Pest Control Business Plan and Operations Starter Kit

A working kit for residential pest control owners. It tests every account's monthly price against its visit hours at true labor cost, tracks leads and wins by segment, shows what a billable route hour truly costs, finds cash break-even with customers on a card, and scores the plan on six pass-or-fail tests.

RESIDENTIAL PEST CONTROL
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PAGE 2

Start here

A pest route can look busy and still lose money. The price is quoted per home while the work is hours, callbacks and re-treats go out free, and the largest home can earn the least per hour. This kit makes you write those numbers down, then tests whether they are enough, before a lender or a payroll week asks.

WHAT IS INSIDE

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

HOW TO USE IT

1. Build program and one-time 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. Prices, visit hours and customer payment timing move before a program is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists every route day and the numbers review every Friday. Run the price and hours check on page 7 every month, and update the lead log on page 9 every week.

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 residential pest control 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, product handling or financial advice. Requirements vary by location, so arrange a review of applicator requirements and product handling with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender will want to see that recurring treatments collect enough to cover the technician payroll, the chemical and equipment spend and the van note, month after month, with most homes on a card on file. Answer each prompt in plain sentences here, then write the long sections on separate sheets.

1. Executive summary (leave it until last)

Set out the treatments you sell, the towns and streets you cover, the cash you need and what it buys, from spray rigs and the first chemical order to the first payroll. Then name the month in which the page 6 forecast first covers cash break-even on page 8, and give the page 4 result.

2. Services and customers

Write down which homes you treat and on what schedule, and say what the owner is buying beyond fewer pests: a clean kitchen, a rental that passes inspection, a yard the children can use. Group those homes into segments, such as town homes, single-family homes and small rental portfolios, and write what each one is really buying and who decides at each account.

3. Service area and capacity

Draw the towns and ZIP codes you cover and estimate the windshield time between one stop and the next. Record how many paid technician hours you can staff each week, then divide by the hours a visit takes to see how many accounts those hours will carry.

4. Service menu and pricing

List each program with the hours a visit takes and the monthly price you bill for it. A program priced without its visit hours behind it is a guess.

PROGRAM	HOURS A VISIT	MONTHLY PRICE	PRICE PER FIELD HOUR

> *Owner question: why can a full route still lose money, and which homes should I re-price or drop?*
>
> Start with one cause: nobody set the monthly price against the visit hours it buys at the true cost of a billable field hour, so windshield time, callbacks and free re-treats stay unpriced. Price each home from the hours it takes in a year at true cost, add product and card fees, hold a minimum monthly price, and reset it at renewal from the hours you logged (page 7).

PAGE 4

Business plan, part two

5. Operations

Describe how a week runs, covering the route, the technician's schedule, product inventory, equipment checks and customer notices. Name who checks each stop when you are not there.

6. Team

List every role, the hours it covers and the pay it costs, including a market wage for your own hours. Name the person who can run a day without you. The first question on page 14 tests that dependency.

7. Marketing and sales

Explain how you find conversations, which segments you bid and why customers stay. Retention pays for the leads 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 if billings lag.

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

TEST	PASS?
Gate 0. Written quotes for the vehicle, spray rigs, chemical inventory and insurance, and the requirements of every approval the plan needs, 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, customer 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. Paid field hours needed in the busiest month (account hours, page 7, divided by utilization, page 10) fit the hours you can staff (page 6), and planned accounts reach break-even (page 8).	
5. Signed programs with start dates back the account count, and quoted one-time jobs back the price; a lead supports a conversation, not a win.	
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 storage lease or a large chemical order. **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 equipment supplier, the vehicle seller or the insurer, or a documented calculation. Pest budgets can break on the first payroll before receipts arrive, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
VEHICLE AND EQUIPMENT				
Van, full purchase price (the loan is a source of funds)				
Spray rigs, tanks and application equipment				
Starting chemical inventory				
Uniforms, respirators and safety equipment				
Route, scheduling and billing software set-up				
FORMATION AND COMPLIANCE				
Business registration and entity set-up				
Insurance down payment				
Accounting and bookkeeping set-up				
Storage space deposit				
PEOPLE AND LAUNCH				
Hiring and background checks				
Training before the first account				
Launch marketing and door hangers				
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 set-up 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 accounts and their monthly prices, not from the payroll you need to cover. Count recurring programs first; add one-time work only where it repeats or is confirmed.

```
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
Recurring residential programs	accounts				
One-time and add-on jobs	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 program sales times ramp (the share of full-run program revenue signed and started) times season, plus one-time work as booked (before opening, the jobs you expect, marked as your estimate until confirmed). Use 100 percent where a factor does not apply. Ramp and season are your assumptions; write down the evidence for each, such as your call record by month.

CAPACITY CHECK

