HANDOUT 1 | READ FIRST

Know Your Numbers Toolkit

This is your plain-English guide to the financial basics.

- Why knowing your numbers matters
- The Big 4 financial views
- The 7 founder finance questions
- The Money Map and 7-number dashboard
- The one-hour monthly money meeting
- This week's homework

SESSION 03 | HANDOUT 1
Know Your Numbers Toolkit
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VEC Session 3. Know Your Numbers Toolkit

Financial clarity for founders, owners, builders, and businesses that need a restart.

BLUF: Knowing your numbers is not about becoming an accountant. It is about stewarding the business God has placed in your hands.

STEP 1. UNDERSTAND WHY NUMBERS MATTER

- Sales tell you whether people are buying.
- Gross profit tells you whether the offer works financially.
- Net profit tells you whether anything remains after expenses.
- Cash tells you whether the business can survive.
- Runway tells you how long the business can keep operating.
- Break-even tells you the minimum sales level needed to carry the business.

Stewardship frame: This is not about shame. This is about wisdom, discipline, and stewardship.

STEP 2. REMEMBER THE 5 FOUNDER FINANCE TRUTHS

1. Revenue is not profit.
2. Profit is not always cash.
3. Cash in the bank is not always spendable.
4. Pricing must cover cost, time, overhead, taxes, and growth.
5. The owner is responsible for understanding the numbers, even when help is delegated.

STEP 3. USE THE BIG 4 FINANCIAL VIEWS

View	Plain-English Question	Why It Matters
Profit and Loss	Did the business make money this month?	Shows performance
Cash Flow	Did we have enough cash at the right time?	Shows survival risk
Balance Sheet	What do we own, owe, and keep?	Shows financial position
Budget or Forecast	What did we expect, and what changed?	Shows planning and decisions

STEP 4. ANSWER THE 7 FOUNDER FINANCE QUESTIONS

1. How much money do I need to start?
2. What does it cost me to deliver my product or service?
3. What price gives me a real margin?
4. How many sales do I need to break even?
5. Will I have enough cash next month?
6. What records do I need to keep?
7. What decision do my numbers require me to make?

STEP 5. BUILD YOUR STARTUP COST WORKSHEET

Category	One-Time Cost	Monthly Cost	Need Input?	Notes
Registration or license	$	$		
Equipment	$	$		
Supplies	$	$		
Website or software	$	$		
Insurance	$	$		
Marketing	$	$		
Professional help	$	$		
Other	$	$		

Question: What is the minimum amount needed before the business can operate responsibly?

STEP 6. BUILD A SIMPLE MONTHLY P&L

Category	This Month	Notes
Revenue	$	Sales or service income
Direct costs	$	Materials, labor, delivery, merchant fees
Gross profit	$	Revenue minus direct costs
Operating expenses	$	Tools, rent, admin, marketing, insurance
Net profit	$	What remains after expenses

Formula: Gross profit = revenue minus direct costs. Net profit = gross profit minus operating expenses.

STEP 7. FORECAST CASH FLOW AND RUNWAY

Month	Start Cash	Cash In	Cash Out	End Cash	Risk Notes
Month 1	$	$	$	$	
Month 2	$	$	$	$	
Month 3	$	$	$	$	
Month 4	$	$	$	$	
Month 5	$	$	$	$	
Month 6	$	$	$	$	
Month 7	$	$	$	$	
Month 8	$	$	$	$	
Month 9	$	$	$	$	
Month 10	$	$	$	$	
Month 11	$	$	$	$	
Month 12	$	$	$	$	

Question: Which month creates the most pressure, and what can I do before that month arrives?

STEP 8. PRICE AND BREAK EVEN

Input	Amount
Average selling price	$
Direct cost per sale	$

Gross profit per sale	$
Monthly fixed costs	$
Desired owner pay	$
Break-even sales needed	

Formula: Gross profit per sale = price minus direct cost per sale. Break-even sales = monthly fixed costs divided by gross profit per sale.

STEP 9. TRACK YOUR 7-NUMBER DASHBOARD

Number	Why It Matters
Revenue	Shows demand
Gross profit	Shows whether delivery works financially
Net profit	Shows business health
Cash balance	Shows survival capacity
Runway	Shows how long cash lasts
Break-even sales	Shows the minimum sales target
Accounts receivable	Shows money owed to you

STEP 10. HOLD A ONE-HOUR MONTHLY MONEY MEETING

Time	Action
15 minutes	Gather records, receipts, invoices, and bank activity
15 minutes	Review P&L, cash, and dashboard
15 minutes	Compare actual results to plan
15 minutes	Choose 1 to 3 actions for next month

Close: Pray for wisdom, integrity, provision, discipline, and generosity.

THIS WEEK'S HOMEWORK

1. Complete the startup cost worksheet or mark unknown items as Need input.
2. Build a simple monthly P&L.
3. Build a 12-month cash flow forecast.
4. Calculate break-even sales.
5. Estimate runway or operating reserve.
6. Run at least 2 prompts from the AI CFO Prompt Pack.
7. Post 1 insight or question in the class Google Chat.
8. Pray, review the numbers, and choose one wise action.