Spa Business Plan and Operations Starter Kit

A working kit for an independent day spa or massage practice. It prices every treatment by its room minutes, backbar cost and therapist pay, builds the active client book month by month from new clients and the ones who stop rebooking, compares commission, hourly pay and room rent, carries the January lull through the cash page, and scores the plan on six pass-or-fail tests.

DAY SPAS AND MASSAGE
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19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/DAY-SPAS-AND-MASSAGE/
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PAGE 2

Start here

A day spa can be booked out in December and still run short of cash in February. Rent, the front desk and the loan fall due whether the rooms are full on a Tuesday or not, and a therapist who leaves can take a book of clients with her. This kit writes those numbers down and tests them before a landlord or a lender asks.

WHAT IS INSIDE

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HOW TO USE IT

1. Build services, retail and room rent 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. Prices, the service menu and the therapist roster move before the doors open, and every worksheet expects your own figures.
3. From opening day, run the page 14 checklists at every checkout and the numbers review weekly. Fill page 11 at each month end and post page 9 as clients book, rebook and drift away.

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 day spa 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, pay-plan, room-rent-agreement, gratuity or financial advice. Requirements vary by location; review with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A landlord and a lender both read this page before either commits, looking for how five staffed treatment rooms carry the lease, the desk and the loan through a slow February. Answer briefly here and expand on separate sheets.

1. Executive summary (write it last)

Open with who books a facial on a weekday and who comes monthly for the 90-minute massage. Then state the sum you want and what it buys. Close with the month page 6 sales clear the page 8 break-even, then the page 4 result.

2. The treatment menu, its prices and who books it

Sell the menu as the desk sells it: each massage and facial with a price and the minutes it holds the room. Then say what brings her back: the therapist's hands, or a series she means to finish.

3. Who the rooms are for, and how many rooms

Say whose booking you want and whose you would send elsewhere. Then count what sells the hour: rooms, the hours a therapist stands in each, and the Tuesday mornings the table stays folded.

4. Price, room minutes and the backbar it draws

Against every treatment, settle three things: what the client pays, how long the room is tied up once the linens change, and what the oil or masque costs off the backbar.

TREATMENT	PRICE AT THE DESK	MINUTES THE ROOM IS HELD	BACKBAR PRODUCT USED

> *Owner question: Saturday is booked, Tuesday is empty, and my best therapist thinks she would take home more renting a room from me. Should the team move onto room rent?*
>
> Look at the empty Tuesday first. Renting a room hands over the diary, the client list and the backbar order and still leaves the spa paying for the room; have a qualified professional review the agreement. Then run the page 10 comparison on her own takings, at full run and at 70 percent.

PAGE 4

Business plan, part two

5. Operations

Describe a day from first appointment to close: who opens, how the desk runs the book and walk-ins, how a room is turned over, and how linen and cleaning are handled. Name who runs the spa when you are away.

6. Team

List every role, its hours and its pay plan, including a market wage for your own hours. Name the therapist whose departure would take the most clients; the fourth question on page 14, talent and retention, checks that dependency.

7. Marketing and sales

Explain where new clients come from, how a first visit becomes a second, and why clients rebook and refer; measure whether new clients cover the ones who stop coming.

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. Quotes for the treatment tables and the build-out, the lease and the requirements of every registration the spa needs are in writing, reviewed by a qualified professional where needed.	
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 appointments fit the treatment rooms and the therapists' hours fit the roster (pages 6, 7 and 9), and the planned client book reaches break-even (page 8).	
5. Booked first appointments and the client books therapists bring fill the opening months; a social following forecasts inquiries, not clients.	
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 a build-out contract. **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 treatment-table supplier, the contractor, the insurer or the landlord, or a documented calculation. Spa budgets break on the build-out and the first slow quarter, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
TREATMENT ROOMS, EQUIPMENT AND SYSTEMS				
Treatment tables, linens, steamers and furniture				
Build-out, 1,800 sq ft: treatment rooms, desk and back of house				
Booking, point-of-sale, laundry and back-of-house systems				
SETUP AND APPROVALS				
Registrations and approvals: compliance and registration review with a qualified professional				
Insurance down payment				
Lease deposit and first month				
PRE-OPENING				
Pre-opening payroll, hiring and education				
Launch marketing, website and booking listings				
Opening inventory: backbar and retail 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 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 clients, so build them from booked first appointments, the clients your therapists bring and the treatment rooms you can fill, not from the rent you need to cover. Count active clients first, month by month from page 9; add retail and room rent at the volume your record supports.

```
Monthly sales for a line = units times average spend 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, all divided by 12
```

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE SPEND	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Spa services	active clients				
Retail skin and body care	items				
Room rent	rooms				

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 = active clients at month end on page 9 times the monthly spend per active client (no separate ramp), plus retail at full run times ramp (your estimate; the example follows the client build) times season, plus room rent as signed. 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 booked first appointments and the clients each therapist brings.

