Property Management Business Plan and Operations Starter Kit

A working kit for residential property management owners. It tests every owner property's fee against its doors and staff hours at true labor cost, tracks proposals and renewals by segment, shows what a billable coordinator hour truly costs, finds cash break-even with fees retained from rent, and scores the plan on six pass-or-fail tests.

RESIDENTIAL PROPERTY MANAGEMENT
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/PROPERTY-MANAGEMENT/
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PAGE 2

Start here

A property management company can break quietly. The fee is set per door while the hours drift with scattered properties, low-fee properties can churn, and the fixed payroll runs from the first month. This kit makes you write those numbers down, then tests whether they are enough, before a lender or a payroll week asks.

WHAT IS INSIDE

3	Business plan, part one: services, owners and segments, service area, pricing
4	Business plan, part two, and the six-test pass or fail check
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19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build management fee and leasing 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. Fees, coordinator rates and owner terms move before an agreement is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists every day and the numbers review every week. Run the scope drift check on page 7 every month, and update the renewal log on page 9 before every renewal.

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 property management 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, property-access or financial advice. Insurance, employment and management agreement requirements vary by location, review them with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

Will the fees from these management agreements and leasing contracts pay the payroll, the software and the loan? That is the first question a lender asks of a property manager. Answer each prompt in plain sentences on this page and draft the full sections on separate sheets.

1. Executive summary (write it last)

Set out what you sell, the area you cover and the money you need, from fitting out the office through to the first payroll. Then state the month the page 11 forecast reaches cash break-even from page 8, and the page 4 result.

2. Services and owners

Which owners do you work for, and how many doors does each property carry? Beyond a collected rent, what is that owner actually buying? Put down what each segment says it buys, in the owner's own words, listing statements it can trust and a tenant turned on time, then name the segments and say who at each owner makes the decision.

3. Service area and capacity

Map the territory you intend to cover and put a drive time between properties on it. Record how many doors one coordinator can carry at your doors per staff hour, and how many paid coordinator hours you can staff each week.

4. Service menu and pricing

Set out every service with the hours it consumes and the fee you charge for it. A per-door fee with no hours underneath it is only a guess.

SERVICE	HOURS PER MONTH	FEE PER MONTH	REVENUE PER STAFF HOUR

> *Owner question: why does a single-property owner pay the highest fee per door and still earn us the least per staff hour?*
> One cause to check first: the fee is set per door by what owners pay, while the hours are set by how many properties one person can coordinate. Four scattered doors need four sets of keys, four turn schedules and four owner conversations. Record doors per staff hour for every property type on page 7, compare contribution per staff hour across the three rows, and either set a minimum property size or price the smallest property type for the hours it takes.

PAGE 4

Business plan, part two

5. Operations

Describe how a week's work happens, covering work orders, owner statements, inspections, keys and access, and vendor scheduling. Name who checks each property 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 week without you. The first question on page 14 checks that dependency.

7. Marketing and sales

Explain how you find owner conversations, which segments you will pursue and why owners renew; renewals pay for the proposals 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 management agreements, insurance quotes, office and software quotes are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, fee 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 coordinator hours needed in the busiest month (on-site hours for properties and leasing work, page 7, recorded on page 6, divided by utilization, page 10) fit the paid hours you can staff (page 6), and planned properties reach break-even (page 8).	
5. Signed management agreements with start dates back the property count, and quoted fees back the prices; a letter of intent supports a price, 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 lease, a software contract or a large agreement. **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 or software supplier or the insurer, or a documented calculation. Setup budgets can break on the first payroll, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
OFFICE AND EQUIPMENT				
Office furniture and fit-out				
Computers, monitors, phones and printers				
Software setup and data migration				
Signage, branding and printed material				
Field kit: lockboxes, key system, inspection tablets and camera				
SETUP AND DEPOSITS				
Business setup costs				
Insurance deposit				
Entity, bank and accounting setup				
Office deposit				
PRE-OPENING				
Hiring and background checks				
Training before the first owner signs				
Launch marketing and owner acquisition				
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 Test 2 needs a larger opening reserve than the amount above, set the reserve to the largest of the two-pass amount, the Test 6 cushion and the Test 2 total reserve, which is the opening cash that keeps slow-start closing cash at or above the floor, not the extra top-up page 12 prints. 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 management agreements and their monthly fees, not from the payroll you need to cover. Count the properties first; add leasing fees only where they are 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
Management agreements	properties				
Leasing fees	leases				

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 management fee sales times ramp (the share of the book under management) times season, plus leasing fees as booked (before opening, the leases you expect, marked as your estimate until confirmed). Use 100 percent where a factor does not apply. Ramp, season and agreement start dates are your assumptions; write down the evidence for each.

