Flooring Business Plan and Operations Starter Kit

A working kit for residential flooring contractors. It prices every install type at true crew cost with the material share shown, turns deposits and completion payments into a collection pattern, tracks install quotes by lead source, shows what a billable crew hour truly costs, finds cash break-even through the winter trough, and scores the plan on six pass-or-fail tests.

FLOORING INSTALLATION AND REPAIR
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PAGE 2

Start here

A flooring company can be booked solid and still short of cash. Material is paid for before the job starts, the price per square foot hides the labor that never reaches it, and a builder's balance lands weeks after the floor is down. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

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15	Your first 30 days, vehicle and site questions, sources and what the full kit adds
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19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build install and prep-job 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. Material prices, product availability 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 install 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 flooring 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, product warranty or financial advice. Insurance requirements, product warranties, building approvals, financing and employment terms vary by location and by product. Handle compliance and registration review with a qualified professional before you commit money.

PAGE 3

Business plan, part one

The lender's real question is cash, not demand: do installs and small prep jobs pay the crew, the material bill and the loan through the slow winter months? Answer briefly here; keep the long versions on separate sheets.

1. Executive summary (write it last)

Cover what you sell, the ground you cover, the money you need and where it goes, from the two vans to the first payroll. Then name the month the page 6 forecast clears cash break-even (page 8) and state the page 4 result.

2. Services and customers

Name the jobs you take, from one stretched room to a whole house of carpet and plank, and say what a homeowner buys besides a floor that lies flat: a start date the crew keeps, furniture put back, a quote that shows its waste. Use the customer's own phrases, and record where each call came from and who decides.

3. Service area and install capacity

Draw the edge of the area you serve, then measure the run to the supplier and between two jobs a day. That gives the crew hours you can put on a floor, and the installs and prep jobs they buy.

4. Installs, prep work and pricing

One line per install or prep job, with its crew hours and the price you charge. A price built from a material markup alone, with no crew hours, is a guess.

INSTALL OR PREP JOB	CREW HOURS	PRICE	PRICE PER CREW HOUR

> *Owner question: the calendar is full, our square-foot price matches the shop down the road, and the account is still empty at month end. Where does the money go?*
>
> In the worked example, material comes first: 57 percent of the price sits in it, so money leaks through tear-out, disposal and the subfloor. Rank contribution per crew hour against the true cost of a billable hour on the utilization page, which carries drive time, loading, callbacks and the 30 percent of paid hours that never reach an invoice. Keep a month of callbacks before repricing: a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how an install runs from signed quote to completion payment: material order, crew assignment, tear-out, the install days, the walkthrough and the disposal. 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 an install day without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where install quotes come from, how a prep job becomes an install 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, supplier terms and the requirements of every approval the plan needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and 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 (install and prep-job hours, pages 6 and 7, over utilization, page 10) fit the hours you can staff (page 6), and planned installs reach break-even (page 8).	
5. Signed quotes with deposits back the install count, and the prep-job record backs the prep volume; a lead count supports a forecast of quotes, not of installs.	
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 van loan or a lease. **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 rerun the forecast under each change. 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 material supplier or the insurer, or a documented calculation. Flooring budgets can break on the first material 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 RACKING				
Two T-150 cargo vans, full purchase price (the loan is a source of funds)				
Installer tools, knee kickers, stretchers and cutters				
Racking, ladders and safety equipment				
Estimating and scheduling software setup				
SETUP AND APPROVALS				
Business registration and trade credentials (requirements vary by location; 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 material stock				
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 install quotes and the prep jobs you can staff, not from the payroll you need to cover. Count installs first; add prep work at the volume your quote log supports.

Monthly sales for a line = units times average price, with the unit counted in its own period: a per-day count times days open in the month, a per-week count times 52 divided by 12, and a per-month count as it stands.
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
Install jobs	installs				
Subfloor prep and small repair	prep jobs				

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 install and prep-job sales times ramp (the share of full-run volume the crews and the quote log 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 quote log by month.

CAPACITY CHECK

Paid crew hours available per month = installers on the crew (install and prep) 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 installs and prep jobs 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 installs and prep jobs need (installs a month times crew hours per install, page 7) and divide by utilization (page 10). Prep work uses the crew hours in line 3. If the plan needs more paid hours than you can staff, the plan is wrong, whatever the quotes say.