CAPACITY CHECK

```
Room hours open per month = treatment rooms x hours open a day x days open a month; therapist hours per month = the sum over therapists of hours a day times days a week, times 52, all divided by 12; hours needed in the peak month = the room hours on page 7 at the peak client book (page 9)
```

Write how many treatment rooms the spa staffs for its own therapists, the hours they are open, and each therapist's hours a day and days a week. Take the month the page 9 client book peaks, add up the room hours its appointments need (page 7), then set them against the room hours open and the hours the therapists can work. If the plan needs more rooms or more therapist hours than you have, the plan is wrong, whatever the book looks like on a Saturday.

PAGE 7

The service menu, room minutes and takings per room hour

A treatment room earns only while a client is in it. A 90-minute massage and a 60-minute facial must each cover rent, backbar product and therapist pay, and an empty Tuesday morning covers nothing.

```
Appointments a month = clients on the book x visits a month; room minutes = service minutes + reset;
room hours = appointments x room minutes over 60.
Weighted ticket = each service's price x its share of appointments, added up; monthly spend per client =
visits a month x weighted ticket; a service's contribution = its price less backbar product, therapist
commission, and its own card fees and supplies (5.4 percent of service takings); room use = room hours
sold over room hours open; takings per open room hour = service takings over unrounded room hours
```

WORKED EXAMPLE: A SETTLED MONTH IN A DAY SPA WITH FIVE STAFFED ROOMS (ILLUSTRATIVE)

SERVICE	ROOM	SHARE	APPOINTMENTS A MONTH	ROOM MINUTES	ROOM HOURS	PRICE	BACKBAR COST	THERAPIST COMMISSION	CONTRIBUTION	PER ROOM HOUR
60-minute massage	Staffed treatment rooms	45%	202.5	75	253	$105	$3.00	45%	$9,939	$39.26
90-minute massage	Staffed treatment rooms	25%	112.5	105	197	$135	$4.00	45%	$7,083	$35.98
60-minute facial	Staffed treatment rooms	30%	135.0	75	169	$150	$15.00	45%	$8,019	$47.52

ROOMS	NUMBER	ROOM HOURS OPEN A MONTH	ROOM HOURS SOLD, SETTLED MONTH	ROOM USE	ROOM USE IN THE HIGH MONTH	TAKINGS PER OPEN ROOM HOUR
Staffed treatment rooms	5	1,170	619	53%	54%	$48.46

1,000 clients on the books at 0.45 visits each fill 450.0 appointments a month at a weighted ticket of $126.00, so spa services enter page 8 at $56.70 per client a month. Backbar product takes about 5.4 percent of service takings, card fees and supplies a further 5.4 percent, and therapist commission 45.0 percent (page 10); the page 12 example shows blends of 11.02 and 39.57 percent. Across all room hours open, service takings average $48.46 an hour; an unsold hour takes in nothing. In contribution per room hour sold, 60-minute facial keeps the most ($47.52) and 90-minute massage the least ($35.98).

YOUR SERVICE MENU

SERVICE	ROOM	SHARE	APPOINTMENTS A MONTH	ROOM MINUTES	ROOM HOURS	PRICE	BACKBAR COST	THERAPIST COMMISSION	CONTRIBUTION	PER ROOM HOUR

ROOM AND ROSTER CHECK

Find the month the page 9 client book peaks. Turn that month's appointments into room hours with the page 7 minutes, then set them against the room hours open and the therapist hours rostered. A gap on either side means another room, another therapist or longer hours, however busy a Saturday looks.

```
High-month room hours = settled room hours x the high month's client book over the settled average, set
against room hours open; high-month therapist hours = the same room hours, set against the roster,
people x hours a day x days a week x 52 over 12
```

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. Rent, 1,800 sq ft gross	
2. Insurance	
3. Front-desk manager, salaried, with employer taxes and benefits (the minimum staff)	
4. Owner market wage	
5. Build-out loan interest, year-1 average	
6. Utilities	
7. Marketing, run rate	
8. Booking and point-of-sale software	
9. Accounting	
10. Cleaning, laundry and repairs	
11. Training and education	
12. Other, including employer taxes on commission and back-office supplies	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Backbar product and retail cost	
14. Therapist commission above the salaried staff	
15. Card fees	
16. Supplies used in treatments	
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 active clients = fixed costs, principal and other recurring cash out minus retail and room
rent contribution, all divided by one client's monthly contribution (spend x its own ratio, page 9); 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 active clients (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, all divided by 52; per day open = weekly divided by days open per week. Rent share = line 1 divided by net sales.

