Home Inspection Business Plan and Operations Starter Kit

A working kit for home inspection owners. It prices condo, single-family and large-home inspections at the true cost of an on-site hour with report writing, drive time and booking inside that cost, turns fees paid at the inspection into a collection pattern, tracks inquiries and quotes by lead source, shows what a billable inspection hour truly costs, finds cash break-even once the writing and the drive are honest, and scores the plan on six pass-or-fail tests.

HOME INSPECTION SERVICES
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/HOME-INSPECTION/
SHARE THIS KIT: LINKEDIN · X · FACEBOOK · BLUESKY · THREADS · EMAIL
BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

A home inspection business can stay busy and still lose money on many inspections. The fee pays for three hours on site; the drive, the report and the calls behind it take four more. Write those numbers down, then test whether the fee is enough.

WHAT IS INSIDE

3	Business plan, part one: inspections, buyers, service area and pricing
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: vehicle, tools and instruments, setup, pre-opening, working capital
6	Sales forecast builder for inspections and add-on tests, ramp, season and a capacity check
7	Inspection pricing at true cost, the payment schedule and the inspection overrun check
8	Operating and cash break-even, break-even inspections, home-office share and debt coverage
9	Quote pipeline by lead source, inquiries needed, cancellations and the repeat-client log
10	Inspector utilization, the true cost of a billable hour and where the hours leak
11	Twelve-month cash forecast, expected and slow-start cases
12	Runway, and a worked example scored on the page 4 check
13	What moves the result: the worked example's what-if table
14	Daily checklists, weekly numbers review and six questions to investigate
15	Your first 30 days, vehicle and home-base questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build inspection and add-on 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. Quotes, agent relationships and the split between inspections and add-ons move before a booking, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists every day and the numbers review every week. Run the page 7 overrun check at the end of every day and update the page 9 quote log after every inquiry.

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 home inspection business 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, safety or financial advice. Insurance, the coverage your report provides, the work an inspection covers and the terms you offer vary by location and by property, so arrange compliance and registration review with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

Before money moves, a lender asks whether the inspection fees carry the answering service, the report software and the loan once the driving, the writing and the slow months are counted. Answer each in plain sentences here.

1. Executive summary (write it last)

Name the properties you inspect, the ground you cover and the cash the startup takes. Add which month the page 6 forecast clears cash break-even on page 8, and the page 4 score.

2. Inspections and buyers

Spell out the inspections you take, from a condo to a large older home, and what the buyer values beyond the report: an answer the same day, a summary a week before closing, findings a first-time buyer can read. Name who decides, the buyer or the agent.

3. Service area and inspector capacity

Draw the county lines you will work and the windshield time between properties. Add the hours on site and at the desk a week can hold, then see how many inspections that buys. The driving and the writing sit inside the page 10 cost of a billed hour.

4. Inspections and pricing

Set out every inspection size, the hours it holds you on site and the fee that follows from the page 10 cost of a billed hour, which carries the windshield time and the report. A square-footage fee that ignores both is a guess.

INSPECTION TYPE	ON-SITE HOURS	FEE	FEE PER HOUR

> *Owner question: at $484 a standard inspection, does the fee cover the seven total paid hours that contain the 3.25 hours on site, and how do we cover the months when closings stop?*
>
> The root of it: the fee gets measured against the hours the buyer watches, never against the real cost of a billed hour that carries the driving and the report. Build the smallest inspection from that cost times its true hours, put a floor on a condo, and hold cash from December into February, when the season slides to 65.

PAGE 4

Business plan, part two

5. Operations

Describe how a day runs from the booked inspection to the delivered report, covering the route, the site walk, the photos, the summary call and the file. Name who answers the phone and books the visit when you are on a roof.

6. Team

List every role, its hours and its pay, including a market wage for your own hours. Name who covers a day when you cannot; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where inquiries come from, which agents and directories you will chase and why a buyer books again; an agent who sends three buyers a year pays for the visits you make.

