

Default Alive Spreadsheet (with formulas)

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The Question PG Asks Every Founder

At your current burn and current growth rate, will you reach profitability before money runs out? Most founders don't actually know.

Inputs

Variable	Cell	Your value
Cash on hand (USD)	B1	_____
Current MRR (USD)	B2	_____
Monthly net burn (USD, all-in incl. founders)	B3	_____
Monthly growth rate (decimal, e.g. 0.10 = 10%)	B4	_____

Formulas (Google Sheets / Excel)

MRR for month n: `=B2 * POWER(1+B4, n)`

Burn for month n (assume flat): `=B3`

Cumulative net cash flow month n: `=SUMPRODUCT(MRR_array - burn_array)`

Cash remaining month n: `=B1 + cumulative_net_cash_flow`

Default alive: TRUE if MRR ever \geq B3 AND cash_remaining stays > 0

Months until profitable: `=CEILING(LN(B3/B2) / LN(1+B4), 1)`

Months until cash zero (if default dead): solve `cash_remaining(n) = 0`

If You're Default Dead, the Three Levers

1. CUT BURN. Reduce B3. Founders take 50% pay cut. Cancel non-essential SaaS. Move to remote.
2. GROW FASTER. Increase B4. Usually means narrower ICP, higher prices, or distribution channel change.
3. RAISE. Add to B1. Realistic if growth \geq 10%/mo and you have warm investor leads.

There is no fourth option. 'Hope' is not a strategy.

Re-Run Cadence

Monthly. Burn changes. Growth changes. The truth changes. Founders who don't re-run get surprised.