Painting Business Plan and Operations Starter Kit

A working kit for residential painting contractors. It prices each job type at a planning loaded labor cost with the paint share shown, turns the deposit, the prep payment and the final walkthrough payment into a collection pattern, tracks repaint quotes by lead source, shows what a billable painter hour costs at your own wage, burden and utilization, finds cash break-even through the winter, and scores the plan on six pass-or-fail tests.

RESIDENTIAL PAINTING
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BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

A painting company can be booked five days a week and still short at month end: the crew is paid for drive time, prep and callbacks the price never mentions, and one job type earns several times another per crew hour. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

3	Business plan, part one: job types, customers and lead sources, service area, pricing
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: vans, sprayers and tools, setup, pre-opening, working capital
6	Sales forecast builder for repaint jobs and small work, ramp, season, capacity check
7	Job pricing at planning loaded labor cost, the payment schedule, and the job overrun check
8	Operating and cash break-even, break-even jobs, space share and debt coverage
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15	Your first 30 days, lease 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 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. Paint prices, financing terms and crew rates move before a quote is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every job and the numbers review every week. Run the page 7 overrun check when each job closes and update the page 9 quote log after every quote.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the painting 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, job-site safety and paint handling or financial advice. Registration and insurance requirements vary by location and by job. Complete a compliance and registration review with a qualified professional before you quote work. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

Before a lender agrees, they want to see where the money for payroll, the paint account and the van payment comes from in a month when nothing is painted outside. Answer in short plain sentences and write the sections separately.

1. Executive summary (write it last)

Say what work you take, the towns you cover, the sum you need and where it goes, from sprayers and vans to payroll. Then name the month the page 6 sales line first covers cash break-even on page 8, and restate the page 4 verdict.

2. Work taken and who buys it

Describe the jobs you sell, from one accent wall to a full exterior repaint, and what the household is buying: a start date you keep, the same painters all week, and floors and furniture put back. Use the customer's own words, and note which lead source each inquiry came from and who says yes in that house.

3. Ground covered and painter hours

Draw your service area: the radius you drive and the run between jobs on one street. Count the brush hours your painters can give in a day, and the repaints and touch-ups that fills.

4. Job types and what each hour leaves

Each job type gets a row: crew hours, the price you would quote, and what each hour leaves. A square-foot price with no painter hours behind it is only a guess.

JOB TYPE	PAINTER HOURS	PRICE	PRICE PER PAINTER HOUR

> *Owner question: We are booked five days a week and we charge what other painters charge, yet nothing is left at month end. Which line loses money?*
>
> Read the page 10 table first, where each billable hour carries drive time, masking and prep plus callbacks nobody invoices, and compare what one job type leaves per crew hour. Then page 7: one line can pay several times what another pays for the same hour. Log return trips and callbacks for a month before repricing; this is a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how a job runs from signed quote to final walkthrough: the written scope, paint ordered, the crew assigned, prep and masking, the brush and spray days, the punch list and the final payment. Name who checks each job when you are not there.

6. Team

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

7. Marketing and sales

Explain where quotes come from, how a walkthrough becomes a signed job, and why customers call back; repeat customers pay for the quotes you lose.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below, with the money needed, its sources and its runway.

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

TEST	PASS?
Gate 0. Quotes with payment schedules, insurance and van quotes, supplier terms and a written scope for each job type are in hand, plus compliance and registration review with a qualified professional.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. Paid crew hours needed in the busiest month (job and small-job hours, pages 6 and 7, over utilization, page 10) fit the four painters' hours (page 6), and planned jobs reach break-even (page 8).	
5. Signed quotes with deposits back the job count, and the walkthrough record backs the small-job volume; a lead count supports a forecast of quotes, not of jobs.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

Not ready: Gate 0 fails. **Green:** Gate 0 and all six tests pass. **Amber:** Tests 1 and 3 pass, but Test 2, 4, 5 or 6 fails, so fix the plan before you sign a van loan or a lease. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs 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 van dealer, the paint supplier or the insurer, or a documented calculation. A painting budget can break on the first payroll before the first final payment lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
VANS, SPRAYERS AND TOOLS				
Two used vans, full purchase price (the loan is a source of funds)				
Airless sprayers, pumps and power tools				
Ladders, staging and drop cloths				
Estimating and scheduling software setup				
REGISTRATION AND SETUP				
Registration and professional setup costs (requirements vary by location; compliance and registration review with a qualified professional)				
Insurance down payment				
Business entity and accounting setup				
Shop lease deposit and first month				
PRE-OPENING				
Hiring, training and pre-opening payroll				
Launch marketing, website and van lettering				
Opening paint and materials stock				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the setup runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build them from signed job quotes and the small jobs you can staff, not from the payroll you need to cover. Count repaints first; add single-room and touch-up work at the volume your quote record supports.

```
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
Repaint jobs	jobs				
Single-room and touch-up work	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 repaint and small-job sales times ramp (the share of full-run volume the crews and the quote record have reached) times season. Use 100 percent where a factor does not apply. In this worked example M1 is March, so M3 is May and M9 to M11 are November through January. Ramp and season are your assumptions; write down the evidence for each, such as your quote record by month.

CAPACITY CHECK

```
Paid crew hours available per month = painters on the crew 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 jobs 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 the small jobs need, then divide by utilization (page 10). Small work uses the same crew, so its hours sit in the same capacity check. At full run the four painters use about 90 percent of the 693 paid hours they are paid for, and about 98 percent in May: one lost crew-day is enough to put the peak month over. If the plan needs more paid hours than you can staff, the plan is wrong, whatever the quotes say.

PAGE 7

Job pricing, deposits and collection

Scope and square footage fix the price, crew hours and paint fix the cost, and the money turns up in three payments. Work out what one painter hour earns on each kind of job.

Labor = the hours painters spend on the job times the page 10 billable-hour cost (drive time, masking and callbacks are already inside that figure, not inside the hours)
Contribution = the quoted price less labor, less paint and materials, less card and fuel at the page 8 percentages; what one painter hour earns = contribution divided by the hours logged on the job
Close rate = jobs won divided by quotes given; quotes to write = jobs to win divided by the close rate

WORKED EXAMPLE: THREE JOB TYPES (ILLUSTRATIVE)

JOB TYPE	JOBS / MONTH	PRICE	CREW HOURS	LABOR	PAINT, MATERIALS	FEES, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE
Interior repaint	2.2	$12,000	96	$3,709	$1,100	$576	$6,615	$68.91	30%
Exterior repaint	1.75	$8,200	112	$4,328	$1,450	$394	$2,028	$18.11	27%
Cabinet refinishing	0.9	$4,600	50	$1,932	$560	$221	$1,887	$37.74	33%

Labor at the planning rate of $38.64 per billable hour from page 10; fees and fuel at 4.8 percent of price (page 8 lines 15 and 16); paint and materials at your supplier's quoted figure. Labor here prices every painter hour at the planning rate; page 8 carries the four painters in line 3 and only overtime hours above them in line 14. Measured per painter hour, the interior repaint earns the most ($68.91) and the exterior repaint the least ($18.11). The interior and exterior rows each assume one 2,000 sq ft house; the exterior row assumes a single-story outside. Single-room and touch-up work: 6 a month, 3 crew hours each, inside the capacity check (those hours sit in line 3). These jobs set the materials and labor shares in the page 12 worked example (repaint jobs: 4.85 a month at an average $9,256).

YOUR JOB TYPES

JOB TYPE	JOBS / MONTH	PRICE	CREW HOURS	LABOR	PAINT, MATERIALS	FEES, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE

DEPOSIT, PREP PAYMENT AND WALKTHROUGH: WHEN EACH LANDS

LINE	PAYMENT STAGE	SHARE OF THE PRICE	LANDS
Repaint jobs	Deposit at signature	10%	in that month
Repaint jobs	Payment when prep is done	40%	in that month
Repaint jobs	Final walkthrough payment	50%	in that month
Single-room and touch-up work	Paid when the job is finished	100%	in that month

For each $100 of painting billed, this example collects $100 in that month. The example blends the lines' schedules by full-run sales (repaint jobs 93 percent, single-room and touch-up work 7 percent) into one whole-percent pattern for this sentence only; page 11 collects each line on its own schedule, month by month, and your own forecast does the same. Cash held for an unstarted job never enters closing cash; each sale counts once, in its billing month.

