

Small Business Cash Flow Projection (Simple)
Mike Kovalsky Commercial Cleaning Company
Business Year: 1

| | Starting Funds | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Totals |
|--|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Available Funds (at start of month) | 13,000 | 13,000 | 5,650 | 900 | 3,150 | 3,850 | 4,250 | 3,100 | 3,850 | 3,450 | 2,750 | 350 | 1,850 | |
| FUNDS IN: | | | | | | | | | | | | | | |
| Total Sales | | 1,550 | 1,850 | 3,400 | 3,700 | 5,250 | 5,550 | 7,100 | 7,400 | 9,200 | 9,500 | 11,050 | 11,350 | 76,900 |
| Sales on Account (enter as negative) | | 1,250 | 1,250 | 2,500 | 2,500 | 3,750 | 3,750 | 5,000 | 5,000 | 6,500 | 6,500 | 7,750 | 7,750 | 53,500 |
| Accounts Collected | | 0 | 1,250 | 1,250 | 2,500 | 2,500 | 3,750 | 3,750 | 5,000 | 5,000 | 6,500 | 6,500 | 7,750 | 45,750 |
| Business Loan Proceeds/LOC | | 40,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,000 |
| TOTAL FUNDS IN: | | 40,300 | 1,850 | 2,150 | 3,700 | 4,000 | 5,550 | 5,850 | 7,400 | 7,700 | 9,500 | 9,800 | 11,350 | 109,150 |
| Total Funds Available: | 13,000 | 53,300 | 7,500 | 1,250 | 550 | 150 | 1,300 | 2,750 | 3,550 | 4,250 | 6,750 | 9,450 | 13,200 | |
| FUNDS OUT: | | | | | | | | | | | | | | |
| Tool/Equipment Costs | | 35,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,000 |
| Supplies/Inventory Costs | | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 |
| Property Related Costs | | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 |
| Utility/Phone Charges | | 600 | 600 | 600 | 500 | 500 | 500 | 500 | 600 | 600 | 700 | 700 | 700 | 7,100 |
| Business Administration Fees/Charges | | 3,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 500 | 0 | |
| Automotive Maintenance Costs | | 300 | 300 | 300 | 400 | 400 | 400 | 600 | 600 | 600 | 600 | 600 | 600 | 5,700 |
| Clerical Supplies/Software Costs | | 500 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,600 |
| Advertising/Marketing Costs | | 5,000 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 6,100 |
| Professional Service Fees | | 250 | 2,250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 5,000 |
| Staff Costs | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 36,000 |
| Bank Charges | | 0 | 300 | 300 | 300 | 300 | 300 | 300 | 600 | 600 | 600 | 600 | 600 | 4,800 |
| Owner's Salary | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Payments | | 0 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 8,250 |
| Other Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FUNDS OUT: | | 47,650 | 8,400 | 4,400 | 4,400 | 4,400 | 4,400 | 6,600 | 7,000 | 7,000 | 7,100 | 7,600 | 7,100 | 112,550 |
| Available Funds (at end of month) | 13,000 | 5,650 | 900 | 3,150 | 3,850 | 4,250 | 3,100 | 3,850 | 3,450 | 2,750 | 350 | 1,850 | 6,100 | |

Notes:

After creating this projection, Mike came to the following conclusions:

1. Based on his current service cost model, the business would not be as profitable as he'd hoped in it's initial stages.
2. He would not be able to take a salary for at least the first year and possibly not until the end of the second.
3. To make the 150k in year 1 he'd hoped to make he would either have to a: charge more per service or b: expand more quickly c: increase his marketing efforts (or a combination of these)

Mike's Next Steps:

Mike decided to create further models - one based on service cost increases and one based on a more aggressive expansion and marketing plan.