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. Insurance terms, vehicle and instrument quotes and agent referral arrangements 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 terms 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. Inspector hours needed in the busiest month (inspection and add-on hours, page 7, divided by utilization, page 10) fit the hours you can staff (page 6), and the plan reaches break-even (page 8).	
5. Booked inspections and signed agent referral arrangements back the inspection count, and written quotes back the fees; inquiries support quotes, not bookings.	
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 vehicle loan, a software contract or a lead-service contract. **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 vehicle dealer, the instrument supplier or the insurer, or a documented calculation. Home inspection budgets can break on the first slow winter before an agent sends a second buyer, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
VEHICLE, TOOLS AND INSTRUMENTS				
Vehicle, full purchase price (the loan is a source of funds)				
Core tools: moisture meter, testers, gas detector, ladder, respirator				
Sewer-scope camera, thermal camera and radon monitor				
Reporting software and booking setup				
SETUP AND REGISTRATION				
Business registration and association membership				
Insurance down payment				
Business entity and accounting setup				
PRE-OPENING				
Inspection training, mentoring and ride-along inspections				
Launch marketing, website, cards and agent outreach				
Opening supplies, forms and agreement templates				
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), then 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 booked inspections and the add-on work you can attach to them, not from the fixed costs you need to cover. Count the inspections you can staff first; add add-on tests at the rate your buyers accept them.

```
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
Inspections	inspections				
Add-on tests and re-inspections	services				

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 inspection and add-on sales times ramp (the share of full-run volume the schedule has reached) times season. Use 100 percent where a factor does not apply. Ramp and season are your assumptions; write down the evidence for each, such as your booking record by month.

CAPACITY CHECK

```
Paid inspector hours available per month = inspectors 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 = on-site inspection and add-on hours divided by utilization
```

Write how many hours you can work each day and how many days you work each week. Add up the monthly hours your inspections and add-ons need (units a month times hours each, 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 bookings say.

PAGE 7

Inspection pricing, the payment schedule and the overrun check

You give the number on the phone, before you walk the property. The cost sits in the hours that walk takes at the page 10 hourly cost, plus the lab charge for add-on samples and what the card takes. Work out what each size leaves per on-site hour, and hold your logged hours beside the hours promised.

```
Labor = the hours on site at the page 10 cost of a billed hour (driving, the report and the booking sit inside that rate, not in the hours)
Contribution = the fee, less labor, less the lab charge, less card and platform fees and fuel at the page 8 shares; each on-site hour = that contribution divided across those hours
Close rate = inspections booked against quotes given; quotes needed = inspections needed divided by the close rate
```

WORKED EXAMPLE: THREE INSPECTION TYPES (ILLUSTRATIVE)

TYPE	A MONTH	PRICE	SITE HOURS	LABOR	SUPPLIES	FEES, FUEL	CONTRIBUTION	PER SITE HOUR	CLOSE RATE
Condo or townhome	4	$380	2	$156	$0	$21	$203	$101.50	70%
Standard single-family	12	$484	3.25	$253	$0	$26	$205	$63.08	73%
Large or older home	4	$720	5	$390	$0	$39	$291	$58.20	68%

Labor at the true cost of $77.91 per billable hour from page 10; fees and fuel at 5.4 percent of price (page 8 lines 15 and 16); no supplies on these rows; the lab charge sits in the add-on line. Each hour on site is priced here at cost; page 8 holds those paid hours in line 14, with nothing on line 3. Per on-site hour, the condo or townhome earns the most ($101.50) and the large or older home the least ($58.20). Add-on tests and re-inspections: 8 a month, 0.75 hours apiece, in the capacity check and line 14. Those sizes supply the lab and labor shares in the page 12 example (inspections: 20 a month, averaging $510).

YOUR INSPECTION TYPES

TYPE	A MONTH	PRICE	SITE HOURS	LABOR	SUPPLIES	FEES, FUEL	CONTRIBUTION	PER SITE HOUR	CLOSE RATE

HOW THE MONEY COMES IN

LINE		SETTLED BY	SHARE	WHEN
Inspections	Paid at the inspection, card or payment link		100%	in that month
Add-on tests and re-inspections			100%	in that month

On each $100 billed in a month, the example collects $100 in that month. This example merges the two lines' timing at full-run sales (inspections 86 percent, add-on tests and re-inspections 14 percent) into one rounded pattern; page 11 tracks each line separately, month by month, and your own forecast should do the same. You collect the whole fee at the inspection and count it in the month of the work. A fee that has not settled by then is a receivable, not automatically a bad debt.

WHERE THE QUOTED HOURS SLIP

A house sets its own pace and your quote does not: a crawlspace that runs long, a sewer scope the buyer asks for at the door, an agent who wants the report that evening. Each evening, set the hours you spent, writing included, beside the hours quoted.