CHECKING A JOB FOR OVERRUN

A job grows while its quote stands still: masking under the baseboard, a third coat, a hutch never priced. Set logged hours beside quoted hours at every close, and write extra scope into a change order.

Overrun hours = hours actually booked to the job minus hours quoted; overrun cost = overrun hours times the page 10 billable-hour rate. Find the cause first; put added scope in a written change order before the extra work starts, and carry every overrun into the next price you send.

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 materials storage rent	
2. Liability, property and vehicle insurance	
3. Four painters and any guaranteed minimum crew hours, with payroll taxes and workers' compensation	
4. Owner's market wage (selling, quoting, management; hours on jobs go in line 14)	
5. Loan interest (van and sprayer loan)	
6. Base utilities, phones and internet	
7. Marketing, website and lead services	
8. Estimating, scheduling and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Sprayer and tool maintenance and repair	
11. Van insurance, registration and fixed vehicle costs	
12. Recurring training, memberships and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Paint and materials, as quoted on each job and used on each small job	
14. Hourly crew labor above any minimum crew, with payroll taxes and workers' compensation	
15. Card and financing fees	
16. Fuel, tape, plastic 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 repaint's contribution; small jobs: own paint share, kit's other lines
Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

RESULT	PER MONTH	PER WEEK	PER DAY OPEN
Operating break-even sales			
Cash break-even sales			
Break-even jobs (use cash break-even)	one figure per month		
Shop and storage share and debt service coverage at full-run sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; per working day = weekly divided by days open per week. Shop and storage share = line 1 divided by net sales.

PAGE 9

Bids, win rate and renewals

One crew, one set of vans, and a different buyer each time. Sort repaint quotes by where the inquiry started: a referral who walks the house closes at another rate than a form sent online, and returning customers decide whether the business grows or only gets busier.

```
Quote rate = prices written over houses walked; win rate = jobs signed over prices written
Walkthroughs wanted = the new jobs you are after, over quote rate multiplied by win rate
Dropped-job rate = jobs cancelled once signed, over the jobs signed in that quarter
```

WORKED EXAMPLE: ONE QUARTER OF REPAINT SELLING, SPLIT BY WHERE THE INQUIRY CAME FROM (ILLUSTRATIVE)

LEAD SOURCE	WALKTHROUGHS	QUOTES	JOBS WON	QUOTE RATE	WIN RATE	DAYS WALKTHROUGH TO QUOTE	WALKTHROUGHS FOR 14.6 JOBS
Past customers and their neighbors	16.1	13.7	4.1	85%	30%	3 days	57
Website form and lead-service inquiries	42.0	28.1	7.6	67%	27%	6 days	81
Realtors, property managers and builders	11.7	8.8	2.9	75%	33%	14 days	59

The counts in this example are assumed to show the arithmetic and prove nothing about why a lead source converts. Numbers this small point a direction rather than a rate, so keep a tally for another quarter before acting on it. These quotes land 14.6 jobs in a quarter, against the 4.85 a month the plan wants at full run; losing one to a cancellation leaves 13.6, a job short, and the funnel carries no slack. The date on the job, not the date on the quote, drives the page 12 ramp, which fills by month 9. The last column shows the walkthroughs each source would need on its own to land all 14.6 jobs; the example actually uses about 70 walkthroughs across the three sources, so do not add the column. One job dropped after signing out of 14.6 quarterly wins is 6.8 percent of quarterly wins, and the example does not turn that into a monthly rate because it has no monthly exposure figure, so the quote pipeline has to find that lost job again before it finds anything extra.

YOUR QUOTE PIPELINE, SORTED THE SAME WAY

LEAD SOURCE	WALKTHROUGHS	QUOTES	JOBS WON	QUOTE RATE	WIN RATE	DAYS WALKTHROUGH TO QUOTE	WALKTHROUGHS NEEDED

BOOKED JOBS AND CANCELLATIONS REGISTER

CUSTOMER	JOB DATE	DEPOSIT TAKEN	PAINTED OR CANCELLED	WHY THE CUSTOMER PULLED OUT, WRITTEN IN THEIR OWN WORDS

PAGE 10

Crew utilization and true labor cost

A paint crew is paid from the moment it loads the van. Driving across town, queueing at the paint desk and taping a room all come out of the same pot as the hours a customer pays for, so every price has to carry them.

```
Utilization = hours with a brush or sprayer in hand, over hours paid
Loaded hourly cost = the wage, plus its share for payroll taxes, workers' compensation, benefits and paid time off
Billable-hour cost = the loaded cost of a paid hour, times hours paid, then divided by billable brush-and-spray hours
```

