Bakery Business Plan and Operations Starter Kit

A working kit for bakery owners. It costs every batch to the piece, sets pars by day of the week, tests the oven against the busiest bake, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

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PAGE 2

Start here

Count oven minutes as carefully as loaves. A Saturday line can look like success while slow weekdays fill the waste bin. This kit has you price each batch, set pars by day of the week and time the oven before a landlord or lender tests the plan.

WHAT IS INSIDE

3	Business plan, part one: concept, customer, site and channels, products and pricing
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: ovens and build-out, setup, pre-opening, working capital
6	Sales forecast by line: counter, wholesale and custom cakes, with ramp, seasons and a capacity check
7	Batch cost per piece, par by day of the week, and oven minutes on the busiest day
8	Operating and cash break-even, break-even counter orders per day, rent share, debt coverage
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15	Your first 30 days, lease questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Start with sales on page 6, then costs on pages 5 and 8. Run the page 11 forecast and score the plan on page 4. Write pages 3 and 4 last.
2. Work in pencil. Oven quotes, rent and the early bakers you can hire will move before opening.
3. Once you open, run the page 14 lists every bake day and the numbers review every week. Reset pars by day of the week each month on page 7, and count prime cost weekly on page 9.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the bakery questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 14 were drafted by AI models from World Consulting Group desk research and challenged by a second AI model. None was measured in the field, so treat them as hypotheses to test, not findings.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, food handling or financial advice. Permits, inspections, labeling, employment and lease terms differ by city and county. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender asks first: can the bakery turn flour into enough cash to pay rent, the early crew and the loan before the money runs out? Keep each answer to a few plain sentences; write full sections on separate sheets.

1. Executive summary (write it last)

Name the concept, the site, the channels and the money you need, and say what it buys, from the deck oven to the display case. Close with the month the page 6 forecast crosses the page 8 cash break-even, and the page 4 result.

2. Concept and customer

Name the regular who buys bread twice a week, the weekend crowd that wants pastry, and the buyer who orders a cake once a year. Each one buys for a different reason, so write what keeps each coming back.

3. Site, channels and oven time

Describe the site, the foot traffic you counted on a weekday, a Saturday and a Sunday, and your hours. Say how oven time splits between the case, wholesale and custom cakes, and note every lease charge above base rent.

4. Products and pricing

List the staples, the weekend items and the cakes, each with a cost from page 10, box and decorating time included. When butter or flour rises, test what your regulars notice first: a smaller croissant or a higher price.

PRODUCT	COST WITH LABOR	PRICE	COST WITH LABOR AS % OF PRICE

> *Owner question: why does the Saturday line coexist with a week that barely breaks even?*
>
> Because one busy day can hide several thin ones. Weekly profit rests on demand across the whole week, along with price, mix, waste and staffing; one strong Saturday does not prove it. Page 7 sets pars by day of the week from four weeks of sales and prices what a flat bake costs in leftovers and stockouts; then shift demand into the weekdays or cut weekday hours to fit the real curve.

PAGE 4

Business plan, part two

5. Operations

Walk a batch from the scale to the case: mixing, fermentation, shaping, proofing, the bake, cooling and wholesale packing. Name the step that runs late on the busiest day and who checks it when you are away.

6. Team

List every role and shift, from the early bake to the counter close, with its pay and a market wage for your own hours. Name who can start the bake without you. Question 1 on page 14 tests that.

7. Marketing

Say how a weekday visit becomes a habit, through bread subscriptions or office orders, and how cake buyers find you outside wedding season. Keep repeat records you own.

8. Financials and funding

Attach pages 5, 6, 8 and 11 with the result below. Show the sum the bakery needs, who provides it and how many months it lasts if weekday regulars form slowly.

DOES THE PLAN PASS? SCORE IT BEFORE ANYONE ELSE READS IT

TEST	PASS?
Gate 0. The draft lease, the oven and build-out quotes and the requirements of every approval the bakery needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales, cakes included, reach cash break-even at the month-12 run rate (page 8), and closing cash holds at or above your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The busiest day's bake list in the busiest month fits the oven minutes in the bake shift (page 7), and planned counter orders per day reach break-even counter orders (page 8).	
5. Planned counter orders and wholesale volume rest on evidence (counted foot traffic with a capture rate from comparable shops, signed standing orders or sales history), not on a buyer's verbal interest.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

