Construction Company Business Plan and Operations Starter Kit

A working kit for residential remodelers and small general contractors. It prices every job type at true crew cost, turns deposits, draws and final payments into a collection pattern, tracks estimates and close rates by lead source, shows what a billable crew hour truly costs, finds cash break-even while clients pay on draws, and scores the plan on six pass-or-fail tests.

RESIDENTIAL REMODELING AND GENERAL CONTRACTING
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/GENERAL-CONTRACTORS/
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PAGE 2

Start here

A remodeling company can run out of cash with a full calendar. The deposit lands before the work, the subs and the lumber yard want paying as the job runs, and the final payment waits on a punch list. This kit makes you write those numbers down, then tests whether they are enough, before a lender or a payroll week asks.

WHAT IS INSIDE

3	Business plan, part one: services, clients and lead sources, service area, pricing
4	Business plan, part two, and the six-test pass or fail check
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HOW TO USE IT

1. Build contract and small-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. Estimates, sub quotes and payment schedules move before a contract is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every job and the numbers review every week. Run the job overrun check on page 7 when each job closes, and update the pipeline log on page 9 before every estimate.

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 remodeling 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, site-safety, inspection or financial advice. Licensing, bonding and insurance requirements, building approvals, contract and payment terms and employment terms vary by location and by project. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

Before a lender lends, they will want to see that the contracts carry payroll, subs, materials and the loan while clients pay by draw. Write each answer in plain sentences here and draft the full sections on separate sheets.

1. Executive summary (write it last)

Name the work you take, the area you serve, the money you need and what it buys, truck to first payroll. Add the month the page 6 forecast crosses cash break-even from page 8, and the page 4 result.

2. Services and clients

Say which jobs you take, from a bathroom to an addition, and what the client is really paying for beyond the finished room: a firm schedule, one person to call, a clean site. Write it in the client's words, name each lead source and say who decides in each household.

3. Service area and crew capacity

Mark the area you will cover and the drive time between jobs. Count the crew hours you can field each day and the jobs that buys at the hours each job takes.

4. Services and pricing

Set out each job type, the crew hours it takes and the price. A price built from square feet or a markup on materials, and no crew hours under it, is guesswork.

JOB TYPE	CREW HOURS	PRICE	PRICE PER CREW HOUR

> *Owner question: when a project goes sideways, is the first signal in the job-costing reports or in the client's tone of voice?*
>
> The first cause to rule out: nobody compares logged hours with estimated hours until the job closes. Run the page 7 overrun check at each draw, not at the end; a job that is 15 percent over the hours its estimate carried through rough-in is at real risk of finishing over, so re-estimate the remaining hours at once. Price added scope as a signed change order before the work, and feed every overrun back into the next estimate.

PAGE 4

Business plan, part two

5. Operations

Describe how a job runs from signed contract to final payment, covering the schedule, sub start dates, materials, supervision, client updates, inspections and the punch list. Name who checks each site when you are not there.

6. Team

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

7. Marketing and sales

Explain where estimates come from, which lead sources you will chase and why past clients refer you; referrals pay for the estimates 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 contracts with payment schedules, insurance, bonding, truck and tool quotes 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 schedules 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 (hours on jobs, page 7, divided by utilization, page 10) fit the hours you can staff (page 6), and planned jobs reach break-even (page 8).	
5. Signed contracts with deposits back the job count, and written quotes back the prices; a verbal yes supports a price, not a job.	
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 truck 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 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 truck dealer, the tool supplier or the insurer, or a documented calculation. Remodeling budgets can break on the first payroll before the first draw lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
TRUCK, TOOLS AND EQUIPMENT				
Truck and trailer, full purchase price (the loan is a source of funds)				
Power tools, ladders and site equipment				
Job-site safety equipment and signage				
Estimating and project-management software setup				
SETUP AND APPROVALS				
Licenses, registration and bonding deposit				
Insurance down payment				
Business entity and accounting setup				
Shop lease deposit and first month				
PRE-OPENING				
Hiring, background checks and pre-opening payroll				
Launch marketing, website and truck lettering				
Office and shop fit-out				
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 contracts and quoted job prices, not from the payroll you need to cover. Count remodel contracts first; add small jobs only where they repeat or are booked.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE PRICE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Remodel contracts	jobs				
Small jobs and repairs	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 contract sales times ramp (the share of full-run contract revenue signed and started) times season, plus small jobs, which in the example ramp and season with the contract line (enter yours as booked if they do not) (before opening, the jobs you expect, marked as your estimate until confirmed). Use 100 percent where a factor does not apply. Ramp, season and contract start dates are your assumptions; write down the evidence for each.

