Financial Advisor Business Plan Template and Operations Starter Kit

A working kit for independent fee-based advisory firms. It turns client assets and the annual fee into firm revenue, carries the advisor share as its own line in every month, tracks conversations to signed household agreements by source, tests what each advisor can carry against the plan and counts what turnover costs, finds cash break-even through the first winter, and scores the plan on six pass-or-fail tests.

FINANCIAL ADVISORY FIRMS
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PAGE 2

Start here

A firm can hold a quarter of a billion in client assets and still miss payroll in its first winter. Payroll, rent and the platforms go out every month, the fee pays quarterly, and the advisor keeps a share of every dollar. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

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HOW TO USE IT

1. Build household and fee 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. Client assets, fee rates and advisor shares move before a fee is billed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every household in onboarding and the numbers review every week. Run the page 7 client loss check every month and update the page 10 advisor roster after every departure.

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 financial advisory firm 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, disclosure and client-agreement or financial advice. Requirements vary by location. Review them before you commit money.

PAGE 3

Business plan, part one

A lender will ask whether firm revenue, after the advisors are paid, covers the office, the paraplanner, the coordinator and the loan through the first winter. Put each answer in plain sentences on this page, then write the full sections out on separate sheets.

1. Executive summary (write it last)

State what the advisory firm actually does, the sum of money it needs and what that sum buys between the fit-out and the first payroll. Then name the month in which the page 6 fee forecast first clears its cash break-even on page 8, and record the page 4 result here.

2. Services and clients

Set out who you serve, the households you already advise and the ones you want, in which asset band, and what the household values beyond the fee: a plan it understands, a call answered, a review that happens on the date. Write it in the words a household would use, and name the routes the households arrive by: an advisor's own circle, an introduction, an online inquiry or a seminar.

3. Market area and advisor capacity

Describe the area you cover and the asset bands you work in. Count the advisors on the roster, the households each one serves across a year, and the household-years a month that headcount buys; the plan can never serve more than the roster is able to carry.

4. Advisor share plans and firm revenue

List each advisor share plan, the planning fee that goes with it and the firm revenue per household it leaves. A share plan lifted from the firm down the street, with no firm revenue worked out behind it, is a guess and nothing more.

SHARE PLAN	SHARE TO ADVISOR	PLANNING FEE	FIRM REVENUE PER HOUSEHOLD

> *Owner question: we keep adding households and the bank balance still falls in the first quarter. Is our fee too low?*
>
> Check this likely cause first: a new household takes a year to bill a full fee, the advisor share goes out every quarter, and nobody priced the first winter. Record every household with its signing month, the fee it bills and the advisor share paid (page 10), give every new advisor a named mentor and a monthly fee-and-pipeline review for the first six months, and compare the revenue per household of the households that arrived last year with the earlier cohort, like for like by asset band, before you touch the fee; that comparison proves nothing by itself.

PAGE 4

Business plan, part two

5. Operations

Describe how a household runs from signed agreement to the first fee and the annual review: the file, the plan, the coordinator's checklist, the review and the billing. Name who reviews a plan when you are away.

6. Team

List every role, its hours and its pay, including a market wage for your own hours, and every advisor's share plan. Name who can review a plan without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where households come from, how a conversation becomes a signed household, and why clients and advisors stay.

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 advisor share agreements, insurance quotes, the office lease, platform and membership costs, and the requirements the plan needs are in writing, reviewed where needed.	
1. In the expected case, fees 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. Household-years planned in the peak month (page 6) fit what the roster can serve (page 10), and planned household-years reach break-even (page 8).	
5. Signed household agreements back the household count and the roster backs the capacity; a conversation count supports a forecast of discovery meetings, not of signed households.	
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 working capital 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 an office lease or recruit an advisor. **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 landlord, or a documented calculation. Advisory firm budgets break on rent, payroll and platform fees before the first fee is billed, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
OFFICE AND TECHNOLOGY				
Computers, phones, furniture and signage				
Software setup and data migration				
Brand, website and client templates				
SETUP AND ADMINISTRATION				
Entity administration, office setup and memberships				
Insurance down payment				
Office deposit and first month				
PRE-OPENING				
Pre-opening payroll, two months				
Launch marketing and seminars				
Office fit-out and furniture				
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 household agreements and the household-years your advisors can serve, not from the overhead you need to cover. Count the households each advisor serves today; add your own at the volume your book supports.

```
Monthly sales for a line = units times average annual advisory fee
```