```
Overrun hours = the hours the inspection took minus those quoted; overrun cost = that gap at the billable-hour rate, drive and report included. Chase the cause before you touch the price; quote the add-on at the door before work begins, then carry each overrun into the next quotation.
```

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. Home office and equipment storage share	
2. E&O and general liability, cost only	
3. Call answering and scheduling help (no crew; the owner is the only inspector)	
4. Owner's market wage for non-inspection time: agent visits, quotes and books	
5. Loan interest, year 1 average	
6. Phones, internet and utilities share	
7. Marketing, agent outreach and lead services	
8. Reporting software, website and scheduling tools	
9. Accounting, bookkeeping and bank fees	
10. Equipment repair, calibration and replacement	
11. Vehicle insurance, registration and fixed costs	
12. Training, association dues and other recurring costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Add-on lab and test costs, blended, as used on each service	
14. Inspector labor at the true cost per billable hour, every paid hour in line 14	
15. Card and platform fees	
16. Fuel, parking 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 inspections = (fixed costs, principal and other recurring cash out minus add-on contribution)
divided by one average inspection's contribution; add-ons run at the main line's own share, while a page
13 row that removes a line prices it at that line's own cost from page 7
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 inspections (use cash break-even)	one figure per month		
Home-office share and debt service coverage at full-run sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; per working day = weekly divided by days open per week. Home-office share = line 1 divided by net sales.

PAGE 9

Inquiries, booking rate and the repeat-buyer log

One inspector, several kinds of buyer. File every quote under the source it came from, since a buyer sent by an agent and a buyer who found you in a directory agree at different rates and cancel for different reasons. Whether last year's buyer calls again is what decides if the growth holds.

```
Quotes per inquiry = quotes divided by inquiries; bookings per quote = bookings divided by quotes
Inquiries needed = the inspections you need, divided by both conversion rates multiplied together
Cancellation rate = inspections called off in the quarter, over those booked in that quarter
```

ONE QUARTER OF QUOTES, GROUPED BY WHERE THE BUYER CAME FROM (ILLUSTRATIVE)

LEAD SOURCE	INQUIRIES	QUOTES	BOOKED	QUOTES PER INQUIRY	BOOKINGS PER QUOTE	DAYS TO DECISION	INQUIRIES FOR 60 WINS
Agent-referred buyers	62	57	47	92%	82%	1 day	79
Online search and directory buyers	29	20	9	69%	45%	1 day	193
Repeat clients and personal referrals	6	5	4	83%	80%	0 days	90

The counts in this example are assumed to show the arithmetic and prove nothing about why a lead source converts. Numbers this small point at a direction rather than a rate; keep tallying before you trust any single one. The last column shows the inquiries each source alone would need to produce all 60 wins; the 60 wins themselves are the same 60 inspections a quarter the page 7 table needs, split the way the agent share splits them. The page 12 ramp follows booked dates, not quotes. In this example all 60 inspections the page 7 table needs get booked and none are called off, so the cancellation rate is 0.0 percent and the quote sheet has no gap to fill before it grows. Your own log will lose inquiries before a quote and bookings after the buyer agrees.

YOUR OWN QUOTE SHEET, BY LEAD SOURCE

LEAD SOURCE	INQUIRIES	QUOTES	BOOKED	QUOTES PER INQUIRY	BOOKINGS PER QUOTE	DAYS INQUIRY TO BOOKING	INQUIRIES NEEDED

REPEAT-CLIENT AND LOST-QUOTE LOG

BUYER OR AGENT	LAST INSPECTION DATE	DID THEY RETURN?	KEPT OR LOST	WHY IT WAS LOST, IN THE BUYER'S OWN WORDS

PAGE 10

What a billable inspection hour really costs you

The $32 wage is the smallest part of what an inspection hour costs. Between the drive across the metro, the report written after dinner, the call that books the next one and the return visit an agent asks for, much of the week earns nothing.