Not ready: Gate 0 fails. **Green:** Gate 0 and all six tests pass. **Amber:** Tests 1 and 3 pass, but Test 2, 4, 5 or 6 fails, so fix the plan before you sign the lease, order the oven or take a loan. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then write each source: a written quote from the oven dealer, the contractor or the landlord, or a calculation you can show. Get gas line, hood and electrical work quoted early, and explain every blank line.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
SPACE AND EQUIPMENT				
Leasehold improvements and ventilation (example: second-generation food space)				
Deck oven and proofer (example: refurbished, quoted)				
Spiral mixer, sheeter and benches				
Refrigeration, retarder and freezer				
Display case, counter, seating, espresso and brewing gear (example: used)				
Point of sale, scales and smallwares				
SETUP AND APPROVALS				
Licenses, permits and inspections				
Lease deposit and pre-opening rent				
Insurance down payment				
Business entity and accounting setup				
Gas line and electrical work for the oven (example: 3-phase power already in place)				
PRE-OPENING				
Opening flour, butter, ingredient and packaging stock				
Baker training and pre-opening payroll				
Test bakes and soft opening				
Launch marketing and pre-order setup				
Professional fees				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the build-out runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Build sales line by line from orders and pieces, never from the rent you must cover. Count weekday, Saturday and Sunday counter traffic at the site, add wholesale accounts as each signed standing order starts, and add custom cakes in the month each is delivered; deposits go in the cash forecast when received.

```
Monthly sales for a line = units times average ticket times days open in the month (or times 1 for units counted per month)
Days open in a month = days open per week times 52, divided by 12
```

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE TICKET	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Counter orders (bread and pastry)	orders				
Wholesale standing orders	deliveries				
Custom cakes and celebration orders	cakes				

Full-run month

RAMP AND SEASONS

MONTH	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Ramp, % of full run												
Season, % of full-run month (M1 = opening month)												
Expected sales												

Expected sales each month = full-run counter and wholesale sales times ramp times season, plus custom cakes in the month each is delivered (deposits enter cash when received) (the example: 18 a month at full run, fewer while bookings build). Enter 100 percent where a factor does not apply. Ramp, season and orders per day are your assumptions, so note the evidence for each. Counter orders per day here are the week's average; page 7 sets pars by day of the week around it.

CAPACITY CHECK

```
Oven capacity = the busiest day's bake list item by item: pieces to bake divided by pieces per load, rounded up to whole loads, times minutes per load, plus changeovers, against the bake shift (page 7)
```

Time a real bake with the crew you plan: minutes per load for each item, loading included, and the hours in the bake shift. Wholesale loaves and the retail case share the same oven, so the busiest day can be full even when the week has room. A plan that needs more pieces than the oven can bake before they are needed is wrong, however long the Saturday line gets.

COUNTER ORDERS BY PAR DAY, AND CAKES BOOKED BY MONTH

COUNTER ORDERS	TUE	WED	THU	FRI	SAT	SUN	WEEK	WEEK DIVIDED BY DAYS OPEN
A typical week, page 7 days								

CUSTOM CAKES	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Signed, by delivery month												

PAGE 7

Batches, pars and the oven

Per piece = (ingredients + hours times hourly cost) divided by salable pieces
Par = four-week average for that day of the week (a sold-out day at its likely demand, not its sales) times (1 + buffer), rounded up; over costs ingredients less day-old recovery; short costs price minus ingredients; both are gross figures before card fees, and short assumes the guest buys nothing else
To bake = par divided by yield, rounded up; oven minutes = loads (rounded up) times minutes per load, plus changeovers

WORKED EXAMPLE: BATCH COST (ILLUSTRATIVE)

BATCH	INGREDIENTS	HOURS	LABOR	BATCH COST	PLANNED	SALABLE	YIELD	PER PIECE	PRICE
Butter croissants	$46.80	3.5	$73.50	$120.30	72	68	94%	$1.77	$4.25
Country sourdough	$28.40	2.5	$52.50	$80.90	40	38	95%	$2.13	$9.00

Labor at $21.00 an hour, loaded.

WORKED EXAMPLE: CROISSANTS PAR BY DAY (ILLUSTRATIVE; OVER AND SHORT ARE FOUR-WEEK TOTALS)

DAY	WK 1	WK 2	WK 3	WK 4	AVERAGE	PAR	PAR OVER	PAR SHORT	FLAT OVER	FLAT SHORT
Tue	48	52	50	46	49	52	12	0	144	0
Wed	54	50	57	52	53.25	56	12	1	127	0
Thu	58	62	61	63	61	65	16	0	96	0
Fri	82	88	84	90	86	91	20	0	4	8
Sat	138	144	140	146	142	150	32	0	0	228
Sun	112	118	109	114	113.25	119	23	0	0	113
4 weeks							**115**	**1**	**371**	**349**

Buffer: 5 percent, set from the target sell-out time. Labor is spent either way: each piece over costs $0.69 in ingredients less $0.38 of day-old recovery (25 percent sold at $1.50), or $0.31; each piece short costs $3.56. Four weeks at par: 115 over, 1 short, $39.21; a flat 85 every day: 371 over, 349 short, $1,357.45.

WORKED EXAMPLE: THE SATURDAY OVEN (ILLUSTRATIVE)

SATURDAY BAKE LIST	PAR	YIELD	TO BAKE	PER LOAD	LOADS	MINUTES	OVEN MINUTES
Wholesale loaves	84	95%	89	30	3	48	144
Case sourdough	75	95%	79	30	3	48	144
Croissants	150	94%	160	72	3	22	66
Muffins	110	98%	113	72	2	28	56
Temperature changeover							40
Minutes needed							**450**
Bake shift, 2 a.m. to the 8:30 a.m. weekend opening							390

60 minutes over: the muffin bake comes out after opening unless 3 bakers start early, $94.50 a Saturday in overtime. The last croissant load holds only 16: capping par at 135 drops that load but leaves the bake over the shift and sells out below Saturday's average, so start a baker early or move a bake to Friday. Move croissants and muffins to a convection oven, or trim wholesale, before buying a second deck oven.

ITEM	BATCH COST	SALABLE	PER PIECE	PAR BY DAY	OVER	SHORT	TO BAKE	OVEN MINUTES

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost here. Loan principal is not an operating cost: it enters cash break-even below and the cash forecast on page 11, so interest and principal are each counted once.

FIXED COSTS PER MONTH	PER MONTH
1. Rent and common area charges	
2. Liability and property insurance	
3. Salaried head baker and the minimum early crew, with payroll taxes and benefits	
4. Owner's market wage for management time (bench hours, at a baker's wage, go in line 3 or 14)	
5. Loan interest (oven, equipment and build-out loans)	
6. Gas, electricity, water and internet	
7. Marketing and pre-order tools	
8. Point of sale and software	
9. Accounting, bookkeeping and bank fees	
10. Oven, mixer and refrigeration maintenance	
11. Waste removal, pest control, cleaning and other services	
12. Van lease and insurance, license renewals, training and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Flour, butter, eggs, fillings, coffee, milk and packaging	
14. Hourly bakers and counter staff above the early crew, with payroll taxes	
15. Card and online ordering fees	
16. Wholesale delivery fuel (blended across all sales)	
17. Pre-order and delivery platform commissions (blended)	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even counter orders per day = (daily fixed costs, principal and other recurring cash out minus the
daily contribution from wholesale and custom cakes) divided by the contribution from one average counter
ticket
Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

RESULT	PER MONTH	PER WEEK	PER DAY OPEN
Operating break-even sales			
Cash break-even sales			
Break-even counter orders per day (use cash break-even)			
Rent share and debt service coverage at full-run sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; daily = weekly divided by days open per week. Rent share = line 1 divided by net sales.

PAGE 9

Weekly prime cost

In a bakery, prime cost is the cost of ingredients plus the people who bake and sell; track it as a share of sales. The 2 a.m. crew is paid even on a slow Tuesday.

WHAT LABOR INCLUDES

Labor is the employer's cost: pay, payroll taxes and benefits. Leave out tips that pass through to staff. Price your own early shifts at a hired baker's wage.

```
Ingredients used = opening count value + deliveries in the week minus closing count value
Prime cost = ingredients used + labor (pay, payroll taxes and benefits for every bench and counter hour,
the owner's at a market wage)
Weekly prime cost percentage = prime cost divided by the week's net sales
```

WORKED EXAMPLE: A FULL-RUN WEEK AT THE EXAMPLE BAKERY (ILLUSTRATIVE)

WORKSHEET LINE	THIS WEEK
A. Opening count (flour, butter, fillings, coffee, milk, packaging)	$2,900
B. Deliveries	$4,253
C. Closing count	$3,050
D. Ingredients used (A + B minus C)	$4,103
E. Labor: bench and counter by the hour (line 14), early crew (line 3), owner at market wage (line 4)	$6,053
F. Bakery prime cost (D + E)	$10,156
G. Net sales, after discounts, before tax	$14,653
H. Prime cost as a share of sales (F divided by G)	69.3 percent

This worked week takes the full-run month of the page 12 worked example, times 12 and divided by 52, for net sales of $14,653; ingredients at the line 13 share of 28 percent; hourly pay at the line 14 share of 18 percent, with lines 3 and 4 shared out by week. In this example, deliveries are set so that ingredients used match the line 13 share. Most labor is fixed early crew and owner pay (lines 3 and 4), so page 8 cash break-even sits near full run. Prime cost here includes the owner's market wage; leave it out to compare with figures that exclude owner pay.

