Plumbing Business Plan and Operations Starter Kit

A working kit for residential plumbing contractors. It prices the replacement and fixture jobs at true crew cost with the parts share shown and models service calls as one aggregate line, turns deposits and completion payments into a collection pattern, tracks replacement quotes and service calls by lead source, shows what a billable plumber hour truly costs, finds cash break-even through the slow shoulder and the January freeze, and scores the plan on six pass-or-fail tests.

PLUMBING SERVICE AND REPLACEMENT
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PAGE 2

Start here

A plumbing company can be busiest in January and short of cash in October. Parts are bought before the job, the freeze month fills the calendar, and card money lands after the crew leaves. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

3	Business plan, part one: services, customers and lead sources, service area, pricing
4	Business plan, part two, and the six-test pass or fail check
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6	Sales forecast builder for replacements and service calls, ramp, season, capacity check
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15	Your first 30 days, lease questions, sources and what the full kit adds
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19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build replacement and service-call 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. Parts prices, card 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 Plumbing 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, water damage, gas-line safety or financial advice. Compliance requirements, parts standards, gas-line work and venting vary by location; plan a compliance and registration review with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender opens this plan to settle one question: whether cash from water heaters, drains and repair visits covers wages, fittings and the van loan in a month the phone goes quiet. Answer in plain sentences here, and draft the numbered sections on loose sheets.

1. Executive summary (write it last)

Write what you take on, the ground you cover, the money it takes and where it goes, from the first used van to the first payroll. End with the month the page 6 forecast clears break-even (page 8).

2. Calls, customers and lead sources

Name the work you accept, from a dripping shutoff to a full water-heater changeout, and what the household wants besides pipes that run: a visit inside the promised window, a price settled before the wrench comes out, a dry floor.

3. Service area and hours to sell

Sketch the ground you will drive, the highway that eats twenty minutes, how far you go for a drain that will not clear, then the hours each plumber can put in.

4. What you sell, and pricing

Write the hours on site, the quoted price and the fittings bill behind each line. A price doubled from a water heater, with no hours inside, is a guess.

LINE YOU SELL	HOURS ON SITE	QUOTED PRICE	MARGIN PER HOUR

> *Owner question: You copied your prices from what other plumbers advertise. Which of your three lines is actually priced below what a billable hour costs you to put on site, and how short does that leave your cash in the month the freeze hits?*
>
> Start with the arithmetic, not the market. Take one line priced from a competitor's advert, not its own hours (page 10). Rebuild it from hours, fittings and card fees (page 7), log how many quotes close and from where (page 9), then rank the lines by what an hour on site returns. Push a January freeze and a slack October through page 11; a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how a job runs from call to 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 person who can run a job day without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where service calls come from, how a call becomes a replacement quote, and why customers call again; 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. Draft quotes with payment schedules, insurance, van and equipment quotes and supplier terms are in writing before money is committed, and a compliance and registration review with a qualified professional is booked.	
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 (replacement and service-call hours, pages 6 and 7, over utilization, page 10) fit the hours you can staff (page 6), and planned replacements reach break-even (page 8).	
5. Signed quotes with deposits back the replacement count, and the call record backs the service-call volume; a lead count supports a forecast of quotes, not of replacements.	
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 parts supplier or the insurer, or a documented calculation. Plumbing budgets can break on the first water-heater order before the first completion payment lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
VANS AND TOOLS				
Two used vans, full purchase price (the loan is a source of funds)				
Hand and power tools, press tool and threader				
Software setup and data migration				
SETUP AND OPENING COSTS				
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 and pre-opening payroll				
Launch marketing, website and van signage				
Opening parts and fittings 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 replacement quotes and the service calls you can staff, not from the payroll you need to cover. Count service calls from your own call record; add replacements 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
Replacements and fixtures	jobs				
Service calls and repairs	calls				

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 replacement and service-call sales times ramp (the share of full-run volume the crews and the call record have reached) times season. Use 100 percent where a factor does not apply. Ramp and season are your assumptions; write down the evidence for each, such as your call record by month.

