Catering Business Plan and Operations Starter Kit

A working kit for catering owners. It quotes an event from its guest count and crew hours, costs every menu per guest, finds operating and cash break-even, tracks weekly prime cost, and scores the plan on six pass-or-fail tests.

CATERING COMPANIES
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PAGE 2

Start here

A catering plan can lose money on an event that looked full. Price the crew hours, the rentals and the guest count below which a booking loses money, not only the menus and venues. This kit makes you write those numbers down and tests them before a deposit, a lender or a slow January does.

WHAT IS INSIDE

3	Business plan, part one: client, kitchen and event types, menus and per-guest prices
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: kitchen, equipment and van, setup, pre-opening, working capital
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HOW TO USE IT

1. Start with sales on page 6, then kitchen and crew costs on pages 5 and 8. Run the page 11 forecast, score the plan on page 4, and write pages 3 and 4 last.
2. Work in pencil. Kitchen rates, rental prices and the crew you can book for a Saturday all change before the first event.
3. Once you open, use the page 14 checklists at every event and the numbers review weekly. Quote each event on page 7 before the price goes out, and run prime cost on page 10 each week.

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 catering company 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-safety or financial advice. Licensing, permits, health code, alcohol service, venue rules, employment terms and kitchen agreements vary by city and county. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender reading a catering plan wants proof that booked events turn into enough cash for the kitchen, the crew and the loan, quiet winter weeks included. Answer briefly here; write the full sections on separate sheets.

1. Executive summary (write it last)

Name the event types you sell, your kitchen, the money you need and what it buys, from ovens to the van. Finish with the month your page 6 sales first reach cash break-even on page 8, and the page 4 result.

2. Concept and client

Which clients do you cook for: corporate offices, weddings, private parties or a weekday meal program? A corporate client can rebook every year while a couple books once, so say which one your sales effort chases and why.

3. Kitchen, service area and event types

Describe the kitchen, the hours it is yours, your delivery radius and the venues you work. Split sales into full-service events, drop-off orders and contract meal programs, and say which one pays the kitchen rent.

4. Menus and per-guest pricing

List the core menus with a cost per guest from page 9, overage and disposables included. Price food per guest and quote rentals, delivery and staff as separate lines, so a client who trims the budget cuts a line they can see.

MENU	COST PER GUEST	PRICE PER GUEST	COST AS % OF PRICE

> *Owner question: our largest events carry the thinnest margins. Where does event size stop paying?*
> Where coordination grows faster than the per-guest price. Big events add rental logistics, agency staff and committee revisions while the price per guest stays flat. Quote recent events on page 7, sort them by guest count, and add a complexity charge past the size where contribution per labor hour turns down.

PAGE 4

Business plan, part two

5. Operations

Trace an event from signed quote to return count: event order, prep list, load list, van, setup, service and breakdown. Name the step that fails most and who checks each step when you are off site.

6. Team

List every role, its hours and its cost, with a market wage for the hours you work. Name the captain who can run an event without you and the bench you call for peak weekends; the first question on page 14 tests that.

7. Marketing

Show where bookings come from: venues, planners, repeat corporate clients or past guests. Track tasting conversion and rebooking by client type in records you own.

8. Financials and funding

Attach pages 5, 6, 8 and 11 with the result below. Show what the company needs, who funds it and how many months it lasts if bookings fill slower than the plan.

