Tree Service Business Plan and Operations Starter Kit

A working kit for tree service owners. It prices trims, removals and stump grinding at the loaded labor cost of a billable crew hour, with paid travel and dump-run time inside that hour and diesel and dump fees charged on top, turns completion payments and property-management work orders into a collection pattern, tracks quotes by lead source, shows what a billable crew hour costs in labor, finds cash break-even once the calendar turns seasonal, and scores the plan on six pass-or-fail tests.

TREE TRIMMING, REMOVAL AND STUMP GRINDING
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PAGE 2

Start here

A tree service can fill a June calendar and still lose money. The quote is built from the tree; the cost is built from crew hours, a chipper, a truck, diesel and the dump run, and a property-management account pays on completion like everyone else until the month it stops paying at all. This kit makes you write those numbers down and tests them before a lender or a slow December asks.

WHAT IS INSIDE

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HOW TO USE IT

1. Build job and work-order 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. Quotes, lead costs and property-management terms move before a job is booked, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists every day and the numbers review every week. Run the page 7 overrun check at the end of every day and update the page 9 quote log before every estimate.

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 tree service business 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, chainsaw and climb safety or financial advice. Insurance, employment terms and the kinds of work a tree crew takes on vary by location and by job. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender asks one question: do booked take-downs and prunes pay wages, diesel, the chipper and the equipment loan through a slow December? Answer each point, then draft the long sections elsewhere.

1. Executive summary (write it last)

Write down what you fell and thin, the ground you travel, the dollars you raise and where each lands, from a used chip truck to the first pay run. Name the month the page 6 sales line clears cash break-even on page 8, then close with the page 4 verdict.

2. The work we take and who books it

Cover the range: a crown thin, a hazard oak lowered in sections beside a roof, and the grinding left once the wood is hauled off. People call back for a crew that arrives when promised. List where inquiries start and which lead sources bring customers, then who signs.

3. Ground we cover and hours we can staff

Draw the service area and the run between yard, job, transfer station and next address. Work out the paid hours your people can field daily, then what that buys once travel is out. Travel sits inside the page 10 loaded labor cost.

4. Work types and what we quote

For each kind of work, set the pricing from the hours a crew spends there and the figure you quote, built on the page 10 loaded labor cost, which carries travel but not diesel or dump fees (page 7). Quote from the look of the tree and you are guessing.

WORK	HOURS	QUOTE	PER HOUR

> *Owner question: should a removal be priced from the tree, or from what a crew hour costs once the chipper, truck, diesel and dump run are counted, and which jobs lose money when they run long?*
>
> The figure comes by eye from the tree and what a neighbor paid, never from the hours the crew stands there once diesel, dump fees and the chipper are charged on top. Multiply the page 10 loaded labor cost by hours on site, add materials and job charges, and find the tasks that lose money.

PAGE 4

Business plan, part two

5. Operations

Describe how a day runs from the booked schedule to the paid invoice, covering routing, the fuel and dump stop, the job, photos, sign-off and the invoice. Name who checks the schedule and the quotes when you are not there.

6. Team

List every role, its hours and its pay, including a market wage for your own hours. Name the person who can run a day without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where quotes come from, which lead sources you will chase and why customers book again; repeat bookings pay for the quotes you lose.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below, with the money needed, its sources and its runway.

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

TEST	PASS?
Gate 0. Draft property-management agreements, insurance and equipment quotes are in writing, and the plan's compliance and registration review with a qualified professional is booked.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment terms included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. Paid crew hours needed in the busiest month (hours on jobs, page 7, divided by utilization, page 10) fit the hours you can staff (page 6), and planned jobs reach break-even (page 8).	
5. Booked jobs and signed property-management agreements back the job count, and written quotes back the prices; leads support quotes, not jobs.	
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 chip truck loan, a property-management agreement or a lead-service contract. **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 equipment supplier or the insurer, or a documented calculation. A tree service can break on the first slow month before the first repeat customer calls, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
CHIP TRUCK, CHIPPER AND GRINDER				
Used chip truck, full purchase price (the loan is a source of funds)				
Chipper and stump grinder, full purchase price				
Saws, ropes, rigging and climbing gear				
Scheduling and invoicing software setup				
SETUP				
Compliance and registration review with a qualified professional; requirements and cost vary by location				
Insurance down payment				
Entity and accounting setup				
PRE-OPENING				
Hiring, background checks and training				
Launch marketing, website and uniforms				
Opening supplies and consumables				
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 booked jobs and signed property-management agreements, not from the payroll you need to cover. Count jobs you can staff first; add work orders at the volume the agreements support.

```
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
Jobs	jobs				
Property-management work orders	work orders				

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 work-order sales times ramp (the share of full-run volume the schedule has 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 booking record by month.

CAPACITY CHECK