CAPACITY CHECK

```
Paid coordinator hours available per month = coordinators multiplied by hours each works a week and 52, divided by 12; paid hours needed = on-site hours for properties and leasing work divided by utilization
```

Write how many coordinators you can staff each week and how many hours each works. Add up the monthly on-site hours your properties and leasing work need (hours per property times the number of properties, page 7, plus each lease's hours, recorded here) and divide by utilization (page 10). Record each property's hours and each lease's hours on this page; where your mix differs from page 7's worked properties, use a weighted average hours per property. Leasing hours per lease: ___; leases per month: ___. If the plan needs more paid hours than you can staff, the plan is wrong, whatever the agreements say.

PAGE 7

Property pricing and scope drift

The management agreement is a monthly fee set per door; the cost is staff hours. Reduce each property to doors, hours and contribution per hour; then check, month by month, whether the account still consumes the hours the fee assumed when you priced it.

```
Hours per visit = doors managed divided by your doors per staff hour
Monthly labor cost = hours per visit times visits per month times true cost per billable hour (page 10)
Property contribution = monthly price minus labor and the other variable costs (supplies, fees, fuel);
contribution per hour = contribution divided by monthly on-site hours (hours per visit times visits per
month)
```

WORKED EXAMPLE: THREE PROPERTIES (ILLUSTRATIVE)

PROPERTY	DOORS	DOORS PER STAFF HOUR	VISITS / MONTH	HOURS / VISIT	PRICE / MONTH	LABOR	SUPPLIES, FEES, FUEL	CONTRIBUTION	PER HOUR
Single-property owner	4	0.55	1	7.27	$620	$276	$33	$311	$42.78
Small portfolio	9	0.65	1	13.85	$1,305	$526	$70	$709	$51.19
Large or out-of-state investor	18	0.75	1	24.00	$2,412	$912	$130	$1,370	$57.08

Labor priced at the page 10 true cost of $37.99 per billable hour, which already holds the drive between buildings, the waiting and the make-good time; supplies, payment fees and fuel at 5.4 percent of price, the same shares the page 8 lines 13, 15 and 16 carry. Doors per staff hour change with the property type. The single-property owner pays the highest fee on each door yet returns the least on each staff hour. The labor share carried into the page 12 worked example is set by these three properties.

YOUR PROPERTIES

PROPERTY	DOORS	DOORS PER STAFF HOUR	VISITS / MONTH	HOURS / VISIT	PRICE / MONTH	LABOR	SUPPLIES, FEES, FUEL	CONTRIBUTION	PER HOUR

SCOPE DRIFT CHECK

Scope at a property widens while the fee stays put, as doors are added, turns multiply and owner requests run longer. Once a month, not only at renewal, set the hours actually logged at each property against the hours the fee assumed when you signed.

```
Drift hours = hours actually logged at the property minus hours the management agreement assumed. Drift
can come from added scope or from staffing, access or rate problems; find the cause first. Where added
scope exceeds the tolerance you set in the scope tolerance field below, price the extra work or change
the scope under the management agreement's terms.
Scope tolerance per property: ___ hours per month.
```

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost; principal is not an operating cost and enters cash break-even and the page 11 forecast, so interest and principal are each counted once. No guaranteed minimum staffing cost: every coordinator hour is paid as it is worked, so page 11 uses each month's amount.

FIXED COSTS PER MONTH	PER MONTH
1. Office rent	
2. Insurance: general liability, errors and omissions, business owner's policy and cyber	
3. Salaried operations manager, loaded, with payroll taxes, workers' compensation and benefits	
4. Owner's market wage (management time; owner hours coordinating properties go in line 14)	
5. Loan interest (office fit-out and setup loan)	
6. Base utilities, internet and phones	
7. Marketing and owner acquisition	
8. Management software, portal and payment subscription	
9. Bookkeeping, owner statements, tax filing and bank fees	
10. Equipment, IT and repairs	
11. Job postings, background checks, association dues and coordinator training	
12. Office supplies, printing and postage	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Turn supplies and small materials	
14. Coordinator labor, with payroll taxes and workers' compensation	
15. Payment processing fees	
16. Mileage and fuel, at the standard business mileage rate	
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 properties = (fixed costs, principal and other recurring cash out minus leasing fee
contribution) divided by one average property's contribution; leasing fees at their 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 properties (use cash break-even)	one figure per month		
Office rent share and debt service coverage at full-run sales and at the month-12 run rate		ratios, monthly only	

Weekly = monthly times 12 over 52; per working day = weekly over the days open a week. Office rent share = line 1 over net sales.

