

The Owner's Scorecard

FROM RISK TO REWARD | CHAPTERS 7 AND 8

DR. GENE A CONSTANT

Five numbers, once a month. Profit tells you if you can win. Cash tells you if you can stay alive.

NEW TO THIS? START HERE

A business can make a profit on paper and still run out of money, because bills come before payments. This card keeps five numbers in front of you. You need a calculator, your bank balance and last month's bills. Fill in one column on the same day each month. When a number moves the wrong way two months in a row, that is your signal to act.

HOW TO WORK EACH NUMBER

1 Cash in the bank

What you could spend today.

2 Monthly burn

Money out minus money in, last month. If more came in than went out, write 0.

3 Runway

Cash divided by burn = months you can keep going. If burn is 0, write "no limit." Many owners act when it falls below 3.

4 Days to get paid

Average days from finishing work to money in the bank.

5 Gross margin

(Price minus cost) divided by price. Not the same as markup.

BONUS: YOUR BREAK-EVEN

Fixed costs per month divided by (price minus cost) = sales you need each month just to stay even.

Example: \$2,200 fixed, \$25 price, \$10 cost. $2,200 / 15 =$ about 147 sales a month, roughly 34 a week. Margin: $15 / 25 = 60\%$.

MONTH						
1 Cash in the bank (\$)						
2 Monthly burn (\$)						
3 Runway (months)						
4 Days to get paid						
5 Gross margin (%)						
Break-even sales / month						
Actual sales this month						
Lowest cash ahead (when?)						
One thing I will do						

Practice with your own numbers first: the free Owner's Forecast runs your plan through a thousand possible futures.

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