month.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (vendor quote, insurer quote, office quote or calculation) for each line on page 5, from laptops and brand to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the three salaried specialists and the account coordinator, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. 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 own billable hours sit inside line 4 (client work and management); staff hours go in line 3 or 14.
f. Variable cost shares of net sales for lines 13 to 16: line 13, media and production pass-through, billed to the client at cost; line 14, contract specialists above the salaried staff, with their fees; line 15, payment and platform fees; line 16, unbilled travel, delivery consumables, agreement software and other extras; and any sales line whose own shares differ, given for that line.
g. For each retainer client type: clients a month at full run, retainer a month, hours included and hours actually used; where I have them, the client's own fees in dollars. If I give none, apply the company shares and label each result MY ESTIMATE.
h. For one typical week: paid, billable, business development, write-down or rework, and admin hours per billable person; base wage and payroll taxes and benefits share.
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 client pays me (the onboarding share, when the monthly reconciliation goes out and how many days later it is paid, when retainers are invoiced and paid), deposits I collect or pay and when, and when payroll, contractors and media suppliers 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, equipment replacement and stock build-up.
m. Cash on hand on the first billable 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 digital marketing agency, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by program line, retainer line and 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 program accounts (use cash break-even); office 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 forecast for expected and slow-start cases, in thousands of dollars, two decimals (51.25 means $51,250), 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; the Test 6 cushion, with whether the page 5 buffer covers it. Add memo rows for each month, kept out of closing cash: sales tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Program economics for each program type at true cost per billable hour, ranked by contribution per billable hour, flagging any program type billed below its labor, pass-through and fees; proposals needed a month; and the collection pattern the cash forecast uses.
7. Retainer economics for each client type at true cost per billable hour, ranked by contribution per hour, flagging any retainer priced below its labor and fees and any client type whose hours used exceed the hours included.
8. Utilization and the true cost per billable hour, with the largest leak named.
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 count or payment term 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 account counts by month, payment terms and billable 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, in dollars. 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 $39,434.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**161,100**	**118,708**	**97,418**	**84,012**	**78,927**	**79,242**	**82,394**	**86,287**	**87,739**	**87,455**	**97,821**	**110,795**
In: sales receipts	16,314	45,268	61,003	74,321	82,220	85,414	84,014	81,334	89,115	102,145	105,705	101,167
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: media, pass-through, fees and consumables (lines 13, 15, 16)	19,272	27,124	34,975	39,972	42,471	42,828	40,687	40,448	49,965	52,345	53,297	46,634
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	27,797	27,797	27,797	27,797	27,797	27,797	27,797	27,797	27,797	27,797	27,797	27,797
Out: office or coworking space (line 1)	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
Out: other costs, with loan interest (lines 2, 5 to 12)	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168
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	869	869	869	869	869	869	869	869	869	869	869	869
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(42,392)**	**(21,290)**	**(13,406)**	**(5,085)**	**315**	**3,152**	**3,893**	**1,452**	**(284)**	**10,366**	**12,974**	**15,099**
Closing cash, expected	**118,708**	**97,418**	**84,012**	**78,927**	**79,242**	**82,394**	**86,287**	**87,739**	**87,455**	**97,821**	**110,795**	**125,894**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**161,100**	**119,595**	**92,862**	**71,647**	**56,258**	**44,648**	**35,024**	**25,920**	**15,106**	**3,076**	**(1,497)**	**(4,245)**
Sales receipts, slow start	11,420	31,688	42,702	52,025	57,554	59,789	58,810	56,934	62,380	71,502	73,993	70,817
Out: variable costs, slow start (lines 13 to 16)	13,491	18,987	24,483	27,980	29,730	29,979	28,480	28,314	34,976	36,641	37,307	32,644
Out: fixed costs (lines 1 to 12), principal, bills, less funding	39,434	39,434	39,434	39,434	39,434	39,434	39,434	39,434	39,434	39,434	39,434	39,434
Net cash flow, slow start	**(41,505)**	**(26,733)**	**(21,215)**	**(15,389)**	**(11,610)**	**(9,624)**	**(9,104)**	**(10,814)**	**(12,030)**	**(4,573)**	**(2,748)**	**(1,261)**
Closing cash, slow start	**119,595**	**92,862**	**71,647**	**56,258**	**44,648**	**35,024**	**25,920**	**15,106**	**3,076**	**(1,497)**	**(4,245)**	**(5,506)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**3,565**	**5,954**	**10,732**	**10,732**	**10,732**	**8,343**	**3,565**	**1,176**	**10,732**	**13,121**	**14,076**	**7,387**

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 or inventory, and if you carry any, add a startup-budget line and show its build-up here; enter your own amounts. Second year at the month-12 run rate (about $95,363 a month, against month 12's own $93,456): closing cash runs $133,866 in month 1 and $226,008 in month 12, lowest $133,866 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 hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse.