A PRACTITIONER'S GUIDE

The Monthly Founder Finance Review

What an experienced controller and CFO actually look at every month — including a sample monthly close package.

INTRODUCTION

Why monthly financial review matters more than founders think

Most founders we work with come to monthly financial review the way most people come to flossing: they know they should, they intend to, and they hope that good intentions will compensate for inconsistency. They will not. A monthly review done well is the highest-leverage hour of management work a founder runs all month.

Done badly — or skipped during the months when the numbers are uncomfortable — it produces the opposite of leverage. Decisions drift, working capital quietly deteriorates, channels that have stopped working keep getting funded, and by the time the picture is impossible to ignore, the options have narrowed considerably.

This guide is the framework we use when we run monthly reviews for SME founders. It is split into two parts. Part One is the framework: the ten to twelve metrics we look at, the four questions a founder should be able to answer at the end of any review, and the common ways the exercise fails. Part Two is a complete sample close package for a fictional company, XYZ Inc., showing what each of the framework concepts looks like translated into an actual deliverable.

The two postures: controller and CFO

An effective monthly review combines two ways of looking at a business. The **controller** is historical and exact: what happened last month, what does the ledger say, is the trial balance defensible. The **CFO** is strategic and forward-looking: given what happened, what should we do about it next month, next quarter, and over the next year.

Most founder-run monthly reviews fail because they only do one or the other. A purely controller-style review produces accurate numbers no one acts on. A purely CFO-style review produces opinions unanchored to the underlying data. The combination is what makes the exercise worth the time.

Who this guide is for

This is written for founders running businesses in the roughly $1M to $10M revenue range, equity-funded or self-funded, in DTC, SaaS, professional services, or food and beverage. The framework generalizes, but the examples in Part Two lean DTC because that vertical happens to surface the largest number of useful metrics in one place.

How to use this guide

Read Part One end to end. Then study Part Two as if you were the founder receiving the close package — what would you notice, what would you ask, what would you decide. The principles transfer; the specific format does not need to. Adapt the structure to your business and run it the same way every month.

IMPORTANT NOTICE

Disclaimer

EDUCATIONAL USE ONLY

This document uses illustrative examples only. All entity names, financial figures, and operational data are fictional and do not portray any real client. This document is provided for educational purposes only and does not constitute professional accounting, tax, or financial advice. Consult your accountant for advice on your specific situation.

AT A GLANCE

The framework

A monthly review has two parts: a historical scorecard built from ten to twelve metrics grouped into three categories, and a set of four strategic questions the founder should be able to answer once the scorecard is in front of them.

CATEGORY	WHAT IT MEASURES
Profitability & margin	Revenue and its trend, gross margin and its drift, contribution by channel or product, operating income or EBITDA.
Cash & capital efficiency	Cash position and runway, monthly burn or operating cash flow, days sales outstanding, days of inventory.
Growth & unit economics	Customer acquisition cost, lifetime value and the ratio between them, repeat purchase or cohort retention, channel-level marketing efficiency.

The four questions

Once those metrics are in front of you, a successful review is the one where you can answer four things without ambiguity:

1. Am I more profitable than last month, and why or why not?
2. How many months of runway do I have at current burn?
3. Which channels, products, or segments are pulling me forward, and which are holding me back?
4. What is the one decision I should make this month based on these numbers?

If you cannot answer all four, the review is not done.

PART ONE, SECTION ONE

The metrics

Twelve numbers, three categories, each with a controller lens and a CFO lens.

Profitability and margin

01 Revenue and growth rate

Top-line sales for the month, with month-over-month and year-over-year growth.

FORMULA `(Current month revenue / Prior month revenue) − 1` and the same against the same month a year ago.

WHY IT MATTERS Revenue and its trend are the strongest signal of business momentum, but only when read across two horizons. Month-over-month catches seasonality and recent execution; year-over-year strips out seasonality and shows whether the business is genuinely growing.

BENCHMARK No universal benchmark — depends on stage and vertical. A useful rule: if YoY growth has fallen below the company's long-run average for two consecutive months, something has changed and is worth investigating.

COMMON MISTAKE Looking only at month-over-month and concluding the business is doing well when seasonality is doing the work, or doing poorly when seasonality is the cause.

CONTROLLER LENS Confirm the revenue figure ties to invoiced sales, that returns and refunds are netted correctly, and that revenue recognition matches the period in which it was earned.

CFO LENS Is growth coming from new customers, repeat customers, or price? Each implies a different forward strategy.

02 Gross margin

Revenue minus cost of goods sold, divided by revenue.

FORMULA `(Revenue − COGS) / Revenue`

WHY IT MATTERS Gross margin is the structural ceiling on profitability. No amount of operating discipline compensates for a gross margin that is too thin to fund the business it is meant to support.

BENCHMARK DTC physical product: typically 55-70%. SaaS: 75-90%. Professional services: 50-70%. F&B: 30-50%. What matters more than the absolute number is whether your gross margin is stable, drifting up, or drifting down over time.

COMMON MISTAKE Reading gross margin once a quarter instead of monthly. Margin drift is gradual and invisible until it isn't.

CONTROLLER LENS Confirm COGS is complete — landed cost, inbound freight, duty, and direct labor where applicable. Margin that looks too good usually means COGS is incomplete.

CFO LENS If margin is drifting down, is it mix (lower-margin channels growing), price (discounting), or input cost (supplier increases)? Each calls for a different response.

03 Contribution margin by channel or product

Gross margin minus channel-specific or product-specific variable costs.

FORMULA `Revenue − COGS − channel-specific variable costs` (fulfillment fees, marketplace commissions, payment processing, direct marketing).

WHY IT MATTERS

Blended gross margin hides the fact that some channels and products are subsidizing others. Contribution margin tells you which parts of the business are genuinely profitable on their own terms.

COMMON MISTAKE Assuming a channel's gross margin is its contribution margin. Marketplaces, in particular, often have fees that move a 55% gross-margin product to a 35% contribution-margin product.

CFO LENS Channels with weak contribution margin but strong revenue growth are not always wrong to keep — but they should be a deliberate choice, not a default.

04 Operating income / EBITDA

Gross profit minus operating expenses, before tax and depreciation.

FORMULA `Gross profit − Operating expenses`. EBITDA adds back depreciation and amortization.

WHY IT MATTERS Operating income is the cleanest measure of whether the business produces a profit from its core activities. For equity-funded SMEs near break-even, watching this monthly is what separates "we should be profitable soon" from "we are profitable now."

COMMON MISTAKE Treating one good month as a trend. Operating income is noisy at SME scale; look at the three-month moving average alongside the point estimate.

CFO LENS When operating income is improving, is it from gross margin expansion, opex discipline, or revenue growth out-scaling fixed costs? The cause determines whether the improvement is durable.

Cash and capital efficiency

05 Cash position and runway

Cash on hand divided by monthly cash burn, expressed in months.

FORMULA `Ending cash / Average monthly net cash burn` over the trailing three months.

WHY IT MATTERS For equity-funded SMEs, runway is the single most important number in the business. Every strategic option requires time, and time is what runway buys.

BENCHMARK Under 12 months: act now. 12-18 months: plan the next phase carefully. 18-24 months: comfortable but not complacent. Over 24 months: invest in growth deliberately.

COMMON MISTAKE Using last month's burn alone. A single low-burn month produces an artificially long runway figure. Use a trailing average.

CFO LENS Runway is the constraint that determines what strategies are possible. A 30-month runway permits experiments a 9-month runway does not.

06 Monthly burn / operating cash flow

Net change in cash from operations during the month.

FORMULA `Ending cash − Beginning cash`, adjusted for any non-operating items such as equity raises.

WHY IT MATTERS Burn is the rate at which time is being consumed. A break-even P&L can coexist with meaningful cash burn if working capital is moving in the wrong direction.

COMMON MISTAKE Conflating EBITDA with cash flow. They diverge whenever inventory, receivables, or payables move materially, which in SMEs is most months.

CFO LENS When burn exceeds EBITDA loss, working capital is the culprit. Identify which line — inventory, AR, AP — is doing the damage and address it directly.

07 Days sales outstanding

Average number of days between billing a customer and collecting cash.

FORMULA `(Accounts receivable / Revenue) × 30` for a monthly snapshot, or × 365 / annual revenue for an annualized view.

WHY IT MATTERS DSO is how long your customers hold your cash. Every day of DSO is a day of additional working capital you fund out of operating cash.

BENCHMARK DTC direct-to-consumer: under 5 days (cash on sale). Wholesale: 30-60 days depending on terms. SaaS annual contracts: under 30 days for a healthy AR book.

COMMON MISTAKE Watching DSO only when it spikes. The signal worth watching is the trend — a DSO that has crept from 32 to 41 over six months is a slow leak.

CFO LENS DSO improvement is often the cheapest source of cash a business has access to. Before anything else, tighten the collection process.

08 Days of inventory

How many days of forward sales the current inventory balance represents.

FORMULA `(Inventory / COGS) × 30` at month-end, or annualized by multiplying COGS by 12.

WHY IT MATTERS Inventory is cash converted to product. Excess inventory is cash you no longer have access to until it sells. Insufficient inventory is revenue you cannot capture.

BENCHMARK DTC apparel: 60-90 days of inventory is typical. Consumables: 30-60 days. Anything over 120 days deserves scrutiny.

COMMON MISTAKE Tracking inventory only at the dollar level. Days of inventory normalizes for revenue scale and is the comparison that matters.

CFO LENS Inventory that has crept up while sales have stayed flat is the most common cause of unexpected cash burn in DTC. Surface it monthly.

Growth and unit economics

09 Customer acquisition cost (CAC)

The fully-loaded cost of acquiring a new customer, ideally by channel.

FORMULA `Channel marketing spend / New customers acquired through that channel`. Use directly attributable spend, not allocated overhead.

WHY IT MATTERS CAC is the input cost of growth. If you don't know your CAC by channel, you don't know which growth dollars are working.

COMMON MISTAKE Reporting a blended CAC across paid and organic. Organic customers cost something to acquire (content, SEO, brand), but not in the same way; lumping them inflates the apparent efficiency of paid spend.

CFO LENS CAC by channel, compared against contribution margin by customer, tells you which channels are worth scaling and which are quietly destroying value.

10 LTV and LTV:CAC ratio

Estimated gross profit a customer generates over their relationship, divided by the cost to acquire them.

FORMULA `LTV = Average order value × Orders per customer × Gross margin`, observed over a defined window (12 or 24 months for DTC).

WHY IT MATTERS

	LTV:CAC tells you whether your unit economics work. A ratio that has been declining for several months is a sign that either acquisition is becoming more expensive or retention is weakening.
BENCHMARK	3:1 or better is considered healthy. 2:1 to 3:1 is workable but tight. Below 2:1, every new customer is approaching net-negative once opex is allocated.
COMMON MISTAKE	Calculating LTV based on revenue rather than gross profit. Revenue-based LTV overstates the value of each customer by the inverse of the gross margin.
CFO LENS	A 2.5:1 ratio is fine in isolation but worrying if it was 3.2:1 six months ago. The trend matters more than the snapshot.

11 Repeat purchase rate / cohort retention

The share of customers who buy more than once, or the share of a cohort still purchasing N months later.

FORMULA	`Repeat customers / Total customers` for the period, or cohort-based retention curves for a more rigorous view.
WHY IT MATTERS	Repeat purchase is the cheapest revenue a business has. A rising repeat rate compounds; a falling repeat rate makes every other metric harder.
COMMON MISTAKE	Looking at repeat rate as a single number rather than by cohort. A blended figure can stay flat while newer cohorts are deteriorating relative to older ones.
CFO LENS	If new cohorts are retaining worse than older ones, the product or onboarding has changed even if no one has formally announced it. Surface it before it shows up in LTV.

12 Channel-level marketing efficiency (ROAS)

Revenue (or, better, contribution margin) generated per dollar of marketing spend, by channel.