```
Paid crew hours available per month = 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 = hours on jobs and work orders 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 hours your jobs and work orders need (jobs a month times hours per job, page 7) and divide by utilization (page 10). If the plan needs more paid hours than you can staff, the plan is wrong, whatever the bookings say.

PAGE 7

Job pricing, deposits and collection

What goes out is an estimate. What leaves your account is crew time at the page 10 loaded labor cost, plus materials, card fees, diesel and dump charges, and money appears only once the customer settles. Sort each kind of work by what it leaves per crew hour, and set hours logged against hours sold.

```
Labor = hours on site times the page 10 loaded labor cost; diesel and dump fees are charged separately
Surplus = the quote less labor, materials, card, diesel and dump costs at their page 8 shares; per crew hour = that surplus split by hours on site. This pricing view charges every crew hour, including the standing crew already in line 3; page 8 uses the cash contribution, which counts only costs that move with the job
Booking rate = jobs signed divided by estimates handed out; estimates required = jobs required divided by the booking rate
```

WORKED EXAMPLE: THREE KINDS OF TREE WORK (ILLUSTRATIVE)

WORK	JOBS	PRICE	HOURS	LABOR	MATERIALS	FEES AND FUEL	SURPLUS	LEFT PER CREW HOUR	CLOSE RATE
Crown thin 21 to 40 ft	18	$850	8	$366	$0	$109	$375	$46.88	50%
Take-down 60 to 80 ft	14	$1,150	12	$549	$0	$147	$454	$37.83	50%
Stump grind for one stump	22	$375	1.5	$69	$0	$48	$258	$172.00	50%

Labor at $45.71 an hour, from page 10; fees and fuel at 12.8 percent of price (page 8 lines 15 and 16); anything bought sits at cost. Page 8 holds the two guaranteed climbers in line 3, the owner in line 4 and the hand's hours in line 14. Per crew hour, the stump grind earns the most ($172.00) and the take-down the least ($37.83). The portfolio stream adds 6 a month, 8 crew hours each, inside the capacity check and line 14. That mix gives the page 12 example its labor and materials split (jobs: 54 jobs each month at an average of $734).

YOUR OWN WORK TYPES

WORK	JOBS	PRICE	HOURS	LABOR	MATERIALS	FEES AND FUEL	SURPLUS	LEFT PER CREW HOUR	CLOSE RATE

WHO SETTLES UP, AND WHEN THE MONEY LANDS

BUYER		SETTLES BY	SHARE	MONEY LANDS
Jobs	Paid on the day, by card or check		100%	within that month
Portfolio work orders	Invoiced on 30-day terms and assumed paid in the billing month		100%	within that month

Out of each $100 of work finished, the example banks $100 in that month, because the example assumes invoiced work orders are paid in the billing month. Weighted by full-run sales, that is jobs 87 percent and portfolio work orders 13 percent for this sentence alone. A deposit on a big take-down stays outside closing cash until the crew arrives; revenue lands once, when the tree comes down.

WHERE THE HOURS RUN PAST THE QUOTE

A limb buried in the canopy, a hollow trunk or a neighbor wanting one more tree stretch a day while the quote sits still. Before you lock the gate, stack the hours the crew spent, with travel and dump-run time in, against the estimate.

```
Overrun hours = hours spent minus hours in the quote; overrun cost = that gap at the page 10 loaded labor cost. Work out the reason before you act, price anything the customer adds before the saw starts, and let each overrun nudge the next estimate.
```