PAGE 9

Proposals, win rate and renewals

Same service, different owners. Follow proposals by segment, since the owners you win and the owners you lose may be buying quite different things, and renewal decides whether any of the growth stays.

```
Proposal rate = proposals divided by owner conversations; win rate = wins divided by proposals
Owner conversations needed = new properties you need divided by (proposal rate times win rate)
Monthly churn = properties lost in the month divided by properties at the start of the month
```

WORKED EXAMPLE: ONE QUARTER OF PROPOSAL WRITING, BY SEGMENT (ILLUSTRATIVE)

SEGMENT	OWNER CONVERSATIONS	PROPOSALS	WINS	PROPOSAL RATE	WIN RATE	DAYS CONVERSATION TO PROPOSAL	CONVERSATIONS FOR 4.85 WINS FROM THIS SOURCE ALONE
Single-property and small owners	24	17	3.25	71%	19%	6 days	36
Portfolio and out-of-state owners	12	9	1.6	75%	18%	14 days	36

The counts below are made up to show the arithmetic; they prove nothing about why one segment converts and another does not. Numbers this small point at a direction, not at a rate; carry on counting before you lean on either. These proposals win 4.85 properties a quarter; at 0.6 losses a quarter, that adds about 4.25. Agreement start dates, not proposals, set the page 12 ramp, which reaches 22 properties by month 12. Portfolio owners take longer to decide and carry a larger book, so this example counts fewer conversations against a higher proposal rate. Losing 0.6 of 5 properties in a quarter works out at about 4.0 percent a month, counted against the properties on the books at the start and before any new signings, so the proposal pipeline has to replace that loss before a single new property counts as growth.

YOUR PIPELINE, BY SEGMENT

SEGMENT	OWNER CONVERSATIONS	PROPOSALS	WINS	PROPOSAL RATE	WIN RATE	DAYS CONVERSATION TO PROPOSAL	OWNER CONVERSATIONS NEEDED

RENEWAL AND LOSS LOG

PROPERTY	RENEWAL DATE	PRICE CHANGE AT RENEWAL	KEPT OR LOST	REASON, IN THE OWNER'S WORDS

PAGE 10

Team utilization and true labor cost

The wage is not the cost of an hour. Paid hours that earn nothing back, the drive between buildings, a return trip to fix a complaint, the admin at the desk, push the true cost of every billable hour above the wage you pay.

```
Utilization = hours on site that can be billed, divided by paid hours
Loaded hourly cost = the wage, multiplied by one plus the payroll-tax, workers' compensation, benefit and paid-leave share
Cost per billable hour = the paid hours at that loaded cost, divided by the hours actually billed
```

WORKED CASE: A SINGLE TEAM ACROSS ONE WEEK (ILLUSTRATIVE)

HOURS	HOURS THIS WEEK	SHARE OF PAID HOURS
Paid hours	40	100%
On-site, billable work	31	77.5%
Drive between sites	5	12.5%
Rework and make-good visits	2	5.0%
Waiting, loading, admin	2	5.0%

A $23.00 wage plus 28 percent for payroll taxes and benefits makes a paid hour cost $29.44; with 77.5 percent of paid time billed, an hour that is actually billed costs $37.99. Quote properties against that true billed-hour cost, never against the wage or the loaded figure.

YOUR TEAMS, BY WEEK

TEAM OR LEAD	PAID HOURS	ON-SITE BILLABLE	DRIVE	REWORK	UTILIZATION	COST PER BILLABLE HOUR

WHERE LOSING A COORDINATOR COSTS THE MOST

Turnover costs more where a new coordinator needs more property knowledge. Write down property notes, access details and owner preferences for every property so a replacement coordinator starts from the same instructions.