WORKED EXAMPLE: ONE TWO-PAINTER TEAM, ONE WEEK (ILLUSTRATIVE)

HOURS	HOURS THIS WEEK	SHARE OF PAID HOURS
Paid hours	80	100%
Brush and spray hours	60	75%
Driving and paint runs	5	6.3%
Callbacks and touch-up visits	3	3.8%
Van loading, mixing and admin	12	15.0%

A $23.00 wage plus 26 percent for payroll taxes and benefits puts a paid hour at $28.98. Only 75 percent of those hours reach a brush or a sprayer, so a billable hour stands at $38.64. Quote from that figure, not the wage.

ONE WEEK, PAINTER BY PAINTER

PAINTER OR TEAM	PAID HOURS	ON SITE, BILLABLE	DRIVE	REWORK	UTILIZATION	COST PER BILLABLE HOUR

WHAT WALKS OUT WHEN A PAINTER LEAVES

A painter who quits takes the color schedule, the sprayer settings and the customer's touch-up history out of the door unless somebody wrote them down. Keep those notes on every job, in one place, so the next person opens the same file instead of starting from memory.

PAGE 11

Twelve-month cash forecast

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

PAGE 12

Runway, and what the winter costs

Runway = the months you can keep going, counted from the last month you closed (before opening, from the morning the vans first leave the yard), until closing cash drops below your floor

Worked example: a made-up painting business

Illustrative figures only, not benchmarks. A job bills once the last wall is done, and the four painters sit on line 3 from the outset. Cash floor $32,974. Money arrives on the page 7 pattern (10 percent on signature, 40 percent when prep is complete and 50 percent at the final walkthrough, each within the billing month; a deposit taken before a job's billing month stays out of closing cash until the job starts); small work is paid when it finishes; money for paint leaves as the work moves on; the owner takes the wage in cash; no new loan or gift arrives.

Page 5, budget	The startup budget totals $188,750: a $48,000 loan (10.5 percent over 5 years) together with $140,750 from the owner, and the owner's side holds a $97,200 reserve for ramp losses, the winter, the lag on final payments, the floor and a buffer. Page 5 runs two passes: floor $32,974, plus another month of buffer at $32,974, plus $31,198 (how far below zero a first pass with no cash falls), then rounded to $97,200.
Page 8, costs	Overheads come to $32,332 a month, with $1,250 of that on shop and materials storage and $390 on loan interest; principal $642 a month (year 1 averages for both); variable share 16.8 percent, leaving a contribution margin ratio of 0.832. Lines 13 to 16 put 12, 0, 3 and 1.8 percent of net sales on the cost side (line 13 blended across the sales lines). The twelve fixed lines run $1,250, $520, $20,092, $6,000, $390, $380, $1,900, $260, $450, $250, $620 and $220 a month.
Page 8, break-even	Break-even on operations lands around $38,861 a month. Cash break-even (its fixed $32,332 plus principal $642, all divided by 0.832) is about $39,632 a month: 3.9 jobs a month from repaint jobs once the other lines have paid their way (line 13 runs 12.2 percent on repaint jobs, 10 percent on single-room and touch-up work; lines 14 to 16 hold the same slice of each line, which leaves the contribution ratio at 0.830 on repaint jobs, 0.852 on single-room and touch-up work), so 4, against a plan of 4.85.
Page 6, sales	Repaint jobs: 4.85 jobs a month at $9,255.67. Single-room and touch-up work: 6 jobs a month, $600 each. At full run the month comes to about $48,490; repaints and small jobs climb 40, 55, 65, 75, 82, 88, 92, 96 percent through months 1 to 8, then 100 percent; season 104, 106, 108, 106, 104, 101, 99, 97, 94, 90, 86, 105 percent through the months 1 to 12, for repaints and small jobs alike.
Page 19, expected column	Month 1 bills $20,172; month 1 finishes at $81,009, month 12 at $98,074. Low: month 4, closing $66,002, $33,028 clear above the floor.
Page 19, slow-start column	At 70 percent of the expected repaints and small jobs, month 1 sales $14,120; month 1 finishes at $75,974, month 12 at minus $20,894. Cash dips under the floor in month 5 (closing $26,902) and below zero by month 9 (closing at minus $1,328), so 4 months of runway remain once the doors open.
Page 8, coverage	In a full-run month at $48,490, planning coverage, before income tax or van and sprayer replacement, comes to 8.14 against the 1.25 your example lender demands, and at the month-12 run rate it reads 8.14 again; Test 3 wants both cleared. Shop and storage take close to 2.6 percent of sales.