PAGE 9

The client book: first visits, quiet drift and regulars

A treatment book leaks rather than bursts: each month a few regulars stop calling and a few first-timers arrive.

```
Clients on the book at month end = those on the 1st, less the month's drift, plus new bookings, capped at the active clients the rooms can serve
Settled book = rows repeat until each December matches; stay = 1 divided by the lapse; client value = monthly spend x months x the service line's own contribution ratio
```

WORKED EXAMPLE: A JANUARY OPENING FROM THE THERAPISTS' REGULARS (ILLUSTRATIVE)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Fresh bookings	140	120	105	95	85	80	74	66	64	66	72	78
Gone quiet	12	17	21	25	27	30	32	33	35	36	37	38
Clients on the book	428	531	615	685	743	793	835	868	897	927	962	1,002
Settled year, fresh bookings	30.0	31.0	34.0	38.0	42.0	45.0	44.0	42.0	40.0	40.0	45.0	49.0
Settled year, book at month end	1,005	996	990	989	991	996	1,001	1,003	1,002	1,002	1,007	1,016

Month 1 starts from the 300 regulars the therapists bring, plus 140 first appointments; a newcomer counts from the month she first books. Pages 6 and 11 read this table as the spa services line. This example gives only the opening count, so page 12 fails Test 5. No one waits for a room in this build: new bookings equal planned new bookings in every month.

MEASURE	THIS EXAMPLE	SOURCE OF THE FIGURE
Who goes quiet in a month, as a share	4%	Double their usual wait between visits, over the book on the 1st
How many months a client keeps booking	25.0 months	1 divided by the monthly lapse
What one client is worth over her stay	$626	Monthly spend x 25.00 months x contribution ratio 0.442
Fresh bookings in the closing quarter	72.0	October through December of the first year, averaged
Fresh bookings needed to hold the book level	40.0	The settled 4 percent lapse against the settled book
Average book once settled	1,000	40.0 a month, times the months a client stays, or fresh bookings divided by the lapse
Marketing spend divided by fresh bookings	$30	$1,200 on line 7, all divided by the settled 40 fresh bookings a month that hold the book

YOUR OWN BOOK, JANUARY THROUGH DECEMBER

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

FIRST VISITS, AND WHO WENT QUIET

Note how each newcomer found the spa, and why a regular stopped booking.

MONTH	FIRST VISITS	GONE QUIET	HER REASON	VISITS BEFORE	THERAPIST

PAGE 10

Three ways to pay a therapist: commission, hourly or room rent

A pay plan decides who carries the cost of an empty Tuesday afternoon. Commission moves with the therapist's own book; an hourly rate is owed for every hour she is rostered, filled or not; room rent hands the diary, the client list and the supply order to the renter, and still leaves the spa paying for the room itself.

One therapist's monthly takings = 151.7 paid hours x 68.0 percent booked x $91.64 for every booked hour On commission she takes the rate applied to her takings. On hourly plus a smaller commission she is paid $30.91 loaded ($28.10 plus 10 percent) for the hours she is rostered, then the smaller rate on her takings. On room rent she keeps everything she takes and hands over the weekly rent x 52 over 12, while the spa keeps her takings less her pay, the backbar product used and its own card and supply costs (5.4 percent), or simply the rent.

WORKED EXAMPLE: A FULL-TIME THERAPIST PAID THREE DIFFERENT WAYS (ILLUSTRATIVE)

PAY PLAN	HER TREATMENT TAKINGS, ONE MONTH	WHAT SHE IS PAID	BACKBAR USED	WHAT THE SPA KEEPS
Commission, 45 percent of treatment takings, full run	$9,450	$4,252	$514	$4,173
$28.10 an hour, plus 15 percent of takings, full run	$9,450	$6,105	$514	$2,320
Room rent, $325 a week, full run	$9,450 (the renter's)	pays $1,408	$0	$1,408
Commission, 45 percent of treatment takings, 70 percent start	$6,615	$2,977	$360	$2,921
$28.10 an hour, plus 15 percent of takings, 70 percent start	$6,615	$5,680	$360	$218
Room rent, $325 a week, 70 percent start	$6,615 (the renter's)	pays $1,408	$0	$1,408

Line 14 on page 8 carries the commission: 45.0 percent of treatment takings, sitting above the salaried manager on line 3. On the hourly-plus-commission plan, put the hourly base wage and its payroll taxes in the page 8 fixed costs, so line 14 carries only the commission. At the 70 percent start the commission falls with the book, while the hourly wage is still owed for every rostered hour, whether or not a client turns up. A room renter hands the spa $1,408 a month and takes no backbar draw and no commission. She rents a sixth room; the five staffed rooms carry the lease, front desk, power and software on lines 1, 3, 6 and 8, about $1,737 a month each. Retail pays its own 50 percent product cost and 10 percent commission, and room rent pays neither, which is why the page 8 break-even clients have those contributions taken out first. Figures are rounded for display; each row is worked from unrounded inputs, so a hand check can differ by a few dollars.