SALES LINE	UNIT	UNITS PER MONTH	AVERAGE ANNUAL ADVISORY FEE	MONTHLY SALES
Advisor-served households	household-years			
Owner-served households	household-years			
Planning fees	household-years			

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 sales a month times ramp (the share of full-run volume the roster and the pipeline 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 billings by month in your market; a signed household with a first billing date replaces its ramped figure that month. Enter each fee in the month it is billed and collected, not spread across the year; page 7 sets the collection pattern.

CAPACITY CHECK

```
Household-years the roster can serve in a month = advisors multiplied by the most household-years one advisor carries in a month (page 10); full-run household-years a month = advisors times households per advisor a year, divided by 12
```

Write how many advisors are on the roster, the households each serves in a year and the most household-years one advisor carries in a month. Compare the household-years the plan needs in its busiest month with what the roster can serve (page 10). If the plan needs more than the roster carries, the plan is wrong, whatever the conversation count says.

PAGE 7

Advisory fees, the advisor share and firm revenue

The advisory fee is what the household pays; the advisor share is line 17 (page 8), so plan on the gross fee and firm revenue is what is left.

```
Annual fee per household = client assets times the annual fee percent
Firm share per household = annual fee times (1 minus the advisor share); the firm also keeps any
planning fee it charges
Monthly firm revenue = advisor-served household-years times the firm share per household, plus owner-
served household-years times the annual fee, plus the planning fees
```

WORKED EXAMPLE: ONE MONTH OF FEES (ILLUSTRATIVE)

FIGURE	VALUE	HOW
Average client assets per household	$500,000	Stated
Annual advisory fee	1%	Stated
Annual fee per household	$5,000	Assets times fee percent
Advisor share	45%	Paid to the advisor on advisor-served households
Firm share per household	$2,750	Annual fee times (1 minus the advisor share)
Planning fee per household	$260	Charged to the household
Firm keeps per household	$3,010	Firm share plus the planning fee
Per-household data and software cost	$70	Platform, reporting and planning software costs per household
Owner-served household-years a month	2	Full fee, no advisor share
Advisor-served household-years a month	20	240 a year

The advisor share is paid in the month the fee is billed and sits on page 8 line 17 as the advisor line's own share: 45 percent of advisor-served household-years, 0 on owner-served years and fees, with the sales blend (39.1 percent) printed in the page 12 worked example, and charged line by line on page 11. Fees are billed quarterly in advance and collected in the month they are billed; the advisor share follows in the same month. Fee rates are set household by household, so the blended share moves with each book. The page 12 worked example runs 20 advisor-served household-years and 2 owner-served household-years a month at $5,000 annual fee each.

YOUR ADVISOR SHARE PLANS AND FIRM REVENUE

ADVISOR PLAN	SHARE TO ADVISOR	CAP OR DESK CHARGE	PLANNING FEE	HOUSEHOLD-YEARS A YEAR	FIRM SHARE PER HOUSEHOLD	FIRM SHARE A YEAR

PAYMENT TERMS AND THE COLLECTION PATTERN

In the worked example every line is collected in full in the month it is billed (billed and collected in the same month), so page 11 carries no receivables and the collection pattern is $100 in that month for every $100 billed. The example spreads each annual fee evenly across the twelve months so the sales line reads as a monthly average; a firm billing quarterly in advance enters each quarter's receipt in the month it is billed, which brings that cash forward.

