Electrician Business Plan and Operations Starter Kit

A working kit for residential electrical contractors. It prices every job type at true crew cost with the materials share shown, turns the deposit and the completion payment into a collection pattern, tracks project quotes by lead source, shows what a billable electrician hour truly costs, finds cash break-even through the slow winter months, and scores the plan on six pass-or-fail tests.

ELECTRICAL CONTRACTING AND SERVICE
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PAGE 2

Start here

An electrical contractor can be busiest in June and short of cash in January. Panels and cable are paid for before the job starts, the deposit covers only half of it, and a rewire that runs long takes a week of other work with it. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

3	Business plan, part one: work you quote, territory and crew hours, what each job sells for
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HOW TO USE IT

1. Build project-job and service-call 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. Panel and cable prices, job hours and crew rates move before a quote is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every job and the numbers review every week. Run the page 7 overrun check when each job closes and update the page 9 quote log after every quote.

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 electrical contractor 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, electrical inspection and utility coordination or financial advice. Insurance, inspection and utility coordination, warranty, financing and employment terms vary by location, so book the compliance and registration review with a qualified professional before you sign. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A bank manager wants to know whether panel work and fault calls turn into cash before the supply bill and payroll land. Answer briefly and draft the full sections separately.

1. Executive summary (write it last)

Say what the work is, the area you cover, the money you need and what the money covers, from the vans through the first payroll; then the month the page 6 forecast clears cash break-even on page 8, and the page 4 result.

2. Work you quote and who signs for it

Write down the calls you want, from a flickering kitchen circuit to a service change with a new panel, and what the household is buying: a slot in the diary today, a price fixed before the plaster opens, and one electrician who explains the choices.

3. Territory, drive time and crew hours

Sketch the area you serve and count the windscreen time between jobs, because a van in traffic sells nothing. Then the on-site hours a week, and the work that buys.

4. Panel work, callouts and what each sells for

Build each line from the crew hours a job eats and the gear it consumes, then set the price. A figure with no hours behind it will not survive.

JOB OR CALLOUT	CREW HOURS	SELLS FOR	PER CREW HOUR

> *Owner question: Project jobs pay half at signature and half at inspection sign-off. How many extra service calls a month do I need before I can add a fifth electrician and still take $6,000 out?*
>
> Check the crew hours first: the four electricians on line 3 supply 693 paid hours a month and the plan needs about 437, so a fifth electrician is a sales question, not a capacity question. Line 3 carries $26,400 a month for the four, so one more costs about $6,600 a month loaded; a $420 service call leaves about $330 after parts, card fees and fuel, so about 20 extra calls a month cover it. The plan already counts 80. Test the hire in the page 13 what-if table; it is a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how a job runs from signed quote to completion payment: ordering the panel and the cable, crew assignment, the days on site, the inspection and the walk-through. Name who checks each job when you are not there.

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 two-person crew without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where service calls come from, how a call becomes a project quote, and why customers call again; repeat customers pay for the quotes 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 quotes with payment schedules, insurance, van and tool quotes and supplier terms are in writing, and the compliance and registration review with a qualified professional is booked.	
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 crew hours needed in the busiest month (project and call hours, pages 6, 7 and 10) fit the hours you can staff (page 6), and planned jobs reach break-even (page 8).	
5. Signed quotes with deposits back the job count and the call record backs the call volume; a lead count supports quotes, not jobs.	
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, order the vans or take a 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 van dealer, the panel supplier or the insurer, or a documented calculation. Electrical budgets can break on the first panel and cable order before the first completion payment lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
VANS, TOOLS AND TEST INSTRUMENTS				
Two used vans, full purchase price (the loan is a source of funds)				
Power tools, meters, testers and cable-pulling equipment				
Ladders, lifts and safety equipment				
Scheduling, estimating and invoicing software setup				
SETUP AND REGISTRATION				
Compliance and registration review with a qualified professional				
Insurance down payment				
Business entity and accounting setup				
Shop lease deposit and first month				
PRE-OPENING				
Hiring, training and pre-opening payroll				
Launch marketing, website and van lettering				
Opening stock of panels, breakers, cable and fittings				
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 job quotes and the service calls you can staff, not from the payroll you need to cover. Count project jobs first; add service calls at the volume your call record supports.

```
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
Project jobs	jobs				
Service calls and troubleshooting	calls				

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 project-job and service-call sales times ramp (the share of full-run volume the crews and the call record 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 call record by month.

CAPACITY CHECK