YOUR THERAPISTS' PAY PLANS

PAY PLAN	HER TREATMENT TAKINGS, ONE MONTH	WHAT SHE IS PAID	BACKBAR USED	WHAT THE SPA KEEPS

BEFORE YOU MOVE A THERAPIST ONTO A NEW PLAN

Try this table on one therapist's actual takings and hours before you change how she is paid, then run it again for whoever would take her room. Any pay plan, room-rent agreement or gratuity policy raises worker-status, payroll and contract questions that differ by location; have a qualified professional review each change before it is signed.

PAGE 11

Twelve-month cash forecast

Rent and payroll fall due on fixed dates, slow weeks or not. Enter $000 (51.25 = $51,250), receipts net of tax collected; 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: takings, in the month each payment lands, net of tax collected												
Memo, not cash: sales this month (page 6)												
In: owner money and loans received												
Out: product cost, fees and consumables (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: spa 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: prepaid balances = last month's + sold minus redeemed												
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 the spa opens 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. Therapists, the desk and 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 is charged only on the sales that actually occur; commission on the sales you would not make is withheld. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what a quiet January does to the cash

Runway: months ahead, before closing cash ends a month below your floor

Worked example: a hypothetical day spa

Illustrative: invented figures that show the arithmetic, not trade benchmarks. The salaried manager holds the desk from month 1; every therapist is paid commission on the treatments she performs. Cash floor $22,381. Clients settle at the desk for treatments and products; the renter pays monthly; costs are paid in the month the work happens; the owner draws their market wage in cash.

Page 5, the opening bill	The opening budget totals $387,280, with a $285,000 loan (10.5 percent over 10 years) and $102,280 of owner money, and $65,300 held as working capital, held out of the startup spend and drawn down as the book fills. Page 5 sizes the reserve in two passes: a floor of $22,381, then a buffer month at $22,381, plus $20,520 (the first-pass no-cash shortfall), rounded to $65,300.
Page 8, the monthly cost	Fixed costs $20,962 a month, with $4,200 for the lease and $2,427 of interest on the build-out loan; principal $1,419 a month, both averaged across year 1; the variable lines absorb 55.6 percent, for a contribution margin ratio of 0.444. Lines 13 to 16 take up 11.02, 39.57, 2.84 and 2.13 percent of sales. Lines 1 to 12, starting with rent, run $4,200, $250, $3,484, $4,049, $2,427, $850, $1,200, $150, $350, $900, $200 and $2,902 a month.
Page 8, break-even	Operating break-even for the five staffed rooms sits near $47,169 a month. Cash break-even (fixed $20,962 plus principal $1,419, all divided by 0.444) is about $50,362 a month: 711.3 active clients a month out of spa services once retail and room rent add their share, so 712, against the 1,016 the plan uses.
Page 6, what the spa bills	Spa services: 1,016 active clients a month at $56.70 each at the settled-cycle peak; year 1 follows the page 9 build from 428 active clients in January. Retail skin and body care: 284 retail items a month, at an average of $30. Room rent: 1 room a month at $1,408.33. A settled month takes about $66,625, counting services at the settled list (spa services 999.95 active clients a month); the retail shelf fills at 45, 54, 62, 69, 75, 80, 84, 87, 90, 93, 96 percent in months 1 to 11, then 98 percent; season 91, 89, 95, 98, 101, 103, 105, 103, 99, 100, 104, 112 percent through the twelve months, applied to retail alone.
Page 19, the planned year	January sales $29,167; January closes with the account at $56,340, month 12 at $75,957. The low arrives in month 4, closing $44,780, $22,399 clear of the floor.
Page 19, slow start	At 70 percent of plan, January takes $20,417; January closes with the account at $52,314, month 12 at minus $7,812. The account falls below the floor in month 5 (closing $17,378) and under zero in month 9 (closing minus $996), which gives a runway from opening of 4 months.
Page 8, coverage	Against settled sales of $66,625, planning coverage, before income tax and equipment replacement, comes to 2.88 against the 1.25 the imagined lender asks; at month 12's level it reads 2.77, and Test 3 reads the two together. Spa rent takes about 6.3 percent.