PAGE 7

Install pricing, deposits and collection

A quote fixes the material and the square-foot price; true cost is crew hours plus material, and the money arrives when the customer settles.

Labor = hours on the floor at the true cost of a billable hour (page 10; drive, setup and waiting sit in that cost)
Contribution = price less labor, materials, subcontracts, fees and fuel at the page 8 shares; per crew hour = contribution over the crew hours. That is the contribution after all labor; the page 8 ratio covers variable lines only.
Close rate = installs sold divided by quotes issued; quotes required = installs required divided by the close rate

WORKED EXAMPLE: THREE INSTALL TYPES (ILLUSTRATIVE)

INSTALL TYPE	INSTALLS / MONTH	PRICE	CREW HOURS	LABOR	MATERIALS, SUBS	FEES, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE
Carpet, 700 sq ft	3.2	$5,400	25	$1,241	$3,685	$227	$247	$9.88	38%
Luxury vinyl plank, 1,050 sq ft	3.9	$15,000	35	$1,738	$8,325	$630	$4,307	$123.06	34%
Solid hardwood, 750 sq ft	2.8	$17,250	42	$2,085	$9,500	$725	$4,940	$117.62	27%

Labor at $49.65 a billable hour from page 10; fees and fuel 4.2 percent of price (page 8 lines 15 and 16); materials and subcontracts as quoted. Per crew hour, luxury vinyl plank earns most ($123.06), carpet least ($9.88). At 56.6 percent the plan earns 10,160 a month after principal. At the top of the sourced materials range this example loses about $10,435 a month. The page 13 material test: material prices 10 percent higher lift line 13 from 56.6 to 62.26 percent, take about $7,331 a month at full run, and raise cash break-even to about $121,091. The range behind that test is the material figures of one published cost guide, not a market spread. A 15 percent overrun in the peak month (month 3, season 110 percent) calls for 755.8 paid hours against 693, or 3,275 of extra payroll at time and a half. Subfloor prep: 4.95 a month at 17 crew hours each, in the capacity check and line 3. These installs fix the shares in the page 12 example (9.9 installs a month, average $12,533).

YOUR INSTALL TYPES

INSTALL TYPE	INSTALLS / MONTH	PRICE	CREW HOURS	LABOR	MATERIALS, SUBS	FEES, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE

HOW THE CUSTOMER PAYS

SALES LINE	PAYMENT	SHARE OF PRICE	COLLECTED
Install jobs	Deposit at material order	40%	in that month
Install jobs	Completion payment	60%	in that month
Subfloor prep and small repair	Paid at completion	100%	in that month

The example banks $100 of each $100 billed; the two schedules mix at full-run sales, and page 11 gives each line its own schedule. A deposit is cash when received, the unearned part a memo liability; the job counts once, in the month it bills.

OVERRUN CHECK ON A CLOSED INSTALL

Quotes stay put; jobs do not. At close, set logged hours beside the quoted hours.

Overrun hours = hours logged less hours quoted; overrun cost = those hours at true cost. Find the cause, price added scope in writing before work starts, and carry the lesson to the next quote.

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 warehouse rent	
2. General liability, tools and workers' compensation insurance	
3. Four installers in two crews, loaded, with payroll taxes and paid time off	
4. Owner's market wage (sales, quoting and management; hours on installs go in line 14)	
5. Loan interest (van, tool and racking loan)	
6. Base utilities, phones and internet	
7. Marketing, website and lead services	
8. Estimating, scheduling and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Tool repair, blades and replacement parts	
11. Two vans, fuel, registration, maintenance and vehicle insurance	
12. Recurring training and dues	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Flooring material, pad and underlayment, as quoted on each install and used on each prep job	
14. Installer hours above the four on the crew, with payroll taxes and workers' compensation	
15. Card fees	
16. Fuel and job sundries	
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 installs = (fixed costs, principal and other recurring cash out minus prep-work contribution)
divided by one average install's contribution; prep work: own material 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 installs (use cash break-even)	one figure per month		
Shop and warehouse 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. Shop and warehouse share = line 1 divided by net sales.

