Water Damage Restoration Business Plan and Operations Starter Kit

Built for the owner of a water damage restoration firm. The pages cost extraction, drying, mold and rebuild work at what a crew hour really runs, lay the authorization, milestone and completion payments out as a collection pattern, follow every quote back to the lead that produced it, expose the true price of one billable hour, locate the cash break-even point across a storm season, and put the whole plan through six tests.

WATER DAMAGE RESTORATION, DRYING AND MOLD WORK
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/RESTORATION-CONTRACTORS/
SHARE THIS KIT: LINKEDIN · X · FACEBOOK · BLUESKY · THREADS · EMAIL
BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

January can be the fullest month a restoration company ever has and July the thinnest on cash. The drying fleet is bought and paid for before the first job runs, and rebuild work ties up crew hours that a drying job would have returned sooner. Every figure involved goes on paper here.

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
5	Startup budget: vans, drying equipment, setup, pre-opening, working capital
6	Sales forecast builder for drying, mold and rebuild jobs and call-outs, ramp, season, capacity check
7	Job pricing at true crew cost, the payment schedule, and the job overrun check
8	Operating and cash break-even, break-even jobs, space share and debt coverage
9	Quotations grouped by where the call came from, visits required, jobs cancelled and the job register
10	Crew utilization, true cost per billable hour, and where crew hours leak
11	Twelve-month cash forecast, expected and slow-start cases
12	Runway, and a worked example scored on the page 4 check
13	What moves the result: the worked example's what-if table
14	Checklists for each job, the weekly numbers review and six questions to investigate
15	Your first 30 days, vehicle, equipment and yard questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build job and call-out 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. Equipment prices, material prices and crew rates move before a quote is signed, and every worksheet expects your own figures.
3. Once you open, the page 14 checklists run on every job and the numbers are reviewed once a week. The overrun check on page 7 belongs at each job close, and the quote log on page 9 is updated after every quote goes out.

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 restoration 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, not legal, tax, accounting, employment, moisture, containment, disposal or financial advice. Registration, insurance, mold work and disposal vary by location, so every plan needs a compliance and registration review with a qualified professional.

PAGE 3

Business plan, part one

Anyone lending you money wants one question settled: can extraction, drying, mold and rebuild work carry wages, equipment and the note across a storm season? Answer briefly here; write the long version separately.

1. Executive summary (write it last)

Cover four things: what the company does, the ground it covers, the sum you need, and where it goes, from vans and drying fleet to first payroll. Finish with the month the page 6 forecast clears cash break-even (page 8), and the page 4 verdict.

2. Services and customers

List the work you accept, from a single-room extraction to a full rebuild, and say what the customer buys: someone at the door the same afternoon, a scope on paper, meter readings explained daily. Borrow their phrasing.

3. Service area and crew capacity

Draw your service boundary and note the windshield time; work out how many crew hours you can put on site a day. The fleet sets a second ceiling: three drying sets can run together, and a fourth call at the same hour means renting more equipment.

4. Drying, mold and rebuild work, and pricing

Each service carries three figures: the hours it consumes, the price you charge, and the quotient between them. A price with no hours behind it is a wish, not a rate.

SERVICE	CREW HOURS	PRICE	PRICE PER CREW HOUR

> *Owner question: rebuild work returns about 94 dollars a crew hour after materials, drying about 304. Dropping rebuild frees 135 crew hours a month. Could four technicians turn those hours into enough extra drying to cover 11,826 dollars?*
>
> Start on page 7: it charges every hour at true cost and strips out card and fuel, while the 94 and 304 deduct materials alone, so the spread survives. Set the contribution given up beside what extra drying earns; a fourth drying job means renting.

PAGE 4

Business plan, part two

5. Operations

Describe how a job runs from first call to final payment: the emergency response, the drying plan, mold clearance and the rebuild, with each payment step. Name who checks each job without you.

6. Team

List every role, its hours and its pay, including a market wage for your own hours. Name the technician who can run a drying job without you; page 14 asks that first.

