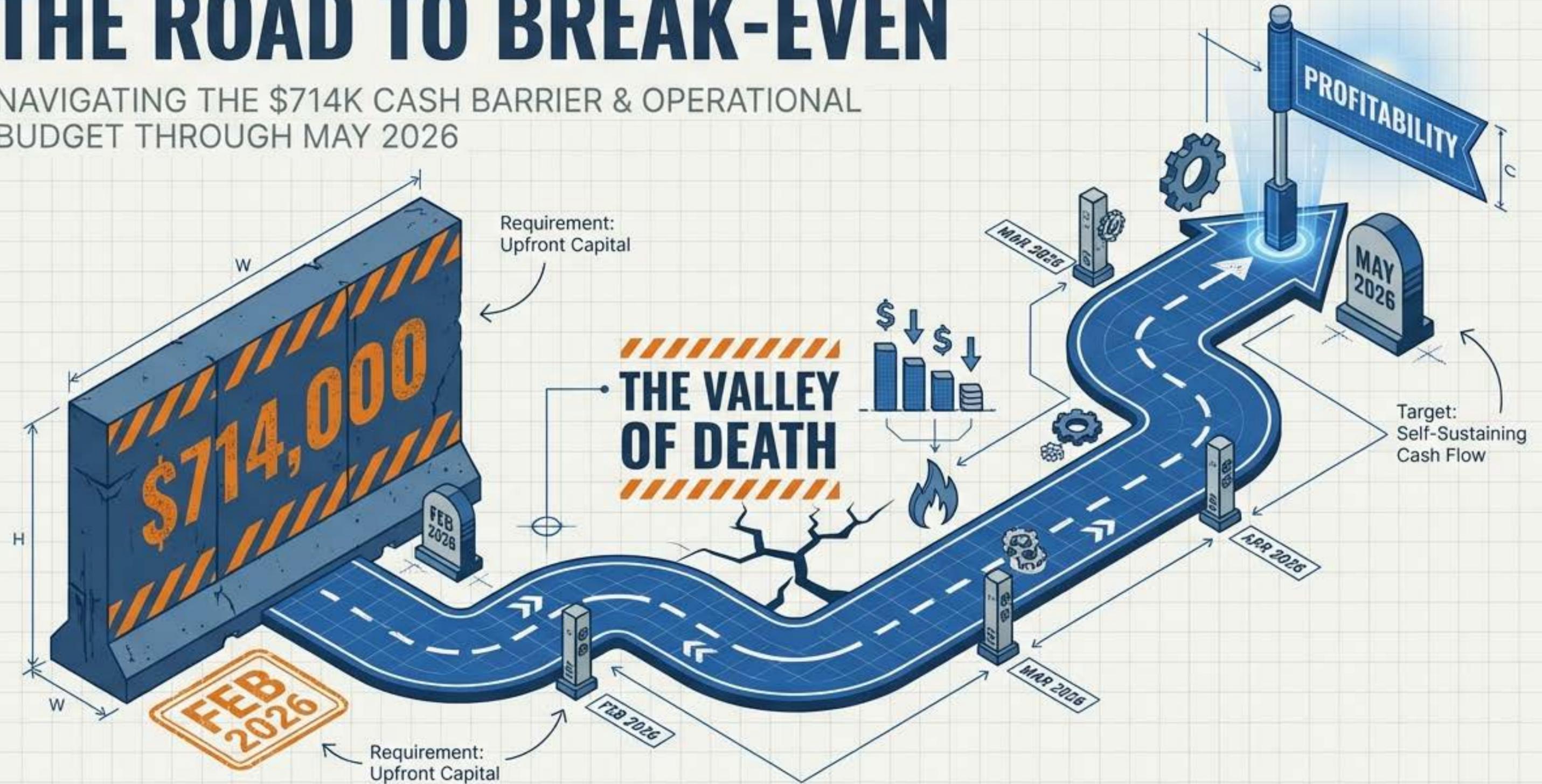


# THE ROAD TO BREAK-EVEN

NAVIGATING THE \$714K CASH BARRIER & OPERATIONAL BUDGET THROUGH MAY 2026



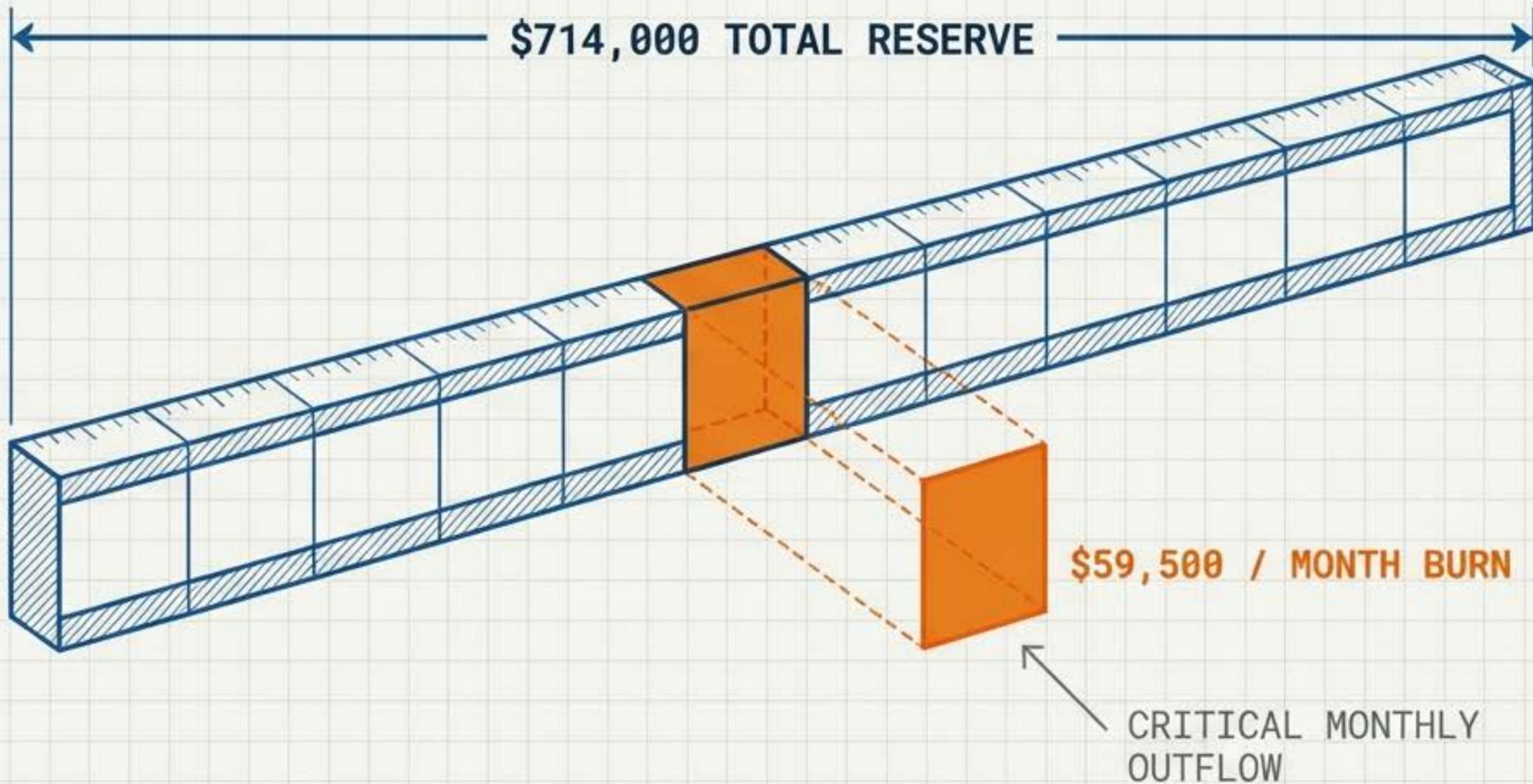
APPROVED BY:  
GOVERNANCE FINANCE  
COMMITTEE

ISSUED BY:  
FINANCIAL MODELS LAB  
F24-SCHEM-2026

DATE ISSUED:  
08/08/2025

APPROVED BY:  
GOVERNANCE FINANCE  
COMMITTEE

# THE \$714,000 MANDATE



PROFITABILITY TARGET:  
MAY 2026

CASH REQUIREMENT:  
\$714,000 by FEB 2026

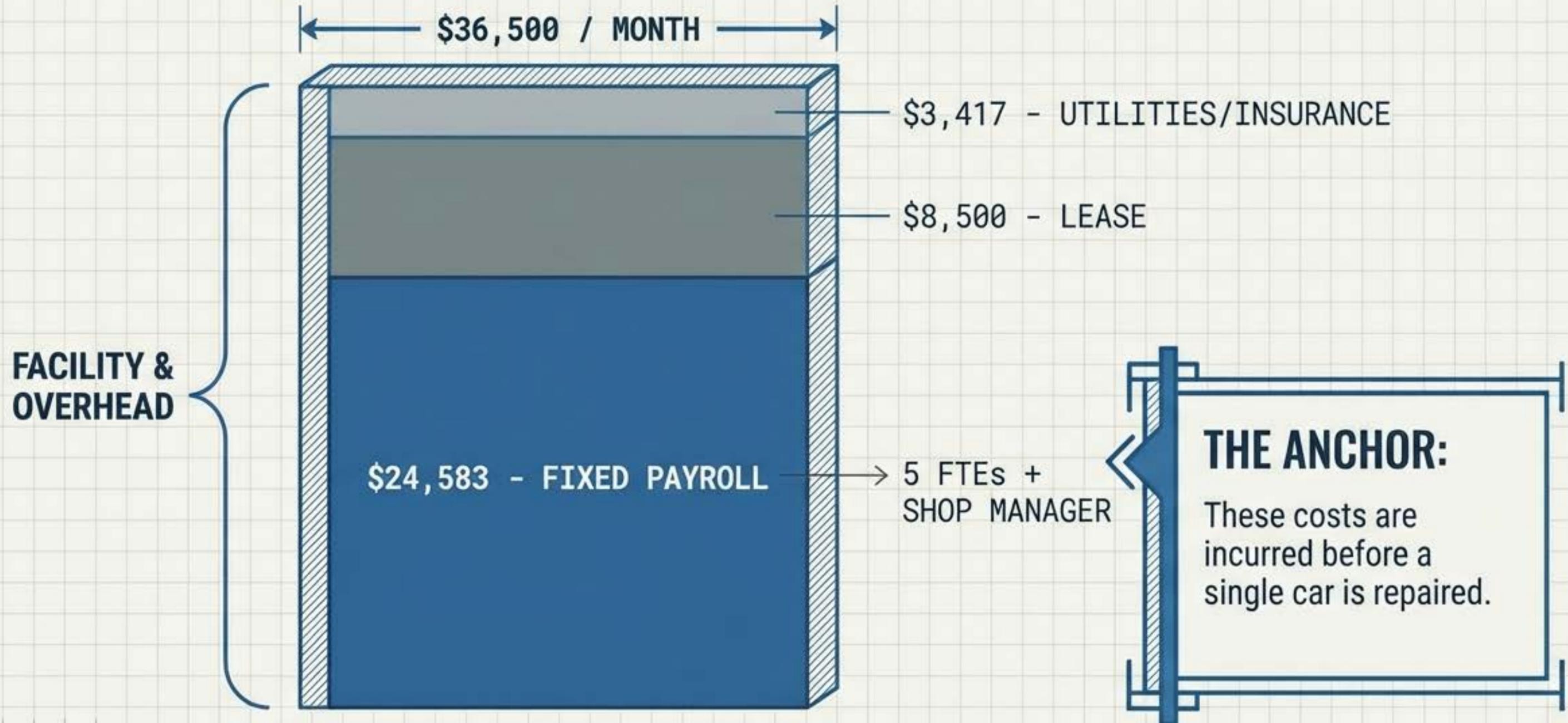
MONTHLY RUNWAY:  
**\$59,500**

## INSIGHT:

This is not operational float. It is a survival runway calculated against a guaranteed burn rate.

