Web Design Shop Business Plan and Operations Starter Kit

A working kit for fixed-fee web design studios. It prices every project type at the true cost of a billable hour with realization shown, turns care plans and delivery invoices into a collection pattern, measures how much of the paid week is billable, finds cash break-even through the August and December troughs, and scores the plan on six pass-or-fail tests.

WEB DESIGN
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/WEB-DESIGN-SHOPS/
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BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

A studio can be full in September and short of cash in August. Salaries go out every month, a project fee arrives in two pieces, and a care plan that quietly uses four hours was priced for three. This kit writes those numbers down and tests them before a lender or a partner asks.

WHAT IS INSIDE

3	Business plan, part one: services, clients and referral sources, positioning, pricing
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: equipment and brand, setup, pre-opening, working capital
6	Sales forecast builder for projects and care plans, ramp, season, capacity check
7	Fee setting from hours, rate and realization, when builds pay, and the leak check at close
8	Operating and cash break-even, break-even projects, studio share and debt coverage
9	Care-plan economics, the effective hourly rate, and the creep check at month end
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14	Build checklists, the weekly numbers hour and six questions to investigate
15	Your first 30 days, lease questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build project and care-plan sales on page 6 and costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Fees, scopes and payment terms move before a proposal is signed, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every project and the numbers review every week. Run the page 7 write-down check when each project closes and update the page 9 care-plan table every month.

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 web design studio 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, data protection or financial advice. Business registration, insurance, contract and employment requirements vary by location; review with a qualified professional. Client confidentiality and data-handling obligations vary by engagement. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender or an equity partner reads this page for one question, whether fixed-fee builds and care plans cover payroll, the workspace and the loan when the year turns thin. Answer each heading here, then write the long version on separate paper.

1. Executive summary (write it last)

Set out what the studio builds, who commissions it, the sum needed at opening and what it buys, from three workstations to the first pay run. Close with the month the page 6 build first covers cash break-even on page 8.

2. Services and clients

List the builds you sell, a brochure site at one end and a custom store at the other, and what the buyer pays for: a shopfront that looks trustworthy, a cart that completes an order, and a launch on the promised date. Quote the phrases clients use, and name who refers them and who signs.

3. Positioning and delivery capacity

Say which briefs you accept and which you turn down, and why. Then take the hours your designers and developers can sell in a week and turn them into builds and care plans at the hours each one consumes.

4. Builds, care plans and what they charge

For every build type, set the hours it consumes beside the fee you quote. A price lifted from a rival's rate, with no hour count behind it, cannot be defended.

BUILD OR CARE PLAN	HOURS IT CONSUMES	QUOTED FEE	FEE PER HOUR

> *Owner question: the diary is full in September and October, yet the owner draws less than the designer. Which part is wrong: the hourly rate, the realization, or the hours the studio hands over for nothing?*
>
> Test this cause first: the quote allows one round of revisions, the work takes three, and the fee stops covering the build. Keep hours quoted beside hours logged on every job, with its realization and fee per hour (page 7), then set jobs of one type and size side by side. Quote the third round as a written change before it begins, and check whether those jobs still pay their way.

PAGE 4

Business plan, part two

5. Operations

Describe how a project runs from signed proposal to final invoice: discovery, sitemap and wireframes, design, build, the client review, launch and the handover. Name who reviews the work when you are not in the room.

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 client project without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where conversations come from, how a conversation becomes a proposal, and why clients come back or refer; repeat clients pay for the proposals you lose.