7. Marketing and sales

Explain where call-outs come from, how a call becomes a drying proposal, and why property managers and repeat homeowners call again.

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, equipment and supplier quotes, lease terms and the requirements of every approval the plan needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment 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 in the busiest month (job and call-out hours, pages 6 and 7, over utilization, page 10) fit the hours you can staff (page 6), and the drying fleet can run the simultaneous jobs.	
5. Signed work authorizations with payments back the job count, and the call record backs the call-out volume.	
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 rerun the forecast under each change. 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 drying equipment supplier or the insurer, or a documented calculation. Restoration budgets can break on the first equipment order before the first payment lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
VANS, DRYING EQUIPMENT AND INSTRUMENTS				
Two cargo vans and an enclosed trailer (the loan is a source of funds)				
Drying fleet: air movers, dehumidifiers, extractors and air scrubbers				
Containment, monitoring instruments, PPE and safety equipment				
Estimating, documentation and job software setup				
SETUP AND APPROVALS				
Registration deposits (requirements vary by location; review with a qualified professional)				
Insurance down payment				
Business entity and accounting setup				
Shop lease deposit and first month				
PRE-OPENING				
Hiring, training and pre-opening payroll				
Launch marketing, website and van lettering				
Opening materials and consumables 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 the floor 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 work authorizations and the emergency calls you can staff, not from the payroll you need to cover. Count jobs first; add call-outs at the volume your call record supports.

Monthly sales for a line = units times average price, with the unit counted in its own period: a per-day count times days open in the month, a per-week count times 52 divided by 12, and a per-month count as it stands.
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
Drying, mold and rebuild jobs	jobs				
Emergency call-outs	call-outs				

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 job and call-out sales times ramp (the share of full-run volume the crew 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 = technicians on the crew multiplied by hours a day (add each person's hours if they differ), days worked a week and 52, divided by 12; paid hours needed = crew hours on jobs and call-outs divided by utilization

Write how many crew hours you can staff each day and how many days you work each week. Add up the monthly crew hours your jobs and call-outs need (jobs a month times crew hours per job, page 7) and divide by utilization (page 10). A call-out uses three crew hours. The crew in line 3 is a floor you pay for either way. If the plan needs more paid hours than you can staff, the plan is wrong, whatever the quotes say. Crew hours are only the first limit: the fleet runs three drying jobs at once, and a fourth simultaneous emergency is a rental decision.

PAGE 7

What each job earns, and when the money arrives

Scope sets the price. Crew time, materials and the trades you bring in set the cost.

Labor = crew hours on site at true cost per billable hour (page 10; driving, setup and waiting sit in that cost)
Contribution = price less labor, materials, trades, fees and fuel at the page 8 shares; per crew hour = that contribution over the crew hours. That is the contribution after all labor; the page 8 ratio covers variable lines only.
Close rate = jobs won of quotations given; quotations needed = jobs needed over that close rate

WORKED EXAMPLE: THREE JOB TYPES (ILLUSTRATIVE)

TYPE OF JOB	JOBS A MONTH	JOB PRICE	HOURS ON SITE	CREW LABOR	MATERIALS AND TRADES	CARD FEES AND FUEL	LEFT AFTER COSTS	BACK PER CREW HOUR	JOBS WON PER QUOTE
Water extraction and structural drying	7	$4,900	14	$644	$650	$225	$3,381	$241.50	55%
Mold remediation and containment	3	$7,400	26	$1,196	$2,220	$340	$3,644	$140.15	45%
Rebuild and reconstruction	1.5	$13,500	90	$4,140	$5,000	$621	$3,739	$41.54	40%

Labor is $46.00 an hour at true cost, from page 10; fees and fuel at 4.6 percent of price (page 8 lines 15 and 16); materials and trades at quoted prices. At the crew hour, water extraction and structural drying brings back the most ($241.50), rebuild and reconstruction the least ($41.54). The hours shown are an estimate resting on an unsourced equipment allowance; nobody timed these jobs with a stopwatch. Emergency call-outs: 18 a month at 3 crew hours each, in the capacity check. Page 12 takes its shares from these types (11.5 jobs a month, average $6,674).