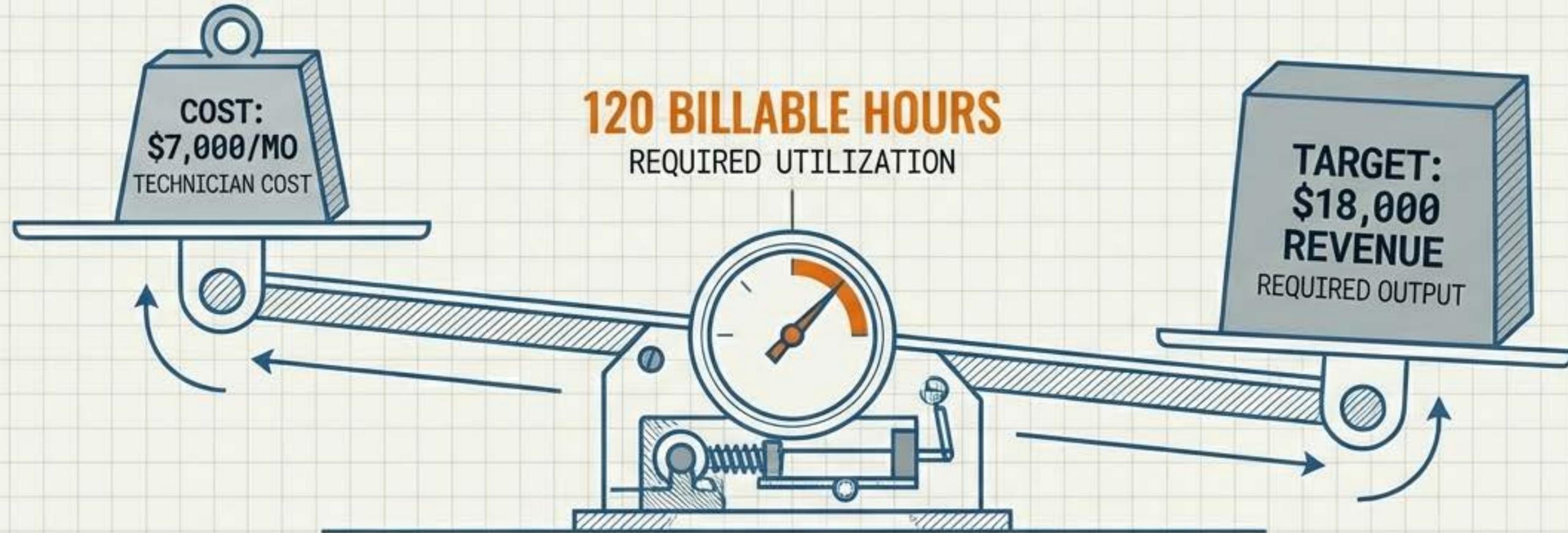
# MINIMUM SUSTAINABLE OPERATING BUDGET

THE "LIGHTS ON" COST



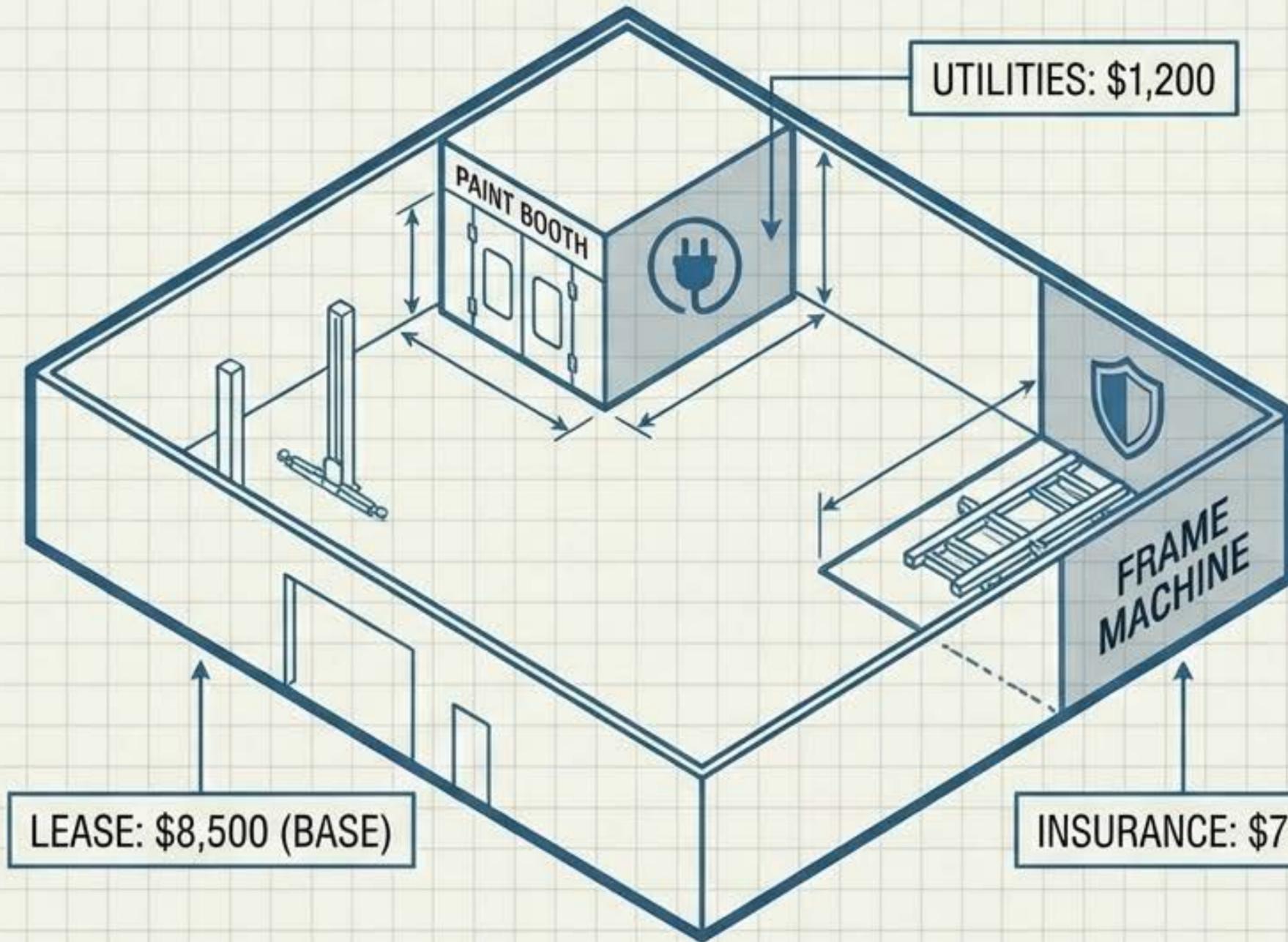
# STAFFING: THE UTILIZATION TRAP

TOTAL PAYROLL:	\$24,583 / MONTH
HEADCOUNT:	5 FTEs
WAGE RATIO:	35-45% OF OPEX