YOUR BAKERY'S WEEK

WORKSHEET LINE	TARGET	THIS WEEK	LAST WEEK
A. Opening count (flour, butter, fillings, coffee, milk, packaging)			
B. Deliveries			
C. Closing count			
D. Ingredients used (A + B minus C)			
E. Labor: bench and counter by the hour (line 14), early crew (line 3), owner at market wage (line 4)			
F. Bakery prime cost (D + E)			
G. Net sales, after discounts, before tax			
H. Prime cost as a share of sales (F divided by G)			

Weigh flour and butter and count boxes at one weekly cutoff, valued the same way every week; log scrap separately. Too much work each week? Count the costly items, butter first, every week and the rest at month end. Write a target from the page 8 plan in the Target column and watch which way the weekly result moves against it. The kit offers no bakery benchmark for prime cost.

PAGE 10

Item cost card

Cost each ingredient on the share that reaches the cake.

```
Usable cost per unit = purchase cost per unit divided by yield (enter 85% as 0.85)
Line cost = portion quantity times usable cost per unit, rounded to the cent
Ingredient cost = sum of the ingredient and box lines only; the labor line is left out and added for the
cost with labor; yields already carry their loss
```

WORKED EXAMPLE: AN 8-INCH BERRY CAKE (ILLUSTRATIVE)

INGREDIENT		BOUGHT AT	YIELD	USABLE COST	PORTION	LINE COST
European-style butter		$11.00 / kg	98%	$11.2245 / kg	0.34 kg	$3.82
Sugar, flour and eggs	from the batch sheet					$3.36
Berries		$15.00 / kg	85%	$17.6471 / kg	0.25 kg	$4.41
Board and box	per cake					$2.40
Decorating labor	1 hour at $21.00					$21.00
Ingredient cost	Price $85.00; 16.5 percent of price					**$13.99**
With labor	41.2 percent of price, for pricing only					**$34.99**

Price from the cost with labor; theoretical cost uses the ingredient cost. Line 13 runs at 28 percent because it also carries scrap, leftovers, coffee, milk and cups, and because wholesale prices are lower.

YOUR PRODUCT: _____

INGREDIENT	BOUGHT AT	YIELD	USABLE COST	PORTION	LINE COST

Ingredient cost	Price: _____ Ingredient cost as a share of price: _____
Cost with labor	Cost with labor as a share of price: _____

Theoretical versus actual cost

When actual runs above theoretical, check scrap, unlogged leftovers, scaling by eye and the counts first; read the scrap log before you blame a baker.

```
Theoretical cost = pieces or cakes sold this month times each ingredient cost, added together
Gap = actual ingredient and packaging cost for the month minus theoretical cost; gap share = gap divided
by net sales
```

LINE	THIS MONTH
Theoretical cost	
Actual ingredient and packaging cost (opening count + deliveries minus closing count)	
Gap, in dollars and as a share of net sales	

PAGE 11

Twelve-month cash forecast

Profit and cash part ways: loan principal, build-out bills and the thin weeks before weekday regulars form all drain the account. Enter amounts in thousands of dollars (51.25 means $51,250), receipts net of sales tax, and keep collected tax out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: sales receipts (page 6), excluding sales tax												
In: owner money and loans received												
Out: ingredients, packaging, fees, delivery and commissions (lines 13, 15 to 17)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: rent and common area charges (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 17)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first bake day after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. The example has wholesale accounts paying weekly; if yours pay on invoice weeks later, put each receipt in the month the money reaches the bank. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and a Saturday the bake shift cannot fit

```
Runway = the number of consecutive future months, counted from the latest closed month (before opening,
from the first bake day), before the first month in which closing cash falls below your floor
```

Worked example: a hypothetical single retail bakery

Illustrative, not benchmarks. Open six days; the ticket includes coffee; cakes build from 8 a month. Spring opening; holiday peak in months 9 and 10. Cash floor $29,829. Wholesale pays weekly (30-day terms tested below); owner wage drawn in cash; no new funding.