CLIENT LOSS AND PIPELINE CHECK

A signed household is a promise, not income. Every month, compare the households billed with the households in onboarding, and log every household that leaves with its reason.

```
Pipeline value = households in onboarding times average client assets; expected fees this month =
households in onboarding times your signing-to-billing rate; fee revenue at risk = households that leave
onboarding times the annual fee. Count a household as revenue only when its fee is billed.
```

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.

FIXED COSTS PER MONTH	PER MONTH
1. Office rent, about 1,200 sq ft	
2. Insurance	
3. Paraplanner and client operations coordinator, loaded, with payroll taxes (the minimum staff)	
4. Owner's market wage (management, reviews, advisor recruiting)	
5. Loan interest (fit-out, technology and launch loan)	
6. Phones, internet, platform access and memberships	
7. Marketing, website and seminars	
8. Relationship, planning and reporting software	
9. Bookkeeping, payroll and tax	
10. Recruiting and training	
11. Supplies and client events	
12. Research data and memberships	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Per-household data and software (platform and reporting cost per household)	
14. Variable support labor above the salaried staff (planning support and overflow help)	
15. Payment and platform fees	
16. Client events and co-marketing	
17. Advisor share on advisor-served households (blended share of all revenue)	
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 advisor household-years = (fixed costs, principal and other recurring cash out minus owner-
served and planning-fee contribution) divided by one advisor-served household-year's contribution after
the advisor share, the per-household cost and the fees
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 advisor-served household-years (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 working day = weekly divided by days open per week. Office share = line 1 divided by net sales.

PAGE 9

Households, signing rates and advisor turnover

One market, several ways in. A referral from an advisor's circle, an online inquiry and a workshop attendee sign at very different rates, so track each source from conversation to signed household, and track advisor departures, because they decide whether the roster's capacity holds.

```
Discovery rate = discovery meetings divided by conversations; signing rate = signed households divided by discovery meetings
Conversations needed = new households you need divided by (discovery rate times signing rate)
Advisor turnover = advisors who left in the quarter divided by advisors on the roster at its start
```

WORKED EXAMPLE: ONE QUARTER OF NEW HOUSEHOLDS, BY WHERE THEY CAME FROM (ILLUSTRATIVE)

REFERRAL SOURCE	CONVERSATIONS	DISCOVERY MEETINGS	SIGNED	DISCOVERY RATE	SIGNING RATE	DAYS AGREEMENT TO FIRST FEE	CONVERSATIONS FOR 36 SIGNED
Referrals and centers of influence	55	30	18	55%	60%	30 days	110
Online and seminar inquiries	120	40	11	33%	28%	45 days	393
Workshops and employer plans	70	24	8	34%	33%	40 days	315

The counts are illustrative and say nothing about why a referral signs when an online inquiry does not; a quarter this small gives a direction, not a rate. These conversations sign 37 agreements a quarter against the 36 agreements a quarter the plan counts on to build the book, while full run is 20 advisor-served and 2 owner-served household-years a month; the 1 agreement of margin covers the households that leave and the agreements that sign in a later quarter, neither of which the example counts. The page 12 ramp follows the first billing date, not the signature, and reaches full run in month 10. In this example, losing 2 of 264 households over a quarter comes to about 0.25 percent a month, measured against the book at the start and before any new households, so the pipeline must replace that before it adds growth.

YOUR CONVERSATIONS, BY SOURCE

REFERRAL SOURCE	CONVERSATIONS	DISCOVERY MEETINGS	SIGNED	DISCOVERY RATE	SIGNING RATE	DAYS AGREEMENT TO FIRST FEE	CONVERSATIONS NEEDED

SIGNED AGREEMENT LOG

HOUSEHOLD	SIGNED DATE	FIRST FEE MONTH	BILLED OR NEVER BILLED	REASON IF A HOUSEHOLD LEAVES, IN THE CLIENT'S WORDS

PAGE 10

Advisors, capacity and turnover

The roster is the firm's capacity. Three advisors who each serve eighty households a year carry twenty household-years a month, whatever the conversation count says.

```
Household-years a month = advisors times households served per advisor a year, divided by 12
Peak-month capacity = advisors times the most household-years one advisor carries in a month; Test 4 compares it with the peak month's planned household-years
Cost of departures a year = leavers times recruiting cost, plus leavers times households per advisor times (months to a full book divided by 12) times the firm keeps per household
```

