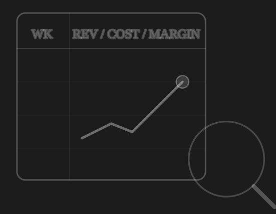
The Numbers Don't Lie: Weekly P&L

THE 50 FACTOR — GROWTH FACTOR #41

Reading the P&L Like a Weekly Habit

The Complete Implementation Guide



BY SCOTT SCULLY

Growth Factor #41: Reading the P&L Like a Weekly Habit

The Complete Implementation Guide

This white paper is a companion to Chapter 41 of The 50 Factor by Scott Scully. The book tells the story. This guide gives you the step-by-step playbook to install a weekly financial review that catches problems in days instead of months — so you never again discover a revenue miss at the board meeting.

Why This Growth Factor Matters

Most founders look at their financials monthly. And monthly is a lie.

A monthly P&L tells you what happened 30–60 days ago. By the time you see the numbers, the decisions that produced them are six to eight weeks old. If something went wrong — a bad month of sales, a spike in costs, a margin compression you didn't see coming — you're finding out about it after it's already impacted the quarter. That's too late to steer. That's autopsy, not navigation.

Here's what happens in practice: a company is growing at $20M in revenue. They review financials monthly at the board meeting. In March, they discover that February revenue came in 11% below plan. The pipeline had softened in mid-January, but nobody noticed because the weekly leadership meeting tracks activities, not financials. By the time the February numbers are closed and reviewed in the first week of March, the damage is six weeks old. The options for recovery are limited. The quarter is already at risk.

If that company had been reviewing financials weekly, they would have seen the softness by the second week of January — the weekly snapshot would have shown new bookings trending below pace. They would have had six weeks to react instead of zero: accelerate pipeline, push stalled deals, adjust marketing spend, redeploy resources. Same data, different timing, completely different outcome.

A pilot doesn't check instruments once a month. They check them every few minutes. Your P&L is an instrument panel. The weekly check doesn't need to be precise — it needs to be current.

The Weekly Financial Snapshot: One Page, Seven Rows

This is the document your CFO or finance lead produces every Monday morning. It takes about an hour to prepare. It's not the full monthly P&L — it's a simplified, real-time view of the financial health of the business.

Row 1: Revenue

This week's recognized revenue and month-to-date versus plan. The question it answers: are we on track for the monthly target, or are we falling behind? If month-to-date revenue is 15% below pace on the 15th of the month, you have two weeks to close the gap — but only if you know about it.

Revenue recognition matters here. In a services business, revenue is often recognized over time (as work is delivered), not at the point of sale. Your weekly revenue number should reflect what's been delivered and earned, not what's been contracted but not yet started.

Row 2: New Bookings

Contracts signed this week. Dollar value. Count. And pipeline movement — deals that advanced stages, deals that stalled, deals that were lost. This is the leading indicator: bookings today become revenue in 30-90 days. If bookings are soft for two consecutive weeks, revenue will be soft in 60-90 days. The weekly bookings check gives you time to intervene before the revenue impact hits.

Row 3: Cash Position

Bank balance today. Accounts receivable aging (how much is owed to you and how long it's been outstanding). Cash burn rate (how much cash you consume per week). Runway (how many months of operations your current cash supports).

This is the most important row on the snapshot — and the one most founders skip. Revenue is an accounting concept. Cash is what pays the bills, makes payroll, and keeps the lights on. You can be profitable on paper and cash-poor in practice — because revenue recognition, invoicing delays, and payment terms create a gap between earning money and having money.

The weekly cash check prevents the most dangerous surprise in business: running out of money while being profitable on paper. When you see AR aging creep up — two clients moving from 30 days overdue to 60 days — you know to act before it becomes a cash crisis.