```
Paid field hours available per month = crew members multiplied by hours a day (add each member's hours if they differ), days a week and 52, divided by 12; paid hours needed = on-site hours for accounts and jobs divided by utilization
```

Write how many paid hours you can staff each week and how many days you work. Add up the monthly on-site hours your accounts and jobs need (hours per visit times visits per month, page 7, plus each job's hours) and divide by utilization (page 10). If the plan needs more paid hours than you can staff, the plan is wrong, whatever the programs say.

PAGE 7

Account pricing and scope drift

A recurring program is a monthly charge that buys a quarterly treatment. Underneath the charge the real unit is the field hour. Convert every home on the route into visit hours and margin per hour, then recheck each month whether that home still absorbs the time the price was built on. The three homes below are illustrative.

Hours per visit = the treated area at that stop divided by your coverage rate, the square feet one field hour covers
Monthly payroll for the account = hours per visit times visits in the month times the true cost per billable hour (page 10)
What the account leaves = monthly price minus that payroll and the other variable spend (product, card fees, fuel); margin per on-site hour = what it leaves divided by the hours spent treating the home in the month (hours per visit times visits in the month)

WORKED EXAMPLE: THREE ACCOUNTS (ILLUSTRATIVE).

HOME	TREATED AREA (SQ FT)	SQ FT AN HOUR	VISITS A MONTH	HOURS PER VISIT	MONTHLY PRICE	PAYROLL	PRODUCT, FEES, FUEL	LEFT AFTER COSTS	MARGIN AN HOUR
Standard home	2,000	2,667	0.333	0.75	$46	$11	$8	$27	$108.11
Home with rodent stations	2,600	2,889	0.333	0.90	$52	$13	$9	$30	$100.10
Home with termite monitoring	3,200	3,048	0.333	1.05	$58	$15	$10	$33	$94.38

Payroll is charged at $43.61 for every billable hour, the figure from page 10, which already absorbs windshield time, waiting at the gate, product loading and any return for a callback; product, card fees and fuel take 17 percent of the program price, matching the page 8 shares on lines 13, 15 and 16. Production rates differ by account and home size. The largest home brings the most revenue and earns the least per hour. A bigger house takes longer per square foot, and a callback costs the same whether the home is large or small. These homes set the payroll share carried into the page 12 worked example.

YOUR ACCOUNTS

HOME	TREATED AREA (SQ FT)	SQ FT AN HOUR	VISITS A MONTH	HOURS PER VISIT	MONTHLY PRICE	PAYROLL	PRODUCT, FEES, FUEL	LEFT AFTER COSTS	MARGIN AN HOUR

SCOPE DRIFT CHECK

A house changes and the price does not: a shed or a deck goes in, a remodel finishes, the owner adds a service. Every month, not only when the contract renews, set the hours your technician logs at that home against the hours the price assumed.

Drift hours = the hours your technician actually logs at a home minus the hours the signed price allowed for. It comes from added work or from access trouble, a slower technician or a coverage rate that no longer holds; settle the cause before you price anything. Where the extra work passes the tolerance you set, bill it on its own or rewrite the scope in the contract.

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. The twelve fixed lines run flat all year. Enter each at its monthly amount; page 11 uses the same amount every month.

FIXED COSTS PER MONTH	PER MONTH
1. Storage, office and chemical store rent	
2. Insurance, general liability, business owners policy and umbrella	
3. Part-time office assistant and collections support, with payroll taxes	
4. Owner's market wage (management time; route hours go in line 14)	
5. Loan interest (vehicle and equipment loans)	
6. Utilities and phones	
7. Marketing, leads and door hangers	
8. Route, scheduling and billing software	
9. Payroll, bookkeeping and bank fees	
10. Equipment and sprayer reserve	
11. Van insurance and registration	
12. Training, memberships and continuing education	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Chemical products and supplies	
14. Hourly field labor for visits and one-time work, with payroll taxes and workers' compensation	
15. Payment processing fees	
16. Fuel and mileage	
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 accounts = (fixed costs, principal and other recurring cash out minus one-time work
contribution) divided by one average account's contribution; one-time work at its own ratio (blended in
the example)
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 accounts (use cash break-even)	one figure per month		
Space 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. Space share = line 1 divided by net sales.

PAGE 9

Walk-throughs, win rate and renewals

The same quarterly program arrives by very different doors. Count your leads by segment, because a referral from a neighbor and a form fill from an online ad are not buying the same thing, and retention decides whether a full route stays full. The counts are illustrative.