WORKED EXAMPLE: THE ROSTER BEHIND THE SALES BUILD (ILLUSTRATIVE)

FIGURE	VALUE	HOW
Advisors on the roster	3	Stated
Households served per advisor a year	80	Stated
Household-years a month at full run	20.0	Advisors times households, divided by 12
Peak-month household-years per advisor	7	The most one advisor carries in a month
Advisor turnover a year	20%	0.6 advisors leave
Recruiting cost per advisor	$15,000	Stated
Recruiting cost a year	$9,000	Leavers times cost
Months to a new advisor's full book	6	Stated
Household-years lost a year when advisors leave	24.0	Leavers times households, prorated for the gap
Fee revenue lost a year when advisors leave	$72,240	Lost household-years times the firm keeps per household

The peak-month figure is what one advisor carries in the busiest month, not the average; Test 4 uses it. The page 12 example's sales build plans 20 advisor-served household-years a month; the roster produces 20.0, so the plan rests on this roster, not on hiring beyond it.

YOUR ROSTER

ADVISOR	MONTHS WITH THE FIRM	HOUSEHOLDS SERVED	HOUSEHOLDS ONBOARDING	SHARE PLAN	FEE REVENUE LAST 12 MONTHS	COACHING OR EXIT PLAN

RECRUITING AND TURNOVER LOG

Advisors leave, and every departure takes a book with it and costs a recruiting cycle and months without a full book. Log every arrival and departure with the reason in the advisor's words.

MONTH	ADVISORS JOINED	ADVISORS LEFT	REASON, IN THE ADVISOR'S WORDS	HOUSEHOLDS THEY SERVED

Twelve-month cash forecast

Enter $000 (51.25 means $51,250), fees collected and any tax; tax collected stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: fees collected, in the month each payment lands												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: per-household costs and platform fees (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: office rent (line 1)												
Out: advisor share paid when the fee is billed (line 17)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, working capital 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												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 17)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is the cash on the first day the office opens, after startup spending is paid; each closing balance opens the next month. Keep one month of fixed costs and principal in the reserve above the floor you set. The advisor share is paid in the month the fee is billed, the same month the fee lands; the paraplanner, the coordinator and the office are paid monthly. For the slow start, test 70 percent of expected sales every month (a stress assumption, not a benchmark); fixed costs, other cash out, principal, startup bills and funding stay put, 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 the deadline. Then run a second year at the run rate on page 8 and check the floor holds.

PAGE 12

Runway, and what the first winter costs

```
Runway = how many months the firm keeps its doors open, counted forward from the latest closed month (or from the first day the office opens when no month has closed yet), up to the first month whose closing cash lands under your floor
```

Worked example: a made-up fee-based advisory firm

Every figure below is a round assumption for a made-up firm: the point is to show the arithmetic of each row, not to benchmark any real market. The advisory fee is billed and collected inside the same month; the paraplanner and the client operations coordinator sit on line 3 from month 1 onward, and the advisor share on a household is paid out as that household's fee is billed. Cash floor $20,000. Each household's advisory fee lands in the month it is billed and collected, and that household's advisor share leaves in the same month (page 7); the per-household platform and reporting cost leaves with the billing; the owner takes the market wage out as cash, and no outside money is added.

