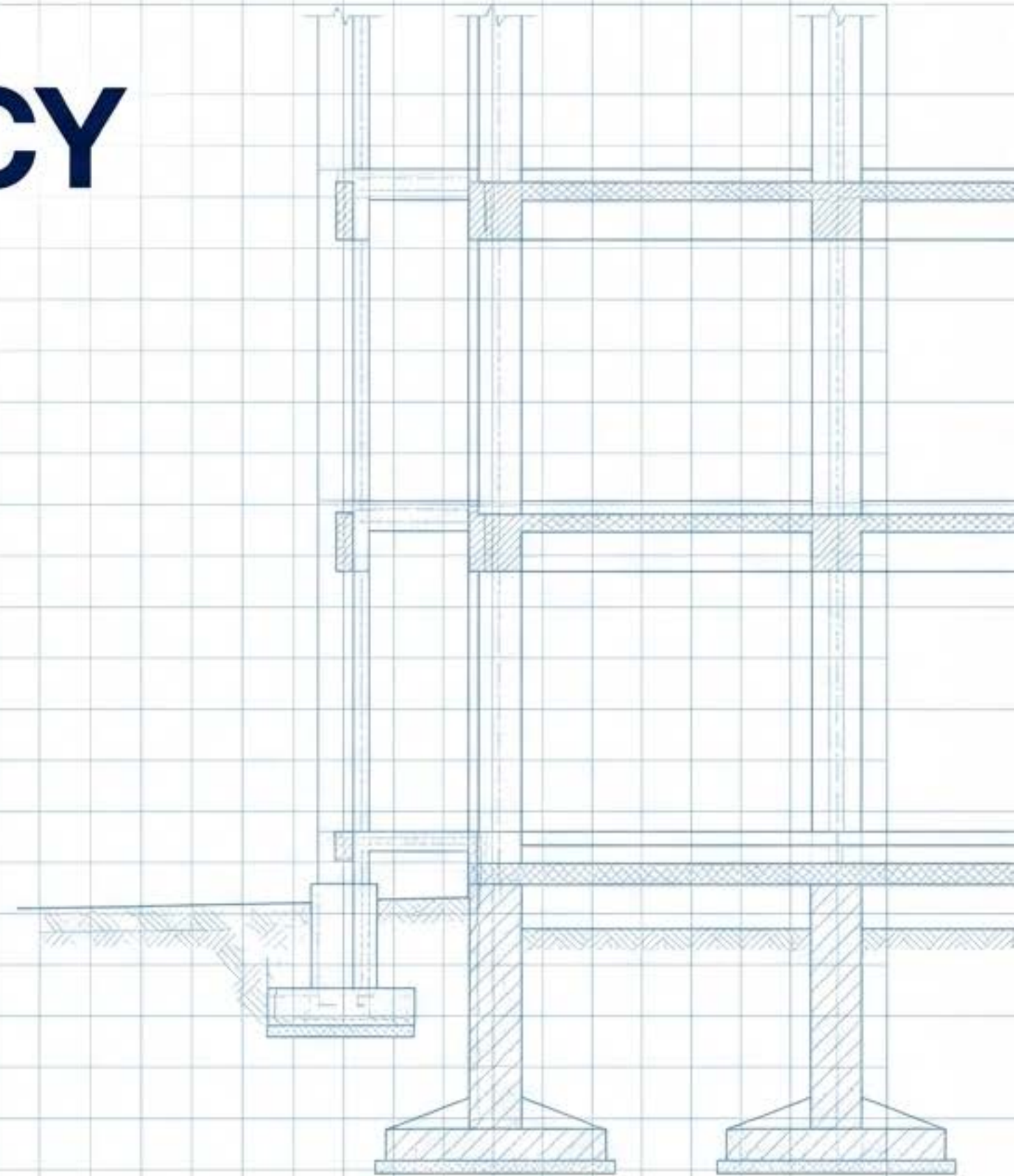


ADVERTISING AGENCY AGENCY FINANCIAL BLUEPRINT

Operating Budget & Breakeven
Analysis (2026–2028)

STRATEGIC FINANCIAL PLAN: LAUNCH TO STABILIZATION
STATUS: DRAFT FOR CAPITALIZATION
MODEL: PYRAMID PRINCIPLE



THE CAPITALIZATION REALITY

Defining the survival threshold before operations begin.

