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Business plan and expansion decision

Illustrative Cleaning Co.

A completed fictional case study | 12-month planning horizon | September 2026

Fictional business. Completed illustrative analysis. The business, customer mix, competitor profiles, operating evidence and commercial assumptions in this document are invented for demonstration. They are not client results, actual market research or evidence of finance approval. Financial tables reproduce the accompanying forecast workbook; additional calculations are identified.

Executive decision

Retain the recurring office-cleaning focus and defer the proposed equipment purchase until the early cash shortfall is covered. The base case is profitable, but the Month 1 purchase would reduce cash to A$13,201, below the owner's A$15,000 reserve. The downside case falls to A$8,675 and breaches the reserve in seven months. Profit alone does not justify immediate commitment.

Year-one measure	Base case	Decision relevance
Revenue	A$483,300	1,074 jobs at A$450 per job
Profit before tax	A$129,980	26.9% margin, before income tax
Lowest closing cash	A$13,201	A$1,799 below management reserve
Downside reserve gap	A$6,325	Arithmetic buffer only; tax and contingencies excluded

Approved direction within this fictional plan

Protect the existing service base, pursue nearby small-office accounts and limit work to 110 jobs per month. Do not add uncosted staff or fund owner distributions from tax reserves. Purchase the A$20,000 equipment package only after the owner has demonstrated adequate liquidity in a refreshed forecast that includes tax and the actual purchase terms.

Workbook source: Summary!A3:D17; Base!B4:M13 and B25:M32. Figures rounded independently; totals use unrounded values.

Prepared by Evolute Consulting. Evolute Consulting is a registered business name of Travel Spark Pty Ltd.

Business model and customer proposition

Illustrative Cleaning Co. is an owner-managed commercial cleaning business serving small offices and selected retail premises within a compact metropolitan service area. The plan models an existing operation with 80 jobs in the first month, rather than a start-up without customers. A job is one scheduled site visit, not one customer.

Opening customer portfolio	Accounts	Visits per month	Jobs
Small offices	16	4	64
Retail premises	8	2	16
Total	24	Mixed	80

This invented customer portfolio explains the base-case opening volume. Four visits per month is a planning convention, not a weekly calendar contract. The financial model uses average job economics and does not assume individual signed agreements.

Service and pricing

The core service is an agreed recurring clean covering floors, bathrooms, bins and common surfaces. Each site has a task checklist, access instructions and a nominated escalation contact. Specialist remediation, high-access work, waste transport and large one-off restoration are outside the service scope.

The base price averages A$450 excluding GST per visit. Quotes are site-specific and must cover expected labour, consumables and travel within the route. The business competes on reliable delivery and clear accountability. Broad discounting is rejected because it reduces contribution without reducing the fixed management cost base.

Owner objectives

Objective	Year-one plan
Commercial	Grow delivered visits from 80 to 99 per month in the base case, with the A$450 average price maintained.
Operational	Keep monthly work within the 110-job limit and avoid customer additions that require unmodelled overtime or a new fixed hire.
Financial	Maintain a minimum A$15,000 month-end cash reserve after spending and distributions; the submitted purchase case fails this test initially.
Customer	Deliver the agreed checklist consistently and resolve complaints through the owner rather than leaving site staff to negotiate scope.

Workbook source: Assumptions!B4:B9 and B21; Base!B4:M6. Portfolio composition is a supplementary fictional case assumption. Figures rounded independently; totals use unrounded values.

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Market selection and competitive position

The fictional market assessment selects small offices in two adjacent business districts as the primary segment. This choice fits repeat visits, a single accountable buyer and shorter travel between jobs. Retail remains a secondary segment to fill compatible route gaps. The business does not pursue hospital, industrial or large multi-site tenders during this planning period.

Segment	Assumed buying priority	Assessment and decision
Small offices	Reliable after-hours access, repeatable scope, named contact	Primary. Four monthly visits can support route density and recurring work. Target owner or office manager.
Small retail	Opening-hour flexibility and visible presentation	Secondary. Accept only where visit timing and route fit preserve contribution.
Large facilities	Procurement requirements, multi-site coverage, specialist capabilities	Exclude. Service and staffing complexity exceed the modelled operation.

Competitive assessment within the fictional market

Competitor profile	Assumed strength	Evolute case conclusion
Budget solo operator	Lower overhead and price flexibility	Avoid a price contest. Sell consistent cover, documented scope and a named escalation route.
National facilities provider	Brand, procurement readiness and wider coverage	Do not contest large tenders. Focus on smaller buyers wanting direct access to the owner.
Local multi-crew operator	Comparable coverage and established routes	Closest substitute. Win on route responsiveness and service control, not an unsupported quality claim.

These are completed hypothetical segment and competitor assessments, not descriptions of named real firms or interviews. No external market size, growth rate or competitor price has been invented and presented as a sourced fact.

Demand requirement

The base case requires 19 additional monthly visits by Month 12, equivalent to roughly five four-visit office accounts before allowing for churn. Growth is therefore a small-account acquisition and retention task. The plan does not require a market-wide share claim to support its arithmetic. Demand remains a scenario assumption, not a validated order book.

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Sales plan and commercial controls

The owner runs a focused local sales programme alongside account retention. Initial contact is limited to relevant businesses within the service area using appropriate contact channels. A site walkthrough establishes scope before any fixed quote is issued. New work is accepted only when price, route and staffing requirements fit the plan.

Monthly funnel target	Volume	Purpose
Relevant business conversations	20	Discuss a current cleaning requirement and service fit.
Site walkthroughs	4	20% planning conversion from conversations.
Scoped proposals	3	75% planning conversion from walkthroughs.
New accounts won	1	One third of proposals; four visits per account.
Net additional visits	About 2	Allow roughly two visits for losses or delayed starts.

These are management targets for the fictional case, not historical conversion rates. Four new visits less approximately two lost or deferred visits is broadly consistent with the base model's 1-2 extra monthly visits, after rounding. The workbook remains driven by 2% monthly growth; this funnel is the operating plan supporting that assumption.

Acquisition economics

A$600 per month of the existing A$3,000 overhead budget is allocated to sales and promotion. At one account won, that is A$600 cash marketing spend per acquired account, excluding the owner's allocated time. Four visits at A$450 produce A$1,800 monthly revenue and A$1,080 contribution at the 60% base contribution margin. The ratio implies 0.56 months of contribution to recover cash marketing spend; it is not a validated customer lifetime value or a cash collection guarantee.

Quote and retention rules

Control	Decision rule
Price discipline	Re-scope or decline work that cannot support the base 60% contribution assumption. Any exception requires an explicit scenario update.
Retention	Owner contacts each account at least monthly and records lost visits and reasons. Do not hide churn inside gross new sales.
Conversion review	If 20 relevant conversations produce no walkthroughs, revise targeting or proposition before raising spend.
Delivery check	Do not accept a start date until roster capacity, access and collection terms are recorded.

Operations, people and investment

The owner manages customer relationships, quotes, service standards and cash. A coordinator manages rosters, access instructions, invoice queries and service exceptions. Site delivery labour and consumables sit within direct costs; management and administration sit within fixed wages. The distinction prevents delivery labour being counted twice.

Monthly resource	Base assumption	Treatment
Direct service labour and materials	A$180 per job	40% of revenue; A$14,400 at 80 jobs.
Owner/manager and coordinator	A$10,000	Illustrative allocation A$7,000 / A$3,000, including on-costs.
Other operating overhead	A$3,000	Storage 600; software 200; insurance 300; promotion 600; vehicle 900; admin 400.
Delivery capacity	110 jobs	Illustrative five delivery hours per visit implies 550 hours at capacity.

The implied A$36 direct cost per delivery hour includes both labour and materials and is a modelling assumption, not an employment rate or evidence of wage compliance. The owner must maintain rostering and safety requirements independently of this sample. Capacity is already fixed at 110 jobs in all workbook scenarios.

Equipment package and funding decision

Illustrative equipment allocation	Ex GST
Cleaning machinery	A$12,000
Portable extraction equipment	A$6,000
Supporting tools and accessories	A$2,000
Total cash price including modelled GST	A$22,000

The case assumes payment in Month 1 and straight-line depreciation over 60 months, producing A$4,000 annual depreciation. It includes no loan, lease, interest or additional equity. The package is not approved for immediate purchase because the forecast breaches the reserve.

The workbook contains no no-purchase comparison and no separate incremental revenue or labour-saving benefit. Consequently, A$129,980 base profit is profit for the whole business, not an equipment return. A payback period or investment ROI cannot credibly be claimed from this model. The investment decision is to defer, preserve service capacity and resolve liquidity before commitment.

