Roofing Business Plan and Operations Starter Kit

A working kit for residential roofing contractors. It prices every roof at true crew cost with the shingle and materials share shown, turns deposits and completion payments into a collection pattern, tracks replacement quotes by lead source, shows what a billable roof hour truly costs, finds cash break-even through the winter months, and scores the plan on six pass-or-fail tests.

ROOFING REPLACEMENT AND REPAIR
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PAGE 2

Start here

A roofing company can be busiest in July and short of cash in February. Shingles are bought before the tear-off, weather writes off whole weeks, and a roof that is finished is not always a roof that is paid. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

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HOW TO USE IT

1. Build roof and repair 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. Shingle prices, crew rates and weather move before a contract is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every roof and the numbers review every week. Run the page 7 overrun check when each roof closes and update the page 9 quote log after every quote.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the roofing contractor questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 14 were drafted by AI models from World Consulting Group desk research and challenged by a second AI model. None was measured in the field, so treat them as hypotheses to test, not findings.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, fall-protection, disposal or financial advice. Licensing, registration, insurance, fall protection, disposal and building-approval requirements, warranty terms and employment terms vary by location. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender reads this page to see whether the roofs you sell turn into money before the bundle invoice and crew payroll land. Answer in short sentences and write the full sections on separate sheets.

1. Executive summary (write it last)

Describe the work, the area you serve, the money you need and what it buys, truck and trailer to first payroll; then give the month the page 6 forecast first clears cash break-even from page 8, and the page 4 result.

2. Work you take and who buys it

Put the work in a homeowner's words: the stain spreading across a bedroom ceiling, the hail-bruised shingles an adjuster will want to see, the tear-off where the deck turns out soft. Then say what the buyer gets besides a dry house (a scope in writing, a roof closed against weather nightly, a nail-swept drive), where the calls come from, and who in the household signs.

3. Ground you cover and crews you can field

Draw the radius you work and count the windshield time between roofs: a crew stuck in traffic lays no squares. Then count the crew you can field on a Monday and the squares those hands lay before dark.

4. Tear-offs, repairs and what each one sells for

Build every line from squares and the crew hours spent on the deck. A price with no hours behind it, or a price per square blind to pitch and old layers, cannot be defended when the roof fights back.

ROOF OR REPAIR	SQUARES AND CREW HOURS	PRICE	PRICE PER CREW HOUR

> *Owner question: are we losing replacement bids because the deposit and the material order make homeowners nervous?*
>
> Test this first: your quote is one lump sum, so the homeowner cannot see what the deposit buys or when a bundle lands in the driveway. Log who presented each quote and where the lead came from, print the deposit beside the material order on every tear-off quote, then compare the win rate of quotes that show it with the ones that do not, matched on roof size and presenter. That is a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how a replacement runs from contract to final payment: measuring, the order, the tear-off, the install days, cleanup and the walk-around. Name who checks each roof when you are not there.

6. Team

Write down every job on the payroll, its hours and its rate, plus what your own selling and measuring time is worth. Then name who could run a tear-off if you were away a week; page 14's first question goes at that gap.

7. Marketing and sales

Explain where inspections come from, how an inspection becomes a replacement quote, and why a homeowner repeats your name to a neighbor, then compare a referral's cost to win with your other sources.

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. Contracts with payment schedules, insurance, truck and equipment quotes, supplier terms and the approvals 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 each month-end closing cash, with every receipt and payment placed in its month, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. Paid crew hours needed in the busiest month (roof and repair hours, pages 6, 7 and 10) fit the hours you can staff (page 6), and planned roofs reach break-even (page 8).	
5. Signed contracts with deposits back the roof count, and the repair record backs the repair volume; a lead count supports a forecast of quotes, not of roofs.	
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 truck loan or a yard lease. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the truck dealer, the shingle supplier or the insurer, or a documented calculation. A roofing budget can break on the first material order before the first completion payment lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
TRUCK, TRAILER AND TOOLS				
Used truck with ladder rack and dump trailer (the loan is a source of funds)				
Nail guns, compressors, ladders, harnesses and tear-off equipment				
Safety and fall-protection equipment				
Inspection drone and estimating software setup				
SETUP AND REGISTRATION				
Contractor registration and bonding deposit				
Insurance down payment				
Business entity and accounting setup				
Yard lease deposit and first month				
PRE-OPENING				
Hiring, training and pre-opening payroll				
Launch marketing, website and truck wrap				
Opening shingle and materials stock				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