**TOTAL WORKING
CAPITAL**

\$598,000

Required Cash Buffer
through March 2028.
Covers Year 1 EBITDA
loss of \$187k.

**MONTHLY
BURN RATE**

\$27,483

Baseline Operating Cost
(Fixed + Marketing).
Must be cleared monthly.

**TARGET
BREAKEVEN**

SEPT 2027

21 Months of funded
operations required to
reach profitability.

THE ECONOMIC WAR ON TWO FRONTS

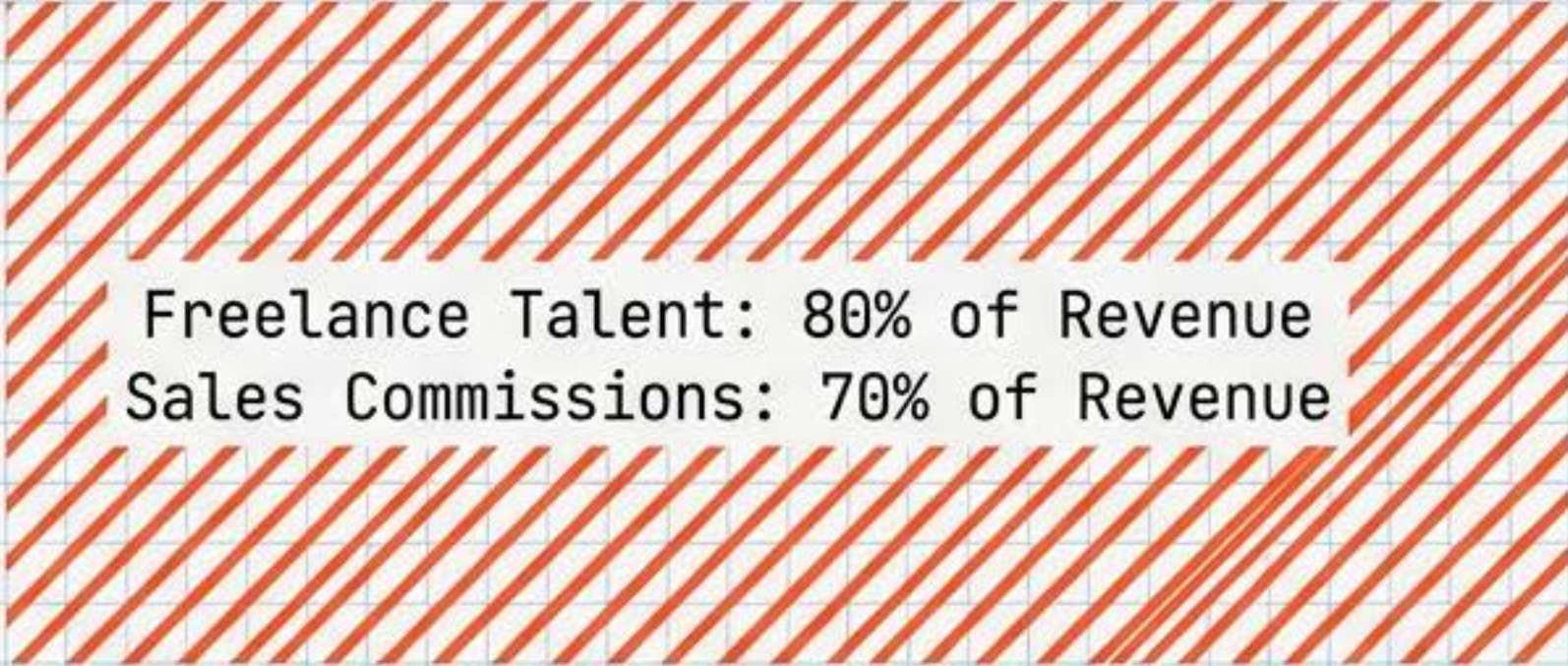
The tension between Fixed Anchors and Variable Scaling.

