Bar Business Plan and Operations Starter Kit

A working kit for bar and tavern owners. It costs every pour by category, checks the weekly count against the register, engineers the cocktail list, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

BARS AND TAVERNS
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PAGE 2

Start here

A bar plan can fail on paper before the first pint is pulled. It describes the room and the drinks but never prices the pour, the count or the slow Tuesday. This kit has you write those numbers down and tests them before a landlord or lender does.

WHAT IS INSIDE

3	Business plan, part one: concept and crowd, room and nights, drinks and pricing
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HOW TO USE IT

1. Build drink, food and event sales on page 6, then the bar's costs on pages 5 and 8. Run the cash forecast on page 11 and score the plan on page 4. Write pages 3 and 4 at the end.
2. Work in pencil. Distributor prices, the rent offer and the staff you can hire move before the first night, and each sheet waits for your figures.
3. Once you open, run the page 14 checklists nightly and the numbers review weekly. Count beer, wine and spirits each week on page 7, and run prime cost weekly on page 10.

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 bar and tavern questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **Investigation questions** on page 14 come from the same published questions, drafted by AI models and checked by a separate AI model. None was measured in the field, so treat each as a hypothesis.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, alcohol service, food-safety or financial advice. Rules on licensing, alcohol, food, hours, employment and leases vary by city, county and state. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender reading a bar plan may examine whether drink and food sales turn into enough cash to pay rent, the bar staff and the loan before the money runs out. Write short answers here and the full sections on separate sheets.

1. Executive summary (write it last)

Name the concept, the room and its capacity, the money you need and what that money pays for, from the back bar to the draft system. Close with the month in which page 6 sales cross cash break-even from page 8, and the page 4 result.

2. Concept and crowd

Who drinks here on a Tuesday, and who fills the room on a Saturday? Say which nights bring most of the week's sales and who fills the slow nights, and what brings each crowd through the door and back again.

3. Room, capacity and nights

Describe the site and the foot traffic counted on the nights you plan to open, the seats and standing room, and the hours. Say which night carries the rent, and list every lease charge on top of base rent.

4. Drinks, food and prices

Price each drink from its page 7 or page 9 cost, and each dish from its plate cost, as the page 10 burger shows. Record which drinks the regulars order, since they notice a price change first.

DRINK OR DISH	POUR OR PLATE COST	PRICE	COST AS % OF PRICE

> *Owner question: why is pour cost worst on the busiest nights: theft, over-pour or drinks rung late?*
> Treat each cause as a hypothesis and test it. Rushed free pours can drift heavy, drinks can leave before they are rung, and theft is possible; each leaves a different trace. Count the top spirits nightly for two peak weeks as a baseline, then change one thing at a time (jiggers first, then ringing before pouring) and count again; a variance left over is a cause to check, not proof of theft.

PAGE 4

Business plan, part two

5. Operations

Describe how a drink moves from order to hand: the wells, the draft lines, ringing before pouring, tabs, the kitchen hours and the close. Name the step that slows the busiest hour and who checks it when you are off the floor.

6. Team

List each role, its hours and its cost, with a market wage for your own hours. Name who can open and close without you. Question 4 on page 14 tests what leaves when a bartender does.

7. Marketing

Explain why a regular makes this their bar and what fills the slow nights. Count repeat tabs and event nights in records you own, not followers.

8. Financials and funding

Attach pages 5, 6, 8 and 11 with the result below. Show what the bar needs, who funds it and how long the money lasts if sales run below plan.

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

TEST	PASS?
Gate 0. The draft lease, the build-out and draft system quotes and the requirements of every approval the bar needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, drink, food and event sales 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. Planned drinks in the busiest hour of the busiest month fit what your staffed wells can pour (page 6), and planned drinks per night reach break-even drinks per night (page 8).	
5. Expected drinks per night rest on evidence (crowds counted on your planned nights, comparable bars or your register history), not on a landlord's estimate.	
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 draft system 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

Write the estimate first, then its source: a written quote from the contractor, the draft installer, the distributor or the landlord, or a calculation you can show. Bar budgets can break on extras nobody quoted, so leave no line empty without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
SPACE AND EQUIPMENT				
Leasehold improvements (example: second-generation bar space with bar plumbing, restrooms and hood in place)				
Back bar, wells and bar top				
Draft system, coolers and ice machines				
Kitchen equipment (example: used or partly inherited line)				
Furniture, seating, sound, glassware and smallwares				
Point of sale and card readers				
SETUP AND APPROVALS				
Licenses, permits and inspections (example: where new licenses are issued for a fee)				
Lease deposit and pre-opening rent				
Insurance down payment				
Business entity and accounting setup				
Security cameras and locks				
PRE-OPENING				
Opening beer, wine, spirits, mixers and food stock				
Staff training and pre-opening payroll				
Soft opening nights				
Launch marketing and event calendar				
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

Every other number rests on sales, so build them from drinks and checks, not from the rent you need to cover. Count drinks per night first, from crowds you counted at the site; add private events only once each is booked with a deposit.

```
Monthly sales for a line = units times average price 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 PRICE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Beer, wine and cocktails	drinks				
Food	orders				
Private events	events				

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 drink and food sales times the ramp and any season factor, plus private events once each is booked with a deposit. Use 100 percent where a factor does not apply. Drinks per night and the ramp are your assumptions; record the evidence behind each one.

CAPACITY CHECK

```
Nightly drink capacity = for each staffing period, drinks per hour that the scheduled bar crew finishes in a timed rush times the hours in that period, added up, an estimated ceiling to plan below, with the busiest hour checked against the same rate
```

Time the full planned bar crew together through a real rush hour; one bartender's rate times the wells is only an estimate until you do. In the example, 2 wells at 45 drinks an hour pour 90, and the busiest Saturday hour asks for 61 (18 percent of the 340 drinks the owner plans for a Saturday, an input), which leaves 29 drinks of spare capacity. The example times one staffing period, the Saturday rush; with more periods, add each one the same way. If the plan needs more than the wells pour, the plan is wrong.

PAGE 7

Pour cost and the weekly count

A bar sells ounces it bought by the keg and the bottle. Cost each pour from the usable part of the container, then count every week, because the gap between the shelf and the register is where a bar margin goes.

```
Cost per ounce = container cost divided by (container ounces times usable yield)
Drink cost = recipe ounces times cost per ounce, plus mixer and garnish; pour cost = drink cost divided by price
Actual = for each product, (opening count + purchases minus closing count) times its own container cost, added up by category. Theoretical = for each product, ounces rung times its own cost per ounce, added up by category. Weekly variance = actual minus theoretical. Variance in ounces = variance dollars divided by cost per ounce, product by product. Ounces rung = drinks rung times recipe ounces, item by item. The example costs each count at the cost per ounce as printed, to three decimals, with cents carried to every total
```

WORKED EXAMPLE: COST PER OUNCE AND ONE DRINK PER CATEGORY (ILLUSTRATIVE)

CATEGORY	CONTAINER AND COST	USABLE OZ	PER OZ	POUR	MIXER	DRINK COST	PRICE	POUR COST
Draft beer	Half keg, $185	1,865.0	$0.099	16 oz	$0.00	$1.58	$7.00	22.6%
Wine by the glass	750 ml, $12	24.9	$0.482	5 oz	$0.00	$2.41	$10.00	24.1%
House spirits	Liter, $24	32.8	$0.732	1.5 oz	$0.30	$1.40	$9.00	15.6%

WORKED EXAMPLE: ONE WEEK OF COUNTS AGAINST THE REGISTER (CONTAINERS, ILLUSTRATIVE)

CATEGORY	OPEN	BOUGHT	CLOSE	USED	ACTUAL	OUNCES RUNG	THEORETICAL	VARIANCE	VARIANCE OZ
Draft beer	10.3	4	10	4.3	$795.50	7,680.0	$760.32	$35.18	355.4
Wine by the glass	100	48	99	49.0	$588.00	1,200.0	$578.40	$9.60	19.9
House spirits	75	30	75.5	29.5	$708.00	802.5	$587.43	$120.57	164.7
Week					**$2,091.50**		**$1,926.15**	**$165.35**	

Yield carries foam, line loss and the last drops in a bottle. The 1,200 drinks rung are one example week, sold for $10,920; the spirits row covers highballs plus the page 9 cocktails at their recipe ounces (480 drinks, 802.5 ounces). The count shows a variance of 1.5 percent of drink sales, past the owner's 1 percent of drink sales tolerance, and house spirits carry most of it in dollars: 164.7 ounces, about 110 pours of 1.5 oz. Check over-pour, comps and late ringing before you suspect theft. Every spirit in the example costs $0.732 an ounce; where yours differ, cost each product at its own rate first.

YOUR COUNTS THIS WEEK

CATEGORY	OPEN	BOUGHT	CLOSE	USED	ACTUAL	OUNCES RUNG	PER OZ	THEORETICAL	VARIANCE

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, liquor liability, property and workers' compensation insurance	
3. Salaried manager and the minimum bar crew, with payroll taxes and benefits	
4. Owner's market wage (management time; hours behind the bar go in line 3 or 14)	
5. Loan interest (build-out and equipment loans)	
6. Utilities, gas and internet	
7. Marketing, bands, trivia hosts and the event calendar	
8. Point of sale and software	
9. Accounting, bookkeeping and bank fees	
10. Draft line cleaning and cooler maintenance	
11. Door and security staff for busy nights, with payroll taxes	
12. Music licensing, repairs, waste, linen, cleaning, pest, renewals, training and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Beer, wine, spirits, mixers and food	
14. Hourly bartender, barback, server and kitchen labor above the minimum bar crew, with payroll taxes	
15. Card processing fees	
16. Comps and promotion-night discounts (sales are booked before comps)	
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
Average break-even drinks per open night, at the month's sales mix and not a target for any one night =
(nightly fixed costs, principal and other recurring cash out minus the nightly contribution from food
and events) divided by the contribution from one average drink
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			
Average break-even drinks per open night (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

Menu engineering

Run it on one drink list at a time, here the cocktails, from a month of sales.

```
Popular = a drink's share of drinks sold reaches 70% of (100% divided by the number of drinks on the list)
Drink margin = list price minus drink cost; total margin = drink margin times drinks sold
Average margin = every total margin added up, divided by every drink sold (weighted by units)
High margin = drink margin at or above that average
```

WORKED EXAMPLE: A FOUR-DRINK COCKTAIL LIST (ILLUSTRATIVE)

DRINK	SOLD	MIX	PRICE	DRINK COST	DRINK MARGIN	TOTAL MARGIN	POPULAR?	HIGH MARGIN?	CLASS
Margarita	368	33.3%	$11.00	$2.01	$8.99	$3,308	Yes	No	Plowhorse
Old fashioned	347	31.4%	$13.00	$1.86	$11.14	$3,866	Yes	Yes	Star
Spicy paloma	217	19.6%	$12.00	$1.80	$10.20	$2,213	Yes	No	Plowhorse
Espresso martini	173	15.7%	$14.00	$2.30	$11.70	$2,024	No	Yes	Puzzle

4 drinks, 1,105 drinks sold, total margin $11,411, average margin per drink $10.33; a drink counts as popular from 17.5 percent. Drink cost = spirit ounces times $0.732 an ounce (page 7), plus mixer: margarita 2 oz and $0.55; old fashioned 2 oz and $0.40; spicy paloma 1.5 oz and $0.70; espresso martini 1.5 oz and $1.20. Monthly sold = cocktails sold in a typical week (85, 80, 50, 40) times 52, divided by 12.

YOUR DRINK LIST: _____

DRINK	SOLD	MIX	PRICE	DRINK COST	DRINK MARGIN	TOTAL MARGIN	POPULAR?	HIGH MARGIN?	CLASS	SLOW BUILD?
List totals		100%					Average margin:			

CLASS	BOTH TESTS	MOVE TO TEST
Star	Sells and earns	Keep the spec, list it first and try a small price rise.
Plowhorse	Sells, earns less	Raise the price in steps, or pour a cheaper base spirit.
Puzzle	Earns, sells less	List it higher, have bartenders offer it, or batch it.
Dog	Neither	Cut it, unless its bottle is stocked anyway and it builds fast.

Drink cost leaves out bartender time, so mark slow builds first: a star that ties up a well in the rush can cost more than it earns. This example costs every cocktail at the house spirit rate; cost yours from each drink's own base spirit, because tequila and bourbon can cost more per ounce than the well. Adapted from Basic Kitchen and Food Service Management, BC Cook Articulation Committee (BCcampus, 2015, CC BY 4.0), with drink margin as its profitability test and share of drinks sold as its popularity test. Class names follow common industry usage.

PAGE 10

Prime cost, week by week

Prime cost adds what the bar pours and serves to what it pays the people who pour and serve it. Count it every week, because a quiet night still pays the core crew.

WHICH LABOR BELONGS IN PRIME COST

Count what the bar pays as employer: pay, payroll taxes and benefits. Keep out tips handed on to bartenders and servers. Add a market wage for all your own time: management time in line 4, and shifts behind the bar in line 3 or 14.

```
Stock used = opening stock count + deliveries minus closing stock count
Prime cost = stock used + labor (pay, payroll taxes, benefits and your own market wage)
Prime cost share = prime cost divided by net sales
```

A FULL-RUN WEEK AT THE EXAMPLE TAVERN (ILLUSTRATIVE)

WEEKLY LINE	THIS WEEK
A. Opening stock (beer, wine, spirits, mixers and food)	$6,306
B. Deliveries this week	$3,606
C. Closing stock	$6,200
D. Stock used, A + B minus C	$3,712
E. Labor: bar, floor, kitchen and door staff, lines 14, 3, 4 and 11	$6,291
F. Prime cost, D + E	$10,003
G. Net sales before comps, without sales tax	$15,662
H. Prime cost share, F divided by G	63.9 percent

Spread weekly, the worked example's full-run month on page 12 (times 12, divided by 52) gives net sales of $15,662, stock used at the line 13 rate of 23.7 percent and hourly pay at the line 14 rate of 16 percent, with lines 3, 4 and 11 added. In this example, deliveries are set so that stock used matches the line 13 share. Line 13 at 23.7 percent blends the actual drink cost (21.3 percent of drink sales once the page 7 leak and the mixers are counted in), food at 30 percent and events at 25 percent. Opening stock is the page 7 opening count, valued at container cost, of $4,906 plus $1,400 of food and mixers. Food at 30 percent is an assumption; test it by dish: a tavern burger at $15.00 uses 6 usable oz of beef at $0.36 a purchased ounce, 85 percent yield, so $0.424 per usable ounce and $2.54, plus $1.95 of bun and fries: $4.49, or 29.9 percent. Labor includes $369 a week from line 11.

YOUR OWN WEEK

WEEKLY LINE	TARGET	THIS WEEK	PRIOR WEEK
A. Opening stock (beer, wine, spirits, mixers and food)			
B. Deliveries this week			
C. Closing stock			
D. Stock used, A + B minus C			
E. Labor: bar, floor, kitchen and door staff, lines 14, 3, 4 and 11			
F. Prime cost, D + E			
G. Net sales before comps, without sales tax			
H. Prime cost share, F divided by G			

Count at the same cutoff and value stock the same way each week. Write your own target from the page 8 plan and watch the trend; this kit sets no prime cost benchmark.

PAGE 11

Twelve-month cash forecast

Profit and cash are not the same number: loan principal, build-out bills and thin early nights all drain the account. Enter amounts in thousands of dollars (51.25 means $51,250), receipts net of sales tax, and keep the collected tax account 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: beer, wine, spirits, food, card fees and comps (lines 13, 15, 16)												
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 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first night 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. Event balances paid after the night arrive later than the bar takings, so enter them in the month the cash lands. 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 what a count leak costs a tavern

```
Runway = the number of consecutive future months, counted from the latest closed month (before opening,
from the first night), before the first month in which closing cash falls below your floor
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Worked example: a hypothetical neighborhood tavern

Illustrative figures for one tavern, not bar benchmarks. Open six nights (about 26 a month), 4 pm to midnight, with a kitchen and 90 seats in 2,500 square feet; seasons assume a March opening. Cash floor $32,765. Cash moves in the month of each sale or bill; the owner takes the market wage in cash; no new funding.

