Clothing Boutique Business Plan Template and Operations Starter Kit

A working kit for an independent clothing boutique. It prices three departments by the item, builds the open-to-buy that stocks the floor without eating the season, counts shrink at cost, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

CLOTHING BOUTIQUES
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/CLOTHING-BOUTIQUES/
SHARE THIS KIT: LINKEDIN · X · FACEBOOK · BLUESKY · THREADS · EMAIL
BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

A boutique can show a healthy margin and still run out of cash in the month it sells the most. Stock is bought and paid for three months before the season, the markdown that clears it comes out of the same margin, and the rent does not move when January does. This kit makes you write the department prices, the buying budget and the count down, then tests whether the cash holds through a year that peaks in December and drops in January.

WHAT IS INSIDE

3	Business plan, part one: concept, customer, site, departments and prices
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: build-out and fixtures, opening stock, setup and working capital
6	Sales forecast builder by department, ramp, seasons and a stock capacity check
7	The three departments, the price each one sets and how they blend into line 13
8	Operating and cash break-even, break-even items, rent share, debt coverage
9	The buying budget, the turns you plan and the wait between order and payment
10	The count by department, the rate on the book and the annual cost of the loss
11	Twelve-month cash forecast, expected and slow-start cases
12	Runway, and a worked example scored on the page 4 check
13	What moves the result: the worked example's what-if table
14	Opening and closing checklists, weekly numbers review and six investigation questions
15	Your first 30 days, lease questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build sales by department on page 6 and the business's costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Fixture and fit-out quotes, lease terms and the stock you can afford change before opening, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists daily and the weekly review each week. Run the buying budget on page 9 before the opening order goes in, and count the stock on page 10 at the interval you set.

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 clothing boutique 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. The founder-dependency question is a World Consulting Group working question added to them. None was measured in the field, so treat each as a hypothesis.

SCOPE

General operational information only. It is not legal, tax, accounting, employment, product safety or financial advice. Lease terms, insurance and consumer pricing rules vary by location. Review them before you commit money.

PAGE 3

Business plan, part one

A lender reads a boutique plan to see how the seasonal order is funded before the season pays it back, and that question belongs in writing here. Answer every prompt below in short plain sentences on separate sheets, and leave the arithmetic to the pages named.

1. Executive summary (write it last)

Set out the concept, the site, the departments the shop carries and the money it takes, from fitting out the space to the opening buy. Finish by naming the month the page 6 sales forecast first clears the page 8 cash break-even, then give the verdict printed on page 4.

2. Concept, customer and department

Two shoppers decide the assortment, the one who pays the ticket price and the one who waits for a reduction. Describe them apart, because the floor serves both. Your own till records show which department covers the rent and how many pieces leave in one bag. A piece is counted once, in the department that holds it, so a shopper who takes a top and a scarf appears in two lines.

3. Site, floor and fitting rooms

Measure the sales floor, the stockroom, the fitting rooms and the register, then lay out the departments and the fixtures each one needs. Say plainly which department pays the fixed costs and which one earns the second visit. Write every charge the lease adds on top of base rent, with the hours the door is unlocked.

4. Departments and price

Cost every style from the showroom invoice rather than a competitor's ticket, and set that landed cost next to the price you intend. Check the margin the department must hold and the turns it must earn, since a well priced style still loses money once the reduction that clears it is taken off. Page 13 shows what a 6 percent move on price does to break-even.

DEPARTMENT	LANDED COST	RETAIL PRICE	LANDED COST AS % OF PRICE

> *Owner question: How much stock can I own, at what markup and on what terms, before markdowns and rent take the year?*
>
> The order is settled long before the season rings up a sale, and the reduction that clears leftovers comes out of that margin. The opening buy at cost sets how deep the floor runs (page 9). The maintained margin shows how much reduction a year absorbs before rent goes unpaid. Page 11 dates the month the balance drops under your floor, when buying stops.

PAGE 4

Business plan, part two

5. Operations

Describe how stock moves from the delivery to the floor, covering receiving, tagging, the floor set, the fitting rooms and the markdown rack. Name the step that slows the busiest Saturday, and who checks each step when you are not there.

6. Team

List every role, the hours it covers and the pay it costs, including a market wage for your own hours. Name the person who can open without you; the first question on page 14 checks that dependency.

7. Marketing

Explain why a customer buys from your floor rather than from a chain or a marketplace, and what brings a second visit. Track repeat customers, email sign-ups and the markdown rack in records you own.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below. Show how much the business needs, where the money comes from and how long it lasts if the season is late.