THE FLOOR (Fixed Costs)

Total Risk: ~\$27,500/mo guaranteed outflow.

Payroll: \$19,583
Rent: \$3,500
Tech: \$800
Legal: \$700

THE CEILING (Variable Costs)



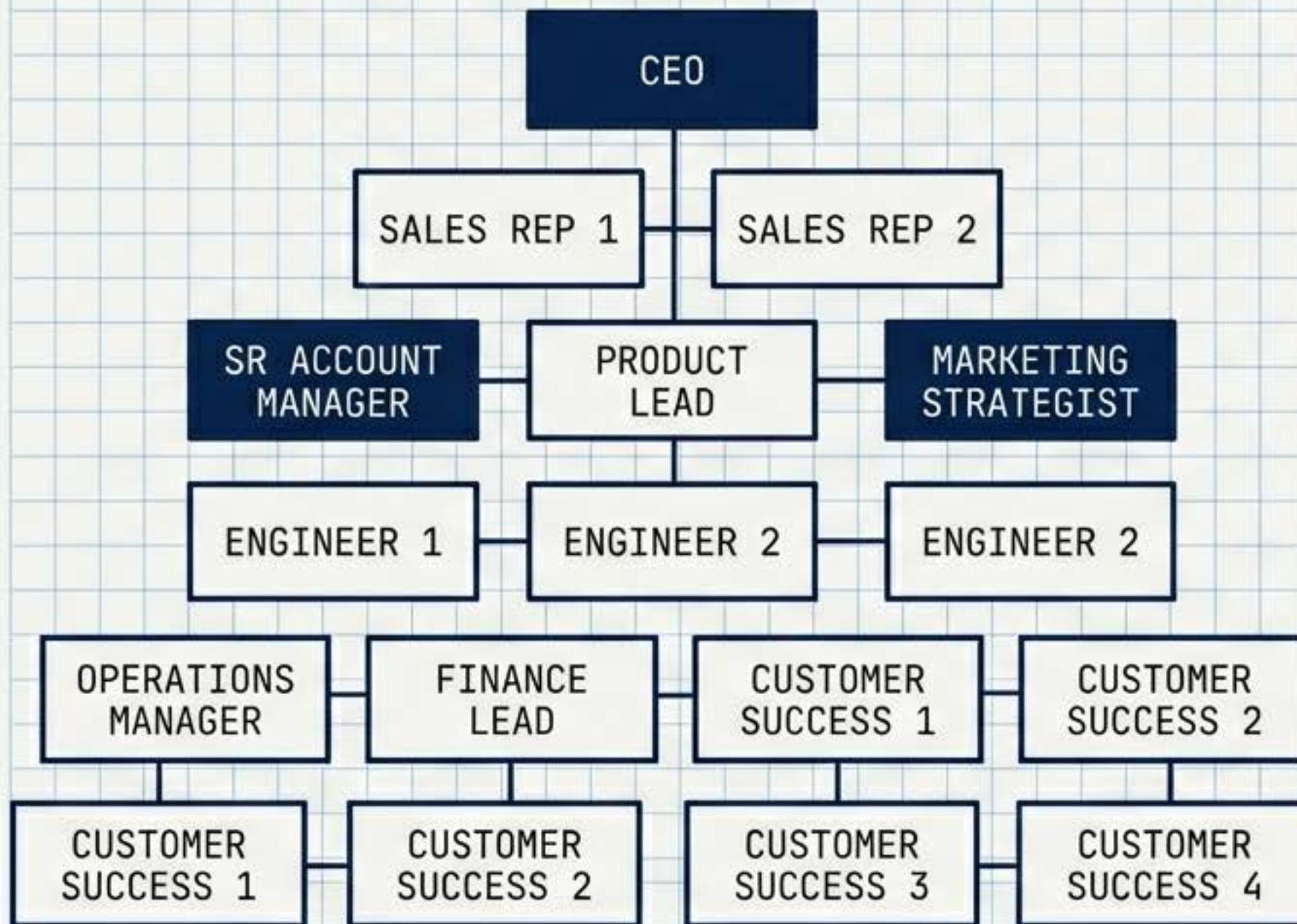
Freelance Talent: 80% of Revenue
Sales Commissions: 70% of Revenue