Page 5, budget	Total startup budget $380,400, funded by a $110,000 loan (11 percent over 10 years) and $270,400 of owner money, including a $91,900 cash reserve still in the bank on the first night. The page 5 two passes: floor $32,765, plus a one-month buffer of $32,765, plus $26,325 (how far the first pass, opening with no cash, falls below zero), rounded up to $91,900.
Page 8, costs	Fixed costs come to $32,232 a month, including $6,000 for rent and $982 of loan interest; principal $533 a month (both year 1 averages); variable share 44.2 percent, which makes the contribution margin ratio 0.558. Lines 13 to 16 take 23.7, 16, 3 and 1.5 percent of sales (line 13 blended across the sales lines). Lines 1 to 12 run $6,000, $900, $9,000, $5,800, $982, $2,100, $2,000, $350, $700, $400, $1,600 and $2,400 a month.
Page 8, break-even	Operating break-even is about $57,763 a month, $13,330 a week, $2,222 a night. Cash break-even (fixed $32,232 plus principal $533, divided by 0.558) is about $58,719 a month, or $2,258 a night: 162.9 drinks a night after the contribution from food and events (line 13 runs 21.3 percent on beer, wine and cocktails, 30 on food and 25 on private events; lines 14 to 16 take the same share of every line, so the contribution ratio is 0.582 on beer, wine and cocktails, 0.495 on food, 0.545 on private events), so 163, against the 200 in the plan.
Page 6, sales	Beer, wine and cocktails: 200 drinks a night at $9.10. Food: 45 orders a night at $15. Private events (booked, back room): 2 events a month at $1,500. Full-run month about $67,870; drink and food sales ramp 55, 65, 75, 80, 85, 90, 90, 95, 95 percent in months 1 to 9, then 100 percent; season 100, 100, 100, 100, 100, 92, 100, 100, 100, 110, 88, 88 percent across months 1 to 12, applied to drink and food sales only.
Page 19, expected case	Month 1 sales $38,679; month 1 closes at $80,700, month 12 at $83,893. Low: month 6, closing $65,575, $32,810 over the floor.
Page 19, slow start	At 70 percent of expected sales, month 1 sales $27,075; month 1 closes at $74,231, month 12 at minus $31,659. Cash falls below the floor in month 5 (closing $25,113) and below zero in month 8 (closing minus $1,819), so from the first night the bar has a runway of 4 months.
Page 8, coverage	With full-run sales of $67,870, planning coverage, before tax and replacements, is 4.37 next to the 1.25 the example lender wants; at the month-12 run rate it is 3.93, and Test 3 needs both. Rent share of full-run sales comes to about 8.8 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 $66,681 a month, above the $58,720 break-even at that sales mix (contribution ratio 0.558); cash holds the floor through a second year at that rate (lowest close $89,000, month 1 of year 2). (Context, not part of the test: drink, food and event sales first cross cash break-even in month 7.) Test 2 fails: at 70 percent of expected sales, cash drops under the floor in month 5; about $64,500 more reserve would pass it. Test 3 passes: the loan is covered on the planning formula. Test 4 passes: in the busiest month (season 110 percent) the busiest Saturday hour asks for about 68 drinks against the 90 that 2 wells can pour. Test 5 fails for lack of evidence, so amber is the best result. Test 6 passes: twelve full-run months leave about $53,305 after principal, with no full-run month below zero, so no cushion is needed. That is the steady-state year, not the forecast year: page 19's first year loses about $8,007 in cash because the ramp and startup months come first. It assumes no income tax set-aside, no draft or cooler replacement and no stock build-up (page 19); score a real bar with its own. The leak costs $717 a month and about $3,200 of opening cash (the page 5 reserve, resized with the leak closed); plan the count controls that close it before signing. The slow start needs lower fixed costs or more nights.

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 CHANGES THE TAVERN'S RESULT (MONTHLY, AT FULL RUN; DEADLINES RERUN THROUGH THE FORECAST)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
One sale in ten lost on every line (lines 13 to 16 fall; rent and the minimum crew stay)	minus $3,787	Expected case holds the floor
Beer, wine and cocktails: price up 5 percent on the same drinks (only card fees and comps rise)	plus $2,260	Break-even drinks fall from 162.9 to 150.6 a night, so from 163 to 151: per-unit costs stay the same, so the ratio rises from 0.558 to 0.571 on the new sales (sales-linked fees, lines 15 and 16, take 4.5 percent of each added dollar)
Fixed costs $700 lower	plus $700	Cash break-even drops to about $57,464
Close the page 7 count leak (1.06 points of the line 13 share, $717 a month)	plus $717	Cash break-even drops to about $57,628; expected case still clears the floor; slow start unchanged (month 5)
A build-out overrun of $10,000 beyond the contingency, met from the cash reserve	no change	Expected case still clears the floor; slow start below the floor in month 4 (closing $25,173)
Opening 3 months late (rent, insurance, loan interest and principal, $8,415 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 $39,282 in month 8 from the planned opening, $26,293 lower than on time; slow start below the floor in month 6 from the planned opening (month 5 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

Opening and closing checklists, weekly review, six questions

These are operations checklists, not a compliance plan. Add every task your premises and your local rules require. Your ID-check and stop-service policy is yours to set; terms vary, so have a qualified professional review your contracts and policies, alcohol service duties included.

BEFORE OPENING

- ☐ Count the top-selling spirits and log open bottles to a tenth.
- ☐ Check keg levels, gas and the draft line temperature.
- ☐ Stock wells, garnish and mixers to tonight's par.
- ☐ Set the jiggers and confirm every pour is rung first.
- ☐ Test the register, a tab and each card reader.
- ☐ Count each till's opening cash.
- ☐ Brief the door and the bar on your written ID-check and stop-service policy.

AFTER CLOSE

- ☐ Call last call on time and close to your written routine.
- ☐ Log every incident, ID refusal and guest cut off, with the time and who decided.
- ☐ Log spills, comps and remakes, each with a reason.
- ☐ Count tills; match sales to voids, comps and open tabs.
- ☐ Clean faucets and drip trays; clean draft lines on their schedule.
- ☐ Record drinks by hour and set the next par from them.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales by night and by category				
Drinks per night and average drink price				
Guests per night and revenue per guest (net sales divided by guests)				
Pour cost by category (page 7)				
Count variance in dollars and ounces (page 7)				
Prime cost share (page 10)				
Comps, voids and spills as a share of sales				
Event nights against the following ordinary night				

SIX QUESTIONS TO INVESTIGATE

1. **Kitchen hours.** Does the kitchen close early on the busiest nights, and what does the late crowd buy instead?
2. **The busy month.** Do counts agree in slow months and drift in busy ones, because nobody checks when sales look good?
3. **The cocktail tail.** Do a few cocktails carry the list while the rest use up prep time and leave garnish to spoil?
4. **Whose regulars.** When a bartender leaves, does that shift's revenue fall for months, which says the regulars followed a person?
5. **Promotion nights.** Do promotion nights discount drinks the regulars would have bought anyway, while the deal crowd never returns?
6. **Event nights.** After trivia or live music, do ordinary nights improve, or does the crowd come only for the format?

Questions and their sources are described on page 2. Check each one against a record: the register report by hour and category, the weekly count sheet, the comp and void log, or the tab history by night.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record drinks by category and hour. Log your own hours behind the bar, and record every permit and renewal date in one place.
Week 2	Cost every drink on page 7 and every cocktail on page 9. Time the full planned bar crew together through a real rush hour, and each smaller crew through its own period.
Week 3	Run the first full weekly count and set a variance tolerance for each category.
Week 4	Enter actual closing cash on page 11 and rerun runway. Write the decisions a shift lead may make without calling you.
After month 1	Run prime cost every week on page 10. Count the top spirits nightly for two peak weeks and compare variance by night.

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 Bar 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 pour cost and count workbook, an event profit planner, a staffing and well planner, and opening, closing and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. BC Cook Articulation Committee, Basic Kitchen and Food Service Management, ch. 15, BCcampus, 2015, licensed CC BY 4.0 (creativecommons.org/licenses/by/4.0). opentextbc.ca/basickitchenandfoodservicemanagement.
World Consulting Group material. Bars and taverns owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, alcohol service, food-safety or financial advice. Provided as is, without warranty. © 2026 World Consulting Group, except the adapted CC BY 4.0 material on page 9. 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 nights, drinks and bar costs. A copy-ready version sits on the kit page.

BEFORE YOU RELY ON THE ANSWER

Recheck every pour cost and 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. Read 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, guest tab details or bank account numbers. 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 bar. I have attached the Bar Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my room, my drink list and my nights, using only my real numbers.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you work out from mine with the formulas below. Never invent a rent, wage, bottle or keg cost, drink price, drink count, percentage or benchmark.
2. Every number in the kit, including the example tavern's pours, counts and cocktails, is a worked example. Never use one as my number, not even as a placeholder.
3. If you need a number I have not given, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] and name the distributor invoice, count sheet, register report or calculation that gives the real number. Label my own guesses 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 price 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 drink and food sales times the ramp percentage times any seasonal percentage, plus booked private events. Events without a deposit stay out of the expected case.
- Net sales exclude sales tax. Labor = bartender, barback, server, kitchen and manager wages, payroll taxes and benefits, plus a market wage for my own time, both management (line 4) and hours behind the bar (line 3 or 14). Leave out tips that pass through to staff. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the bar; 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.
- Average break-even drinks per open night, at the month's sales mix and not a target for any one night = (nightly fixed costs, principal and other recurring cash out minus the nightly contribution from food and events) divided by the contribution from one average drink. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Nightly drink capacity = for each staffing period, drinks per hour that the scheduled bar crew finishes in a timed rush times the hours in that period, added up, an estimated ceiling to plan below, with the busiest hour checked against the same rate.
- 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 night 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. In the slow-start case, every month's sales, private events 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 night), 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, alcohol service, food safety, 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, such as foot traffic by night and the bars that compete for the same crowd.
7. For every total, show the steps, then check it a second way, category by category and then for the week. If the two results differ, find the error before you answer. I will check every total with a calculator.
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. 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, crowd, nights and hours, location, seats and standing room, whether I serve food and host private events, and days open per week.
b. Sales build: drinks and food per night and private events per month, each with its average price; a ramp percentage for months 1 to 12 (ask me to confirm any I leave out); seasonal percentages if any; the slow-start percentage (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); for each staffing period, its hours and the drinks per hour that crew finishes in a timed rush; and for the busiest hour, the wells staffed and drinks expected. 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 (private events) its bookings, and its count once fully booked, for each month 1 to 12.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
c. Startup budget: an amount and its source (a quote, a distributor order or a calculation) for each line on page 5.
d. Monthly fixed costs for each numbered line on page 8, with 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 hours behind the bar go in line 3 (minimum crew) or 14 at a bartender's wage.
e. Variable cost shares of net sales for lines 13 to 16: line 13, beer, wine, spirits, mixers and food; line 14, hourly bartender, barback, server and kitchen labor above the minimum bar crew, with payroll taxes; line 15, card processing fees; line 16, comps and promotion-night discounts (sales are booked before comps); and any sales line whose own shares differ, given for that line.
f. For beer, wine and spirits: container size and cost, yield, pour size, mixer cost and price; one week of opening and closing counts and purchases, and drinks rung for each item with its recipe ounces; my variance tolerance.
g. For one drink list: price, drink cost and drinks sold in a full month for each (if I am not open yet, label the result a forecast).
h. For prime cost: opening and closing stock, deliveries, labor with payroll taxes, benefits and my market wage, and net sales, all for one week.
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 guests and event hosts pay me (at the bar, on a tab, or deposit and balance), deposits paid either way and when, and when I pay my distributors.
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, draft system, cooler and equipment replacement, and stock build-up.
m. Cash on hand on the first night after all startup spending, build-out bills still to pay by month, owner money or loans still to arrive by month, and my minimum 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 bar, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by sales line and month, with annual sales and the drink capacity check from page 6.
3. The completed startup budget with the total, listing build-out and the draft system 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; average break-even drinks per open night (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 ounce and pour cost for each product, and the weekly count variance in dollars and ounces by category against my tolerance.
7. The drink list table with each drink's class (star, plowhorse, puzzle or dog) and the kit's move to test.
8. Weekly prime cost and prime cost share, if I gave its inputs.
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: each MY ESTIMATE figure, each [NEED: ...] gap, each count or quote to verify, and each question for a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into its kit page in pencil. Clear every [NEED: ...] gap and MY ESTIMATE figure, starting with drinks per night and pour cost, before anyone reads the plan, and recheck page 4 by hand.