Page 5, budget	Startup funding totals $371,700, funded by a $180,000 loan (10.5 percent over 10 years) and $191,700 of owner money, including a $103,600 opening reserve. The page 5 two passes: floor $29,829, plus a one-month buffer of $29,829, plus $43,887 (how far the first pass, opening with no cash, falls below zero), rounded up to $103,600.
Page 8, costs	Fixed costs $28,933 a month, including $5,200 for rent and $1,533 of loan interest; principal $896 a month (both year 1 averages); variable share 51.0 percent, for a contribution margin ratio of 0.490. Lines 13 to 17 take 28, 18, 2.8, 0.4 and 1.8 percent of sales (line 13 averaged over the counter, wholesale and cake mix). Lines 1 to 12 run $5,200, $500, $9,800, $5,000, $1,533, $2,500, $1,300, $350, $400, $800, $500 and $1,050 a month.
Page 8, break-even	Operating break-even near $59,047 a month, $13,626 a week, $2,271 a day. Cash break-even (fixed $28,933 plus principal $896, divided by 0.490) is about $60,876 a month, or $2,341 a day: 161.6 orders a day from counter sales after the contribution from wholesale and cakes (line 13 runs 26.9 percent on counter sales, 36 on wholesale and 18 on custom cakes; lines 14 to 17 run at one share across counter, wholesale and cake sales, which leaves contribution ratios of 0.501 on counter sales, 0.410 on wholesale, 0.590 on custom cakes), so 162, against the 170 the plan assumes.
Page 6, sales	Counter sales: 170 orders a day at $11.80. Wholesale: 104 deliveries a month at $90. Custom cakes: 18 cakes a month at $110 (8, 11, 14, 16 for months 1 to 4). Full-run month about $63,496; counter and wholesale sales ramp 60, 68, 75, 81, 86, 90, 93, 95, 97, 98 percent in months 1 to 10, then 100 percent; season 100, 98, 95, 90, 92, 95, 100, 105, 115, 125, 85, 97 percent across months 1 to 12, cakes excluded.
Page 19, expected case	Month 1 sales $37,790; month 1 closes at $92,257, month 12 at $70,865. Low: month 7, closing $59,713, $29,884 above the floor line.
Page 19, slow start	At 70 percent of expected sales, month 1 sales $26,453; month 1 closes at $86,711, month 12 at minus $26,699. Cash falls below the floor in month 6 (closing $19,756) and below zero in month 9 (closing minus $3,493), so runway from opening is 5 months.
Page 8, coverage	With full-run sales at $63,496, planning coverage before tax and replacement is 1.53 against the example lender's 1.25; at the month-12 run rate it is 1.50, and Test 3 needs both. Rent share is about 8.2 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is assumed met for the example. Test 1 passes: the month-12 run rate is about $63,342 a month, above the $60,876 break-even; the bakery stays above its floor through a second year of bakes at that level (its lowest close $69,586, month 6 of year 2). (For context only, outside the test: counter, wholesale and cake sales first reach cash break-even in month 8.) Test 2 fails: the slow start falls below the floor in month 6; about $56,600 more opening cash would carry the bakery through it. Test 3 passes on the planning formula. Test 4 fails: in the busiest month (season 125 percent) Saturday's bake list, each item scaled and rebuilt in whole loads, needs about 546 oven minutes against a 390-minute bake shift. Test 5 fails for lack of evidence. Test 6 passes: a full-run year leaves about $14,510 after principal, but cash flow runs below zero in months 3, 4, 5, 6 and 11; keep a cushion of at least $4,101, the largest running-cash fall (from its month 10 high to its month 6 of year 2 low), which the page 5 buffer covers. That is the steady-state year, not the forecast year: page 19's first year loses about $32,735 in cash because the counter and the wholesale book build slowly. Wholesale paid a month late still holds the floor; its low is $51,008 in month 7, with that month's $8,705 of wholesale still unpaid. Trim Saturday wholesale and fixed costs.

PAGE 13

What moves the result

Each row changes one input of the page 12 example and reruns the forecast. A row names Test 1, 3 or 6 when the change would newly fail or pass it; a test the example already fails stays failed. The last column also gives the slow start, which is Test 2.