```
Paid crew hours available per month = electricians on the crew (project and service) multiplied by hours a day (add each person's hours if they differ), days worked a week and 52, divided by 12; paid hours needed = crew hours on project jobs and service calls divided by utilization
```

Write how many crew hours you can staff each day and how many days you work each week. Add up the monthly crew hours your project jobs and service calls need (jobs a month times crew hours per job, page 7) and divide by utilization (page 10). Service calls ride on the same electricians' day in line 3. If the plan needs more paid hours than you can staff, the plan is wrong, whatever the quotes say.

PAGE 7

Job pricing, deposits and collection

The gear sets the price and the quote sets the terms; the money leaves as hours on site, fittings and cable. Deposit at signature, balance at inspection sign-off, and each job type must earn per crew hour.

Labor = hours a job keeps the crew on site, times what a billable hour truly costs on page 10 (drive and parts runs in)
Contribution = price less labor, gear and fittings, and fees and fuel at page 8 rates; per crew hour = that over hours on site. This is the pricing view, charging every crew hour including the standing crew in fixed line 3; page 8 uses the cash contribution, which counts only costs that move with the job.
Win rate = jobs signed over quotes shown; quotes needed = jobs wanted over that win rate

WORKED EXAMPLE: THREE KINDS OF ELECTRICAL JOB (ILLUSTRATIVE)

KIND OF JOB	JOBS PER MONTH	PRICE	CREW HOURS	LABOR	GEAR AND FITTINGS	CARD AND FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE
200-amp service change and panel upgrade	4	$4,300	9	$528	$1,200	$211	$2,361	$262.33	55%
Whole-house rewire, 2,500 sq ft	1	$9,800	60	$3,519	$3,000	$480	$2,801	$46.68	40%
100-amp panel replacement	4	$2,600	7	$411	$740	$127	$1,322	$188.86	60%

Costed at $58.65 a billable hour (page 10); fees and fuel at 4.9 percent of price (page 8 lines 15 and 16); breakers, cable and boxes at the supply house ticket. Pricing charges every hour on site, never a variable cost; page 8 keeps the standing crew on line 3 and only the extra hours on line 14. Page 8's break-even uses the cash contribution before standing crew: 5.3 jobs, not the 7.5 this column gives. Per crew hour, the 200-amp service change and panel upgrade earns the most ($262.33) and the 2,500 sq ft rewire the least ($46.68). Fault calls: 80 a month at 2 crew hours each, with the standing crew on line 3. Gear and labor shares on page 12 come from these jobs (project jobs: 9 a month, averaging $4,156).

YOUR OWN JOB TYPES

KIND OF JOB	JOBS PER MONTH	PRICE	CREW HOURS	LABOR	GEAR AND FITTINGS	CARD AND FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE

DEPOSIT, BALANCE AND WHEN THE MONEY LANDS

WORK LINE	STAGE	SHARE	BANKED
Project jobs	Deposit at contract	50%	in that month
Project jobs	Balance at inspection sign-off	50%	in that month
Service calls and troubleshooting	Paid on the day	100%	in that month

Take $100 of billing and bank $100 in that month. Spread across a full-run month's mix (project jobs 53 percent, service calls and troubleshooting 47 percent), the two lines give one whole-number pattern here; page 11 collects each line on its own timing, month by month, as your forecast will. Deposits on unstarted jobs sit outside closing cash; each job counts once, in the month billed.

WHEN A JOB EATS MORE HOURS THAN QUOTED

A hidden junction box was not in the quote. Set the time sheet beside the hours sold.

Hours over = hours the job took less the hours quoted; the dollars are those hours at a billable hour's true cost. Name the cause with the van still outside; price added scope in writing 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. Shop and office rent	
2. Liability, property and vehicle insurance	
3. Electricians and any guaranteed minimum crew hours, with payroll taxes	
4. Owner's market wage (sales, quoting, management; hours on jobs go in line 14)	
5. Loan interest (van and equipment loan)	
6. Base utilities, phones and internet	
7. Marketing, website and lead services	
8. Scheduling, estimating and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Tool and test-instrument maintenance and calibration	
11. Van insurance, registration and fixed vehicle costs	
12. Recurring training, safety and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Materials and parts, as quoted on each job and used on each call	
14. Hourly crew labor above any minimum crew, with payroll taxes and workers' compensation	
15. Card and financing fees	
16. Fuel, consumables and disposal	
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 project jobs = (fixed costs, principal and other recurring cash out minus service-call
contribution) divided by one average job's contribution; calls: own parts share, kit's other lines
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 project jobs (use cash break-even)	one figure per month		
Unit, stores and office share and debt service coverage at full-run sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; per working day = weekly divided by days open per week. The share of sales that pays for the unit, the stores and the office (line 1 divided by net sales).

PAGE 9

Bids, win rate and renewals

Three kinds of buyer, one quote log. A quote that grows out of a fault call closes on different terms from one that arrives through a website form, so count quotes by where the inquiry started. Repeat households are what make adding another van safe to put on the road.