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

PAGE 6

Sales forecast builder

Every other number depends on sales, so build them from signed replacement contracts and the repairs you can staff, not from the payroll you need to cover. Count roofs first; add repairs at the volume your repair record supports.

```
Monthly sales for a line = units times average price times days open in the month (or times 1 for units counted per month)
Days open in a month = days open per week times 52, divided by 12
```

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE PRICE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Roof replacements	roofs				
Repairs and maintenance	repairs				

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 roof and repair sales times ramp (the share of full-run volume the crew and the repair 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 signed contracts by month.

CAPACITY CHECK

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Paid crew hours available per month = roofing 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 roofs and repairs 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 roofs and repairs need (roofs a month times crew hours per roof, page 7) and divide by utilization (page 10). Repairs use the crew's hours in line 3. If the plan needs more paid hours than you can staff, the plan is wrong, whatever the quotes say.

PAGE 7

Job pricing, deposits and collection

The roof sets the price and the quote the terms; costs go out as crew hours, materials and dump fees. Deposit at signing, balance at completion, and each roof type must earn its contribution per crew hour.

Labor = the hours spent on the deck times the page 10 cost of a billable hour (bundle runs and tear-off setup sit in that cost)
Contribution = the roof's price less labor at the true cost of a billable hour, less bundles and materials, less card, dumpster and fuel costs at the page 8 rates; per crew hour = that contribution across the crew hours. This is the pricing view, charging every crew hour including the standing crew already paid in line 3; page 8 uses the cash contribution instead
Win rate = roofs signed divided by quotes written; quotes needed = roofs needed divided by win rate

WORKED EXAMPLE: THREE TEAR-OFFS (ILLUSTRATIVE)

TEAR-OFF	ROOFS / MONTH	PRICE	CREW HOURS	LABOR	BUNDLES, UNDERLAYMENT	FEES, DUMPS, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE
Small roof (15 sq)	4	$6,750	40	$1,792	$2,700	$338	$1,920	$48.00	30%
Medium roof (25 sq)	2	$11,250	80	$3,584	$4,500	$563	$2,603	$32.54	30%
Large roof (35 sq, steep)	1	$17,500	136	$6,093	$7,000	$875	$3,532	$25.97	25%

Costed at $44.80 per billable hour from page 10; fees and fuel at 5 percent of price (page 8 lines 15 and 16); bundles, underlayment and flashing at the supplier's ticket. Pricing carries every hour on a roof, so the table's labor share is never a variable cost; page 8 keeps the standing crew in line 3 and only hours above it in line 14. Per crew hour, the small roof (15 sq) earns the most ($48.00) and the large roof (35 sq, steep) the least ($25.97). Repairs and maintenance: 40 a month, 1.5 crew hours each, in the capacity check, with the crew in line 3. The shingle share on page 12 comes from these three roofs (roof replacements: 7 a month, and they average $9,571).

YOUR TEAR-OFFS

TEAR-OFF	ROOFS / MONTH	PRICE	CREW HOURS	LABOR	BUNDLES, UNDERLAYMENT	FEES, DUMPS, FUEL	CONTRIBUTION	PER CREW HOUR	CLOSE RATE

DEPOSIT, BALANCE AND WHEN THE MONEY SHOWS UP

SALE LINE	STAGE	SHARE	HITS THE BANK
Roof replacements	Deposit at signing	40%	in that month
Roof replacements	Completion payment	60%	in that month
Repairs and maintenance		100%	in that month

Take $100 of billing: the example banks $100 in that month. Roofs and repairs pay on different habits, weighted here by full-run sales (roof replacements 81 percent, repairs and maintenance 19 percent) into one whole-percent pattern for this sentence only; page 11 collects each line on its own schedule, month by month, and your own forecast does the same. A signing deposit is held out of closing cash until the material order, so it enters the forecast in that order's month; the roof is counted once, in the month it is billed.

ROOF OVERRUN CHECK

A second layer of shingles, a soft deck and a steep pitch all surface once the tear-off starts, and none were in the quote. At every close, set the hours on the time cards against the hours you sold.

Hours over = hours the roof actually ate, less the hours quoted; the dollars are those hours at one billable hour's true cost. Name the cause while the dumpster is on the drive; price added scope in writing before a hand touches it, then carry the lesson into the next roof's hours.