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

TEST	PASS?
Gate 0. The draft lease, the fixture and fit-out quotes and every approval the business needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, total sales reach cash break-even at the month-12 run rate (page 8) and closing cash stays at or above your cash floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The plan's item counts in its busiest month fit the stock and the buying budget on page 9, and planned items a month reach break-even on page 8.	
5. Expected item counts rest on evidence (a count of your own past months from a till export, or the records of a business you have run), not on the size of the market.	
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, place the opening order or take a loan. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the contractor, the fixture supplier or the landlord, or a documented calculation for the opening stock. Budgets break on the fitting-room and lighting work nobody quoted, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
PREMISES AND BUILD-OUT				
Fixtures, four-ways and nesting tables				
Wall standards and shelving				
Fitting rooms and mirrors				
Lighting and electrical				
Security pedestal, cameras and alarm				
Signage and window hardware				
DEPOSIT, INSURANCE AND SETUP				
Lease deposit and pre-opening rent				
Insurance down payment				
Utility, card terminal and account setup				
Entity setup, accounting and first-year filings				
STOCK AND LAUNCH				
Opening inventory at cost				
Training payroll				
Visual merchandising and the first floor set				
Launch marketing				
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 depends on sales, so build sales by department from items and average price, not from the rent you need to cover. Count items by department from your own sales history or from a till export; a department's average price is its sales divided by its items, not the ticket on the newest style. Markdowns are already inside that average, because the average is what the item actually sold for, not what it was first tagged. Write the items and the average price you can defend, and let the sales for each department fall out of those two.

```
Monthly sales for a line = units times average item 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 ITEM	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Women's apparel	items				
Accessories	items				
Footwear	pairs				

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 for each month = full-run department sales times ramp times season. Use 100 percent where a factor does not apply. Ramp, season and items a month are your assumptions; write down the evidence for each, and treat the December peak as a season for footwear and apparel rather than as a baseline for the rest of the year.

CAPACITY CHECK

```
Monthly capacity = the items the floor, the back room and the fitting rooms can hold at cost, turned at your planned annual turns and divided by 12, converted to items at each department's average cost; the buying budget on page 9 is the cash version of the same limit
```

A boutique is limited by cash in stock before it is limited by the floor. The constraint is the depth a size run needs, and a size run cannot be bought in ones, so the buy per style is set by the smallest size run the supplier sells. The store opens 60 hours a week, with two fitting rooms and one register, and two people on the floor is the practical maximum for 1,600 square feet. A third body adds payroll, not sales. In the month, the limit is stock: how many items the floor and the back room can hold before the assortment becomes too thin to shop. Write the items each department can sell, the turns you plan and the buy you can pay for.

PAGE 7

Departments, price and what each one keeps

Each department does a different job, and the single cost line on page 8 averages the three into one number that conceals the work each one does. Apparel pulls the shopper in and absorbs the reduction, accessories convert a fitting-room visit into a second bag, and shoes carry the largest ticket and swing hardest with the calendar. Price each department from what it truly paid for its goods, freight included, and from the margin its job can bear. Line 13 is what those three choices add up to, not a rate applied from outside. Set the ticket before the season opens, and let the sell-through decide what gets bought again, not the ticket itself.