YOUR OWN JOB TYPES

TYPE OF JOB	JOBS A MONTH	JOB PRICE	HOURS ON SITE	CREW LABOR	MATERIALS AND TRADES	CARD FEES AND FUEL	LEFT AFTER COSTS	BACK PER CREW HOUR	JOBS WON PER QUOTE

WHEN THE MONEY FOR EACH JOB ACTUALLY LANDS

SERVICE LINE	STAGE OF THE JOB	PART OF THE PRICE	LANDS
Drying, mold and rebuild jobs	Payment at authorization	35%	in that month
Drying, mold and rebuild jobs	Progress payment at the milestone	40%	in that month
Drying, mold and rebuild jobs	Completion payment	25%	in that month
Emergency call-outs	Paid when the call-out is done	100%	in that month

The example banks $100 of every $100 it bills in a month; both lines are weighted into one figure for this sentence alone, and page 11 holds each to its own schedule. Money taken before the first air mover is placed is included in closing cash when received, the unearned part a memo customer-deposit liability and never deducted.

COMPARING HOURS SOLD WITH HOURS WORKED

A drying job stretches; the quote does not. Put hours on the timesheet beside the hours you sold.

Overrun hours = hours logged less hours quoted; overrun cost = those hours at true cost. Find the cause first, price added scope in writing before the crew starts, and feed the lesson into the next quote.

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 equipment bay rent	
2. Liability, property and vehicle insurance	
3. Crew labor, with payroll taxes and workers' compensation (four technicians on the minimum crew, 160 paid hours a week)	
4. Owner's market wage (sales, quoting, management; hours on jobs go in line 14)	
5. Loan interest (van and drying equipment loan)	
6. Base utilities, phones and internet	
7. Marketing, website and paid lead services	
8. Estimating, documentation and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Drying equipment maintenance and replacement reserve	
11. Van and trailer insurance, registration and fixed vehicle costs	
12. Recurring training, safety and other fixed costs	
Total fixed costs	

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

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

Weekly = monthly x 12 / 52; per day open = weekly / days open. Bay share = line 1 / net sales.

PAGE 9

Quotations, hit rate and jobs that fall through

The vans are the same vehicles either way; the callers are not. Split drying and mold quotations by where the inquiry started, since the one that arrives in the middle of an emergency and the one that comes in through a website behave nothing alike, and a property manager's repeat business decides whether a small firm stays small.

```
Quote rate = the quotations you present divided by the visits that preceded them; conversion rate = the jobs sold divided by those quotations
Visits required = the new jobs you need, divided by (quote rate times conversion rate)
Cancellation rate = jobs signed and then cancelled during the quarter, divided by the jobs held when the quarter opened
```

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

WHERE THE INQUIRY CAME FROM	VISITS	QUOTATIONS	JOBS WON	QUOTE RATE	CONVERSION RATE	DAYS FROM VISIT TO QUOTE	VISITS NEEDED TO LAND 34.5 WINS
Emergency call-out visits	46	42	21	91%	50%	2 days	76
Online, referral and repeat homeowners	26	20	9	77%	45%	6 days	100
Property manager, builder and repeat accounts	10	7.5	4.5	75%	60%	14 days	77

These counts are assumptions chosen to make the arithmetic legible. Nothing in them explains why a call-out inquiry converts and an online inquiry does not, and a sample this thin points a direction rather than establishing a rate. Here, losing 1 of 34.5 signed jobs across a quarter works out at roughly 0.97 percent a month cancelled, counted against the jobs held when the quarter opened, before any new win, so quotations have to replace that loss before they add anything.

