

# Sustainable General Contracting Operations

Executive Financial Breakdown: Total Estimated Monthly Running Budget

*What is the total estimated monthly running budget required to operate the General Contractor business sustainably?*

# Target Monthly Operating Budget

**[\$ Total Estimated  
Monthly Budget] / month**

Fixed Overhead & SG&A (Strictly excluding direct project Cost of Goods Sold)



Daily Burn Rate  
[\$ Daily Burn]



Required Working  
Capital Reserve  
[\$ 3-6 Month Buffer]



Target Operating  
Margin  
[% Target]

# Differentiating Overhead from Project Costs

## SG&A / Fixed Overhead



- Executive salaries
- Office lease
- General liability insurance
- Software stack

Takeaway: Must be paid regardless of active project volume.

## Direct Project Costs



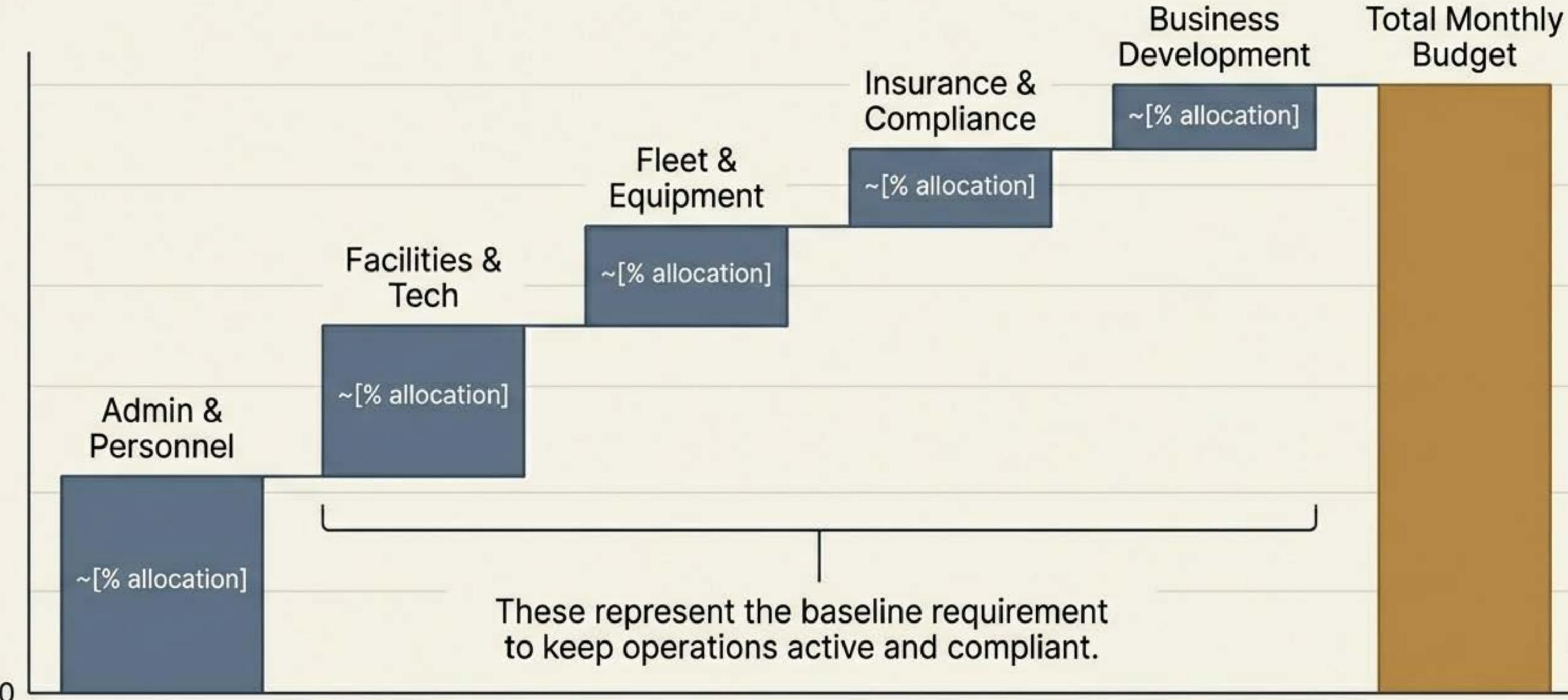
- Subcontractor payouts
- Project-specific materials
- Billable labor
- Permit fees

Takeaway: Fluctuates dynamically with construction volume.