CAPACITY CHECK

```
Paid crew hours available per month = the sum across the crew of each person's paid hours a day times that person's days worked a week, times 52, divided by 12 (if everyone works the same schedule, that is the crew size times the hours a day times the days a week times 52, divided by 12); paid hours needed = crew hours on replacements and service calls 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 replacements and calls need (jobs a month times crew hours per job, page 7) and divide by utilization (page 10). Both plumbers on line 3 cover replacements and service calls. 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

A price starts with the fittings list and the quote; the job costs hours on site plus the parts bill; the money shows up when the homeowner or the card settles. Judge each job type by what an hour on site leaves.

```
Every hour on site, priced at the billable-hour cost from page 10 (drive and supply run sit in that cost, not the hours)
What is left = the quoted price less the hours, the fittings bill, card, financing and fuel at their page 8 shares, divided by the hours on site. This is the pricing view, charging every crew hour including the standing crew in fixed line 3; page 8 uses the cash contribution, which counts only costs that move with the job
Sold rate = jobs won per quote written; quotes to write = jobs wanted per sold rate
```

WORKED EXAMPLE: THREE JOB TYPES (ILLUSTRATIVE)

PLUMBING JOB	JOBS MONTHLY	PRICE	CREW HOURS	LABOR	FITTINGS AND PARTS	CARD AND FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE
Tank water heater replacement	8	$2,000	4	$242	$900	$108	$750	$187.50	45%
Tankless water heater replacement	1.2	$3,800	6	$362	$1,700	$205	$1,533	$255.50	38%
Toilet replacement	5.5	$450	2.5	$151	$180	$24	$95	$38.00	50%

The hours are costed at $60.40 per billable hour from page 10; fees and fuel at 5.4 percent of price (page 8 lines 15 and 16); fittings at the figure the supply house quotes. The price carries every hour the job takes; page 8 keeps the standing crew in line 3 and only the extra hours in line 14. Per crew hour, the tankless water heater replacement earns the most ($255.50) and the toilet replacement the least ($38.00). Hours here count one person for one hour, not clock time. The tankless row leans on a single published source. Service calls and repairs: 80 a month at 1.5 crew hours apiece, counted in the capacity check, with the crew in line 3. Page 12 lifts its fittings and wage shares straight out of this table (replacements and fixtures: 14.7 jobs in a month averaging $1,567).

YOUR OWN JOB LIST

PLUMBING JOB	JOBS MONTHLY	PRICE	CREW HOURS	LABOR	FITTINGS AND PARTS	CARD AND FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE

WHEN THE MONEY ACTUALLY ARRIVES

WHAT YOU SELL	WHEN IT IS DUE	SHARE OF THE PRICE	MONEY LANDS
Replacements and fixtures	Deposit at order (equipment)	30%	in that month
Replacements and fixtures	Completion at installation	70%	in that month
Repair visits	Collected on the spot	100%	in that month

Trace $100 the example invoices in a month and the bank sees $100 in that month. Weighting both schedules by settled billing mixes the two lines (replacements and fixtures 41 percent, repair visits 59 percent) into one blended figure for this line; page 11 uses each line's own schedule. Money taken before the work starts sits apart, outside closing cash, and the sale is counted once, in the month billed.

JOB OVERRUN CHECK

Quotes freeze; a job does not. Set clocked hours beside the quoted hours as each job closes.

```
Extra hours = clocked hours less the hours the quote set aside; what they cost = those hours at the billable-hour rate. Ask why first, and put extra scope in writing with a price before it is done.
```

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Shop and office rent	
2. General liability, property and umbrella insurance	
3. Replacement and service crew and any guaranteed minimum crew hours, with payroll taxes	
4. Owner's market wage (sales, quoting, management; hours on jobs go in line 14)	
5. Loan interest (van and equipment loan)	
6. Base utilities, phones and internet	
7. Marketing, website and lead services	
8. Dispatch, invoicing and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Tool maintenance and replacement	
11. Van insurance, registration and fixed vehicle costs	
12. Training, memberships and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Parts and materials, priced on each replacement and used on each call	
14. Hourly crew labor above any minimum crew, with payroll taxes and workers' compensation	
15. Card and financing fees	
16. Fuel 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 service-call contribution)
divided by one average replacement job's contribution; calls: own parts 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 rent measured against sales 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 rent measured against sales = line 1 divided by net sales.

PAGE 9

Bids, win rate and renewals

One service call, and three kinds of buyer behind it. Sort water-heater and fixture quotes by where the lead began, since a quote grown out of a repair visit and one that arrived through a website form do not close alike, and the names already in your file decide whether next year grows.