```
Quote rate = written proposals divided by walk-throughs; close rate = signed accounts divided by proposals
Walk-throughs to book = accounts you still need divided by (quote rate times close rate)
Monthly churn = accounts cancelled or lost in the month divided by accounts on the books at the start of it
```

WORKED EXAMPLE: ONE QUARTER OF WALK-THROUGHS, BY SEGMENT (ILLUSTRATIVE)

LEAD SOURCE	WALK-THROUGHS	WRITTEN QUOTES	SIGNED ACCOUNTS	QUOTE RATE	CLOSE RATE	DAYS TO A QUOTE	LEADS FOR 94 SIGNED
Neighborhood door-to-door and referrals	200	140	58	70%	41%	2 days	324
Web and online lead ads	120	70	29	58%	41%	2 days	389
Property managers and small commercial	22	16	7	73%	44%	7 days	295

The counts in this example are assumed to show the arithmetic and prove nothing about why a segment converts. Counts this large show a direction, not a rate; keep counting before you rely on one. These leads sign accounts through the year; with four homes lost a quarter, the net additions drive the page 12 ramp, and that ramp reaches the full 350 accounts in month 12. Knocking on doors works off the streets your vans already serve, so begin with the blocks around your first customers. In the example 4 of 350 accounts leave over a quarter, which works out to roughly 0.4 percent a month on the accounts held when the quarter opened and before any new sign-ups, so the quote pipeline has to replace those homes before it can grow the route.

YOUR PIPELINE, BY SEGMENT

LEAD SOURCE	WALK-THROUGHS	WRITTEN QUOTES	SIGNED ACCOUNTS	QUOTE RATE	CLOSE RATE	DAYS TO A QUOTE	WALK-THROUGHS TO BOOK

RENEWAL AND LOSS LOG

HOME	RENEWAL DATE	PRICE CHANGE AT RENEWAL	RENEWED OR CANCELLED	WHY, IN THE OWNER'S WORDS

PAGE 10

Route utilization and the true cost of a field hour

The hourly wage is only the start of it. Hours you pay for that no customer is billed against, the windshield time between stops, a second visit after a callback, waiting at a gate for the code, mixing product back at the shop, push the true cost of every billable field hour higher. The week below is illustrative.