WHAT SHIFTS THE RESULT (MONTHLY AT FULL RUN; DEADLINES RERUN; SLOW-START LOSSES SCALED TO SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
One sale in ten lost (variable costs fall with it)	minus $3,111	Expected case holds the floor; full-run coverage falls to 0.25; month 12's counter and wholesale sales slip under cash break-even; would fail Tests 1, 3 and 6
Counter sales: prices up 5 percent, same volume (only card fees and commissions rise)	plus $2,488	Break-even orders fall from 161.6 to 147.6 a day, so from 162 to 148: per-unit costs stay the same, so the ratio rises from 0.490 to 0.508 on the new sales (sales-linked fees, lines 15 and 17, take 4.6 percent of each added dollar)
Fixed costs $500 lower	plus $500	Cash break-even drops to about $59,855
Saturday bake starts 60 minutes early: 3 bakers at $31.50 overtime, $94.50 a week, from month 5 onward	minus $410	Expected case still clears the floor; slow start unchanged (month 6)
Ingredient share (line 13) up 2 points, prices held	minus $1,270	Cash break-even climbs to about $63,466; expected case still clears the floor; slow start below the floor in month 5 (closing $27,728); full-run coverage falls to 1.01; month 12's counter and wholesale sales slip under cash break-even; would fail Tests 1, 3 and 6
Oven install overrun of $12,000 beyond the contingency, from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 5 (closing $18,845)
Opening 3 months late (rent, insurance, loan interest and principal, $8,129 a month, paid while closed; no sales; the ramp starts at the new opening, and seasons stay on the calendar)	no change	Expected case holds the floor; its low falls to $41,951 in month 8 from the planned opening, $17,762 lower than on time; slow start below the floor in month 7 from the planned opening (month 6 on time)

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

```
Contribution margin ratio zero or below: break-even is N/A; score Tests 1 and 6 as failed
One unit's contribution, or the count it is multiplied by, zero or below: break-even units are N/A;
score Test 4 as failed
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A; score Test 3 as passed
```

PAGE 14

Bake-day checklists, weekly review, six questions

These checklists hand off each shift; they are not a food handling plan. Add every task and record your local authority requires.

BEFORE THE DOORS OPEN

- [ ] Check overnight dough in the retarder against the bake list.
- [ ] Scale batches from the written formulas.
- [ ] Bake to today's par, wholesale first.
- [ ] Complete the records your procedures require.
- [ ] Check wholesale orders against each ticket.
- [ ] Count the float and fill the case.

AFTER CLOSE

- [ ] Count leftovers and log each sell-out time.
- [ ] Log scrapped dough and rejected bakes, with the reason.
- [ ] Move day-old stock to its own marked shelf.
- [ ] Reconcile sales, voids, pickups and no-shows.
- [ ] Clean the mixer and benches and complete the records.
- [ ] Set tomorrow's mix sheet from par and the standing order list.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales: counter, wholesale, cakes				
Counter orders and ticket: weekday, Saturday and Sunday				
Leftovers and stockouts by item				
Prime cost percentage (page 9)				
Busiest-day oven minutes against the shift				
Scrapped dough weight				
Pre-order no-shows by payment type				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does a batch start only after the owner checks the dough or sets the oven, and does the lead baker phone to confirm scaling most mornings?
2. **Reactive operations.** Are flour, butter or fillings bought in a rush during the bake, and does overtime pile up to recover a late run?
3. **Growth without structure.** As output grows, does dough scrapped per shift rise, and do wholesale tickets need credits or a second delivery?
4. **Talent and retention.** When a lead baker leaves, do rejected batches and spoiled dough rise because the steps have no written reference card at the bench?
5. **Revenue plateau.** With the oven near full, do wholesale buyers ask for new variations and price cuts without ordering more?
6. **Strategic confusion.** Do long-fermentation breads and fast, high-volume lines fight over the same oven and proofer, so changeovers and spoilage climb?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the call log from the lead baker, scrapped dough weight by shift, wholesale credit memos, overtime hours, or the changeover log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and count leftovers and sell-out times by item every day. Log the owner's hours at the bench, and keep every permit and inspection renewal date in one list.
Week 2	Cost every staple and cake on an item cost card, box and bag included. Time each oven load on a real Saturday bake.
Week 3	Cost your main batches to the piece on page 7 and compare each cost per piece with its price.
Week 4	Enter actual closing cash on page 11 and recount runway. Write down which pars and wholesale requests a shift lead may change without calling you.
After month 1	Count prime cost weekly on page 9 and compare theoretical with actual cost on page 10. Set pars by day of the week from four weeks of leftover and sell-out records.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- ☐ Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- ☐ Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- ☐ What does the space need before you can open, and who pays to add or upgrade it?
- ☐ Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- ☐ When does rent start, at signing, at permit or at opening?
- ☐ Are there limits on operating hours, signage, parking, deliveries or the uses allowed in the space?
- ☐ What happens to the lease and the fixtures if you sell the business?