8. Financials and funding

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

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

TEST	PASS?
Gate 0. Draft proposals with payment terms, care-plan agreements, insurance and software quotes, and the studio or coworking agreement are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. Paid hours needed in the busiest month (pages 7, 9 and 10), at full-run volume, fit the hours you can staff (page 6), and the planned project count reaches break-even (page 8).	
5. Signed proposals and care-plan agreements back the project count; a list of contacts supports a forecast of conversations, not of projects.	
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 studio lease or hire a designer. **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 insurer, the software vendor or the studio, or a documented calculation. Studio budgets break on payroll before the first project invoice lands, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
EQUIPMENT AND BRAND				
Laptops, monitors and phones, three seats				
Design, project and accounting software setup				
Studio brand, website and portfolio				
SETUP AND APPROVALS				
Business entity, contracts and accounting setup				
Insurance down payment				
Studio or coworking deposit and first month				
PRE-OPENING				
Payroll before the first invoice, and recruiting				
Launch marketing, content and portfolio shoots				
Contractor bench, stock licenses and fonts				
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 proposals, care-plan agreements and the hours your designers and developers can bill, not from the payroll you need to cover. Count care plans first; add projects at the volume the proposal record supports.

```
Monthly sales for a line = units times average fee 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 FEE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Project engagements	projects				
Care and retainer plans	care plans				

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 project and care-plan sales times ramp (the share of full-run volume the pipeline and the care-plan base 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 proposal record by month; a signed project or care plan with a start date replaces its ramped figure that month.

CAPACITY CHECK

```
Paid hours available per month = the sum over billable people of each person's hours a day times days worked a week, times 52, divided by 12; paid hours needed = billable hours on projects and care plans divided by utilization
```

Write how many hours your billable people are paid each day and how many days you work each week. Add up the monthly billable hours your projects and care plans need (projects a month times billable hours each, page 7, plus care-plan hours used, page 9) and divide by utilization (page 10). If the plan needs more paid hours than you can staff, the plan is wrong, whatever the proposals say.

PAGE 7

What a build must earn and where the fee leaks

A build's fee begins with hours and an hourly rate, its cost begins with what an hour truly costs the studio, and its cash arrives only as invoices clear.

```
What we bill = project hours x the standard hourly rate x realization (the share of standard value that survives to the invoice), plus outside costs bought for the client and recharged at cost
Studio labor = project hours x the page 10 cost of a billable hour (quoting, admin and written-off time sit inside that figure, never in the hours); contribution = what we bill less labor, less the outside costs and the line 15-16 charges from page 8 share; per hour = contribution over project hours
Win rate = builds won over quotes sent; quotes a month = builds a month over the win rate
```

THREE BUILDS, COSTED (ILLUSTRATIVE)

BUILD TYPE	BUILDS A MONTH	RATE, REALIZATION	HOURS	BILLED	STUDIO LABOR	BOUGHT-IN COSTS	CONTRIBUTION	PER HOUR	WIN RATE
Marketing website	1.25	$165 x 92%	96	$15,073	$8,512	$907	$5,654	$58.89	35%
Custom e-commerce store	0.25	$170 x 88%	240	$37,704	$21,280	$2,818	$13,606	$56.69	20%
Site refresh	1	$145 x 94%	50	$7,065	$4,433	$441	$2,191	$43.82	50%

Every client hour is costed at $88.67 an hour, from page 10; card and platform charges with bought-in supplies take 2.7 percent of what is invoiced (page 8 lines 15 and 16); costs bought for a client and recharged carry no markup; the Bought-in costs column in the table is both together. This page charges every hour a client buys, because that is how a fee is set; page 8 keeps both salaried designers inside line 3 and puts only hours beyond their paid week on line 14. That rate covers the salaried designers; the owner's client hours carry the line 4 market wage, not this rate. Hour for hour, the marketing website pays best ($58.89) and the site refresh worst ($43.82). A store build runs across a quarter, so the 0.25 is a quarterly average and never the load of one month. Care and retainer plans: 13 a month, 5.2 billable hours each, which the capacity check carries; line 14 carries only hours beyond the paid week. Page 12 draws its bought-in and labor shares from these builds (project engagements: 2.5 a month at an average of $14,133 invoiced).

YOUR BUILDS

BUILD TYPE	BUILDS A MONTH	RATE, REALIZATION	HOURS	BILLED	STUDIO LABOR	BOUGHT-IN COSTS	CONTRIBUTION	PER HOUR	WIN RATE

WHEN THE MONEY FOR A BUILD ACTUALLY LANDS

REVENUE LINE		WHEN	SHARE OF THE FEE	LANDS
Project engagements	Signing payment		50%	in that month
Project engagements	Delivery invoice, net 30		50%	the next month
Care and retainer plans	Invoiced on the first, paid net 30		100%	the next month

Out of every $100 the studio invoices, it banks $39 in that month and $61 the next month. Builds and care plans carry different terms, so the two are weighted by full-run billing (project engagements 78 percent, care and retainer plans 22 percent) into a single whole-percent pattern for this one sentence; page 11 runs each line on its own terms, month by month, and your forecast should do the same. A signing payment is cash when received; it is not counted as a sale until the build is invoiced.

WHERE THE FEE LEAKS

The brief grows and the fee does not. At every job close, set hours logged against the hours the quote allowed.