CAPACITY CHECK

```
Paid crew hours available per month = every carpenter you can staff, the owner on the tools included, 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 remodels and small 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 jobs need (jobs a month times crew hours per job, page 7) and divide by utilization (page 10). If the plan needs more paid hours than you can staff, the plan is wrong, whatever the contracts say.

PAGE 7

Job pricing, deposits and collection

The contract price is set from the estimate; the cost is crew hours, materials and subs, and the cash arrives on a schedule the client controls. Turn every job type into contribution per crew hour, write down when each payment lands, then check every job's hours against its quote before the final draw.

```
Labor = on-site crew hours at the page 10 cost per billable hour (drive and setup sit in that cost)
Contribution = contract price less labor, less materials and subs, less fees and fuel at the page 8
shares; per crew hour = contribution divided by the crew hours
Close rate = contracts divided by estimates given; estimates needed = contracts needed divided by it
```

WORKED EXAMPLE: THREE REMODEL TYPES (ILLUSTRATIVE)

JOB TYPE	JOBS A MONTH	PRICE	CREW HOURS	LABOR	MATERIALS AND SUBS	FEES, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE
Kitchen remodel	1.2	$42,000	160	$7,168	$22,500	$1,680	$10,652	$66.58	30%
Bathroom remodel	1.2	$21,000	90	$4,032	$10,800	$840	$5,328	$59.20	35%
Deck or small addition	0.6	$18,000	100	$4,480	$9,200	$720	$3,600	$36.00	40%

Labor is charged at the true cost of $44.80 per billable hour from page 10; fees and fuel at 4 percent of price (page 8 lines 15 and 16); materials and subcontracts at the quoted figure. Every crew hour is charged here, for pricing; page 8 puts the two carpenters in line 3 and the hours above them in line 14. Per crew hour, the kitchen remodel earns the most ($66.58) and the deck or small addition the least ($36.00). Small jobs and repairs: 6 a month, 2 crew hours each, in the capacity check and line 14. The page 12 worked example takes its materials and labor shares from these three rows (remodel contracts: 3 contracts a month averaging $28,800).

YOUR REMODEL TYPES

JOB TYPE	JOBS A MONTH	PRICE	CREW HOURS	LABOR	MATERIALS AND SUBS	FEES, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE

DEPOSIT, DRAWS AND FINAL PAYMENT: THE COLLECTION PATTERN

LINE	PAYMENT	SHARE OF THE CONTRACT	LANDS
Remodel contracts	Deposit at the start	15%	in that month
Remodel contracts	Progress payments at rough-in and drywall	70%	the next month
Remodel contracts	Final payment after the punch list	15%	two months later
Small jobs and repairs	Paid on completion	100%	in that month

Of every $100 billed in a month, the example gets $25 in that month, $62 the next month and $13 two months later. The two lines' schedules are blended by their full-run sales (remodel contracts 88 percent, small jobs and repairs 12 percent) into one whole-percent pattern for this sentence; page 11 collects each line on its own schedule, as your forecast should. Deposits for jobs not yet started are held apart, out of closing cash, until the crew mobilizes; the sale counts once, in the billing month.

JOB OVERRUN CHECK

Jobs drift while contracts do not: hidden conditions, changed selections, subs that slip. At every draw, compare crew hours logged with the hours the estimate carried to that stage, and re-estimate the hours left.