**ACTION: STAGGER HIRING.** If onboarding > 14 days, churn risk rises. Use contractors for overflow.

# THE FIXED COST ANCHORS



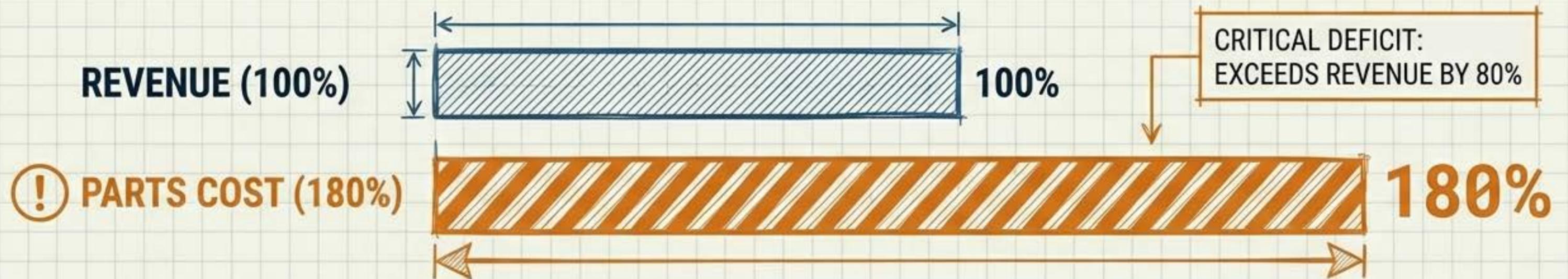
**TOTAL FIXED OVERHEAD:**  
**~\$10,450 / MONTH**

Note: These costs are non-negotiable and dictate the solvency floor.

