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A FREE FINANCE PLANNING WORKBOOK

Business Financial Foundations

How to know and use your numbers

INSIDE

Four numbers	Baseline cash needs, break-even, runway, and your hourly rate	P.04
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One 90-day plan	One lever, one target, one date, one tripwire	P.12

Guided by **Neha Banik**, Head of CFO Services at Pilot, who leads a team of 20+ fractional CFOs working with startups and small businesses.

KNOW YOUR NUMBERS. PLAN YOUR NEXT MOVE.

Welcome. Let's make your numbers work for you.



Neha Banik
Head of CFO Services, Pilot

Most people didn't start a business because they wanted to become accountants. And most financial trouble isn't one big mistake. It's the slow build-up of things nobody was watching.

I lead a team of 20+ fractional CFOs at Pilot. Before that, I spent 11 years in corporate finance at Morgan Stanley. The lesson I've carried from both: the businesses that do well aren't the ones with the fanciest financial models. They're the ones whose owners know a handful of numbers and check them regularly.

This workbook gives you those numbers, a simple habit to keep them current, and a way to turn them into your next big decision. You don't need a finance background. You just need your bank statements, an afternoon, and a willingness to look.

Neha

How to use this workbook

Pick your path

Every number gives you two ways to find it.

`BOOKS CURRENT` Pull it from your reports.

`BOOKS BEHIND` Pull it from your bank statements. It takes longer and gives you a range instead of an exact figure, but it works.

Look for your lens

Where the advice changes for founders who've raised money, you'll see a short callout:

`IF YOU'VE RAISED`

Go at your own pace

Each page stands on its own. Start with your four numbers, and come back to the rest when you're ready.

Inside

The three reports that tell your business's story	P.03	The four numbers every owner should know	P.04
The Weekly 15 and planning for taxes	P.08	Turning your numbers into a decision: hiring and your growth lever	P.10
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A great month on paper can still leave you short.

Marta runs an agency. In December, she lands a $50,000 project, invoices it, and has the most profitable month of her year. She pays herself a bonus and pays her quarterly taxes based on that income.

But her client pays on net-60 terms, so the check won't arrive until February.

Marta isn't bad at running her business, and every report she had was accurate. She simply spent money she had earned before she had collected it.

IN JANUARY

$3,200
in checking

$18,000
in bills due

Most money trouble works this way. **It isn't one big mistake. It's small things nobody was watching.** This workbook shows you what to watch.

Three reports, three different stories

REPORT	WHAT IT ANSWERS	WHAT MARTA'S SHOWED IN DECEMBER
Profit & Loss (P&L)	Is the business profitable over a period of time?	Her best month of the year
Balance sheet	What do I own and owe, right now?	$50,000 in "accounts receivable": money owed to her, not money she had
Cash flow statement	Where did cash actually go?	Profit at the top, almost nothing arriving in the bank

For what you can actually spend today, **your bank balance is the source of truth.**

If your books are kept on an accrual basis, like Marta's, revenue appears when you earn it, which can be weeks before the cash arrives. That's why your P&L and your bank account can tell different stories.

Four numbers that tell you how healthy your business is

Each answers a different question. No single one gives you the full picture; together, they do.

NUMBER 1 OF 4

Baseline monthly cash needs



What does it cost to keep the lights on?

What you'd owe this month even if you made zero sales: rent, salaried payroll, software, insurance, loan payments.

BOOKS CURRENT · ABOUT 15 MIN

Pull 3 months of your P&L. Keep only fixed costs. The test: **would I still owe this with zero sales?** Add loan principal payments, which don't show up on the P&L. Average the three months.

BOOKS BEHIND · ABOUT 45 MIN

Pull 2–3 months of bank statements. Highlight charges that repeat every month and skip one-time purchases. Add them up. Expect a range, like $9,000–$11,000.

Tip: Include what you need to pay yourself. If you pay yourself through draws, they won't show up as a cost, and your break-even will assume you work for free.

Tip: Count salaried people here. Contractors you pay only when there's work go in your variable costs (next).

EXAMPLE

$18,000 / month

YOUR NUMBER

_____ or range _____ to _____

NUMBER 2 OF 4

Break-even



How much do I need to sell to stop losing money?