FORMULA	`Channel-attributed revenue / Channel spend` . The contribution-margin version: `(Channel revenue × Contribution margin) / Channel spend` .
WHY IT MATTERS	ROAS is the operational view of CAC. CAC tells you what you paid per customer; ROAS tells you what you got back per ad dollar.
COMMON MISTAKE	Trusting platform-reported ROAS without reconciliation. Platforms credit themselves generously; the truth is usually 20-30% lower.
CFO LENS	Don't optimize to platform ROAS alone. The right channel mix is the one that maximizes contribution dollars, not the one that maximizes any single channel's reported return.

The four questions

If you cannot answer these at the end of your monthly review, the review is not done.

Question 01

Am I more profitable than last month, and why or why not?

METRICS Revenue, gross margin, operating income, and the trailing three-month average of each.

GOOD ANSWER "Operating margin improved from 1.4% to 5.1%, driven mostly by a 7% revenue lift on a stable cost base. Gross margin held within the normal range."

FAILURE MODE Answering "yes" or "no" without naming the cause. The cause determines whether the improvement is durable or whether it will reverse.

Question 02

How many months of runway do I have at current burn?

METRICS Ending cash, trailing three-month average burn, and a brief sanity check against forecast burn for the next quarter.

GOOD ANSWER "$1.2M of cash, burning $42K per month on average, gives 28 months. The next quarter will be heavier on inventory, so the realistic figure is closer to 22 months."

FAILURE MODE Using a single low-burn month to compute runway. Or using operating loss as a proxy for cash burn when working capital is moving against you.

Question 03

Which channels, products, or segments are pulling me forward, and which are holding me back?

METRICS Contribution margin by channel, revenue growth by channel, CAC and ROAS by channel, top products by margin and by velocity.

GOOD ANSWER "Shopify direct grew 8% and produced 71% of contribution. Amazon grew 4% but its contribution margin slid 200bps on fee increases. Faire grew fastest but is the lowest-margin channel; the growth is welcome but should not be confused with profit."

FAILURE MODE Treating channels as interchangeable revenue sources. Each channel has different unit economics and a different role in the portfolio.

Question 04

What is the one decision I should make this month based on these numbers?

METRICS

Whatever metric or trend in the review is most material and most actionable in the next 30 days.

GOOD ANSWER

"Reduce the next inventory purchase order by 20% — we are at 96 days of inventory, the highest in nine months, and the cash impact is meaningful."

FAILURE MODE

Leaving the review with no decision. A review that produces only commentary is a status update, not a management tool.

PART ONE, SECTION THREE

Common pitfalls

Where monthly reviews most often go wrong.

01

Looking only at the bottom line

A founder who reviews only operating income misses every signal that produced it. Two months with the same operating income can have entirely different stories underneath — one driven by revenue, one by margin, one by opex restraint that won't recur. The bottom line is the destination; the review is about understanding the route.

02

Ignoring trends in favor of point-in-time

A single month is noise. Three months is a trend. Six months is a pattern. Founders who review the current month against last month — and only those two — are almost always trading on noise. Look at every metric against both the prior month and the trailing three-month average.

03

Mistaking revenue growth for business health

Revenue growth is the easiest metric to celebrate and the most expensive metric to misread. Revenue that arrives via lower-margin channels, deeper discounts, or higher acquisition cost can grow the top line while shrinking everything underneath it. A monthly review separates growth from progress.

04

Letting the review become a status update

A review that ends with "everything looks fine" or "we'll watch that next month" is not a review. The output of a monthly review should be one or two decisions: scale this channel back, accelerate that hire, reduce the next purchase order, raise prices on the slow-moving SKU. If no decision falls out, ask harder questions.

05

Skipping the review when numbers look bad

The worst month is the most important month to review. Founders who postpone or skip the review during difficult months lose the chance to course-correct early, when small adjustments still work. By the time the picture is impossible to ignore, the easy fixes have usually already passed.

06

Reviewing without prepared materials

A review done from a screen-shared P&L, scrolled through live, produces almost no decisions. The review should be conducted from a prepared package, sent in advance, that the founder has

read before the meeting. The discussion is about interpretation and action, not about reading the file together for the first time.