```
Gross margin = (price minus unit cost) divided by price
Markup = (price minus unit cost) divided by unit cost; markup is always the larger number, and pricing
from it overstates the margin a sale keeps
Department gross margin = department sales minus department cost of goods, divided by department sales;
the kit's line 13 is these departments blended by sales
```

WORKED EXAMPLE: THREE DEPARTMENTS (ILLUSTRATIVE)

DEPARTMENT	UNITS / MONTH	PRICE	UNIT COST	MARGIN / UNIT	MARGIN	MARKUP	SHARE OF SALES
Women's apparel	663	$58.00	$28.54	$29.46	50.8%	103.2%	62%
Accessories	382	$26.00	$14.36	$11.64	44.8%	81.1%	16%
Footwear	122	$112.00	$54.88	$57.12	51.0%	104.1%	22%

The example lands 0.1 points above the 49.8 percent target, worth $46 a month at this sales level. Footwear carries the strongest margin rate (51.0 percent) and Accessories the weakest (44.8 percent). The largest share of sales is Women's apparel, at 62 percent. Blended, the example runs at a 49.9 percent gross margin and a 99.5 percent markup. These departments set the sales lines and the cost-of-goods share in the page 12 worked example; the buying budget on page 9 and the shrink count on page 10 use the same three. National check. Census ARTS 2022 puts the NAICS 448 gross margin at 49.8 percent. The same tables give clothing stores 50.8 percent, shoe stores 51.0 percent and jewelry, luggage and leather goods 44.8 percent. The third line carries no printed margin: its margin dollars are the 448 total of 151,036 less clothing 106,947 and shoes 20,427, which leaves 23,662 on sales of 52,867, or 44.7576 percent. Sales shares are 210,496, 40,050 and 52,867 out of 303,413, so 69.376, 13.200 and 17.424 percent, and 50.8 x 0.69376 + 51.0 x 0.132 + 44.7576 x 0.17424 = 49.77, which rounds to the published 49.8. This store's own mix runs 62, 16 and 22 percent, so its blend is 49.9. Around the official figure this kit uses a 45 to 55 percent band, recorded as a labelled assumption about how far a store's own mix and markdowns can sit from the Census number. That band is our assumption, not a published range, and no publisher printed it.

YOUR DEPARTMENTS

DEPARTMENT	UNITS / MONTH	PRICE	UNIT COST	MARGIN / UNIT	MARGIN	MARKUP	SHARE OF SALES

Build every department's ticket from its own landed cost and the margin that department must return, never from a rival's printed tag. A line that sells through fast can carry a slim margin and still pay for its rail space, while a slow line has to justify that space on the margin each square foot returns.

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, base rent plus the lease's occupancy charges	
2. Property, stock, liability and business-interruption insurance	
3. Assistant manager and the minimum opening crew, loaded	
4. Owner's market wage for buying and merchandising (extra selling hours sit in line 14)	
5. Loan interest (build-out, fixtures and opening stock loan)	
6. Payroll taxes and employer benefits on the crew above	
7. Utilities, power, water and heat	
8. Internet, phone and occupancy services	
9. Marketing, website, loyalty and software subscriptions	
10. Accounting and bookkeeping	
11. Bank and merchant statement fees, registration renewals	
12. Repairs and maintenance, racks, steamer and fitting rooms	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Cost of goods sold, blended across the three departments (set by the department costs)	
14. Store labor above the minimum crew, plus card and online payment fees	
15. Marketplace referral fees, alterations, packaging and supplies	
16. Shrink at cost (set by the stock counts)	
17. Other trade costs, not modelled on lines 13 to 16	
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 items a month = (monthly fixed costs, principal and other recurring cash out minus the
monthly contribution from the other two departments at planned full-run sales and own contribution
ratios, each department's line-13 share plus its share of lines 14 to 17) divided by the contribution
from one average item in the women's apparel department
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 items a month (use cash break-even)	one figure per month		
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

The stock a boutique commits before the season sells

A boutique commits stock before one sale has told it what the month will carry, so the buying budget is set first and left to chance last. It settles how much more merchandise, at cost, the floor can take this month to reach the planned stock position, given the supplier's invoice falls due while the cartons are still on the rail. Apparel, accessories and shoes are stocked out of that answer, so fix it before the purchase order leaves, not while the boxes are unpacked.