Workbook source: Assumptions!B7:B9, B15:B16 and B21; Base!B7:B13 and B20. Figures rounded independently; totals use unrounded values.

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Forecast basis and assumptions

Model input	Base	Upside	Downside
Starting monthly jobs	80	90	65
Monthly job growth	2.0%	3.0%	0.0%
Average price ex GST	450	460	430
Direct cost / revenue	40.0%	38.0%	45.0%
Fixed wages / month	10,000	10,000	10,000
Other overhead / month	3,000	3,000	3,000
Opening cash	30,000	30,000	30,000
Opening receivables incl GST	12,000	12,000	12,000
Opening supplier payables incl GST	6,000	6,000	6,000
Equipment ex GST, Month 1	20,000	20,000	20,000
Owner distributions / month	2,000	2,000	2,000
Month-end cash reserve	15,000	15,000	15,000
Maximum jobs / month	110	110	110

Workbook source: Assumptions!A4:D23. Figures rounded independently; totals use unrounded values.

Timing and tax conventions

Collections are 70% in the invoice month and 30% in the next month. Direct-cost payments are 90% current month and 10% next month. Opening receivables and payables settle in Month 1. The model assumes no bad debt and no collection slippage beyond one month.

Profit and loss exclude GST. Cash incorporates an illustrative 10% GST rate, with GST applying to 20% of direct costs and to other overhead and equipment. Quarterly accrual-based settlements occur in Months 4, 7 and 10; the final quarter remains payable after Month 12. Opening GST is zero. These are model conventions, not tax advice.

No income-tax payments, interest, financing proceeds or additional equity are included. Distributions reduce cash but not profit. Forecast periods are relative Months 1-12, not a specified tax year. The financial conclusions must be read within those limitations.

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Financial performance and scenarios

Year one / AUD	Base	Upside	Downside
Revenue	483,300	569,480	335,400
Direct costs	193,320	216,402	150,930
Gross contribution	289,980	353,078	184,470
Fixed wages	120,000	120,000	120,000
Other overhead	36,000	36,000	36,000
EBITDA	133,980	197,078	28,470
Depreciation	4,000	4,000	4,000
Profit before tax	129,980	193,078	24,470
Profit before tax margin	26.9%	33.9%	7.3%

Workbook source: Base, Upside and Downside!B6:M13; margins calculated as annual profit before tax divided by revenue. Figures rounded independently; totals use unrounded values.

Base case

Revenue of A$483,300 generates A$289,980 contribution after direct costs. Fixed wages and overhead total A$156,000, leaving A$133,980 EBITDA and A$129,980 profit before tax. Monthly EBITDA rises from A$8,600 to A$13,730 because job volumes increase while fixed costs remain unchanged. This operating leverage is conditional on the existing team handling the work without extra fixed cost.

Upside case

Revenue increases to A$569,480 and profit before tax to A$193,078. Higher opening volume, A$10 higher average price and a two-percentage-point lower direct-cost ratio all contribute. Capacity reaches 110 jobs in Month 8, after which volume stops growing. The model therefore does not assume unlimited sales growth on a fixed team.

Downside case

Revenue falls to A$335,400 and profit before tax to A$24,470, only 7.3% of revenue. The A$147,900 revenue decline versus base is amplified by a higher direct-cost ratio. EBITDA falls by A$105,510: A$88,740 from lower revenue at the base 60% contribution margin, plus A$16,770 from the five-point deterioration in contribution margin. Fixed overhead is unchanged.

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Monthly profit and loss: base case

Months 1-6

AUD unless stated	M1	M2	M3	M4	M5	M6
Jobs	80	82	83	85	87	88
Revenue	36,000	36,900	37,350	38,250	39,150	39,600
Direct costs	14,400	14,760	14,940	15,300	15,660	15,840
Gross contribution	21,600	22,140	22,410	22,950	23,490	23,760
Fixed wages	10,000	10,000	10,000	10,000	10,000	10,000
Other overhead	3,000	3,000	3,000	3,000	3,000	3,000
EBITDA	8,600	9,140	9,410	9,950	10,490	10,760
Depreciation	333	333	333	333	333	333
Profit before tax	8,267	8,807	9,077	9,617	10,157	10,427