PART TWO

The sample deliverable

A complete monthly close package for a fictional Shopify DTC brand, structured the way we would actually deliver it.

What follows is a sample monthly close package for XYZ Inc., a fictional Shopify DTC apparel brand. The structure, the figures, the channel mix, and the commentary are all illustrative. They are designed to be coherent — a founder reading this should be able to trace a number from one section to another and have it reconcile — but they describe no real business.

> **SAMPLE DISCLAIMER**
>
> XYZ Inc. is a fictional company. All figures are illustrative. No real client data is portrayed.

Company profile (fictional)

XYZ Inc. is a four-year-old direct-to-consumer apparel brand on Shopify, generating approximately $5M in annual revenue, equity-funded through a Seed and Series A. The business is operating at near-break-even and sells through three channels: its own Shopify storefront (the largest), Amazon (a marketplace channel with thinner unit economics), and Faire (a wholesale platform reaching independent boutiques). The brand ships to customers in the United States, the United Kingdom, and the European Union.

The sample close package that follows covers the month of May 2026 and is presented in the format we use for monthly close packages: an executive summary on page one, then sections for financial highlights, cash and working capital, channel performance, customer and marketing metrics, inventory and operations, and a final page of decisions and open items. The package would be delivered to the founder after CPA review of the underlying close file.

Executive summary

XYZ Inc. · DTC apparel · Equity-funded

Period: **May 2026**

REVENUE	OPERATING MARGIN	ENDING CASH	RUNWAY
$428.4K	**+5.1%**	**$1.20M**	**28 mo.**
+7.0% MoM · +15.1% YTD YoY	vs. +1.4% prior month	$42.6K net burn for month	At trailing 3-mo. avg. burn

Headline observations

- **Revenue grew 7.0% month-over-month and 15.1% YTD year-over-year.** Growth was driven primarily by the Shopify direct channel, which contributed 58% of revenue and the majority of contribution dollars.
- **Operating income was positive for the second consecutive month** at $21.8K, or 5.1% of revenue. The underlying gross margin held at 55.3%, in line with the trailing six-month average.
- **Cash burned $42.6K despite positive EBITDA**, driven by working capital movements — principally a $58K increase in inventory ahead of summer demand. P&L profitability and cash flow are not yet aligned.
- **Days of inventory rose to 96, the highest in nine months.** The team has scheduled a reduced June purchase order; the cash impact next month should reverse.
- **LTV:CAC sits at 2.2x on a blended paid basis** — workable but below the 3.0x threshold considered healthy. Influencer marketing remains the most efficient paid channel; paid social is the weakest.

Key decisions for the founder's attention

1. Confirm the proposed 20% reduction in the July inventory purchase order.
2. Decide whether to reallocate $8-10K of paid social spend toward influencer marketing for June.
3. Review the Amazon channel: contribution margin has compressed 220 bps over six months on rising platform fees.

PREPARED BY The controller · **REVIEWED BY** The CPA reviewer · **PERIOD CLOSED** 6 June 2026

Financial highlights

XYZ Inc. Period: **May 2026**

REVENUE AND GROSS MARGIN

$ THOUSANDS	MAY 2026	APR 2026	MOM %	YTD 2026	YTD 2025	YOY %
Revenue	428.4	400.5	+7.0%	2,086.4	1,812.3	+15.1%
Cost of goods sold	(191.3)	(180.6)	+5.9%	(933.6)	(815.5)	+14.5%
Gross profit	**237.1**	**219.9**	**+7.8%**	**1,152.8**	**996.8**	**+15.6%**
Gross margin %	55.3%	54.9%	+40 bps	55.3%	55.0%	+30 bps