Have a qualified professional review the lease before you sign. These questions prepare you for that conversation; they do not replace it.

WHAT THE FULL KIT ADDS

The full Bakery Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a channel sales model for counter, wholesale and cakes, a batch costing workbook, a day-of-week par planner, an oven schedule template, bake-day procedures and hiring checklists. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on bread and bakery production (the research describes wholesale production bakeries, so each question is reworded for a retail bakery), 2026, an internal working file that is not published, described on page 2; the questions are hypotheses and no figure in this kit comes from it. Bakeries owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, food handling or financial advice. Provided as is, without warranty. © 2026 World Consulting Group. Free diagnostic tool at businessconsultant.services. The site's privacy page explains what the diagnostic tool sends to an AI provider for analysis and the third-party analytics on the site.

About the author. Kamyar Shah is the founder of World Consulting Group and works as a fractional COO and CMO. He has more than 25 years of experience and more than 650 engagements across more than a dozen industries. Contact and the latest version: businessconsultant.services.

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer its questions with your own channels, batches and bakery costs. A copy-ready version sits on the kit page.

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as employee records, wholesale price lists, customer lists or bank account details. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) a bakery. I have attached the Bakery Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my site, my oven and my sales channels, using only my real numbers.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a cost, rent, wage, price, sales figure, percentage or benchmark.
2. Every number in the kit, including the example bakery's batches, pars and oven times, is a worked example. Never use one as my number, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average ticket times days open in the month (or times 1 for units counted per month). Days open in a month = days open per week times 52 divided by 12. Each month's expected sales = full-run recurring sales times the ramp percentage times the seasonal percentage, plus confirmed bookings as booked; before opening, count the bookings I expect by month, each marked MY ESTIMATE until confirmed.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's bench hours go in line 3 (early crew) or 14 at a baker's wage. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the bench; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even counter orders per day = (daily fixed costs, principal and other recurring cash out minus the daily contribution from wholesale and custom cakes) divided by the contribution from one average counter ticket. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Oven capacity = the busiest day's bake list item by item: pieces to bake divided by pieces per load, rounded up to whole loads, times minutes per load, plus changeovers, against the bake shift (page 7).
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take booked lines at full bookings averaged over 12 months, a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first bake day after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Put wholesale invoice payments in the month the money reaches my bank. In the slow-start case, every month's sales, bookings included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first bake day), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

Paste this part directly after the rules on page 16, as one message.

5. Do not give legal, tax, licensing, permit, food handling, labeling, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous IDs for wholesale buyers and cake customers. Do not ask for names, home addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Concept, customers, sales channels (counter, wholesale, custom cakes), location, and whether I take pre-orders or delivery orders.
b. Sales build: counter orders for each day of a typical week on the page 7 par days and wholesale deliveries per month, each with its average ticket, and days open per week; cakes booked for each month 1 to 12 and the average cake price; a ramp percentage for months 1 to 12 (ask me to confirm any month I skip); a seasonal percentage for each month; and the slow-start percentage to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history), and for each booked line (custom cakes) its count for each month once fully booked.
c. For my main batches: ingredient cost, labor hours, loaded hourly cost, pieces planned and salable, and price; four weeks of daily sales of my top item, sold-out days marked with their likely demand, and target sell-out time with the buffer it implies, the day-old price and the share of leftovers sold day-old; for the busiest day, each item's par, yield, pieces per load and minutes per load, changeovers and bake shift hours.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (oven quote, contractor quote or calculation) for each line on page 5, from build-out to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including loan interest and my market wage, whether I draw that wage in cash, and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my bench hours go in line 3 (early crew) or 14 at a baker's wage.
f. Variable cost shares of net sales for lines 13 to 17: line 13, flour, butter, eggs, fillings, coffee, milk and packaging; line 14, hourly bakers and counter staff above the early crew, with payroll taxes; line 15, card and online ordering fees; line 16, wholesale delivery fuel (blended across all sales); line 17, pre-order and delivery platform commissions (blended); and any sales line whose own shares differ, given for that line.
g. For prime cost: opening and closing counts, the week's deliveries, the week's labor with taxes and benefits, excluding tips passed to staff, and the week's net sales (weekly owner wage: line 4 from item e, times 12, divided by 52).
h. For one item: each ingredient's price and unit, yield and portion, packaging, decorating hours and hourly cost, and the price.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

Paste this part directly after the text on page 17, still as one message.