```
Quote rate = quotes written per visit; sold rate = jobs won per quote written
Visits still to make = jobs still to win divided by (quote rate times sold rate)
Cancellation rate = jobs dropped after signing, over the quarter, divided by the jobs signed during that quarter
```

WORKED EXAMPLE: ONE QUARTER OF QUOTE TRACKING, SPLIT BY LEAD SOURCE (ILLUSTRATIVE)

WHERE THE LEAD BEGAN	DOORS KNOCKED	QUOTES WRITTEN	JOBS WON	SHARE QUOTED	WON PER QUOTE	DAYS, VISIT TO QUOTE	VISITS TO LAND 44 WINS
Repair visits that grow a quote	55	50	22	91%	44%	3 days	110
Website forms and neighbor referrals	45	36	16	80%	44%	7 days	124
Agents, home inspectors, building managers	15	12	6	80%	50%	14 days	110

The counts are planning guesses that put the arithmetic on the page; they show nothing about why a service call closes or why an online inquiry does not. Forty-four jobs a quarter is exactly what full run needs, so nothing here is spare capacity. The page 12 ramp counts job dates, not quotes, and touches full run in month 7. Here, losing 0 of 44 accounts in a quarter averages out at about 0.0 percent a month lost, counted against the jobs signed in that quarter, and the example assumes no job is dropped after signing, so replace this row with your own cancellation record before relying on it.

YOUR OWN QUOTE SHEET, SPLIT BY LEAD SOURCE

WHERE THE LEAD BEGAN	DOORS KNOCKED	QUOTES WRITTEN	JOBS WON	SHARE QUOTED	WON PER QUOTE	DAYS, VISIT TO QUOTE	VISITS THE PLAN NEEDS

LOG OF JOBS WON AND JOBS DROPPED

ACCOUNT	DATE SIGNED	HOW IT WAS PAID	FINISHED OR DROPPED	WHY IT FELL THROUGH, IN THE CUSTOMER'S OWN WORDS

PAGE 10

Crew utilization and true labor cost

The wage is where the cost begins, not where it stops. A paid day also holds the supply-house run, the driveway wait and the trip back to a joint that still weeps. None of it reaches an invoice, and the hours you bill must carry it.