PAGE 4 VERDICT FOR THIS EXAMPLE IS AMBER

Gate 0: assumed met for the example; no documents. Test 1 passes: the month-12 run rate is about $48,490 a month, above the $39,632 break-even; cash holds the floor through a second year at that rate (lowest close $107,058, month 1 of year 2). Test 2 fails: at 70 percent of repaints and small jobs it drops under the floor in month 5; about $53,900 more in the reserve would pass it. Test 3 passes against the planning formula; your lender's own definition is what decides it. Test 4 passes, in the busiest full-run month: the third month, season 108 percent, the jobs on page 7 and the small jobs on page 6 take about 508 billable brush-and-spray hours, about 677 paid hours at 75 percent utilization (page 10), near 3.9 full-time painters, against the 693 paid hours the four painters can field (4 painters, 8 hours a day, 5 days a week, with line 3 accounting for 693), so the jobs fit, and one lost crew-day in May would put the peak month over; the 4.85 planned repaints a month pass the break-even count. Test 5 fails for want of evidence. Test 6 passes: a full year at full run with the winter months in, leaves about $88,436 after principal, with no full-run month below zero, so no cushion is needed. That is a steady year, not year one: page 19's first year leaves about $874 in cash because the first year is still building. Break-even takes about 82 percent of the plan's sales; year one's low is the month-4 spring ramp, not the winter, while at full run winter is the low season Test 6 tests.

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 fewer repaints and small jobs (lines 13 to 16 fall)	minus $4,034	Expected case holds the floor
Repaint jobs: average price 5 percent higher, same volume (only card and financing fees rise)	plus $2,177	Break-even jobs fall from 3.9 to 3.7 a month, so from 4 to 4: per-unit costs stay the same, so the ratio rises from 0.832 to 0.838 on the new sales (sales-linked fees, line 15, take 3.0 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $38,430
Lose the exterior repaint row (1.75 jobs a month at $8,200), from month 6 onward	minus $11,124	Expected case below the floor in month 11 (closing $28,277); slow start deadline unchanged (month 5); 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 one month after billing (crew and bills still paid on time)	no change	Expected case below the floor in month 3 (closing $32,863); slow start below the floor in month 3 (closing $22,487); would fail Test 1
The 50 percent final walkthrough payment on one interior repaint a month from month 6 never arrives for 2 months ($6,000 a month)	no change	Expected case still clears the floor; slow start deadline unchanged (month 5); $12,000 never collected
Jobs run 15 percent over quoted crew hours (line 14 rises from 0 to 1.7 percent, about 28 more paid hours a month; a price rise of about 1.9 percent on repaint prices would hold contribution)	minus $810	Cash break-even rises to about $40,444; expected case still clears the floor; slow start deadline unchanged (month 5)
Paint and materials cost 10 percent more (line 13 rises from 12 to 13.2 percent, about $582 a month at full run)	minus $582	Cash break-even rises to about $40,212; expected case still clears the floor; slow start deadline unchanged (month 5)
The winter runs 10 season points deeper than the plan (November to January, the three months the season index is lowest)	minus $4,034	Expected case still clears the floor; slow start deadline unchanged (month 5)
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 4 (closing $25,792)
Opening 3 months late (shop and materials storage, insurance, loan interest and principal, $2,802 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 $52,636 in month 8 from the planned opening, $13,365 lower than on time; slow start below the floor in month 7 from the planned opening (month 5 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

Job checklists, weekly review, six questions

Nothing here replaces a safety program. Paint handling, ladders, sprayer pressure and ventilation come from your own work and a qualified safety professional.