# THE PROCUREMENT ANOMALY

## PARTS INVENTORY RISK

### COMPARISON: PROJECTED REVENUE VS. PARTS COST (2026 STARTUP PHASE)



Projected cost of parts is 180% of revenue in the 2026 startup phase. Without reserves, this guarantees negative gross margin.

### MITIGATION LIST

- Negotiate Volume Discounts
- Push for Net 45 Payment Terms
- Strict Inventory Control (Initial Buy: \$20,000)

# SHOP MATERIALS: THE COST OF INEFFICIENCY



## DRIVERS OF WASTE

- ⚙️ Paint & Solvents
- ⚙️ Improper Mixing Ratios
- ➔ Overspray / Gun Efficiency

**!** **MANDATE:** Upgrade spray guns and enforce mixing protocols immediately.

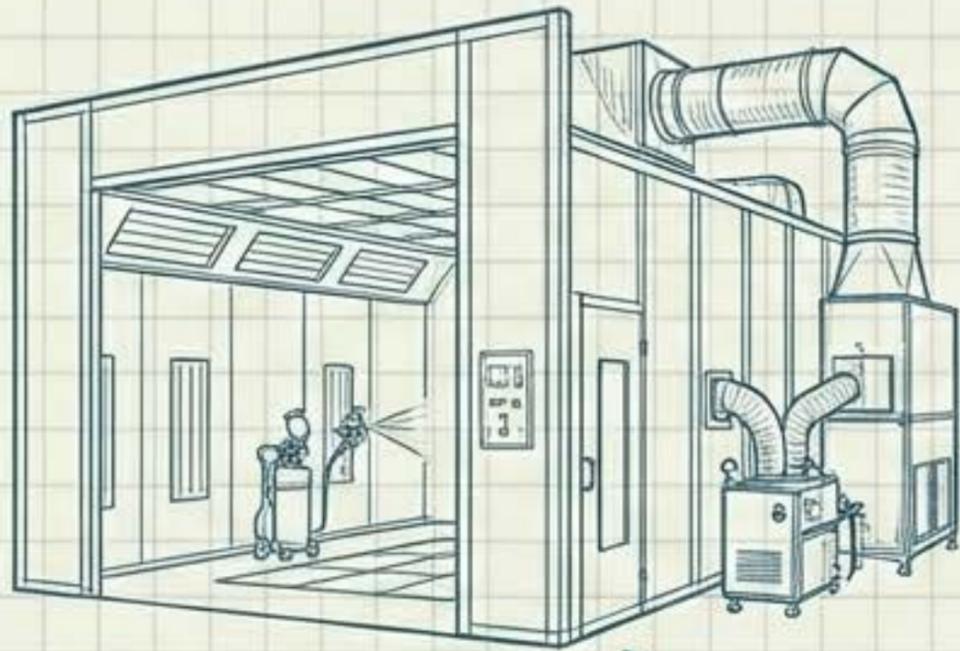
# MARKETING: BUYING THE VOLUME



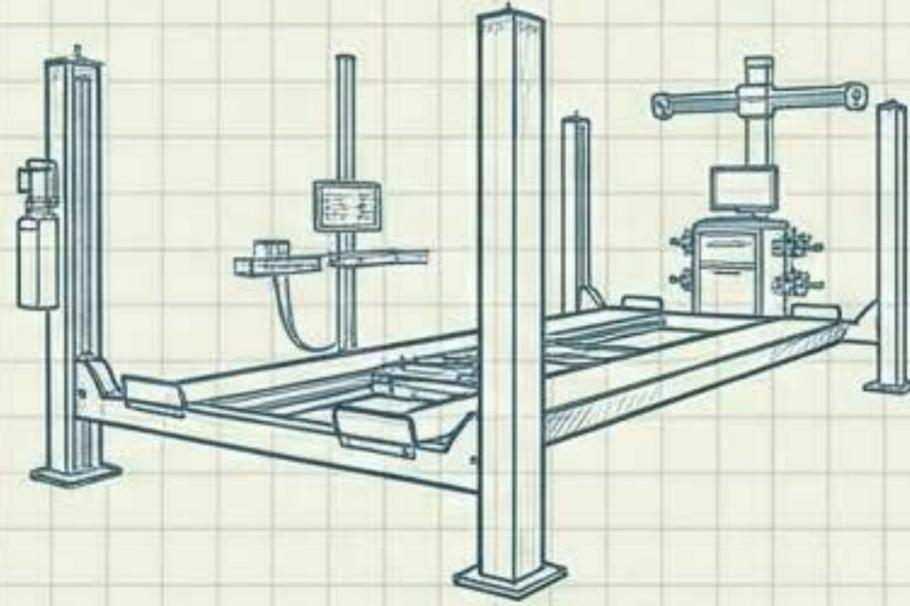
- ✓ Fixed Monthly Spend: \$400 (Website/SEO Retainer)
- ✓ Strategy: Validate LTV vs CAC immediately.