PAGE 11

Twelve-month cash forecast

Fees arrive with the rent, so receipts follow billing closely. 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: fees retained from rent, billed month, excluding sales tax												
Memo: fees billed and collected in the same month here												
In: owner money and loans received												
Out: turn supplies, fees and mileage (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: 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: rent, fee retained and owner payment land in the month												
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. Coordinators are paid in the month they work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and the cost of fixed payroll from month 1

Runway is the run of months ahead, measured from the last closed month (before opening, from the first working day), through the first month whose closing cash drops under your floor

Worked example: a hypothetical residential property management company

Invented figures that show the arithmetic, not a benchmark. Open five days a week; the example opens in March into the leasing season; fees are retained in the month they are billed; the operations manager is salaried from month 1. Cash floor $18,000. Fees are retained from rent collected in the billing month and leasing fees are paid at the owner disbursement, so the example carries no receivables; costs are paid as worked; owner wage drawn in cash; no new funding.

Page 5, budget	The startup budget comes to $98,500: $18,000 of loan at 10 percent over 4 years and $80,500 of owner money, of which $65,000 is the working capital reserve, untouched on opening day.
Page 8, costs	Fixed costs run $15,513 a month, $1,250 office rent and $136 loan interest; principal adds $321, both year 1 averages; variable costs take 44.9 percent of sales, a contribution margin ratio of 0.551. Lines 13 to 16 take 2, 39.5, 1 and 2.4 percent of sales. Lines 1 to 12 run $1,250, $397, $5,700, $5,400, $136, $280, $750, $350, $400, $250, $450 and $150 a month.
Page 8, break-even	Operating break-even sits near $28,154 of billings a month. Cash break-even (fixed $15,513 plus principal $321, divided by 0.551) is about $28,737 a month: 11.3 properties under management from management agreements after the other lines' contribution, so 12, against the 22 the plan assumes.
Page 6, sales	Management agreements: 22 properties, each paying $1,445.67 a month. Leasing fees: 9 leases a month at $1,384 (assumes one month's median rent; use your own market fee; the leasing season, which carries both the growing book and the May to August peak on its own schedule and rises 21, 34, 51, 65, 74, 78, 77, 74, 69, 68, 81 and 100 percent of full run across months 1 to 12). A full-run month bills about $44,261; month 1 has 5 properties under management. Agreements add 23, 32, 41, 50, 59, 68, 77, 82, 86, 91 and 95 percent in months 1 to 11, then 100; season runs 98, 99, 100, 101, 101, 101, 100, 100, 99, 99, 100 and 102 percent across the twelve months, applied to regular sales only.
Page 19, expected case	Month 1 sales $9,785; month 1 closes at $54,557, month 12 at $70,459. Low: month 5, closing $38,624, $20,624 over the floor.
Page 19, slow start	At the 70 percent slow start the first month bills $6,849, closes at $52,940, and month 12 leaves $11,819. The floor is first breached in month 7 at $16,435 left, so 6 months of runway.
Page 8, coverage	At $44,261 of full-run billings the plan covers debt service 19.72 times before income tax and equipment replacement, against the 1.25 the example lender asks for, and 19.72 times at the month-12 run rate; Test 3 needs both. Office rent share is about 2.8 percent.

THIS EXAMPLE'S PAGE 4 GRADE: AMBER

Gate 0 is treated as met for the example. Test 1 is met: the month-12 run rate bills $44,261 a month against a $28,737 break-even, and the floor holds through the second year (lowest close $78,662, month 1 of year 2). (Context only, not scored: billings first cover cash break-even in month 6.) Test 2 fails: the slow start breaches the floor in month 7; about $7,700 more reserve would carry it. Test 3 clears on the planning formula; your lender's definition binds. Test 4 passes: in the busiest full-run month (month 12, season 102 percent) the plan needs about 600 paid coordinator hours (line 14's 39.5 percent of $44,897, divided by the $29.44 loaded hourly cost, the same as about 470 on-site hours at 77.5 percent utilization, page 10), about 3.5 full-time staff, against the 693 paid hours the example can staff (4 coordinators for 8 hours, 5 days a week), so capacity fits with room to spare; the 22 planned properties clear the break-even count. Test 5 fails for lack of evidence. Test 6 passes: a steady full-run year leaves about $102,644 after principal, and no full-run month drops below zero, so none is needed. Steady state sits beyond year one, not in this forecast: page 19's first year leaves about $5,459 in cash because the ramp and startup months come first. No income tax set-aside, no equipment replacement and no materials stock here (page 19); score a real portfolio on its own. Break-even sits at about half the properties the plan assumes, and the ramp takes most of year 1. Sign the first agreements before the office fit-out, price each property from door count and drive time, and keep a coordinator who can cover a missed week, since losing the largest can wipe out months of profit. Put a scope sheet on every property, so an owner's extras are invoiced rather than absorbed.

