CONTRIBUTION, BREAK-EVEN, AND CASH TIMING

Make the Booking Math Visible

A booking can look exciting and still leave too little margin or cash. Work through three separate questions: What does each booking contribute? What covers the month? When does money actually arrive? All figures below are fictional teaching examples.

NAME / PROJECT _____ DATE _____

01 Start with one booking

- $600 price - $250 variable cost = $350 contribution. Variable costs change with the booking. Include preparation, delivery, teardown, travel, supplies, charges, and an explicit allowance for your own time.
- Your price: _____. Your variable costs: _____. Your contribution: _____. Keep collected taxes and other pass-through amounts separate.
- If contribution is zero or negative, change the offer or its costs before relying on more bookings.

YOUR NOTES / ANSWERS

02 Then cover the month

- $1,050 recurring monthly fixed costs ÷ $350 contribution = 3 bookings to cover those modeled costs.
- At 6 bookings: $3,600 revenue - $1,500 variable costs - $1,050 fixed costs = $1,050 before unmodeled costs. Startup recovery, income taxes, financing, and other obligations are not included. This is not a profit promise.
- Divide your monthly fixed costs by positive contribution and round up to a whole booking. Does your calendar have that capacity?

YOUR NOTES / ANSWERS

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CONTINUE YOUR WORKSHEET

03 Put cash on actual dates

Fictional event: January 16, 2027. Start with $0. These timings illustrate a cash gap; they are not suggested customer terms.

- December 19: collect $200. January 2: pay $150. Cash remaining: $50.
- If the $400 balance arrives January 9, then $100 leaves January 16, cash ends at $350 before other obligations.
- If that balance arrives January 23 instead, event-day cash falls to -$50. Later collection cannot pay an earlier bill.
- List your collection dates, outflows, refund obligations, and lowest balance. Distinguish account balance from cash available to spend.

YOUR NOTES / ANSWERS

YOUR DATED CASH CALENDAR

Date	Cash collected	Cash paid out	Running balance

LOWEST-CASH DATE / AMOUNT _____

ACTION / OWNER / DEADLINE _____

Check the arithmetic. Stress the assumptions. Resolve the cash gap before committing the money.