BEFORE A CAN IS OPENED

- [ ] Have the signed quote, the customer's deposit and the written scope in hand before anyone orders paint.
- [ ] Settle colors, sheens and quantities room by room, and get the household to initial the color sheet.
- [ ] Name the painter who books hours on this job, against the crew hours the price carried.
- [ ] Write the order of prep and masking down, with who does each part.
- [ ] Ring the household the evening before with the time the van pulls up.
- [ ] Note how they want to be reached, which door, and what to do about pets.

CLOSING THE JOB, AND PACKING UP

- [ ] Set booked hours beside quoted hours at every job close.
- [ ] Do the walkthrough with the household and settle the punch list before the van is packed.
- [ ] Log every product, color code and sheen you used, so a later touch-up still matches.
- [ ] Take the final payment at the walkthrough, or put the agreed date in writing.
- [ ] Log each callback and return trip, noting what caused it and the hours it swallowed.
- [ ] Flush and check the sprayers, and flag any paint or materials running short.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Invoiced and banked, job by job and stage by stage				
Gap between hours booked and hours quoted				
How much of the paid week reached a wall				
Walkthroughs held, prices handed over, jobs signed				
Close rate by lead source, from price handed over to signature				
Walkthrough payments due in the next 30 days				
Owner hours with a brush in hand				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every price wait for the owner, and do painters call before settling a color or a scope change?
2. **Reactive operations.** In a week, how many customer messages say we never came, come back or still not right, and how many of those visits went unbilled?
3. **Growth without structure.** Count the jobs each week needing a scope call halfway through, and the overtime from paint that ran out and second trips.
4. **Talent and retention.** How much of the work rests on a single painter who alone holds the sprayer settings, the household's history and the color sheet?
5. **Revenue plateau.** What is the wait between walking a house and sending a price, and how many walkthroughs never get a price at all?
6. **Strategic confusion.** Within one job type, do crew hours scatter widely, and does the work actually painted drift from the work priced?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the message log from customers, the hours sheet set against each price, the quote ledger, or the callback book.

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 quoting and on jobs.
Week 2	Fill the page 7 job table at planning loaded labor cost and mark any job type priced below its labor, paint, fees and fuel.
Week 3	Set up the quote table on page 9 by lead source and record days from walkthrough to quote.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a lead painter 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 Painting 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 pricing calculator from crew hours and paint to a price at a target margin, a deposit and final-payment tracker, editable quote, callback and crew scheduling trackers, job-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 painting contractors, 2026, an internal working file that is not published, described on page 2; the questions are hypotheses and no figure in this kit comes from it. Residential painting owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, job-site safety and paint handling 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 job types, small jobs 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 customer contracts, customer names or addresses, access details, color and finish schedules, 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 painting company. I have attached the Painting Business Plan and Operations Starter Kit from businessconsultant.services. Turn it into my own plan for my job types and crews, using only my numbers.

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 price, paint cost, wage, close rate 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 repaint and small-job sales times ramp times season; before opening, count expected jobs by month, each marked MY ESTIMATE until confirmed.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's hours on shift go in line 14 at a market wage. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the work; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even jobs = (fixed costs, principal and other recurring cash out minus small-job contribution) divided by one average repaint's contribution; small jobs: own paint share, kit's other lines. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid crew hours available per month = painters on the crew 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 jobs and small jobs divided by utilization.
- Shop and storage 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, and every fixed line at its own monthly 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 day the vans first roll 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, the prep payment and the final walkthrough payment in the month each lands; payroll and suppliers are paid in the month worked. Hold a deposit for a job that has not started out of closing cash. In the slow-start case, every month's sales, single-room 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, counting from the morning the vans first leave the yard), up to 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, 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 customer IDs. Do not ask for names, home addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Job types, customer segments and lead sources, service area, the painters I can staff on the crew each day and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for repaint jobs, the full-run jobs a month by job type, the price of each type, paint and materials cost and crew hours; for single-room and touch-up work, the jobs a month at full run, the average price and the paint share of it; a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month from my quote record or my market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. Quotes given and won last quarter for each job type; my payment schedule for each sales line (the deposit share and when it is collected, the prep payment and when, the final walkthrough payment and how many days after the walkthrough 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 vans and sprayers to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the four painters, any guaranteed minimum crew, loan interest and my market wage; whether I draw that wage in cash; my hours on shift each month; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my hours on shift go in line 14 at a market wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, paint and materials, as quoted on each job and used on each small job; line 14, hourly crew labor above any minimum crew, with payroll taxes and workers' compensation; line 15, card and financing fees; line 16, fuel, tape, plastic and small consumables; and any sales line whose own shares differ, given for that line.
g. For each lead source: walkthroughs, quotes and jobs won last quarter, and days from walkthrough to quote; signed jobs in hand at the start of the quarter and jobs cancelled; the number of new jobs I need.
h. For your typical crew, one typical week: paid, on-site billable, drive, callback and loading or admin hours per painter; 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 at signature, the prep completion payment, the final walkthrough payment and how many days after the walkthrough it lands, or by card at completion for small work), deposits I collect or pay and when, and when my paint supplier is paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, van, sprayer and tool replacement and paint 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 painting company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by repaint 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 and storage 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. Add a receivables memo for each month: last month's receivables plus billed minus collected.
6. Job economics for each job type at planning loaded labor cost, ranked by contribution per crew hour, flagging any job type priced below its labor, paint, fees and fuel; quotes needed a month; and the collection pattern the cash forecast uses.
7. Pipeline by lead source with walkthroughs needed and the cancellation rate.
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 job count or payment timing I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with job counts by month, payment timing and crew hours, before anyone sees the plan, and recheck the page 4 result with a calculator.