Insight: Scaling revenue does not automatically scale profit.

FIXED COST 1: THE PAYROLL FOUNDATION

The single largest fixed drain defining operational capacity.

20 FTE LOAD-BEARING STRUCTURE



\$19,583 / MONTH
BASELINE LABOR EXPENSE

STRATEGIC CONSTRAINT:

This cost covers the 2026 launch team. Hiring must be delayed past these 20 FTEs. Any gross margin dip below 50% makes this load unsustainable.

OPERATIONAL INFRASTRUCTURE & OVERHEAD

The non-negotiable cost of existence.

OFFICE RENT
\$3,500 / mo

Commitment: Avoid 36-month leases.
Target 18 months or co-working.

SOFTWARE STACK
\$800 / mo

CRM & Accounting.
Strategy: Negotiate
annual prepay
(10-15% savings).

LEGAL/COMPLIANCE
\$700 / mo

Retainer for
tax/contracts.
Budget extra
\$1.5k-\$3k for
initial setup.

TOTAL INFRASTRUCTURE BASELINE: \$5,000 / MONTH

VARIABLE COST 1: THE FREELANCE TRAP

Warning: Production costs are the primary **threat** to profitability.

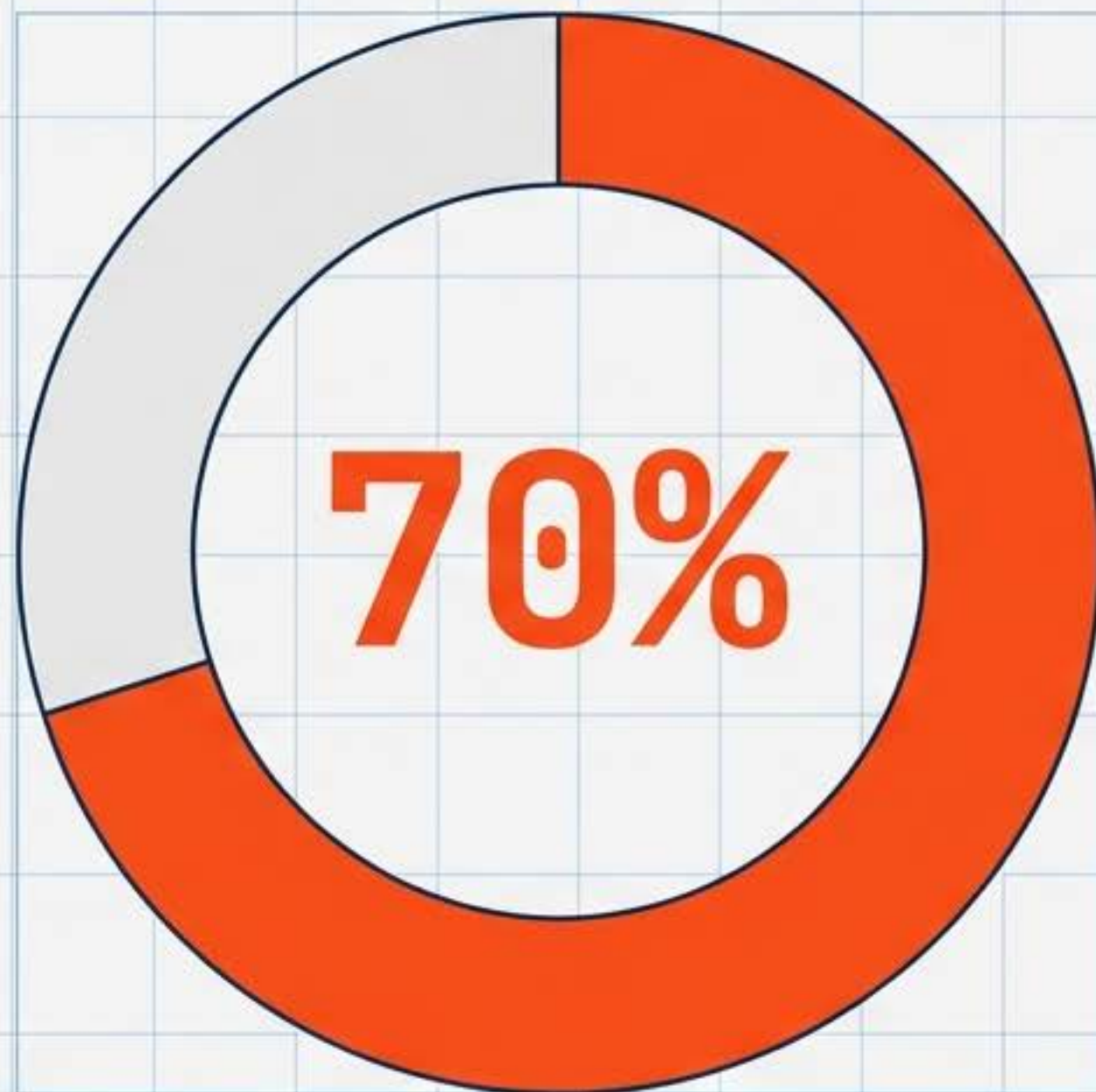


OPERATIONAL MANDATE:

1. Track actual spend vs. SOW rigorously.
2. Standardize template assets.
3. Negotiate volume discounts.
4. Long-term Goal: Shift to 60% internal production.

VARIABLE COST 2: COST OF ACQUISITION

Aggressive growth incentives crush initial margin.



REVENUE ALLOCATED TO SALES COMMISSIONS (2026)

THE STRATEGIC ADJUSTMENT

This structure buys growth but starves cash flow.

- > Track Client Lifetime Value (LTV) to justify payout.
- > Implementation of tiered structures (rate drops after 6 months).
- > Warning: Do not pay high commissions on low-margin projects.

THE GROWTH ENGINE & CAC TARGETS

Efficiency over volume. Precision targeting required.



STRATEGY:

- Target 100% E-commerce / Tech leads.
- Stop spend immediately on poor performing ads.
- Weekly ROI measurement.

INSIGHT: High-value clients are essential to cover fixed operational drags.