```
Average stock at cost = annual cost of goods sold divided by inventory turns
Open-to-buy = this month's cost of goods sold, plus the target stock at cost, minus the stock already on hand, minus stock already on order
A purchase takes the supplier's lead time to arrive and is paid on the supplier's terms after it arrives, so the cash leaves 75 days after the order is placed
```

WORKED EXAMPLE: A MONTH OF COST OF GOODS (ILLUSTRATIVE)

DEPARTMENT	SALES / MONTH	SHARE	COST OF GOODS / MONTH	SHARE AT COST
Women's apparel	$38,454	62%	$18,922	61%
Accessories	$9,932	16%	$5,486	18%
Footwear	$13,664	22%	$6,695	22%

Department sales come from the page 7 example; each department's cost of goods is its units times unit cost.

THE BUYING BUDGET

LINE	THIS MONTH
Monthly cost of goods sold, at cost	$31,103
Target stock on hand, at cost (annual cost of goods divided by 4 turns)	$93,309
Stock on hand on the first day of the month, at cost	$96,000
Already on order and arriving this month, at cost	$18,000
Open-to-buy this month, at cost	$10,412

At $10,412 the buying budget covers what the floor will sell in the month plus the stock position the plan targets, minus the pieces already held and the ones in transit. Opening day carries 3.1 months of stock at cost, $96,000 against $31,103 of monthly cost of goods, the plan turns it 4 times a year, and 75 days pass between placing an order and settling it: 45 of supplier lead time plus 30 of terms. The cash goes out long before the rail turns it back into money, so the buying budget is a cash decision before a stock decision. The showroom's terms set when the money moves. A seasonal order goes in three to six months before it sells, an opening order is paid up front or half left as a deposit, and reorders run on net 30. Suppliers sell by the style, color and size run, so a thin buy is not on offer; the deeper buy lowers the landed cost of each piece and lifts the cash committed to it, and the two cannot both be won. Faster turns shorten the road from paying to selling. Slower turns need more money sitting on the rail to earn the same sales. Count what you hold, read every supplier invoice, and run the numbers again when a promotion or a new label changes what the shop sells. The seasonal order breaks a plan, because autumn and holiday goods are paid for in summer and the rail carries them across the whole wait.

YOUR OPEN-TO-BUY

LINE	THIS MONTH
Monthly cost of goods sold, at cost	
Target stock on hand, at cost	
Stock on hand on the first day, at cost	
Already on order and arriving, at cost	
Open-to-buy this month, at cost	

Build the order from expected sales and the stock you want, never a supplier's minimum or a discount deadline. A saving on goods the season cannot clear costs more than the saving is worth.

PAGE 10

The stock the book cannot account for

Goods leave without a till ring, and only a physical count proves it. The count compares what the book says sits in the stockroom against what a counter lifts off the rail, and prices that difference at what the goods cost. A boutique leaks at four places: the delivery door, the fitting room, the returns rail and the reduction rack. Run the count to a routine that never changes, department by department, with two people and the same steps every time, and get the tally onto paper before anyone opens the book.

```
Shrink = book stock at cost minus counted stock at cost
Shrink rate on book = shrink divided by book stock at cost; annualized rate = the rate over the count period times 12 divided by the months since the last count
Line 16 = the annualized shrink at cost as a percent of annual sales
```

WORKED EXAMPLE: THE COUNT (ILLUSTRATIVE)

DEPARTMENT	BOOK AT COST	COUNTED AT COST	SHRINK	RATE ON BOOK	ANNUALIZED
Women's apparel	$60,000	$59,400	$600	1.0%	4.0%
Accessories	$14,500	$14,370	$130	0.9%	3.6%
Footwear	$21,500	$21,264	$236	1.1%	4.4%
Total	$96,000	$95,034	$966	1.0%	4.0%

A 3 month gap since the last count leaves $966 missing at cost, a 1.0 percent rate on book, or 4.0 percent a year. $3,864 of stock a year at cost is what that comes to, which sets line 16 at 0.5 percent of sales in the page 12 worked example. Count at an interval short enough that a shortage stays traceable: a 3 month gap tells you stock went, never the week it left. Line 16 turns a single count into a monthly charge. Turn the shortfall into a share of sales across a year, so a single rate serves both the cash forecast and the buying budget. A rare count leaves a rate for a season already gone. Count every month and the wages outweigh the loss it finds. The rates in the table come from the unrounded book and counted values, so a column multiplied out by hand can land a tenth or two of a point off, and line 16 takes the unrounded figure. Most shops settle on a quarterly rhythm and keep to it. Put a lone shoe, a worn return and a short-shipped style here, not in margin. Give the markdown its own column and the shortage its own, because one is a choice and one is a loss, and a shared column lets either hide. Walk the rail when the count closes, because a piece nobody has lifted in a season is a loss the count has not recorded yet. Put the count date beside the order date on the same calendar, so the number is fresh when the buy gets decided. The rate against the book looks alarming and is not, because the book holds about three months of stock rather than a year of it. What reaches the plan is the annualized figure. Two names go on the sheet, one counting and one recording, and nobody in the room touches the book while the count is open.

YOUR COUNT

DEPARTMENT	BOOK AT COST	COUNTED AT COST	SHRINK	RATE ON BOOK	ANNUALIZED

Two people count, the door stays shut, each department is done in turn, and the variance goes on paper before anyone touches the book. Loss starts at the delivery door, in the stockroom and at the till as much as on the rail, so a count that looks only for theft misses most of it.

PAGE 11

Twelve-month cash forecast

Profit and cash are different numbers: loan principal, build-out bills and the opening stock buy all drain the bank account. Enter amounts in thousands of dollars (51.25 means $51,250). Enter receipts net of sales tax; closing cash excludes the bank account holding collected tax.

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: stock, shrink and marketplace fees (lines 13, 15 to 17)												
Out: payroll and selling hours (lines 3, 4, 6, 14)												
Out: rent (line 1)												
Out: other costs, with loan interest (lines 2, 5, 7 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 opening 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. Card settlement lands in one to two business days, cash is the same day, and a marketplace order pays out on the platform's own schedule. In this example every sale pays in the month it is made, so enter each month's receipts in the month the money lands and enter supplier invoices on the terms you actually get. A deposit taken on a special order is still a sale in the month the goods are collected. 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 boutique that buys stock before the season