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, equipment parking and office share	
2. Liability, commercial auto and tools insurance	
3. Two guaranteed crew, any guaranteed minimum crew hours, payroll taxes and workers' comp	
4. Owner's market wage (climbs and sells; owner field hours sit in this line, not line 14)	
5. Loan interest (equipment loan)	
6. Phones, internet and utilities	
7. Marketing, website and lead services	
8. Scheduling, estimating and invoicing software	
9. Accounting, payroll service and bank fees	
10. Repairs, chains, chipper blades and grinder teeth	
11. Registration and fixed vehicle costs	
12. Training, memberships, other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Materials billed at cost, as used on each job	
14. Seasonal helper hours above the guaranteed crew's paid hours, taxes and workers' compensation	
15. Card and platform fees	
16. Diesel, dump and disposal fees, consumables	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even jobs = (fixed costs, principal and other recurring cash out minus work-order contribution)
divided by one average job's cash contribution (price less materials, card and dump fees and the
helper's paid hours above the crew minimum, not page 7's surplus); work orders at their share
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		
Yard, parking and office 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, parking and office share = line 1 divided by net sales.

PAGE 9

Bids, win rate and renewals

One crew, several kinds of buyer. Sort estimates by where the inquiry started, since a paid lead site and a neighbor's recommendation sign at different rates, and it is the repeat calls, not the cancellations, that tell you whether the growth is real.

```
Estimate rate = estimates handed out divided by site visits; signing rate = jobs signed divided by estimates written
Site visits needed = extra jobs needed divided by (estimate rate times signing rate)
Jobs called off in the quarter divided by the jobs signed in that quarter gives the lost-job rate
```

WORKED EXAMPLE: A QUARTER OF ESTIMATES, TAKEN ONE LEAD SOURCE AT A TIME (ILLUSTRATIVE)

WHERE IT CAME FROM	SITE VISITS	ESTIMATES	SIGNED	ESTIMATE RATE	SIGNING RATE	DAYS, SITE VISIT TO ESTIMATE	SITE VISITS TO REACH 162 WINS
Homeowners who found us through search and lead sites	190	170	85	89%	50%	1 day	362
Neighbors, repeat calls and word of mouth	140	128	64	91%	50%	1 day	354
Portfolio managers, HOAs and realtors	30	26	13	87%	50%	4 days	374

Every count here is assumed to show the arithmetic, not why a platform lead books at a lower rate than a referral. Read small tallies as a direction rather than a rate. These estimates sign 162 jobs a quarter; four call-offs leave about 158, so repeat work agreed without an estimate only has to cover the final four of the 162 jobs each quarter that the plan needs. Signed dates, not estimates, drive the page 12 ramp, which reaches full run in month 8. In this worked example, dropping 4 of 162 jobs across a quarter, through call-offs and no-shows, comes to roughly 0.8 percent a month of the jobs signed in that quarter, so fresh estimates must fill any dropped job before the business grows.

YOUR ESTIMATES, LAID OUT BY LEAD SOURCE

WHERE IT CAME FROM	SITE VISITS	ESTIMATES	SIGNED	ESTIMATE RATE	SIGNING RATE	DAYS, SITE VISIT TO ESTIMATE	SITE VISITS NEEDED

REPEAT-BOOKING AND CALL-OFF LOG

ACCOUNT	LAST VISIT	CAME BACK?	STILL OURS?	WHY THE JOB WENT ELSEWHERE, IN THEIR WORDS

PAGE 10

Crew utilization and loaded labor cost

A climber on $25 an hour is far from a $25 hour once you count what you can charge. Travelling between jobs, queuing at the tip, refuelling and going back to fix something all burn paid time with no customer behind it.

```
Utilization = hours you can charge a customer for divided by hours you pay for
Loaded hourly cost = the wage with payroll taxes, workers' compensation, holiday and sick pay piled on top
Cost of a chargeable hour = what every paid hour costs at that loaded rate, split across the hours you can bill
```

WORKED EXAMPLE: TWO CREW MEMBERS, ONE WEEK (ILLUSTRATIVE)

HOURS	HOURS THAT WEEK	SLICE OF THE PAID HOURS
Paid hours	80	100%
Hours charged to a customer	56	70%
Road time and tip runs	18	22.5%
Going back to put it right	6	7.5%
Estimating, loading, paperwork	0	0.0%

At a $25.00 wage with 28 percent payroll taxes and benefits added, every paid hour stands at $32.00 an hour all in. With 70 percent of paid hours reaching a customer, one billable hour lands at $45.71. Build the rate you quote, and the smallest job worth taking, on that figure, not the wage.