```
Overrun hours = hours logged on a build less the hours the quote assumed; what they cost = those hours at the page 10 rate. Find the cause first, price added scope as a written change before the work starts, and put every overrun back into the next quote.
```

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Studio or coworking suite, three or four seats	
2. Liability, professional, cyber and general insurance	
3. Two salaried staff, designer and developer, loaded (the minimum studio staff)	
4. Owner's market wage (selling, design and management)	
5. Loan interest (working capital and launch loan)	
6. Phones, internet, video, stock and design tools	
7. Marketing, portfolio content and events	
8. Design, project, hosting and accounting software	
9. Accounting, bookkeeping, legal and bank fees	
10. Professional development and memberships	
11. Part-time producer, 20 hours a week	
12. Client hospitality, unbilled travel and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Pass-through stock, fonts, licenses and specialist costs, billed to the client at cost	
14. Contract designers and developers above the salaried staff, with their fees	
15. Payment and platform fees	
16. Absorbed licenses and hosting overage	
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 projects = (fixed costs, principal and other recurring cash out minus care-plan revenue times
its care-plan contribution margin ratio) divided by one average project's contribution (its fee times
its contribution margin ratio)
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 projects (use cash break-even)	one figure per month		
Studio 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. Studio share = line 1 divided by net sales.

PAGE 9

What a care plan really earns after the hours

A monthly care plan looks like the easiest money in the studio, right up to the point where you count the hours it swallows. Set the price from the hours clients actually use, never from the hours the agreement lists.

```
Effective hourly rate = the monthly price over the hours a plan actually consumes, never the hours it lists
Studio labor = hours consumed times what one billable hour costs the studio (page 10)
Contribution = the monthly price less labor less the line 15-16 charges at their page 8 share; per hour = contribution over hours consumed
```

THREE CARE PLANS, COSTED (ILLUSTRATIVE)

PLAN TYPE	ACCOUNTS	MONTHLY PRICE	HOURS LISTED	HOURS CONSUMED	EFFECTIVE HOURLY	LABOR	LINE CHARGES	CONTRIBUTION	PER HOUR
Care plan	5	$450	3	4	$112.50	$355	$12	$83	$20.75
Design retainer	2	$3,000	16	18	$166.67	$1,596	$81	$1,323	$73.50
Hosting and support	6	$240	2	2	$120.00	$177	$6	$57	$28.50

Every plan hour is costed at $88.67 an hour, from page 10; card and platform charges with bought-in supplies take 2.7 percent of what is invoiced (page 8 lines 15 and 16). Hour for hour, the design retainer pays best ($73.50) and the care plan worst ($20.75). The care plan uses 1 hour beyond what the plan lists; the design retainer uses 2 hours beyond what the plan lists. Every plan hour is priced at true cost here; page 8 keeps both salaried designers in line 3, puts only hours beyond their paid week on line 14, and counts these care-plan hours in the capacity check. That rate covers the salaried designers; the owner's care-plan hours carry the line 4 market wage, not this rate. Page 12 carries 13 care plans at an average $745 a month.

YOUR CARE PLANS

PLAN TYPE	ACCOUNTS	MONTHLY PRICE	HOURS LISTED	HOURS CONSUMED	EFFECTIVE HOURLY	LABOR	LINE CHARGES	CONTRIBUTION	PER HOUR

WHERE A CARE PLAN QUIETLY GROWS

One month a client asks for a new page, the next for a landing page, the month after for a newsletter. At each month end, put the hours used beside the hours the plan covers.