The monthly revenue that covers every cost. Below it you're losing money; above it, you're building something.

BOOKS CURRENT

Find your variable costs on your P&L. These are the costs that rise when you make a sale: materials, contractor time, payment processing, shipping.

BOOKS BEHIND

Sort your bank transactions into "costs the same no matter what" and "goes up when I sell."

Then, three steps:

1. Divide one month's variable costs by that month's revenue. Do it for 3 months and average. That's your **variable-cost rate**.
2. Subtract it from 100%. That's your **keep rate**: how much of each dollar you actually keep.
3. Divide your baseline cash needs by your keep rate.

EXAMPLE

Variable costs are 31%, so the keep rate is 69%.

$18,000 ÷ 0.69 = $26,087 / month

YOUR NUMBERS

Keep rate _____ %

Break-even _____

NUMBER 3 OF 4

Zero-revenue cash runway



How long could I last if new money stopped coming in?

Your cash in the bank divided by your baseline cash needs. This is a simplified, zero-revenue stress test: how long you could cover your essential fixed expenses if no new money came in.

COUNT	DON'T COUNT
Get your cash balance directly from your bank account.	Unpaid invoices. Money you're owed isn't money you can spend yet.

EXAMPLE

$54,000 ÷ $18,000 = 3 months

YOUR NUMBER

_____ months

How to read it

Under 2 months	6+ months
Protect cash first.	You have room to test something new.

IF YOU'VE RAISED

Founders usually track net burn runway: cash ÷ (monthly cash out − monthly cash in). Example: $600,000 ÷ ($80,000 − $30,000) = 12 months. Startups typically plan fundraising well before runway gets short, so talk timing through with an advisor. Pre-revenue? Both versions give you the same number.

NUMBER 4 OF 4

Effective hourly rate



Is the business paying me fairly for my time?

The cash the business paid you, divided by the hours you actually worked, including nights and weekends. This measures cash compensation for your time, not the full value of your ownership in the business.

BOOKS CURRENT

Salary from your P&L, plus draws or distributions from your equity or bank records. (A draw is money you moved to yourself outside of payroll.)

BOOKS BEHIND

Add up transfers to your personal account on your bank statements.

EXAMPLE

$6,000 ÷ 240 hours = $25 / hour

YOUR NUMBER

$ _____ / hour

IF YOU'VE RAISED

Paying yourself below market can be a deliberate bet. The more useful question is where your hours are going.

ALL FOUR, IN ONE PLACE

My four numbers

BASELINE CASH NEEDS	BREAK-EVEN	RUNWAY	EFFECTIVE HOURLY RATE
☐ Exact ☐ Range	☐ Exact ☐ Range	☐ Exact ☐ Range	☐ Exact ☐ Range

Need help getting these numbers? We can help.

TALK TO PILOT →

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Stay ahead with **15 minutes a week**



The Weekly 15

Same day, same time, every week. Answer three questions and write the answers down.

1

Cash on hand

What's in the bank today?

2

Owed to me

What's the total of my unpaid invoices? How much is more than 30 days late?

3

Due soon

What bills, payroll, and loan payments are due in the next two weeks?

One week tells you very little. Four weeks shows you a trend, like cash drifting down while unpaid invoices pile up. **That trend is the point.**

WEEK OF	CASH ON HAND	OWED TO ME (30+ DAYS LATE)	DUE IN 2 WEEKS
		( )	
		( )	
		( )	
		( )	

My Weekly 15 is on my calendar for: _____ at _____

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Plan for taxes before they're due



Which describes you?

Self-employed, sole proprietor, or pass-through business

You'll likely owe estimated taxes quarterly, generally in April, June, September, and January. Many owners' bills run higher than expected, because they pay both halves of Social Security and Medicare.

Until you've talked to a tax professional, a reasonable placeholder is to **move 25–30% of each month's net profit into a separate account** the day you earn it, and not touch it.

C-corp startup

While you're losing money, income tax may not be your biggest issue, but you likely still have obligations. Ask your tax professional:

- Which state taxes and annual filings apply to us?
- Do we owe estimated payments?
- Could we qualify for R&D tax credits?

Either way: put your tax dates on your calendar today, and confirm the details with a tax professional.