Months 7-12

AUD unless stated	M7	M8	M9	M10	M11	M12
Jobs	90	92	94	96	98	99
Revenue	40,500	41,400	42,300	43,200	44,100	44,550
Direct costs	16,200	16,560	16,920	17,280	17,640	17,820
Gross contribution	24,300	24,840	25,380	25,920	26,460	26,730
Fixed wages	10,000	10,000	10,000	10,000	10,000	10,000
Other overhead	3,000	3,000	3,000	3,000	3,000	3,000
EBITDA	11,300	11,840	12,380	12,920	13,460	13,730
Depreciation	333	333	333	333	333	333
Profit before tax	10,967	11,507	12,047	12,587	13,127	13,397

Workbook source: Base!B4:M13; all financial amounts AUD ex GST. Figures rounded independently; totals use unrounded values.

Job rounding produces a stepped monthly revenue pattern. The price remains A$450 throughout, so all base revenue growth comes from volume. There is no allowance for seasonal closure, an additional manager or extraordinary repair cost. A real operating review should treat a persistent cost or capacity variance as a forecast change, not a temporary explanation.

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Monthly cash flow: base case

Months 1-6

AUD unless stated	M1	M2	M3	M4	M5	M6
Opening cash	30,000	13,201	23,175	33,591	37,257	48,789
Customer receipts	39,720	40,293	40,936	41,778	42,768	43,412
Direct payments	19,219	15,018	15,220	15,569	15,936	16,138
Fixed wages paid	10,000	10,000	10,000	10,000	10,000	10,000
Other overhead paid	3,300	3,300	3,300	3,300	3,300	3,300
Equipment paid	22,000	0	0	0	0	0
GST paid	0	0	0	7,243	0	0
Owner distributions	2,000	2,000	2,000	2,000	2,000	2,000
Net cash movement	(16,799)	9,975	10,416	3,666	11,532	11,973
Closing cash	13,201	23,175	33,591	37,257	48,789	60,762

Months 7-12

AUD unless stated	M7	M8	M9	M10	M11	M12
Opening cash	60,762	63,363	76,452	90,163	93,971	108,928
Customer receipts	44,253	45,243	46,233	47,223	48,213	48,856
Direct payments	16,487	16,854	17,222	17,589	17,956	18,158
Fixed wages paid	10,000	10,000	10,000	10,000	10,000	10,000
Other overhead paid	3,300	3,300	3,300	3,300	3,300	3,300
Equipment paid	0	0	0	0	0	0
GST paid	9,864	0	0	10,526	0	0
Owner distributions	2,000	2,000	2,000	2,000	2,000	2,000
Net cash movement	2,602	13,089	13,711	3,808	14,957	15,398
Closing cash	63,363	76,452	90,163	93,971	108,928	124,326

Workbook source: Base!B15:M25; cash amounts include modelled GST; income-tax payments are zero and omitted from this display. Figures rounded independently; totals use unrounded values.

The Month 1 A$22,000 equipment payment and settlement of opening obligations cause the initial cash decline. Quarter-end GST remittances explain the lower net cash increases in Months 4, 7 and 10. Closing cash is not all available for distribution: Month 12 includes A$11,230 of GST still payable, and income tax has not been funded in this model.

Liquidity, break-even and sensitivity

Closing cash / AUD	Base	Upside	Downside
Month 1	13,201	16,136	8,675
Month 2	23,175	30,911	11,291
Month 3	33,591	46,475	13,907
Month 4	37,257	53,971	11,793
Month 5	48,789	71,368	14,409
Month 6	60,762	89,747	17,025
Month 7	63,363	97,131	12,910
Month 8	76,452	117,476	15,526
Month 9	90,163	138,224	18,142
Month 10	93,971	145,972	14,028
Month 11	108,928	166,720	16,644
Month 12	124,326	187,467	19,260
Lowest cash	13,201	16,136	8,675
Months below 15,000	1	0	7

Workbook source: Base, Upside and Downside!B25:M32. Figures rounded independently; totals use unrounded values.

Break-even and reserve decisions

At A$450 revenue and 40% direct cost, each job contributes A$270. A$13,000 fixed monthly costs require 49 whole jobs to cover EBITDA costs, or 50 jobs to also cover A$333 monthly depreciation. At the downside A$430 price and 45% direct cost, those thresholds rise to 55 and 57 jobs. These are accounting break-even thresholds, not cash break-even or loan-servicing tests.