YOUR OWN QUOTATIONS, GROUPED BY WHERE THE INQUIRY STARTED

WHERE THE INQUIRY CAME FROM	VISITS	QUOTATIONS	JOBS WON	QUOTE RATE	CONVERSION RATE	DAYS FROM VISIT TO QUOTE	VISITS REQUIRED

REGISTER OF JOBS SIGNED AND JOBS LOST

CUSTOMER	JOB DATE	PAYMENT USED	COMPLETED OR CANCELLED	WHY IT WAS CANCELLED, IN THE CUSTOMER'S OWN WORDS

PAGE 10

What a technician's hour really costs the company

The hourly wage opens the calculation; it does not close it. Windscreen time between addresses, hauling dehumidifiers in and out, waiting while a room dries, driving back to a wall that still reads wet, all of it is paid and none of it is invoiced. Each hour you can bill has to carry that weight.

```
Utilization = the hours spent billable on site, divided by the hours you pay for
Loaded hourly cost = the wage grossed up by whatever share payroll taxes, workers' compensation,
benefits and paid time off add
Cost per billable hour = the paid hours multiplied by the loaded cost, then divided by the hours you can
actually bill
```

WORKED EXAMPLE: ONE CREW, ONE WEEK (ILLUSTRATIVE)

ITEM	HOURS IN THE WEEK	SHARE OF THE PAID WEEK
Hours paid for	160	100%
On site and billable	104	65%
Windscreen time between addresses	22	13.8%
Return trips to put work right	8	5.0%
Waiting on a room to dry, loading, paperwork	26	16.3%

The wage is $23.00 an hour. Put 30 percent on top for payroll taxes and benefits and the technician costs $29.90; at 65 percent utilization, an hour you can bill costs you $46.00. That last figure, not the wage and not the loaded rate, is what every job has to be priced from. The shares are rounded and may not sum exactly to 100 percent.

YOUR OWN CREW, ONE WEEK AT A TIME

TECHNICIAN	HOURS PAID	BILLABLE ON SITE	WINDSCREEN	RETURN TRIPS	UTILIZATION	WHAT A BILLABLE HOUR COSTS

THE COST OF A TECHNICIAN WALKING OUT

When a technician leaves, the drying plan, the readings taken each day and everything known about the customer leave with him, unless the file was written down. Keep a written record on every job and every call-out so whoever takes over reads the same history.

PAGE 11

Twelve-month cash forecast

Equipment and payroll leave before payments land. Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: collections, in the month each payment lands, net of sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: equipment, materials, fees and fuel (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: shop and equipment bay 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 morning the first van leaves the yard 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, suppliers and subcontracted trades 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, and what the slow months take out of it

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

Worked example: an invented water damage restoration business

Illustrative assumptions that show the arithmetic, not benchmarks. Every job is billed in the month it finishes, and the standing crew sits in line 3 from month one. Cash floor $48,404. Jobs follow the page 7 schedule (35 percent at authorization, 40 percent at the milestone and 25 percent at completion, with every tranche landing in the month it is billed); call-outs are paid once the work is finished; costs leave as the work is done; the owner draws the wage in cash; nothing new is borrowed or put in.