```
Creep hours = hours consumed this month less the hours the plan covers; what they cost = creep hours at the page 10 rate. When the creep keeps repeating, raise the monthly price, bill the extra work by the hour, or cut the scope in writing.
```

PAGE 10

How much of the paid week a studio actually sells

A designer is paid for the whole week; a client pays for a slice of it. Quoting, internal critique and a page rebuilt because the brief was unclear all consume paid time that no invoice recovers, and every hour a client does buy has to carry them.

```
Sold share = hours a client buys divided by hours the studio pays for
Loaded rate = the wage per hour, grossed up for payroll taxes, workers' compensation, benefits and paid leave
Cost of a sold hour = every paid hour at the loaded rate, divided by hours clients were billed for
```

WORKED EXAMPLE: THE TWO DESIGNERS, ONE WEEK EACH (ILLUSTRATIVE)

HOURS	HOURS THIS WEEK	SHARE OF HOURS PAID
Paid hours	80	100%
Hours a client bought	54	67.5%
Quoting and pitches	10	12.5%
Written off and rebuilt	4	5.0%
Admin, training, studio work	12	15.0%

At a $47.50 wage with 26 percent payroll taxes and benefits, loaded cost is $59.85 an hour; at 67.5 percent of the paid week sold, each billed hour costs the studio $88.67. Set every fee from the true cost per billable hour, not the wage or the loaded cost.

YOUR DESIGN TEAM, ONE WEEK PER PERSON

DESIGNER OR DEVELOPER	PAID HOURS	SOLD HOURS	QUOTING	WRITTEN OFF	SOLD SHARE	COST OF A SOLD HOUR

WHERE A DESIGNER LEAVING DOES MOST DAMAGE

When a designer walks, the account knowledge, the working files and the client's trust leave with them, unless the build folder, the decisions record and the contact notes were kept current. Keep them current on every account, so a successor opens the same folder on Monday.

PAGE 11

Twelve-month cash forecast

Salaries leave before project invoices land. Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: collections, in the month each payment lands, net of sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: pass-through costs, fees and consumables (lines 13, 15, 16)												
Out: payroll, line 4 if drawn; Tests 1 and 6 count it (lines 3, 4, 14)												
Out: studio or coworking space (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 billable day after startup spending; 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. Salaries, contractors and pass-through 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

How long the cash lasts, and what the thin months take

Runway = how many future months, counted from the last closed month or the first billable day, pass before closing cash first drops under your floor

Worked example: a studio selling fixed-fee builds

Worked figures to show the method; not benchmarks. Both designers and the producer are paid from month 1. Cash floor $37,513. A build pays half at signature and half on the invoice a month later; care plans are invoiced on the 1st and paid a month later; costs leave in the month incurred; August is the low point.

Page 5, budget	Opening money required, all in, $186,000, made up of a $55,000 loan (10.5 percent over 5 years) and $131,000 of owner money; inside sits a $138,800 cushion for the ramp, the invoice lag, the floor and a month of buffer. Page 5 sizes opening cash in two passes: the floor $37,513, plus a month of buffer, $37,513, plus $63,691 (how deep a first pass with nothing goes), rounded up to $138,800.
Page 8, costs	Fixed costs $36,777 a month, including $1,300 for studio or coworking space and $447 of loan interest. Principal $736 a month (both first-year averages); the variable share is 5.6 percent, which leaves a contribution margin of 0.944. Lines 13 to 16 take 2.9, 0, 1.2 and 1.5 percent of billings (line 13 blended across both revenue lines). Lines 1 to 12 run $1,300, $450, $20,750, $8,200, $447, $280, $1,300, $650, $600, $350, $1,900 and $550 a month.
Page 8, break-even	Sales break-even lands near $38,959 a month. Cash break-even (standing costs $36,777 plus principal $736, divided by 0.944) is about $39,738 a month: 2.1 builds a month from project work once care plans contribute (line 13 takes 3.7 percent on builds, 0 on care plans; lines 14 to 16 split evenly, leaving 0.936 on builds, 0.973 on care plans), the plan's 2.5 builds a month rounding up to 3.
Page 6, sales	Builds: two and a half a month at $14,132.80. Care plans: 13 a month at $745.38. At full run the month bills about $45,022; projects and care plans ramp from 45, 60, 70, 80, 85, 90, 95 percent across months 1 to 7, then 100 percent; season 100, 105, 115, 110, 100, 95, 85, 80, 110, 110, 105, 85 percent across months 1 to 12 on builds and care plans alike.