```
Runway = the months you can count forward from the latest close (opening day, before opening) before a month ends with cash under your floor
```

Worked example: a hypothetical clothing boutique

The figures below rehearse the arithmetic and are not a benchmark for your shop. Opens six days a week, 1,600 square feet of selling floor and a small back room; opens in March. Cash floor $21,574. Card slips and cash settle in the month of the ring, fixed costs go out as shown, and stock is settled as it leaves the floor; the forecast note explains that shortcut, so enter your supplier terms on page 11. The owner takes a wage, and no money comes in from outside.

Page 5, budget	The startup budget comes to $292,600, made up of a $150,000 loan (10.5 percent over 10 years) plus $142,600 from the owner, with $71,700 of that a working capital reserve opening day never spends. On page 5 the reserve is sized twice: start at the $21,574 floor, add a $21,574 buffer for one month, add $28,475 (the hole the first pass leaves when it opens with no cash), and round up to $71,700.
Page 8, costs	Monthly fixed costs are $20,827, with rent of $4,200 and loan interest of $1,277 inside that, and principal adds $747 (year 1 averages for both); variable costs are 58.1 percent of sales, which gives a contribution margin ratio of 0.419. The sales shares for lines 13 to 17 are 50.1, 5.6, 1.9, 0.5 and 0 percent, with line 13 blended across the three sales lines. Lines 1 to 12 run $4,200, $420, $7,143, $4,500, $1,277, $857, $520, $360, $900, $200, $200 and $250 a month.
Page 8, break-even	Operating break-even about $49,706 a month. Cash break-even (fixed $20,827 plus principal $747, divided by 0.419) is about $51,489 a month: 484.9 items a month from women's apparel after the other lines' contribution (line 13 runs 49.2 percent on women's apparel, 55.2 on accessories and 49 on footwear; lines 14 to 17 take the same share of every line, so the contribution ratio is 0.428 on women's apparel, 0.368 on accessories, 0.430 on footwear), so 485, against the 663 the plan assumes.
Page 6, sales	Women's apparel: 663 items a month at $58. Accessories: 382 items a month at $26. Footwear: 122 pairs a month at $112. Full-run month about $62,050; department sales ramp 45, 55, 63, 71, 78, 84, 88, 92, 95, 98 percent in months 1 to 10, then 100 percent; season 96, 93, 106, 95, 100, 105, 87, 96, 113, 154, 76, 81 percent across months 1 to 12, applied to regular sales only.
Page 19, expected case	Month 1 sales $26,806; month 1 closes at $61,358, month 12 at $66,284. Low: month 7, closing $43,225, $21,651 over the floor.
Page 19, slow start	At 70 percent of expected sales, month 1 sales $18,764; month 1 closes at $57,988, month 12 at minus $9,758. The floor is first breached in month 5 ($19,625 close) and zero in month 9 (minus $1,075 close), leaving a runway from opening of 4 months.
Page 8, coverage	Planning coverage stands at 3.19 on full-run sales of $62,050, measured ahead of income tax and equipment replacement and against the 1.25 this example lender asks for, and at 3.21 on the month-12 run rate; Test 3 needs both. Rent share is about 6.8 percent.

PAGE 4 OUTCOME FOR THIS EXAMPLE: AMBER

The example treats Gate 0 as met. Test 1 passes: about $62,153 a month at the month-12 rate clears the $51,489 break-even, and a second year keeps cash above the floor (low close $69,669, month 1 of year 2). (Background, outside the test: expected sales reach cash break-even in month 6.) Test 2 fails: the slow start dips under the floor in month 5, and roughly $31,400 more reserve would carry it. Test 3 passes on the planning formula, as the lender defines it. Test 4 passes: costs in the peak month (month 10, season 154 percent) reach about $47,900 against the $93,309 the planned four turns carry, so the peak fits the stock level the buying budget on page 9 sets. Test 5 fails: no evidence backs the plan's item counts, and an unevidenced test fails; bring the count and score again. Test 6 passes: a year at full run leaves about $53,619 after principal, though cash goes negative in months 11 and 12; the January reset needs at least $2,330, the biggest running-cash fall (month 10 high to month 12 low), and the page 5 buffer absorbs it. That is the steady-state year, not the forecast: the ramp and startup months come first, so year one on page 19 loses about $5,416. No income tax, equipment replacement or stock build-up sits in the example (page 19); a real plan scores itself. The season's buy goes out months before the season sells, and January tests the reserve.

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 BUSINESS'S MONTHLY RESULT AT FULL RUN (EVERY DEADLINE RERUN THROUGH THE FORECAST; SLOW-START LOSSES FALL WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $2,600	Expected case holds the floor
Women's apparel: average item 6 percent higher, same volume (only sales-linked fees rise)	plus $2,134	Break-even items fall from 484.9 to 429.2 a month, so from 485 to 430: per-unit costs stay the same, so the ratio rises from 0.419 to 0.437 on the new sales (sales-linked fees, lines 14 and 15, take 7.5 percent of each added dollar)
Fixed costs $400 lower	plus $400	Cash break-even falls to about $50,535