Page 5, budget	The startup budget comes to $302,300, raised as an $85,000 loan (10.5 percent over 5 years) and $217,300 of owner money, including a $123,400 reserve held back for working capital, untouched on the day the doors open. The two-pass sum: a $48,404 floor, a one-month buffer of $48,404, and $26,493 (how far the first pass drops below zero), rounded up to $123,400.
Page 8, costs	Fixed costs $47,267 a month, including $1,700 for shop and equipment bay and $690 in interest on the loan; the principal is $1,137 a month, the year-1 average rather than a level payment; variable share 27.9 percent, which leaves a contribution margin ratio of 0.721. Variable lines 13 to 16 carry 23.3, 0, 2.2 and 2.4 percent of sales (line 13 is a blend across the two services). Twelve fixed lines make up the rest.
Page 8, break-even	Operating break-even comes to about $65,558 a month. Cash break-even (fixed $47,267 plus $1,137 principal, over 0.721) is about $67,135 a month: 7.7 jobs a month from drying, mold and rebuild after the other lines' contribution (line 13 runs 24.4 percent on drying, mold and rebuild jobs, 18 percent on call-outs; lines 14 to 16 hit every service at one rate, leaving 0.710 on drying, mold and rebuild and 0.774 on call-outs), so 8, against the 11.5 the plan is built on.
Page 6, sales	Drying, mold and rebuild jobs: 11.5 jobs a month at $6,673.91. Call-outs: 18 a month at $850. A full-run month brings in about $92,050; jobs and call-outs ramp 48, 60, 70, 78, 85, 90, 95 percent through months 1 to 7, and 100 percent from there; season 96, 100, 104, 96, 86, 84, 88, 104, 112, 116, 118, 96 percent across the year, on both lines.
Page 19, expected case	First-month billing of $42,417; month 1 ends at $105,578, month 12 at $227,510. Low: month 3, closing $96,907, $48,503 above the floor.
Page 19, slow start	With jobs and call-outs at 70 percent, month 1 bills $29,692 and ends at $96,404; month 12 ends at $22,022. Cash drops under the floor in month 4 (closing $47,675), a runway of 3 months.
Page 8, coverage	On a full-run month of $92,050, planning coverage, before tax and equipment replacement, stands at 10.83 against the 1.25 the example lender wants; on the month-12 run rate the figure is 10.83, and Test 3 calls for both. Shop and equipment bay share is about 1.8 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is assumed met for the example. Test 1 passes: on the month-12 run rate, sales come to about $92,050 a month, above the $67,135 break-even; cash stays above the floor for a second year at that rate (the lowest close $242,819, month 1 of year 2). Test 2 fails: at 70 percent volume the floor gives way in month 4; about $38,200 more in reserve would carry it. Test 3 passes on the planning formula; the lender's own definition decides. Test 4 passes: across the busiest full-run month (month 11, season 118 percent) the job table on page 7 and call-outs on page 6 need about 431 crew hours on site, about 663 paid hours at 65 percent utilization (page 10), close to 3.8 full-time technicians, against the 693 paid hours the roster covers (4 technicians, 8 hours a day, 5 days a week), so the work fits. Crew hours are not the only ceiling: the fleet can run three drying jobs at once, and the example assumes no more than three overlap in the busiest month; a fourth needs a rental in line 13 and a rerun of Test 4. Test 5 cannot be scored, because the evidence for it is not there. Test 6 passes: a full year at full run finishes with about $215,568 after principal, with no full-run month below zero, so no cushion is needed. That is a steady-state year, not the opening one: page 19's first year leaves about $104,110 in cash as the crew builds and the quiet months arrive first. Break-even needs about three quarters of planned sales; the two quiet stretches test the reserve.

PAGE 13

What moves the result

Each row changes one page 12 input and reruns the forecast. A row names a test when a change newly fails or passes it; a failed test stays failed. The last column also gives the slow start, which is Test 2.

FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES

CHANGE	STEADY-MONTH CASH	CASH BREAK-EVEN, DEADLINE AND SLOW START (TEST 2)
One tenth fewer jobs and call-outs (lines 13 to 16 drop)	minus $6,637	Expected case holds the floor
Drying, mold and rebuild jobs: average price 5 percent higher, same volume (only the card and financing fees move)	plus $3,753	Break-even jobs fall from 7.7 to 7.2 a month, so from 8 to 8: per-unit equipment and crew costs stay the same while sales-linked card and financing fees rise with the price, so the ratio rises from 0.721 to 0.731 on the new sales (sales-linked fees, line 15, take 2.2 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $65,748
Drop the rebuild line (20,250 of billing a month at a 58.4 percent contribution), from month 6 onward	minus $11,826	Expected case still clears the floor; slow start deadline unchanged (month 4)
Lose one drying job a month (4,900 of billing at an 82.1 percent contribution), from month 6 onward	minus $4,023	Expected case still clears the floor; slow start deadline unchanged (month 4)
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 $651), below zero too; slow start below the floor in month 2 (closing $7,522); would fail Test 1
One drying job's completion tranche never arrives for 2 months from month 7 ($1,225 a month)	no change	Expected case still clears the floor; slow start deadline unchanged (month 4); $2,450 never collected (a one-time loss)
Jobs run 15 percent over quoted crew hours, absorbed inside the four technicians' paid hours in an average month (646 paid hours needed of the 693 they are paid for; line 14 stays at zero until the hours run 23 percent over quote). The peak month is different: season 118 already takes the crew to about 663 paid hours, so 15 percent more needs about 763 and the extra hours are paid as overtime, about 70 in the month.	no change	Cash break-even is unchanged at about $67,135; expected case still clears the floor; slow start deadline unchanged (month 4)
Materials and subcontracted trades cost 10 percent more (line 13 rises from 23.3 to 25.63 percent, about $2,145 a month at full run)	minus $2,145	Cash break-even rises to about $69,377; expected case still clears the floor; slow start deadline unchanged (month 4)
Setup overrun of $10,000 beyond the contingency, paid out of the cash reserve	no change	Expected case still clears the floor; slow start deadline unchanged (month 4)
Opening 3 months late (shop and equipment bay, insurance, loan interest and principal, $5,027 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 $64,111 in month 7 from the planned opening, $32,796 lower than on time; slow start below the floor in month 6 from the planned opening (month 4 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 1 as failed, and score Test 4 only from the capacity and fleet check
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A, Test 3 passes; with a loan, margin at or below zero makes Test 3 fail
```

PAGE 14

Checklists for each job, weekly review, six questions

These are operating checklists and nothing more, not a safety program. Add whatever moisture, containment, electrical, disposal and clearance steps your own work and a qualified safety professional call for.

BEFORE THE VAN IS LOADED

- ☐ Get the work authorization signed and the payment terms agreed before anything goes on the van.
- ☐ Check the air movers, dehumidifiers, meters and sheeting are aboard; log the serial numbers.
- ☐ Agree the crew hours the quotation allowed and name the person who logs time against them.
- ☐ Photograph every affected room and take the opening moisture readings before the work begins.
- ☐ Ring the customer with the arrival window and say how many days the drying is likely to run.
- ☐ Write down how the customer prefers to be contacted, how the crew gets in, and anything about pets on site.

CLOSING A JOB AND ENDING A CALL-OUT DAY

- ☐ On every job you close, set the hours logged beside the hours quoted.
- ☐ Take the closing moisture readings and note when the equipment came back to the shop.
- ☐ Photograph the finished work and file the paperwork before anyone goes home.
- ☐ Take the completion payment, or get the date it will arrive confirmed in writing.
- ☐ Enter each call-out with what caused it, what equipment went out and whether it became a job.
- ☐ Fill the van back up and flag anything in the consumables stock running short.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Billed and banked, split by job, call-out and payment stage				
Hours on the timesheet set against hours sold, one job at a time				
Utilization and any overtime in the crew				
Call-outs received, the jobs they became, and jobs won				
Quotations presented and won, and the close rate for each lead source				
Completion payments, plus anything falling due in the next 30 days				
The owner's own hours on jobs and on quotations				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every quotation wait on the owner, and does a technician ring before leaving each scope call?
2. **Reactive operations.** For a week, count messages saying nobody came, the room is still damp or the problem returned, and the return visits nobody billed.
3. **Growth without structure.** How many jobs a week change scope halfway, and how much overtime traces to a failed dehumidifier or a second trip for gear?
4. **Talent and retention.** How many jobs rest on one technician who alone knows the drying plan, the readings and the customer?
5. **Revenue plateau.** How many days pass between an emergency call and a proposal, and how many callers ever get one?