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. Yard and shop rent	
2. Liability, property and vehicle insurance	
3. Roofing crew and any guaranteed minimum crew hours, with payroll and workers' comp	
4. Owner's market wage (selling, measuring, management; hours on roofs go in line 14)	
5. Loan interest (truck and equipment loan)	
6. Base utilities, phones and internet	
7. Marketing, website and lead services	
8. Estimating, CRM and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Tool and equipment maintenance and replacement	
11. Truck and trailer registration, maintenance and fixed vehicle costs	
12. Recurring certifications, memberships and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Shingles, underlayment, flashing and materials, as quoted on each roof and used on each repair	
14. Hourly crew labor above any minimum crew, with payroll taxes and workers' compensation	
15. Card processing fees	
16. Fuel, dump fees, permit running costs and small consumables	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even roofs = (fixed costs and principal, less repair contribution) divided by one average roof's
cash contribution; repairs: own parts share, kit's other lines. Cash contribution = price less
materials, card, dumpster and fuel, less only the crew hours line 14 pays; the standing crew is line 3
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 roofs (use cash break-even)	one figure per month		
Yard and shop share and debt service coverage at full-run sales		ratios, monthly only	

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

PAGE 9

Who quotes, who signs, who backs out

Same trailer, different buyers. A quote that grows out of a repair closes differently from one that starts with an online form, so count quotes by where the call came from; referrals are what make a second crew safe to hire.

```
Quote rate = quotes written divided by site visits; win rate = signed roofs divided by quotes
Roofs needed, and the visits behind them, = roofs you need divided by (quote rate times win rate)
Cancellation rate = roofs dropped in the quarter divided by signed roofs in hand when it opened
```

WORKED EXAMPLE: ONE AUTUMN OF QUOTES, SORTED BY WHERE THE CALL CAME FROM (ILLUSTRATIVE)

LEAD SOURCE	HOUSE VISITS	QUOTES	ROOFS SIGNED	QUOTE RATE	CLOSE RATE	VISIT TO QUOTE	VISITS FOR 21 WINS
Past customers and referrals	33	23	7	70%	30%	3 days	99
Online, yard signs and referral leads	47	33	10	70%	30%	5 days	99
Property manager and storm-work accounts	23	16	4	70%	25%	7 days	121

Three in ten quotes become roofs: 21 signed roofs a quarter, the 7 a month the plan needs, with nothing to spare. One quarter of quoting is a direction, not a rate, so keep counting. Signed start dates, not quotes, drive the page 12 ramp, which reaches full run in month 8. Nothing is assumed to fall through in the base case, so no cancellation is carried. Record any that happen in the log below: over a quarter they become replacement work before any growth.

YOUR OWN QUOTES, GROUPED BY LEAD SOURCE

LEAD SOURCE	HOUSE VISITS	QUOTES	ROOFS SIGNED	QUOTE RATE	CLOSE RATE	DAYS FROM THE VISIT TO THE QUOTE	VISITS NEEDED

SIGNED-ROOF LOG, AND CANCELLATIONS

ROOF	SIGNED ON	CHANGE ORDER	BUILT OR DROPPED	WHY THE HOMEOWNER BACKED OUT, IN THEIR WORDS

PAGE 10

Crew utilization and true labor cost

A roofer's wage is the start of the cost, not the end. Loading bundles, driving for shingles, setting ladders, tearing off and sweeping up, or sitting out rain are paid hours that never reach an invoice, and the hours that do must carry them.

```
Utilization = hours with a hammer on the roof divided by hours on the clock
Loaded hourly cost = the wage grossed up for payroll taxes, workers' compensation, benefits and paid days off
Cost per billable hour = the whole paid week at that loaded cost, spread over the hours the crew was billable
```

WORKED EXAMPLE: FOUR ROOFERS, ONE MONDAY TO FRIDAY (ILLUSTRATIVE)

HOURS	HOURS ON THE CLOCK	SHARE OF THE PAID WEEK
Paid hours	160	100%
Hammer time, billable	120	75%
Bundle runs and driving	16	10.0%
Ladders, tear-off, sweep-up	8	5.0%
Rain, lunch and paperwork	16	10.0%

At a $26.25 wage with 28 percent payroll taxes and benefits on top, the crew costs $33.60 an hour; at 75 percent billable, an hour on the roof comes to $44.80. Quote every roof off that figure, never off the wage and never off the loaded rate.