```
Utilization = the hours spent inspecting divided by the hours the inspector is paid for
Loaded hourly cost = the base wage plus payroll, benefit and paid-leave loading
Cost of a billed hour = what the paid week costs at the loaded rate, divided by hours on site
```

WORKED EXAMPLE: ONE INSPECTOR, ONE WEEK (ILLUSTRATIVE)

HOURS	HOURS THAT WEEK	SHARE OF ALL HOURS
Paid hours	50	100%
Hours spent inspecting	23	46%
Drive between properties	6	12.0%
Return visits and call-backs	2	4.0%
Report writing, booking and admin	19	38.0%

At a $32.00 wage with 12 percent payroll taxes and benefits added, one paid hour stands at $35.84 an hour; at 46 percent utilization each hour you can bill carries $77.91. Base every fee, and the floor beneath it, on that figure, not the wage.

YOUR WEEKS, ONE BY ONE

WEEK OF	PAID HOURS	HOURS ON SITE	DRIVE	REWORK	UTILIZATION	COST OF A BILLED HOUR

THE REPORT IS THE PRODUCT

The report is the only thing the buyer keeps after you drive away, and the writing, the drive and the return visits take more of the paid week than the site does. One template, one photo routine and one settled phrasing for each defect finish it once.

PAGE 11

Twelve-month cash forecast

Every fee lands at the inspection. 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: lab, test kits, fees and fuel (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: home office and equipment storage share (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 inspection day 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. In the example every fee settles in the month of the work; in your plan, book each fee when the cash arrives and write off only what you judge uncollectible. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

How long the cash lasts, and what a report really costs

