Dance Studio Business Plan and Operations Starter Kit

A working kit for recreational dance studios. It prices every class plan by the students it holds and the instructor hours it takes, builds enrollment month by month through the school year and the summer drop, turns tuition, camp deposits and recital fees into a collection pattern, finds cash break-even through July, and scores the plan on six pass-or-fail tests.

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

PAGE 2

Start here

A dance studio can fill every class in October and miss rent in July. Instructors are paid whether four students or twelve are in the room, and a family who leaves in June takes the fall registration with them. This kit writes those numbers down and tests them before a lender or a landlord asks.

WHAT IS INSIDE

3	Business plan, part one: classes and plans, families and referral sources, positioning, tuition
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: floors, mirrors and sound, setup, pre-opening, working capital
6	Sales forecast builder for tuition, camps and fees, the build, season, capacity check
7	Plans by student places, enrollment and tuition, class hours and cost, revenue per place, and the capacity check
8	Operating and cash break-even, break-even students, rent share and debt coverage
9	The roster month by month through the school year, the average stay and the value of a student
10	Inquiries to enrollments by source, trial classes needed, withdrawals and the inquiry log
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	Enrollment checklists, weekly numbers review and six questions to investigate
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 tuition, camps and fees on page 6 and 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. Tuition, plans and the class schedule move before fall registration closes, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every enrollment and the numbers review every week. Run the page 7 class table at every month end and update the page 9 build table as students enroll and leave.

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 dance studio 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, registration agreements, billing and music licensing or financial advice. Registration, billing, music licensing and instructor classification requirements vary by location; the kit states no rule. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender or a landlord will ask whether tuition throws off enough cash for rent, instructors and the loan through June and July. Give each answer in plain sentences here and draft the full sections on separate sheets.

1. Executive summary (write it last)

Describe the studio, the families you serve, the money you need and what it buys, floors to first payroll; then give the month the page 6 forecast first clears cash break-even from page 8, and the page 4 result.

2. Classes, plans and families

Describe the classes you teach, the ages and levels, the plans families buy and what they are really paying for beyond the hour in the room: a teacher their child adores, a recital the grandparents fly in for, a place to belong. Tell it as a parent would at the school gate, and note which families and schools send others your way.

3. Positioning and capacity

Name the styles, ages and levels you teach and the ones you leave to other studios. Then count the class seats your rooms and timetable offer after school and on Saturdays, and the instructor hours needed to teach them.

4. Plans, tuition and instructor hours

For each plan, write down the students it can hold, the monthly tuition and the instructor hours it needs. Tuition copied from another studio's website, with no teaching hours under it, is a guess.

PLAN	STUDENTS IT CAN HOLD	MONTHLY TUITION	INSTRUCTOR HOURS A MONTH

> *Owner question: our fall classes fill and then a third of the families do not come back after the recital. Should we lower tuition?*
> Look at this cause first: the family hears nothing between the recital and the August email, and a sport fills the gap. Note each student's last contact after the show (page 14), take next year's registration and deposit in the fortnight after it, and compare return rates age by age and plan by plan; treat the result as a pointer, not proof, before any tuition cut.

PAGE 4

Business plan, part two

5. Operations

Describe a teaching day from the first afternoon class to the last pickup: who opens, how the desk and the rooms are covered, the class schedule, the handover to parents and the close. Name who runs the studio when you are not there.

6. Team

List every role, its hours and its pay: directing in line 4, the classes you teach in line 14, never both. Name the person who can run the studio for a week without you; page 14's first question checks that dependency.

7. Marketing and sales

Explain where inquiries come from, how an inquiry becomes a trial class and a trial becomes an enrollment, and why families stay for years and refer; siblings and referrals pay for the families who leave in June.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below, with the money needed, its sources and its runway.

