FINSOL ADVISORS

Turning Numbers Right

The 5 numbers to check every month

A quick monthly money check any business owner can run in ten minutes.

1 Gross margin

WHAT IT IS What you keep after the direct cost of doing the work (materials, subcontractors, crew labor).

WHY IT MATTERS It tells you whether your pricing and job costs are actually healthy. More sales will not fix a thin margin.

WHERE TO FIND IT Your profit and loss statement: revenue minus cost of goods sold.

2 Cash runway

WHAT IT IS How many months you could keep operating if the work slowed down.

WHY IT MATTERS It warns you about a cash crunch while you still have time to act, instead of the week it hits.

WHERE TO FIND IT Cash on hand divided by your average monthly expenses.

3 Net profit trend

WHAT IT IS The direction of your bottom line across the last three months, not just one.

WHY IT MATTERS One month is noise. Three months climbing or sliding is a real signal worth acting on.

WHERE TO FIND IT Compare the net profit line on your last three monthly profit and loss reports.

4 Accounts receivable

WHAT IT IS Who still owes you money, and how long the invoices have been sitting.

WHY IT MATTERS That is your cash parked in someone else’s account. Old invoices are the easiest money to lose.

WHERE TO FIND IT Your accounts receivable aging report.

5 Tax set-aside

WHAT IT IS The money you have actually reserved for estimated taxes.

WHY IT MATTERS It keeps April from being a shock. A healthy bank balance often hides a tax bill you have not saved for.

WHERE TO FIND IT A separate savings balance, checked against your estimated tax liability.

Want these done for you every month?

Finsol keeps your books current and walks you through the numbers in a 20-minute monthly review

Book a free 30-minute call at finsoladvisors.com

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