```
Runway = the months from the last month whose cash you closed (before you open, from the first
inspection day) until closing cash ends a month under your floor
```

Worked example: a hypothetical home inspection business

Illustrative figures only: they exist to show how the arithmetic works and set no benchmark. The buyer is billed on the day of the inspection; the owner is the only inspector. Cash floor $3,957. The buyer settles the fee and any add-on on the day, by card or payment link (the page 7 schedule); costs are paid in step with the work; the owner draws cash; nothing further gets borrowed.

Page 5, budget	Total startup budget $67,100, raised with a $22,000 loan (10 percent over 5 years) and $45,100 of your own money, which includes a $26,000 reserve for working capital still whole on the day you open. The two-pass reserve on page 5: a floor of $3,957, plus one month of buffer at $3,957, plus $13,969 (the amount the opening pass without cash drops below zero by), then rounded up to $21,900.
Page 8, costs	Fixed costs $3,660 a month, including $100 for home office and equipment storage and $170 of loan interest; principal $297 a month, both taken as year 1 averages; variable share 54.3 percent, so the contribution margin is 0.457. Lines 13 to 16 take 0.7, 48.2, 2.4 and 3 percent of sales (line 13 blended across the sales lines). Lines 1 to 12 run $100, $165, $150, $1,400, $170, $150, $450, $260, $250, $170, $300 and $95 a month.
Page 8, break-even	Operating break-even sits near $8,009 a month. Cash break-even (fixed $3,660 plus principal $297, divided by 0.457) is about $8,659 a month: 13.9 inspections a month from inspections after the other lines' contribution (13 runs 0.0 percent on inspections, 5 percent on add-ons; lines 14 to 16 share a single rate, which leaves the contribution ratio at 0.464 on inspections, 0.414 on add-ons), so 14, against the 20 the plan assumes.
Page 6, sales	Inspections: 20 inspections a month at $510.40. Add-on tests and re-inspections: 8 services a month at $200. Full-run month about $11,808; inspections and add-ons ramp 15, 20, 28, 36, 45, 54, 62, 70, 78, 85, 92 percent in months 1 to 11, and 100 percent after that; season 105, 115, 125, 120, 105, 105, 105, 85, 100, 65, 75, 95 percent for months 1 to 12 and applied to expected sales on every line.
Page 19, expected case	Month 1 sales $1,860; month 1 closes at $22,893, month 12 at $13,200. Low: month 11, closing $12,031, $8,074 over the floor.
Page 19, slow opening	With every month at 70 percent of the expected volume, month 1 sales $1,302; month 1 closes at $22,638, month 12 at $2,795. Cash drops under the floor in month 11 (closing $3,164), and the runway from opening covers 10 months.
Page 8, coverage	At full-run sales of $11,808, the planning cover, before income tax and before replacing equipment, comes to 4.08 against the 1.25 the example lender looks for; by the month-12 run rate it stands at 4.08, and Test 3 needs both. The home-office share works out to about 0.8 percent.

THE PAGE 4 CHECK SCORES THIS EXAMPLE AMBER

Gate 0 is assumed met for the example. Test 1 passes: in month 12 the run rate lands at about $11,808 a month, clearing the $8,659 break-even; cash sits above the floor a second year at that rate (lowest close $14,910, month 1 of year 2). (Not scored: the expected case first covers cash break-even in month 9.) Test 2 falls short: the slow opening drops under the floor in month 11; about $1,200 more reserve would pass it. Test 3 passes on the arithmetic here, though the lender may define coverage differently. Test 4 passes: in the busiest full-run month (month 3 of the year, season 125 percent) the inspections on page 7 with the add-ons call for roughly 91 hours in front of buyers, about 198 paid hours at 46 percent utilization (page 10), inside the 217 paid hours you can staff (1 inspector at 10 hours, 5 days per week, the owner counted in; nothing on line 3), so the workload fits; 20 inspections a month clear the break-even count page 8 prints. Test 5 fails because the evidence is not there yet. Test 6 passes: one full-run year leaves about $17,271 after principal, though month 10 has a net cash outflow of at least $449, the largest fall in running cash (from its month 9 high to its month 10 low), which the page 5 buffer covers. That year is the steady state, not the forecast: the first year shown on page 19 is down about $12,800 in cash because the ramp, the seasonal pattern and the opening months come first. This example leaves out any set-aside for income tax, equipment replacement and stock build-up (page 19); test a real plan against its own figures. Break-even eats about 14 of the 20 inspections planned, and a condo fee works only with the drive and the report inside it.

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
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $540	Expected case holds the floor
Inspections: average price 5 percent higher, same volume (only sales-linked fees rise)	plus $498	Break-even inspections fall from 13.9 to 12.6 a month, so from 14 to 13: per-unit costs stay the same, so the ratio rises from 0.457 to 0.479 on the new sales (sales-linked fees, line 15, take 2.4 percent of each added dollar)
Fixed costs $500 lower	plus $500	Cash break-even falls to about $7,565
Two referring agents walk, about 20 percent of inspections, from month 6 onward	minus $947	Expected case still clears the floor; slow start below the floor in month 10 (closing $2,430)
Every payment lands two months after billing (inspector hours and bills still paid on time)	no change	Expected case below the floor in month 6 (closing $1,904), below zero in month 7; slow start below the floor in month 6 (closing $2,010); would fail Test 1
Two delivered inspections a month go unpaid for 2 months from month 6 ($1,021 a month)	no change	Expected case still clears the floor; slow start below the floor in month 10 (closing $2,472); $2,042 never collected
Inspections and reports run 15 percent over quoted hours (line 14 rises from 48.2 to 55.4 percent, about 24 more paid hours a month; a fee rise of about 8.6 percent on inspection fees would hold contribution)	minus $854	Cash break-even rises to about $10,286; expected case still clears the floor; slow start below the floor in month 9 (closing $3,853)
Inspector pay rises 10 percent with fees unchanged	minus $569	Cash break-even rises to about $9,680; expected case still clears the floor; slow start below the floor in month 10 (closing $2,607)
Stop selling add-on tests and re-inspections, from month 6 onward	minus $966	Expected case still clears the floor; slow start below the floor in month 10 (closing $2,386)