The minimum arithmetic buffer to meet the reserve is A$1,799 in base and A$6,325 in downside, before tax or contingency. A buffer is not an approved funding source. Holding the first month's A$2,000 distribution would put base Month 1 cash at A$15,201 but downside at only A$10,675; that action alone does not resolve downside risk.

A separate one-factor sensitivity at base annual volume shows a 5% price reduction reduces EBITDA by A$14,499 if direct costs remain 40% of revenue. If delivery cost per job stays fixed instead, the EBITDA reduction is A$24,165. This distinction matters before discounting. These sensitivities are calculated from the workbook and are not additional workbook scenarios.

Risk controls and 90-day execution

Risk	Trigger	Owner response
Liquidity	Forecast cash below A$15,000	Owner defers equipment and distributions; refresh cash forecast before commitment.
Margin	Direct costs above 40% of sales in base trading	Owner checks labour hours, scope creep and pricing at job level. Reforecast persistent variance.
Demand	Delivered visits below the current monthly plan	Owner reviews lost visits separately from acquisition; reduce discretionary promotion if the channel is not generating walkthroughs.
Capacity	Forward roster above 110 jobs per month	Coordinator stops extra bookings pending a costed capacity decision.
Receivables	Invoices carried beyond the next month	Coordinator escalates collection; owner updates receipt timing and reserve assessment.

Timing	Accountable role	Committed action and measure
Days 1-15	Owner + coordinator	Confirm site checklists, account schedule and invoice status. Publish an eight-week roster. Defer equipment order while cash reserve fails.
Days 16-30	Owner	Run the 20-conversation monthly sales target; complete four walkthroughs and three proposals. Compare actual contribution and cash with Month 1 plan.
Days 31-60	Owner + coordinator	Review net visits against 82 in Month 2, quote quality and collection timing. Approve no expansion spending without a reserve-compliant update.
Days 61-90	Owner	Review 83 Month 3 visits, quarter cash and upcoming GST settlement. Keep growth within existing capacity; decide whether to maintain, revise or pause the expansion.

Management cadence

Weekly: review roster capacity, failed visits, invoice exceptions and the next eight weeks of cash commitments. Monthly: reconcile revenue, direct costs and closing cash, then update volume, price and collection assumptions. The owner signs off any departure from the reserve policy. Each review records a decision, an accountable person and a due date.

Conclusion, provenance and model limits

Completed recommendation

Proceed with controlled acquisition of nearby recurring office work, maintain the A$450 base price discipline and retain the 110-job cap. Do not proceed with the immediate equipment payment as currently modelled. Both base and downside breach the chosen cash reserve, and the model does not establish an incremental investment return. Reassess the purchase after a funded, tax-inclusive cash plan demonstrates acceptable liquidity.

Financial source register

PDF content	Workbook reference
Opening model inputs and timing	Assumptions!A4:F23; Read Me
Monthly P&L; and annual totals	Base, Upside, Downside!B4:M13
Monthly cash and working capital	Base, Upside, Downside!B15:M32
Scenario summary and checks	Summary!A3:D17; scenario tabs B34:M37
Supplementary calculations	Annual margins, EBITDA bridge, break-even, marketing payback and price sensitivities calculated explicitly in this PDF.

Source: Illustrative_Forecast.xlsx, saved in the Evolute launch folder on 6 September 2026. Drive file ID: 1NXVIgWpYxFFOjrCDbBXfBr4t92oP3wZg. The Drive-stored Excel workbook was read back for this revision. Its three scenario summaries reconcile to the tables in this document. Figures are embedded as a dated snapshot, not a live link.

Scope and reliability

The model covers profit and loss, cash movement, receivables, supplier payables and GST. It is not a full three-statement model: there is no complete opening balance sheet, equity roll-forward or certified financial statement. No lending terms, debt service, income-tax cash payments or bad debts are included. Positive cash in the model does not prove solvency or finance suitability.

All business-specific market findings, customer structure, budgets and operational policies are fictional case assumptions. They are fully developed here to demonstrate the finished style of work, without representing invented interviews or market statistics as evidence. Arithmetic checks do not validate commercial assumptions. In a real engagement, the same sections would be grounded in the client's records and verified research.

Document control

Version 2.0 | Completed fictional case | 6 September 2026. This PDF supersedes the abbreviated sample. Prepared by Evolute Consulting, a registered business name of Travel Spark Pty Ltd. No ABN, professional accreditation, client endorsement or approval outcome is asserted.