A competing boutique opens across the street and takes $7,446 a month of sales from month 7, at the main line's own contribution per item, computed from unrounded prices and costs, so the row reads a few dollars off 0.200 times this row's sales, using the page 8 contribution ratio, from month 7 onward	minus $3,189	Expected case still clears the floor; slow start deadline unchanged (month 5)
Markdowns deepen and add 3 points to line 13, retail prices held	minus $1,862	Cash break-even rises to about $55,460; expected case still clears the floor; slow start deadline unchanged (month 5)
Store hours rise and add 1.5 points to line 14 for the extra selling crew	minus $931	Cash break-even rises to about $53,401; expected case still clears the floor; slow start deadline unchanged (month 5)
Marketplace referral and packaging costs rise and add 2 points to line 15	minus $1,241	Cash break-even rises to about $54,070; expected case still clears the floor; slow start deadline unchanged (month 5)
Supplier prices rise and add 3 points to line 13, retail prices held	minus $1,862	Cash break-even rises to about $55,460; expected case still clears the floor; slow start deadline unchanged (month 5)
Prices cut 6 percent with cost held and volume unchanged (card and marketplace fees fall with the ticket, the per-item lines do not; the break-even that follows is measured in today's prices)	minus $2,792	Cash break-even rises to about $57,684; expected case still clears the floor; slow start deadline unchanged (month 5)
Build-out overrun of $10,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 4 (closing $17,004)
Opening 2 months late (rent, insurance, loan interest and principal, $6,644 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 $29,324 in month 8 from the planned opening, $13,902 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

The weekly review and the questions below cover the routine of a trading boutique. Add whatever your landlord, your insurer and your own written procedures call for, and drop any line your shop does not run.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales by department, and sales for each hour of selling labor				
Pieces sold in a day and the average ticket, with apparel kept apart from shoes				
Each department's margin set against the page 7 target				
How much of this month's buying budget is committed already, against page 9				
Stock held at cost, and the turns that number works out to				
Reductions, damage, credits and returns written off				
Orders placed set against orders received				

SIX QUESTIONS TO INVESTIGATE

1. **One pair of hands.** Does the owner sign nearly every order, choose every style and keep the showrooms as a personal relationship?
2. **Creep on the rack.** Has a new label put styles on the floor that the space cannot carry, while the slow pieces stay on the rail at full price?
3. **Two kinds of loss.** Are reductions and count shortages kept in one column, so a price cut and a piece that walked look the same?
4. **Gaps in the basics.** Does the plain piece a shopper comes back for run out in the middle size, while an occasion dress waits in the stockroom?
5. **Matching a chain.** Is a style priced off a chain's ticket without working out the reduction the shop will need to clear it?
6. **What comes back.** Does the count take in what comes back, or does a worn return show up only as a gap at year end?

Questions and their sources are described on page 2. Check each one against a record: the department split on the till report, the receiving log, the sheet that records reductions and damage, the buying budget worksheet, or the signed count sheets.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record sales by department with women's apparel apart from footwear. Write the lease, insurance and showroom payment dates in one place, and set the count interval on page 10.
Week 2	Recheck each department's average price from the first two weeks of sales, and cost the ten styles that carry the most sales. Time a receiving day from the delivery to the floor.
Week 3	Fill the page 9 open-to-buy from the first month's stock and purchase orders, and compare it with the order you actually placed.
Week 4	Enter the actual closing cash on page 11 and recalculate runway. Write the decisions a shift lead may make without calling you.
After month 1	Keep the buying budget monthly, and compare the count rate on page 10 with the rate the plan carries. Set the reorder points that keep the basics in stock without a rush order.

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 Clothing Boutique 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 department sales and margin model, an open-to-buy and inventory planner, a markdown calendar, receiving, returns and count procedures, seasonal buy templates and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. Census Bureau, Annual Retail Trade Survey 2022, NAICS 448 gross margin plus the 4481, 4482 and 4483 line margins and sales: the page 7 target margin and the three department margins. Census Monthly Retail Trade, clothing and clothing accessory store seasonal factors: the season list. Cushman & Wakefield, US Shopping Center MarketBeat asking rent: the base rent line. O*NET wage data for retail salespersons and first-line retail supervisors: the crew line and the owner's market wage. RetailDogma, inventory turnover: the four turns a year. Small Business Administration 7(a) terms: the ten-year loan term. All accessed 2026-11-15.