A real example from the field: A $28M logistics company was growing and profitable. Monthly financials looked clean. But the operations team was sending invoices an average of 18 days after work was completed — some were 30 or 40 days late. The company was effectively giving clients a free two-to-six-week loan on every engagement. The cash gap grew to nearly $900,000 before anyone noticed. Had the CEO been checking cash and AR weekly, he would have caught it in week two. Instead, he found it in month four. The fix — automated invoicing, same-day billing, follow-up cadence — took three weeks. The cash recovered in 60 days. But if he'd waited another quarter, the company would have needed a credit line to cover payroll.

Row 4: Gross Margin

Revenue minus direct costs (the people, tools, and expenses directly tied to delivery). Is gross margin holding, expanding, or compressing?

Gross margin compression is the silent killer in services businesses. Revenue grows but profit doesn't — because you're adding headcount faster than revenue, or your pricing hasn't kept pace with costs, or your delivery efficiency is declining. The weekly gross margin check catches this before it becomes a quarterly problem.

Benchmark: B2B services companies should run 50-65% gross margins. If yours is declining week over week, investigate immediately: is it a staffing issue (too many people on too few accounts), a pricing issue (undercharging), or an efficiency issue (delivering more than the contract requires)?

Row 5: Operating Expenses

What was spent this week on overhead — rent, admin, marketing, G&A. Is spending in line with budget, or are expenses drifting? Most companies budget operating expenses annually and don't check them until the monthly close. By then, a spending overage has been running for weeks. Weekly visibility prevents drift.

Row 6: Key Ratios

Three to five ratios that serve as early-warning indicators:

Revenue per employee. Tracks whether you're scaling efficiently or just adding headcount. If revenue per employee declines over 3+ consecutive weeks, you're growing the team faster than the revenue base.

Client acquisition cost (running). Your blended CAC (Principle #31) calculated on a rolling basis. When CAC rises, your growth engine is becoming less efficient.

Average revenue per client. Tracks whether your client base is growing in value (expansion, upsell) or diluting (smaller deals, lower contract values).

When a ratio moves — even slightly — it tells you something is changing in the underlying business before the headline numbers confirm it. Ratios are the canary in the coal mine.

Row 7: Flags

Two to three sentences written by your CFO about anything unusual. "AR aging is creeping up — two clients over 60 days." "Marketing spend is front-loaded this month due to the conference." "Three open positions budgeted but unfilled, which is suppressing OpEx." The flags are the human narrative layer on top of the numbers — and often the most valuable part of the snapshot.

The Monday Morning Review

You and your CFO. Fifteen minutes. Every Monday morning. Before your first meeting. Non-negotiable.

Alicia walks you through the snapshot. You ask questions. You look for anomalies. You compare this week to last week. You compare month-to-date to plan. You look at cash.

Most weeks, the conversation is boring. The numbers are on track. There's nothing to do. And that's fine — boring means the company is tracking to plan. The weekly review exists so that the one week something is off, you catch it immediately. The difference between catching a cash flow problem in week one versus discovering it at the monthly close is often the difference between a conversation and a crisis.

The rhythm: Review takes 15 minutes. If something is flagged, you schedule a 30-minute deep dive for Tuesday or Wednesday. By end of week, you either have an explanation (seasonal, timing, one-time event) or you have a problem with a response plan. Either way, you're acting in days, not months.

The Rolling 13-Week Forecast

Beyond the weekly snapshot — which shows you where you've been — the 13-week rolling forecast shows you where you're going.

Thirteen weeks equals one quarter. The forecast projects revenue, cash, and margin for the next 13 weeks based on three inputs: current pipeline and probability-weighted bookings, current bookings rate (trailing 4-week average), and current cost run rate.

Update it every Monday alongside the snapshot. When the forecast drifts from the annual plan, investigate. This is how sophisticated companies steer — not by looking backward at what happened, but by projecting forward and adjusting before problems arrive.

The projection discipline: Your pipeline gives you leading data about future revenue. Your snapshot gives you trailing data about current performance. When you combine the two — this week's actuals plus the pipeline forecast — you can project next month's revenue within a reasonable margin of error. And when your projection starts deviating from your plan, you know something is changing in the business before the financial statements confirm it.