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

TEST	PASS?
Gate 0. Signed registrations for the opening students, floor and insurance quotes, the lease and every approval requirement are in writing, reviewed by a qualified professional.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The peak month's students fit the seats and its class hours fit the schedule (pages 6, 7 and 9), and planned enrollment reaches break-even (page 8).	
5. Signed registrations with deposits back the opening enrollment; an inquiry list forecasts trials, not students.	
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 a lease or order the floors. **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 flooring supplier, the insurer or the landlord, or a documented calculation. Studio budgets break on the fit-out and the first summer, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
FLOORS, MIRRORS AND SOUND				
Sprung floors, mirrors and barres for three rooms				
Sound, lighting and video				
Software, website and registration setup				
Lobby and waiting-area furniture				
SETUP AND APPROVALS				
Business entity, registrations and approval requirements				
Insurance down payment				
Lease deposit and first month				
PRE-OPENING				
Pre-opening payroll, auditions and training				
Launch marketing, open house and fall registration drive				
Costume, prop and supply stock				
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 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 enrollment, so build it from signed registrations and the class seats you can staff, not from the rent you need to cover. Count tuition first, month by month from page 9; add camps in their months and recital and costume fees at the volume your records support.

```
Monthly sales for a line = units times average tuition 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 TUITION	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Class tuition	students				
Summer camps and intensives	camper payments				
Recital, costume and private-lesson fees	fees				

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 = students on the page 9 roster times average tuition (no separate ramp), plus camps in their cash months, plus fees at full run times ramp (the share of full-run volume your records have reached) times season. Use 100 percent where a factor does not apply. The build, ramp and season are your assumptions; write down the evidence for each, such as your registrations and your inquiry record.

CAPACITY CHECK

```
Class hours a month = class hours a week across the rooms times 52, divided by 12, against the peak month's instructor hours (pages 7 and 9); peak students against the cap; seats (students times classes a week) against the seats the rooms hold
```

Write the class hours your rooms can run each week and the seats each class holds. Take the peak month of the season list, students at the settled roster (page 9), add up the instructor hours the plans need that month (page 7) and set them against the scheduled hours; set that month's students against the enrollment cap and their class seats against the seats the schedule holds. If the plan needs more hours or more seats than you have, the plan is wrong, whatever the waitlist says.

PAGE 7

Class plans, student places and revenue per place

A class costs its instructor whether five students or twelve are at the barre. Price every plan on the hours it takes and the places it fills.

```
Fill = students over places; tuition = students x monthly tuition; teaching cost = class hours x the loaded rate; plan contribution = tuition less teaching cost less fees and pass-through at the line's own shares (page 8)
Revenue per available place = tuition over places (per place, not per class seat)
```

WORKED EXAMPLE: THREE PLANS AT FULL RUN (ILLUSTRATIVE)

PLAN	PLACES	STUDENTS	FILL	MONTHLY TUITION	TUITION	CLASS HOURS	TEACHING COST	FEES, PASS-THROUGH	PLAN CONTRIBUTION	PER PLACE
One class a week	160	121	76%	$95	$11,495	64	$2,039	$425	$9,031	$71.84
Two classes a week	100	85	85%	$150	$12,750	66	$2,103	$472	$10,175	$127.50
Unlimited classes	40	35	88%	$190	$6,650	50	$1,593	$246	$4,811	$166.25

An instructor hour costs $31.86 ($27.00 plus 18 percent). Per available place, unlimited classes brings the most ($166.25) and one class a week the least ($71.84). Seats a week = students x classes a week (3.5 unlimited); the rooms hold 504 (three rooms x 14 class hours x 12 students). Class hours (180 a month; no salaried instructor teaches) are paid hourly on line 14 (page 8): 20.6 percent of settled-year tuition, 16.93 percent of all sales. Own line 13 and 14 shares: class tuition 0 and 20.6; summer camps and intensives 0 and 0.0; recital, costume and private-lesson fees 60 and 0.0.

YOUR PLANS

PLAN	PLACES	STUDENTS	FILL	MONTHLY TUITION	TUITION	CLASS HOURS	TEACHING COST	FEES, PASS-THROUGH	PLAN CONTRIBUTION	PER PLACE

TUITION, CAMPS AND FEES: WHEN CASH LANDS

INCOME LINE	STEP	SHARE OF THE CHARGE	RECEIVED
Class tuition	Tuition billed on the first, paid in the month	92%	in that month
Class tuition	Late tuition, paid the next month	6%	the next month
Class tuition	Late tuition, two months later	2%	two months later
Summer camps and intensives	Deposit at registration, balance at camp, each in its month	100%	in that month
Recital, costume and private-lesson fees	Paid when charged	100%	in that month

Of each $100 billed in a month the studio receives $93 in that month, $5 the next month and $2 two months later. Here alone, tuition, camps and fees are blended by full-run sales (class tuition 82 percent, summer camps and intensives 4 percent, recital, costume and private-lesson fees 14 percent) into one rounded split; page 11 times each line by its own terms, and so should your forecast.

CAPACITY CHECK

Score the peak month of the season list, not a typical one.