```
Utilization = the hours actually spent treating homes divided by the hours you pay for
Loaded hourly cost = wage times (1 + the share for payroll taxes, workers' compensation, benefits and paid time off)
Cost per billable hour = paid hours times the loaded hourly cost, divided by the hours spent treating homes
```

WORKED EXAMPLE: ONE CREW, ONE WEEK (ILLUSTRATIVE).

TIME LINE	HOURS THIS WEEK	SHARE OF THE PAID WEEK
Paid hours	40	100%
On-site, billable work	27	68%
Drive between sites	9	22.5%
Callback and re-treat visits	1	2.5%
Waiting, loading, admin	3	7.5%

Take a $23.00 technician wage and 28 percent for payroll taxes and benefits, and the loaded cost is $29.44 for every paid hour; at 68 percent utilization a billable field hour really costs you $43.61. Put that figure on every quote, not the wage and not the loaded rate.

YOUR CREWS, BY WEEK

TECHNICIAN OR LEAD	PAID HOURS	HOURS TREATING	WINDSHIELD	CALLBACKS	UTILIZATION	COST OF A BILLABLE HOUR

WHERE TECHNICIAN TURNOVER COSTS THE MOST

Losing a technician hurts most where the route runs on knowledge that lives only in that person's head. Record the gate code, the dog, the product applied and the homeowner's preferences at each stop, so whoever takes the van next week works from the same sheet.

PAGE 11

Twelve-month cash forecast

Costs are paid as the work happens. 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, when each customer pays, excluding sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: products, fees and fuel (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: storage and office rent (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
Memo: receivables = last month's + billed minus collected												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first working 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. Payroll is paid as worked. 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 cash path shows

Runway = how many months you can keep going, counted from the month after your last close (or from your first working day), until closing cash falls under your floor for the first time

A stand-in pest control company, run through the numbers

These numbers demonstrate the arithmetic and are not benchmarks. Line 3 pays a part-time office assistant, not a supervisor. The cash floor is set at $10,710. A card on file collects in the billing month, so each home's charge clears in the month it is billed and receipts match billings unless the owner enters a lag; the owner takes a wage in cash; no new funding comes in.

Page 5, the startup budget	Startup spending reaches $143,500, counting a $40,000 van and equipment loan at 11 percent over 5 years plus $103,500 of the owner's money, and $70,900 of that is a working capital reserve still untouched on opening day. Page 5 arrives at the reserve in two passes: the floor of $10,710, then one month of buffer at $10,710, then $49,477 (the distance the first pass ends below zero with no cash at the door), rounded up to $70,900.
Page 8, the cost base	Fixed costs come to $10,181 a month, led by $900 for the storage bay and office, $341 of loan interest and principal of $529 a month, both year 1 averages. Variable costs take 42.1 percent, leaving a contribution margin ratio of 0.579. Lines 13 to 16 take 10, 25.1, 3 and 4 percent of sales. Fixed lines 1 to 12 run $900, $280, $1,300, $4,800, $341, $240, $1,000, $220, $280, $260, $320 and $240 a month.
Page 8, the break-even point	Operating break-even lands near $17,584 a month. Cash break-even takes about $18,497 a month, the fixed $10,181 plus principal $529, over 0.579, which works out to 292.3 accounts a month on recurring residential programs once the one-time jobs' contribution is counted, so 293, against the 350 the plan assumes.
Page 6, the sales build	Recurring residential programs make up 350 accounts a month at $52. One-time and add-on work adds 12 jobs a month at $275 (4 in month 1, 8 in month 2, then 12 a month, that recurring level each year). A full-run month bills about $21,500. New accounts arrive at 6, 14, 22, 30, 38, 46, 55, 64, 73, 82, 91 percent across months 1 to 11, then at 100 percent; weather shifts the season index through 110, 122, 130, 126, 116, 104, 94, 86, 76, 70, 72, 94 percent across months 1 to 12, applied to regular sales only.
Page 19, the expected case	Month 1 bills $2,301 and month 1 closes at $61,522, with month 12 at $22,530. The low point comes at month 11, closing $21,423, which leaves $10,713 over the floor.
Page 19, the slow-start case	With sales at 70 percent of the expected case, month 1 bills $1,611 and month 1 closes at $61,123, with month 12 closing at minus $1,515. The balance breaks the floor in month 9 (closing $10,601) and breaks zero in month 12 (closing minus $1,515), leaving 8 months of runway from the day it opens.
Page 8, the coverage ratio	A full-run month bills $21,500, and coverage for the plan (before income tax and equipment replacement) works out to 3.00, next to the 1.25 floor the example lender sets; the month-12 run rate matches at 3.00, so Test 3 rests on both. The storage bay and office take about 4.2 percent of sales.

PAGE 4 CHECKS THIS PEST CONTROL EXAMPLE AND SCORES IT AMBER