PAGE 9

Install quotes, win rate and the install log

The crews are the same on every job; the buyers are not. Sort install quotes by where the lead came from, since a homeowner who has already had prep work done and one who found you online do not sign at the same rate, and whether anybody comes back decides if growth holds.

```
Quote rate = quotes written divided by site visits made; win rate = installs sold divided by quotes written
Site visits required = installs required divided by (quote rate times win rate)
Monthly churn = installs cancelled this month divided by installs already booked when the month opened
```

WORKED EXAMPLE: A QUARTER OF INSTALL QUOTES, SORTED BY LEAD SOURCE (ILLUSTRATIVE)

LEAD SOURCE	SITE VISITS	QUOTES	INSTALLS SOLD	QUOTE RATE	WIN RATE	DAYS VISIT TO QUOTE	SITE VISITS FOR 29.7 INSTALLS
Referral and repeat	24	15	8.4	62%	56%	5 days	85
Online and lead service	50	31	12.5	62%	40%	9 days	119
Builder, property manager, realtor	20	13	8.8	65%	68%	21 days	68

The counts here are assumed and exist to show how the arithmetic works; they say nothing about why one lead source converts and another does not. At this size they point a direction rather than give a rate, so keep counting before leaning on them. The quotes in this example win 29.7 installs a quarter, and one cancellation a quarter brings that to 28.7, just under the 29.7 installs a quarter the plan needs once it reaches full run. What sets the page 12 ramp is install dates rather than quotes, and that ramp reaches full run in month 9. In the example, losing 1 of 29.7 installs over a quarter works out at about 1.12 percent a month, counted against the installs already booked when the quarter opened and before any new win, so fresh quotes have to replace that loss before the pipeline can grow.

YOUR INSTALL QUOTES, BY LEAD SOURCE

LEAD SOURCE	SITE VISITS	QUOTES	INSTALLS SOLD	QUOTE RATE	WIN RATE	DAYS VISIT TO QUOTE	SITE VISITS NEEDED

SIGNED-INSTALL AND CANCELLATION LOG

CUSTOMER OR BUILDER	INSTALL DATE	DEPOSIT TAKEN	INSTALLED OR CANCELLED	REASON FOR A CANCELLATION, IN THE CUSTOMER'S WORDS

PAGE 10

Crew utilization and true labor cost

A wage opens the calculation; it does not close it. The paid week also holds the runs to the supplier, the rolls carried up a stair, the wait while a subfloor dries and the return trip to a seam that lifted, and none of those hours can be billed. Every hour that can be billed has to carry them.

```
Utilization = hours charged to a customer's floor divided by hours paid
Loaded hourly cost = wage times (1 + the added share for payroll taxes, workers' compensation, benefits and paid time off)
Cost of a billable hour = paid hours times loaded hourly cost, then divided by billable hours
```

WORKED EXAMPLE: FOUR INSTALLERS, ONE WEEK (ILLUSTRATIVE)

ITEM	HOURS	SHARE OF THE PAID WEEK
Paid hours	160	100%
On a customer's floor, billable	112	70%
Drive and supplier runs	14	8.8%
Callbacks and rework	6	3.8%
Loading, waiting, admin	28	17.5%

At a $27.15 wage with 28 percent payroll taxes and benefits on top, one paid hour stands at $34.752 an hour; at 70 percent utilization the billed hour works out at $49.65. Price every install from that figure, never from the wage and never from the loaded cost. The shares are rounded and may not sum exactly to 100 percent.

YOUR CREWS, ONE WEEK EACH

CREW	PAID HOURS	ON THE FLOOR, BILLABLE	DRIVE	REWORK	UTILIZATION	BILLABLE-HOUR COST

WHAT WALKS OUT WITH AN INSTALLER

When an installer quits, the room measurements, the customer's product choice and the moisture readings leave with him unless somebody wrote them down. Put them in writing on every install and every prep job, and the next crew starts from the same sheet.

PAGE 11

Twelve-month cash forecast

Material and payroll leave before completion payments land. Enter $000 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: material, card fees and fuel (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: shop and warehouse 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 first day the crew is on a customer's floor 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. The crew and the material supplier are paid in the month of the work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what the winter trough costs

Runway = how many months in a row ahead the plan can keep going, counted from the last month closed (or, before opening, from the crew's first day on a customer's floor), ending just before the first month whose closing cash drops under your floor

Worked example: a hypothetical flooring company

Figures are illustrative, not benchmarks. Installs are billed on completion, and line 3 carries the four installers from month 1. Cash floor $40,614. A deposit comes in when the material is ordered and the rest at the walkthrough; prep work is paid on completion; costs leave as the work is done; the owner draws the wage in cash; no new money is added.