Page 19, expected case	Month 1 bills $20,260; it closes at $108,102, month 12 at $97,942. Lowest: month 8, closing at $75,109, $37,596 clear of the floor line.
Page 19, slow start	Builds and care plans stuck at 70 percent of expected: month 1 bills $14,182; it closes at $106,058, month 12 at minus $24,847. Cash drops under the floor in month 6 (closing $30,334) and below zero in month 9 (closing minus $6,347), leaving a runway from opening of 5 months.
Page 8, coverage	At full run of $45,022, the planning coverage ratio, before tax and equipment replacement, is 5.22 against the 1.25 your lender asks for; at month 12's pace it is 5.22, and Test 3 weighs both. Studio share is about 2.9 percent.

THE PAGE 4 SCORE FOR THIS EXAMPLE: AMBER

Gate 0 is treated as met for the example here. Test 1 passes: a year at the month-12 pace averages $45,022 a month, above the $39,738 break-even, and cash holds the floor another year at that pace (low point $98,827, month 1 of year 2). (For context only: the expected case first covers cash break-even in month 9.) Test 2 fails: builds and care plans at 70 percent push cash under the floor in month 6; about $62,400 more at opening would clear it. Test 3 passes on the planning formula, though your lender's definition is what counts. Test 4 passes: in the fullest month of the year (month 3, season 115 percent, scored at full ramp) builds and care plans consume about 342 billable hours, about 510 paid hours at 67.5 percent of the paid week sold (page 10), against the 520 paid hours the studio pays for (3 billable people, 8-hour days, 5 days a week; line 3 and the owner supply 520), so the work fits. Test 5 stays open for want of evidence. Test 6 passes: a full-run year, thin months and all, leaves $59,853 after principal; monthly net cash is negative in months 7, 8 and 12, and the largest running drawdown is about $4,900 from the month 6 high to the month 8 low, which the page 5 buffer absorbs. That is the steady-state year rather than the forecast year: page 19's year one loses about $40,858 in cash because the client book fills and both thin seasons come before the first full autumn. The example funds no tax set-aside, equipment or stock build (page 19); score your own plan with its own. Test 2 binds on the slow start, whose low is month 12.

PAGE 13

What moves the result

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

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
A tenth fewer projects and care plans (lines 13 to 16 fall)	minus $4,250	Expected case holds the floor
Project engagements: average fee 5 percent higher, same volume (payment and platform fees are the only costs that rise)	plus $1,681	Break-even projects fall from 2.1 to 2.02 a month, so from 3 to 3: per-unit costs stay the same, so the ratio rises from 0.944 to 0.946 on the new sales; only the fee rises; pass-through stays at cost (sales-linked fees, line 15, take 1.2 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $38,679
Lose the store build line (0.25 a month, $9,426 of billing), from month 3 onward	minus $8,823	Expected case below the floor in month 8 (closing $26,883); slow start below the floor in month 5 (closing $27,277); full-run coverage falls below zero; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Every client pays two months after billing (designers and bills still paid on time)	no change	Expected case below the floor in month 4 (closing $30,400); slow start below the floor in month 3 (closing $37,116); would fail Test 1
The 50 percent delivery invoice on every marketing website billed from month 6 is never collected for 2 months ($9,421 a month)	no change	Expected case still clears the floor; slow start deadline unchanged (month 6); $18,841 never collected
Projects run 15 percent over the hours the fee assumed, inside the salaried staff's paid hours (492 of 520; line 14 stays at zero until they run 23 percent over the fee; in the peak month 3 the overrun needs about 566, 46 more than the staff supply, so work is rescheduled; contracted-out hours add the line 14 cost)	no change	Cash break-even is unchanged at about $39,738; expected case still clears the floor; slow start deadline unchanged (month 6)
Realization falls 5 points on every project (the weakest from 88 to 83 percent of standard fees; about $1,863 a month less billed, hours and salaries unchanged), from month 1 onward	minus $1,840	Expected case still clears the floor; slow start below the floor in month 5 (closing $36,861)
Sales fall 5 percent to win work ($2,251 a month of billing), from month 1 onward	minus $2,190	Expected case still clears the floor; slow start below the floor in month 5 (closing $35,802)