World Consulting Group material. Clothing boutiques owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, product safety, lease terms 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 with your own departments, stock and costs. The kit page has a copy-ready version.

BEFORE YOU RELY ON THE ANSWER

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

I am opening (or running) an independent clothing boutique. I have attached the Clothing Boutique Business Plan Template and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my departments, my store and my buying budget, 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 rent, wage, landed cost, price, item count, supplier term, percentage or benchmark.
2. The numbers in the kit, including the example's departments, items and buying budget, are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] and tell me which quote, till report, sales report or calculation gives the real number. Label my own estimates MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a department = items a month times the average price. Each month's expected sales = full-run department sales times the ramp percentage times the seasonal percentage.
- Net sales exclude sales tax. Labor = the salaried crew and the hourly crew, payroll taxes and benefits, plus a market wage for my own hours, management and buying. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the work; 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 items a month = (monthly fixed costs, principal and other recurring cash out minus the monthly contribution from the other two departments at planned full-run sales and own contribution ratios, each department's line-13 share plus its share of lines 14 to 17) divided by the contribution from one average item in the women's apparel department. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Monthly capacity = the items the floor, the back room and the fitting rooms can hold at cost, turned at your planned annual turns and divided by 12, converted to items at each department's average cost; the buying budget on page 9 is the cash version of the same limit.
- 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 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 opening day after startup spending is paid. Place every receipt and payment (stock orders, 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 supplier payments on the terms I actually get. In the slow-start case, every month's sales 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 is charged per sale and falls with the items). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from opening 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, employment, wage or lease advice. Do not name laws, approval 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, and make no claim about product safety or suitability for a use. For the market and marketing sections, use only what I tell you, and list the facts I should gather, such as the department demand and the competing offers.
7. Work every total line by line and recheck it in total. 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. 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, customer and department mix, the selling floor and fitting rooms, the departments I carry and the fixtures each one takes, where I buy, and which of my departments is the fast-turn restock line.
b. The sales build: for each department, the items a month and the average price, the days I open each week and the closing time; a ramp percentage for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month; and the slow-start percentage I want 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 (the till's own department report, or the records of a business you have run).
c. For each merchandise department: units sold a month at full run, the average retail price a unit, and the average unit cost at cost, plus the gross margin the department has to hold.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. The startup budget: an amount and its source (contractor, fixture supplier or landlord quote, or calculation) for each line on page 5, from the build-out to the contingency.
e. Monthly fixed costs for each numbered line on page 8, from rent (line 1) to repairs (line 12), including loan interest and my market wage for buying and merchandising (line 4; my selling hours above the minimum crew go in line 14 at a crew 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.
f. Variable cost shares of net sales for lines 13 to 17: line 13, cost of goods sold, blended across the three departments (set by the department costs); line 14, store labor above the minimum crew, plus card and online payment fees; line 15, marketplace referral fees, alterations, packaging and supplies; line 16, shrink at cost (set by the stock counts); line 17, other trade costs, not modelled on lines 13 to 16; and any sales line whose own shares differ, given for that line.