```
Peak students against the cap; seats a week against 504; class hours against the hours the rooms run
```

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. A line that starts or steps up during year 1 goes in at its amount once in place; page 11 uses each month's amount.

FIXED COSTS PER MONTH	PER MONTH
1. Studio rent, 3,200 square feet	
2. Liability and property insurance	
3. Studio manager, salaried, with payroll taxes (the minimum staff; teaches no classes)	
4. Owner-director's market wage (directing)	
5. Loan interest (floors, mirrors and sound loan)	
6. Utilities, phones, internet and music service	
7. Marketing, website and registration listings	
8. Studio management and tuition billing software	
9. Accounting, bookkeeping and bank fees	
10. Cleaning, floor care and maintenance	
11. Training, choreography resources and dues	
12. Other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Costume, recital venue and production costs passed through on the fee line	
14. Hourly instructors above the salaried lead instructor, with payroll taxes	
15. Payment processing fees	
16. Class supplies, props and printing	
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 students = (fixed costs with line 4 even if undrawn, plus principal, minus camp and fee
contribution at their own shares) divided by one student's monthly contribution; 0 if covered
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 students (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; per day open = weekly divided by days open per week. Rent share = line 1 divided by net sales.

PAGE 9

Enrollment, dropout and the school-year roster

Families join in the fall, leave after the recital and return in August, so the forecast follows this roster, not a smooth ramp.

```
Students at month end = students at the start x (1 minus that month's dropout rate) + new enrollments, up to the places
Average roster over a settled school year = enrollments a month x average stay (the stay follows the year's dropout pattern); value of a student = tuition x stay x contribution ratio; enrollments that keep the year level = the yearly cycle averaged
```

WORKED EXAMPLE: THE SCHOOL YEAR FROM SEPTEMBER (ILLUSTRATIVE; ROUNDED)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Enrollments planned	150	52	22	11	11	22	16	11	6	0	0	84
Students who stopped	0	6	8	8	9	9	9	9	9	82	23	5
Students on the roster	150	196	210	213	215	229	235	237	234	152	129	208
Settled year: enrollments	28.5	20.9	11.4	7.6	7.6	11.4	9.5	5.7	3.8	0.0	0.0	85.5
Settled year: roster	227	239	241	239	237	239	239	235	229	149	127	207

June carries the 35 percent recital-end exit and July 15 percent more, every year. Pages 6 and 11 take the class tuition line from this roster month by month; a student pays from the month they enroll, and September's enrollments would be Test 5 evidence in a real plan. The slow start holds each month's roster at 70 percent; year 2 starts from August and repeats the cycle. No student waits for a seat.

ITEM	EXAMPLE	BASIS
Monthly dropout	4%	Leavers in a month over the roster on its first day (4 percent; 35 in June, 15 in July)
Average stay	13.6 months	Survival through the school year, June and July exits counted, by enrollment month
Value of one student	$1,320	Tuition x stay (13.60 months) x contribution ratio 0.757
Enrollments a month, June to August	28.0	The table, averaged
Enrollments a month that keep the year level	16.0	The settled yearly enrollment cycle averaged
Average roster over a settled year	217	16.0 enrollments a month x the stay
Cost to win a student	$50	Line 7, $800, over enrollments a month in a settled year, August re-registrations included

YOUR ROSTER, SEPTEMBER TO AUGUST

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

ENROLLMENT AND WITHDRAWAL LOG

Record each new student and each one who stops, with the reason in the family's own words.

MONTH	ENROLLED	STOPPED	REASON GIVEN	MONTHS DANCED	PLAN

PAGE 10

Inquiries, trial classes and enrollments by source

Studios fill from siblings and friends, from maps and social inquiries, and from families who watched a school or community performance. Those sources turn trial classes into enrollments at very different speeds, so follow each one from first inquiry to enrollment and set it against the dropouts it must refill.

```
Trial rate = trial classes divided by inquiries; enrollment rate = enrollments divided by trial classes
Inquiries needed = the enrollments still to find divided by (trial rate times enrollment rate)
Monthly churn = students who left in the month divided by students at the start of the month
```

WORKED EXAMPLE: ONE QUARTER OF INQUIRIES, BY SOURCE (ILLUSTRATIVE)

SOURCE	INQUIRIES	TRIAL CLASSES	ENROLLED	TRIAL RATE	ENROLLMENT RATE	INQUIRY TO ENROLLMENT	INQUIRIES FOR 33 ENROLLMENTS, THIS SOURCE ALONE
Siblings and referrals	24	19	14	79%	74%	5 days	57
Online search, maps and social	60	28	12	47%	43%	9 days	165
School and community performances	26	16	7	62%	44%	12 days	123

The counts illustrate the method only; they cannot say why a sibling enrolls and a maps inquiry does not, and one small quarter points a direction rather than measuring a rate. Its 33 enrollments match the 33 the page 9 roster plans for March to May, the last full school-year quarter before summer; the summer quarter carries the August re-registration instead. In the example, losing 9.6 of 241 students in a month is a monthly churn of 4.0 percent, measured on the roster at the start of the month, before new students arrive; inquiries must refill those places before the studio grows.

YOUR PIPELINE, BY SEGMENT

SOURCE	INQUIRIES	TRIAL CLASSES	ENROLLED	TRIAL RATE	ENROLLMENT RATE	DAYS INQUIRY TO ENROLLMENT	INQUIRIES NEEDED

INQUIRY AND WITHDRAWAL LOG

FAMILY	TRIAL DATE	START DATE	ENROLLED OR WITHDREW	REASON, IN THE PARENTS' WORDS

PAGE 11

Twelve-month cash forecast

Rent and instructor pay leave before late tuition lands. Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: collections, in the month each payment lands, net of sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: costumes, fees and supplies (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: studio 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												
Memo: receivables = last month's + billed minus collected												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first day of classes 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. Instructors, the venue and costume suppliers are paid in the month of the work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what June and July cost

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

Worked example: a hypothetical dance studio

Made-up numbers that show the working, not benchmarks for a studio. The studio manager is salaried from month 1; camps and fees land in their months. Cash floor $17,467. Tuition goes out on the 1st, and 92 percent is paid that month, 6 percent a month later and 2 percent two months on; camps are paid half ahead and half at camp; fees are paid when charged; instructors and suppliers are paid in the month of the work; the director's market wage comes out in cash.

Page 5, budget	The startup budget totals $114,000, funded by a loan of $45,000 (10.5 percent over 5 years) and $69,000 of owner money; the total includes a $38,800 reserve that carries the fall build, the June drop, late tuition, the floor and the buffer. Page 5's two passes: floor $17,467, plus a one-month buffer, $17,467, plus $3,790 (how low a first pass falls when it starts with no cash), rounded up to $38,800.
Page 8, costs	Fixed costs $16,865 a month, including $4,500 for the studio space and $365 of loan interest in that; principal $602 a month (both year 1 averages); variable costs take 28.9 percent, so the contribution margin ratio works out to 0.711. Lines 13 to 16 take 8.28, 16.93, 2.5 and 1.2 percent of sales. Lines 1 to 12, fixed, run $4,500, $350, $4,200, $4,500, $365, $700, $800, $200, $300, $400, $250 and $300 a month in all.
Page 8, break-even	Operating break-even runs about $23,723 a month. Cash break-even (fixed $16,865 plus principal $602, divided by 0.711) is about $24,570 a month: 149.3 students a month from class tuition once camps and fees have contributed at their own shares (page 7), so 150, against the 241 the plan enrolls at the peak.
Page 6, sales	Class tuition: 241 students a month at $128.20 along the page 9 roster through the first school year, then the same recital-to-registration year. Summer camps and intensives: 35 camper payments a month at $132.50 (35 or 25 payments a month, April to July, half two months ahead and half at camp; the same pattern every year). Recital, costume and private-lesson fees: 55 fees a month at $85. A steady year averages about $33,870, tuition and camps at their steady-year averages (class tuition 217.39 students a month, summer camps and intensives 10.00 camper payments a month); fees ramp 55, 65, 75, 85, 95 percent from September to month 5, then 100 percent; season 70, 70, 120, 70, 80, 200, 100, 100, 140, 150, 40, 60 percent, September to August, on fees; tuition and camps follow their own months.
Page 19, expected case	Month 1 tuition and fees of $21,030; September finishes at $35,010, August at $94,447. Low: month 1, closing $35,010, $17,543 over the floor line.
Page 19, slow start	Students, camps and fees at 70 percent of the expected case: month 1 sales $14,721; September finishes at $30,907, August at $14,872. Cash falls under the floor in month 12 (closing $14,872), so runway from the first class is 11 months.
Page 8, coverage	At the steady year's average sales of $33,870, planning coverage, before income tax and floor replacement, comes to 7.84 against the 1.25 the example lender expects; on August's run rate it stands at 7.91, and Test 3 uses both. Rent share is about 13.3 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is treated as met for the example. Test 1 passes: the month-12 run rate comes to about $33,964 a month, above the $24,566 break-even at that sales mix (contribution ratio 0.711); cash keeps above the floor through a second school year at that pattern (lowest point $99,906, the second September). (Not scored: tuition and fees first clear cash break-even in month 2.) Test 2 fails: at 70 percent, cash drops below the floor in month 12; about $2,600 more reserve at opening would carry it. Test 3 passes on the planning formula; a lender may define it differently. Test 4 passes: in the peak month (month 6, season 200 percent, at the settled roster, not the year-1 build) 239 students fit the cap of 300, take 410 of the 504 class seats a week, and need about 180 instructor hours against the 182 the rooms run (42 class hours a week across three rooms), so the plan fits. Test 5 fails for want of evidence. Test 6 passes: a steady school year, June and July included, leaves about $79,334 after principal, but cash flow runs below zero in month 11 of at least $1,294, the biggest fall in running cash (from its month 10 high to its month 11 low), which page 5's one-month buffer covers. That is the steady-state year, not the opening year: the first school year on page 19 leaves about $55,647 to cash because enrollment builds through the school year and the first June drop comes before the second fall. Break-even takes most of the students; the June drop empties a third of the seats.

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 RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Tuition, camps and fees all down a tenth (lines 13 to 16 fall)	minus $2,408	Expected case holds the floor
Class tuition: average tuition 5 percent higher, same volume (processing fees alone rise)	plus $1,359	Break-even students fall from 149.3 to 140.3 a month, so from 150 to 141: per-unit costs stay the same, so the ratio rises from 0.711 to 0.721 on the new sales (sales-linked fees, line 15, take 2.5 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $23,164
Monthly churn 2 points higher in the school-year months (4 to 6 percent; about 17 fewer students by month 12, $3,010 a month less on average in year 2)	minus $3,010	Expected case still clears the floor; slow start below the floor in month 6 (closing $17,055)
Fall registration 20 percent lower in month 1 (about 11 fewer students by month 12, $1,114 a month less at the month-12 gap)	minus $1,114	Expected case still clears the floor; slow start below the floor in month 4 (closing $14,616)
Every family pays one month late, tuition, camps and fees alike (instructors and bills still paid on time)	no change	Expected case below the floor in month 1 (closing $15,519); slow start below the floor in month 1 (closing $17,263); would fail Test 1
Recital venue and costume costs 15 percent higher (the fee line's own line 13 from 60 to 69.0 percent of its sales, about $420 a month at full run)	minus $420	Cash break-even rises to about $25,006; expected case still clears the floor; slow start below the floor in month 11 (closing $15,016)
2 months of tuition from 20 students, billed from month 4, never arrive ($2,564 a month)	no change	Expected case still clears the floor; slow start below the floor in month 5 (closing $15,197); $5,128 never collected
Fit-out overrun of $10,000 beyond the contingency, covered out of the reserve	no change	Expected case still clears the floor; slow start below the floor in month 2 (closing $16,701)
Opening 3 months late (the studio space, insurance, loan interest and principal, $5,817 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 $18,223 in month 4 from the planned opening, $16,787 lower than on time; slow start below the floor in month 4 from the planned opening (month 12 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

Enrollment checklists, weekly review, six questions

Checklists for running the studio, not a compliance program. Add the registration, billing, music licensing, safety and staffing steps that your location and your advisers require.

BEFORE A STUDENT STARTS

- [ ] Keep a seat open only once the registration is signed and the deposit and first month's tuition are in.
- [ ] Place the student in a class by age and level and confirm the day and time in writing.
- [ ] Record the plan, the billing date and the withdrawal terms in the registration and the billing system.
- [ ] Collect the registration form and emergency contact your location requires.
- [ ] Add the student to the source log with the inquiry source and the start date.
- [ ] Brief the instructor on the student's experience and anything the family reported.

MONTH END AND WITHDRAWALS

- [ ] Compare each class's students with its seats, and the hours taught with the timetable.
- [ ] Enter each enrollment and each dropout on the page 9 roster, with the family's reason.
- [ ] Bill tuition on the 1st and follow up any account still open after 10 days within the week.
- [ ] Work out the month's dropout: students who stopped over the roster on the 1st.
- [ ] Log each inquiry with its source, the trial class date and what happened next.
- [ ] When a family withdraws, ask what would have brought them back next season and who else might enroll.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Tuition and fees billed against cash in, by plan and payment step				
Students in each class against its seats				
Instructor hours taught against the timetable				
Enrollments, dropouts and the waitlist by class				
Inquiries, trial classes and enrollments by source				
Accounts open more than 10 days				
Hours the owner taught or sat at the front desk				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Do placements, timetable changes and parent complaints all wait for the director, with the front desk parking questions until the director leaves the studio floor?
