

Profit-First Operator Checklist

25-point self-audit to find out if your business is truly built to fund itself

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Go through each section and tick every item that applies to your business right now. Any unchecked box is a structural profit leak. Tally your score at the end.

Section 1 — Margin Clarity (5 points)

I know my true contribution margin per SKU — after COGS, fulfillment, fees, and returns.

Not an estimate — actual calculated number per product

My margin calculations include pick/pack cost, shipping variance, and payment processing fees.

I know which 3 SKUs generate the most contribution margin — not just the most revenue.

I have reviewed my margins in the last 30 days and adjusted pricing if needed.

I can identify my least profitable SKU in under 5 minutes without a spreadsheet.

Section 2 — Pricing Discipline (5 points)

My pricing is built around a required margin target — not based on competitor copying.

Every price I set funds at least 4 buckets: profit reserve, tax, operations, and owner pay.

I do not discount without first calculating the margin impact of that discount.

I have a minimum acceptable margin threshold — and I do not sell below it.

e.g. "We never sell at less than 25% contribution margin"

My pricing has been reviewed against actual landed cost in the last 60 days.

Section 3 — Cash Flow Velocity (5 points)

- I know my Cash Conversion Cycle (CCC) — the number of days between spending on inventory and receiving cash.**

Target: under 30 days

- I have negotiated payment terms with suppliers that extend to Net 45 or longer.
- I do not have SKUs sitting in the warehouse for more than 45 days without a plan.
- I use smaller, more frequent inventory buys rather than large quarterly orders.
- I can fulfill and receive payment faster than I owe my suppliers — my CCC is positive.

Section 4 — Profit Allocation System (5 points)

- I allocate profit intentionally every month — not whatever is left after spending.
- I have a dedicated tax reserve that is never used for operations.
- My own compensation is a fixed, predictable amount — not variable based on revenue.
- I have a cash buffer equal to at least 60 days of operating expenses.**

This is the safety net that prevents debt dependency

- My reinvestment decisions are based on what the cash flow model supports — not gut feel.

Section 5 — Operational & Financial Alignment (5 points)

- My marketing team measures success using MER (total revenue / total ad spend) — not just ROAS.
- I only scale ad spend when cash flow models confirm the inventory can support the demand.
- I use cohort analysis to identify which customer segments have a CAC payback under 60 days.
- Every operational decision is evaluated for its impact on contribution margin — not just speed.
- My business has grown in the last 12 months without increasing reliance on credit or debt.

Your Score

Score	What it means	Recommended next step
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20 - 25	Strong profit-first foundation. Your business funds itself.	Book a Modonix optimization review to find your next margin gain.
12 - 19	Moderate gaps. Profit is leaking from 2-3 structural areas.	Start with your lowest-scoring section — that is your biggest leak.
0 - 11	Critical gaps. Your business is funding growth, not funding itself.	Get a free Modonix profit audit immediately at modonix.com/services .

Ready to build a business that funds itself?

Book a free profit audit at modonix.com/services — we identify your top 3 margin leaks in one session.