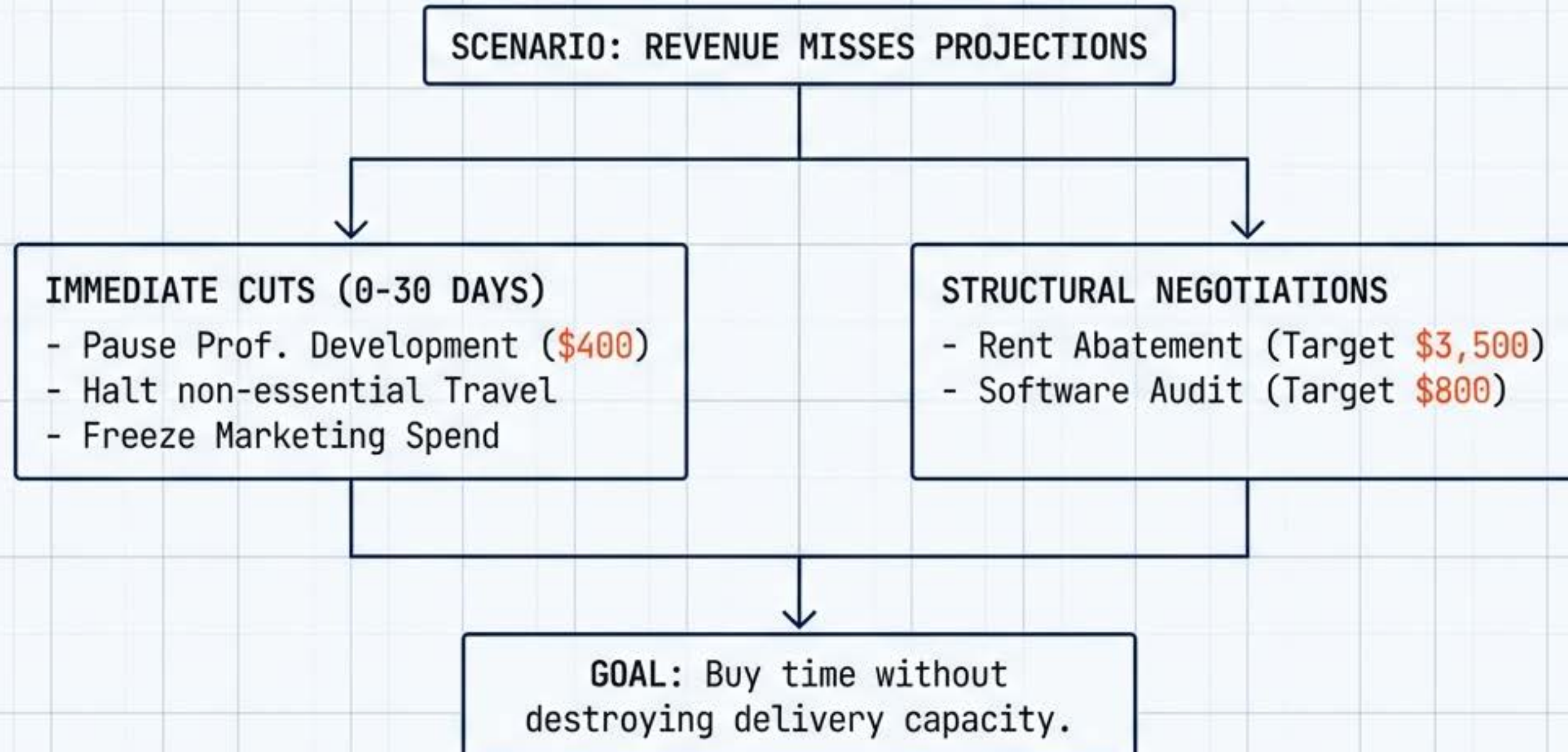
THE ROAD TO BREAKEVEN: SEPTEMBER 2027

Timeline of capital deployment and stabilization.



RISK PROTOCOL: PRESERVING RUNWAY

Code Red procedures for revenue shortfalls.



STRATEGIC ACTION PLAN

The Financial Architect's Checklist

- 1 SECURE CAPITAL**
Lock in **\$598,000** working capital buffer immediately.
- 2 MONITOR THE FLOOR**
Keep fixed overhead (Rent + Payroll + Tech) under **\$27,500/mo.**
- 3 MANAGE THE CEILING**
Audit the 80% freelance spend. Standardize scopes.
- 4 SHIFT REVENUE QUALITY**
Transition from project fees to retainers to mitigate commission costs.
- 5 TARGET DATE**
Execute specifically for **September 2027** Breakeven.