```
Utilization = the hours a customer pays for, divided by the hours on the clock
Loaded hourly cost = the wage grossed up for payroll taxes, workers compensation, benefits and paid time off
True cost of a billable hour = the loaded week divided by the hours in it somebody paid for
```

WORKED EXAMPLE: TWO PLUMBERS, ONE WEEK (ILLUSTRATIVE)

HOURS	HOURS IN THE WEEK	SHARE OF THE PAID TIME
Hours on the clock	80	100%
At the customer place, billable	52	65%
Windshield time and supply-house runs	10	12.5%
Going back for a leak or a callback	4	5.0%
Waiting on the homeowner, loading, paperwork	14	17.5%

At a $30.67 wage with 28 percent payroll taxes and benefits on top, one paid hour stands at $39.26 an hour; at 65 percent utilization, one billable hour comes to $60.40. Anchor every quote on that number rather than on the wage or on the loaded rate.

A WEEK FOR EACH PLUMBER

PLUMBER	PAID HOURS	BILLABLE AT THE SITE	DRIVE	REWORK	UTILIZATION	COST OF A BILLED HOUR

WHAT WALKS OUT WITH A DEPARTING PLUMBER

A plumber who quits takes the readings, the quirks of one water heater and the name of the homeowner who asks for him, unless somebody wrote them down.

PAGE 11

Twelve-month cash forecast

Parts and payroll leave before card money lands. Enter $000 (51.25 means $51,250), receipts net of collected tax.

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

Month 1 opening cash is cash on the day the first van rolls 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 parts 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

How long the cash lasts when work slows

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

Worked example: a hypothetical plumbing company

Illustrative figures that put the arithmetic on the page, not benchmarks. Replacements settle on completion; both plumbers sit in line 3. Cash floor $29,007. Water heater, tankless and toilet jobs follow the page 7 collection pattern (30 percent with the order and 70 percent when the work ends, both inside the job month); repair visits are paid on the spot; supplier invoices are settled as the work progresses; the owner draws a wage; no new money comes in.

Page 5, budget	Startup cost, all in $158,300, raised through a $60,000 loan (10.5 percent, 5 years) and $98,300 of owner money, including a $73,600 working-capital pot, intact the morning the doors open. Sizing the reserve on page 5 starts at a floor of $29,007, adds a second month of fixed costs and principal as padding, $29,007, plus $15,523 (how far the no-cash pass dips below zero), rounded up to $73,600.
Page 8, costs	Fixed costs $28,204 a month, of which $1,450 pays for shop and office space and $487 is the loan interest; principal $803 a month (year 1 figures for both); variable share 32.4 percent, which puts the contribution ratio at 0.676. Lines 13 to 16 take 27, 0, 2.9 and 2.5 percent of sales, with line 13 blended across the sales lines. Lines 1 to 12 run $1,450, $1,000, $13,607, $5,400, $487, $380, $4,250, $360, $200, $170, $600 and $300 each month.
Page 8, break-even	Operating break-even lands near $41,722 a month. Cash break-even (fixed $28,204 with principal $803, divided by 0.676) is about $42,910 a month: 2.9 jobs a month from replacements and fixtures after the other lines' contribution (line 13 runs 44.5 percent on replacements and fixtures, 15 on repair visits; lines 14 to 16 spread one share across every line, putting the contribution ratio at 0.501 on replacements and fixtures, 0.796 on repair visits), so 3, against the 14.7 the plan budgets for.
Page 6, sales	Replacements and fixtures: 14.7 jobs a month at $1,567.01. Service calls and repairs: 80 calls a month at $420. A settled month runs about $56,635; replacements and repair visits build 45, 60, 70, 80, 88, 94 percent through months 1 to 6, then the full hundred percent; season 105/110/105/100/100/95/90/90/95/105/115/95 percent through months 1 to 12, applied to replacements and repair visits equally.
Page 19, expected case	Month 1 invoiced $26,760; month 1 ends at $62,683, month 12 at $121,405. Low: month 3, closing $58,077, $29,070 above the floor.
Page 19, slow start	At 70 percent for replacements and visits, month 1 bills $18,732; month 1 ends at $57,256, month 12 at $2,638. The closing balance slips below the floor in month 5 (closing $23,637), giving a runway from opening of 4 months.
Page 8, coverage	On a settled month of $56,635, planned coverage, with income tax and a van still to fund, reaches 8.19 against a 1.25 target the example lender sets; on a month-12 run rate it stands at 8.32, and Test 3 rests on both. Shop rent measured against sales is about 2.6 percent.

PAGE 4 VERDICT FOR THIS CASE: AMBER

Treat Gate 0 as met for the example. Test 1 passes: a settled month at month 12 brings in about $56,871 a month, above the $42,910 break-even; the balance holds above the floor through a second year on that pace (its lowest point $132,598, month 1 of year 2). (For context, the expected case reaches cash break-even in month 4.) Test 2 fails: the 70 percent case sags under the floor in month 5; about $26,400 more in the reserve would pass it. Test 3 passes on the planning formula, though your lender's own rule is what decides. Test 4 passes: the busiest month (month 11, season 115 percent) loads 199 crew hours on site across the page 7 heater, tankless and toilet jobs and the page 6 repair visits, which comes to about 306 clocked hours at 65 percent on the clock (page 10), near 1.8 full-time plumbers, and it sits inside the 347 paid hours the crew has available (2 plumbers, 8 hours a day, 5 days a week; line 3 alone gives 347). Test 5 has no evidence behind it yet. Test 6 passes: a steady year at full run, shoulder months counted in, leaves about $113,254 after principal, with no full-run month below zero, so no cushion is needed. That is a settled year, not year one: the opening year on page 19 leaves about $47,805 in cash because the crew book fills slowly, the quiet autumn lands before the first cold snap and the opening months carry no history. Break-even needs about three quarters of a settled month, and the slack autumn and the January freeze put the reserve through two tests a year.

