BUSINESS PROFITABILITY SCORECARD

Know Your Numbers. Control Your Business. Grow Profitably.

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1. Purpose of This Scorecard

A Profit Scorecard is a simple, visual tool that tracks the key numbers that drive profitability. For a new business it answers three questions every month: **Are we generating enough revenue?** · **Are we controlling costs?** · **Are we moving toward (or already generating) profit?**

Use the blank template monthly. The second half of this document shows a realistic 6-month example for a service-based startup.

2. How to Use the Scorecard

1. Set **Target** values at the start of each month/quarter based on your financial plan.
2. Enter **Actual** results at month-end.
3. Calculate **Variance** (Actual – Target) and **Variance %**.
4. Color-code status: **Green** = on/above target · **Amber** = within 10% below · **Red** = more than 10% below.
5. Review the leading indicators (clients, conversion, utilization) — they predict future profit.

3. Monthly Profitability Scorecard — Blank Template

Business: FC Specialist | **Period:** _____ | **Prepared by:** _____

KEY PROFITABILITY SNAPSHOT			
Revenue **$ _____** Target: $ _____	**Gross Profit** **$ _____** Margin: ____ %	**Net Profit** **$ _____** Margin: ____ %	**Cash Position** **$ _____** vs prior month

Profit & Loss Scorecard (Monthly)

Metric	Target	Actual	Variance $	Var %	Status	Owner / Notes
Revenue (Total)	_____	_____	_____	_____	■	
– Product / Service A	_____	_____	_____	_____	■	
– Product / Service B	_____	_____	_____	_____	■	
– Other Income	_____	_____	_____	_____	■	
Cost of Goods / Delivery	_____	_____	_____	_____	■	
Gross Profit	_____	_____	_____	_____	■	
Gross Margin %	_____	_____	_____	_____	■	
Operating Expenses	_____	_____	_____	_____	■	
– Salaries & Contractors	_____	_____	_____	_____	■	
– Marketing & Sales	_____	_____	_____	_____	■	
– Rent / Tools / Software	_____	_____	_____	_____	■	
– Admin & Other	_____	_____	_____	_____	■	
EBITDA / Operating Profit	_____	_____	_____	_____	■	
Net Profit (after tax/interest)	_____	_____	_____	_____	■	
Net Profit Margin %	_____	_____	_____	_____	■	

Status key: ● Green (on/above target) ● Amber (within –10%) ● Red (> –10% below)

Leading Indicators (Drivers of Future Profit)

Indicator	Target	Actual	Trend	Notes / Action
New Leads / Inquiries	_____	_____	↑ / → / ↓	
Conversion Rate %	_____	_____	↑ / → / ↓	
Average Deal / Project Value	_____	_____	↑ / → / ↓	
Active Clients / Projects	_____	_____	↑ / → / ↓	
Client Retention / Repeat %	_____	_____	↑ / → / ↓	
Utilization / Billable Hours %	_____	_____	↑ / → / ↓	
Cash Conversion Cycle (days)	_____	_____	↑ / → / ↓	

4. Illustrated Example — FC Specialist (Serv Startup)

Sample 6-Month View for a New Specialist Consulting / Service Business

Assumptions for this example: Solo-to-small team service business (e.g., specialist consulting, technical services, or professional advisory). Launch month = Month 1. Pricing: average project / engagement value $2,800. Goal is to reach consistent monthly profitability by Month 5–6.

Month 6 Snapshot (Current Month)

Revenue	Gross Profit	Net Profit	Cash Position
$18,400	**$14,720**	**$4,180**	**$21,350**
Target: $16,000	Margin: 80%	Margin: 22.7%	+$3,200 vs M5

Month 6 Profit & Loss Scorecard

Metric	Target	Actual	Var $	Var %	Status	Notes
Revenue (Total)	$16,000	$18,400	+$2,400	+15%	●	2 larger projects closed
– Core Service Projects	$14,000	$16,200	+$2,200	+16%	●	
– Retainers / Support	$2,000	$2,200	+$200	+10%	●	
Cost of Delivery	$3,200	$3,680	-$480	-15%	●	Higher contractor use
Gross Profit	$12,800	$14,720	+$1,920	+15%	●	
Gross Margin %	80%	80%	0 pts	0%	●	Target held
Operating Expenses	$9,500	$10,120	-$620	-6.5%	■	Marketing push
– Owner Draw / Labor	$4,500	$4,500	$0	0%	●	
– Marketing & Ads	$1,800	$2,350	-$550	-31%	●	Campaign ROI positive
– Tools & Software	$650	$680	-$30	-5%	■	
– Admin / Insurance / Misc	$2,550	$2,590	-$40	-1.6%	●	
Operating Profit	$3,300	$4,600	+$1,300	+39%	●	
Net Profit (est.)	$2,900	$4,180	+$1,280	+44%	●	Strong month
Net Profit Margin %	18.1%	22.7%	+4.6 pts		●	Above target

● = *On or above target* ■ = *Slightly below (monitor)*

6-Month Profitability Trend (Example)

Metric	M1	M2	M3	M4	M5	M6
Revenue	$4,200	$7,800	$11,500	$13,200	$15,600	$18,400
Gross Profit	$3,150	$6,000	$9,000	$10,400	$12,400	$14,720
Gross Margin %	75%	77%	78%	79%	79.5%	80%
OpEx	$6,800	$7,200	$8,100	$8,900	$9,400	$10,120
Net Profit / (Loss)	($3,850)	($1,450)	$550	$1,100	$2,600	$4,180
Net Margin %	–92%	–19%	4.8%	8.3%	16.7%	22.7%
Cash at Month-End	$8,200	$7,100	$8,400	$11,800	$18,150	$21,350
Active Clients	2	4	6	7	9	11

Color guide: Red cells = loss months · Yellow = early profit · Green = solid profitability. Break-even reached in Month 3; consistent profit from Month 4 onward.

Month 6 Leading Indicators

Indicator	Target	Actual	Trend	Action / Insight
New Qualified Leads	12	15	↑	LinkedIn + referral campaign working
Proposal Conversion Rate	30%	35%	↑	Improved discovery calls
Avg. Project Value	$2,800	$3,100	↑	Upselling support packages
Active Paying Clients	10	11	↑	One new retainer signed
Repeat / Referral %	40%	45%	↑	Strong client satisfaction
Billable Utilization	65%	68%	→	Healthy; leave buffer for sales

5. Key Takeaways for Your New Business

• **Track both lagging and leading metrics.** Revenue and profit tell you what happened; leads, conversion, and utilization tell you what will happen next.
• **Protect gross margin early.** In service businesses, 70–85% gross margin is common and healthy. Watch delivery costs closely.
• **Expect early losses.** Most startups lose money in the first 1–4 months. The scorecard helps you see the path to break-even clearly.
• **Review monthly, act weekly.** Update the scorecard at month-end. Use the leading indicators to adjust marketing and sales activity every week.
• **Cash is oxygen.** Even when profitable on paper, watch the cash balance. Delay in client payments can create stress.
• Customize the line items (Service A / B, expense categories) to match your exact business model.

FC Specialist ·
This is a draft template for internal use. Adju ess model and financial plan.