

A budget you can steer

Step-by-step guide to the workbook: build a one-page budget, compare it with actuals every month, test three scenarios and know your break-even point.

Who it is for

Heads of SMEs and mid-sized companies, and their finance managers, who want a budget that gets looked at every month, not a file filed away once approved.

Founders and buyers of a business who need to know how much to sell to cover their costs, and how much cash they will need if the year goes worse than planned.

The problem it solves

Many budgets are built once, at year end, then forgotten. The gap shows up in the annual accounts, when it is too late to act.

This workbook puts the budget on one page, month by month, with actuals right next to it. An alert lights up when a variance goes above your threshold, and the year end is recalculated with every entry. Three scenarios and the break-even point tell you what happens if the budget is wrong.

In the module

- The Excel workbook, in six tabs: how to use, one-page budget, budget vs actual, three scenarios, break-even point, filled-in fictitious example.
- This guide, with a capture of the workbook at every step.
- The printable one-page sheet: the five figures to track every month and the alert rule.
- A two-to-three-minute video showing the same steps.

Time needed

One to two hours to build the budget the first time. Then half an hour a month.

Three input rules

- All amounts excluding VAT, on the invoice date.
- Once approved, the budget no longer moves: you compare, you do not rewrite.
- Amounts and the split of costs are checked with your accountant.

Before you start

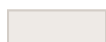
What you need

- Last year's profit and loss account, and if possible the general ledger or trial balance month by month.
- The list of signed contracts, planned price rises, hires and departures.
- Your bank balances at the start of the financial year.
- Microsoft Excel. The workbook was checked in Excel; it opens in other spreadsheets, where it may look different.

The workbook in six tabs

Tab	What it is for	When to use it
How to use	What to fill in, in what order, and the key to the cells.	When you first open it
One-page budget	Revenue by sales line, variable costs as rates, fixed costs item by item, monthly and cumulative profit.	Once a year
Budget vs actual	The month's actuals, monthly and year-to-date variances, alerts, the year-end forecast.	Every month
Three scenarios	Cautious, central, ambitious: profit and cash needed side by side.	Once a year, then every quarter
Break-even point	Break-even revenue, the month it is reached, the margin of safety.	Once a year
Fictitious example	The four tools filled in for a made-up services SME.	To see how it works

Cells

-  White, grey frame: input.
-  Chalk background: calculated and protected.
-  -27 720 Red figure: an alert.

Sheets are protected without a password, so that a formula is not deleted by mistake. To add a row: Review menu, Unprotect Sheet.

What to fill in, and in what order

- 1 "One-page budget": enter the company and the first month of the financial year, then the revenue of each sales line, month by month. Allow one to two hours the first time, with last year's accounts at hand.
- 2 Same tab: enter the rate of each variable cost, as a % of revenue, then fixed costs item by item. Operating profit for the month and the running total are calculated for you.
- 3 "Three scenarios": set the cautious and ambitious assumptions, then opening cash, customer payment time and the safety threshold. Profit and cash needed for the three scenarios show side by side.
- 4 "Break-even point": read the break-even revenue, the month you reach it and your margin of safety. Nothing to enter, unless you want to test another value.
- 5 Every month, as soon as the month's accounts are closed: in "Budget vs actual", enter actuals in the lower table. Variances, alerts and the year-end forecast update themselves.
- 6 Each "Unfavourable" alert needs a cause and a decision: an action, or a revised forecast. Write them in the minutes of your monthly review.

The first tab of the workbook, "How to use": what to fill in, and in what order. In the captures that follow, the red dots point to the numbered items under each image. The figures are those of the fictitious example.

A

Build the budget

Step 1 Set the frame

Tab · One-page budget

Three entries, and the whole workbook knows where it stands in time.