Setup overrun of $10,000 beyond the contingency, paid from the cash reserve	no change	Expected case still clears the floor; slow start below the floor in month 5 (closing $32,506)
Opening 3 months late (studio or coworking space, insurance, loan interest and principal, $2,933 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 $52,519 in month 9 from the planned opening, $22,591 lower than on time; slow start below the floor in month 8 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.
Unit contribution or count 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

Build checklists, the Friday numbers hour, six questions

Operations checklists only, not a quality system. Add the confidentiality steps your clients and their advisers require.

BEFORE THE BUILD STARTS

- [ ] Hold kickoff until the quote is signed and the scope, the signing payment and the invoice dates are fixed.
- [ ] Name the client sponsor, who signs off each round and the standing review slot, in writing.
- [ ] Write down the hours the fee covers and name who records time against each build.
- [ ] List the bought-in costs the client repays and when you invoice them.
- [ ] Open the build folder, time log and revision history before the first design is shown.
- [ ] Record what the client requires on confidentiality and data handling.

AT JOB CLOSE AND MONTH END

- [ ] Lay hours logged beside hours the quote allowed on every build closed.
- [ ] Lay hours consumed beside hours the plan covers, for every plan.
- [ ] Raise the final invoice the day the client accepts the build.
- [ ] Work out realization on the job: the fee billed for the studio's labor, excluding pass-through costs, over the standard value of its hours.
- [ ] Log every quote with its source, days to decide and how it ended.
- [ ] Before the folder closes, ask what to build next and who else to call.

THE FRIDAY NUMBERS HOUR

WHAT YOU CHECK	TARGET	THIS WEEK	LAST TIME	GAP TO TARGET
Billed and banked, split by build, care plan and payment step				
Hours logged against hours the quote allowed, job by job				
Each designer's share of the paid week that a client bought				
Hours consumed against hours the care plan covers				
Quotes out, builds won and the win rate by source				
Invoices due in 30 days, final builds and care plans				
Hours the owner personally billed				

SIX QUESTIONS WORTH A LOOK

1. **Founder dependency.** Does every quote wait for the owner to scope and price it, and do designers park a client question until the owner is free?
2. **Reactive operations.** Count the client messages in a week that read where is my page or that is not what we agreed, and the unbilled hours behind them.
3. **Growth without structure.** How many builds a month need a mid-build scope conversation, and how many hours get written down before the invoice leaves?
4. **Talent and retention.** How many accounts depend on one designer who alone holds the history, the brand files and the working files?
5. **Revenue plateau.** How long does a refresh take to turn into a full build, and what share of refresh clients ever commission one?
6. **Strategic confusion.** Do builds of one type consume wildly different hours, and does the scope delivered drift from the scope quoted?

The six questions come from AI-assisted World Consulting Group desk research, set out on page 2. Test each against a record: the message log, hours logged against hours quoted, the quote record, or the care-plan time log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log hours on every project and care plan. Log the hours the owner bills.
Week 2	Fill the page 7 project table at the true cost of a billable hour and mark any project type priced below its labor, pass-through and fees.
Week 3	Fill the page 9 care-plan table and record hours used against hours included for every plan.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a designer may make without calling you.
After month 1	Run the write-down check on every closed project and measure billable utilization on page 10.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- ☐ Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- ☐ Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- ☐ What does the space need before you can open, and who pays to add or upgrade it?
- ☐ Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- ☐ When does rent start, at signing, at permit or at opening?
- ☐ Are there limits on operating hours, signage, parking, deliveries or the uses allowed in the space?
- ☐ What happens to the lease and the fixtures if you sell the business?