YOUR OWN CREW, WEEK ON WEEK

NAME	PAID HOURS	CHARGEABLE	DRIVE	REWORK	UTILIZATION	WHAT A CHARGEABLE HOUR COSTS

THE CLIMBER YOU CANNOT BEAR TO LOSE

The climber who carries a property manager's sites, trees and rules in his head cannot be replaced easily unless those notes exist on paper. Log every repeat customer and every property, so whoever joins next works from the same page.

Twelve-month cash forecast

Payroll and fuel leave with the job; work orders bill monthly. Enter $000 (51.25 means $51,250), receipts net of 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: materials, fees, fuel (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: yard, parking and office share (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 paid day after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Crew hours leave with the job. 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 honest crew hours cost a quote

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

Worked example: a hypothetical tree service

Figures below are invented to demonstrate the arithmetic, never offered as a yardstick. Jobs bill on completion and the property manager's work orders are assumed paid in the billing month; the two guaranteed crew are on line 3 from day one. A cash floor of $27,155. A homeowner settles at the gate. For this illustration only, each portfolio invoice is assumed collected in its billing month, which 30-day terms do not imply (page 7 shows the schedules); wages and tip fees leave as each job closes; the owner draws cash; nothing fresh is borrowed.

Page 5: budget	Everything needed to open comes to $155,400, funded by a $65,600 loan (11 percent over 5 years) and $89,800 of owner money, including a $69,200 reserve sized around the ramp losses, the lean winter weeks, the floor and the buffer. Page 5 sizes the reserve twice over: a floor of $27,155, then another month of cover at $27,155, plus $14,822 (how deep the first pass runs when it starts with nothing), rounded up to $69,200.
Page 8: costs	Fixed costs $26,287 a month, including $700 for yard and office space and $558 of that on equipment-loan interest; principal $868 a month (both year 1 averages); variable share 15.7 percent, leaving a contribution ratio of 0.843. Lines 13 to 16 take 0, 2.9, 2.8 and 10 percent of sales. Lines 1 to 12 run $700, $750, $11,104, $6,800, $558, $300, $3,200, $385, $550, $1,300, $320 and $320 a month.
Page 8: break-even	Break-even on operations lands at $31,183 a month. Cash break-even (fixed $26,287 plus principal $868, divided by 0.843) is about $32,212 a month: 35.7 jobs a month once the work orders have paid their share, so 36, against the 54 the plan works on.
Page 6, sales	Jobs: 54 jobs a month at $734.26. Property-management work orders: 6 work orders a month worth $1,000. A month at full run comes to about $45,650; jobs and portfolio work orders climb 40, 52, 64, 75, 85, 92, 97 percent across the opening 7, then 100 percent. The seasonal index runs 105, 110, 116, 116, 112, 106, 100, 103, 92, 72, 74, 94 percent over the twelve months, applied to jobs and portfolio work orders alike.
Page 19, expected case	Month 1 bills $19,173; month 1 finishes at $58,764, month 12 at $131,258. Low: month 2, closing $54,378, $27,223 clear of the floor.
Page 19, slow start	At 70 percent of the planned jobs, month 1 sales $13,421; month 1 finishes at $53,748, month 12 at $17,853. The floor is breached in month 10 (closing $25,350), which means a runway of 9 months.
Page 8, coverage	On a full-run month of $45,650, planning cover, with income tax and a replacement truck still unfunded, is 8.94 against the 1.25 the example lender asks for; against the pace of month 12 it reads 8.94, and Test 3 wants both halves. Yard, parking and office share is about 1.5 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is treated as met for the example. Test 1 passes: with sales held at the month-12 pace, they reach about $45,650 a month, above the $32,212 break-even; in year two at that pace the cash stays above the floor (its deepest point $143,676, month 1 of year 2). (Not scored here, only noted: the expected case crosses cash break-even first at month 3.) Test 2 fails: on the slow case the floor gives way in month 10; about $9,400 more reserve would clear it. Test 3 passes on the planning formula, though only the lender can settle it. Test 4 passes: in the busiest full-run month (month 3) at season 116 percent, the work on page 7 plus the portfolio work orders need roughly 456 hours on site with customers, about 651 paid hours once 70 percent of them can be charged out (page 10), close to 3.8 full-time crew members; lines 3 and 4 pay the pair and the owner for 520 paid hours between them, and the seasonal hand's hours above those are paid in line 14 in the month they are worked, so the 693 hours the 4 can field cover it, and the work fits; the 54 planned jobs clear the break-even count. Test 5 fails for want of evidence. Test 6 passes: even a whole full-run year leaves about $128,752 after principal; not one full-run month finishes under water, so nothing has to be held back. That picture belongs to a settled year, not to year one, whereas page 19's opening year ends about $62,058 higher in closing cash, because the ramp is gradual and the opening months are not yet at full run. Two of every three planned jobs must land before costs are covered; the take-down returns the thinnest margin per crew hour.