Page 5, budget	Startup costs come to $271,694 all in, covered by an $85,000 loan (10.5 percent over 5 years) together with $186,694 of owner money, and inside that sits a $102,500 reserve covering the ramp, the winter trough, builder balances and the buffer. Two passes size it: a $40,614 floor, one month of buffer at $40,614, and $21,229 for how far the no-cash first pass falls below zero, rounded to $102,500.
Page 8, costs	Fixed costs run $39,477 a month, $1,750 of it shop and warehouse space and $690 loan interest; principal adds $1,137 a month (both year 1 averages); the variable share is 60.8 percent, for a contribution margin ratio of 0.392. Lines 13 to 16 run at 56.6, 0, 2.6 and 1.6 percent of sales, with line 13 blended across the sales lines. Lines 1 to 12 run $1,750, $618, $24,095, $6,660, $690, $480, $2,600, $299, $600, $400, $950 and $335 a month.
Page 8, break-even	Operating break-even lands at about $100,707 a month. Cash break-even is about $103,607 a month (fixed $39,477 plus principal $1,137, divided by 0.392), which is 7.8 installs a month priced off install jobs once the other lines have taken their contribution: line 13 runs 57.1 percent on install jobs and 45 percent on subfloor prep and small repair, while lines 14 to 16 take one share of every line, leaving a contribution ratio of 0.387 on install jobs and 0.508 on subfloor prep and small repair. That rounds to 8, set beside the 9.9 the plan plans on.
Page 6, sales	Install jobs: 9.9 installs a month at $12,533.33. Subfloor prep and small repair: 4.95 prep jobs a month at $1,100. A full-run month comes to about $129,525. Installs and prep jobs climb through 50, 62, 72, 80, 86, 90, 94, 97 percent in months 1 to 8 and then hold at 100 percent, while season moves 104, 108, 110, 106, 102, 100, 102, 104, 98, 88, 86, 92 percent through months 1 to 12 and applies to installs and prep jobs alike.
Page 19, expected case	Month 1 bills $67,353 and closes at $88,288, with month 12 at $133,756. Low: month 3, closing $81,271, $40,657 clear of the floor.
Page 19, slow start	Take 70 percent of the expected installs and prep jobs and month 1 sales $47,147; month 1 finishes at $80,368 and month 12 at minus $21,831. The floor is breached in month 4 (closing $40,613) and cash turns negative in month 10 (closing minus $3,867), which puts the runway from opening at 3 months.
Page 8, coverage	A full-run month of $129,525 gives planning coverage of 6.56 before income tax and van replacement are paid, and the example lender asks for 1.25; at the month-12 run rate the same figure reads 6.56. Test 3 requires both. Shop and warehouse share is about 1.4 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0: met for the example. Test 1 passes: at the month-12 rate sales come to about $129,525 against a $103,607 break-even, and cash stays over the floor for a second year (low $145,947, month 1 of year 2). Test 2 fails: at 70 percent the plan sits under the floor in month 4; about $62,500 more reserve would clear it. Test 3 passes under the planning formula, though the definition your lender uses is the one that decides. Test 4 passes: the busiest full-run month (month 3, season 110 percent) calls for about 460 crew hours on a customer's floor across the page 7 installs and the page 6 prep work. At 70 percent utilization that comes to about 657 paid hours (page 10), close to 3.8 installers working full time, and the crew can field 693 paid hours (4 installers, 8 hours a day, 5 days a week, with line 3 carrying the four installers and supplying 693). So the work fits, and the 9.9 installs clear the break-even count. Test 5 fails for want of evidence. Test 6 passes: a full-run year, winter trough and all, leaves about $121,917 after principal, with no full-run month below zero, so no cushion is needed. This measures a steady-state year, not year one: page 19's first year leaves about $31,256 as crews ramp, builder balances arrive after completion and the startup months come first. Break-even takes four-fifths of a full-run month, and the winter trough tests the reserve.