OPERATING EXPENSES

$ THOUSANDS	MAY 2026	APR 2026	MOM %	% OF REVENUE
Marketing and advertising	78.5	74.2	+5.8%	18.3%
Salaries and wages	89.4	89.4	—	20.9%
Software and tools	12.8	12.5	+2.4%	3.0%
Rent and operations	14.2	14.2	—	3.3%
Professional fees	8.9	7.1	+25.4%	2.1%
Other operating expenses	11.5	10.8	+6.5%	2.7%
Total operating expenses	**215.3**	**208.2**	**+3.4%**	**50.3%**
Operating income (EBITDA)	**21.8**	**11.7**	**+86.3%**	**5.1%**

MANAGEMENT COMMENTARY

Revenue growth this month was disproportionately driven by Shopify direct, which lifted the blended gross margin 40 basis points despite continued mix pressure from Amazon. Operating expenses scaled at roughly half the pace of revenue, producing the second consecutive month of positive operating income. Professional fees were elevated by a one-time legal review of European VAT registration; we expect this line to normalize in June. The improvement from 1.4% to 5.1% operating margin is real, but the trailing three-month average sits at 2.9% — the underlying trajectory is improving but should not yet be extrapolated.

Cash position and working capital

XYZ Inc. Period: **May 2026**

CASH ROLL-FORWARD

$ THOUSANDS	MAY 2026	APR 2026	MAR 2026
Beginning cash	1,241.3	1,278.4	1,309.1
Operating income (EBITDA)	21.8	11.7	8.4
Change in working capital	(64.4)	(48.8)	(39.1)
Capital expenditure	—	—	—
Net change in cash	**(42.6)**	**(37.1)**	**(30.7)**
Ending cash	**1,198.7**	**1,241.3**	**1,278.4**

WORKING CAPITAL DETAIL

$ THOUSANDS	MAY 2026	APR 2026	MVMT
Accounts receivable	84.6	81.2	(3.4)
Inventory	612.4	554.1	(58.3)
Prepaid expenses	28.4	26.1	(2.3)
Accounts payable	(142.3)	(141.5)	(0.8)
Accrued liabilities	(48.7)	(48.7)	—
Net working capital change			**(64.4)**

AGING AND TURNOVER METRICS

METRIC	MAY 2026	APR 2026	MAR 2026	BENCHMARK
Days sales outstanding	6 days	6 days	5 days	<10 (mixed channel)
Days of inventory	96 days	92 days	87 days	60-90 (DTC apparel)
Inventory turns (annualized)	3.75x	3.91x	4.14x	4-6x (DTC apparel)
Runway at trailing 3-mo. burn	32 mo.	34 mo.	37 mo.	n/a

MANAGEMENT COMMENTARY ON CASH

The gap between EBITDA (+$21.8K) and cash flow (−$42.6K) is the working capital story this month. Inventory increased by $58K as the team built ahead of summer demand; AP did not flex to absorb the same period. Days of inventory at 96 is the highest reading in nine months and the principal driver of cash consumption. A 13-week cash forecast updated this morning shows the cash trajectory stabilizing in July once the planned June inventory order is reduced. DSO remains tight at 6 days, reflecting the dominance of cash-on-sale channels in the mix.

Channel and product performance

XYZ Inc. Period: **May 2026**

REVENUE AND GROSS MARGIN BY CHANNEL

CHANNEL	MAY 2026	APR 2026	MOM %	MIX %	GROSS MARGIN
Shopify direct	248.4	230.1	+8.0%	58.0%	62.0%
Amazon	112.8	108.5	+4.0%	26.3%	51.0%
Faire (wholesale)	67.2	61.9	+8.6%	15.7%	38.0%
Total revenue	**428.4**	**400.5**	**+7.0%**	**100.0%**	**55.3%**

CONTRIBUTION MARGIN BY CHANNEL (AFTER CHANNEL-SPECIFIC VARIABLE COSTS)

$ THOUSANDS	REVENUE	GROSS PROFIT	CHANNEL COSTS	CONTRIBUTION	CONTRIB. MARGIN
Shopify direct	248.4	154.0	(14.9)	139.1	56.0%
Amazon	112.8	57.5	(18.6)	38.9	34.5%
Faire (wholesale)	67.2	25.5	(3.4)	22.1	32.9%
Total	**428.4**	**237.1**	**(36.9)**	**200.2**	**46.7%**

Channel costs include payment processing, marketplace commissions, fulfillment fees, and direct shipping subsidies. Brand-level marketing spend is not allocated.