Company	1 Example company (fictitious): IT services
First month of the financial year	2 01 Jan 2026
Unit of amounts	3 EUR excl. VAT
Updated on	10 Sep 2026

Month	M1	M2	M3	M4	M5
Months of the year	4 Jan 26	Feb 26	Mar 26	Apr 26	May 26

- 1 The company name, so everyone knows which version they are looking at.
- 2 The first month of the financial year, on the 1st. For a calendar year, enter 1 January 2026.
- 3 The unit of amounts: "EUR excl. VAT" to start with. Stay excluding VAT everywhere.
- 4 The twelve months date themselves, here and in the three other tabs.

Step 2 Revenue, sales line by sales line

Tab · One-page budget

A yearly total divided by twelve hides seasonality, and seasonality is what makes the bad months.

Month	M1	M2	M7	M8
Months of the year	Jan 26	Feb 26	Jul 26	Aug 26
Revenue				
Maintenance contracts	1 38,000	38,000	38,000	38,000
Fixed-price projects	2 40,000	45,000	35,000	3 10,000
Training courses	8,000	10,000	4,000	-
Resold licences	6,000	6,000	6,000	6,000
Total revenue	4 92,000	99,000	83,000	54,000

- 1 Rename the four sales lines in your own words. The new name carries over to the other tabs.
- 2 Enter the revenue expected each month, excluding VAT, on the invoice date.
- 3 In the example, August brings only €10,000 of projects, against €30,000 to €60,000 in other months. The dip shows at once.
- 4 Monthly and yearly totals are calculated.

Tip. Start from last year's sales, month by month, then correct what you already know: a signed contract, a lost customer, a price rise.

Step 3 Variable costs, as a percentage

Tab · One-page budget

A variable cost follows sales: you enter a rate, the workbook does the monthly maths.

Month	M1	M12	Year	% revenue
Purchases and goods for resale	2 4,600	4,300	59,100	1 5.0%
Subcontracting tied to sales	9,200	8,600	118,200	10.0%
Commissions and other variable costs	2,760	2,580	35,460	3.0%
Total variable costs	16,560	15,480	212,760	18.0%
Contribution margin (and margin ratio)	75,440	70,520	969,240	3 82.0%

- 1 Enter the rate of each variable cost, as a % of revenue, in the last column. Here, 5% for purchases.
- 2 Monthly amounts are calculated: 5% of January's €92,000, that is €4,600.
- 3 The contribution margin ratio follows: 100% minus 18%, that is 82%. It is what remains of each euro sold to pay fixed costs.

Tip. A cost is variable if it falls when you sell less: goods for resale, subcontracting on a job, commissions. Rent and salaries are fixed. If in doubt, decide with your accountant.

Step 4 Fixed costs, item by item

Tab · One-page budget

They fall due whether you sell or not, and not always every month.

Month	M1	M2	M12	Year
Months of the year	Jan 26	Feb 26	Dec 26	
Fixed costs: amount for each month				
Salaries and payroll taxes	1 46,000	46,000	2 60,000	566,000
Director's pay and payroll taxes	10,000	10,000	10,000	120,000
Rent and service charges	6,500	6,500	6,500	78,000
IT, software and telecoms	3,000	3,000	3,000	36,000
Marketing and travel	2,500	2,500	2,000	32,500
Professional fees and insurance	2,000	2,000	2,000	26,000
Taxes and duties (excluding corporate income tax)	800	800	3,000	11,800
Depreciation and amortisation	3 1,500	1,500	1,500	18,000
Other fixed costs	1,200	1,200	1,200	14,400
Total fixed costs	73,500	73,500	89,200	4 902,700

- 1 Enter the amount for each month, excluding VAT.
- 2 Put each cost in the month it falls due. In the example, the year-end bonus takes December salaries to €60,000.
- 3 The depreciation line keeps its name: the "Three scenarios" tab treats it as a cost with no cash out.
- 4 Total for the year: €902,700 in the example.

Step 5 Read the profit, month by month

Tab · One-page budget

A budget that is positive over the year can hide months in the red.