PAGE 13

What moves the result

Each row changes one page 12 input and reruns the forecast. A row names a test when a change newly fails or passes it; a failed test stays failed. The last column also gives the slow start, which is Test 2.

FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES

CHANGE	STEADY-MONTH CASH	CASH BREAK-EVEN, DEADLINE AND SLOW START (TEST 2)
Ten percent fewer installs and prep jobs (lines 13 to 16 fall)	minus $5,077	Expected case holds the floor
Install jobs: average price 5 percent higher, same volume (only card fees rise)	plus $6,043	Break-even installs fall from 7.8 to 6.9 a month, so from 8 to 7: per-unit costs hold while sales-linked fees rise with price, so the ratio rises from 0.392 to 0.419 (sales-linked fees, line 15, take 2.6 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $101,056
Lose the luxury vinyl plank, 1,050 sq ft line (3.9 installs a month, $58,500 of billing), from month 6 onward	minus $23,576	Expected case below the floor in month 9 (closing $29,830), below zero in month 11; slow start deadline unchanged (month 4); would fail Tests 1, 3 and 6
Every payment lands one month after billing (crew and bills still paid on time)	no change	Expected case below the floor in month 1 (closing $20,935), below zero in month 2; slow start below the floor in month 1 (closing $33,221); would fail Test 1
One install in five never pays its 60 percent completion tranche, for 12 months from month 6 (14,890 a month)	minus $14,890	Expected case below the floor in month 11 (closing $38,318); slow start deadline unchanged (month 4); $178,680 a year, $104,230 in months 6 to 12; full-run coverage is negative; would fail Tests 1, 3 and 6
Installs and prep jobs run 15 percent over quoted hours, absorbed in an average month's paid hours (687 of 693 paid; line 14 stays at zero until 16 percent over quote). In the peak month (month 3, season 110 percent) it needs 755.8 of the 693 paid hours.	no change	Cash break-even is unchanged at about $103,607; expected case still clears the floor; slow start deadline unchanged (month 4)
Flooring material prices 10 percent higher (line 13 rises from 56.6 to 62.26 percent, about $7,331 a month at full run)	minus $7,331	Cash break-even rises to about $121,091; expected case still clears the floor; slow start deadline unchanged (month 4)
Lose the hardwood line (2.8 installs a month, $48,300 of billing), from month 6 onward	minus $19,671	Expected case below the floor in month 10 (closing $31,608); slow start deadline unchanged (month 4); would fail Tests 1, 3 and 6
Setup overrun of $10,000 beyond the contingency, drawn from the cash reserve	no change	Expected case still clears the floor; slow start deadline unchanged (month 4)
Opening 3 months late (shop and warehouse space, insurance, loan interest and principal, $4,195 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 $63,650 in month 6 of the delay, $17,621 lower than on time; slow start below the floor in month 6 (month 4 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, Test 3 passes; with a loan, margin at or below zero makes Test 3 fail
```

PAGE 14

Install checklists, weekly review, six questions

These are operating steps, not a safety program. Fold in whatever the subfloor, moisture, adhesive and product itself demand, along with anything a qualified safety professional requires of your work.

BEFORE THE CREW LOADS

- ☐ Before the job goes on the schedule, check the signed quote and the deposit.
- ☐ Take the measurements yourself, room by room, and write the waste allowance onto the quote.
- ☐ Check the material, pad and underlayment are on site, dry and acclimatized.
- ☐ Write down the crew hours the install was quoted at, and the person who records hours against them.
- ☐ Ring the customer the afternoon before and confirm the arrival window.
- ☐ Record how the customer prefers to be contacted, where the crew may park, and what has to move or be taken up.

CLOSING AN INSTALL, ENDING A PREP DAY

- ☐ On every closed install, set the hours logged beside the hours quoted.
- ☐ Walk the finished floor with the customer and write down each transition, stair and edge.
- ☐ Photograph the floor and file the warranty paperwork before the day ends.
- ☐ Take the completion payment, or get the funding date confirmed in writing.
- ☐ Log each prep job with what caused it, the material it used and any change order.
- ☐ Reload the van and flag any material running short.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Billed against collected, split by install, prep job and payment step				
Crew hours logged versus crew hours quoted, install by install				
Utilization of the crew, and overtime paid				
Prep jobs taken, change orders that came out of them, and quotes that closed				
Quotes given, quotes sold, and the close rate each lead source returns				
Completion payments due inside the next 30 days				
The owner's own hours spent on installs				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** When a quote needs a price, does it sit until the owner gets to it, and does the crew stop and call the owner over every subfloor finding or transition detail before starting?
2. **Reactive operations.** Over one week, count the messages that read no-show, callback, or the floor is lifting, then count how many of those callbacks were never billed.
3. **Growth without structure.** How often does a mid-job change order about subfloor or waste land in a week, and how much overtime traces back to material that never made it onto the van and the second trip it caused?
4. **Talent and retention.** How many installs would stall if one installer left, the one who alone holds the layout, the customer's choice and the moisture readings?
5. **Revenue plateau.** After a prep job, how many days pass before an install quote goes out, and how many of those customers get one at all?
6. **Strategic confusion.** Do two installs of the same product consume very different crew hours, and does what the crew actually lays drift away from what the quote described?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the customer message log, hours logged against hours quoted, the quote record, or the prep-job log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log crew hours on every install. Log the hours the owner spends on installs and quotes.
Week 2	Fill the page 7 install table at true crew cost and mark any install type priced below its labor, material, fees and fuel.
Week 3	Set up the quote table on page 9 by lead source and record days from first call to install quote.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a lead installer may make without calling you.
After month 1	Run the overrun check on every closed install and measure crew utilization on page 10.

BEFORE YOU COMMIT TO A VEHICLE SETUP OR A FIXED SITE, GET WRITTEN ANSWERS TO THESE

- ☐ Will you work from a vehicle at client locations, from a fixed site, or both, and what does each cost per month?
- ☐ What does a fixed site need before you can open, and who pays for it?
- ☐ What does insurance cost for the vehicle, equipment and work at client locations, and what does it exclude?
- ☐ What does an inspection by a qualified mechanic find on any used vehicle or equipment?
- ☐ If you rent a site, will you have to sign a personal guarantee, and what charges sit on top of base rent?
- ☐ If equipment is financed, what is the monthly payment and what does ending early cost?
- ☐ What happens to your bookings if the vehicle or key equipment is out of service?

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

WHAT THE FULL KIT ADDS

The full Flooring 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 install pricing calculator from material and crew hours to a price at a target margin, a deposit and completion tracker, editable quote, prep-job and crew scheduling trackers, install checklists and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. HomeGuide flooring cost data, 2026 (material share of installed price, and installed cost bands).
World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on flooring 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. Flooring installation and repair owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, product warranty 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 use 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, customer-level records or anything an agreement restricts, such as customer contracts, customer names or addresses, access details, employee records or bank account details. So rounding does not make a record anonymous; run the arithmetic on your own computer.

I am opening (or running) a flooring company. I have attached the Flooring Business Plan and Operations Starter Kit from businessconsultant.services. Turn it into my own plan, 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 an install price, material cost, installer 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 name the quote, record or calculation that holds it. 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 install and prep-job 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 installs = (fixed costs, principal and other recurring cash out minus prep-work contribution) divided by one average install's contribution; prep work: own material 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 = installers on the crew (install and prep) 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 installs and prep jobs divided by utilization.
- Shop and warehouse 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 crew is on a customer's floor 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 material suppliers are paid in the month worked. Enter a deposit as cash when received, the unspent part a memo liability. In the slow-start case, every month's sales, prep jobs 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 crew is on a customer's floor), 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, building approvals, product warranty terms, 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. Where a result is N/A for that reason, score the tests that depend on it as failed, exactly as page 13 sets out: a contribution margin ratio of zero or below fails Tests 1 and 6 and, with a loan, Test 3; one unit's contribution, or the count it multiplies, of zero or below: break-even units are N/A and score Test 4 as failed. 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 installers I can staff on the crew (install and prep) each day and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for installs, the full-run installs a month by install type, the price of each type, material, pad and underlayment cost and crew hours; for subfloor prep and small repair (prep jobs), the prep jobs a month at full run, the average ticket, the material share of it and the crew hours per prep job; 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 quote log 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 install type: installs 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 installs 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 four installers, any guaranteed minimum crew hours, 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, flooring material, pad and underlayment, as quoted on each install and used on each prep job; line 14, installer hours above the four on the crew, with payroll taxes and workers' compensation; line 15, card fees; line 16, fuel and job sundries; and any sales line whose own shares differ, given for that line.
g. For each lead source: site visits, quotes and installs sold last quarter, and days from site visit to quote; installs in hand at the start of the quarter and installs cancelled; the number of new installs 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 (the 40 percent deposit at material order, the 60 percent completion payment at the walkthrough, or by card when the job is done for prep work), deposits I collect or pay and when, and when payroll and my material supplier are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, van, tool and racking replacement, and material stock build-up.
m. Cash on hand on the first working day after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my flooring company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by install line, prep line and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even installs (use cash break-even); shop and warehouse share and planning debt service coverage at full-run sales and at the month-12 run rate, 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 for the page 11 worksheet (51.25 means $51,250), with any page 19-style exhibit in whole dollars and its unit labeled, and, 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. Install economics for each job type at true crew cost, ranked by contribution per crew hour, flagging any install type priced below its labor, materials, fees and fuel; quotes needed a month; and the collection pattern the cash forecast uses.
7. Install quotes by lead source 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, every [NEED: ...] gap, every install count or payment timing I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK.

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with install 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 $40,614.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**102,500**	**88,288**	**81,672**	**81,271**	**83,714**	**87,638**	**92,721**	**100,789**	**111,395**	**120,539**	**124,606**	**127,658**
In: sales receipts	67,353	86,730	102,584	109,837	113,619	116,572	124,189	130,665	126,934	113,982	111,391	119,163
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: material, card fees and fuel (lines 13, 15, 16)	40,951	52,732	62,371	66,780	69,081	70,875	75,507	79,445	77,176	69,301	67,725	72,451
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	30,755	30,755	30,755	30,755	30,755	30,755	30,755	30,755	30,755	30,755	30,755	30,755
Out: shop and warehouse rent (line 1)	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Out: other costs, with loan interest (lines 2, 5 to 12)	6,972	6,972	6,972	6,972	6,972	6,972	6,972	6,972	6,972	6,972	6,972	6,972
Out: income tax set-aside, equipment replacement, stock build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(14,212)**	**(6,616)**	**(401)**	**2,443**	**3,924**	**5,083**	**8,068**	**10,606**	**9,144**	**4,067**	**3,052**	**6,098**
Closing cash, expected	**88,288**	**81,672**	**81,271**	**83,714**	**87,638**	**92,721**	**100,789**	**111,395**	**120,539**	**124,606**	**127,658**	**133,756**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**102,500**	**80,368**	**63,552**	**51,087**	**40,613**	**31,176**	**22,549**	**16,013**	**11,253**	**5,470**	**(3,867)**	**(13,916)**
Sales receipts, slow start	47,147	60,711	71,809	76,886	79,534	81,601	86,932	91,465	88,854	79,787	77,974	83,414
Out: variable costs, slow start (lines 13 to 16)	28,665	36,913	43,660	46,746	48,357	49,614	52,854	55,611	54,023	48,510	47,409	50,715
Out: fixed costs (lines 1 to 12), principal, bills, less funding	40,614	40,614	40,614	40,614	40,614	40,614	40,614	40,614	40,614	40,614	40,614	40,614
Net cash flow, slow start	**(22,132)**	**(16,816)**	**(12,465)**	**(10,474)**	**(9,437)**	**(8,627)**	**(6,536)**	**(4,760)**	**(5,783)**	**(9,337)**	**(10,049)**	**(7,915)**
Closing cash, slow start	**80,368**	**63,552**	**51,087**	**40,613**	**31,176**	**22,549**	**16,013**	**11,253**	**5,470**	**(3,867)**	**(13,916)**	**(21,831)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**12,191**	**14,222**	**15,237**	**13,206**	**11,175**	**10,160**	**11,175**	**12,191**	**9,144**	**4,067**	**3,051**	**6,098**

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 means month-12 ramp and bookings with each month's season still applied (average about $129,525 a month, against month 12's own $119,163): closing cash runs $145,947 in month 1 and $255,673 in month 12, lowest $145,947 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 are carried in fixed lines; waste or purchases you cannot cut make a real slow start worse. Slow-start month 1 closes below the expected case: receipts fall with sales by more than material does, while payroll, fixed costs and principal do not fall.