Page 5, budget	The startup budget totals $129,100, raised as a $52,000 loan at 10.5 percent over 5 years plus $77,100 of owner funds, of which $56,700 is the working capital reserve you keep rather than spend on opening day, sized by the page 5 rule on your own floor of $20,000.
Page 8, costs	Monthly fixed costs come to $33,222, of which $2,300 covers the office suite and $422 is loan interest; principal adds $696 a month, and both of those figures are year 1 averages. The variable share is 42.1 percent, so the contribution margin ratio works out at 0.579. Variable lines 13 to 17 take 1.3, 0.6, 0.3, 0.8 and 39.1 percent of sales. Fixed lines 1 to 12 cost $2,300, $450, $11,900, $11,500, $422, $650, $2,200, $1,100, $850, $750, $500 and $600 a month.
Page 8, break-even	The operating break-even lands close to $57,378 a month. Cash break-even, worked as fixed $33,222 plus principal $696 divided by 0.579, comes to roughly $58,580 a month. That is 7.4 household-years a month out of advisor-served households once the other lines have made their contribution, so 8 whole household-years, set against the 20 the plan carries.
Page 6, sales	Advisor-served households come to 20 household-years a month at $5,000 each. Owner-served households add 2 household-years a month at the same $5,000. Planning fees bring 20 household-years a month at $260. A full-run month bills about $115,200. The fee ramp runs 45, 55, 65, 72, 80, 87, 92, 96 and 99 percent through months 1 to 9 and then holds at 100 percent. The seasonal factor runs 104, 103, 102, 100, 99, 98, 97, 98, 100, 101, 99 and 99 percent month by month across months 1 to 12, and it touches regular sales only.
Page 19, expected case	Month 1 sales of $53,914 leave month 1 closing at $53,998 and month 12 closing at $308,374. The low point is month 1, closing at $53,998, which is $33,998 above the floor.
Page 19, slow start	Run the slow start at 70 percent of expected sales: month 1 sales fall to $37,740, month 1 closes at $44,633 and month 12 closes at $110,767. The low point shifts to month 4, closing at $33,902, which is $13,902 above the floor.
Page 8, coverage	On a full-run month of $115,200 in sales the planning coverage figure, before income tax and equipment replacement, stands at 30.32; the example lender looks for 1.25; on the month-12 run rate that figure reads 30.32, and Test 3 wants both of them clear. The office takes about 2.0 percent of net sales.

PAGE 4 SCORES THIS EXAMPLE AMBER

Gate 0 is treated as met for the example, and the tests below are scored on that basis. Test 1 passes, because the month-12 run rate of about $115,200 a month sits above the $58,580 break-even, and cash stays over the floor right through a second year at that rate (the lowest close comes in at $343,825, in month 1 of year 2). (This is background, outside the test: expected sales first reach their cash break-even in month 2.) Test 2 passes, because the slow start never drops under the floor. Test 3 passes on the planning formula, though the answer still turns on the lender's own definition. Test 4 passes: in the peak household month (month 1, season 104 percent, scored at full ramp) the plan asks the roster for about 20.8 household-years, and the roster can serve 21.0 (3 advisors, each carrying 7 household-years in a peak month, page 10; an average of 80 households per advisor a year), so the capacity covers the demand; the 20 planned advisor-served household-years also clear the break-even count. Test 5 fails: the plan holds nothing that supplies the evidence it asks for. Test 6 passes: twelve months lived at full run leave about $393,394 once principal is paid, and not one full-run month dips below zero, so the year needs no cushion at all. Read that as the steady-state year and not the forecast year: page 19's own first year generates about $251,674 of cash, since the ramp, the fee billing cycle and the opening months all land first. No income tax set-aside, no equipment replacement and no working capital build-up enter this example (page 19); a real plan scores its own on that page. Break-even sits at roughly a third of the advisor-served household-years the plan carries, and the reserve is the figure the first winter puts to the test, every year.