6. **Strategic confusion.** Do two jobs of one kind consume wildly different crew hours, and does the work delivered drift from the work quoted?

Hypotheses from AI-assisted World Consulting Group desk research, page 2. Check against a record.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log crew hours on every job and every quote.
Week 2	Fill the page 7 job table at true crew cost and mark any job type priced below its labor, materials, fees and fuel.
Week 3	Set up the quote table on page 9 by lead source and record days from the emergency call to the drying proposal.
Week 4	Enter closing cash on page 11, recalculate runway, and list what a lead tech may decide alone.
After month 1	Run the overrun check on every closed job and measure crew utilization on page 10.

BEFORE YOU BUY EQUIPMENT OR RENT A YARD, GET WRITTEN ANSWERS TO THESE

- ☐ What will each truck and major piece of equipment cost per month in total, including payment, insurance, fuel and maintenance?
- ☐ What does an inspection by a qualified mechanic find on each used truck or machine, and what will each repair cost?
- ☐ What does the yard cost, what does it include (storage, security, access hours), and how much notice does either side give to end it?
- ☐ What does insurance cost for vehicles, equipment, liability and work at customer sites, and what does it exclude?
- ☐ If equipment is financed or leased, what is the monthly payment and what does ending early cost?
- ☐ Which customers require proof of insurance or other documents before work starts?
- ☐ What is your plan, and its cost, when a truck or machine is down?

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

WHAT THE FULL KIT ADDS

The full Water Damage Restoration Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a job pricing calculator from crew hours and materials to a price at a target margin, a payment and work-authorization tracker, editable quote, call-out and crew scheduling trackers, drying and mold checklists and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. Fixr and HomeGuide restoration and mold cost guides, 2026 (job prices and job scope); Bob Vila, mold removal cost (labor and materials split); Payscale, restoration technician pay (wage); SchedulingKit, deposit practice in home-service work (payment at authorization); Tenantbase, commercial lease rates (shop and equipment bay rent); Fundera, small-business loan terms (loan term). The crew hours per job, close rates, season curve, lead-to-call-out rate, drive and waiting shares of a paid week and the equipment allowance are planning figures built from these pages and the trade, not a time study; replace them with your own logs.
World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on restoration 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. Water damage restoration, drying and mold work owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

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

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

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer with your own jobs, call-outs and crew costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER.

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as customer work authorizations, customer names or addresses, access codes, payment details, employee records or bank account details. So rounding does not make a record anonymous; run the arithmetic on your own computer.

I run a water damage restoration company. I have attached the Water Damage Restoration Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan, 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, materials cost, technician 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 name the quote, record or calculation that holds it. 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 job and call-out 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 call-out contribution) divided by one average job's contribution; call-outs: own materials 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 = technicians on the crew multiplied by hours a day (add each person's hours if they differ), days worked a week and 52, divided by 12; paid hours needed = crew hours on jobs and call-outs divided by utilization.
- Shop and equipment bay share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the morning the first van leaves the yard 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, not the page 5 two-pass size. Enter the authorization, milestone and completion payments in the month each one lands; payroll and suppliers are paid in the month worked. Include a payment taken before a job starts in closing cash in the month it is received; carry the unearned part as a memo customer-deposit liability and never deduct it from closing cash. In the slow-start case, every month's sales, call-outs 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 morning the first van leaves the yard), 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, 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. Where a result is N/A for that reason, score the tests that depend on it as failed, exactly as page 13 sets out: a contribution margin ratio of zero or below fails Tests 1 and 6 and, with a loan, Test 3; one unit's contribution, or the count it multiplies, of zero or below: break-even units are N/A and score Test 1 as failed, and score Test 4 only from the capacity and fleet check. 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 technicians I can staff on the crew each day and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for drying, mold and rebuild jobs (jobs), the full-run jobs a month by job type, each type's price, materials and subcontracted cost and crew hours; for emergency call-outs (call-outs), the call-outs a month at full run, the average ticket and the materials share of it; a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month from my call record or my market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. 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 the drying fleet to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the crew, 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, materials, consumables and subcontracted trades, as quoted on each job and used on each call-out; line 14, hourly crew labor above the minimum crew, with payroll taxes and workers' compensation; line 15, card and financing fees; line 16, fuel, small consumables and disposal; and any sales line whose own shares differ, given for that line.