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
Volume 10 percent lower (fittings and card fees fall, fixed bills stand)	minus $3,829	Expected case holds the floor
Replacements and fixtures: average price 5 percent higher, same volume (only card and financing fees move)	plus $1,118	Break-even jobs fall from 2.9 to 2.6 a month, so from 3 to 3: per-unit costs stay the same, so the ratio rises from 0.676 to 0.682 on the new sales (sales-linked fees, line 15, take 2.9 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $41,430
Lose the tank water heater replacement line (8 jobs a month, $16,000 of billing), from month 6 onward	minus $7,936	Expected case still clears the floor; slow start deadline unchanged (month 5)
Every payment lands two months after billing (crew and bills still paid on time)	no change	Expected case below the floor in month 2 (closing minus $5,195), below zero too; slow start below the floor in month 2 (closing $1,039); would fail Test 1
All payment on about 0.7 tank water heater replacement a month from month 6 is never collected ($1,400 a month for 2 months)	no change	Expected case still clears the floor; slow start deadline unchanged (month 5); $2,800 never collected
Replacements and calls run 15 percent over quoted crew hours, absorbed inside the two plumbers' paid hours on an average month (306 paid hours needed of the 347 they are paid for, so line 14 stays at zero); in the busiest month the same overrun needs more paid hours than the two plumbers supply, so plan overtime or trim peak volume	no change	Cash break-even is unchanged at about $42,910; expected case still clears the floor; slow start deadline unchanged (month 5)
Parts and materials prices 10 percent higher (line 13 rises from 27 to 29.7 percent, about $1,529 a month at full run)	minus $1,529	Cash break-even rises to about $44,695; expected case still clears the floor; slow start below the floor in month 4 (closing $26,205)
Setup overrun of $10,000 beyond the contingency, paid out of the reserve	no change	Expected case still clears the floor; slow start below the floor in month 3 (closing $26,627)
Opening 3 months late (shop and office space, insurance, loan interest and principal, $3,740 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 $39,577 in month 7 from the planned opening, $18,500 lower than on time; slow start below the floor in month 6 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

These are operating lists, not a safety program. Add the gas-line, venting, water-damage and crawlspace steps your own work needs, and have a qualified safety professional write them.

BEFORE THE VAN ROLLS

- ☐ Get the signed quote and the deposit in hand before anyone orders the water heater or the parts.
- ☐ Check the parts and the heater are loaded on the van, with the serial numbers written down.
- ☐ Verify the hours the quote assumed and note who clocks time against them.
- ☐ Write down the order for shutting off water, gas and power.
- ☐ Call the homeowner a day ahead with the time slot.
- ☐ Record how the customer prefers to be reached, plus any access or dog instructions.

CLOSING THE JOB AND ENDING THE SERVICE DAY

- ☐ On every closed job, set clocked hours against the hours the quote allowed.
- ☐ Record the water test and the pressure reading on every job.
- ☐ Register every manufacturer warranty and file the claim papers that same day.
- ☐ Take the payment, or put the card or finance settlement date in writing.
- ☐ Log each repair visit with what caused it, the parts used and any quote it produced.
- ☐ Restock the van and flag any parts that are running short.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Billed and collected, by job, by call and by payment step				
Clocked hours against quoted hours, job by job				
Billable hours as a share of paid time, plus overtime				
Repair visits, the quotes they grow, and quotes won				
Quotes written, jobs won and the sold rate, sorted by lead source				
Completion money, and card or finance balances due inside 30 days				
Owner hours logged each week				

SIX QUESTIONS TO INVESTIGATE

1. **Owner dependency.** Must each quote wait for the owner to set its price, and do plumbers ring the owner over a part or heater choice before leaving the site?
2. **Reactive operations.** Count the messages in a week that mention a no-show, a return visit or a tap still dripping, and the visits nobody bills.
3. **Growth without structure.** How many jobs a week need a call about scope midway, and how much overtime comes from parts that were not on the van and second visits?
4. **Keeping good people.** How many jobs rest on one plumber who alone knows the unit, the customer and the readings?
5. **Revenue plateau.** How long does a repair visit take to turn into a heater quote, and what share of repair customers ever get one?