Gate 0 is assumed met for the example. Test 1 passes: sales at the month-12 run rate near $21,500 a month clear the $18,497 cash break-even, and at that rate closing cash stays above the floor through a second year (lowest close $25,322, month 1 of year 2). (Outside the test: expected sales first cover cash break-even in month 12.) Test 2 fails, because the slow start puts closing cash under the floor in month 9; another $12,300 of reserve would carry it past. Test 3 passes on the planning formula, though the lender measures it its own way. Test 4 passes: in the busiest full-run month (month 3, season 130 percent), the route needs about 230 paid field hours (line 14's 25.1 percent of $26,960, divided by the $29.44 loaded hourly cost, which works out to about 160 hours treating homes at 68 percent utilization, page 10), while the paid hours the example's crew can staff total 347 (2 crew members a day for 8 hours, 5 days a week), because the example pays technicians only for hours worked. The 350 accounts in the plan clear the break-even count on page 8. Test 5 fails for lack of evidence. Test 6 passes: a settled full-run year leaves about $20,862 after principal, but the balance drops below zero in months 9, 10 and 11 by at least $3,425, its deepest fall (from the month 8 high to the month 11 low), and the page 5 buffer covers it. That is the steady-state year rather than the forecast one; page 19's first year burns about $48,370 of cash, since the ramp and the opening months come first. The example leaves out an income tax set-aside, equipment replacement and a chemical stock build-up (page 19), so put your own numbers into your own plan. Break-even takes almost every account in the plan, and year 1 falls short of it. Sign the first quarterly programs before taking the van loan or ordering chemical, price each home off its own visit hours, and bill re-treats as extra work.

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 COMPANY'S RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN THROUGH THE FORECAST; 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 $1,245	Expected case holds the floor
Recurring residential programs: average price 5 percent higher, same volume (only sales-linked fees rise)	plus $883	Break-even accounts fall from 292.3 to 269.7 a month, so from 293 to 270: per-unit costs stay the same, so the ratio rises from 0.579 to 0.595 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 $16,770
Lose 60 accounts (a competitor works the route), from month 6 onward	minus $1,806	Expected case below the floor in month 11 (closing $10,584); slow start deadline unchanged (month 9); full-run coverage falls to 0.92; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Every customer pays at 60 days (crew and bills still paid on time)	no change	Expected case below the floor in month 7 (closing $7,305), below zero in month 9; slow start below the floor in month 6 (closing $10,422); would fail Test 1
Technician wages 3 percent higher (line 14 rises with them; prices stay)	minus $161	Cash break-even rises to about $18,740; expected case still clears the floor; slow start deadline unchanged (month 9)
Production rate 15 percent slower (line 14 rises from 25.1 to 29.5 percent, about 32 more paid field hours a month at full run, 0.2 more full-time staff; a price rise of about 5.3 percent would hold contribution; the cash column shows the loss with prices unchanged)	minus $952	Cash break-even rises to about $20,030; expected case still clears the floor; slow start deadline unchanged (month 9)
Set-up overrun of $10,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 8 (closing $5,881)
Opening 3 months late (storage and office space, insurance, loan interest and principal, $2,050 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 $14,808 in month 12 from the planned opening, $6,615 lower than on time; slow start below the floor in month 11 from the planned opening (month 9 on time)
Slow start with signed recurring residential programs held at 100 percent (counts only for enforceable, evidenced contracts)	no change	Slow start stays above the floor (below it in month 9 without them); its low rises to $15,691 from minus $1,515; extra reserve to pass Test 2 $0, against $12,300 without them

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Route-day checklists, the Friday review, six questions

These lists are for running the route, and they are not a safety program. Add every step your chemical labels, your insurer and a qualified safety professional require for product handling, protective equipment and access to a customer's property.

START OF ROUTE DAY

- ☐ Read the notes from the last visit for every account on today's route.
- ☐ Confirm the technician has the product list and the equipment for each stop.
- ☐ Check the call log and messages received since the last route day.
- ☐ Confirm that any one-time job is written down and priced before a technician touches it.
- ☐ Note accounts where a new customer contact or service change applies.

END OF ROUTE DAY

- ☐ Record visit hours for every account.
- ☐ Log every callback and re-treat with the account and the reason.
- ☐ Record each one-time job carried out, who approved it, and whether it reached the invoice.
- ☐ Report damaged equipment and product running low.
- ☐ Leave a note for the next route day on any home that needs a follow-up.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	GAP TO TARGET
Billed revenue, by home and by segment				