```
Quote rate = quotes written over site visits; win rate = jobs signed over quotes written
Site visits needed = jobs still short over (quote rate multiplied by win rate)
The cancellation rate = signed jobs later dropped, over the jobs signed in that quarter
```

WORKED EXAMPLE: A QUARTER OF QUOTING, BY WHERE THE INQUIRY STARTED (ILLUSTRATIVE)

ENQUIRY SOURCE	SITE VISITS	QUOTES	JOBS SIGNED	QUOTE RATE	CLOSE RATE	VISIT TO QUOTE	VISITS IF THIS SOURCE ALONE HAD TO LAND ALL 27 WINS
Fault calls that grow into a quote	36	26	14	72%	54%	3 days	69
Online and referral leads	22	18	11	82%	61%	12 days	54
Builders and block managers	7	5	2	71%	40%	21 days	94

About half the quotes become signed jobs: 27 in a quarter, which is precisely the 27 the plan must land at full run, starting with an empty book. Treat the counts as planning guesses that make the arithmetic visible; they say nothing about why a fault call converts and a web inquiry does not. One quarter of counts points a direction; it is not a rate you can bank. Start dates, not quote dates, drive the page 12 ramp, which reaches full run in month 9. The last column shows the visits each source would need if it alone had to land all 27 wins; the example lands the 27 on 65 visits in total. In this example, 1 signed job of 27 is lost in a quarter, 3.7 percent of the quarter's 27 signed jobs, or about 0.33 jobs a month, so quoting has to replace that loss before it adds a job.

YOUR OWN QUOTING, BY LEAD SOURCE

ENQUIRY SOURCE	SITE VISITS	QUOTES	JOBS SIGNED	QUOTE RATE	CLOSE RATE	DAYS FROM VISIT TO QUOTE	VISITS NEEDED

SIGNED JOBS, AND THE ONES THAT FELL THROUGH

ACCOUNT	SIGNED ON	CHANGE ORDER	BUILT OR DROPPED	WHY THE HOUSEHOLD PULLED OUT, IN THEIR WORDS

PAGE 10

Crew utilization and true labor cost

A journeyman's wage is where the cost starts, not where it stops. Van hours, the supply house, waiting for the utility or returning to a fault that tripped again are paid and unbilled, so billed hours must carry them.