The Running Budget - Focus of this Deck

Direct COGS - Excluded

# The Five Pillars of Operational Overhead



# Pillar 1: Administrative & Non-Billable Personnel

Key Number:  
[\$ Pillar 1 Monthly Total]



<b>Executive/Ownership</b> Strategy & general management	[\$ Cost]
<b>Pre-Construction</b> Estimators & bid coordinators	[\$ Cost]
<b>Finance &amp; Admin</b> Bookkeeping, HR, and office management	[\$ Cost]
<b>Operations</b> Non-billable Project Management / General Superintendents	[\$ Cost]

Excludes all billable field labor (W2 carpenters, laborers) categorized under COGS.

# Pillar 2: Facilities, Software & Technology

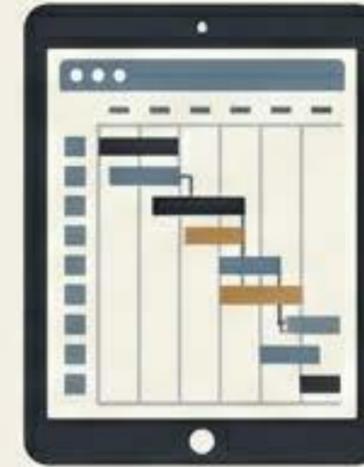
Key Number:  
[\$ Pillar 2 Monthly Total]



## Physical Footprint

Office lease, warehouse/yard space, utilities, internet

[\$ Cost]



## Project Management Tech

Procore, Bluebeam, BuilderTrend subscriptions

[\$ Cost]



## Financial & Admin Tech

QuickBooks Desktop/Online, CRM, payroll software

[\$ Cost]



## Office Overhead

Supplies, printing, basic IT support

[\$ Cost]

# Pillar 3: Fleet, Equipment & Maintenance

Key Number:  
[\$ Pillar 3 Monthly Total]

## Fleet Costs

Monthly payments/leases on company trucks (Superintendent/PM vehicles).

## Maintenance & Fuel

Monthly allowance for fleet upkeep, gas cards, and tool repair.



## Yard Equipment

Skid steers, telehandlers, or general tools not billed directly to a single job.

Strategic Note: Asset acquisition is handled via CapEx; this budget reflects only **monthly operational carrying** costs and depreciation impacts.

