How to Build an Operating Budget That Supports Growth, Not Just Survival: 25 Point Self-Audit

25 point operator self-audit • modonix.com

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How to use: go through each section and check every box that applies. Tally your score at the end. Any unchecked box is a documented operational gap.

Cash Flow Timing

1 ☐ Does your cash conversion cycle stay shorter than fulfillment lead time?
2 ☐ Can you fund a 20% order spike without delaying shipping 48+ hours?
3 ☐ Do you track cash-in-hand separately from booked revenue weekly?
4 ☐ Does your AR collection average outpace your AP payment terms?
5 ☐ Have you modeled the cash gap between order date and payment receipt?

Capitalization Reserves

6 ☐ Do you hold at least 3 months of fixed costs in reserve before scaling?
7 ☐ Would your business survive 90 days with zero new sales?
8 ☐ Have you calculated your under-capitalization threshold in dollars?
9 ☐ Is your personal runway tracked separately from business runway?
10 ☐ Does your budget assume revenue arrives before it actually does?

Headcount Discipline

11 ☐ Does every new hire's output exceed fully loaded cost within 90 days?
12 ☐ Is your turnover buffer a named budget line, not a rough guess?
13 ☐ Would cutting your newest hire show as a loss or a gain on the P&L?
14 ☐ Have you tested whether automation could replace this role's cost?
15 ☐ Does headcount growth track revenue growth on the same monthly chart?

Margin Integrity

16 ☐ Does your growth budget clear 200%+ annual return after full cost allocation?
17 ☐ Are you competing on price without a documented scale advantage?
18 ☐ Does your margin cushion survive a 10% supplier cost increase?
19 ☐ Have you priced the cost of the growth budget into unit economics?
20 ☐ Is your gross margin trend rising or flat over the last two quarters?

Budgeting Process

21 ☐ Do finance and operations share one budget document, not two versions?
22 ☐ Does the budget get rebuilt at each headcount or revenue threshold?
23 ☐ Can any manager explain how your budgeting process actually works?
24 ☐ Does your P&L separate cash timing from accrual profit clearly?
25 ☐ Is there a written trigger point for when the budget must be revised?

SCORING GUIDE

Score	Level	What it means
0 to 11	CRITICAL	Structural failures are actively destroying margin
12 to 19	MODERATE	Gaps in two or three areas that need immediate attention
20 to 25	STRONG	Systems are solid, focus on optimization

Book a free data audit at modonix.com/services. We identify your top 3 margin leaks in one session. Written by Ahmed Abuswa, Modonix.com

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