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

TEST	PASS?
Gate 0. The draft kitchen agreement, equipment and van quotes and the requirements of every approval to cook and serve off site are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, event, drop-off and contract sales reach cash break-even at the month-12 run rate (page 8) and closing cash never drops below your floor in 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. Full-service events planned for the busiest month fit the crews you can staff on its weekends (page 6), and planned events reach break-even events per month (page 8).	
5. Expected events per month rest on evidence (signed quotes and deposits held, signed contracts or booking history), not on inquiry counts or a venue's promise.	
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 kitchen agreement, buy the van 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 kitchen, the dealer or the van seller, or a calculation you can show. Price carriers, chafers and linens line by line, and explain any blank.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
KITCHEN, EQUIPMENT AND VAN				
Kitchen fit-out and installation (example: second-generation kitchen with hood and grease trap)				
Ovens, ranges and refrigeration (example: used)				
Insulated carriers, chafers and holding equipment				
Refrigerated van (example: used, bought outright)				
China, glassware and linen for drop-off and small events				
Booking, proposal and payment software				
SETUP AND APPROVALS				
Licenses, permits and inspections				
Kitchen deposit and pre-opening rent				
Insurance down payment				
Business entity and accounting setup				
Uniforms, event signage and branding				
PRE-OPENING				
Opening food and disposables inventory				
Menu development and tasting events				
Crew training and pre-opening payroll				
Website, photography and venue introductions				
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 kitchen fit-out runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build them from booked events and orders, not from the kitchen rent you must cover. Count full-service events and drop-off orders from your booking records; add a contract meal program only once it is signed.

```
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
Full-service events	events				
Drop-off and corporate orders	orders				
Contract meal programs	contracts				

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 event and drop-off sales times ramp times season, plus the contract meal program as signed. Enter 100 percent where a factor does not apply. Ramp, season and events per month are assumptions; record the evidence behind each, such as deposits already held.

CAPACITY CHECK

```
Monthly event capacity = full event crews available on one day times event days in the month, with kitchen prep hours per event checked against the hours the kitchen agreement allows
```

Write the number of full crews you can staff on a Saturday from your own bench, the event days in your busiest month and the kitchen prep hours each event needs. An idle kitchen midweek does not create Saturday crews. If the plan books more events than this, the plan is wrong, however many inquiries arrive.

DEPOSITS HELD FOR EVENTS NOT YET SERVED

```
Held at month end = last month's held + received minus applied to events served minus refunded. Held deposits sit in the bank but are not cash available; the sale counts once, when the event is served
```

DEPOSITS	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Received												
Applied to events served												
Refunded												
Held at month end												

PAGE 7

Event quote and contribution

An event earns what food, rentals and crew hours leave.

```
Event price = guests times (menu price + rentals billed) + staff billed + delivery fee
Contribution = event price minus food, rentals cost, crew hours by role times loaded rate, van, card and referral fees; per labor hour = contribution divided by crew hours
Direct-cost break-even guests = (crew + van minus staff billed and delivery fee, each billed amount less the card and referral fees charged on it) divided by the per-guest margin (menu + rentals billed, net of those fees, minus food and rentals cost)
Minimum guests = (those costs + event share) divided by that margin, at a crew size that can serve them; event share = (fixed costs + principal + other recurring cash out minus the drop-off and contract lines' own contribution) divided by planned events
```

WORKED EXAMPLE: A 120-GUEST BUFFET (ILLUSTRATIVE)

QUOTE LINE	AMOUNT
Menu: 120 guests at $38.00	$4,560
Rentals billed: 120 guests at $9.50	$1,140
Staff billed: 32.5 server hours at $40.00	$1,300
Delivery fee	$250
Event price	**$7,250**
Food: 120 guests at $9.77 (page 9)	minus $1,172
Rentals cost: 120 guests at $7.50	minus $900
Crew labor (below)	minus $1,775
Van, fuel and tolls	minus $95
Card 3%, referral 2%	minus $218, minus $145
Contribution ($38.75 per labor hour, 76 hours)	**$2,945**

ROLE	PEOPLE	PREP	TRAVEL	SETUP	SERVICE	BREAKDOWN	HOURS	LOADED RATE	COST
Cooks	2	7	1	1	4	1	28	$24.00	$672
Event captain	1	2	1	1.5	4.5	1.5	10.5	$30.00	$315
Servers	5	0	1	1	4	1.5	37.5	$21.00	$788
Crew total	**8**						**76**		**$1,775**

Server setup, service and breakdown hours are billed; all cook and captain hours and server travel hours are absorbed, and the quote adds no service charge. Direct-cost break-even: crew and van less staff and delivery billed, net of their card and referral fees, $398, divided by a per-guest margin of $27.86, is 14.3 guests, so 15. Adding a $2,581 share of fixed costs and principal (net of other lines) raises the minimum to 106.9 guests, so 107; crew held at 8. Billing all 37.5 server hours: price $7,450, contribution $3,135, minimum 101. Deposit 30 percent ($2,175) at signing, balance of $5,075 due 14 days before the event. Lines 13 to 17 blend the 8 events with drop-off orders (34, 12, 4, 3, 0 percent) and the contract (38, 18, 3, 0, 0 percent) into shares of 21.3, 21.3, 11.0, 2.9 and 1.4 percent. At each line's own margin the plan needs 7.01 events (7.02 on page 12, where lines 13 to 17 are rounded to one decimal); either way, 8.

YOUR NEXT QUOTE

EVENT	GUESTS	EVENT PRICE	FOOD AND RENTALS	CREW HOURS	CREW COST	CONTRIBUTION	PER LABOR HOUR	MINIMUM GUESTS

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. Commercial kitchen rent or reserved kitchen hours	
2. Liability, van and event insurance	
3. Salaried chef and event manager (production and sales; event crews are hourly), with payroll taxes and benefits	
4. Owner's market wage (management and sales time; hours on site go in line 14)	
5. Loan interest (kitchen equipment loan)	
6. Utilities, gas and internet	
7. Marketing, tastings and venue relationships	
8. Booking, proposal and accounting software	
9. Bookkeeping, accounting and bank fees	
10. Van and kitchen equipment maintenance	
11. Linen, laundry, waste and cleaning services	
12. License renewals, training and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Food, beverage and disposables	
14. Event and kitchen hourly crew, with payroll taxes	
15. Rentals, van fuel and event delivery costs	
16. Card and payment fees	
17. Venue and planner referral fees (blended share of all sales)	
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 full-service events per month = (monthly fixed costs, principal and other recurring cash out
minus the contribution from drop-off and contract sales) divided by the contribution from one average
full-service event
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 full-service events per month (use cash break-even)	one figure per month		
Kitchen 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. Kitchen rent share = line 1 divided by net sales.

PAGE 9

Per-guest menu cost card

Cost each menu per guest from what each ingredient yields after trim, plus prep overage and disposables, because you pay for everything you prep, not only what guests eat.

```
Usable cost per unit = purchase cost per unit divided by yield (enter 72% as 0.72)
Line cost = portion quantity times usable cost per unit, rounded to the cent
Cost per guest = sum of line costs, overage and disposables included; each yield already carries trim and cooking loss, so never add it twice
```

WORKED EXAMPLE: ONE GUEST AT THE PAGE 7 BUFFET (ILLUSTRATIVE FIGURES FOR ONE CATERER)

INGREDIENT	PURCHASE COST / UNIT	YIELD	USABLE COST / UNIT	PORTION	LINE COST
Chicken thigh, boneless	$0.20 / oz	72%	$0.2778 / oz	4 oz	$1.11
Beef short rib	$0.62 / oz	55%	$1.1273 / oz	3 oz	$3.38
Sides, rolls and dessert	batch costs per guest				$3.88
Overage and disposables	10% over guarantee, chafing fuel, napkins				$1.40
Cost per guest	Price $38.00; cost per guest is 25.7 percent of price				**$9.77**

In this example, short rib keeps 55 percent of its weight after trim and braising, so its usable cost nearly doubles. Sides and dessert are batch costs spread across the guests.

YOUR MENU: _____

INGREDIENT	PURCHASE COST / UNIT	YIELD	USABLE COST / UNIT	PORTION	LINE COST
Cost per guest	Price: _____	Cost per guest as a share of price: _____			

Food cost: what it should be against what it was

Theoretical cost is what the food and disposables for the guaranteed count should have cost, the cost card's prep overage included. When it differs from actual cost, check for prepping past the guarantee, tastings, crew meals, price moves and miscounts, and read event orders before blaming the kitchen.

```
Theoretical cost = guaranteed guests times each menu's cost per guest, added across menus
Gap = actual cost of goods sold for the month minus theoretical cost; gap share = gap divided by net sales
```

LINE	THIS MONTH
Theoretical cost	
Actual food and disposables cost (beginning inventory + purchases minus ending inventory)	
Gap, in dollars and as a share of net sales	

PAGE 10

Prime cost, week by week

Prime cost here is the cost of food and disposables plus the crew, staff and owner wage counted below; track it as a share of sales. It swings with the event calendar, so count it weekly.

CREW COST

Count the full employer cost: wages, payroll taxes and benefits for kitchen and event crews, agency staff included, not gratuities passed to the crew. Your on-site hours go in line 14 at a hire's cost; line 4 is your management wage.

```
Cost of goods sold = beginning inventory + purchases minus ending inventory
Prime cost = cost of goods sold + labor (wages, payroll taxes, benefits and the owner's market wage)
Prime cost percentage = prime cost divided by net sales
```

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

LINE	THIS WEEK
A. Opening stock (food and disposables)	$3,800
B. Bought this week	$3,742
C. Closing stock	$3,600
D. Food and disposables used (A plus B minus C)	$3,942
E. Crew: hourly event and kitchen staff (line 14), plus line 3 salaried staff and line 4 owner's wage	$8,096
F. Food plus crew (D + E)	$12,038
G. Sales net of discounts and sales tax	$18,508
H. Prime cost share of sales (F divided by G)	65.0 percent

One week here takes the full-run month shown in the page 12 example, times 12 and divided by 52, giving net sales of $18,508, food and disposables at line 13's 21.3 percent, hourly crew at line 14's 21.3 percent, and lines 3 and 4 converted to one week. In this example, purchases are set so that food and disposables used (line D) match line 13's share. Prime cost runs high because the salaried chef and event manager are paid every week whatever the calendar holds, which keeps page 8 cash break-even near full-run sales.

YOUR EVENT WEEK

LINE	TARGET	THIS WEEK	LAST WEEK
A. Opening stock (food and disposables)			
B. Bought this week			
C. Closing stock			
D. Food and disposables used (A plus B minus C)			
E. Crew: hourly event and kitchen staff (line 14), plus line 3 salaried staff and line 4 owner's wage			
F. Food plus crew (D + E)			
G. Sales net of discounts and sales tax			
H. Prime cost share of sales (F divided by G)			

Each week, count proteins, produce, dry goods and disposables at one cutoff after weekend returns, on one valuation. Log tastings, crew meals and overage separately. Set the Target column from the page 8 plan and watch the trend across busy and quiet weeks. The kit gives no catering benchmark for prime cost.

Twelve-month cash forecast

Profit is not cash: loan principal, equipment bills and the slow weeks before bookings build all drain the account. Write amounts in thousands of dollars (51.25 means $51,250). Enter receipts without sales tax; closing cash leaves out the account that holds tax collected.

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: food, disposables, rentals, fuel, fees and referral fees (lines 13, 15 to 17)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: kitchen rent (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 event 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. Deposits land at signing, balances on the due date in your quote; corporate invoices may land a month later. Enter balances and invoices as they land; hold unserved-event deposits in a separate account, out of closing cash. 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 caterer still short of break-even

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

Worked example: a hypothetical catering company

Illustrative figures, not catering benchmarks. Open six days a week; weekend events; the year starts in March. Full run is an established caterer's volume; the time to reach it varies. Cash floor $30,892. Deposits held apart until each event is served, as page 11 asks, so cash counts each event in the month served; invoices paid the same month (a one-month lag is tested below); owner wage drawn in cash, and no added funding.

Page 5, budget	The opening budget comes to $396,200, funded by an $82,000 loan (10 percent over 5 years) and $314,200 of owner money, including a $217,000 reserve left on the first event day. The page 5 two passes: floor $30,892, plus a one-month buffer of $30,892, plus $155,144 (how far the first pass, opening with no cash, falls below zero), rounded up to $217,000.
Page 8, costs	Fixed costs $29,783 a month, including $4,200 for kitchen rent and $633 of loan interest; principal $1,109 a month (both year 1 averages); variable share 57.9 percent, so the contribution margin ratio is 0.421. Lines 13 to 17 take 21.3, 21.3, 11, 2.9 and 1.4 percent of sales. Lines 1 to 12 run $4,200, $650, $12,500, $5,500, $633, $1,700, $2,000, $350, $800, $500, $600 and $350 a month.
Page 8, break-even	Operating break-even about $70,743 a month. Cash break-even (fixed $29,783 plus principal $1,109, divided by 0.421) is about $73,378 a month: 7.02 full-service events a month after the contribution from drop-off and contract sales (full-service events at their page 7 cost shares, drop-off orders and the contract at their own), so 8, against the 8 the plan assumes.
Page 6, sales	Full-service events: 8 events a month at $7,250. Drop-off and corporate orders: 50 orders a month at $380. Contract meal program: 1 signed contract billing $3,200 a month. Full-run month about $80,200; event and drop-off sales ramp 20, 25, 30, 40, 45, 50, 55, 60, 65, 70, 75 percent in months 1 to 11, then 80 percent; season 95, 95, 110, 125, 100, 100, 115, 120, 105, 135, 60, 65 percent across months 1 to 12, not applied to the signed contract.
Page 19, expected case	Month 1 sales $17,830; month 1 closes at $193,585, month 12 at $61,856. Low: month 12, closing $61,856, $30,964 over the floor.
Page 19, slow start	At 70 percent of expected sales, month 1 sales $12,481; month 1 closes at $191,342, month 12 at minus $2,812. Cash falls below the floor in month 11 (closing $15,349) and below zero in month 12 (closing minus $2,812), so runway from the first event is 10 months.
Page 8, coverage	At full-run sales of $80,200, pre-tax, pre-replacement coverage is 2.65 beside the example lender's 1.25; at the month-12 run rate it is below zero, and Test 3 needs both. Kitchen rent share is about 5.2 percent.

PAGE 4 SCORE FOR THIS CATERER: RED

Gate 0 is taken as met for the example. Test 1 fails: at the month-12 run rate, sales run about $66,083 a month, below cash break-even of $73,395 at that sales mix, although month 10 crosses it. Test 2 fails: with every month at 70 percent of expected sales, cash breaks the floor in month 11; about $33,800 more reserve would pass it. Test 3 fails: coverage at the month-12 run rate is below zero against the lender's 1.25, although full run gives 2.65. Tests 4 and 5 fail: no evidence of a second weekend crew or of signed events. Test 6 passes: a full-run year leaves net cash of about $42,580 after principal, but cash flow runs below zero in months 11 and 12; hold a winter cushion of at least $18,596, the largest running-cash fall (from its month 10 high to its month 12 low), which the page 5 buffer covers. That is the steady-state year, not the forecast year: page 19's first year loses about $155,144 in cash because the ramp and startup months come first. Test 6 assumes the ramp reaches full run; held at month 12's 80 percent, the second year loses about $36,932 in cash (closing $61,856 at month 12, $24,924 a year later; page 19). The example assumes no income tax set-aside, stock build-up or equipment replacement (page 19); score a real caterer with its own. Cash break-even needs all 8 planned events. With drop-off and contract invoices a month late, the expected case holds; its low is $48,776 in month 12, with that month's $13,080 of invoices still unpaid. Test a weekday contract that adds contribution, or cut 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 MOVES THE CATERER'S RESULT (FULL-RUN CHANGES; DEADLINES RERUN THROUGH THE FORECAST; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH	BREAK-EVEN AND CASH DEADLINE
One sale in ten lost, the contract included (variable lines fall; fixed stay)	minus $3,376	Expected case holds the floor
Full-service events: average price 8 percent higher, same volume (card and referral fees rise at the page 7 event's rates)	plus $4,408	Break-even events fall from 7.02 to 5.9 a month, so from 8 to 6: per-unit costs stay the same, so the ratio rises from 0.421 to 0.450 on the new sales; would pass Tests 1 and 3
Fixed costs $800 lower	plus $800	Cash break-even eases to about $71,477
Fit-out overrun of $10,000 past the contingency, out of the reserve	no change	Expected case still clears the floor; slow start below the floor in month 10 (closing $25,101)
Opening 3 months late (kitchen rent, insurance, loan interest and principal, $6,592 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 $40,457 in month 15 from the planned opening, $21,399 lower than on time; slow start below the floor in month 12 from the planned opening (month 11 on time)
Slow start with signed contract meal programs held at 100 percent (counts only for enforceable, evidenced contracts)	no change	Slow start below the floor in month 11, as without them; its low rises to $1,905 from minus $2,812; extra reserve to pass Test 2 $29,000, against $33,800 without them

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

Event handoff checklists, weekly review, six questions

These checklists hand off the event; they are not a food-safety plan. Add each task, limit and corrective step that local requirements set.

BEFORE THE VAN LEAVES

- ☐ Confirm the final count and prep-to number on the event order.
- ☐ Pull the load list from the master event folder.
- ☐ Fill in each temperature record that the approved food-safety procedures call for.
- ☐ Check van, fuel, carriers and chafing fuel.
- ☐ Confirm venue contact, access time and loading point.
- ☐ Brief the captain on timeline and client notes.

AFTER THE EVENT

- ☐ Record served count against the guarantee, and leftovers.
- ☐ Check returned equipment against the load list.
- ☐ Record clocked hours by role against quoted hours.
- ☐ Log return trips and missing items, with the reason.
- ☐ Finish every cleaning, cooling and storage record the procedures call for.
- ☐ Send the final invoice and log client comments.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales: full-service, drop-off, contract				
Events booked, deposits held, proposals past expiry				
Contribution per labor hour, quoted and actual (page 7)				
Prime cost percentage (page 10)				
Served count against guarantee; food overage				
Equipment losses and return trips				
Agency hours and owner hours on site				

THE TERMS YOU SET ON EVERY QUOTE

TERM	YOUR POLICY	TERM	YOUR POLICY
Guarantee date and count		Attrition after the guarantee	
Overage billing		Service charge and gratuity	
Cancellation, by notice given		Deposit, balance due, refunds	

Terms vary; have a qualified professional review your contracts and policies.

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Is the owner the only signatory, invoice payer or on-site lead on most events?
2. **Reactive operations.** Do client complaints, not your own checks, surface most failures?
3. **Growth without structure.** Do return trips for forgotten equipment grow with bookings because load lists miss event orders?
4. **Talent and retention.** When an event captain leaves, does setup time at repeat venues swing?
5. **Revenue plateau.** Do custom proposals expire unsigned while low-margin recurring orders fill the kitchen?
6. **Strategic confusion.** Does sales promise custom wedding menus while the kitchen runs standard drop-off prep, so hours run over and premium plating lands in drop-off bins?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the signatory list, load lists against the event folder, the return-trip log, expired proposals, or quoted against clocked hours.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log every booked event with its deposit and balance dates. Log the owner's hours on site, and record every permit, license and inspection renewal date in one place.
Week 2	Cost every menu on a per-guest card and quote your next three events on page 7, with crew hours by role.
Week 3	Compare quoted and clocked hours by role for each event served, and set a minimum guest count for each type of full-service event.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions an event captain may make on site without calling you.
After month 1	Run prime cost every week on page 10 and compare theoretical to actual food cost on page 9. Build an on-call bench of former crew and part-timers for the peak weekends.

BEFORE YOU SIGN FOR A COMMERCIAL KITCHEN, GET WRITTEN ANSWERS TO THESE

- [ ] What does the kitchen charge per hour or per month, what is included, and how much notice does either side give to end it?
- [ ] Which hours and equipment are you guaranteed, and how many other businesses share them?
- [ ] What storage do you get for dry, chilled and frozen goods, and what does extra space cost?
- [ ] What does insurance cost for the kitchen work, transport and events, and what does it exclude?
- [ ] If you rent your own space, will you have to sign a personal guarantee, and what charges sit on top of base rent?
- [ ] What does the space need before you can use it, and who pays to add or upgrade it?
- [ ] What happens to your bookings if the kitchen is unavailable?

Have qualified professionals review the kitchen agreement, any lease and your insurance before you sign. These questions prepare you for those conversations; they do not replace them.

WHAT THE FULL KIT ADDS

The full Catering 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 seasonal booking model, an event quote and staffing calculator, per-guest menu costing sheets, load lists and event-day run sheets, a deposit and balance tracker 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 special food services, which include catering, 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. Catering companies owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, food-safety 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 events, menus and costs. A copy-ready version is 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 client lists, crew records, venue terms 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 catering company. I have attached the Catering Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan, 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 guest count, price, food cost, wage, rental price, kitchen rate, percentage or benchmark.
2. Every kit number, the example event, crew and menu included, is an example; never use one as mine, 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 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 event and drop-off sales times the ramp percentage times the seasonal percentage, plus signed contracts as billed, never unsigned proposals.
- 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 hours on site go in line 14 at a hire's cost. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the kitchen; 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 full-service events per month = (monthly fixed costs, principal and other recurring cash out minus the contribution from drop-off and contract sales) divided by the contribution from one average full-service event. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Monthly event capacity = full event crews available on one day times event days in the month, with kitchen prep hours per event checked against the hours the kitchen agreement allows.
- Kitchen 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 event 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. Enter balances and corporate invoices in the month each is paid, and hold deposits for unserved events in a separate account, out of closing cash, until the event. In the slow-start case, every month's sales, signed contracts 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 event 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, health code, food safety, alcohol service, 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 client IDs. 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, client types, event types (full-service, drop-off, contract), kitchen and service area, and days open per week.
b. Sales build: events and drop-off orders per month, signed contracts and what each bills per month, and average prices; the full event crews I can staff on one day, the event days in my busiest month, the kitchen hours my agreement allows, and the kitchen hours each event occupies and when (facility time, separate from staff prep hours); a ramp percentage for months 1 to 12 (ask me to confirm any month I leave out); 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 (signed quotes and deposits held, signed contracts or my booking history), and for each booked line (contract meal programs) its bookings, and its count once fully booked, for each month 1 to 12.
c. For each full-service event I quote: guests, menu price and food cost per guest, staff by role with prep, travel, setup, service and breakdown hours and loaded rate, billed staff hours and rate, rentals cost and billed price, van, fuel and tolls cost per event, delivery fee, card and referral shares and what each is charged on, and the line 13 to 17 cost shares for drop-off orders and for contracts on their own.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and source (quote or calculation) for each page 5 line.
e. Monthly fixed costs for each page 8 line, including loan interest and my market wage, whether I draw it 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 on site go in line 14 at a hire's cost.
f. Variable cost shares of net sales for lines 13 to 17: line 13, food, beverage and disposables; line 14, event and kitchen hourly crew, with payroll taxes; line 15, rentals, van fuel and event delivery costs; line 16, card and payment fees; line 17, venue and planner referral fees (blended share of all sales); and any sales line whose own shares differ, given for that line.
g. For one menu: each ingredient's price, unit, yield and portion, overage and disposables, and the price per guest.
h. For prime cost: beginning and ending food and disposables inventory, purchases, labor for the week including payroll taxes, benefits and agency staff, excluding gratuities passed to the crew, and net sales (weekly owner wage: line 4 from item e, times 12, divided by 52).
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: my deposit share at signing and how far ahead events book (or, month by month, the deposits I receive, apply to served events and refund), the deposits I already hold at the start of month 1, when balances are due, days corporate clients take on invoice, and when I pay suppliers; and the terms I set on page 14 (guarantee date and count, overage, cancellation, attrition, service charge and gratuity, refunds), so the forecast holds each deposit apart until its event is served and shows deposits held at each month end (last month's held + received minus applied minus refunded).
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, equipment replacement and stock build-up.
m. Cash on hand on the first event day after startup spending, fit-out and equipment bills still to pay 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 catering company, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by event type and month, with annual sales and the capacity check from page 6.
3. The completed startup budget with the total, listing kitchen 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 full-service events per month (use cash break-even); kitchen 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. The event quote for each full-service event with contribution per event and per labor hour, direct-cost break-even guests and minimum guests.
7. The per-guest cost card for the menu, with cost as a share of price.
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: every MY ESTIMATE figure, every [NEED: ...] gap, every quote or booking record to verify, and every question that needs 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 events per month and the crew you can staff, before anyone reads the plan.

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 $30,892.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**217,000**	**193,585**	**171,711**	**152,839**	**139,485**	**124,507**	**111,153**	**102,098**	**95,883**	**88,451**	**89,539**	**74,561**
In: sales receipts	17,830	21,488	28,610	41,700	37,850	41,700	51,903	58,640	55,753	75,965	37,850	43,240
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: food, disposables, rentals, fuel, fees and referral fees (lines 13, 15 to 17)	6,640	7,972	10,566	15,333	13,931	15,333	19,048	21,502	20,450	27,811	13,931	15,894
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	21,713	22,498	24,024	26,829	26,005	26,829	29,018	30,461	29,843	34,174	26,005	27,159
Out: kitchen rent (line 1)	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Out: other costs, with loan interest (lines 2, 5 to 12)	7,583	7,583	7,583	7,583	7,583	7,583	7,583	7,583	7,583	7,583	7,583	7,583
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	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(23,415)**	**(21,874)**	**(18,872)**	**(13,354)**	**(14,978)**	**(13,354)**	**(9,055)**	**(6,215)**	**(7,432)**	**1,088**	**(14,978)**	**(12,705)**
Closing cash, expected	**193,585**	**171,711**	**152,839**	**139,485**	**124,507**	**111,153**	**102,098**	**95,883**	**88,451**	**89,539**	**74,561**	**61,856**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**217,000**	**191,342**	**166,762**	**144,285**	**125,669**	**105,917**	**87,301**	**71,695**	**58,077**	**43,607**	**35,101**	**15,349**
Sales receipts, slow start	12,481	15,041	20,027	29,190	26,495	29,190	36,332	41,048	39,027	53,176	26,495	30,268
Out: variable costs, slow start (lines 13 to 17)	7,247	8,729	11,612	16,914	15,355	16,914	21,046	23,774	22,605	30,790	15,355	17,537
Out: fixed costs (lines 1 to 12), principal, bills, less funding	30,892	30,892	30,892	30,892	30,892	30,892	30,892	30,892	30,892	30,892	30,892	30,892
Net cash flow, slow start	**(25,658)**	**(24,580)**	**(22,477)**	**(18,616)**	**(19,752)**	**(18,616)**	**(15,606)**	**(13,618)**	**(14,470)**	**(8,506)**	**(19,752)**	**(18,161)**
Closing cash, slow start	**191,342**	**166,762**	**144,285**	**125,669**	**105,917**	**87,301**	**71,695**	**58,077**	**43,607**	**35,101**	**15,349**	**(2,812)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**1,250**	**1,250**	**6,118**	**10,986**	**2,872**	**2,872**	**7,740**	**9,363**	**4,495**	**14,231**	**(10,109)**	**(8,487)**

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 $66,083 a month, against month 12's own $43,240): closing cash runs $56,939 in month 1 and $24,924 in month 12, lowest $24,924 in month 12, below 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.