# Pillar 4: Insurance, Licensing & Compliance

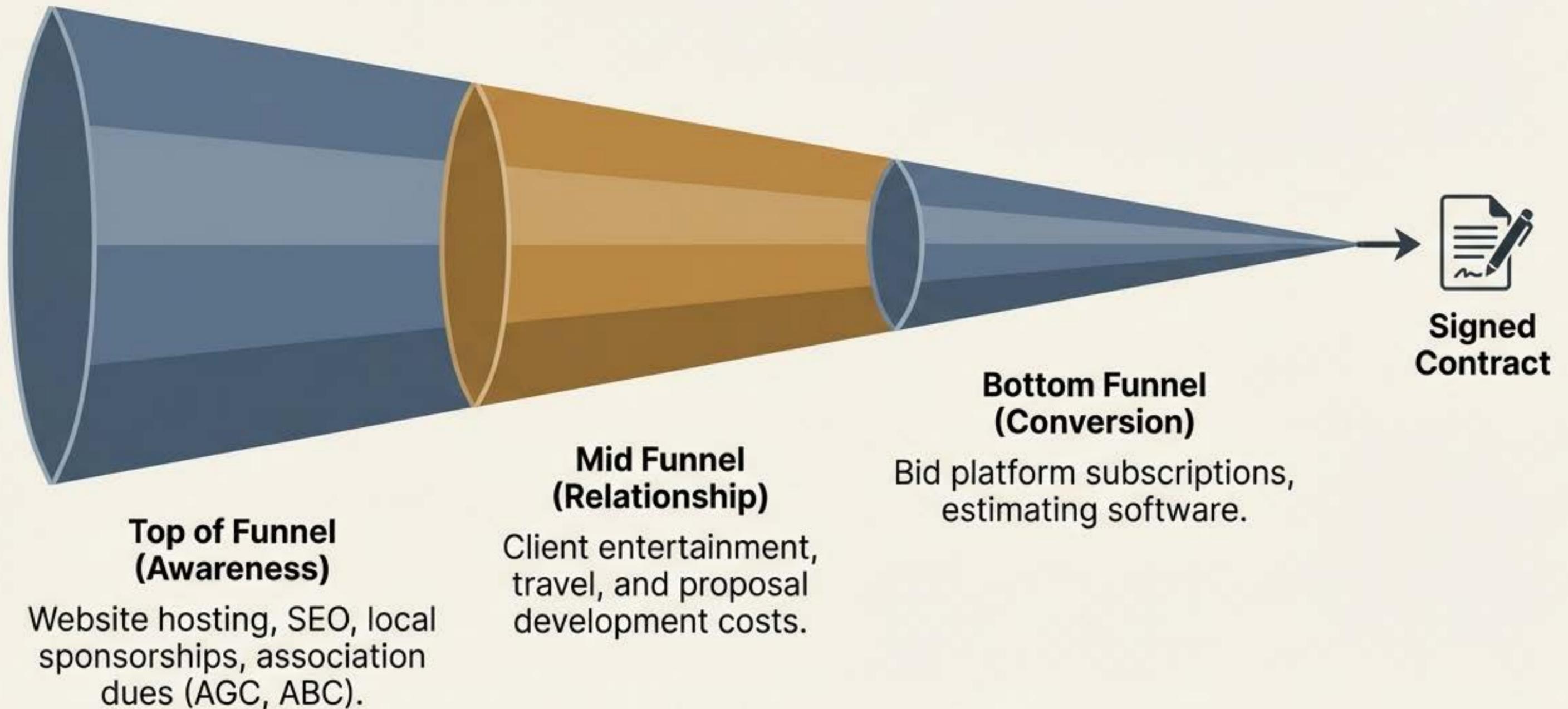
Key Number:  
[\$ Pillar 4 Monthly Total]



*Coverage minimums structured to meet standard commercial lender and municipal permit requirements.*

# Pillar 5: Business Development & Lead Generation

Key Number:  
[\$ Pillar 5 Monthly Total]



# Defining Sustainable: The Cash Flow Buffer

A sustainable GC business cannot operate month-to-month. It requires reserved operational capital.



Target Metric:

**[3 to 6] Months**

of Total Operational Budget  
held as liquid cash reserves

([\$ Minimum Cash Reserve])

- **The Retainage Reality:** 10% of project payouts are typically withheld until completion, restricting cash flow.
- **Net-30/60 Delays:** Owner payouts frequently lag subcontractor and overhead liabilities.

# Required Breakeven Volume

$$\begin{array}{ccc} \begin{array}{c} \text{Total Monthly} \\ \text{Running} \\ \text{Budget:} \\ \text{[\$ Budget]} \end{array} & \div & \begin{array}{c} \text{Target Gross} \\ \text{Profit Margin:} \\ \text{[% Margin]} \end{array} & = & \begin{array}{c} \text{Required} \\ \text{Monthly} \\ \text{Revenue} \end{array} \end{array}$$

**Context Indicator:** Number of average-sized projects per month required to hit this breakeven number.

To sustain this [Total Monthly Budget] operational budget at a [%] gross margin, the firm must bill [\$ Required Revenue] in top-line revenue per month.

# Executive Summary & Strategic Directives



## Insight

- Overhead is fixed at [\$ Total Budget] monthly.
- Personnel drives [%] of fixed costs.



## Financial Impact

- Requires [\$ Required Revenue] monthly to break even.
- Requires [\$ Cash Reserve] in liquid working capital.



## Strategic Action

- Lock in credit lines to protect the cash flow buffer against retainage.
- Approve baseline SG&A budget for immediate implementation.