PAGE 13

What moves the result

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

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
A tenth fewer household-years (variable costs fall; fixed stay)	minus $6,670	Expected case holds the floor
Advisor-served households: average annual advisory fee 5 percent higher, same volume (only sales-linked fees rise)	plus $2,695	Break-even household-years fall from 7.4 to 7.02 a month, so from 8 to 8: per-unit costs stay the same, so the ratio falls from 0.579 to 0.577 on the new sales (sales-linked fees, lines 15, 16 and 17, take 46.1 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $56,853
The highest-billing advisor leaves with the book (6.7 household-years a month, $33,500 a month of fees; that share goes with it), from month 6 onward	minus $19,129	Expected case still clears the floor; slow start below the floor in month 9 (closing $19,357)
Fees arrive a month after they are billed, the custodian debit running in arrears, and the advisor share is paid when the fee is collected (the paraplanner and the bills still paid on time)	no change	Expected case below the floor in month 2 (closing $18,122); slow start below the floor in month 2 (closing $9,345); would fail Test 1
The book bills one household-year a month less than the plan expects ($5,000 of fees a month, taken out at the line's contribution, and no advisor share is paid on it), from month 6 onward	minus $2,855	Expected case still clears the floor; slow start still clears the floor
Advisor share rises 5 points (45 to 50 percent on advisor-served households; about $5,000 a month at full run)	minus $5,000	Cash break-even rises to about $63,327; expected case still clears the floor; slow start still clears the floor
Average client assets per household 10 percent lower, same households (annual fee $5,000 to $4,500 a household; $11,000 a month less), from month 1 onward	minus $6,313	Expected case still clears the floor; slow start still clears the floor
One household stops paying for 3 months from month 9, a one-off loss and not a change to a normal month ($417 a month; the service continues)	no change	Expected case still clears the floor; slow start still clears the floor; $1,250 never collected
Setup overrun of $10,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start still clears the floor
Opening 3 months late (office suite, insurance, loan interest and principal, $3,868 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 $41,193 in month 4 from the planned opening, $12,805 lower than on time; slow start below the floor in month 6 from the planned opening

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

Household checklists, weekly review, six questions

Operations checklists only, not a compliance program. Add the disclosure and client steps your market and a professional require.

WHEN A HOUSEHOLD SIGNS

- ☐ Confirm the signed agreement, the advisory fee terms and the advisor's share plan.
- ☐ Confirm the assets in transfer, the custodian and the first billing date.
- ☐ Open the household file and assign the client operations coordinator.
- ☐ Record the household in the onboarding pipeline with its expected annual fee.
- ☐ Check that each disclosure the firm must give a household is signed and on file.
- ☐ Note the household's contact preference and the advisor covering reviews.

BILLING AND MONTH END

- ☐ Record the advisory fee, the advisor share paid and the firm revenue on the day the fee is billed.
- ☐ Compare billed households with last month's onboarding pipeline and log every departure.
- ☐ Review every file for the required documents before the fee is billed.
- ☐ Update each advisor's households, households in onboarding and share plan on the page 10 roster.
- ☐ Log the referral source, the discovery meetings and the signed agreements for the month.
- ☐ Ask every household for a review and a referral within a week of its annual review.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Households billed, annual fees, advisor share paid and firm revenue				
Households in onboarding, first billing dates and the households that left				
Households billed by advisor against each advisor's yearly capacity				
Advisors joined, advisors left and open recruiting conversations				
Conversations, discovery meetings and signed agreements by source				
Firm revenue expected to arrive within 90 days				
Owner-served households and owner hours on plan review				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every plan wait on the owner to review it, and do advisors hold a client question until the owner is free?
2. **Reactive operations.** Count the client and advisor messages in a week that say nobody called me back or the file is missing a signature, and the billings that slipped a quarter.
3. **Growth without structure.** How many household files a month are missing a document at billing, and how many billings slip because the file was not ready?
4. **Talent and retention.** How much of the firm revenue comes from two advisors, and what happens to the plan if they take their books elsewhere?
5. **Revenue plateau.** How long does a new advisor take to a full book, and what share of recruits ever reach the household count the plan assumes?
6. **Strategic confusion.** Do advisors on one share plan produce very different firm revenue, and does the plan still match the support?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the client message log, the onboarding pipeline, the referral record by source, or the advisor roster and departure log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log every household in onboarding with its first billing date. Log the owner's own households.
Week 2	Fill the page 7 share table and mark any plan whose firm revenue per household falls below the per-household costs.
Week 3	Set up the referral table on page 9 by source and record discovery meetings and signed agreements.
Week 4	Enter fees collected on page 11 and recalculate runway. Write the decisions the client operations coordinator may make without calling you.
After month 1	Run the client loss check on the onboarding pipeline and update the page 10 roster with the month's billings.