EACH ROOFER, ONE WEEK

ROOFER	PAID HOURS	HAMMER TIME	DRIVE	TEAR-OFF	UTILIZATION	COST OF A ROOF HOUR

WHERE LOSING A ROOFER HURTS MOST

A crew leader who leaves takes the flashing details, the homeowner history and the bundle lists with him unless somebody wrote them down. Record them for every roof and repair so the next lead picks up the same file.

PAGE 11

Twelve-month cash forecast

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

Month 1 opening cash is cash on the first day the crew is on a roof after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Crews and suppliers are paid in the month of the work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what the winter months cost

Runway counts the months ahead, starting at the latest closed month (before opening, from the first day the crew is on a roof), before the first month in which closing cash falls below your floor

Worked example: a hypothetical roofing company

Figures are illustrative, not benchmarks. A roof is invoiced at completion, and the standing crew sits in line 3 from month one. Cash floor $39,925. Roof replacements are collected on the page 7 schedule (40 percent at signing and 60 percent at completion, both in the month the roof is billed); repair tickets are settled on the spot, the bills are paid as the work is done, the owner's wage is drawn in cash, and nothing fresh is injected.

Page 5, budget	Startup budget in total $266,100, funded by a $50,000 loan (10.5 percent over 5 years) and $216,100 of owner money, including a $162,600 reserve sized for the ramp losses, the winter months, the floor and the buffer. Page 5 works the reserve twice: a floor at $39,925, then one further month on top, $39,925, plus $82,689 (how far the first pass, opening with nothing, runs short), rounded up to $162,600.
Page 8, costs	Fixed costs $39,256 a month, including $1,500 for yard and shop space and $406 of equipment-loan interest inside it; principal $669 a month (both year 1 averages); variable share 43.1 percent, leaving a contribution ratio of 0.569. Lines 13 to 16 take 36.6, 1.5, 2.5 and 2.5 percent of sales (line 13 blended across the sales lines). Lines 1 to 12 run $1,500, $1,000, $23,300, $6,500, $406, $350, $4,000, $400, $600, $300, $550 and $350 a month.
Page 8, break-even	Operating break-even works out near $68,991 a month. Cash break-even (fixed $39,256 plus principal $669, divided by 0.569) is about $70,167 a month: 5.6 roofs a month from roof replacements once the repair line has paid its share (line 13 runs 40.0 percent on roof replacements, 22 on repairs and maintenance; lines 14 to 16 skim the same percentage off every line, so the contribution ratio is 0.535 on roof replacements, 0.715 on repairs and maintenance), so 6, against the 7 the plan counts on.
Page 6, sales	Roof replacements: 7 roofs a month at $9,571.43. Repairs and maintenance: 40 repairs a month at $385. A full-run month comes to $82,400; roofs and repairs climb 45, 60, 70, 80, 85, 90, 95 percent across months 1 to 7, then hold at 100 percent; season 65, 60, 65, 75, 85, 95, 105, 115, 120, 120, 100, 95 percent through the twelve months, applied to roofs and repairs both.
Page 19, expected case	Month 1 bills $24,102; month 1 finishes at $136,751, month 12 at $142,039. Low: month 5, closing $79,911, $39,986 clear of the floor.
Page 19, slow start	At 70 percent of the expected roofs and repairs, month 1 sales $16,871; month 1 finishes at $132,528, month 12 at $13,025. Cash drops below the floor in month 6 (closing $33,706), which leaves the runway from opening at 5 months.
Page 8, coverage	At a full-run month of $82,400, planning cover, before income tax and a replacement truck, is 7.47 against the 1.25 the example lender asks for, while at month 12's pace it reaches 3.84, and Test 3 wants both halves. Yard and shop share is about 1.8 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0: met for the example. Test 1 passes: at month 12's pace, sales reach about $75,533 a month, above the $70,167 break-even; the floor holds through a second year at that pace (its low $109,862, month 4 of year 2). (For context, the expected case only clears cash break-even in month 6.) Test 2 fails: at 70 percent the cash drops below the floor in month 6; about $27,000 more in the reserve would clear it. Test 3 passes on the planning formula, though only your lender's own definition settles it. Test 4 passes: in the busiest full-run month (month 9, season 120 percent) the roofs on page 7 and the repairs on page 6 need about 830 paid hours at 75 percent utilization (page 10), about 3.8 crew months of paid hours, against the 867 paid hours it can field (4 crew members, 10 hours a day, 5 days a week; the crew on line 3 supplies 693), so the work fits; the 7 planned roofs clear the break-even count. Test 5 fails for want of evidence. Test 6 passes: a full-run year with its winter months still leaves about $37,040 after principal, though running net cash stays negative through months 1, 2, 3 and 4, falling by $32,178 (from opening to its month 4 low), and the page 5 buffer covers it. That is a steady-state year, not the first: page 19's opening year loses about $20,561 in cash as the crew builds and winter lands before the first full summer. The break-even count is about 5.6 roofs a month; the plan sells 7. Winter is what the reserve is for.