```
Overrun hours = hours the crew logged on the job minus the hours the estimate carried to that stage;
overrun cost = those hours at the true cost per billable hour. Find the cause before anyone is blamed;
price added scope as a signed change order before the work, and carry every overrun into the next
estimate.
```

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost here. Loan principal is not an operating cost: it enters cash break-even below and the cash forecast on page 11, so interest and principal are each counted once. A line that starts or steps up during year 1 goes in at its amount once in place; page 11 uses each month's amount.

FIXED COSTS PER MONTH	PER MONTH
1. Shop and office rent	
2. Liability, property and vehicle insurance	
3. Two carpenters (the minimum crew) and any guaranteed minimum crew hours, with payroll taxes and workers' compensation	
4. Owner's market wage (sales, estimating, supervision; hours on the tools go in line 14)	
5. Loan interest (truck, trailer and tool loan)	
6. Base utilities, phones and internet	
7. Marketing, website and lead services	
8. Estimating, project-management and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Tool and equipment repairs and replacement	
11. Truck insurance, registration and fixed vehicle costs	
12. Recurring training, licenses, memberships and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Materials and subcontractors, as quoted on each job	
14. Hourly carpenter labor above any minimum crew, with payroll taxes and workers' compensation	
15. Payment and financing fees	
16. Fuel, dump fees and small consumables	
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 jobs = (fixed costs, principal and other recurring cash out minus small-job contribution)
divided by one average remodel contract's contribution; small jobs run at the main line's own share
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 jobs (use cash break-even)	one figure per month		
Shop 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 share = line 1 divided by net sales.

PAGE 9

Bids, win rate and renewals

Same crew, different buyers. Track estimates by lead source, because the clients you win and the clients you lose may be buying different things, and referrals decide whether growth sticks.

```
Proposal rate = proposals written divided by site visits made; win rate = contracts signed divided by proposals written
Site visits needed = new jobs you need divided by (proposal rate times win rate)
Cancellation rate = signed jobs cancelled in the quarter divided by signed jobs in hand at its start
```

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

LEAD SOURCE	SITE VISITS	PROPOSALS	CONTRACTS	PROPOSAL RATE	CONTRACT RATE	DAYS VISIT TO PROPOSAL	SITE VISITS FOR 9 WINS
Past clients and referrals	18	14	5	78%	36%	7 days	32
Online leads and lead services	24	15	4	62%	27%	10 days	54
Realtor and designer partners	9	7	3	78%	43%	6 days	27

These counts are assumed, to show the arithmetic; they say nothing about why one source converts and another does not. Numbers this small point in a direction and do not set a rate, so keep counting before you lean on one. These estimates win 12 jobs a quarter; at one cancellation a quarter, that leaves about 11, enough for the 9 contracts a quarter the plan needs, with small jobs filling the gaps. Contract start dates, not estimates, set the page 12 ramp, which reaches full run in month 8. Here, losing 1 of 9 signed jobs over a quarter (a cancellation after signing) works out to about 3.7 percent a month lost, measured against the jobs in hand at the start and before any new wins, so the estimate pipeline must replace that before it adds growth.

YOUR ESTIMATE PIPELINE, BY LEAD SOURCE

LEAD SOURCE	SITE VISITS	PROPOSALS	CONTRACTS	PROPOSAL RATE	CONTRACT RATE	DAYS VISIT TO PROPOSAL	SITE VISITS NEEDED

SIGNED-JOB AND CANCELLATION LOG

ACCOUNT	START DATE	CHANGE ORDERS SIGNED	COMPLETED OR CANCELLED	REASON FOR ANY CANCELLATION, IN THE CLIENT'S WORDS

PAGE 10

Crew utilization and true labor cost

A carpenter's wage is not what a carpenter costs. Drive time, material runs, waiting on an inspector and fixing yesterday's work are all paid hours that bill nothing, and they load every billable hour.

```
Utilization = hours on the job divided by hours paid
Loaded hourly cost = wage times (1 + the payroll tax, workers' compensation, benefits and paid-time-off share)
True cost per billable hour = hours paid times the loaded cost, divided by hours on the job
```

WORKED EXAMPLE: TWO CARPENTERS, ONE WEEK (ILLUSTRATIVE)

HOURS	THIS WEEK	SHARE OF HOURS PAID
Paid hours	80	100%
On the job, billable	64	80%
Drive and material runs	8	10.0%
Rework and callbacks	4	5.0%
Waiting on inspections, loading, admin	4	5.0%

At a $28.00 wage with 28 percent payroll taxes and benefits on top, the loaded cost is $35.84 an hour; at 80 percent utilization every hour on the job really costs $44.80. Quote every job on that true cost per billable hour, never on the wage or the loaded cost.

YOUR CARPENTERS, WEEK BY WEEK

CARPENTER OR CREW	PAID HOURS	ON THE JOB	DRIVE	REWORK	UTILIZATION	TRUE COST PER BILLABLE HOUR

WHY A CARPENTER LEAVING COSTS MORE THAN A HIRE

A new carpenter costs most on the jobs that live in the old one's head. Keep the plan, the selections, the sub schedule and the client's preferences on paper for every job, so the next person starts from the same page.

PAGE 11

Twelve-month cash forecast

Payroll and subs leave before the draws land. Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: collections, in the month each payment lands, net of sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: materials, subs, fees and fuel (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: shop and office rent (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
Memo: receivables = last month's + billed minus collected												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first day on the tools after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Crews, subs and suppliers are paid as the work runs. 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 final payments cost to wait for