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, insurance and building services, 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 Financial Advisor 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, an advisor share calculator from client assets and the fee percent to firm revenue per household, a household onboarding and client loss tracker, editable referral, roster and recruiting trackers, household checklists and onboarding 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 independent fee-based advisory firms, 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. Financial advisory firms owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, disclosure and client-agreement 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 numbers.

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, client-level records or anything an agreement restricts, such as client agreements, client names or account balances, household asset schedules, advisor share agreements or bank account details. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) an independent fee-based financial advisory firm. I have attached the Financial Advisor Business Plan Template and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my households, advisor shares and fees, 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 client assets, a fee rate, an advisor share, a household count, percentage or benchmark, and never state a rule that depends on where I operate.
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 = household-years times the annual advisory fee (planning fees = household-years times the planning fee). Each month's expected sales = full-run sales a month times ramp times season; a signed household with a first billing date replaces its ramped figure that month, never both; before opening, count expected billings 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 wage, management, reviews and advisor recruiting included, sits in line 4, and line 14 is the only support labor above the salaried staff. The owner's wage counts as cash even if it is not drawn, so the plan still holds when the owner steps back from client 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 advisor household-years = (fixed costs, principal and other recurring cash out minus owner-served and planning-fee contribution) divided by one advisor-served household-year's contribution after the advisor share, the per-household cost and the fees. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Household-years the roster can serve in a month = advisors multiplied by the most household-years one advisor carries in a month (page 10); full-run household-years a month = advisors times households per advisor a year, divided by 12.
- 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 but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first day the office opens after startup spending is paid. Place every receipt and payment (fee deposits, vendor and platform invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and working capital 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 advisory fee in the month it is billed and collected, pay the advisor share in that same month, and pay the paraplanner, the coordinator, the rent and the platform in the month. A signed household is not income until its fee is billed. In the slow-start case, every month's sales, households already signed 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 day the office opens), 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, investment suitability, disclosure, 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, account balances, 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. Vendor and platform payments follow the cost of the service I delivered plus any working capital build-up I give; if a vendor invoice falls outside my terms, ask me for 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, market area and asset bands, the advisors on my roster and the households each serves in a year, the most household-years one advisor carries in a month, and days open per week.
b. Sales build: for advisor-served households, the advisors on the roster, households served per advisor a year, average client assets, the annual fee percent and the share paid to advisors; for owner-served households, my own household-years a month; the planning fee per household; 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 billings by month in 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 (households served today, signed agreements or my history).
c. For the fee page (client assets, fee percent, advisor share, planning fee and household-years are in b above): any cap or desk charge in my share plan, per-household costs, and my signing-to-billing rate on households in onboarding.
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, landlord quote or calculation) for each line on page 5, from computers to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the paraplanner and the client operations coordinator, platform access and memberships, 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 wage, management, reviews and advisor recruiting included, sits in line 4, and line 14 is the only support labor above the salaried staff.
f. Variable cost shares of net sales for lines 13 to 17: line 13, per-household data and software (platform and reporting cost per household); line 14, variable support labor above the salaried staff (planning support and overflow help); line 15, payment and platform fees; line 16, client events and co-marketing; line 17, advisor share on advisor-served households (blended share of all revenue); and any sales line whose own shares differ, given for that line.