Visit hours against the hours priced, home by home				
Route utilization and windshield hours				
Callbacks and re-treats				
Leads, proposals and wins				
Homes up for renewal in the next 90 days				
Owner hours spent on the route				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** How often does a technician stop and call you to clear a product choice, a heavier treatment or extra work, and do the vans sit until you unlock the shop?
2. **Reactive operations.** In one week, how many messages from homeowners say missed, came back or still seeing them, and how many of those second visits go out unbilled?
3. **Growth without structure.** How many mid-route calls does the office field asking which home, which product or which code, and how much windshield time is burned by a route drawn badly?
4. **Talent and retention.** For how many homes is a single technician the only person who holds the gate code, the application record and the owner's preferences?
5. **Revenue plateau.** What is the gap in days from an inquiry to a quote in the owner's hands, and how many routine service visits have turned into a termite or rodent add-on?
6. **Strategic confusion.** Do two homes on the same quarterly program take wildly different time on site, and is the frequency you deliver drifting away from the frequency the contract sells?

These are hypotheses drawn from AI-assisted World Consulting Group desk research, described on page 2. Test each against a document you already keep: the call and message log, logged hours set against priced hours, the quote file, or the service record for the home.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log visit hours for every account. Log the hours the owner spends on the route.
Week 2	Fill the page 7 account table at true labor cost and mark any account priced below its labor, product, fees and fuel.
Week 3	Set up the pipeline table on page 9 by segment and record days from a lead to a proposal.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a technician may make without calling you.
After month 1	Run the scope drift check on every account and measure route 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 Pest Control 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 route pricing calculator from visit hours to monthly price at a target margin, a collections tracker, editable proposal and renewal trackers, service records 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 services to buildings and dwellings, 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 pest control owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, safety, product 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 accounts and route 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 names or addresses, service records, entry or gate details, 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 pest control business. I have attached the Pest Control Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my routes and accounts, 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 account price, route hour, product cost, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average price 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. Each month's expected sales = full-run program sales times the ramp percentage times the seasonal percentage, plus confirmed one-time work as booked; before opening, count the bookings I expect 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 route hours go in line 14 at a technician'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 accounts = (fixed costs, principal and other recurring cash out minus one-time work contribution) divided by one average account's contribution; one-time work at its own ratio (blended in the example). If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid field hours available per month = crew members multiplied by hours a day (add each member's hours if they differ), days a week and 52, divided by 12; paid hours needed = on-site hours for accounts and jobs divided by utilization.
- Space 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 booked lines at full bookings averaged over 12 months, 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 working 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. Enter customer payments in the month they are actually received. With a card on file the charge clears in the billing month; if my customers pay later, enter my own lag and show the cash path for it. Payroll is paid in the month worked. In the slow-start case, every month's sales, one-time work included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first working 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, insurance, applicator requirements, chemical handling, 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. Services, customer segments, service area, the technicians I can staff and the paid hours each works a week, days worked per week, and days open per week.
b. Sales build: for recurring programs (accounts), the full-run account count, average monthly price and each account's start month; for one-time work (jobs), the jobs booked for each month 1 to 12, the average job price and the on-site labor hours each job takes, setup included, so job hours count against the same paid hours as the programs; or, without start months, a ramp percentage of full-run program revenue for every month from 1 to 12, never applied to counts that already reflect starts (ask me to confirm any month I leave out); a seasonal percentage for each month if my program sales 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), and for each booked line (one-time and add-on jobs) its count for each month once fully booked.