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, 4 or 6 when the change would newly fail or pass it; a test the example already fails stays failed. The last column gives the slow start where the table reruns it (Test 2); where a row leaves it alone, rerun the page 11 slow start with that change and size the reserve off it.

WHAT MOVES THE COMPANY'S RESULT (FULL-RUN MONTHLY; 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 $2,439	Expected case holds the floor; slow start below the floor in month 6 (closing $14,212)
Management agreements: average price 5 percent higher, same volume	plus $1,574	Break-even properties fall from 11.3 to 10.3 properties under management, so from 12 to 11: per-unit costs stay the same, so the ratio rises from 0.551 to 0.566 on the new sales (sales-linked fees, line 15, take 1.0 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $26,922
Lose the largest property (its page 7 contribution), from month 6 onward	minus $1,370	Expected case still clears the floor; slow start deadline unchanged (month 7)
Every owner pays at 30 days (staff and bills still paid on time)	no change	Expected case below the floor in month 4 (closing $14,779); slow start below the floor in month 4 (closing $10,844); would fail Test 1
Coordinator wages 3 percent higher (line 14 rises with them; fees stay)	minus $527	Cash break-even rises to about $29,371; expected case still clears the floor; slow start deadline unchanged (month 7)
Doors per staff hour 15 percent slower (line 14 rises from 39.5 to 46.5 percent, about 105 more paid staff hours a month at full run, 0.6 more full-time staff; a fee rise of about 7.0 percent would hold contribution)	minus $3,085	Cash break-even rises to about $32,898; expected case still clears the floor; slow start below the floor in month 6 (closing $12,910). Test 4 fails: the 105 extra paid hours take the requirement from about 600 to about 705, above the 693 the example can staff; add about 0.1 coordinator, reduce doors, or raise doors per staff hour.
The largest property ($2,412 a month) never pays 2 months of billing, from month 6	no change	Expected case still clears the floor; slow start below the floor in month 6 (closing $16,712); $4,824 never collected
Leasing fee cut to half a month's rent, $6,228 a month less, from month 7 onward	minus $3,432	Expected case still clears the floor; slow start deadline unchanged (month 7)
Office setup 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 4 (closing $17,755)
Opening 3 months late (office rent, insurance, loan interest and principal, $2,104 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 $32,426 in month 8 from the planned opening, $6,198 lower than on time; slow start below the floor in month 8 from the planned opening (month 7 on time)
Slow start with signed management agreements held at 100 percent (counts only for enforceable, evidenced agreements)	no change	What-if only, not the scored Test 2: slow start stays above the floor (below it in month 7 without them); its low rises to $33,529 from $10,336; extra reserve to pass Test 2 $0, against $7,700 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 and Test 3 as failed if there is a loan
One unit's contribution, or the count it is multiplied by, zero or below: break-even units are N/A; score Test 4 as failed
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A; score Test 3 as passed
```

PAGE 14

Daily checklists, weekly review, six questions

These checklists cover operations only and are not a safety program. Add every safety and property-access step that your owners, your vendors and a qualified safety professional require.

START OF DAY

- ☐ Read the log from the previous day for every property on today's list.
- ☐ Confirm work orders, turns and the leasing queue for each property.
- ☐ Confirm keys, lockboxes and access details for every visit.
- ☐ Check owner requests and tenant messages received since the last check.
- ☐ Confirm that any extra work has been written down and priced before a coordinator or a vendor starts it.
- ☐ Note properties where a new owner contact or schedule change applies.

END OF DAY

- ☐ Record hours worked for every property.
- ☐ Log every missed task with the property and the reason.
- ☐ Log any extra work carried out at a property, who approved it, and whether it reached the invoice.
- ☐ Report maintenance issues and supplies running low.
- ☐ Update owner statements and the leasing queue before you close.
- ☐ Write notes for the next day for any property that needs follow-up.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Fees billed by property and segment				
Hours worked against hours priced, by property				
Coordinator utilization and overtime hours				
Owner complaints and make-good visits				
Owner conversations, proposals and wins				
Properties up for renewal in the next 90 days				
Owner hours in the field				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Do coordinators call the owner to approve a repair, a fee change or extra work, or wait for the owner to release a key before they visit?
2. **Reactive operations.** In a week, how many messages from owners use words like missed, late or not done, and how many of the return visits made to put it right were never billed?
3. **Growth without structure.** How often does a coordinator call for scope clarification during a week, and how much overtime comes from poor scheduling across properties?
4. **Talent and retention.** At how many properties is one coordinator the only person who knows the keys, the access details or the owner's preferences?
5. **Revenue plateau.** How many days pass between the first conversation with an owner and a proposal reaching them, and how many routine visits have ever turned into added services?