PAGE 13

What moves the result

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

WHAT MOVES THE RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW START HOLDS LINE 14 TO THE HOURS ACTUALLY WORKED, NOT A FLAT SHARE OF SALES, AS THE PAGE 11 FORECAST AND THE PAGE 17 PROMPT SET OUT)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Ten percent fewer jobs and portfolio work orders (lines 13 to 16 drop)	minus $2,655	Expected case holds the floor
Jobs: average price 5 percent higher, same volume (only the card and platform fees of line 15 move with the added dollars; diesel and dump costs stay in dollars)	plus $1,927	Break-even jobs fall from 35.7 to 33.8 a month, so from 36 to 34: per-unit costs stay the same, so the ratio rises from 0.843 to 0.848 on the new sales (sales-linked fees, line 15, take 2.8 percent of each added dollar)
Fixed costs $600 lower	plus $600	Cash break-even falls to about $31,501
Lose the largest property-manager account (2 of the 6 monthly work orders, $2,000 a month), from month 6 onward	minus $1,013	Expected case still clears the floor; slow start deadline unchanged (month 10)
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 $9,094), below zero in month 3; slow start below the floor in month 2 (closing $10,832); would fail Test 1
The property manager never pays 2 months of work orders from month 6 ($6,000 a month)	no change	Expected case still clears the floor; slow start below the floor in month 7 (closing $24,246); $12,000 never collected
Jobs run 15 percent over quoted crew hours, callbacks and weather included (line 14 rises from 2.9 to 8.8 percent, about 84 more paid hours a month; a price rise of about 7.0 percent on job prices would hold contribution)	minus $2,693	Cash break-even rises to about $34,636; expected case still clears the floor; slow start deadline unchanged (month 10)
Diesel, dump and disposal fees 20 percent higher and not passed on (line 16 rises from 10.0 to 12.0 percent, about $913 a month at full run)	minus $913	Cash break-even rises to about $32,995; expected case still clears the floor; slow start deadline unchanged (month 10)
The trim price is cut $100 to fill the calendar and no extra jobs are won, from month 1 onward	minus $1,750	Expected case still clears the floor; slow start below the floor in month 6 (closing $26,992)
Setup overrun of $8,000 beyond the contingency, paid out of the reserve	no change	Expected case still clears the floor; slow start below the floor in month 4 (closing $25,151)
Opening 3 months late (yard and office space, insurance, loan interest and principal, $2,876 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 $47,766 in month 6 from the planned opening, $6,613 lower than on time; slow start below the floor in month 7 from the planned opening (month 10 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

Yard checklists, weekly review, six questions

These are operating lists, not a safety program. Bolt on the chainsaw, climbing, rigging and overhead-line steps your work and a safety professional call for.

BEFORE THE TRUCKS LEAVE THE YARD

- ☐ Walk the route and check the hours quoted for each stop against the gear its tree needs.
- ☐ Check the way in at every address, drive, gate code, overhead wire and the hour promised.
- ☐ Load saws, climbing rope, slings, bar oil and mixed fuel against the job sheet before the first engine turns.
- ☐ Settle the scope on any portfolio work order, and who signs at the end.
- ☐ Every estimate sent has a date or a call-back hour.
- ☐ Flag take-downs that want a third pair of hands, a crane or an arborist report before anyone climbs.