```
Utilization = hours with tools in hand at the customer's property divided by hours on the clock
Loaded hourly cost = the wage with payroll taxes, workers' compensation, holiday and sick pay added on top
Cost per billable hour = the whole paid week at that loaded figure, spread across the hours that can be charged to a customer
```

WORKED EXAMPLE: FOUR ELECTRICIANS, ONE WEEK (ILLUSTRATIVE)

HOURS	THE WEEK	SHARE OF THE PAID WEEK
Paid hours	160	100%
At the customer's, billable	104	65%
Van time and parts runs	24	15.0%
Callbacks and tripped circuits	8	5.0%
Waiting on the utility, loading and paperwork	24	15.0%

At a $30.50 wage with 25 percent payroll taxes and holiday pay added, the electrician costs $38.13 an hour; at 65 percent billable, an hour at the customer's comes to $58.65. Price every panel and every rewire off that number, never off the wage and never off the loaded rate.

EACH ELECTRICIAN, ONE WEEK

ELECTRICIAN	PAID HOURS	BILLED HOURS	DRIVE	REWORK	UTILIZATION	COST OF A BILLED HOUR

WHAT WALKS OUT WITH A DEPARTING ELECTRICIAN

An electrician who hands in his notice takes the test readings, the board layout and the parts list with him unless they were written down. Log them for every job and every call, so whoever comes next opens the same file.

PAGE 11

Twelve-month cash forecast

Materials and payroll leave before the balance lands. 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: materials, parts, fees and fuel (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: shop and office rent (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 day the vans first leave the yard 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. Crews and 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

How far the cash stretches, and what a slow winter takes

The runway is how many months forward, beginning from the most recent month you closed (or, at opening, the morning the vans first go out), go by before closing cash dips under your floor.

Worked example: a hypothetical electrical contractor

Assumed numbers, shown so the arithmetic can be followed. A project job is invoiced when the inspector signs it off, and the standing crew sits in line 3 starting in the opening month. The cash floor is $41,132. Project jobs pay in two halves, at signature and at inspection sign-off, each inside its billing month; fault calls pay on the day; invoices follow the work; the owner draws his wage in cash; no new borrowing.

Page 5, budget	Startup costs and opening cash total $240,500: $122,600 of startup costs and $117,900 of opening cash, met by a $62,000 loan (10.5 percent over 5 years) and $178,500 from the owner. Page 5 tests the reserve twice: a floor at $41,132, plus a single month of buffer at $41,132, plus $35,547 (how deep the first pass runs short), rounded up to $117,900.
Page 8, costs	Fixed costs run $40,303 a month: $1,400 shop, office and parts storage, $503 loan interest; principal adds $829 (year 1 averages both); variable costs take 27.6 percent, so the contribution margin ratio lands at 0.724. Lines 13 to 16 claim 22.7, 0, 2.9 and 2 percent each of sales (line 13 is blended over the sales lines). Lines 1 to 12 run $1,400, $900, $26,400, $6,000, $503, $400, $2,150, $350, $600, $400, $700 and $500 a month.
Page 8, break-even	Operating break-even lands near $55,667 a month. Cash break-even (fixed $40,303 plus principal $829, divided by 0.724) is about $56,812 a month: 5.3 jobs a month from project jobs after the other lines' contribution (line 13 runs 28.7 percent on project jobs, 16 percent on fault calls; lines 14 to 16 carry a single share across every line, which leaves a contribution ratio of 0.664 on project jobs, 0.791 on fault calls), so 6, where the plan works to 9.
Page 6, sales	Project jobs: 9 jobs a month at $4,155.56. Fault calls: 80 calls a month at $420. A full-run month is about $71,000; project jobs and fault calls climb 45, 55, 65, 75, 82, 88, 93, 97 percent through months 1 to 8, then flat at 100 percent; season 96, 101, 111, 116, 120, 116, 101, 92, 92, 87, 82, 86 percent through all twelve months, on project jobs and calls equally.
Page 19, expected case	The opening month's sales total $30,672; month 1 ends at $98,975, month 12 at $132,471. Low: month 3, closing $82,353, $41,221 clear of that floor.
Page 19, slow start	When sales sit at 70 percent of the plan, month 1 takes $21,470; month 1 ends at $92,313, month 12 at minus $19,976. Cash drops under the floor in month 5 (closing $40,447) and below zero in month 11 (closing minus $9,789), which gives a runway from opening of 4 months.