Month	M7	M8	Year	% revenue
Months of the year	Jul 26	Aug 26		
Other fixed costs	1,200	1,200	14,400	1.2%
Total fixed costs	73,000	72,000	902,700	76.4%
Operating profit for the month	1 -4,940 2	-27,720	4 66,540	5.6%
Cumulative operating profit	56,140 3	28,420	66,540	

- 1 July drops to -€4,940: the workbook shows it in red.
- 2 August is the hardest month: -€27,720.
- 3 The running total is still positive at the end of August, at €28,420: the first half pays for the summer.
- 4 Over the year: €66,540, that is 5.6% of revenue.

Step 6 The budget's key figures

Tab · One-page budget

Five cells at the top right, to reread before every committee.

Revenue for the year	1	1,182,000
Contribution margin ratio	2	82.0%
Fixed costs for the year	3	902,700
Operating profit for the year	4	66,540
Break-even revenue	5	1,100,854

- 1 Revenue for the year: €1,182,000.
- 2 Contribution margin ratio: 82%.
- 3 Fixed costs for the year: €902,700.
- 4 Operating profit: €66,540, in red if negative.
- 5 Break-even revenue: €1,100,854. Below it, the year makes a loss.

B

Every month: budget vs actual

Step 7 Every month, enter actuals

Tab · Budget vs actual

A budget is only useful if it is compared with actuals every month, not just at year end.

Monthly actuals, to enter	M1	M7	M8	M9	Total entered
Months of the year	Jan 26	Jul 26	Aug 26	Sep 26	
Revenue					
Maintenance contracts	38,000	38,000	38,000		304,000
Fixed-price projects	42,000	33,000	7,500		306,500
Training courses	7,000	3,500	-		61,500
Resold licences	6,200	6,000	6,100		48,400
Total revenue	93,200	80,500	51,600	-	720,400
Variable costs					
Purchases and goods for resale	4,600	4,000	2,700		36,000
Subcontracting tied to sales	9,500	9,900	6,400		85,800
Commissions and other variable costs	2,800	2,400	1,600		21,500
Total variable costs	16,900	16,300	10,700	-	143,300

- As soon as the month's accounts are closed, copy the actual amount of each line, excluding VAT. Here, August: €7,500 of projects.
- Later months stay blank: nothing to enter ahead of time.
- Totals are calculated; the last column adds up what has been entered.

Step 8 The month used and the alert threshold

Tab · Budget vs actual

An alert should go off for what matters, not for every euro.

Last closed month (1 to 12, optional)	1	Left blank: the last month entered is used.
Month used	Month 8	2 August 2026
Alert threshold: variance above	3 10%	
And at least (amount, optional)	4 1,000	

- Leave blank: the workbook uses the last month entered. Enter a number from 1 to 12 to look back at a past month.
- The month used is shown: month 8, August 2026.
- The alert threshold: a 10% variance to start with, to adjust to your business.
- The minimum amount: €1,000 in the example, so that small lines do not trigger alerts.

Tip. To the right of these settings, five cells sum up the monthly review: revenue to date, variance against budget, profit to date, forecast and number of unfavourable alerts.

Step 9 The month's variances

Tab · Budget vs actual

Each line sets the budget for the month used against the actual.

Line	Budget	Actual	Variance	Variance %	Alert
Revenue					
Maintenance contracts	38,000	38,000	-	0%	
Fixed-price projects	10,000 ¹	7,500 ²	-2,500	-25%	Unfavourable ³
Training courses	-	-	-		
Resold licences	6,000	6,100	100	+2%	
Total revenue	54,000	51,600	-2,400	-4%	
Variable costs					
Purchases and goods for resale	2,700	2,700	-	0%	
Subcontracting tied to sales	5,400	6,400	1,000	+19%	Unfavourable ⁴
Commissions and other variable costs	1,620	1,600	-20	-1%	

- ¹ August projects: €7,500 actual for €10,000 budgeted.
- ² Variance: -€2,500, that is -25%.
- ³ More than 10% and more than €1,000: "Unfavourable" alert, in red.
- ⁴ Subcontracting: +€1,000, that is +19%. For a cost, a positive variance is unfavourable, and the workbook knows it.

