The Numbers Behind a Custom Cabinetry and Millwork Shop

A free field guide from Bytell Press. The figures come from our example financial model for a small custom cabinet shop with one production cell. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Most new cabinet shops are started by people who build beautiful work. The ones that struggle usually never worked out how much has to go out the door each month to cover the rent, the machine payment and the owner's pay. This guide gives you that arithmetic in two pages.

1. How the work is priced

Residential cabinetry is sold by the **linear foot installed**. Built-ins and refacing are priced per project, and commercial millwork is bid against drawings. The example model uses these lines:

Service line	Model price	Model gross margin
Custom kitchen and bath cabinetry	$150–$450 per linear foot; kitchens $15,000–$60,000	About 45%
Built-ins, closets, home-office casework	$3,000–$18,000 per project	About 45%
Commercial casework and millwork	$20,000 and up, by bid	30–45%
Cabinet refacing and door replacement	Per project	45–55%
Blended across the mix		**45%**

Refacing is the highest-margin line and it pays quickly. Commercial work is thinner and slower to collect, so the model uses it to fill shop time, not to carry the margin.

2. What it costs to open

The example model opens on about **$135,000**: a $100,000 equipment and buildout loan plus $35,000 of the owner's own money.

Use of funds	Amount
Shop deposit and buildout, production cell and software, supporting machinery, delivery vehicle or trailer, opening materials and hardware, first-year insurance	About $95,000
Working-capital reserve	About $40,000

Use of funds	Amount
Total	**About $135,000**

The model does not price the equipment line by line, so get your own quotes for each item. The number to notice is the reserve. Nearly a third of the opening money is held back as cash, because a shop buys materials and pays labor before deposits and progress payments come in.

3. What it costs to stay open

The model carries about **$17,634 a month** that has to be paid whether or not a cabinet ships:

Monthly fixed cost	Amount
Rent, utilities, insurance, software, vehicle, marketing, admin	$9,000
Loan payment	$1,634
Owner's draw	$7,000
Total	**$17,634**

Materials and shop labor are not in this table. They move with the work and take 55% of every sale in the model.

4. The break-even: the one number to know

Break-even revenue = monthly fixed costs ÷ gross margin.

With the model's numbers: $17,634 ÷ 0.45 = about **$39,187 a month**. That figure already includes the owner's $7,000 draw. At $28,000 for a mid-range kitchen, it is about **one and a half kitchens a month**, or one kitchen plus a few built-in or refacing jobs.

Margin moves this number fast. If your blended margin slips from 45% to 42%, break-even rises to about $41,986.

5. Plan for the slow months before they arrive

The model opens at about $45,000 a month in sales and applies a seasonal curve to it:

Season	Multiplier	On a $45,000 month
January and February	0.85	$38,250
Spring	1.10	$49,500
Fall peak	1.15	$51,750

A $38,250 winter month is just under the $39,187 break-even. The gap is small, but it lands at the same time as the cash squeeze: materials and labor are paid up front, and customer money arrives later. Commercial jobs stretch that wait further because part of each payment is held back until the job is accepted. The $40,000 reserve exists to bridge those weeks.

6. Your numbers

Fill this in with quotes from your own market before you sign a lease.

Question	Model	Yours
Price per linear foot you can charge	$150–$450	_____
Typical kitchen in dollars	$28,000	_____
Gross margin after materials and shop labor	45%	_____
Monthly fixed costs, loan payment and owner pay	$17,634	_____
Break-even revenue (fixed costs ÷ margin)	$39,187	_____
Sales in your slowest month	$38,250	_____
Working-capital reserve in dollars	$40,000	_____

If your break-even is more than the shop can build and install in its slowest month, fix the plan before you buy the equipment: raise the price per foot, cut a fixed cost, or sell more refacing work.

This guide is general business information, not legal, tax, accounting or investment advice. The figures are illustrative assumptions from an example model and are not a forecast or a promise of results. Licensing and insurance requirements vary by state and are not covered here; check yours with the state agency.

Bytell Press publishes the full business plan, the editable financial model behind these numbers, and the operating playbooks for a custom cabinetry and millwork shop.

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