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 $32,765.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**91,900**	**80,700**	**73,124**	**69,171**	**67,030**	**66,701**	**65,575**	**67,058**	**70,352**	**73,647**	**82,377**	**83,135**
In: sales receipts	38,679	45,166	51,653	54,896	58,140	56,712	61,383	64,627	64,627	74,357	60,086	60,086
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: beer, wine, spirits, food, card fees and comps (lines 13, 15, 16)	10,925	12,750	14,576	15,488	16,401	16,000	17,314	18,227	18,227	20,965	16,949	16,949
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	20,989	22,027	23,065	23,584	24,103	23,873	24,621	25,141	25,140	26,697	24,414	24,414
Out: rent and common area charges (line 1)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Out: other costs, with loan interest (lines 2, 5 to 12)	11,432	11,432	11,432	11,432	11,432	11,432	11,432	11,432	11,432	11,432	11,432	11,432
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	533	533	533	533	533	533	533	533	533	533	533	533
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(11,200)**	**(7,576)**	**(3,953)**	**(2,141)**	**(329)**	**(1,126)**	**1,483**	**3,294**	**3,295**	**8,730**	**758**	**758**
Closing cash, expected	**80,700**	**73,124**	**69,171**	**67,030**	**66,701**	**65,575**	**67,058**	**70,352**	**73,647**	**82,377**	**83,135**	**83,893**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**91,900**	**74,231**	**59,098**	**46,501**	**35,173**	**25,113**	**14,496**	**5,704**	**(1,819)**	**(9,343)**	**(13,061)**	**(22,360)**
Sales receipts, slow start	27,075	31,616	36,157	38,427	40,698	39,699	42,968	45,239	45,239	52,050	42,060	42,060
Out: variable costs, slow start (lines 13 to 16)	11,979	13,984	15,989	16,990	17,993	17,551	18,995	19,997	19,998	23,003	18,594	18,594
Out: fixed costs (lines 1 to 12), principal, bills, less funding	32,765	32,765	32,765	32,765	32,765	32,765	32,765	32,765	32,765	32,765	32,765	32,765
Net cash flow, slow start	**(17,669)**	**(15,133)**	**(12,597)**	**(11,328)**	**(10,060)**	**(10,617)**	**(8,792)**	**(7,523)**	**(7,524)**	**(3,718)**	**(9,299)**	**(9,299)**
Closing cash, slow start	**74,231**	**59,098**	**46,501**	**35,173**	**25,113**	**14,496**	**5,704**	**(1,819)**	**(9,343)**	**(13,061)**	**(22,360)**	**(31,659)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**5,106**	**5,106**	**5,106**	**5,106**	**5,106**	**2,208**	**5,106**	**5,106**	**5,106**	**8,730**	**758**	**758**

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 $66,681 a month, against month 12's own $60,086): closing cash runs $89,000 in month 1 and $137,199 in month 12, lowest $89,000 in month 1, 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.