BEFORE THE YARD IS LOCKED

- ☐ Put the hours each crew spent on the property beside hours sold, and keep travel and dump time apart for page 10.
- ☐ With the owner's agreement, photograph finished work and bill before the truck pulls out.
- ☐ Write down diesel, tipping and anything bought, and mark whether the job paid for it.
- ☐ Note each trip back and whether the second visit was charged.
- ☐ Enter the estimates given, the ones that became work, and where each inquiry came from.
- ☐ Top up the truck, file the chains and raise anything the chipper or grinder needs.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Invoiced against banked, split by work type and who paid				
Hours on the property against hours sold, with travel and tip time kept for page 10				
How much of the paid day reached an invoice, and how much went on the road				
Estimates out, those turned into work, and the signing rate for each source				
Return trips, rework and time nobody paid for				
Portfolio work orders coming due inside a month				
The owner's own hours in the field				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Which decisions stall until you answer, from pricing a removal to whether a limb over a shed is safe?
2. **Reactive operations.** In a week, how many calls complain about a late crew or unfinished work, and how many trips back went uncharged?
3. **Growth without structure.** How often does a truck run back mid-job, and what share of the day does that reroute cost?
4. **Talent and retention.** Which portfolio accounts would follow one climber out of the gate, because only that climber knows their trees?
5. **Revenue plateau.** How many estimates promised that evening never leave your phone, and how many first-time customers return?
6. **Strategic confusion.** Do two look-alike jobs eat up different crew hours, and whether what you deliver drifts from what you sold?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the message log, the time cards beside the quoted hours, the estimate file, or the work-order register.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log on-site crew hours on every job, with drive and dump time separately. Log the hours the owner spends on jobs.
Week 2	Fill the page 7 job table at loaded labor cost and mark any job type priced below its labor, materials, fuel, fees and dump cost.
Week 3	Set up the quote table on page 9 by lead source and record days from estimate to quote.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a crew member may make without calling you.
After month 1	Review the daily overrun checks 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 Tree Service 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 quote and follow-up tracker, editable scheduling, work-order and callback trackers, daily checklists and hiring checklists. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on tree service businesses, 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. Tree trimming, removal and stump grinding owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

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

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

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer with your own jobs, crew hours 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 names or addresses, gate and access codes, property-management agreements, 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 tree service. I have attached the Tree Service Business Plan and Operations Starter Kit from businessconsultant.services. Help me build my own plan from 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, crew wage, materials cost, 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 job and work-order 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 field hours sit in line 4 too; line 14 holds only helper hours. 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 work-order contribution) divided by one average job's cash contribution (price less materials, card and dump fees and the helper's paid hours above the crew minimum, not page 7's surplus); work orders at their share. 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 = 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 = hours on jobs and work orders divided by utilization.
- Yard, parking and office 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 paid day after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with my cash; show the page 5 two-pass size as advice, not a substitute. Enter homeowner payments in the job's month. For property-management work orders, follow the owner's invoicing and payment timing; do not assume billing-month collection on 30-day terms. Hold a removal deposit until the job starts. In the slow-start case, every month's sales, work orders included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first paid day), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