Have a qualified professional review the lease before you sign. These questions prepare you for that conversation; they do not replace it.

WHAT THE FULL KIT ADDS

The full Web Design Shop 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 project pricing calculator from hours, rate and realization to a fee at a target margin, a care-plan and delivery invoice tracker, editable proposal, pipeline and utilization trackers, project 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 web design shops, 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. Web design owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, data protection 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 projects and 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 client contracts, design files 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 fixed-fee web design studio. I have attached the Web Design Shop Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my projects and care plans, 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 rate, fee, salary, realization figure, 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 fee (every line is counted per month). Each month's expected sales = full-run project and care-plan sales times ramp times season; a signed project or care plan replaces its ramped figure that month, never both; before opening, count expected signings 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 own billable hours sit inside line 4 (design work, selling and management); staff hours go in line 3 or 14. Paid staff 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 projects = (fixed costs, principal and other recurring cash out minus care-plan revenue times its care-plan contribution margin ratio) divided by one average project's contribution (its fee times its contribution margin ratio). If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid hours available per month = the sum over billable people of each person's hours a day times days worked a week, times 52, divided by 12; paid hours needed = billable hours on projects and care plans divided by utilization.
- Studio 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, since no line is held at fixed bookings, 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 billable 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 the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Enter the signing payment, the delivery invoice and each care-plan invoice in the month it lands; payroll, contractors and pass-through suppliers are paid in the month worked. In the slow-start case, every month's sales, signed projects 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 billable 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, data protection, 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 client IDs. Do not ask for names, addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Services, client segments and referral sources, positioning, the billable people I can staff (designers, developers and myself) and the paid hours each works a day, days worked per week, and days open per week.
b. Sales build: for project engagements, the full-run projects a month by type, each type's billable hours, standard rate, realization and pass-through costs; for care and retainer plans, the plans at full run, each one's monthly fee, hours included and hours used; 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 proposal 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 build type (the counts, hours, rate, realization and pass-through from b above): proposals given and won last quarter; my payment terms for each sales line (retainer or deposit share and when it is collected, progress billing and when, the final invoice and how many days after completion it is paid); and the builds 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 (vendor quote, insurer quote, studio quote or calculation) for each line on page 5, from laptops and brand to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried designer and developer, the part-time producer, 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 own billable hours sit inside line 4 (design work, selling and management); staff hours go in line 3 or 14.
f. Variable cost shares of net sales for lines 13 to 16: line 13, pass-through stock, fonts, licenses and specialist costs, billed to the client at cost; line 14, contract designers and developers above the salaried staff, with their fees; line 15, payment and platform fees; line 16, absorbed licenses and hosting overage; and any sales line whose own shares differ, given for that line.