TOP 5 SKUS BY REVENUE (ILLUSTRATIVE)

SKU	UNITS	REVENUE ($K)	GROSS MARGIN	VS. APRIL
Heritage Crew — Charcoal	684	54.7	64%	+12%
Field Pant — Stone	421	42.1	59%	+6%
Heritage Crew — Olive	389	31.1	64%	+18%
Travel Tee 3-Pack	312	28.1	57%	−4%
Lightweight Shell	178	26.7	52%	+22%

WHAT'S WORKING / WHAT ISN'T

Shopify direct continues to do the heavy lifting on contribution dollars — 69% of total contribution on 58% of revenue, reflecting its structurally higher margin. Amazon's contribution margin (34.5%) is 220 basis points lower than the same month last year on rising FBA fees and a higher promotional intensity; the channel is profitable but slowly less so. Faire is the lowest-margin channel and growing fastest, which is acceptable as a brand-building tool but should not be allowed to become the principal growth narrative. The Lightweight Shell's 22% growth on a tight-margin SKU is worth investigating — likely a demand pull-forward ahead of seasonal weather; not extrapolatable.

Customer and marketing metrics

XYZ Inc. Period: **May 2026**

CUSTOMER ACTIVITY

METRIC	MAY 2026	APR 2026	MOM	3-MO. AVG.
New customers	1,840	1,720	+7.0%	1,770
Repeat customers	1,120	1,055	+6.2%	1,083
Total customers	2,960	2,775	+6.7%	2,853
Repeat purchase rate	37.8%	38.0%	−20 bps	37.9%
Average order value (Shopify)	$99	$97	+2.1%	$98

MARKETING SPEND AND CHANNEL CAC

CHANNEL	SPEND ($K)	NEW CUSTOMERS	CAC	ROAS
Paid social	38.4	720	$53	1.85x
Paid search	18.2	410	$44	2.22x
Influencer	14.6	380	$38	2.57x
Organic / direct	—	330	n/a	n/a
Total paid	**71.2**	**1,510**	**$47**	**2.08x**

ROAS calculated as channel revenue ÷ channel spend, using last-click attribution. Paid social ROAS reconciles approximately 18% below platform-reported figures.

UNIT ECONOMICS (PAID-ACQUIRED CUSTOMERS)

METRIC	MAY 2026	3-MO. AVG.	6-MO. AVG.	BENCHMARK
Blended paid CAC	$47	$49	$48	—
LTV (18-mo. cohort estimate)	$104	$103	$101	—
LTV : CAC	2.2x	2.1x	2.1x	3.0x healthy

> **MARKETING COMMENTARY**
>
> Influencer remains the most efficient paid channel by both CAC ($38) and ROAS (2.57x), against paid social as the weakest (CAC $53, ROAS 1.85x). The channel rank order has been consistent for four months. LTV:CAC at 2.2x is workable but below the 3.0x threshold; an LTV improvement (through retention, larger AOV, or higher gross margin) would do more to fix the ratio than further CAC reduction, given paid CAC has been stable at $47-49 for six months.

Inventory and operations

XYZ Inc. Period: **May 2026**

INVENTORY POSITION

METRIC	MAY 2026	APR 2026	MAR 2026	FEB 2026
Inventory on hand ($K)	612.4	554.1	520.8	498.2
Inventory on hand (units)	42,180	38,540	35,910	34,260
Days of inventory	96 days	92 days	87 days	84 days
Inventory turns (annualized)	3.75x	3.91x	4.14x	4.29x

OPERATIONAL QUALITY METRICS

METRIC	MAY 2026	APR 2026	3-MO. AVG.
Stockout / oversold incidents	3 SKUs	1 SKU	2 SKUs
Returns ($K)	22.4	20.1	21.0
Returns rate (% of revenue)	5.2%	5.0%	5.1%
Returns reserve balance ($K)	11.8	11.2	11.5

INVENTORY BY CATEGORY (ILLUSTRATIVE)

CATEGORY	UNITS	$ THOUSANDS	MIX %	DAYS OF INV.
Tops	18,420	231.2	37.8%	88 days
Bottoms	11,840	198.4	32.4%	102 days
Outerwear	4,210	106.8	17.4%	134 days
Accessories	7,710	76.0	12.4%	79 days

OPERATIONAL COMMENTARY

Outerwear is the most overweight category at 134 days, sitting on the trailing edge of winter selling. A markdown plan for the remaining winter SKUs is recommended before the next purchase order is placed; absent that, the working capital trapped in outerwear will carry into Q3. The three stockout incidents this month involved fast-moving Heritage Crew variants — replenishment timing on those SKUs should be tightened. Returns rate at 5.2% is within the normal band and not a concern at this point.

Decisions and open items

XYZ Inc. Period: **May 2026**

DECISIONS RAISED BY THIS MONTH'S DATA

01

Reduce the July inventory purchase order by 20%.

Days of inventory has risen four consecutive months and now sits 6 days above the upper end of the normal range. Reducing the July order should bring days of inventory back to the high 80s by August and free approximately $90-110K of working capital. Decision required by 15 June to meet supplier lead times.

02

Reallocate $8-10K of paid social spend toward influencer marketing for June.

Influencer's CAC ($38) and ROAS (2.57x) materially outperform paid social ($53 / 1.85x). The rank order has been stable for four months and the influencer channel has capacity. Expected impact: 30-40 additional new customers at a $9-12 lower blended CAC.

03

Initiate a markdown plan for winter outerwear SKUs.

Outerwear sits at 134 days of inventory, well above the category norm. Without a markdown plan, the working capital trapped in this category will carry into Q3 and absorb cash. Target: 20-25% reduction in outerwear units by end of July.

04

Confirm whether to maintain or scale back the Amazon channel.

Contribution margin on Amazon has compressed 220 bps over six months on rising FBA fees and promotional intensity. The channel remains contribution-positive but its incremental value is declining. Recommend a 90-day review of the Amazon channel's role in the portfolio.

OPEN ITEMS FROM PRIOR MONTH

A

European VAT registration — closed.

Legal review completed in May; registration filing in progress. One-time professional fee ($3.4K) recognized this month.

B

Klaviyo segmentation rebuild — in progress.

Targeted completion by end of June; expected to lift repeat purchase rate from 38% toward the 42-44% range over Q3.

RISKS FLAGGED FOR THE NEXT 30-60 DAYS

R1

Working capital pressure if inventory builds continue.

If the July order is not reduced, days of inventory could exceed 105 by end of August, with a cash impact of $80-100K.

R2

LTV:CAC drift toward 2.0x.

Klaviyo segmentation rebuild is the principal mitigation; expected to lift repeat rate over Q3.

CLOSING

Principles to take away

The sample close package on the previous pages is one specific format for one specific kind of business. The principles behind it generalize; the format does not need to.

The monthly review is a decision tool

A review that produces only commentary is a status update. The output of a useful review is one or two decisions, made deliberately, with the underlying data on the page. If a month's review yields no decisions, the questions being asked are probably the wrong ones.

The two postures work together

The controller produces the file: reconciled, defensible, complete. The CFO interprets it: which numbers matter most this month, what they imply for the next 30 to 90 days, and what changes in the business they call for. Neither posture alone produces a useful review. Combined, they produce the highest-leverage management exercise a founder runs.

Adapt the structure to your business

A SaaS business will weight retention and net revenue retention more heavily than a DTC business. A professional services firm will care more about utilization and realization than inventory days. The categories — profitability, cash, growth — generalize. The specific metrics inside each category should be the ones that genuinely move your business. The format above is illustrative; copy the discipline, not the line items.

Consistency over sophistication

A simple review run every month is more valuable than an elaborate one run quarterly. The compounding benefit of the monthly review comes from doing it on a fixed cadence, with the same structure, so that anomalies stand out against a known baseline. Sophistication can be added; consistency cannot be retrofitted.