6. **Strategic confusion.** Do hours per door vary widely across properties on the same fee tier, or does the service delivered drift from the service sold?

These six questions come from AI-assisted desk research by World Consulting Group, explained on page 2. Check each one against a record: the record of owner messages, the hours logged against the doors under management, the proposal log, or the property and key list.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log hours worked for every property. Log the hours the owner spends in the field.
Week 2	Fill the page 7 property table at true labor cost and mark any property priced below its labor, supplies, fees and mileage.
Week 3	Set up the pipeline table on page 9 by segment and record days from owner conversation to proposal.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a coordinator may make without calling you.
After month 1	Run the scope drift check on every property and measure coordinator utilization on page 10.

BEFORE YOU COMMIT TO AN OFFICE, SOFTWARE OR CONTRACTS, GET WRITTEN ANSWERS TO THESE

- ☐ Can you run the business from home at first, and what will you need before owners visit or staff join?
- ☐ What will software, equipment and communication tools cost per month once you add staff?
- ☐ What will professional liability and other cover cost, and what falls outside it?
- ☐ Which owner agreements require insurance, documents or terms you must have in place before work starts?
- ☐ If you later rent space, will you have to sign a personal guarantee, and what charges sit on top of base rent?
- ☐ How long do owners take to pay, and how much cash does that delay tie up?
- ☐ What happens to your owner relationships and files if a key person leaves?

Have qualified professionals review insurance, owner agreements and any lease before you sign. Use these answers to get ready for those conversations, then have them.

WHAT THE FULL KIT ADDS

The full Property Management 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 fee pricing calculator from doors to monthly fee at a target margin, an owner and leasing tracker, editable management agreement, renewal and coordinator scheduling trackers, inspection forms and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. iPropertyManagement, property management fee research, last updated 28 July 2026, for the 8 to 12 percent fee band, which is a publisher summary and not a trade survey; Apartment List national rent data, October 2026, for the $1,384 median rent; the federal business standard mileage rate, 76 cents a mile (the mid-2026 rate), for the mileage line. All accessed 2026-11-05.
World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on residential property management, 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 property management owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, safety, property-access 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.

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Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer with your own properties and coordinator costs. Attach only the blank kit. If it is filled in, redact owner names, addresses, tenant records, bank details, keys, lockbox or alarm details and agreement terms first. 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 management agreements, owner names or property addresses, keys, lockbox or alarm details, tenant 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 property management business. I have attached the Property Management Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my plan for my owners and coordinators, using my numbers.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a property fee, coordinator wage, doors per staff hour, supply 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 recurring sales times the ramp percentage times the seasonal percentage, plus confirmed leasing fees 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 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 properties = (fixed costs, principal and other recurring cash out minus leasing fee contribution) divided by one average property's contribution; leasing fees at their 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 coordinator hours available per month = coordinators multiplied by hours each works a week and 52, divided by 12; paid hours needed = on-site hours for properties and leasing work divided by utilization.
- Office rent share = line 1 over 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 management and leasing fees in the month they are actually received; if an owner pays on 30-day terms, use the month after billing. Coordinator pay is paid in the month worked. In the slow-start case, every month's sales, leasing fees 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 is the run of months ahead, measured from the last 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, permit, insurance, tenancy, employment, wage or lease advice. Do not name laws, permit types, agencies, government fees or wage rates for property work, 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 owner 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, owner segments, service area, the coordinators I can staff each week and the paid hours each works, and days open per week.