Setup overrun of $5,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 8 (closing $2,395)
Opening 3 months late (home office and equipment storage, insurance, loan interest and principal, $732 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 $7,865 in month 11 from the planned opening, $4,166 lower than on time; slow start below the floor in month 11 from the planned opening, as on time

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Daily checklists, a weekly review, six questions

Working checklists for the week, not a safety program. Add the roof, crawlspace and panel steps your inspections call for, and have a qualified professional review the safety items.

START OF DAY

- [ ] Look over the day's route and check each inspection's quoted hours against the add-ons booked on it.
- [ ] Check the access notes from buyer or agent, where the key sits, and the arrival window on every booking.
- [ ] Load tools, camera, moisture meter and forms against the day's list before leaving the office.
- [ ] Confirm any re-inspection's scope and the fee agreed for it.
- [ ] Go through yesterday's quotes; each needs a firm booking or a time to call back.
- [ ] Note inspections that need a second visit for a sewer scope or a radon pickup.

END OF DAY

- [ ] Against the hours quoted, record the hours each inspection took on site; keep driving and report writing in their own column for page 10.
- [ ] With the buyer's permission, photograph the defect and not the people, documents or keys, and send the report or its delivery time before the day ends.
- [ ] Log the add-ons sold and whether the lab cost on each was paid.
- [ ] Note each call-back, correction and report sent again, and say whether you charged for it.
- [ ] Write down the quotes you gave, the ones that booked, and where each buyer heard about you.
- [ ] Restock shoe covers, batteries and forms, and flag the tools that need service or calibration.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Fees billed against fees collected, split by inspection size and lead source				
Hours on site set against hours quoted, plus the driving and writing hours page 10 needs				
Inspector utilization, drive hours and writing hours				
Quotes out, bookings in, and the close rate between them, by lead source				
Call-backs, report corrections and unbilled hours				
Agent visits made and the buyers each agent has sent				
Owner hours on inspections				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every fee sit until the owner quotes it, and does the phone go unanswered while the owner is under a house?
2. **Reactive operations.** Count the reports delivered late in a week, and the corrections a buyer or agent had to ask for.
3. **Growth without structure.** How often does a week's route send you back over covered ground, and what share of the day is spent in the car?
4. **Talent and retention.** How much of the agent referral flow rests on a personal tie to the owner, and what happens to it if that owner is out for a month?
5. **Revenue plateau.** Of the calls that end with a price but no booked date, how many come back, and how many first-time buyers return for a second property?
6. **Strategic confusion.** Do two inspections of the same size still take wildly different hours, and does the report delivered drift from the report promised?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the call log, the hours logged against hours quoted, the quote sheet, or the agent visit record.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log on-site hours on every inspection and drive and writing time separately. Log the hours the owner spends on inspections.
Week 2	Fill the page 7 inspection table at true inspector cost and mark any inspection priced below its labor, fees and fuel.
Week 3	Set up the quote table on page 9 by lead source and record days from inquiry to booking.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions an inspector may make without calling you.
After month 1	Review the daily overrun checks and measure inspector utilization on page 10.

BEFORE YOU BUY VEHICLES AND EQUIPMENT OR RENT A BASE, GET WRITTEN ANSWERS TO THESE

- ☐ What will each vehicle cost per month in total, including payment, insurance, fuel, maintenance and parking?
- ☐ What does an inspection by a qualified mechanic find on any used vehicle or equipment, and what will each repair cost?
- ☐ Where will equipment and supplies be stored and loaded, and what does that space cost if you outgrow your home?
- ☐ What does insurance cost for vehicles, equipment, liability and work at client sites, and what does it exclude?
- ☐ If equipment is leased or financed, what is the monthly payment and what does ending early cost?
- ☐ Which client contracts require proof of insurance or other documents before you start work, and how long do they take to arrange?
- ☐ What happens to vehicle and equipment payments if a vehicle is off the road for repairs?

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

WHAT THE FULL KIT ADDS

The full Home Inspection Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, an inspection pricing calculator from on-site hours and add-ons to a fee at a target margin, a quote and follow-up tracker, editable scheduling, agent visit and re-inspection trackers, daily checklists and a report quality checklist. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on home inspection businesses, 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. Home inspection services owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, safety 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 inspections, hours and inspector 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 buyer names or addresses, lockbox or access codes, agent agreements, report contents 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 home inspection business. I have attached the Home Inspection Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my inspections and my season, using my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent an inspection fee, an inspector wage, a lab cost, a close rate, a percentage or a 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 inspection and add-on 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 inspection hours go in line 14 at an inspector'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 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 inspections = (fixed costs, principal and other recurring cash out minus add-on contribution) divided by one average inspection's contribution; add-ons run at the main line's own share, while a page 13 row that removes a line prices it at that line's own cost from page 7. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid inspector hours available per month = inspectors 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 = on-site inspection and add-on hours divided by utilization.
