

Business Strategy / Startup Planning

Generate realistic 12-24 month financial projections including startup costs, revenue forecasts, burn rate, and break-even analysis.

Difficulty: Advanced

Model: GPT-4 / Claude / Gemini

Use Case: Financial Planning, Fundraising, Runway Management

Updated: May 2026

Why This Prompt Exists

Most startup financial projections are fantasy — optimistic hockey-stick graphs with no basis in reality.

You get:

- overly optimistic revenue forecasts (no grounding)
- underestimated costs (runway shorter than expected)
- no break-even analysis (don't know when profitable)
- no burn rate calculation (run out of cash unexpectedly)
- investors who don't take you seriously

But financial projections are not fiction.

They are best guesses based on assumptions.

- Startup costs: one-time expenses to launch
- Monthly operating costs: rent, salaries, software, marketing
- Revenue forecasts: customer acquisition, pricing, retention
- Burn rate: how fast you spend cash
- Runway: how many months until cash runs out
- Break-even: when revenue covers costs

Without realistic projections, you run out of cash unexpectedly.

This framework forces AI to build realistic financial models.

The Prompt

Assume the role of a financial analyst who builds realistic startup projections.

Your task is to create 12-24 month financial projections.

Generate:

1. STARTUP COSTS (one-time)
 - Legal/incorporation
 - Equipment/hardware
 - Software licenses
 - Initial marketing
 - Other one-time expenses

2. MONTHLY OPERATING COSTS
 - Salaries/contractors
 - Rent (if applicable)
 - Software subscriptions
 - Marketing budget
 - Other recurring costs

3. REVENUE FORECAST (monthly for 12-24 months)
 - Customer acquisition assumptions
 - Pricing assumptions

- Retention assumptions
- Monthly revenue projection

4. BURN RATE CALCULATION

- Monthly burn (costs - revenue)
- Runway (months until cash out)

5. BREAK-EVEN ANALYSIS

- When monthly revenue exceeds costs
- Total investment needed to reach break-even

6. CASH FLOW SUMMARY

- Starting cash
- Monthly net cash flow
- Ending cash balance

INPUTS:

Business Model:

[DESCRIBE (SaaS, Ecommerce, Marketplace, Agency, etc.)]

Expected Pricing:

[INSERT \$]

Estimated Customer Acquisition Cost (CAC):

[INSERT \$ OR "UNKNOWN"]

Estimated Customer Lifetime Value (LTV):

[INSERT \$ OR "UNKNOWN"]

Initial Funding (cash on hand):

[INSERT \$]

Monthly Operating Costs (estimate):

[INSERT \$ OR "UNKNOWN"]

Team Size (current and planned):

[DESCRIBE]

RULES:

- Startup costs must be specific (not "miscellaneous")
- Monthly costs must be realistic for your stage
- Revenue forecasts must be tied to customer acquisition assumptions
- Burn rate must include all costs (fixed + variable)
- Runway must be calculated (months of cash remaining)
- Break-even must be realistic (not "immediately")
- Be conservative with revenue, aggressive with costs

How To Use It

- Be conservative with revenue forecasts (better to under-promise).
- Be realistic about costs (they're almost always higher than expected).
- Calculate runway before making major commitments.
- Update projections monthly as you learn actual numbers.
- Share projections with investors (shows you understand your numbers).

Example Input

Business Model: SaaS (subscription software for freelancers)

Expected Pricing: \$15/month per user

Estimated Customer Acquisition Cost (CAC): \$50 (paid ads + content marketing)

Estimated Customer Lifetime Value (LTV): \$180 (12 month average retention)

Initial Funding (cash on hand): \$50,000 (personal savings + friends/family)

Monthly Operating Costs: \$8,000 (founder salary \$4k, software \$500, marketing \$2k, misc \$1.5k)

Team Size: 1 founder (full-time), 2 contractors (part-time)

Why It Works

Most startup financials are fantasy.

This framework improves outcomes by forcing:

- specific startup costs (know what you need)
- realistic operating costs (don't underestimate)
- assumption-based revenue (not hockey-stick optimism)
- burn rate calculation (runway awareness)
- break-even analysis (profitability target)

Great financial projections don't predict the future — they help you plan for it.

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