b. Sales build: for management agreements, the full-run property count, average monthly fee and each agreement's start month; for leasing fees, the leases booked for each month 1 to 12, the average lease fee and the staff hours each lease takes, setup included, so those hours count against the same staff hours as the agreements; or, without start months, a ramp percentage of full-run fee 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 fees 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 more). 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 (leasing fees) its count for each month once fully booked.
c. For each property: doors managed, my doors per staff hour for that property type, visits per month and monthly price; where I have them, its own supplies, payment fees and fuel or mileage in dollars, and the coordinator labor cost it uses. If I give none, apply the company shares and label each property'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 office and equipment to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried operations manager, 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, turn supplies and small materials; line 14, coordinator labor, with payroll taxes and workers' compensation; line 15, payment processing fees; line 16, mileage and fuel, at the standard business mileage rate; and any sales line whose own shares differ, given for that line.
g. For each owner segment: owner conversations, proposals and wins last quarter, and days from owner conversation to proposal; properties at the start of the month and properties lost; the number of new properties I need.
h. For one typical week: paid, on-site billable, drive, rework, and waiting, loading or admin hours per coordinator; 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 owner pays me (out of rent collected, on invoice and how many days later, or by card), deposits I collect or pay and when, and when payroll and my software vendors 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 replacement and any reserve 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 the sales-tax number the business holds, 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 property management company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by management agreement, leasing 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 properties (use cash break-even); office rent share and planning debt service coverage at full-run sales and at the month-12 run rate, 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. Property economics for each property at true labor cost, ranked by contribution per hour, flagging any property priced below its labor, supply, fee and fuel cost.
7. Pipeline by segment with owner conversations needed and monthly churn.
8. Team 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 proposal or agreement 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 agreement dates and staff 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 $18,000.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**65,000**	**54,557**	**46,609**	**41,460**	**38,937**	**38,624**	**40,179**	**43,124**	**46,739**	**50,561**	**55,181**	**61,555**
In: sales receipts	9,785	14,311	19,393	24,158	28,170	31,559	34,081	35,297	35,673	37,123	40,304	44,897
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: turn supplies, fees and mileage (lines 13, 15, 16)	528	773	1,047	1,305	1,521	1,704	1,840	1,906	1,926	2,005	2,176	2,424
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	14,966	16,752	18,761	20,642	22,228	23,566	24,562	25,042	25,191	25,764	27,020	28,835
Out: office rent (line 1)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Out: other costs, with loan interest (lines 2, 5 to 12)	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163
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	321	321	321	321	321	321	321	321	321	321	321	321
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(10,443)**	**(7,948)**	**(5,149)**	**(2,523)**	**(313)**	**1,555**	**2,945**	**3,615**	**3,822**	**4,620**	**6,374**	**8,904**
Closing cash, expected	**54,557**	**46,609**	**41,460**	**38,937**	**38,624**	**40,179**	**43,124**	**46,739**	**50,561**	**55,181**	**61,555**	**70,459**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**65,000**	**52,940**	**42,626**	**34,271**	**27,755**	**22,786**	**19,124**	**16,435**	**14,216**	**12,141**	**10,625**	**10,336**
Sales receipts, slow start	6,849	10,018	13,575	16,910	19,719	22,091	23,857	24,708	24,971	25,986	28,213	31,428
Out: variable costs, slow start (lines 13 to 16)	3,075	4,498	6,096	7,592	8,854	9,919	10,712	11,093	11,212	11,668	12,668	14,111
Out: fixed costs (lines 1 to 12), principal, bills, less funding	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834
Net cash flow, slow start	**(12,060)**	**(10,314)**	**(8,355)**	**(6,516)**	**(4,969)**	**(3,662)**	**(2,689)**	**(2,219)**	**(2,075)**	**(1,516)**	**(289)**	**1,483**
Closing cash, slow start	**52,940**	**42,626**	**34,271**	**27,755**	**22,786**	**19,124**	**16,435**	**14,216**	**12,141**	**10,625**	**10,336**	**11,819**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**8,203**	**8,378**	**8,554**	**8,729**	**8,729**	**8,729**	**8,554**	**8,554**	**8,378**	**8,378**	**8,554**	**8,904**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash is the planned figure, which is above the page 5 two-pass size. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $44,261 a month, against month 12's own $44,897): closing cash runs $78,662 in month 1 and $173,103 in month 12, lowest $78,662 in month 1, above the floor. Sales are net of sales tax, and the example pays each month's tax in the month it is collected, so it owes none at any month end; enter your own rate and payment timing in the page 11 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse. Slow-start month 1 closes below the expected case, by $1,617, because it holds the same fixed load on less work, though no month collects late.