The worked example's twelve-month forecast, filled in

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $32,974.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**97,200**	**81,009**	**71,555**	**66,903**	**66,002**	**67,433**	**70,316**	**74,087**	**78,681**	**83,630**	**86,966**	**88,687**
In: sales receipts	20,172	28,270	34,040	38,550	41,352	43,098	44,165	45,154	45,581	43,641	41,701	50,914
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: paint, materials, fees and fuel (lines 13, 15, 16)	3,389	4,749	5,719	6,476	6,947	7,240	7,420	7,586	7,658	7,332	7,006	8,554
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	26,092	26,093	26,091	26,093	26,092	26,093	26,092	26,092	26,092	26,091	26,092	26,091
Out: shop and materials storage rent (line 1)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Out: other costs, with loan interest (lines 2, 5 to 12)	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990
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	642	642	642	642	642	642	642	642	642	642	642	642
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(16,191)**	**(9,454)**	**(4,652)**	**(901)**	**1,431**	**2,883**	**3,771**	**4,594**	**4,949**	**3,336**	**1,721**	**9,387**
Closing cash, expected	**81,009**	**71,555**	**66,903**	**66,002**	**67,433**	**70,316**	**74,087**	**78,681**	**83,630**	**86,966**	**88,687**	**98,074**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**97,200**	**75,974**	**59,464**	**46,315**	**35,792**	**26,902**	**19,028**	**11,776**	**5,099**	**(1,328)**	**(8,886)**	**(17,573)**
Sales receipts, slow start	14,120	19,789	23,828	26,985	28,947	30,169	30,915	31,608	31,906	30,549	29,191	35,640
Out: variable costs, slow start (lines 13 to 16)	2,372	3,325	4,003	4,534	4,863	5,069	5,193	5,311	5,359	5,133	4,904	5,987
Out: fixed costs (lines 1 to 12), principal, bills, less funding	32,974	32,974	32,974	32,974	32,974	32,974	32,974	32,974	32,974	32,974	32,974	32,974
Net cash flow, slow start	**(21,226)**	**(16,510)**	**(13,149)**	**(10,523)**	**(8,890)**	**(7,874)**	**(7,252)**	**(6,677)**	**(6,427)**	**(7,558)**	**(8,687)**	**(3,321)**
Closing cash, slow start	**75,974**	**59,464**	**46,315**	**35,792**	**26,902**	**19,028**	**11,776**	**5,099**	**(1,328)**	**(8,886)**	**(17,573)**	**(20,894)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**8,983**	**9,790**	**10,597**	**9,790**	**8,983**	**7,773**	**6,966**	**6,159**	**4,949**	**3,335**	**1,722**	**9,387**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by a dollar or two 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 $48,490 a month, against month 12's own $50,914): closing cash runs $107,058 in month 1 and $186,510 in month 12, lowest $107,058 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 sales by more than paint and materials do, while payroll, fixed costs and principal do not fall.