PAGE 13

What moves the result

Each what-if row changes one input of the page 12 example and reruns the forecast; the six pass-or-fail tests on page 4 are a different list. A row names Test 1, 3 or 6 when the change would newly fail or pass it; a test the example already fails stays failed. The last column also gives the slow start, which is Test 2.

WHAT MOVES THE RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Ten percent fewer roofs and repairs (lines 13 to 16 fall)	minus $4,689	Expected case holds the floor; the month-12 run rate falls below cash break-even; coverage at the month-12 run rate falls below zero; would fail Tests 1, 3 and 6
Roof replacements: average price 5 percent higher, same volume (only card fees rise)	plus $3,266	Break-even roofs fall from 5.6 to 5.2 a month, so from 6 to 6: per-unit costs stay the same, so the ratio rises from 0.569 to 0.585 on the new sales (sales-linked fees, line 15, take 2.5 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $68,409
Lose the small roof (15 squares, walkable) work (4 roofs a month, $27,000 of billing), from month 6 onward	minus $14,457	Expected case still clears the floor; slow start deadline unchanged (month 6); full-run coverage falls below zero; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Every payment lands two months after billing (crew and bills still paid on time)	no change	Expected case below the floor in month 3 (closing $28,964), below zero in month 4; slow start below the floor in month 3 (closing $33,122); would fail Test 1
One small roof (15 sq) a month for 2 months from month 6 is never paid ($6,750 a month, a write-off and not a late payment)	no change	Expected case still clears the floor; slow start deadline unchanged (month 6); $13,500 never collected
Roofs and repairs run 15 percent over quoted crew hours (line 14 rises from 1.5 to 5.5 percent, about 98 more paid hours a month; a price rise of about 5.0 percent on roof prices would hold contribution)	minus $3,296	Cash break-even rises to about $75,473; expected case still clears the floor; slow start deadline unchanged (month 6); coverage at the month-12 run rate falls to 1.03; would fail Test 3
Shingle and materials prices 10 percent higher (line 13 rises from 36.6 to 40.3 percent, about $3,016 a month at full run)	minus $3,016	Cash break-even rises to about $74,991; expected case still clears the floor; slow start below the floor in month 5 (closing $39,700)
Setup overrun of $10,000 beyond the contingency, drawn from the cash reserve	no change	Expected case still clears the floor; slow start below the floor in month 5 (closing $34,830)
Opening 3 months late (yard and shop space, insurance, loan interest and principal, $3,575 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 $102,473 in month 7 from the planned opening, $22,563 higher than on time; slow start below the floor in month 12 from the planned opening (month 6 on time)

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Roof checklists, weekly review, six questions

Operations checklists, not a safety program. Add the fall-protection, disposal, inspection and approval steps that your work and qualified safety professionals require.

BEFORE THE BUNDLES LAND

- [ ] Check the contract is signed and the deposit is in the bank before a bundle is ordered.
- [ ] Match the order: shingle color and lot, underlayment, drip edge, delivery slot.
- [ ] Agree the crew hours the roof is sold at, and who records time against them.
- [ ] Agree in writing, before tear-off starts, who may approve a sheathing replacement and at what price a sheet or a square.
- [ ] Ring the homeowner the day before: arrival time, dumpster spot and crew access.
- [ ] Write down pets, driveways, and which shrubs and gutters need protection.