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when counter, wholesale and cake customers pay me (at the counter, by deposit or on invoice, and how many days later), deposits, and when I pay suppliers.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, oven, mixer and equipment replacement and stock build-up.
m. Cash on the first bake day after startup spending, build-out bills still due by month, owner money or loans still to arrive by month, and my cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my bakery, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by channel and month, with annual sales and the oven capacity check from page 6.
3. The completed startup budget with the total, listing oven and build-out first. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even counter orders per day (use cash break-even); rent share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Cost per piece by batch, par by day of the week with leftover and stockout cost, and oven minutes against the shift.
7. Weekly prime cost and prime cost share, if I gave its inputs.
8. The item cost card: ingredient cost (for theoretical cost) and cost with labor (for pricing), each as a share of price.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every quote or bake timing to verify, and every question for a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table onto its kit page in pencil. Before anyone sees the plan, close every [NEED: ...] gap and MY ESTIMATE figure, oven minutes first, and recheck page 4 with a calculator.

PAGE 19

The worked example's twelve-month forecast, filled in

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $29,829.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**103,600**	**92,257**	**83,097**	**75,513**	**68,552**	**63,583**	**60,525**	**59,713**	**60,922**	**65,665**	**73,687**	**70,479**
In: sales receipts	37,790	42,204	45,370	46,605	50,651	54,576	59,190	63,342	70,601	77,337	54,269	61,651
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: ingredients, packaging, fees, delivery and commissions (lines 13, 15 to 17)	12,501	13,938	14,959	15,348	16,674	17,981	19,519	20,902	23,321	25,566	17,879	20,339
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	21,603	22,397	22,966	23,189	23,917	24,624	25,454	26,202	27,508	28,720	24,569	25,897
Out: rent and common area charges (line 1)	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Out: other costs, with loan interest (lines 2, 5 to 12)	8,933	8,933	8,933	8,933	8,933	8,933	8,933	8,933	8,933	8,933	8,933	8,933
Out: income tax set-aside, equipment replacement, stock build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	896	896	896	896	896	896	896	896	896	896	896	896
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(11,343)**	**(9,160)**	**(7,584)**	**(6,961)**	**(4,969)**	**(3,058)**	**(812)**	**1,209**	**4,743**	**8,022**	**(3,208)**	**386**
Closing cash, expected	**92,257**	**83,097**	**75,513**	**68,552**	**63,583**	**60,525**	**59,713**	**60,922**	**65,665**	**73,687**	**70,479**	**70,865**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**103,600**	**86,711**	**71,351**	**57,093**	**43,271**	**30,845**	**19,756**	**10,238**	**2,136**	**(3,493)**	**(6,826)**	**(18,020)**
Sales receipts, slow start	26,453	29,543	31,759	32,624	35,456	38,203	41,433	44,340	49,421	54,136	37,988	43,155
Out: variable costs, slow start (lines 13 to 17)	13,513	15,074	16,188	16,617	18,053	19,463	21,122	22,613	25,221	27,640	19,353	22,005
Out: fixed costs (lines 1 to 12), principal, bills, less funding	29,829	29,829	29,829	29,829	29,829	29,829	29,829	29,829	29,829	29,829	29,829	29,829
Net cash flow, slow start	**(16,889)**	**(15,360)**	**(14,258)**	**(13,822)**	**(12,426)**	**(11,089)**	**(9,518)**	**(8,102)**	**(5,629)**	**(3,333)**	**(11,194)**	**(8,679)**
Closing cash, slow start	**86,711**	**71,351**	**57,093**	**43,271**	**30,845**	**19,756**	**10,238**	**2,136**	**(3,493)**	**(6,826)**	**(18,020)**	**(26,699)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**1,284**	**685**	**(213)**	**(1,710)**	**(1,112)**	**(213)**	**1,284**	**2,781**	**5,776**	**8,770**	**(3,208)**	**386**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. Variable costs use each sales line's own shares, so a month can differ by a few dollars from the blended share. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $63,342 a month, against month 12's own $61,651): closing cash runs $72,149 in month 1 and $85,375 in month 12, lowest $69,586 in month 6, above the floor. Sales are net of sales tax, and the example pays each month's tax in the month it is collected, so it owes none at any month end; enter your own rate and payment timing in the page 11 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse.