Freight Broker Business Plan and Operations Starter Kit

A working kit for independent freight brokerages. It turns loads, shipper rates and rep commission into the margin each desk keeps, carries the rep commission as its own line in every month, tracks shipper conversations to signed accounts by source, finds cash break-even through a soft freight month, and scores the plan on six pass-or-fail tests.

FREIGHT BROKERAGES
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PAGE 2

Start here

Forty shipper relationships can quote well and still leave a desk short in February. Payroll and rent go out every month, the shipper pays after the load delivers, and the carrier wants paying first. This kit tests those numbers before a lender asks.

WHAT IS INSIDE

3	Business plan, part one: lanes, shipper mix and lead sources, market area, rep commission plans
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18	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build load sales on page 6 and costs on pages 5 and 8. Run the cash forecast on page 10, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Shipper rates, margins and commission plans move before a load delivers, and every worksheet expects your own figures.
3. Once you open, use the page 13 checklists on every load and the numbers review every week. Run the page 7 margin check every month and update the page 9 pipeline after every quarter.

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 freight brokerage questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 13 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, carrier contracts or financial advice. Requirements vary by location. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender will ask whether the margin the desk keeps covers the office, the staff and the loan.

1. Executive summary (write it last)

Describe the brokerage, the lanes you cover, the money you need and what it buys, workstations to first payroll; then give the month the page 6 forecast first clears cash break-even from page 8, and the page 4 result.

2. Lanes, shipper mix and lead sources

Set out the freight you cover, dry van, temperature-controlled or flatbed, in which lanes and at what revenue a load, and what a shipper buys beyond a rate: a carrier that shows up, a tracking update before the shipper asks, a proof of delivery the same day. Say it as your shippers would, and list where the load inquiries come from.

3. Market area and desk capacity

Map the lanes you work and the shippers you can reach. Count the signed shipper accounts, the loads each desk covers a month and the loads the two operations staff can process for carrier onboarding, tracking and billing; the desk count and the operations pair cap the book.

4. Rep commission and the margin the desk keeps

List each rep commission plan and the margin the desk keeps per load it leaves. A split copied from another brokerage, with no margin behind it, is a guess.

COMMISSION PLAN	REP SHARE OF MARGIN	MARGIN THE DESK KEEPS PER LOAD

> *Owner question: how many loads a month must the desks cover before the margin pays for payroll, the loan payment and my market wage, and what happens to that number if the margin falls one point?*
>
> The base case answers the first half at about 170 loads a month across both desks: cash break-even of $54,692 divided by the $322.50 a load the whole book bills at full run, 85 percent of the 200 loads planned. Page 11 runs the same test on the rep desks alone and gets 138. The second half is the page 12 margin row: a one-point fall to 14 percent takes about $4,300 of gross margin out of a full-run month, about $3,300 of cash once the rep commission falls with it, and puts the expected case under the floor in month 6. The gap between 170 and 200 is the risk.

PAGE 4

Business plan, part two

5. Operations

Describe how a load runs from the shipper inquiry to the paid invoice: the rate confirmation, the carrier check, the tracking update and the proof of delivery. Name who covers a load that goes wrong when you are away.

6. Team

List every role, its hours and its pay, including a market wage for your own hours, and every rep's commission plan. Name who can price a load without you; the first question on page 13 checks that dependency.

7. Marketing and sales

Explain where shippers come from, how a conversation becomes a signed account, and why a shipper tenders a second load.

8. Financials and funding

Attach pages 5, 6, 8 and 10 and the result below, showing what the money is for, where it comes from and the runway.

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

TEST	PASS?
Gate 0. Draft rep commission plans, insurance quotes, the lease, transport management and load board costs, and the requirements that apply to a non-asset brokerage 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 10).	
2. Slow start (tested share of sales, page 10): 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. Planned loads fit what the desks and the operations pair can cover in the busiest month (page 6) and reach break-even (page 8).	
5. The signed shipper account log backs the load count and the pipeline backs new accounts; conversations do not prove a load covered.	
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; fix the plan before you hire a rep. **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 12 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 workstation or software vendor, the insurance broker or the landlord, or a documented calculation. Brokerage budgets break on payroll, insurance and the transport management system before the first load is covered, so leave no line blank without a reason. This budget funds the operating account only. The forecast tracks the margin the desks keep and not the carrier float: a full-run month bills about $365,000 of carrier pay that moves days after each load delivers and sits in no row here, so the working capital line below covers the operating account and does not fund that float.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
DESKS AND TECHNOLOGY				
Workstations, monitors, phones and headsets				
Transport management system implementation and record migration				
Brand, website and shipper collateral				
SETUP AND OPENING COSTS				
Entity setup, contract templates and onboarding paperwork				
Insurance deposits and first premium				
Office deposit and first month				
PRE-OPENING				
Pre-opening payroll for the reps and the operations staff				
Launch marketing and shipper events				
Office fit-out and furniture				
WORKING CAPITAL				
Working capital reserve, operating account only, not carrier pay (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 10 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 10.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build them from the shipper accounts you can reach and the conversations your lead sources produce, not from the overhead you need to cover. Count the loads each rep desk covers now; add your own desk at the volume your shipper relationships support.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE GROSS MARGIN PER LOAD	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Shipper gross margin, rep desks	loads				
Shipper gross margin, owner desk	loads				

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 margin times ramp (the share of full-run volume the desks and the pipeline have reached) times season. Use 100 percent where a factor does not apply. Season moves volume and margin together on this book, so one factor carries both. Ramp and season are your assumptions; write down the evidence for each, such as loads by month from signed shippers; a shipper that tenders its first load replaces its ramped figure that month.

CAPACITY CHECK

```
Loads the desks can cover in a month = signed shipper accounts times the loads each account tenders a
month; rep-desk loads a month = loads a desk covers times the number of rep desks
```

Write how many signed shipper accounts you hold, how many loads a month each desk covers against the 60 to 90 loads a desk band, and how many loads the two operations staff can process. Compare the loads the plan needs in its busiest month with what the desks and the operations pair can cover. If the plan needs more loads a month than the desks carry at about ten a working day, the plan is wrong, whatever the conversation count says.

PAGE 7

Margin per load and rep commission

The gross margin is what is left after the carrier is paid. Plan on what the rep commission leaves.

```
Gross margin per load = shipper rate times the gross margin percent
The desk keeps per load = margin times (1 minus the rep commission)
Monthly margin kept = rep-desk loads times margin kept, plus owner-desk margin
```

WORKED EXAMPLE: ONE MONTH OF LOADS (ILLUSTRATIVE)

FIGURE	VALUE	HOW
Average shipper rate per load	$2,150	Stated
Gross margin percent	15%	Stated
Gross margin per load	$323	Shipper rate times margin percent
Rep commission	25%	Paid to the rep on rep-desk loads
Margin kept per rep-desk load	$242	Gross margin times (1 minus commission)
The desk keeps per rep-desk load	$242	Margin after the rep commission
Carrier quick-pay and payment cost per load	$18	Carrier quick-pay discount and payment cost per load
Owner-desk loads a month	30	Full margin, no rep commission
Rep-desk loads a month	170	2040 a year

The rep commission is paid when the shipper pays and sits on page 8 line 17: 25 percent of rep-desk loads, 0 on owner-desk loads, and charged on page 10. Carrier pay, about 85 percent of the shipper invoice, is not in this kit; the quick-pay line prices only the cost of paying early. Requirements vary by location, review them with a qualified professional.

YOUR COMMISSION PLANS AND THE MARGIN KEPT

COMMISSION PLAN	REP SHARE OF MARGIN	OTHER REP COST	AVERAGE SHIPPER RATE	LOADS A YEAR	MARGIN KEPT PER LOAD	MARGIN KEPT A YEAR

PAYMENT TERMS AND THE COLLECTION PATTERN

INCOME LINE	PAYMENT	SHARE OF BILLING	COLLECTED
Shipper gross margin, rep desks	The month after the load delivers	100%	the next month
Shipper gross margin, owner desk	The month after the load delivers	100%	the next month

For every $100 billed in a month, the example collects $100 the next month. Page 10 applies this pattern to every line.

MARGIN AND SHIPPER CHECK

A load is a promise, not margin. Compare the bill with what the shipper pays and log every short payment.

```
Priced loads = inquiries quoted times your cover rate; margin at risk = loads that miss times margin kept.
```

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 10, so interest and principal are each counted once. A year-1 step-up goes in at its amount once in place; page 10 uses each month's amount. Requirements differ by state and city; have a qualified professional review them.

FIXED COSTS PER MONTH	PER MONTH
1. Office rent	
2. Insurance premiums (liability, cargo, errors and omissions, cyber)	
3. Two salaried operations staff, with payroll taxes (the minimum staff)	
4. Owner's market wage (shipper relationships and carrier oversight)	
5. Loan interest (workstations, system implementation and fit-out loan)	
6. Two salaried reps, base salary only, with payroll taxes	
7. Phones, internet, load board subscriptions and association dues	
8. Marketing, website, content and shipper lead generation	
9. Transport management system, carrier monitoring and accounting software	
10. Outside bookkeeping, carrier settlement reconciliation and payroll filings	
11. Rep recruiting, onboarding and training	
12. Office supplies, printing and shipper entertainment	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Carrier quick-pay discount and payment cost per load (carrier pay itself sits outside this kit)	
14. Variable support labor above the salaried operations staff (overflow cover and billing help)	
15. Payment and bank fees	
16. Shipper entertainment and marketing co-op per load	
17. Rep commission on rep-desk loads (blended share of all sales)	
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 12 covers a result with no usable number
Break-even rep-desk loads = (fixed costs, principal and other recurring cash out minus owner-desk
contribution) divided by one rep-desk load's net contribution
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 rep-desk loads (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 over 52; per working day = weekly over days open. Office share = line 1 over net sales.

PAGE 9

Shipper conversations, close rates and the load log

One market, several kinds of inquiry. A shipper that already moves freight, a cold outbound call and a posted load close at very different rates, so track each source from first conversation to signed account, and track rep departures, because they decide whether the desk capacity holds.

```
Proposal rate = priced proposals divided by conversations; close rate = signed accounts divided by priced proposals
Conversations needed = new accounts you need divided by (proposal rate times close rate)
Monthly account loss = accounts lost in the quarter divided by three, then by the signed accounts at the start of the quarter
```

WORKED EXAMPLE: ONE QUARTER OF SHIPPER CONVERSATIONS, BY SOURCE (ILLUSTRATIVE)

LEAD SOURCE	CONVERSATIONS	PRICED PROPOSALS	ACCOUNTS SIGNED	PROPOSAL RATE	CLOSE RATE	DAYS TO SIGN	CONVERSATIONS FOR 28 ACCOUNTS
Shipper relationships	40	22	10	55%	45%	21 days	112
Outbound calls and email	360	60	12	17%	20%	45 days	840
Inbound inquiries and posted freight	120	36	6	30%	17%	14 days	560

The counts are illustrative and say nothing about why a referred shipper signs when a posted load does not; a quarter this small gives a direction, not a rate. These three sources sign 28 accounts a quarter, about 9 a month, against 96 signed accounts on the book and 8 lost a quarter, so the pipeline replaces what it loses before it adds growth. The worked example's ramp follows the first load a shipper tenders, not the signature, and reaches full run in month 12. The three stage rates on this page are planning assumptions, not published rates. Replace them with your own last twelve months of signed-account history before you use the counts. In the example, losing 8 of 96 accounts over a quarter comes to about 2.8 percent a month, measured against the signed accounts at the start of the quarter, before any new accounts, so the pipeline replaces what it loses before it adds growth.

YOUR PIPELINE, BY SOURCE

LEAD SOURCE	CONVERSATIONS	PRICED PROPOSALS	ACCOUNTS SIGNED	PROPOSAL RATE	CLOSE RATE	DAYS TO SIGN	CONVERSATIONS NEEDED

SIGNED ACCOUNT AND LOSS LOG

SHIPPER	SIGNED MONTH	MARGIN CHANGE AT CONTRACT REVIEW	TENDERING OR LOST	REASON A LOST SHIPPER GIVES, IN ITS OWN WORDS

PAGE 10

Twelve-month cash forecast

Enter $000 (51.25 means $51,250), the gross margin as the shipper pays it; anything the shipper holds back stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: shipper payments for the margin, when each settles												
Memo, not cash: gross margin billed this month (page 6)												
In: owner money and loans received												
Out: per-load costs and co-op (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 6, 14)												
Out: rep commission paid when the shipper pays (line 17)												
Out: other costs, rent and loan interest (lines 1, 2, 5, 7 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 17)												
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 office opens 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 rep commission is paid when the shipper pays; the operations staff are paid in the month. 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 11

Runway, and what a soft freight month costs

Runway = how many consecutive months ahead the brokerage can carry its desks, its rent and its loan, tallied from the latest closed month (before you open, from the first day the office opens) and stopping at the first month in which the closing cash lands short of your floor

Worked example: a hypothetical freight brokerage

Assumptions invented for one brokerage office, picked so the arithmetic is easy to follow, and not offered as benchmarks. Shipper money lands a month after delivery, with the rep commission taken out of that same receipt; the two salaried operations staff sit on line 3 from month 1; carrier pay is not priced in this kit. Cash floor $38,900. Shipper money for the margin arrives the month after the load delivers, and the rep commission leaves on that same date (page 7); the quick-pay, bank and marketing co-op charges leave with each load; the owner's market wage is drawn in cash; no fresh lender or owner money comes in. Only the gross margin is modelled: carrier pay, which goes out days after delivery, stays outside every row, and bridging that gap while shipper invoices sit unpaid is exactly what the working capital reserve on page 5 exists for.

Page 5, budget	The startup budget reaches $286,400, raised from an $80,000 loan written at 10.5 percent across 5 years plus $206,400 of owner funds, including a $195,000 working capital reserve still whole on opening day, ring-fenced for the operating account rather than for carrier pay.
Page 8, costs	The monthly fixed bill is $37,761, with the office at $2,800 and loan interest at $649; loan principal adds $1,070 a month (the two are year 1 averages); a variable share of 29.0 percent leaves the contribution margin ratio at 0.710. Lines 13 to 17 carry 5.6, 0.8, 0.4, 1 and 21.2 percent of sales. Lines 1 to 12 come to $2,800, $560, $9,455, $8,800, $649, $8,947, $1,100, $2,500, $950, $900, $700 and $400 a month.
Page 8, break-even loads	Operating break-even sits near $53,185 a month. Cash break-even (fixed $37,761 plus principal $1,070, all of it divided by 0.710) works out near $54,692 a month, which is 137.9 rep-desk loads at shipper gross margin once the other lines' contribution is counted, so 138, set against the 170 the plan prices.
Page 6, the sales build	Rep-desk loads: 170 loads a month at $322.50. Shipper gross margin, owner desk: 30 loads a month at $322.50. At full ramp a month bills about $64,500. Covered loads climb 18, 28, 38, 47, 56, 65, 73, 80, 86, 91, 96 percent over the first eleven months and reach 100 percent in month 12; the seasonal factor runs 92, 89, 97, 101, 104, 105, 103, 102, 106, 105, 100, 96 percent as the year turns, and touches the regular book alone.
Page 18, the expected year	Month 1 sales $10,681; month 1 closes at $155,336, month 12 at $41,008. The low point comes in month 7, closing at $34,941, which is under the floor and leaves 6 months of runway from opening.
Page 18, slow start	At 70 percent of the planned load volume, month 1 sales $7,477; month 1 closes at $155,586, month 12 at minus $52,586. The balance slips under the floor in month 6 (closing $18,610) and goes negative in month 8 (closing minus $13,540), which leaves 5 months of runway measured from opening.
Page 8, lender cover	Across a full-run month, $64,500 of sales, the planning figure for lender cover taken before income tax and equipment replacement is 5.05 against the 1.25 that the lender in this example sets; at the month-12 run rate the same figure is 5.05, and Test 3 needs both over the bar. The office line works out at about 4.3 percent of net sales.

PAGE 4 RESULT FOR THIS EXAMPLE: RED

Gate 0 is assumed met for the example. Test 1 fails: sales do clear cash break-even in month 9, but the balance drops under the floor in month 7. Test 2 fails: the slow start puts closing cash under the floor in month 6, and lifting it clear would take about $91,500 of extra reserve. Test 3 clears on the planning formula; how the lender reads debt service still settles the outcome. Test 4 passes: in the busiest full-run month (month 9, season 106 percent, scored at full ramp) the plan calls for 212 loads covered; the two rep desks carry 170 of them at full run, 85 each against a 60 to 90 loads a desk band and about 90 each at the season peak, and the two operations staff push all 212 through carrier onboarding, tracking and billing at about five apiece a working day. Test 5 fails, because nothing in the records backs it. Test 6 passes: a full year of full-run trading leaves roughly $83,568 once principal is paid, and no full-run month dips under zero, so the plan carries no cushion. Read that as the steady-state year at full run; the forecast year is a different story, and page 18's first year gives up about $153,992 of cash, because the load ramp builds slowly, shipper money arrives a month late, and the early months run before the volume arrives. Income tax set-aside, equipment replacement and any stock build-up are left out of these figures; put your own brokerage's numbers against page 18. Break-even swallows most of the loads the plan prices, and one soft freight month tests the reserve again every year.

PAGE 12

What moves the result

Each row changes one input of the page 11 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
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $4,580	Expected case below the floor in month 6
Rep-desk loads: average gross margin per load 10 percent higher, same volume (only sales-linked fees rise)	plus $4,035	Break-even loads fall from 137.9 to 124.3 a month, so from 138 to 125: per-unit costs stay the same, so the ratio rises from 0.710 to 0.712 on the new sales (sales-linked fees, lines 15, 16 and 17, take 26.4 percent of each added dollar); would pass Test 1
Marketing is cut to $1,500 a month, $1,000 less fixed cost	plus $1,000	Cash break-even falls to about $53,283
Gross margin falls one point to 14 percent on the same loads ($322.50 to $301.00 a load; $4,300 a month at full run), from month 1 onward	minus $3,292	Expected case below the floor in month 6 (closing $34,561); slow start below the floor in month 5 (closing $34,883)
Carrier quick pay rises two points, to 7.6 percent of sales ($1,290 a month more at full run)	minus $1,290	Cash break-even rises to about $56,277; expected case deadline unchanged (month 7); slow start below the floor in month 5 (closing $37,462)
One shipper moves to two months (the operations staff and fixed costs still paid on time)	no change	Expected case deadline unchanged (month 7); slow start deadline unchanged (month 6)
Two rep desks each lose their largest shipper (about 40 loads a month between them, about $8,700 less cash a month at full run), from month 1 onward	minus $8,669	Expected case below the floor in month 5 (closing $25,086), below zero in month 7; slow start below the floor in month 5 (closing $17,813); full-run coverage falls to 0.01; would fail Tests 3 and 6
Rep commission rises 5 points (25 to 30 percent of gross margin; about $2,741 a month at full run)	minus $2,741	Cash break-even rises to about $58,174; expected case below the floor in month 6 (closing $35,950); slow start below the floor in month 5 (closing $35,593)
One salaried rep is deferred and hired in month 7 (half of fixed line 6, $4,473.50 a month, saved in months 1 to 6)	no change	Expected case stays above the floor; slow start below the floor in month 7 (closing $28,255); would pass Test 1
Setup overrun of $10,000 beyond the contingency, taken from the reserve	no change	Expected case below the floor in month 6 (closing $32,866); slow start below the floor in month 5 (closing $29,124)
Opening 3 months late (office, insurance, loan interest and principal, $5,079 a month, paid while closed; no sales; the ramp starts at the new opening, and seasons stay on the calendar)	no change	Expected case below the floor in month 8 from the planned opening; slow start below the floor in month 8 from the planned opening (month 6 on time); about $25,900 more opening cash holds the expected case at the floor

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 13

Load checklists, weekly review, six questions

Operations checklists only. Requirements vary by location, review them with a qualified professional before you adopt them.

WHEN A LOAD IS QUOTED

- ☐ Confirm the rate confirmation, the accessorial charges and the rep commission plan.
- ☐ Confirm the pickup window, the carrier and any condition on the rate.
- ☐ Open the tracking checklist and name the operations person on the load.
- ☐ Record the shipper in the pipeline with its expected margin.
- ☐ Confirm the signed proof of delivery is on file before the shipper is invoiced.
- ☐ Note the shipper's contact preference and who covers a load that goes wrong.

DELIVERY, SETTLEMENT AND MONTH END

- ☐ Record the delivered load and the margin kept on the proof-of-delivery date.
- ☐ Compare loads covered with last quarter's pipeline and log every shipper account lost.
- ☐ Review every load for the signed proof of delivery and the carrier invoice before the shipper is billed.
- ☐ Update each rep's loads, margin and plan on the page 9 pipeline.
- ☐ Log the lead source, the conversations held and the accounts signed for the month.
- ☐ Ask every shipper that tenders a second load for a referral within a week.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Loads covered, margin billed, rep commission paid and margin kept				
Shipper accounts invoiced, unpaid invoices aging and the reasons in the shipper's words				
Loads covered by rep against each rep's monthly pace				
Reps joined, reps left and open recruiting conversations				
Conversations, priced proposals and accounts signed by lead source				
Gross margin expected to collect within 30 days				
Owner-desk loads and owner hours on carrier and shipper oversight				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every load wait on the owner to price it, and do shippers hold a service question until the owner is free?
2. **Reactive operations.** Count the shipper messages in a week that say nobody called me back, my load is late or where is the proof of delivery, and the invoices that went out a week late.
3. **Growth without structure.** How many loads a month go out without a margin check, and how many shippers leave without anyone recording the reason?
4. **Talent and retention.** How much of the margin kept comes from two reps, and what happens to the plan if they take their shippers elsewhere?
5. **Revenue plateau.** How long does a new rep take to cover a first load alone, and what share of reps ever reach the pace the plan assumes?
6. **Strategic confusion.** Do reps on one commission plan produce very different margin kept, and does the plan a rep is on still match the lanes that rep covers?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the call log, the load log or the rep log.

PAGE 14

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log every signed shipper account with the loads it tenders. Log the owner's own shipper relationships.
Week 2	Fill the page 7 commission table and mark any plan whose margin kept per load falls below the per-load costs.
Week 3	Set up the lead table on page 9 by source and record conversations held and accounts signed.
Week 4	Enter actual cash on page 10 and recalculate runway. Write the decisions an operations person may make without calling you.
After month 1	Run the margin check on the load log and update the page 9 pipeline with the quarter's accounts signed.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

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

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

WHAT THE FULL KIT ADDS

The full Freight Broker Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a margin calculator from shipper rate and margin percent to margin kept per load, a carrier and shipper register with the carrier float tracked separately, editable lead, rep and account trackers, load checklists and onboarding checklists. Release status is on the kit page.

SOURCES

Public sources. Broker Pro Academy, undated margin guide, for the gross margin band and the load board and transport system fees; O*NET OnLine, for cargo and freight agent and sales representative pay; Moving Authority, 2026 cost guide, for the four insurance covers and the annual premium; BrokerPro, pricing page, for the platform fee; Stripe, pricing page, for the ACH and bank debit rate. All accessed 2026-11-08.

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on independent freight brokerages, 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. Freight brokerages owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, carrier contracts 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 15

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer with your own loads, commission plans and office costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as shipper names, rate confirmations, lane rates, carrier 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) a non-asset freight brokerage. I have attached the Freight Broker Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my shippers, loads and rep commission, using my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a shipper rate, a margin percent, a commission plan, a load count, percentage or benchmark, and never state a rule about carrier agreements or rep agreements.
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 = loads times gross margin per load. Each month's expected sales = full-run margin times ramp times season; a load that delivers replaces its ramped figure that month, never both; before opening, count expected loads 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 rep-desk loads = (fixed costs, principal and other recurring cash out minus owner-desk contribution) divided by one rep-desk load's net contribution. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Loads the desks can cover in a month = signed shipper accounts times the loads each account tenders a month; rep-desk loads a month = loads a desk covers times the number of rep desks.
- 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 and 9, 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 (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. Invoice the shipper on the signed proof of delivery and enter the gross margin in the month the shipper pays it, pay the rep commission on that same receipt, and pay the operations staff, rent and fees in the month. A load that is quoted is not income until it delivers and the shipper pays. The kit prices the gross margin only: carrier pay, about 85 percent of the shipper invoice and about one month of it at full run, roughly $365,000, moves outside every row here, so never treat the closing cash or the floor as money available to pay carriers. In the slow-start case, every month's sales, loads covered 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 = how many consecutive months ahead the brokerage can carry its desks, its rent and its loan, tallied from the latest closed month (before you open, from the first day the office opens) and stopping at the first month in which the closing cash lands short of my cash floor.
(Continued on page 16.)

PAGE 16

The prompt, continued

Paste this part directly after the rules on page 15, as one message.

5. Do not give legal, tax, permit, insurance or employment advice, and do not route carrier agreements or shipper contracts for me. Do not name laws, permit types, government fees or wage rates for freight work, 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 shipper IDs. Do not ask for names, rate confirmations, lane rates, 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 and 9. 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. Lanes, shipper mix and lead sources, market area and rate bands, the signed shipper accounts and the loads each rep desk covers a month, the loads the two operations staff process, and days open per week.
b. Sales build: for rep-desk loads, the signed shipper accounts, the loads each rep desk covers a month, the average shipper rate per load, the gross margin percent and the rep commission set against it; for owner-desk loads, the owner's own loads a month; 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 loads and shipper tenders by month in the lanes I work; 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 the margin page (shipper rate, margin percent, rep commission and loads are in b above): any other rep cost in my commission plan, the carrier quick-pay cost per load, and my historic cover rate on priced loads.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (vendor quote, insurance quote, landlord quote or calculation) for each line on page 5, from workstations to the working capital reserve and contingency, and say separately how the carrier float is funded while shipper invoices are unpaid.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the two operations staff, the two reps, the transport management system and load boards, 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 17: line 13, carrier quick-pay discount and payment cost per load (carrier pay itself sits outside this kit); line 14, variable support labor above the salaried operations staff (overflow cover and billing help); line 15, payment and bank fees; line 16, shipper entertainment and marketing co-op per load; line 17, rep commission on rep-desk loads (blended share of all sales); and any sales line whose own shares differ, given for that line.
g. For each lead source: conversations, priced proposals and accounts signed last quarter, and days from the first conversation to the signed account; signed accounts at the start of the quarter and accounts lost; the number of new accounts I need.
h. 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 17.)

PAGE 17

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
i. Payment terms: when the shipper pays the gross margin (the month after the load delivers, or later), when the rep commission is paid out, and when the operations staff, carriers and fees are paid.
j. 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.
k. Monthly cash out beyond operating costs: income tax set-aside, equipment replacement and any recruiting bonus or draw.
l. 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, my minimum cash floor, and how carrier pay is funded between delivery and the shipper's payment.
m. 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.
n. Sales tax: the rate I collect on taxable sales, from the sales-tax number the brokerage holds, 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.
o. 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 freight brokerage, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by rep-desk loads, owner-desk loads 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 rep-desk loads (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: sales tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Margin kept per load and per month by commission plan, with the cover exposure on priced loads that never move.
7. Pipeline by lead source with conversations needed and monthly account losses.
8. 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.
9. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every load count, commission plan 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 loads by month, commission plans and desk 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 11 example entered on the page 10 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 $38,900.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**195,000**	**155,336**	**123,668**	**95,648**	**73,164**	**55,530**	**42,866**	**34,941**	**30,221**	**28,278**	**30,972**	**35,876**
In: sales receipts	0	10,681	16,073	23,775	30,618	37,565	44,021	48,498	52,632	58,798	61,630	61,920
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: per-load costs and co-op (lines 13, 15, 16)	748	1,125	1,664	2,143	2,630	3,081	3,395	3,684	4,116	4,314	4,334	4,334
Out: payroll, line 4 if drawn in cash (lines 3, 4, 6, 14)	27,287	27,331	27,392	27,447	27,502	27,555	27,589	27,624	27,672	27,696	27,697	27,698
Out: rep commission paid when the shipper pays (line 17)	0	2,264	3,408	5,040	6,491	7,964	9,333	10,281	11,158	12,465	13,066	13,127
Out: other costs, rent and loan interest (lines 1, 2, 5, 7 to 12)	10,559	10,559	10,559	10,559	10,559	10,559	10,559	10,559	10,559	10,559	10,559	10,559
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	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(39,664)**	**(31,668)**	**(28,020)**	**(22,484)**	**(17,634)**	**(12,664)**	**(7,925)**	**(4,720)**	**(1,943)**	**2,694**	**4,904**	**5,132**
Closing cash, expected	**155,336**	**123,668**	**95,648**	**73,164**	**55,530**	**42,866**	**34,941**	**30,221**	**28,278**	**30,972**	**35,876**	**41,008**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**195,000**	**155,586**	**121,769**	**90,506**	**63,117**	**39,124**	**18,610**	**1,414**	**(13,540)**	**(26,549)**	**(36,312)**	**(44,529)**
Sales receipts, slow start	0	7,477	11,251	16,642	21,433	26,295	30,815	33,948	36,842	41,159	43,141	43,344
Out: variable costs, slow start (lines 13 to 17)	583	2,463	3,683	5,200	6,595	7,978	9,180	10,071	11,020	12,091	12,527	12,570
Out: fixed costs (lines 1 to 12), principal, bills, less funding	38,831	38,831	38,831	38,831	38,831	38,831	38,831	38,831	38,831	38,831	38,831	38,831
Net cash flow, slow start	**(39,414)**	**(33,817)**	**(31,263)**	**(27,389)**	**(23,993)**	**(20,514)**	**(17,196)**	**(14,954)**	**(13,009)**	**(9,763)**	**(8,217)**	**(8,057)**
Closing cash, slow start	**155,586**	**121,769**	**90,506**	**63,117**	**39,124**	**18,610**	**1,414**	**(13,540)**	**(26,549)**	**(36,312)**	**(44,529)**	**(52,586)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**3,300**	**1,927**	**5,590**	**7,422**	**8,796**	**9,254**	**8,338**	**7,880**	**9,712**	**9,254**	**6,964**	**5,132**

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 10 form uses thousands. The floor is cash you never plan to spend, and the opening balance sits $156,100 above it. The $12,000 contingency on page 5 covers a small miss; a slow year spends the working capital, not the contingency. The opening cash is your own call, and the two passes on page 5 are the check you run on the number you pick. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $64,500 a month, against month 12's own $61,920): closing cash runs $46,341 in month 1 and $124,576 in month 12, lowest $46,341 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 10 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse. Carrier pay, about $365,000 a month at full run, sits outside every row, so the trough and floor measure the operating account, not total enterprise cash.