6. **Drifting offers.** Do jobs of a single type take widely different hours on site, and does what you deliver drift from what you priced?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the customer message log, clocked hours set against quoted hours, the quote record, or the repair-visit log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log crew hours on every job, plus owner hours on jobs and calls.
Week 2	Fill the page 7 job table at true crew cost and mark any job type priced below its labor, parts, fees and fuel.
Week 3	Set up the quote table on page 9 by lead source and record days from service call to replacement quote.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a plumber 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 Plumbing 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 parts and crew hours to a price at a target margin, a deposit and card-settlement tracker, editable quote, service-call and crew scheduling trackers, job checklists and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. HomeGuide, tankless water heater installation time (2026): 3 to 10 hours of labor, the source behind the 6.0 crew hours in that row; the source does not say whether its range is elapsed time or person-hours, so the 6.0 is an illustrative planning assumption for a two-installer job and should be replaced with clocked person-hours. HomeAdvisor's 2 to 3 hours describes a floor refit and does not bracket it. Insureon, small-business insurance medians (2026): the liability, property and umbrella premiums behind fixed line 2, with the vehicle cover on fixed line 11. BLS OEWS May 2025 via O*NET OnLine, Plumbers, Pipefitters and Steamfitters: the $30.67 median wage behind fixed line 3; fixed line 4 is an illustrative planning wage for the owner's selling, quoting and management time. Smart Service, plumbing startup costs (2026): the used-van band and the bookkeeping and payroll line. Housecall Pro, plumbing price guide (2026): the service-call and replacement price bands. Stripe, card processing pricing (2026): 2.9 percent plus 30 cents, the card line; only the 2.9 percent percentage is modelled, because at the example's $420 to $1,567 ticket sizes the 30 cents adds under 0.1 percent of price (add it yourself if your average ticket is small). The bank prime rate and a small-business loan band quoted in the research file: the 7 to 13 percent loan band and the 60-month term. All accessed 2026-11-04.

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on plumbing 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. Plumbing service and replacement owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

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

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

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, then paste the prompt below and answer with your own numbers.

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, financing applications, 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 plumbing company. I have attached the Plumbing Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my replacements, service calls and crews, using my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a job price, parts cost, plumber wage, close rate, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average price (every line here is counted per month). Each month's expected sales = full-run replacement and service-call sales times ramp times season; a confirmed booking for a line replaces its ramped figure that month, never both; before opening, count expected bookings by month, each marked MY ESTIMATE until confirmed.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's hours on 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 service-call contribution) divided by one average replacement job's contribution; calls: own parts 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 = the sum across the crew of each person's paid hours a day times that person's days worked a week, times 52, divided by 12 (if everyone works the same schedule, that is the crew size times the hours a day times the days a week times 52, divided by 12); paid hours needed = crew hours on replacements and service calls divided by utilization.
- Shop rent measured against sales = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the day the first van rolls 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 completion payment and each card or financed balance in the month it lands; payroll and parts are paid in the month worked. Hold a pre-order deposit out of closing cash until the job starts. In the slow-start case, every month's sales, jobs included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the day the first van rolls), 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, gas-line, water-heater venting and drain-safety, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous 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 and lead sources, service area, the plumbers I can staff on the crew (replacement and service) each day and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for replacements and fixtures (jobs), the full-run jobs a month by type, each type's price, parts cost and crew hours; for service calls and repairs (calls), the calls a month at full run and the average ticket; a ramp percentage of full-run volume for every month from 1 to 12 (confirm any month I leave out); season by month from my call record or market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule and not my estimate; keep it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For each job type: jobs a month at full run, price, crew hours on site (drive and setup are in the cost per billable hour, not the hours), materials and subcontract cost, and quotes given and won last quarter; my payment schedule for each sales line (deposit share and when it is collected, progress payments and when, the final payment and how many days after completion it is paid); and the jobs I need a month.