Tip. "Favourable" also shows above the threshold. A good surprise needs explaining as much as a bad one: it may hide an invoicing delay.

Step 10 Year to date and the forecast

Tab · Budget vs actual

A missed month can sometimes be made up. A year-to-date drift does not correct itself.

Line	Budget	Actual	Variance	Alert	Forecast
IT, software and telecoms	24,000	24,600	600		36,600
Marketing and travel	21,500	23,800 ¹	2,300	Unfavourable	34,800
Professional fees and insurance	18,000	18,200	200		26,200
Taxes and duties (excluding corporate income tax)	6,400	6,400	-		11,800
Depreciation and amortisation	12,000	12,000	-		18,000
Other fixed costs	9,600	9,700	100		14,500
Total fixed costs	591,500	601,500	10,000	³	912,700
Operating profit	28,420 ²	-24,400	-52,820	Unfavourable ⁴	13,720

- ¹ Marketing and travel: +€2,300 over eight months, that is +11%. Alert year to date, although August is under budget.
- ² Operating profit year to date: -€24,400 against €28,420 budgeted.
- ³ The variance is above the threshold: unfavourable alert, in red.
- ⁴ Forecast: actuals to date, plus the budget for the four remaining months. Operating profit expected at year end: €13,720, that is €52,820 less than budget.

C

Three scenarios

Step 11 Three scenarios side by side

Tab · Three scenarios

A budget is a bet. Scenarios tell you what happens if it is wrong.

Cash available at the start of the year	1	80,000		
Average customer payment time (days)		45 days		
Loan repayments and investments for the year		36,000		
Cash safety threshold		60,000		

Assumptions	Cautious	Central	Ambitious
Revenue: variance from budget	2 -12%	0%	+8%
Margin ratio: variance in points	-2.0%	0.0%	+1.0%
Fixed costs: variance from budget	0%	0%	+3%
Fixed costs: add (+) or cut (-) over the year	-20,000		

Starting settings: replace them with your own assumptions.

Results	Cautious	Central	Ambitious
Revenue for the year	1,040,160	1,182,000	1,276,560
Contribution margin ratio	80.0%	82.0%	83.0%
Contribution margin	832,128	969,240	1,059,545
Fixed costs for the year	882,700	902,700	929,781
Operating profit	3 -50,572	66,540	129,764
Operating profit as % of revenue	-4.9%	5.6%	10.2%
Break-even revenue	1,103,375	1,100,854	1,120,218
Margin of safety (% of revenue)	-6%	+7%	+12%
Lowest cash point (month end)	4 17,347	70,640	73,808
Month of the lowest point	Oct 26	Mar 26	Mar 26
Cash needed to stay above the threshold	5 42,653	-	-

- 1 Enter opening cash, customer payment time (45 days here), the year's repayments and investments, and your safety threshold.
- 2 Set the assumptions. Here, the cautious case loses 12% of revenue and 2 margin points, with €20,000 less in fixed costs.
- 3 Cautious operating profit: -€50,572. The central case is the budget: €66,540.
- 4 Lowest cash point in the cautious case: €17,347, in October.
- 5 Cash needed to stay above the €60,000 threshold: €42,653. That is the sum to find, or to save, before you need it.

Step 12 The detail, month by month

Tab · Three scenarios

The lowest point matters more than the year end.

Month by month	M1	M2	M9	M10	Year or end
Months of the year	Jan 26	Feb 26	Sep 26	Oct 26	
Scenario: Cautious					
Revenue	80,960	87,120	97,680	103,840	1,040,160
Contribution margin	64,768	69,696	78,144	83,072	832,128
Fixed costs	71,833	71,833	71,833	73,333	882,700
Operating profit	-7,065	-2,137	6,311	9,739	-50,572
Depreciation (no cash out)	1,500	1,500	1,500	1,500	18,000
Customer receivables (estimate)	121,440	130,680	146,520	155,760	113,520
Cash at month end	87,995	75,117	18,348	17,347	35,908

- 1 Month-end cash in the cautious case starts from the €80,000 opening balance.
- 2 It hits its lowest point in October, after the summer.
- 3 Customer receivables (45 days of sales) weigh on cash: when sales rise, the money arrives later.