Page 8, coverage	Across a full-run month of $71,000, planning coverage, with income tax and the next van still to fund, comes to 8.71 against the 1.15 the example lender asks for, and at the month-12 pace it stands at 8.71; Test 3 checks both. The unit, store and office share runs about 2.0 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is presumed met for the example. Test 1 passes: on the month-12 pace, sales run about $71,000 a month, above the $56,812 break-even; the floor holds through another year at that pace (lowest close $140,686, month 1 of year 2). (A check, not a test: the expected case reaches cash break-even in month 4.) Test 2 fails, because at 70 percent of the plan cash drops under the floor in month 5; about $61,200 more in reserve would clear it. Test 3 passes on the planning formula, though the lender applies its own definition. Test 4 itself passes: in the busiest full-run month (month 5, season 120 percent) the project jobs listed on page 7 and the fault calls from page 6 eat about 341 hours on site, about 524 paid hours, on 65 percent utilization (page 10), roughly 3.0 full-time electricians, against the 693 paid hours the crew supplies (4 electricians, 8 hours a day, 5 days a week, with line 3 paying for 693), so the work fits; the 9 planned project jobs clear the break-even count. Test 5 fails for want of evidence. Test 6 passes: a full year at full run still leaves about $123,264 after principal, with no full-run month below zero, so the cushion is not needed. That is a steady-state year, not the opening one, and page 19's first year adds roughly $14,571 to cash, taking closing cash from $117,900 to $132,471 as the crew builds through the year and the quiet months arrive before the business settles. Break-even takes about 60 percent of the project jobs the plan sells, and the slow months are what the reserve is for.

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 SHIFTS THE NUMBERS (EACH ROW CHANGES ONE FULL-RUN MONTH AND RERUNS THE FORECAST; SLOW-START LOSSES MOVE WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
One tenth fewer of the quoted project jobs and fault calls (lines 13 to 16 shrink, fixed costs hold)	minus $5,140	Expected case holds the floor
Project jobs: average price 8 percent higher, same volume (only sales-linked fees, lines 15 and 16, move)	plus $2,845	Break-even jobs fall from 5.3 to 4.7 a month, so from 6 to 5: per-unit costs stay the same, so the ratio rises from 0.724 to 0.733 on the new sales (sales-linked fees, lines 15 and 16, take 4.9 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $55,431
Ten points fewer of the quoted project jobs are won, so project sales fall $7,310 a month, from month 1 onward	minus $4,852	Expected case still clears the floor; slow start below the floor in month 4 (closing $37,412)
Service calls up 20 percent with no added crew, about $6,720 more sales a month	plus $5,315	Expected case still clears the floor; slow start below the floor in month 9 (closing $38,958)
A fifth electrician added, about $6,600 a month loaded (line 3 carries $26,400 for four)	minus $6,600	Expected case still clears the floor; slow start below the floor in month 3 (closing $36,199)
One 200-amp panel completion payment a month is never collected, from month 6 for 19 months ($2,150 a month: in each month the loss runs closing cash is that much lower, and it stays lower by the running total afterwards; the monthly column of the what-if table holds at zero because the loss is measured in cash, not in the monthly run rate)	no change	Expected case still clears the floor; slow start deadline unchanged (month 5); $40,850 never collected
Materials and parts prices 15 percent higher (line 13 rises from 22.7 to 26.1 percent, about $2,414 a month at full run)	minus $2,414	Cash break-even rises to about $59,612; expected case still clears the floor; slow start deadline unchanged (month 5)
Setup overrun of $10,000 beyond the contingency, paid out of the cash held back	no change	Expected case still clears the floor; slow start below the floor in month 4 (closing $36,172)
Opening 3 months late (shop, office and parts storage, insurance, loan interest and principal, $3,632 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 $78,580 in month 8 from the planned opening, $3,774 lower than on time; slow start below the floor in month 7 from the planned opening (month 5 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;
score Test 4 as failed
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

Job checklists, weekly review, six questions

Operations lists only, not a safety program. Add the isolation, lock-out, inspection and sign-off steps your work and a qualified safety professional require.

BEFORE THE CREW LEAVES THE YARD

- [ ] Match the signed quote and the deposit against the board order before the crew is booked.
- [ ] Confirm the panel, breakers, cable and fittings are on the van or at the site, checked off against the order.
- [ ] Agree the hours the job was sold at, and who records their time against them.
- [ ] Attach the job-specific isolation, testing, inspection, sign-off and utility-coordination plan that the qualified person responsible for the work has reviewed.
- [ ] Ring the household the night before with the arrival window and the power-off period.
- [ ] Note how they want to be contacted, where to park, and any dogs or locked gates.

WHEN A JOB CLOSES, AND WHEN A CALL ENDS

- [ ] Lay the time sheet against the hours you sold on every job you close.
- [ ] Record the test results and the as-built notes for every circuit changed.
- [ ] File the inspection record and the warranty paperwork the same day.
- [ ] Take the balance, or put the day it will clear in writing.
- [ ] Enter every call: what tripped, what was fitted, and whether a quote was left.
- [ ] Re-stock the van and flag what the next job will need.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Invoiced and banked, by job, by call and by stage				
Time sheet hours against sold hours, on each job				
Billable hours per electrician, and overtime				
Callouts run, quotes raised, and how many were signed				
Close rate, split by where each lead came from				