c. For each account: square feet treated per visit, my production rate for that building type, visits per month and monthly price; where I have them, its own supplies, payment fees and fuel or mileage in dollars, and the crew or labor cost it uses. If I give none, apply the company shares and label each account's result MY ESTIMATE.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (equipment quote, insurer quote or calculation) for each line on page 5, from vehicles and equipment 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 route hours go in line 14 at a technician's wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, chemical products and supplies; line 14, hourly field labor for visits and one-time work, with payroll taxes and workers' compensation; line 15, payment processing fees; line 16, fuel and mileage; and any sales line whose own shares differ, given for that line.
g. For each lead segment: walk-throughs, proposals and wins last quarter, and days from walk-through to proposal; accounts at the start of the month and accounts lost; the number of new accounts I need.
h. For one typical week: paid, on-site billable, drive, rework, and waiting, loading or admin hours per crew; base wage and payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when each customer pays me (the card on file charged in the billing month, or an invoice and how many days later), deposits I collect or pay and when, and when payroll and my product 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, equipment and vehicle replacement and product 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 pest control company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by program, one-time 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 accounts (use cash break-even); space 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. Account economics for each account at true labor cost, ranked by contribution per hour, flagging any account priced below its labor, supply, fee and fuel cost.
7. Pipeline by segment with walk-throughs needed and monthly churn.
8. Crew utilization and cost per billable hour, with the largest leak named.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every program start date 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 program start dates and route 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 $10,710.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**70,900**	**61,522**	**53,886**	**48,101**	**43,285**	**39,130**	**35,372**	**32,021**	**29,022**	**26,069**	**23,318**	**21,423**
In: sales receipts	2,301	5,309	8,505	10,180	11,323	12,007	12,709	13,317	13,397	13,747	15,225	20,408
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: products, fees and fuel (lines 13, 15, 16)	391	902	1,446	1,731	1,925	2,041	2,161	2,264	2,278	2,337	2,588	3,469
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	6,678	7,433	8,234	8,655	8,943	9,114	9,289	9,442	9,462	9,551	9,922	11,222
Out: storage and office rent (line 1)	900	900	900	900	900	900	900	900	900	900	900	900
Out: other costs, with loan interest (lines 2, 5 to 12)	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181
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	529	529	529	529	529	529	529	529	529	529	529	529
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(9,378)**	**(7,636)**	**(5,785)**	**(4,816)**	**(4,155)**	**(3,758)**	**(3,351)**	**(2,999)**	**(2,953)**	**(2,751)**	**(1,895)**	**1,107**
Closing cash, expected	**61,522**	**53,886**	**48,101**	**43,285**	**39,130**	**35,372**	**32,021**	**29,022**	**26,069**	**23,318**	**21,423**	**22,530**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**70,900**	**61,123**	**52,564**	**45,301**	**38,717**	**32,596**	**26,753**	**21,194**	**15,881**	**10,601**	**5,463**	**923**
Sales receipts, slow start	1,611	3,716	5,954	7,126	7,926	8,405	8,897	9,322	9,378	9,623	10,657	14,286
Out: variable costs, slow start (lines 13 to 16)	678	1,565	2,507	3,000	3,337	3,538	3,746	3,925	3,948	4,051	4,487	6,014
Out: fixed costs (lines 1 to 12), principal, bills, less funding	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710
Net cash flow, slow start	**(9,777)**	**(8,559)**	**(7,263)**	**(6,584)**	**(6,121)**	**(5,843)**	**(5,559)**	**(5,313)**	**(5,280)**	**(5,138)**	**(4,540)**	**(2,438)**
Closing cash, slow start	**61,123**	**52,564**	**45,301**	**38,717**	**32,596**	**26,753**	**21,194**	**15,881**	**10,601**	**5,463**	**923**	**(1,515)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**2,792**	**4,057**	**4,900**	**4,478**	**3,425**	**2,160**	**1,106**	**263**	**(791)**	**(1,423)**	**(1,212)**	**1,106**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $21,500 a month, against month 12's own $20,408): closing cash runs $25,322 in month 1 and $43,392 in month 12, lowest $25,322 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. The slow-start month 1 closes above the expected case because both cases carry the same fixed costs and the slow case spends less on products, fees and fuel.