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (dealer quote, supplier quote, insurer quote or calculation) for each line on page 5, from the vans and tools to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the two plumbers and any guaranteed minimum crew hours, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my hours on shift go in line 14 at a market wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, parts and materials, priced on each replacement and used on each call; line 14, hourly crew labor above any minimum crew, with payroll taxes and workers' compensation; line 15, card and financing fees; line 16, fuel and small consumables; and any sales line whose own shares differ, given for that line.
g. Sorted by where the lead began: site visits, quotes written and jobs won last quarter, and days from door knocked to proposal; jobs already signed when the quarter opened and jobs dropped; how many new jobs I need.
h. For one typical week: paid, on-site billable, drive, rework, and waiting, loading or admin hours per crew; base wage and payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when each customer pays me (the deposit share at order, the completion payment, how many days after completion a card or financed balance lands, or by card at the door for service calls), deposits I collect or pay and when, and when payroll and my parts supplier 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, van and tool replacement and parts 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 plumbing company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by replacement line, service 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 rent measured against sales and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Job economics for each job type at true crew cost, ranked by contribution per crew hour, flagging any job type priced below its labor, materials, fees and fuel; quotes needed a month; and the collection pattern the cash forecast uses.
7. Pipeline by segment with site visits needed and quarterly cancellations.
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 kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with job counts and payment timing, then 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 $29,007.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**73,600**	**62,683**	**58,944**	**58,077**	**59,698**	**64,382**	**69,564**	**75,014**	**80,463**	**87,827**	**99,020**	**114,041**
In: sales receipts	26,760	37,379	41,627	45,308	49,839	50,575	50,972	50,972	53,803	59,467	65,130	53,803
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: parts and materials, fees and fuel (lines 13, 15, 16)	8,670	12,111	13,487	14,680	16,148	16,386	16,515	16,515	17,432	19,267	21,102	17,432
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	19,007	19,007	19,007	19,007	19,007	19,007	19,007	19,008	19,007	19,007	19,007	19,007
Out: shop and office rent (line 1)	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Out: other costs, with loan interest (lines 2, 5 to 12)	7,747	7,747	7,747	7,747	7,747	7,747	7,747	7,747	7,747	7,747	7,747	7,747
Out: income tax set-aside, equipment replacement, stock build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	803	803	803	803	803	803	803	803	803	803	803	803
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(10,917)**	**(3,739)**	**(867)**	**1,621**	**4,684**	**5,182**	**5,450**	**5,449**	**7,364**	**11,193**	**15,021**	**7,364**
Closing cash, expected	**62,683**	**58,944**	**58,077**	**59,698**	**64,382**	**69,564**	**75,014**	**80,463**	**87,827**	**99,020**	**114,041**	**121,405**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**73,600**	**57,256**	**45,937**	**36,627**	**29,060**	**23,637**	**18,562**	**13,675**	**8,788**	**5,240**	**4,373**	**6,186**
Sales receipts, slow start	18,732	26,165	29,139	31,716	34,887	35,403	35,680	35,680	37,662	41,627	45,591	37,662
Out: variable costs, slow start (lines 13 to 16)	6,069	8,477	9,442	10,276	11,303	11,471	11,560	11,560	12,203	13,487	14,771	12,203
Out: fixed costs (lines 1 to 12), principal, bills, less funding	29,007	29,007	29,007	29,007	29,007	29,007	29,007	29,007	29,007	29,007	29,007	29,007
Net cash flow, slow start	**(16,344)**	**(11,319)**	**(9,310)**	**(7,567)**	**(5,423)**	**(5,075)**	**(4,887)**	**(4,887)**	**(3,548)**	**(867)**	**1,813**	**(3,548)**
Closing cash, slow start	**57,256**	**45,937**	**36,627**	**29,060**	**23,637**	**18,562**	**13,675**	**8,788**	**5,240**	**4,373**	**6,186**	**2,638**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**11,193**	**13,107**	**11,193**	**9,278**	**9,278**	**7,364**	**5,450**	**5,450**	**7,364**	**11,193**	**15,021**	**7,364**

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 $56,871 a month, against month 12's own $53,803): closing cash runs $132,598 in month 1 and $234,659 in month 12, lowest $132,598 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. A slow-start month closes below the expected case: receipts fall with sales by more than parts and materials do, while payroll, fixed costs and principal do not fall.