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

5. Do not give legal, tax, licensing, permit, tree service work, 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, addresses, bank account or tax ID numbers, or customer names.
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 page 9. 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. Line 14 is not a flat share of sales: charge the paid hours actually worked in that month above the hours lines 3 and 4 already pay, from the hours per job on page 7 and the utilization on page 10, so a slow month carries fewer helper hours and a peak month more. 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, the area I cover, the crew I can staff each day and the paid hours each person works a day, days worked per week, and days open per week.
b. Sales build: for jobs, full-run jobs a month by type, each type's price, materials cost and on-site crew hours; for property-management work orders, work orders a month at full run and the average invoice; a ramp percentage of full-run volume for months 1 to 12 (confirm any month I omit); seasonal percentages by month if bookings vary; and the slow-start percentage to test; this kit sets a 70 percent stress test. 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, price, crew hours on site (drive and setup sit in the cost per billable hour), materials and subcontract cost, quotes given and won last quarter, each sales line's payment schedule (deposit, progress and final shares, and when each lands), 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 (quote or calculation) for each line on page 5.
e. Monthly fixed costs for lines 1 to 12, including guaranteed minimum crew hours, loan interest and my market wage; whether I draw it in cash; and 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 field hours sit in line 4 too; line 14 holds only helper hours.
f. Variable cost shares of net sales for lines 13 to 16: line 13, materials billed at cost, as used on each job; line 14, seasonal helper hours above the guaranteed crew's paid hours, taxes and workers' compensation; line 15, card and platform fees; line 16, diesel, dump and disposal fees, consumables; and any sales line whose own shares differ, given for that line.
g. Broken out by lead source: site visits, estimates and signed jobs last quarter, and days from site visit to estimate; the work already on the book when the quarter opened and what fell off it; how many more jobs I have to win.
h. For one typical week: paid, on-site billable, drive, rework, and waiting, loading or admin hours per crew; base wage and payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when each customer pays me (on completion, or on invoice and how many days later for property managers), deposits on larger removals and when, and when crew hours, the dump and fuel 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, truck and equipment replacement and stock build-up.
m. Cash on hand the first working day after startup spending, startup bills still to pay by month, owner money or loans to arrive by month, and my minimum cash floor (a 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, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by job line, work-order 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); yard, parking and office share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Job economics for each job type at loaded labor cost, ranked by contribution per crew hour, flagging any job type priced below its labor, materials, fees and fuel; quotes needed a month; and the collection pattern the cash forecast uses.
7. Pipeline by segment with site visits needed and monthly churn.
8. Crew utilization and cost per billable hour, with the largest leak named.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, [NEED: ...] gap, job count and payment term to verify, and questions for a 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 jobs by month, crew hours per job and payment terms, 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 $27,155.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**69,200**	**58,764**	**54,378**	**56,776**	**64,253**	**74,531**	**85,315**	**95,986**	**107,967**	**117,435**	**118,941**	**121,243**
In: sales receipts	19,173	26,112	33,891	39,716	43,459	44,518	44,281	47,020	41,998	32,868	33,781	42,911
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: materials, fees, fuel (lines 13, 15, 16)	2,454	3,342	4,338	5,084	5,563	5,698	5,668	6,019	5,376	4,207	4,324	5,493
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	17,904	17,905	17,904	17,904	18,367	18,785	18,691	19,769	17,903	17,904	17,904	18,152
Out: yard, parking and office share (line 1)	700	700	700	700	700	700	700	700	700	700	700	700
Out: other costs, with loan interest (lines 2, 5 to 12)	7,683	7,683	7,683	7,683	7,683	7,683	7,683	7,683	7,683	7,683	7,683	7,683
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	868	868	868	868	868	868	868	868	868	868	868	868
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(10,436)**	**(4,386)**	**2,398**	**7,477**	**10,278**	**10,784**	**10,671**	**11,981**	**9,468**	**1,506**	**2,302**	**10,015**
Closing cash, expected	**58,764**	**54,378**	**56,776**	**64,253**	**74,531**	**85,315**	**95,986**	**107,967**	**117,435**	**118,941**	**121,243**	**131,258**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**69,200**	**53,748**	**42,532**	**36,064**	**33,151**	**32,523**	**32,542**	**32,416**	**33,962**	**32,442**	**25,350**	**18,815**
Sales receipts, slow start	13,421	18,278	23,723	27,801	30,421	31,163	30,996	32,914	29,399	23,008	23,647	30,038
Out: variable costs, slow start (lines 13 to 16)	1,718	2,339	3,036	3,559	3,894	3,989	3,967	4,213	3,764	2,945	3,027	3,845
Out: fixed costs (lines 1 to 12), principal, bills, less funding	27,155	27,155	27,155	27,155	27,155	27,155	27,155	27,155	27,155	27,155	27,155	27,155
Net cash flow, slow start	**(15,452)**	**(11,216)**	**(6,468)**	**(2,913)**	**(628)**	**19**	**(126)**	**1,546**	**(1,520)**	**(7,092)**	**(6,535)**	**(962)**
Closing cash, slow start	**53,748**	**42,532**	**36,064**	**33,151**	**32,523**	**32,542**	**32,416**	**33,962**	**32,442**	**25,350**	**18,815**	**17,853**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**12,418**	**13,510**	**14,821**	**14,821**	**13,947**	**12,637**	**11,326**	**11,981**	**9,467**	**1,506**	**2,302**	**10,016**

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 $45,650 a month, against month 12's own $42,911): closing cash runs $143,676 in month 1 and $260,010 in month 12, lowest $143,676 in month 1, above the floor. Sales are net of sales tax, and the example pays each month's tax in the month it is collected, so it owes none at any month end; enter your own rate and payment timing in the page 11 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse. Slow-start month 1 closes below the expected case: receipts fall with the jobs by more than materials do, while the two guaranteed crew, fixed costs and principal are paid in full. Line 14 prints its full-run share of sales; in the ramp months the crew works fewer hours than that share implies, so the forecast charges each month the hours actually used and the early months carry less labor cost than a flat share of sales would.