Signs it's time to call in help

IF YOU NOTICE…	WHO TO CALL
Revenue is up but cash is down	A bookkeeper, to keep reports current enough to spot why (usually unpaid invoices)
You've dipped into personal funds more than once this year	A CFO or business advisor, since it's usually a pricing or runway problem
Your books are more than 60 days behind	A bookkeeper. This is exactly what they're for.
You couldn't calculate your four numbers	A bookkeeper or advisor who looks at your numbers regularly

Recognize one of these? Pilot can help. TALK TO PILOT →

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Turn your numbers into **a decision**

Can I afford to hire?



A salaried hire is a new fixed cost. Add their fully loaded cost (salary plus payroll taxes, benefits, and equipment) to your baseline cash needs. Then divide by your keep rate. That's your new break-even.

EXAMPLE

A $4,500/month hire, which is about a $40,000 salary once taxes and benefits are added. Fixed costs go from $18,000 to $22,500. The new break-even is $22,500 ÷ 0.69 ≈ $32,600/month, and runway drops from 3 months to 2.4.

A $4,500 hire needs about **$6,500 in new revenue** to pay for itself, because you keep only 69 cents of every new dollar.

	YOUR NUMBERS
Monthly fully loaded cost of the hire	_____
New baseline cash needs	_____
New break-even (÷ your keep rate)	_____
Your current monthly revenue	_____
New runway	_____ months

How to read it: Compare your new break-even to your current revenue, not the revenue you hope the hire brings. If current revenue is comfortably above it, you can likely afford the hire. If it's below, the hire is a bet. It might be the right bet; just make it knowingly.

IF YOU'VE RAISED Hiring ahead of revenue is often the plan. Focus on how many months of runway the hire costs, and whether you still reach your next milestone before you need to raise.

Pick your lever

Choose the one that's most realistic for you in the next 90 days.

☐ A · Grow revenue the easier way

Revenue = customers × how often they buy × average purchase.

Example: 200 × 2 × $150 = $60,000. Raise the average purchase 10% and you reach $66,000. That's the same result as finding 20 new customers, usually with far less work and marketing spend.

☐ B · Keep more of each dollar

Watch your keep rate month to month. If it's slipping, costs are rising faster than your prices. There are two fixes: raise prices, or cut a cost that isn't earning its place.

Example: a dish whose ingredient costs crept up 20% while the menu price never moved.

☐ C · Get paid faster

This is often the fastest cash you can find, because it's money you've already earned.

- Ask for deposits or milestone payments.
- Invoice the day work is done, not at month end.
- Make net-30 your default.
- Send a routine follow-up on anything past 30 days.

Subscription business? Offer a discount for annual prepay.

Turn this into **action**



Insight doesn't change a business. Decisions do. Build a plan with four parts, and keep it somewhere you'll see it.

Your next 90 days

One lever

The single thing you'll focus on. If you're tempted to pick three, choose the one that would matter most if it were the only thing that changed.

Example: Raise my average project price.

One target

A destination, not a direction.

Example: Average project from $150 to $165.

One date

90 days from today.

_____

One tripwire

The early signal that tells you to stop and rethink before day 90.

Example: If I lose two clients over the new price, I pause and rethink the increase.

Before you close this workbook

- [ ] My Weekly 15 is on my calendar
- [ ] My tax dates are on my calendar
- [ ] Day 90 is on my calendar

Every number in this workbook was **easier with current books.**

If you've been doing your own books, that's resourcefulness, and it's how most businesses start. But look back at the last few pages. On the books-behind path, every number took longer and came out as a range. And every decision on pages 10–12 was built on those numbers.

Knowing and using your numbers is your job, at any stage. **Producing them doesn't have to be.**

Why current books matter at your stage

IF YOU RUN A BUSINESS

Current books turn this workbook from an afternoon project into a quick check-in, and tax time stops being a surprise.

IF YOU'RE BUILDING A STARTUP

All of that, plus books that are ready when an investor asks.

GET YOUR TIME BACK

Want a **bookkeeper on your books** every month?

Pilot is the largest small business and startup accounting provider in the US. You get a dedicated team that handles your monthly close, categorization, and reporting. Every month you get a P&L, balance sheet, and cash flow statement, so you always know where your business stands.

TALK TO PILOT →