D The break-even point

Step 13 The break-even point

Tab · Break-even point

How much you must sell to cover fixed costs, and when in the year you get there.

Data	Budget	To test (optional)	Value used
Fixed costs for the year	902,700	1	2 902,700
Contribution margin ratio	82.0%		82.0%
Revenue for the year	1,182,000		1,182,000
Result			
Break-even revenue	3 1,100,854		
That is, on average per month	91,738		
Month it is reached (budget seasonality)	4 December 2026		
Estimated date (even sales within the month)	02 Dec 2026		
Margin of safety (amount)	81,146		
Margin of safety (% of revenue)	5 +7%		
Matching operating profit	66,540		

- 1 Data comes from the budget. To test another value, enter it here: the budget does not change.
- 2 The value used drives the calculation.
- 3 Break-even revenue: €902,700 divided by 82%, that is €1,100,854.
- 4 With the budget's seasonality, it is only reached in December, around the 2nd.
- 5 Margin of safety: €81,146, that is 7% of revenue. A fall in sales of about 7% wipes out the profit.

Step 14 The month break-even is reached

Tab · Break-even point

The chart and the table show cumulative sales racing the break-even point.

Month	M10	M11	M12	Year
Months of the year	Oct 26	Nov 26	Dec 26	
Revenue for the month	118,000	111,000	86,000	1,182,000
Cumulative revenue	985,000	1,096,000	1,182,000	1,182,000
Break-even revenue	1,100,854	1,100,854	1,100,854	1,100,854
Break-even		1	Reached 2	3

- 1 At the end of November, cumulative sales (€1,096,000) are still below break-even: the cell stays empty.
- 2 At the end of December, they pass it (€1,182,000): the month is marked "Reached".
- 3 The margin is thin: one average month of sales less (€98,500), and the year makes a loss.

The fictitious example, figure by figure

The example company is made up: an IT services SME, calendar year 2026, actuals entered up to the end of August. Its figures show how the calculations work; they are not a benchmark. You will find them in the "Fictitious example" tab.

1. The budget for the year

- Revenue: €1,182,000. Maintenance contracts €456,000, fixed-price projects €540,000, training courses €108,000, resold licences €78,000.
- Variable costs: 18% of revenue (purchases 5%, subcontracting 10%, commissions 3%). The contribution margin is therefore €969,240, a margin ratio of 82%.
- Fixed costs: €902,700, of which €566,000 in salaries and payroll taxes.
- Operating profit: €969,240 minus €902,700, that is €66,540 (5.6% of revenue). Three months are negative: July (-€4,940), August (-€27,720) and December (-€18,680).

2. Actuals at the end of August

- Revenue year to date: €720,400 against €756,000 budgeted, that is -€35,600 (-4.7%). Almost all of it comes from projects: -€33,500.
- Subcontracting: €85,800 against €75,600 budgeted, that is +€10,200 (+13.5%). The year-to-date margin ratio falls from 82.0% to 80.1%.
- Operating profit year to date: -€24,400 against €28,420 budgeted, that is -€52,820.
- Forecast: actuals at the end of August (-€24,400) plus the budget from September to December (€38,120), that is €13,720 expected at year end.
- August alerts (10% and €1,000 threshold): projects (-€2,500, -25%), subcontracting (+€1,000, +19%), profit for the month (-€3,280, -12%). Year to date: subcontracting, marketing and travel (+€2,300, +11%), profit.

3. The questions these figures raise

- Have the summer projects slipped to the autumn, or are they lost? A delay can be made up, a loss cannot.
- Was subcontracting paid for projects not yet invoiced? If so, the gap will close when they are invoiced.
- The marketing overrun comes from the March trade fair: a one-off, it needs no action, just a line in the minutes.
- With a forecast of €13,720, there is little room left if the last quarter weakens: time to look at the cautious scenario.