Balances due in the next thirty days				
The owner's hours on site				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Can a panel job be priced without the owner, and do crews ring him to settle a board choice before they leave?
2. **Reactive operations.** How many messages last week said nobody came, it tripped again or the power is still off, and how many return visits went uninvoiced?
3. **Growth without structure.** How many jobs a week need a call about extra scope, and how much overtime comes from a missing breaker or a second supply-house run?
4. **Talent and retention.** Which jobs can only be done by the one electrician who holds the address, the board layout and the test readings?
5. **Revenue plateau.** How long from a fault call to a panel quote, and what share of those households is offered one?
6. **Strategic confusion.** When two jobs match in kind, do they eat different hours, and does what the crew fits match the quote?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the message log, the time sheets against the sold hours, the quote file, or the call register.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log crew hours on every job. Log the hours the owner spends on jobs and calls.
Week 2	Fill the page 7 job table at true crew cost and mark any job type priced below its labor, materials, fees and fuel.
Week 3	Set up the quote table on page 9 by lead source and record days from service call to project quote.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a lead electrician may make without calling you.
After month 1	Run the overrun check on every closed job and measure crew 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 Electrician 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 job pricing calculator from materials and crew hours to a price at a target margin, a deposit and completion tracker, editable quote, service-call and crew scheduling trackers, job checklists 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 electrical contractors, 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. Electrical contracting and service owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, electrical inspection and utility coordination 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 project jobs, service calls and crew costs. A copy-ready version is on the kit page.

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, access details, panel and circuit records, 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) a residential electrical contractor. I have attached the Electrician Business Plan and Operations Starter Kit from businessconsultant.services. Turn it into my own plan for my project jobs, service calls and crews, using my numbers.

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 job price, materials cost, electrician 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 project-job and service-call sales times ramp times season; a confirmed booking for a line replaces its ramped figure that month, never both; before opening, count expected bookings 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 hours on shift go in line 14 at a market wage. 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 project jobs = (fixed costs, principal and other recurring cash out minus service-call contribution) divided by one average job's contribution; calls: own parts share, kit's other lines. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid crew hours available per month = electricians on the crew (project and service) multiplied by hours a day (add each person's hours if they differ), days worked a week and 52, divided by 12; paid hours needed = crew hours on project jobs and service calls divided by utilization.
- The share of sales that pays for the unit, the stores and the office (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 day the vans first leave the yard 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 deposit and the completion payment in the month each lands; payroll and suppliers are paid in the month worked. Hold a deposit on a job not yet started out of closing cash until the crew starts. In the slow-start case, every month's sales, service calls 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 day the vans first leave the yard), 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, inspection and utility coordination, 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 customer IDs. Do not ask for names, home 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, customer segments and lead sources, service area, the electricians I can staff on the crew (project and service) each day and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for project jobs (jobs), the full-run jobs a month by job type, each type's price, materials cost and crew hours; for service calls and troubleshooting (calls), the calls a month at full run, the average ticket and the parts share of it; 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 call 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 job type: jobs a month at full run, price, crew hours on site (drive and setup are in the cost per billable hour, not the hours), materials and subcontract cost, and quotes given and won last quarter; my payment schedule for each sales line (deposit share and when it is collected, progress payments