Know Your Numbers, Grow Your Business

1. COGS vs. Overhead – What's the Difference?

Instructions: *Read the list below. Decide whether each item is a **COGS** (Cost of Goods Sold) or an **Overhead Expense** by checking the correct box.*

Item	COGS	Overhead
Labor to install or deliver service	☐	☐
Business insurance	☐	☐
Subcontracted services	☐	☐
Office software	☐	☐
HVAC parts or materials	☐	☐
Admin assistant salary	☐	☐

💡 *Your gross profit = Revenue – COGS. If gross profit is weak, fix that first.*

2. Break It Out – Income Stream Clarity

Jeff's Example:
Jeff sells **products** (HVAC units, parts) and **services** (installations, maintenance).

When he looked at each separately, he realized:

- Services had **lower profit margins and revenue**
- Products were **driving revenue**, and **carrying all the gross profit**

Your Turn:
What do *you* sell? What could you break out to see clearly where your money's really coming from?

Income Stream or Category	Notes or COGS to Track Separately

3. Cash Flow & Working Capital Timing

Profit doesn't mean you have cash in the bank. Why?

Because your money gets *stuck* in:

- Inventory or work-in-progress
- Unpaid invoices (Accounts Receivable)
- Early bill payments (Accounts Payable)

What does your timeline look like?

Your Cash Flow Timing Reality:

Working Capital Factor	**What's happening in your business?**
Accounts Receivable (AR)	
Inventory / Work in Process	
Accounts Payable (AP)	

Which of these do you think slows down your cash the most? Put a star by it above.

⭐ Final Reflection: One Number You'll Track This Month

"What's *one number* you'll commit to watching this month — even if you don't track anything else right now?"

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📅 Save the Date: **August 19, 2025 – Profits & Pints: Next Session!**

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