g. For each referral source, conversations, discovery meetings and signed households last quarter, and days from a signed agreement to the first fee; advisors on the roster at the start of the quarter and advisors who left; the number of new households I need.
h. Advisors on the roster, households served per advisor a year, the most household-years one advisor carries in a month, advisor turnover a year, recruiting cost per advisor and months to a new advisor's full book.
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 advisory fee reaches the firm (billed quarterly in advance, or later), when the advisor share is paid out, and when the paraplanner, the coordinator, rent and the platform 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 any recruiting bonus or draw.
m. Cash on hand on the first working day after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor.
n. If I am already open: what clients and custodians owe me and what I owe vendors 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 records, 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 firm, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by advisor-served households, owner-served households, planning fees 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 advisor-served household-years (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 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 memo rows for each month, kept out of closing cash: any tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Firm revenue per household and per month by advisor share plan, with the fee revenue at risk on households in onboarding.
7. Conversations by source with conversations needed and quarterly advisor turnover.
8. Advisor capacity against the sales build, the peak-month capacity check, and what turnover costs in a year.
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 household count, advisor share 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 household-years by month, advisor shares and roster capacity, 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 $20,000.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**56,700**	**53,998**	**57,866**	**68,171**	**82,277**	**101,186**	**124,137**	**149,743**	**178,577**	**210,693**	**244,143**	**276,259**
In: sales receipts	53,914	65,261	76,378	82,944	91,238	98,220	102,804	108,380	114,048	116,352	114,048	114,048
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: per-household costs and platform fees (lines 13, 15, 16)	1,294	1,566	1,833	1,991	2,190	2,357	2,467	2,601	2,737	2,792	2,737	2,737
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	23,724	23,792	23,858	23,898	23,947	23,989	24,017	24,050	24,084	24,098	24,084	24,084
Out: office rent (line 1)	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Out: advisor share paid when the fee is billed (line 17)	21,080	25,517	29,864	32,431	35,674	38,405	40,196	42,377	44,593	45,494	44,593	44,594
Out: other costs, with loan interest (lines 2, 5 to 12)	7,522	7,522	7,522	7,522	7,522	7,522	7,522	7,522	7,522	7,522	7,522	7,522
Out: income tax set-aside, equipment replacement, working capital build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	696	696	696	696	696	696	696	696	696	696	696	696
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(2,702)**	**3,868**	**10,305**	**14,106**	**18,909**	**22,951**	**25,606**	**28,834**	**32,116**	**33,450**	**32,116**	**32,115**
Closing cash, expected	**53,998**	**57,866**	**68,171**	**82,277**	**101,186**	**124,137**	**149,743**	**178,577**	**210,693**	**244,143**	**276,259**	**308,374**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**56,700**	**44,633**	**37,165**	**34,203**	**33,902**	**36,963**	**42,854**	**50,602**	**60,611**	**72,917**	**86,156**	**98,462**
Sales receipts, slow start	37,740	45,683	53,464	58,061	63,867	68,754	71,963	75,866	79,834	81,446	79,834	79,834
Out: variable costs, slow start (lines 13 to 17)	15,889	19,233	22,508	24,444	26,888	28,945	30,297	31,939	33,610	34,289	33,610	33,611
Out: fixed costs (lines 1 to 12), principal, bills, less funding	33,918	33,918	33,918	33,918	33,918	33,918	33,918	33,918	33,918	33,918	33,918	33,918
Net cash flow, slow start	**(12,067)**	**(7,468)**	**(2,962)**	**(301)**	**3,061**	**5,891**	**7,748**	**10,009**	**12,306**	**13,239**	**12,306**	**12,305**
Closing cash, slow start	**44,633**	**37,165**	**34,203**	**33,902**	**36,963**	**42,854**	**50,602**	**60,611**	**72,917**	**86,156**	**98,462**	**110,767**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**35,451**	**34,784**	**34,117**	**32,783**	**32,116**	**31,449**	**30,782**	**31,449**	**32,783**	**33,450**	**32,116**	**32,116**

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 of $56,700 is your own floor of $20,000, plus one month of fixed costs and principal at $33,918, plus the $2,702 the first pass falls short by with no reserve at all, so the page 5 rule is met. 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 working capital beyond the opening reserve in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $115,200 a month, against month 12's own $114,048): closing cash runs $343,825 in month 1 and $701,768 in month 12, lowest $343,825 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; fee rebates or vendor costs you cannot cut make a real slow start worse.