2. **Reactive operations.** In a week, how many classes ran with a substitute or under five dancers, how many pickups were late, and how many hours did the director teach instead of running the studio?
3. **Growth without structure.** How many dancers stop within 90 days of their first class, and how many tuition accounts are still open on the 15th?
4. **Talent and retention.** Which classes would follow one instructor out of the door to another studio?
5. **Revenue plateau.** How long does a trial class take to become an enrollment, and what share of inquiries never book a trial?
6. **Strategic confusion.** Do classes at the same tuition run very different numbers of dancers, and does the recital cost more each year than the fees you charge for it?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the inquiry and trial log, the page 9 roster table, instructor hours against the timetable, or the open-accounts report.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log instructor hours by class every day. Log the hours the director teaches.
Week 2	Fill the page 7 class table at the loaded wage and mark any plan whose tuition does not cover its instructor hours, supplies and fees.
Week 3	Fill the page 9 build table with every enrollment and withdrawal and work out the month's churn.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions the studio manager may make without calling you.
After month 1	Compare each class's students with its seats and the instructor hours taught with the schedule on page 6.

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 Dance Studio 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 class pricing calculator from instructor hours and tuition to a margin, an enrollment and retention tracker, editable inquiry, trial and recital trackers, enrollment checklists 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 recreational dance studios, 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. Dance studios owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, registration agreements, billing and music licensing 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 classes, tuition 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 registration forms, children's or parents' names, staff records 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 recreational dance studio. I have attached the Dance Studio Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my classes, students and instructors, using my numbers only.

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 tuition, a wage, a churn figure, a seat count, percentage or benchmark.
2. The numbers printed in the kit 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: ...] 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 = units times average tuition or fee (every line is counted per month). Tuition follows the page 9 build (students at month end times average tuition); camps sit in the months their deposits and balances land; fees = full-run fees times ramp times season. Full-run sales, break-even and coverage take tuition at its settled-year average (page 9), not the planned count.
- 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 class hours go in line 14 at an instructor's rate. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the rooms; 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 students = (fixed costs with line 4 even if undrawn, plus principal, minus camp and fee contribution at their own shares) divided by one student's monthly contribution; 0 if covered. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Class hours a month = class hours a week across the rooms times 52, divided by 12, against the peak month's instructor hours (pages 7 and 9); peak students against the cap; seats (students times classes a week) against the seats the rooms hold.
- 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 day of classes 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. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Place tuition, camp deposits, balances and fees in the months my payment terms say; if a term is missing, mark [NEED: payment timing] and do not borrow the worked example's timing (tuition billed on the first, camp deposits two months ahead). Payroll and suppliers are paid in the month worked. In the slow-start case, every month's sales on every line 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 day of classes), 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, registration agreement, billing, music licensing and instructor classification requirements, 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 family IDs. Do not ask for names, addresses, bank account or tax ID numbers, children's records, or the names of my families or instructors.
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. Classes, styles and plans, families and referral sources, the class hours the rooms run a week, and days open per week.