g. My annual inventory turns (annual cost of goods sold divided by average stock at cost), stock on hand at cost on the first day of the plan month, stock already on order and arriving this month at cost, the supplier lead time in days, and the supplier payment terms in days.
h. For each department: book stock at cost and counted stock at cost at my last physical count, and the number of months since the count before that.
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 customers pay me (at the register by card or cash, and how many days a card settlement takes), any marketplace remittance schedule, any deposits I collect on special orders, and when the business pays its showrooms, including how many days the supplier allows me and when the invoice falls due. Say when each sales line pays me.
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, fixture and vehicle replacement and stock build-up.
m. Cash on hand on opening day 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 clothing boutique, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by department and month, with annual sales and the stock and cash capacity check from page 6.
3. The completed startup budget with the total, showing the build-out and fixtures 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 items a month (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. Gross margin and markup for each department and blended across the store, the department carrying the most sales and the one carrying the weakest margin, and the cost-of-goods share the rest of the plan uses.
7. The month's open-to-buy at cost, whether the store is over-bought or under-bought, months of stock on hand, and the date the cash leaves for an order placed today.
8. Shrink in dollars by department, the annualized shrink rate, the shrink share of sales the plan carries, and the count discipline the kit recommends.
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 till export or quote I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, items a month and the department prices first, before anyone else sees the plan, then recheck the page 4 result with a calculator.

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 $21,574.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**71,700**	**61,358**	**53,082**	**48,870**	**44,832**	**43,538**	**44,895**	**43,225**	**44,614**	**50,950**	**68,613**	**66,798**
In: sales receipts	26,806	31,739	41,437	41,853	48,399	54,728	47,505	54,803	66,611	93,646	47,158	50,261
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: stock, shrink and marketplace fees (lines 13, 15 to 17)	14,073	16,664	21,755	21,973	25,409	28,732	24,941	28,771	34,971	49,165	24,758	26,386
Out: payroll and selling hours (lines 3, 4, 6, 14)	14,001	14,277	14,820	14,844	15,210	15,565	15,160	15,569	16,230	17,744	15,141	15,315
Out: 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, 7 to 12)	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127
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	747	747	747	747	747	747	747	747	747	747	747	747
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(10,342)**	**(8,276)**	**(4,212)**	**(4,038)**	**(1,294)**	**1,357**	**(1,670)**	**1,389**	**6,336**	**17,663**	**(1,815)**	**(514)**
Closing cash, expected	**61,358**	**53,082**	**48,870**	**44,832**	**43,538**	**44,895**	**43,225**	**44,614**	**50,950**	**68,613**	**66,798**	**66,284**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**71,700**	**57,988**	**45,723**	**36,302**	**27,004**	**19,625**	**14,103**	**6,462**	**962**	**(1,075)**	**4,817**	**(2,925)**
Sales receipts, slow start	18,764	22,217	29,006	29,297	33,879	38,310	33,254	38,362	46,627	65,552	33,011	35,182
Out: variable costs, slow start (lines 13 to 17)	10,902	12,908	16,853	17,021	19,684	22,258	19,321	22,288	27,090	38,086	19,179	20,441
Out: fixed costs (lines 1 to 12), principal, bills, less funding	21,574	21,574	21,574	21,574	21,574	21,574	21,574	21,574	21,574	21,574	21,574	21,574
Net cash flow, slow start	**(13,712)**	**(12,265)**	**(9,421)**	**(9,298)**	**(7,379)**	**(5,522)**	**(7,641)**	**(5,500)**	**(2,037)**	**5,892**	**(7,742)**	**(6,833)**
Closing cash, slow start	**57,988**	**45,723**	**36,302**	**27,004**	**19,625**	**14,103**	**6,462**	**962**	**(1,075)**	**4,817**	**(2,925)**	**(9,758)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**3,385**	**2,605**	**5,985**	**3,125**	**4,425**	**5,725**	**1,045**	**3,385**	**7,805**	**18,464**	**(1,815)**	**(515)**

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. 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 $62,153 a month, against month 12's own $50,261): closing cash runs $69,669 in month 1 and $119,903 in month 12, lowest $69,669 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. The worked example pays for stock in the month it sells. Real terms do not: with the 45-day lead time and 30-day terms, cash leaves 75 days after the order goes in, so the seasonal buy sits outside this forecast, the reserve and the Test 2 gap above. At $31,103 a month of cost of goods, those 75 days are about $77,800, so size your reserve and terms before you order. The two passes on page 5 size a hole in a steady month, not a seasonal buy, so add the page 9 peak purchase to the reserve and leave it out of the page 11 supplier payments and stock build-up rows, so the cash is counted once, not twice.