- Home-office share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first inspection day 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. In the printed example, every inspection and add-on fee settles in the month of the inspection, and costs in the month they are paid. In your plan, place each receipt in the month cash actually settles. In the slow-start case, every month's sales, bookings 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 months from the last month whose cash you closed (before you open, from the first inspection day), 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, the coverage a home inspection report provides, 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 buyer IDs. Do not ask for names, home addresses, lockbox or access codes, 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, buyers and lead sources, service area, the inspectors 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 inspections, the full-run inspections a month by inspection type, each type's fee and on-site hours; for add-on tests and re-inspections, the services a month at full run and the average fee; 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 if my bookings are 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 inspection type: inspections a month at full run, fee, on-site hours (drive and report writing are in the cost per billable hour, not the hours), lab and test 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 inspections 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 vehicle and instruments to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including 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 inspection hours go in line 14 at an inspector's wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, add-on lab and test costs, blended, as used on each service; line 14, inspector labor at the true cost per billable hour, every paid hour in line 14; line 15, card and platform fees; line 16, fuel, parking and small consumables; and any sales line whose own shares differ, given for that line.
g. For each lead source: inquiries, quotes and bookings last quarter, and days from inquiry to booking; inspections booked during the quarter and the ones cancelled in it; the number of inspections I need.
h. For one typical week: paid, on-site billable, drive, rework, and report writing, booking or admin hours for one inspector; 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 buyer pays me (at the inspection by card or payment link), any fee that arrives later, and when the answering service, the software 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, instrument replacement and supplies 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 home inspection business, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by inspection line, add-on 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 inspections (use cash break-even); home-office share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Inspection economics for each inspection type at true cost, ranked by contribution per on-site hour, flagging any inspection priced below its labor, lab costs, fees and fuel; quotes needed a month; and the collection pattern the cash forecast uses.
7. Quote pipeline by lead source with inquiries needed and the cancellation rate.
8. Inspector utilization, the cost of a billed hour and where the hours leak.
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 inspection count 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 inspections by month, hours per inspection and payment terms, 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 $3,957.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**26,000**	**22,893**	**20,177**	**18,109**	**16,483**	**15,076**	**14,178**	**13,734**	**12,988**	**13,240**	**12,265**	**12,031**
In: sales receipts	1,860	2,716	4,133	5,101	5,579	6,695	7,687	7,026	9,210	6,524	8,148	11,218
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: lab, test kits, fees and fuel (lines 13, 15, 16)	113	166	252	311	340	408	469	429	562	398	497	684
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	2,447	2,859	3,542	4,009	4,239	4,778	5,255	4,936	5,989	4,694	5,478	6,958
Out: home office and equipment storage share (line 1)	100	100	100	100	100	100	100	100	100	100	100	100
Out: other costs, with loan interest (lines 2, 5 to 12)	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010
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	297	297	297	297	297	297	297	297	297	297	297	297
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(3,107)**	**(2,716)**	**(2,068)**	**(1,626)**	**(1,407)**	**(898)**	**(444)**	**(746)**	**252**	**(975)**	**(234)**	**1,169**
Closing cash, expected	**22,893**	**20,177**	**18,109**	**16,483**	**15,076**	**14,178**	**13,734**	**12,988**	**13,240**	**12,265**	**12,031**	**13,200**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**26,000**	**22,638**	**19,550**	**16,915**	**14,590**	**12,417**	**10,602**	**9,104**	**7,395**	**6,384**	**4,514**	**3,164**
Sales receipts, slow start	1,302	1,901	2,893	3,571	3,905	4,687	5,381	4,918	6,447	4,567	5,703	7,852
Out: variable costs, slow start (lines 13 to 16)	707	1,032	1,571	1,939	2,121	2,545	2,922	2,670	3,501	2,480	3,096	4,264
Out: fixed costs (lines 1 to 12), principal, bills, less funding	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957
Net cash flow, slow start	**(3,362)**	**(3,088)**	**(2,635)**	**(2,325)**	**(2,173)**	**(1,815)**	**(1,498)**	**(1,709)**	**(1,011)**	**(1,870)**	**(1,350)**	**(369)**
Closing cash, slow start	**22,638**	**19,550**	**16,915**	**14,590**	**12,417**	**10,602**	**9,104**	**7,395**	**6,384**	**4,514**	**3,164**	**2,795**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**1,709**	**2,249**	**2,788**	**2,519**	**1,709**	**1,709**	**1,709**	**630**	**1,439**	**(449)**	**90**	**1,169**

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 is the planned figure, which is above the page 5 two-pass size. 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 $11,808 a month, against month 12's own $11,218): closing cash runs $14,910 in month 1 and $30,472 in month 12, lowest $14,910 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 below the expected case: receipts fall with the inspections by more than the lab costs do, while the answering service, fixed costs and principal are paid in full.