4. Scenarios and break-even

- Cautious (revenue -12%, margin -2 points, €20,000 less in fixed costs): profit -€50,572, lowest cash point €17,347 in October, €42,653 needed to stay above the €60,000 threshold.
- Central (the budget): profit €66,540, lowest point €70,640 in March. Ambitious (+8%, +1 point, fixed costs +3%): profit €129,764, lowest point €73,808 in March.
- Break-even: €902,700 divided by 82%, that is €1,100,854. With the budget's seasonality, cumulative sales only pass it in early December. Margin of safety: €81,146, that is 6.9% of revenue.

What the tool does not do

- It does not keep your accounts: it compares amounts you enter. The reference figures remain those of your accountant.
- It calculates neither VAT, nor corporate income tax, nor finance costs: the profit shown is a simplified operating profit.
- It does not track cash week by week. The scenarios give a monthly estimate; for the detail, use the 13-week cash flow plan.
- The forecast assumes the remaining months hold to budget. If you already know they will not, do not rewrite the approved budget: write your own estimate in the minutes of the review.
- Customer receivables are estimated from the month's sales and an average payment time. Late payments and bad debts are not included.
- It predicts nothing. The scenarios are only as good as your assumptions.
- It covers one company, over a twelve-month financial year, in one currency.

The recommended routine

When	How long	What
Once a year, before the financial year	1 to 2 hours	Build the budget, set the scenarios, read the break-even point. Have it reviewed by your accountant, then approved.
Every month, within ten days of the close	30 minutes	Enter actuals (15 minutes), read the five figures and the alerts (10 minutes), decide one action per unfavourable alert (5 minutes).
Every quarter	1 hour	Rerun the scenarios with what you now know, reread the break-even point if fixed costs have moved.
At every review		Print the one-page sheet and put it on the table: the five figures, the alert rule, the decisions.

The rules quoted, and their sources

French law, checked on 8 October 2026 on Légifrance and service-public.gouv.fr. They are reference points; for your own case, move forward with your lawyer and your accountant.

Payment terms between businesses (France). Unless the terms of sale or an agreement between the parties say otherwise, the term cannot exceed 30 days after receipt of the goods or performance of the service. The agreed term cannot exceed 60 days from the invoice date; by way of exception, 45 days end of month may be agreed if the contract expressly says so. The article gets a new wording on 1 January 2027 (ordinance no. 2026-671 of 27 July 2026): these terms stay the same. Useful when setting the average customer payment time in “Three scenarios”: start from the terms you actually observe.

French Commercial Code, article L441-10, current version

https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000038414392

French Commercial Code, article L441-10, version from 1 January 2027

https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000038414392/2027-01-01

Service-public.gouv.fr, sheet F23211 (updated 7 August 2026, read on 8 October 2026)

<https://entreprendre.service-public.gouv.fr/vosdroits/F23211>

Mandatory forecast documents (France). Commercial companies with at least 300 employees, or with net revenue of at least €18 million, must draw up, among other things, a forecast profit and loss account and a forecast financing plan. This workbook can help steer; it does not replace those documents.

French Commercial Code, article L232-2

https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000006228895

French Commercial Code, article R232-2

https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000041603987

With your accountant

This guide and this workbook are management tools. Have the amounts, the split between fixed and variable costs and your assumptions checked by your accountant. For any legal or tax question, move forward with your lawyer and your accountant.

An outside view

To build the budget, set the thresholds and hold the monthly review: call me or write to me. The first conversation is complimentary, within 48 hours.

thgconseil.fr/en/contact · +33 6 74 86 88 70 · contact@thgconseil.fr

About the author

Tudor Hilcu founded THG Conseil in 2022 and runs it. He spent eight years running programmes, portfolios and budgets for major groups (assignments delivered for TotalEnergies, The Walt Disney Company, GRDF and Monoprix). PMP®, PRINCE2 Agile® and ITIL® 4 certifications.

Module offered by THG Conseil, version 1.0, October 2026. Fictitious examples; no real company figures.