g. For each retainer client type: clients a month at full run, retainer a month, hours included and hours actually used; where I have them, the client's own fees in dollars. If I give none, apply the company shares and label each result MY ESTIMATE.
h. For one typical week: paid, sold, quoting, written-off and admin hours per designer; 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 client pays me (the signing share, when the delivery invoice goes out and how many days later it is paid, when care plans are invoiced and paid), deposits I collect or pay and when, and when payroll, contractors and pass-through suppliers are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, equipment replacement and stock build-up.
m. Cash on hand on the first billable 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 studio, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by project line, care-plan 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 projects (use cash break-even); studio 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 for the page 11 worksheet (51.25 means $51,250), or in whole dollars to match the page 19 style, labelled with its unit; 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 memo rows for each month, kept out of closing cash: sales tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Build economics for each build type at true cost per billable hour, ranked by contribution per billable hour, flagging any build type billed below its labor, pass-through and fees; proposals needed a month; and the collection pattern the cash forecast uses.
7. Retainer economics for each client type at true cost per billable hour, ranked by contribution per hour, flagging any retainer priced below its labor and fees and any client type whose hours used exceed the hours included.
8. Sold hours and the cost of one, with the largest loss of paid time 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 project count or payment term 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 project counts by month, payment terms and billable 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 $37,513.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**138,800**	**108,102**	**92,441**	**84,353**	**82,189**	**81,623**	**80,311**	**78,417**	**75,109**	**76,140**	**85,378**	**93,859**
In: sales receipts	7,950	23,440	31,455	37,568	39,089	38,357	37,655	36,223	41,317	49,524	48,641	43,740
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: pass-through costs, fees and consumables (lines 13, 15, 16)	1,135	1,588	2,030	2,219	2,143	2,156	2,036	2,017	2,773	2,773	2,647	2,143
Out: payroll, line 4 if drawn; Tests 1 and 6 count it (lines 3, 4, 14)	28,950	28,950	28,950	28,950	28,949	28,950	28,950	28,951	28,950	28,950	28,950	28,951
Out: studio or coworking space (line 1)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Out: other costs, with loan interest (lines 2, 5 to 12)	6,527	6,527	6,527	6,527	6,527	6,527	6,527	6,527	6,527	6,527	6,527	6,527
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	736	736	736	736	736	736	736	736	736	736	736	736
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(30,698)**	**(15,661)**	**(8,088)**	**(2,164)**	**(566)**	**(1,312)**	**(1,894)**	**(3,308)**	**1,031**	**9,238**	**8,481**	**4,083**
Closing cash, expected	**108,102**	**92,441**	**84,353**	**82,189**	**81,623**	**80,311**	**78,417**	**75,109**	**76,140**	**85,378**	**93,859**	**97,942**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**138,800**	**106,058**	**83,841**	**66,926**	**54,157**	**42,506**	**30,334**	**17,754**	**4,185**	**(6,347)**	**(11,134)**	**(16,452)**
Sales receipts, slow start	5,565	16,408	22,019	26,297	27,363	26,850	26,358	25,356	28,922	34,667	34,049	30,618
Out: variable costs, slow start (lines 13 to 16)	794	1,112	1,421	1,553	1,501	1,509	1,425	1,412	1,941	1,941	1,854	1,500
Out: fixed costs (lines 1 to 12), principal, bills, less funding	37,513	37,513	37,513	37,513	37,513	37,513	37,513	37,513	37,513	37,513	37,513	37,513
Net cash flow, slow start	**(32,742)**	**(22,217)**	**(16,915)**	**(12,769)**	**(11,651)**	**(12,172)**	**(12,580)**	**(13,569)**	**(10,532)**	**(4,787)**	**(5,318)**	**(8,395)**
Closing cash, slow start	**106,058**	**83,841**	**66,926**	**54,157**	**42,506**	**30,334**	**17,754**	**4,185**	**(6,347)**	**(11,134)**	**(16,452)**	**(24,847)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**4,988**	**7,113**	**11,363**	**9,238**	**4,988**	**2,863**	**(1,387)**	**(3,512)**	**9,238**	**9,238**	**7,113**	**(1,387)**

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 $45,022 a month, against month 12's own $38,269): closing cash runs $98,827 in month 1 and $157,795 in month 12, lowest $98,827 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.