AT THE END OF A ROOF, AND AT THE END OF A REPAIR

- [ ] Set the time cards against the quoted hours as every roof closes.
- [ ] Photograph the finished field, the flashings, the vents and the swept drive.
- [ ] Enter the manufacturer warranty and scan the paperwork the same afternoon.
- [ ] Take the completion payment, or write down the day it should clear.
- [ ] Record each repair: what failed, what was used, whether to quote a replacement.
- [ ] Top up the trailer and flag any stock that will not last the week.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Cash billed and banked, by roof, repair and payment stage				
Quoted crew hours against time cards, roof by roof				
Utilization and overtime for each crew				
Repairs done, quotes raised from them, how many signed				
Quotes, roofs signed and close rate by lead source				
Completion payments due in thirty days				
The owner's own hours on a roof				

SIX QUESTIONS WORTH CHASING

1. **Founder dependency.** Can a roof be measured and priced without the owner, and do crews settle a deck or flashing detail without ringing him?
2. **Reactive operations.** How many homeowner messages last week said nobody came, it still leaks or the drive was dirty, and how many return trips went uninvoiced?
3. **Growth without structure.** How many roofs a week need a mid-job talk about scope, and how much time goes to a missing bundle or a second supplier trip?
4. **Talent and retention.** How many roofs can only be run by one crew leader who holds the address, the homeowner and the flashing detail?
5. **Revenue plateau.** How long passes between a repair and a replacement quote, and what proportion of repair customers gets quoted for a roof?
6. **Strategic confusion.** Do two roofs of the same size eat very different crew hours, and does what the crew builds match what was quoted?

These hypotheses come from AI-assisted World Consulting Group desk research (page 2). Test each against a record: the message log, the time cards against the quoted hours, the quote file, or the repair register.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log crew hours on every roof. Log the hours the owner spends measuring and selling.
Week 2	Fill the page 7 roof table at true crew cost and mark any roof 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 repair to replacement quote.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a crew leader may make without calling you.
After month 1	Run the overrun check on every closed roof 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 Roofing 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 roof pricing calculator from squares, materials and crew hours to a price at a target margin, a deposit tracker, editable quote, repair and crew scheduling trackers, roof and cleanup checklists and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. Each named for what it supplied. Fixr and Cobexcg for installed price and the materials share; Roach Home Improvement and Rapid Roofing for crew hours; InvoiceFly and Roof Giants for wages; Hedarack for yard rent; GOBankingRates for the used truck; Construction Coverage and GoMotive for insurance and equipment; Billia and SW Recovery for the deposit and completion terms. Where no published figure was found, the research note labels the input judgment.
World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on roofing 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. Roofing replacement and repair owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, fall-protection, 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 and answer the prompt below with your own roofs and crew costs.

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as customer contracts, customer names or addresses, roof photographs with identifiers, access details, insurance claim papers, employee records or bank account details. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) a residential roofing company. I have attached the Roofing Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my roofs, repairs and crew, 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 roof price, material cost, crew wage, close rate, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average price (every line here is counted per month). Each month's expected sales = full-run roof and repair 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 the loaded crew rate, never in line 4. 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 roofs = (fixed costs and principal, less repair contribution) divided by one average roof's cash contribution; repairs: own parts share, kit's other lines. Cash contribution = price less materials, card, dumpster and fuel, less only the crew hours line 14 pays; the standing crew is line 3. 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 = roofing 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 roofs and repairs divided by utilization.
- Yard and shop 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 first day the crew is on a roof after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice beside it, never a substitute. Enter the completion payment in the month it lands; payroll and suppliers are paid in the month worked. A signing deposit counts in closing cash in the material order's month, not when it was banked. In the slow-start case, every month's sales, signed roofs 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 counts the months ahead, starting at the latest closed month (before opening, from the first day the crew is on a roof), before the first month in which closing cash falls below my cash floor. Round variable cost shares to one decimal. In the cash forecast and slow start, charge line 13 at that blended share, not split by line; per-line rates are for break-even.
(Continued on page 17.)

PAGE 17

The prompt, continued

Paste this part directly after the rules on page 16, as one message.