**! CRITICAL:** High acquisition cost is necessary to feed the fixed labor machine.

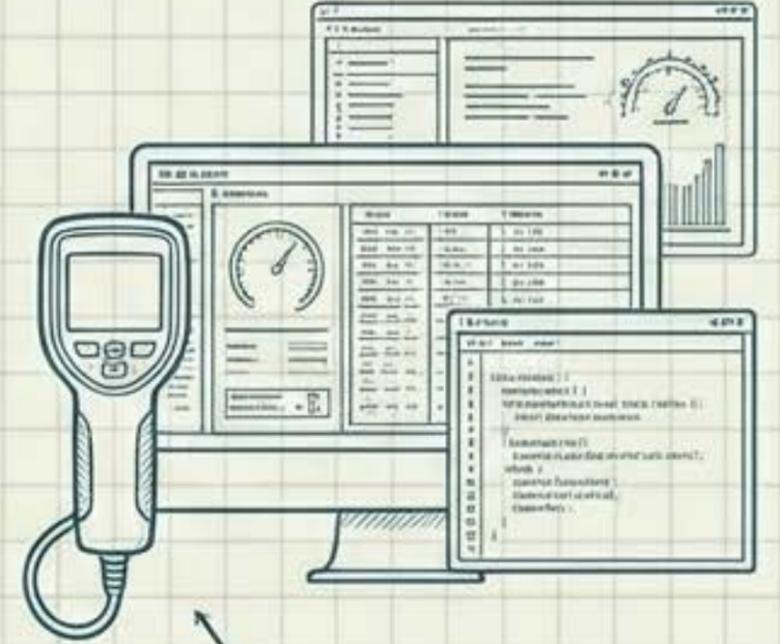
# CAPEX DRIVERS: WHERE THE RESERVE GOES



\$75,000



\$60,000



Tech Stack

The **\$714k reserve** is not just for bills.  
It funds the tools required to open the doors.

# SCENARIO PLANNING: CRISIS PROTOCOL

**TRIGGER: REVENUE MISS > 20%**



**GOAL:** Cover the \$12,000 fixed overhead shortfall immediately.

# THE OPERATOR'S DASHBOARD

CASH FLOOR

**\$714,000**



MINIMUM OPERATING RESERVE

BREAK-EVEN

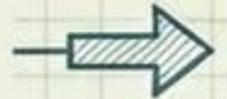
**MAY 2026**



PROJECTED DATE

RUNWAY

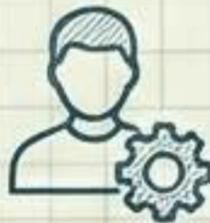
**\$59,500 / MO**



MONTHLY BURN RATE

LABOR CAP

**45% OF EXPENSES**



OPERATIONAL THRESHOLD

PARTS LOAD

**180% OF REVENUE**



INVENTORY EFFICIENCY

CAC GOAL

**\$120**



CUSTOMER ACQUISITION COST

# STRATEGIC TAKEAWAYS

---

- ✓ **SECURE THE CAPITAL:** \$714k upfront. Do not rely on early cash flow.
- ✓ **FOCUS ON ARV:** High Average Repair Value jobs offset the \$24k labor burden.
- ✓ **ATTACK VARIABLE COSTS:** Tighten inventory to combat 180% parts ratio.
- ✓ **MONITOR THROUGHPUT:** Target 120 Billable Hours per tech.

**OBJECTIVE: SURVIVE THE VALLEY OF DEATH TO REACH MAY 2026.**