b. Sales build: for class tuition, each plan's seats, the students at the spring peak, the classes a week and the monthly tuition, my churn for each month of the year (the June and July exits included), my planned enrollments for each month from 1 to 12 (month 1's are the students registered before opening), the recurring yearly enrollment pattern, and the enrollment cap; for summer camps, the campers and the fee per camp with the months the deposits and balances land; for recital, costume and private-lesson fees, the fee items a month at full run and the average charge, a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out) and a seasonal percentage for each month from my records; 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). Never daily. The page 9 roster replaces bookings for class tuition; for summer camps, give the payments a month once fully booked for each month 1 to 12. Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For each class plan: student places and students at full run, the monthly fee, and the direct staff hours a month it needs; the salaried roster's paid hours a month; the loaded wage of the hourly staff above it.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (flooring quote, insurer quote, landlord quote or calculation) for each line on page 5, from the floors and mirrors to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried studio manager, loan interest and my market wage as director; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my class hours go in line 14 at an instructor's rate.
f. Variable cost shares of net sales for lines 13 to 16: line 13, costume, recital venue and production costs passed through on the fee line; line 14, hourly instructors above the salaried lead instructor, with payroll taxes; line 15, payment processing fees; line 16, class supplies, props and printing; and any sales line whose own shares differ, given for that line.
g. Confirm the dropout by month, the enrollment plan and the cap from item b; change nothing unless I say so.
h. For each inquiry source: inquiries, trial classes and enrollments last quarter, and days from inquiry to enrollment; students at the start of the month and students who left; the number of new enrollments I need.
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 families pay tuition (in the month or later, and the share that runs late), when camp deposits and balances land, and when instructors and suppliers are paid.
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 and equipment replacement.
m. Cash on hand on the first day of classes after all startup spending, startup 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 dance studio, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by tuition line, camps line, fee line and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. 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 students (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 memo rows for each month, kept out of closing cash: sales tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Program economics by places, enrollment, fee, staff hours and revenue per available place, ranked, with the capacity check on places and staff hours.
7. The 12-month roster (enrollments, dropouts, students, percent of the full roster), the settled school year against the plan, the average stay, the value of a student and the cost to win one.
8. Pipeline by segment with inquiries needed and monthly churn.
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 enrollment count or tuition term 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, starting with the enrollment build, instructor hours and tuition terms, before anyone sees the plan, and 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 $17,467.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**38,800**	**35,010**	**36,487**	**40,686**	**44,821**	**49,507**	**57,487**	**64,473**	**76,151**	**86,958**	**92,090**	**91,464**
In: sales receipts	19,491	26,399	30,886	29,994	31,114	38,517	34,759	39,671	39,834	31,962	22,171	28,706
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: costumes, fees and supplies (lines 13, 15, 16)	1,858	2,284	3,677	2,781	3,284	7,040	4,094	4,273	5,399	5,358	1,926	2,772
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	12,656	13,871	14,243	14,311	14,377	14,730	14,912	14,953	14,861	12,705	12,104	14,184
Out: studio rent (line 1)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Out: other costs, with loan interest (lines 2, 5 to 12)	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665
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	602	602	602	602	602	602	602	602	602	602	602	602
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(3,790)**	**1,477**	**4,199**	**4,135**	**4,686**	**7,980**	**6,986**	**11,678**	**10,807**	**5,132**	**(626)**	**2,983**
Closing cash, expected	**35,010**	**36,487**	**40,686**	**44,821**	**49,507**	**57,487**	**64,473**	**76,151**	**86,958**	**92,090**	**91,464**	**94,447**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**38,800**	**30,907**	**26,701**	**24,400**	**22,054**	**20,094**	**20,440**	**20,091**	**23,025**	**25,350**	**23,702**	**18,024**
Sales receipts, slow start	13,644	18,479	21,620	20,996	21,780	26,962	24,331	27,770	27,884	22,373	15,519	20,094
Out: variable costs, slow start (lines 13 to 16)	4,070	5,218	6,454	5,875	6,273	9,149	7,213	7,369	8,092	6,554	3,730	5,779
Out: fixed costs (lines 1 to 12), principal, bills, less funding	17,467	17,467	17,467	17,467	17,467	17,467	17,467	17,467	17,467	17,467	17,467	17,467
Net cash flow, slow start	**(7,893)**	**(4,206)**	**(2,301)**	**(2,346)**	**(1,960)**	**346**	**(349)**	**2,934**	**2,325**	**(1,648)**	**(5,678)**	**(3,152)**
Closing cash, slow start	**30,907**	**26,701**	**24,400**	**22,054**	**20,094**	**20,440**	**20,091**	**23,025**	**25,350**	**23,702**	**18,024**	**14,872**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**5,793**	**6,940**	**7,966**	**6,919**	**6,899**	**9,123**	**7,419**	**11,513**	**10,371**	**4,021**	**(1,294)**	**3,665**

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 $33,964 a month, against month 12's own billed sales of $29,456): closing cash runs $99,906 in month 1 and $174,640 in month 12, lowest $99,906 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.