PROFITS & PINTS | NOVEMBER 2026

CAN YOU AFFORD TO GROW?

Know What Your Business Needs to Produce Before You Add More Cost

Growth is exciting. But adding revenue doesn't automatically add profit, and adding profit doesn't automatically add cash. Use this workbook to estimate what your business needs to produce, what your next investment will require, and how you'll fund the gap.

JEFF'S EXAMPLE *(quarterly, illustrative numbers)*

FIXED COSTS	BREAK EVEN	ADD A $25,000 HIRE
$100,000	**$166,667**	**+$41,667**
Variable costs: 40% of revenue	$100,000 ÷ 60% contribution margin	more revenue needed ($25,000 ÷ 60%)

1 ESTIMATE YOUR BREAK EVEN

Estimates are fine. If you don't know a number, circle it and go find it.

Fixed costs for the quarter *Rent, admin salaries, insurance, software, fixed payroll*	$
Variable cost percentage *Materials, job labor, subs, commissions as a % of revenue*	%
Percentage left after variable costs *100% minus your variable cost % (your contribution margin)*	%
Estimated quarterly break even revenue *Fixed costs ÷ percentage left*	$

FIXED COSTS ÷ % LEFT = BREAK EVEN REVENUE

2 WHAT WILL YOUR NEXT INVESTMENT REQUIRE?

Pick one growth investment you're considering for 2027: a new hire, equipment, a bigger space, marketing.

Investment I'm considering	
Additional fixed cost per quarter	$
Additional revenue required to cover it *Additional fixed cost ÷ percentage left*	$

TIP *If the investment also changes your variable cost percentage, adjust the math when you run your real numbers.*

3 FOLLOW THE CASH

Even profitable growth can create a cash crunch. What will you pay for before the new revenue comes in?

WHAT	CASH OUT (when?)	CASH IN (when?)
Upfront expenses		
Added payroll or materials		
Customer payments		
Other		

How much cash will I need to fund the gap, and where will it come from?

My biggest cash flow question or concern is:

4 THREE QUESTIONS BEFORE YOU GROW

Before your next big decision, can you answer all three?

- ☐ **How much revenue does my business need to cover its costs?**
- ☐ **How much additional revenue will my next investment require?**
- ☐ **Will I have the cash available to fund that growth?**

5 MY NEXT STEP

The number I need to go find or calculate:

I will have it by:

Growth is the goal.
Profitable, cash supported growth is the plan.