```
Runway = the number of consecutive future months, counted from the latest closed month (before opening,
from the first day on the tools), before the first month in which closing cash falls below your floor
```

Worked example: a hypothetical remodeling company

The figures illustrate the arithmetic and are not benchmarks. Each job is billed in its start month; the two carpenters sit in line 3 from month 1. Cash floor $27,640. Remodels are collected on the page 7 schedule (15 percent at the start, 70 percent on the draws the next month, 15 percent the month after); small jobs pay on completion; costs leave as the work is done; the owner draws the wage; no new funding.

Page 5, budget	The startup budget totals $243,200, funded by a $60,000 loan (10.5 percent over 5 years) and $183,200 of owner money, including a $137,000 reserve that carries the ramp losses and the wait on draws and final payments, plus the floor and the buffer. Page 5's two passes: the floor of $27,640, plus one more month as a buffer, $27,640, plus $81,675 (the depth the first pass reaches below zero when it opens with no cash), rounded up to $137,000.
Page 8, costs	Fixed costs $26,837 a month, including $1,700 for shop and office space and $487 of loan interest in them; principal $803 a month (both year 1 averages); variable share 60.9 percent, which leaves a contribution margin ratio of 0.391. Lines 13 through 16 take 52.6, 4.3, 1.5 and 2.5 percent of sales. Lines 1 to 12 run $1,700, $900, $12,400, $6,500, $487, $450, $2,000, $300, $550, $400, $650 and $500 a month.
Page 8, break-even	Operating break-even is about $68,637 a month. Cash break-even (fixed $26,837 plus principal $803, divided by 0.391) is about $70,691 a month: 2.1 jobs a month from remodel contracts once small jobs have contributed, so 3, against the 3 the plan counts on.
Page 6, sales	Remodel contracts: 3 jobs a month at $28,800. Small jobs and repairs: six jobs a month, $1,900 each. A full-run month is about $97,800; remodel contracts ramp 40, 55, 65, 75, 85, 90, 95 percent over months 1 to 7, and 100 percent from there; season 105, 110, 110, 105, 100, 100, 95, 90, 85, 90, 100, 110 percent through months 1 to 12 on contract and small-job sales.
Page 19, expected case	Sales in month 1 of $41,076; month 1 ends at $94,576, month 12 at $91,297. Low: month 5, closing $55,325, $27,685 above the floor.
Page 19, slow start	Holding every sales line at 70 percent of the expected case, month 1 sales $28,753; month 1 ends at $99,011, month 12 at $5,504. Cash breaks the floor in month 7 (closing $27,617), which makes the runway 6 months.
Page 8, coverage	With full-run sales at $97,800, the planning coverage ratio, income tax and tool replacement still unpaid, is 9.22 against the 1.25 that the example lender sets; at the month-12 run rate it comes out at 9.22, and Test 3 looks at both. Shop share is about 1.7 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

The example assumes Gate 0 is met for the example's purposes. Test 1 passes: the run rate at month 12 is about $97,800 a month, above the $70,691 break-even; and the floor holds for all of a second year at that rate (lowest close $106,185, month 1 of year 2). (For context only: expected sales first cross cash break-even in month 4.) Test 2 fails: at 70 percent of plan the floor breaks in month 7; about $22,200 more cash at opening would pass it. Test 3 passes on the planning formula; the lender's own definition decides. Test 4 passes: in the heaviest month at full run (month 2, season 110 percent) the jobs on page 7 need about 409 crew hours on site, about 510 paid hours at 80 percent utilization, page 10, or roughly 3.0 full-time carpenters, against the 520 paid hours the example can staff (two carpenters and the owner on the tools, 8 hours a day, 5 days a week; the two carpenters in line 3 give 347 of them), so capacity fits; the 3 planned contracts clear the break-even count. Test 5 fails for lack of evidence. Test 6 passes: a steady-state year at full run leaves about $127,198 after principal, and no full-run month runs below zero, so no cushion is needed. That is the steady-state year; the forecast year on page 19 loses about $45,703 in cash because contracts are signed through the year and the final payments trail the work by two months. Break-even takes most of the contracts in the plan, and the final payments land two months after the crews are paid.

PAGE 13

What moves the result

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

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Ten percent less contract and small-job volume (lines 13 to 16 fall)	minus $3,824	Expected case holds the floor
Remodel contracts: average price 5 percent higher, same volume (only payment fees rise)	plus $4,255	Break-even jobs fall from 2.1 to 1.8 a month, so from 3 to 2: per-unit costs stay the same, so the ratio rises from 0.391 to 0.416 on the new sales (sales-linked fees, line 15, take 1.5 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $68,133
Lose the kitchen remodel line ($50,400 a month billed), from month 6 onward	minus $19,706	Expected case below the floor in month 11 (closing $17,675); slow start below the floor in month 8 (closing $18,070); full-run coverage falls below zero; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Every payment lands two months after billing (crew and bills still paid on time)	no change	Expected case below the floor in month 2 (closing $20,671), below zero in month 3; slow start below the floor in month 3 (closing $10,289); would fail Test 1
The 15 percent final payment on every kitchen remodel never arrives for 2 months from month 6 ($7,560 a month)	no change	Expected case still clears the floor; slow start deadline unchanged (month 7); $15,120 never collected
Jobs run 15 percent over quoted crew hours (line 14 rises from 4.3 to 6.9 percent; a price rise of about 2.9 percent on job prices would hold contribution)	minus $2,504	Cash break-even rises to about $75,643; expected case still clears the floor; slow start below the floor in month 6 (closing $24,184)
Materials and sub prices 10 percent higher (line 13 rises from 52.6 to 57.9 percent, about $5,144 a month at full run)	minus $5,144	Cash break-even rises to about $81,678; expected case still clears the floor; slow start below the floor in month 5 (closing $26,205)
Setup overrun of $10,000 beyond the contingency, drawn from the cash reserve	no change	Expected case still clears the floor; slow start below the floor in month 6 (closing $21,681)
Opening 3 months late (shop and office space, insurance, loan interest and principal, $3,890 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 $38,325 in month 11 from the planned opening, $17,000 lower than on time; slow start below the floor in month 8 from the planned opening (month 7 on time)
Slow start with signed remodel contracts held at 100 percent (counts only for enforceable, evidenced contracts)	no change	Slow start stays above the floor (below it in month 7 without them); its low rises to $50,808 from $5,504; extra reserve to pass Test 2 $0, against $22,200 without them

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

```
Contribution margin ratio zero or below: break-even is N/A; score Tests 1 and 6 as failed
One unit's contribution, or the count it is multiplied by, zero or below: break-even units are N/A;
score Test 4 as failed
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A; score Test 3 as passed
```

PAGE 14

Job checklists, weekly review, six questions

Operations checklists only, not a safety program. Add the site-safety, inspection and approval steps your projects and qualified safety professionals require.

START OF JOB

- [ ] Confirm the signed contract, the deposit received and the payment schedule before the crew mobilizes.
- [ ] Confirm the selections list is complete and every material with a lead time is ordered.
- [ ] Confirm sub start dates in writing and the inspection sequence with each one.
- [ ] Walk the site with the client and record existing conditions with photos.
- [ ] Confirm the hours quoted for the job and who logs hours against them.
- [ ] Note the client's contact preference and the daily update time.

JOB CLOSE AND DRAW

- [ ] Compare hours logged with hours quoted at each draw and at close.
- [ ] Log every change in scope and whether it was priced and signed before the work.
- [ ] Record every sub delay with its cause and the days it cost.
- [ ] Walk the punch list with the client and set the final payment date in writing.
- [ ] Return rented equipment, reconcile materials returns and close the job cost.
- [ ] Write the lessons for the next estimate while the job is fresh.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Billed and collected by job and by payment step				
Hours logged against hours estimated, job by job				
Crew utilization and overtime				
Change orders written, and signed before the work				
Site visits, proposals and signed contracts by lead source				
Draws and final payments falling due within 30 days				
Owner hours on the tools				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every material pickup, sub question and client decision wait for the owner, and does the crew wait at the shop until the owner unlocks it?
2. **Reactive operations.** In a week, how many client texts say delay, missed or not what we agreed, and how many callbacks are done for free?
3. **Growth without structure.** How many times a week does a lead carpenter call about scope mid-job, and how much overtime traces to material runs and sequencing errors?
4. **Talent and retention.** On how many jobs does a single carpenter hold the plan, the client relationship and the sub schedule in his head?
5. **Revenue plateau.** How long does a site visit take to become a proposal, and what share of closed jobs ever brings a referral or a second job?
6. **Strategic confusion.** Do two jobs of the same type take very different crew hours, and does the scope you deliver drift from the scope you sold?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the client text record, hours logged against hours estimated, the estimate log, or the change-order file.

PAGE 15

Your first 30 days

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

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

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

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

WHAT THE FULL KIT ADDS

The full Construction Company Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a job estimating calculator from crew hours and materials to a price at a target margin, a draw schedule and receivables tracker, editable estimate, change-order and sub scheduling trackers, site checklists and hiring checklists. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on residential remodelers, 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. Residential remodeling and general contracting owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, site-safety, inspection or financial advice. Provided as is, without warranty. © 2026 World Consulting Group. Free diagnostic tool at businessconsultant.services. The site's privacy page explains what the diagnostic tool sends to an AI provider for analysis and the third-party analytics on the site.

About the author. Kamyar Shah is the founder of World Consulting Group and works as a fractional COO and CMO. He has more than 25 years of experience and more than 650 engagements across more than a dozen industries. Contact and the latest version: businessconsultant.services.

PAGE 16

Customize this kit with AI

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

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as client contracts, client names or addresses, site access details, sub agreements, employee records or bank account details. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) a residential remodeling company. I have attached the Construction Company Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my jobs and crews, 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 job price, crew wage, materials cost, close rate, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average price (every line here is counted per month). Each month's expected sales = full-run contract and small-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 the tools go in line 3 (the carpenters) or 14 at a carpenter's wage. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the tools; 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 jobs = (fixed costs, principal and other recurring cash out minus small-job contribution) divided by one average remodel contract's contribution; small jobs run at the main line's own share. 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 = every carpenter you can staff, the owner on the tools included, 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 remodels and small jobs divided by utilization.
- Shop 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 on the tools 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, each draw and the final payment in the month it lands; payroll, subs and materials in the month worked. Hold a pre-start deposit out of closing cash until the job starts. In the slow-start case, every month's sales, small 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 on the tools), 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, bonding, building approvals, site safety, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous client IDs. Do not ask for names, 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, client segments and lead sources, service area, the carpenters I can staff each day and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for remodel contracts (jobs), the full-run job count a month by job type, each job's price and crew hours, and each contract's start month; for small jobs and repairs (jobs), the jobs booked for each month 1 to 12, the average price and the crew hours each takes, so small-job hours count against the same crew hours as the contracts; or, without start months, a ramp percentage of full-run contract revenue for every month from 1 to 12, never applied to counts that already reflect starts (ask me to confirm any month I leave out); a seasonal percentage for each month if my work is seasonal; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For each job type: jobs a month at full run, price, crew hours on site (drive and setup are in the cost per billable hour, not the hours), materials and subcontract cost, and quotes given and won last quarter; my payment schedule for each sales line (deposit share and when it is collected, progress payments and when, the final payment and how many days after completion it is paid); and the jobs I need a month.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (dealer quote, supplier quote, insurer quote or calculation) for each line on page 5, from the truck and tools to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including any guaranteed minimum crew, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my hours on the tools go in line 3 (the carpenters) or 14 at a carpenter's wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, materials and subcontractors, as quoted on each job; line 14, hourly carpenter labor above any minimum crew, with payroll taxes and workers' compensation; line 15, payment and financing fees; line 16, fuel, dump fees and small consumables; and any sales line whose own shares differ, given for that line.
g. For each lead source: site visits, proposals and wins last quarter, and days from site visit to proposal; signed jobs in hand at the start of the quarter and jobs cancelled; the number of new jobs I need.
h. For one typical week: paid, on-site billable, drive, rework, and waiting, loading or admin hours per crew; base wage and payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

Paste this part directly after the text on page 17, still as one message.

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when each customer pays me (the deposit share and when, each progress payment and when, the final payment and how many days after the punch list it lands, or by card on completion), deposits I collect or pay and when, and when payroll, subs and my suppliers are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, truck, trailer and tool replacement and materials 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 remodeling company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by contract line, small-job 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 jobs (use cash break-even); shop share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Job economics for each job type at true crew cost, ranked by contribution per crew hour, flagging any job type priced below its labor, materials, fees and fuel; quotes needed a month; and the collection pattern the cash forecast uses.
7. Pipeline by segment with site visits needed and monthly churn.
8. Crew utilization and cost per billable hour, with the largest leak named.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every contract date or payment schedule 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 contract dates, payment schedules and crew hours, before anyone sees the plan, and recheck the page 4 result with a calculator.

PAGE 19

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 $27,640.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**137,000**	**94,576**	**71,041**	**60,267**	**55,991**	**55,325**	**57,619**	**63,659**	**70,586**	**79,154**	**82,906**	**85,513**
In: sales receipts	10,231	40,139	59,451	70,268	77,600	83,538	87,433	88,171	86,834	84,996	89,808	98,940
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: materials, subs, fees and fuel (lines 13, 15, 16)	23,249	33,490	39,578	43,592	47,051	49,819	49,958	49,819	47,051	49,819	55,356	60,890
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	20,666	21,444	21,907	22,212	22,475	22,685	22,695	22,685	22,475	22,685	23,105	23,526
Out: shop and office rent (line 1)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Out: other costs, with loan interest (lines 2, 5 to 12)	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237
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	803	803	803	803	803	803	803	803	803	803	803	803
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(42,424)**	**(23,535)**	**(10,774)**	**(4,276)**	**(666)**	**2,294**	**6,040**	**6,927**	**8,568**	**3,752**	**2,607**	**5,784**
Closing cash, expected	**94,576**	**71,041**	**60,267**	**55,991**	**55,325**	**57,619**	**63,659**	**70,586**	**79,154**	**82,906**	**85,513**	**91,297**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**137,000**	**99,011**	**74,245**	**58,411**	**47,125**	**38,367**	**31,681**	**27,617**	**24,174**	**21,880**	**16,214**	**9,747**
Sales receipts, slow start	7,162	28,098	41,616	49,187	54,320	58,477	61,203	61,720	60,784	59,497	62,866	69,258
Out: variable costs, slow start (lines 13 to 16)	17,511	25,224	29,810	32,833	35,438	37,523	37,627	37,523	35,438	37,523	41,693	45,861
Out: fixed costs (lines 1 to 12), principal, bills, less funding	27,640	27,640	27,640	27,640	27,640	27,640	27,640	27,640	27,640	27,640	27,640	27,640
Net cash flow, slow start	**(37,989)**	**(24,766)**	**(15,834)**	**(11,286)**	**(8,758)**	**(6,686)**	**(4,064)**	**(3,443)**	**(2,294)**	**(5,666)**	**(6,467)**	**(4,243)**
Closing cash, slow start	**99,011**	**74,245**	**58,411**	**47,125**	**38,367**	**31,681**	**27,617**	**24,174**	**21,880**	**16,214**	**9,747**	**5,504**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**12,512**	**14,424**	**14,424**	**12,512**	**10,600**	**10,600**	**8,688**	**6,776**	**4,864**	**6,776**	**10,600**	**14,424**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $97,800 a month, against month 12's own $107,580): closing cash runs $106,185 in month 1 and $218,495 in month 12, lowest $106,185 in month 1, above the floor. Sales are net of sales tax, and the example pays each month's tax in the month it is collected, so it owes none at any month end; enter your own rate and payment timing in the page 11 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse. Slow-start month 1 closes above the expected case because both cases collect only the deposits in month 1 and the slow case buys less.