Financial Literacy Across the Leadership Team

The weekly snapshot shouldn't live in the CEO's inbox alone. Share a version of it with your department heads.

When your head of sales can read the P&L, they make different decisions — they stop discounting because they can see what it does to margin. When your head of delivery can see the gross margin impact of overtime, they staff differently. When your head of marketing can see CAC by channel, they reallocate budget from expensive channels to efficient ones.

Financial literacy isn't about making everyone an accountant. It's about giving leaders the context to make better decisions in their own functions — decisions that account for the financial impact, not just the operational one. The CFO becomes a coach, not a gatekeeper. Finance becomes a shared language, not a mystery.

Common Mistakes and How to Avoid Them

Mistake #1: Waiting for precision. The weekly snapshot is an estimate, not an audited report. Rough and current beats precise and stale. Don't let the finance team delay the snapshot because "the numbers aren't finalized." The point is directional accuracy, not audit-grade precision.

Mistake #2: Reviewing revenue but ignoring cash. Revenue is what you earned. Cash is what you have. They're different numbers, often by a significant margin. The CEO who reviews revenue weekly but ignores cash position is driving with one eye closed.

Mistake #3: Not investigating anomalies. When a number moves, resist the instinct to rationalize it. "It's probably just timing" is the most dangerous sentence in financial management. Maybe it is timing. Maybe it's a broken invoicing process that's silently draining $900K in cash. Investigate.

Mistake #4: Not building the 13-week forecast. The snapshot shows you where you've been. The forecast shows you where you're going. Without the forecast, you're driving by looking in the rearview mirror.

Mistake #5: Keeping the snapshot in the executive suite. When only the CEO and CFO see the numbers, financial literacy stays low and decision quality stays poor. Share a version with every department head. Build a culture of financial awareness.

Mistake #6: Skipping weeks. The value of the weekly review is the consistency. Skip one week and it's a missed data point. Skip two weeks and you've created a blind spot. Skip three weeks and you're back to monthly — which is how you got surprised in the first place.

Quick-Start Checklist

✓ ☐ Have your CFO build the weekly snapshot this week (one page, seven rows)

- ✓ ☐ Schedule the Monday morning review — 15 minutes, every Monday, non-negotiable
- ✓ ☐ Start with revenue + cash + bookings (rows 1-3) if the full snapshot isn't ready yet
- ✓ ☐ Add the rolling 13-week forecast within 30 days
- ✓ ☐ Share a version of the snapshot with department heads within 60 days
- ✓ ☐ Add the weekly snapshot to the monthly board packet as a supplementary exhibit
- ✓ ☐ Review AR aging weekly — flag anything over 45 days
- ✓ ☐ When something moves: investigate first, rationalize second
- ✓ ☐ Never skip a Monday. Never.

Implementation Tools

Ready-to-use templates for this Growth Factor

XLSX **Weekly Financial Snapshot Template**
Columns: Row, Metric, This Week, Last Week, MTD, MTD Plan, +2 more

XLSX **Rolling 13-Week Forecast Template**
Columns: Row, Metric, This Week, Last Week, MTD, MTD Plan, +2 more

PDF **Monday Morning Review Checklist**
The 15-minute agenda

XLSX **AR Aging Tracker**
Columns: Week, Date, Team Member, Gap Discussed, Their Plan, Support Needed, +2 more

PDF **Financial Literacy Guide for Department Heads**
How to read the snapshot

This is Growth Factor #41 of 50 — the first principle of Part V: The Enterprise. The operating systems are built (Parts I-IV). Now you learn to fly the plane by its instruments — weekly, precisely, with the discipline that separates $25M companies from $50M companies. The founders who read the P&L weekly never get surprised at the board meeting. The founders who don't get surprised regularly — and surprises at this scale are expensive.

Get the book: The 50 Factor by Scott Scully