and when, the final payment and how many days after completion it is paid); and the jobs 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 (dealer quote, supplier quote, insurer quote or calculation) for each line on page 5, from the vans and tools to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the electricians and dispatcher, any guaranteed minimum crew, 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 hours on shift go in line 14 at a market wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, materials and parts, as quoted on each job and used on each call; line 14, hourly crew labor above any minimum crew, with payroll taxes and workers' compensation; line 15, card and financing fees; line 16, fuel, consumables and disposal; and any sales line whose own shares differ, given for that line.
g. For each lead source: site visits, quotes and jobs signed last quarter, and days from site visit to proposal; signed jobs in hand when the quarter opened and how many were dropped; how many new jobs I need.
h. For one typical week: paid, on-site billable, drive, rework, and waiting, loading or admin hours per crew; 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 customer pays me (deposit share at contract, completion payment, how many days after completion a balance lands, or at the door for calls), the deposits I collect or pay, and when payroll and my 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, van, tool and meter 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, 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 electrical contractor, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by job line, service line and month, with annual sales and the capacity check.
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 project jobs (use cash break-even); unit, stores and 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 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). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Job economics for each job type at true crew cost, ranked by contribution per crew hour, flagging any job type priced below its labor, materials, fees and fuel; quotes needed a month; and the collection pattern the cash forecast uses.
7. Pipeline by segment with site visits needed and monthly churn.
8. Crew utilization and 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 and [NEED: ...] gap, every job count or payment timing to verify, and every question for 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 job counts by month, payment timing and crew 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 $41,132.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**117,900**	**98,975**	**86,397**	**82,353**	**85,943**	**95,393**	**106,734**	**113,886**	**118,627**	**124,786**	**128,376**	**129,395**
In: sales receipts	30,672	39,441	51,227	61,770	69,864	72,477	66,690	63,360	65,320	61,770	58,220	61,060
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: materials, parts, fees and fuel (lines 13, 15, 16)	8,465	10,886	14,139	17,049	19,282	20,004	18,407	17,487	18,028	17,049	16,069	16,853
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	32,400	32,401	32,400	32,399	32,400	32,400	32,399	32,400	32,401	32,399	32,400	32,399
Out: shop and office rent (line 1)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Out: other costs, with loan interest (lines 2, 5 to 12)	6,503	6,503	6,503	6,503	6,503	6,503	6,503	6,503	6,503	6,503	6,503	6,503
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	829	829	829	829	829	829	829	829	829	829	829	829
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(18,925)**	**(12,578)**	**(4,044)**	**3,590**	**9,450**	**11,341**	**7,152**	**4,741**	**6,159**	**3,590**	**1,019**	**3,076**
Closing cash, expected	**98,975**	**86,397**	**82,353**	**85,943**	**95,393**	**106,734**	**113,886**	**118,627**	**124,786**	**128,376**	**129,395**	**132,471**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**117,900**	**92,313**	**71,169**	**55,999**	**46,172**	**40,447**	**36,046**	**28,713**	**19,692**	**11,664**	**1,837**	**(9,789)**
Sales receipts, slow start	21,470	27,608	35,859	43,239	48,905	50,734	46,683	44,352	45,724	43,239	40,754	42,742
Out: variable costs, slow start (lines 13 to 16)	5,925	7,620	9,897	11,934	13,498	14,003	12,884	12,241	12,620	11,934	11,248	11,797
Out: fixed costs (lines 1 to 12), principal, bills, less funding	41,132	41,132	41,132	41,132	41,132	41,132	41,132	41,132	41,132	41,132	41,132	41,132
Net cash flow, slow start	**(25,587)**	**(21,144)**	**(15,170)**	**(9,827)**	**(5,725)**	**(4,401)**	**(7,333)**	**(9,021)**	**(8,028)**	**(9,827)**	**(11,626)**	**(10,187)**
Closing cash, slow start	**92,313**	**71,169**	**55,999**	**46,172**	**40,447**	**36,046**	**28,713**	**19,692**	**11,664**	**1,837**	**(9,789)**	**(19,976)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**8,216**	**10,786**	**15,926**	**18,497**	**20,553**	**18,497**	**10,786**	**6,160**	**6,160**	**3,590**	**1,019**	**3,075**

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 $71,000 a month, against month 12's own $61,060): closing cash runs $140,686 in month 1 and $255,735 in month 12, lowest $140,686 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. Slow-start months close below the expected case: receipts fall with sales by more than materials and parts do, while payroll, fixed costs and principal do not fall.