5. Do not give legal, tax, licensing, permit, insurance, disposal, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous customer IDs. Do not ask for names, home addresses, roof photographs with identifiers, 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 crew I can staff on roofs each day and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for roof replacements (roofs), the full-run roofs a month by roof type, each type's price, shingles and materials cost and crew hours; for repairs and maintenance (repairs), the repairs a month at full run, the average ticket and the parts 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 own booking 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 (truck dealer quote, supplier quote, insurer quote or calculation) for each line on page 5, from the truck and tools 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 the loaded crew rate, never in line 4.
f. Variable cost shares of net sales for lines 13 to 16: line 13, shingles, underlayment, flashing and materials, as quoted on each roof and used on each repair; line 14, hourly crew labor above any minimum crew, with payroll taxes and workers' compensation; line 15, card processing fees; line 16, fuel, dump fees, permit running costs and small consumables; and any sales line whose own shares differ, given for that line.
g. For each lead source: site visits, quotes written and roofs signed last quarter, and days from the visit to the quote; signed roofs in hand when the quarter opened and roofs dropped; how many new roofs I need.
h. For one typical week: paid, on-site billable, drive, tear-off and sweep-up, and rain or paperwork hours per roofer; base wage and payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when each customer pays me (the deposit share at signing, the completion payment, how many days after completion a balance lands, or by card at the door for repairs), deposits I collect or pay and when, and when payroll and my material supplier are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, truck, trailer, tool and equipment replacement and material stock build-up.
m. Cash on hand on the first working day after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my roofing company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by roof line, repair 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 roofs (use cash break-even); yard and shop share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). In Test 6, charge line 14 at each month's own excess hours above the standing crew's minimum, not at its year-average share of sales. 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. Quotes by lead source, the visits behind them, and the cancellation rate.
8. Crew utilization and cost per billable hour, with the largest leak named.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every roof 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 roof 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 $39,925.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**162,600**	**136,751**	**114,149**	**96,120**	**85,068**	**79,911**	**81,129**	**89,206**	**101,321**	**114,687**	**128,052**	**136,249**
In: sales receipts	24,102	29,664	37,492	49,440	59,534	70,452	82,194	94,760	98,880	98,880	82,400	78,280
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: shingles, materials, fees and fuel (lines 13, 15, 16)	10,026	12,340	15,597	20,567	24,766	29,308	34,192	39,420	41,134	41,135	34,278	32,565
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	29,800	29,801	29,799	29,800	29,800	29,801	29,800	33,100	34,255	34,255	29,800	29,800
Out: yard and shop rent (line 1)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Out: other costs, with loan interest (lines 2, 5 to 12)	7,956	7,956	7,956	7,956	7,956	7,956	7,956	7,956	7,956	7,956	7,956	7,956
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	669	669	669	669	669	669	669	669	669	669	669	669
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(25,849)**	**(22,602)**	**(18,029)**	**(11,052)**	**(5,157)**	**1,218**	**8,077**	**12,115**	**13,366**	**13,365**	**8,197**	**5,790**
Closing cash, expected	**136,751**	**114,149**	**96,120**	**85,068**	**79,911**	**81,129**	**89,206**	**101,321**	**114,687**	**128,052**	**136,249**	**142,039**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**162,600**	**132,528**	**104,730**	**80,131**	**60,417**	**44,830**	**33,706**	**27,382**	**26,194**	**26,692**	**27,189**	**20,949**
Sales receipts, slow start	16,871	20,765	26,244	34,608	41,674	49,316	57,536	66,332	69,216	69,216	57,680	54,796
Out: variable costs, slow start (lines 13 to 16)	7,018	8,638	10,918	14,397	17,336	20,515	23,935	27,595	28,793	28,794	23,995	22,795
Out: fixed costs (lines 1 to 12), principal, bills, less funding	39,925	39,925	39,925	39,925	39,925	39,925	39,925	39,925	39,925	39,925	39,925	39,925
Net cash flow, slow start	**(30,072)**	**(27,798)**	**(24,599)**	**(19,714)**	**(15,587)**	**(11,124)**	**(6,324)**	**(1,188)**	**498**	**497**	**(6,240)**	**(7,924)**
Closing cash, slow start	**132,528**	**104,730**	**80,131**	**60,417**	**44,830**	**33,706**	**27,382**	**26,194**	**26,692**	**27,189**	**20,949**	**13,025**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**(8,646)**	**(11,052)**	**(8,646)**	**(3,834)**	**978**	**5,791**	**9,615**	**12,115**	**13,366**	**13,366**	**8,197**	**5,791**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $75,533 a month, against month 12's own $78,280): closing cash runs $133,393 in month 1 and $179,079 in month 12, lowest $109,862 in month 4, 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.