g. For every source of inquiry: visits, quotations and jobs won last quarter, and the days between a visit and the quotation; the jobs on the books as the quarter opened and the ones cancelled since; how many new jobs I need.
h. For one ordinary week, per technician: the hours paid for, the billable hours on site, and the split of the rest between windscreen time, return trips and loading, waiting or paperwork; the base wage and the payroll-tax 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 payment at authorization, the progress payment at the milestone, the completion payment, or by card when a call-out is done), deposits I collect or pay and when, and when payroll and my suppliers are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, van, drying equipment and instrument replacement, and consumables 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 (the cash I never plan to spend; set the planning floor at the greater of that figure and one full-run month of fixed costs plus monthly principal, and show both).
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 restoration company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by job line, call-out line and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even jobs (use cash break-even); shop and equipment bay 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 for the page 11 worksheet (51.25 means $51,250), with any page 19-style exhibit in whole dollars and its unit labeled, and, 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. Quotations by where the inquiry started, with visits required and the cancellation rate.
8. Utilization for each technician and what a billable hour costs, with the biggest leak in the paid week named.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every job count or payment timing I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK.

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

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $48,404.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**123,400**	**105,578**	**96,995**	**96,907**	**98,199**	**98,311**	**100,081**	**107,160**	**127,779**	**153,707**	**182,290**	**212,201**
In: sales receipts	42,417	55,230	67,012	68,927	67,289	69,590	76,954	95,732	103,096	106,778	108,619	88,368
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: equipment, materials, fees and fuel (lines 13, 15, 16)	11,834	15,409	18,696	19,231	18,773	19,416	21,470	26,709	28,764	29,791	30,304	24,655
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	28,728	28,727	28,727	28,727	28,727	28,727	28,728	28,727	28,727	28,727	28,727	28,727
Out: shop and equipment bay rent (line 1)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Out: other costs, with loan interest (lines 2, 5 to 12)	16,840	16,840	16,840	16,840	16,840	16,840	16,840	16,840	16,840	16,840	16,840	16,840
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	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137	1,137
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(17,822)**	**(8,583)**	**(88)**	**1,292**	**112**	**1,770**	**7,079**	**20,619**	**25,928**	**28,583**	**29,911**	**15,309**
Closing cash, expected	**105,578**	**96,995**	**96,907**	**98,199**	**98,311**	**100,081**	**107,160**	**127,779**	**153,707**	**182,290**	**212,201**	**227,510**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**123,400**	**96,404**	**75,874**	**61,291**	**47,675**	**33,231**	**19,949**	**10,384**	**10,296**	**13,924**	**19,411**	**25,827**
Sales receipts, slow start	29,692	38,661	46,909	48,249	47,102	48,713	53,868	67,012	72,167	74,745	76,033	61,858
Out: variable costs, slow start (lines 13 to 16)	8,284	10,787	13,088	13,461	13,142	13,591	15,029	18,696	20,135	20,854	21,213	17,259
Out: fixed costs (lines 1 to 12), principal, bills, less funding	48,404	48,404	48,404	48,404	48,404	48,404	48,404	48,404	48,404	48,404	48,404	48,404
Net cash flow, slow start	**(26,996)**	**(20,530)**	**(14,583)**	**(13,616)**	**(14,444)**	**(13,282)**	**(9,565)**	**(88)**	**3,628**	**5,487**	**6,416**	**(3,805)**
Closing cash, slow start	**96,404**	**75,874**	**61,291**	**47,675**	**33,231**	**19,949**	**10,384**	**10,296**	**13,924**	**19,411**	**25,827**	**22,022**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**15,309**	**17,964**	**20,619**	**15,309**	**8,673**	**7,345**	**10,000**	**20,619**	**25,928**	**28,583**	**29,910**	**15,309**

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 reserve sits well above the floor, 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 means month-12 ramp and bookings with each month's season still applied (average about $92,050 a month, against month 12's own $88,368): closing cash runs $242,819 in month 1 and $443,078 in month 12, lowest $242,819 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 are carried in fixed lines; waste or purchases you cannot cut make a real slow start worse.