THE PAGE 4 CHECK COLORS THIS EXAMPLE: AMBER

For this example, Gate 0 is treated as done. Test 1 passes. The month-12 run rate bills roughly $65,656 a month, above the $50,337 break-even for that service mix (contribution ratio 0.445); a second year at that level also clears the floor (lowest balance $82,622, the January after it). (Not scored: monthly net cash first turns positive in month 5.) Test 2 fails. At 70 percent of plan, the account slips under in month 5; about $30,200 of extra opening cash would carry it. Test 3 passes on the planning formula; a bank uses its own definition. Test 4 passes on a settled year: the book peaks in month 12 with around 1,016 active clients booking 457 appointments (retail peaks in month 12, season 112 percent); the rooms are in use 54 percent of the time (629 of 1,170 hours open), and the 630 therapist hours needed sit inside the 910 the roster gives (6 therapists, 7 hours a day, 5 days a week). Test 5 fails: the opening book is the therapists' own clients, and their word is the only evidence. Test 6 passes: a settled year clears about $86,728 after principal, and no month finishes below zero, so no cushion is needed. That year is settled, not the opening: page 19's first year leaves about $10,657 in cash as the book fills from 300 clients. Test 6 assumes the ramp gets to full run; held at month 12's 98 percent, the second year leaves about $81,732 in cash (closing $75,957 at month 12, $157,690 a year later; page 19). This example sets nothing aside for income tax, replaces no equipment and carries no stock (page 19). Break-even needs most of the book, and the opening book is the whole argument: a quiet January meets a lease, a roster and a loan that do not shrink.

PAGE 13

What moves the result

Each row changes one page 12 input and reruns the forecast, naming Test 1, 3 or 6 when the change newly fails or passes it; a test already failed stays failed. The last column adds 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
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $2,961	Expected case holds the floor
Spa services: average spend 5 percent higher, same volume (only sales-linked fees rise)	plus $1,406	Break-even active clients fall from 711.3 to 673.5 a month, so from 712 to 674: per-unit costs stay the same, so the ratio rises from 0.444 to 0.447 on the new sales (sales-linked fees, lines 14, 15 and 16, take 50.4 percent of each added dollar)
Fixed costs $500 lower	plus $500	Cash break-even falls to about $49,237
Monthly lapse 1 point higher (4 to 5 percent; about 69 fewer active clients by month 12, $2,525 a month less on average in year 2)	minus $2,525	Expected case holds the floor; slow-start month unchanged (month 5)
New clients 25 percent lower in months 1 to 3 (about 60 fewer active clients by month 12; $1,514 a month less at full run)	minus $1,514	Expected case holds the floor; slow start under the floor in month 4 (closing $19,351)
A therapist leaves and 40 active clients follow her ($2,268 a month of service sales gone), from month 7 onward	minus $1,002	Expected case holds the floor; slow-start month unchanged (month 5)
No-shows and late cancellations take 6 percent of appointments (about 27 a month; $3,402 a month of sales), from month 1 onward	minus $1,502	Expected case holds the floor; slow start under the floor in month 4 (closing $19,872)
Backbar cost 20 percent higher (5.4 to 6.5 percent of service sales; $616 a month)	minus $616	Cash break-even rises to about $51,433; expected case still clears the floor; slow-start month unchanged (month 5)
Build-out overrun of $18,000 beyond the contingency, taken from the reserve	no change	Expected case holds the floor; slow start under the floor in month 3 (closing $13,969)
Opening 3 months late (the spa space, insurance, loan interest and principal, $8,296 a month, paid while closed; no sales; the ramp starts at the new opening, and seasons stay on the calendar)	no change	Expected case under the floor in month 6 from the planned opening; slow start under the floor in month 5 from the planned opening, as on time; about $1,900 more opening cash holds the expected case at the floor; would fail Test 1

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

Checklists for checkout and the month close, weekly review, six questions

These lists keep the desk and rooms moving; they are not a compliance program. Any cleanliness, safety or room-rent step is yours to settle with your own advisers.

AT CHECKOUT, WITH EVERY CLIENT

- ☐ Before she dresses, book her next visit and match the slot to the treatment she just had.
- ☐ Put the treatment, the backbar item and anything she takes home against the therapist who did the work.
- ☐ Write the masque or oil on the ticket while the room is fresh, not at month end.
- ☐ For a first visit, record who sent her, which search or gift card brought her in, and how long she waited.
- ☐ When she leaves with no next date, note the reason in her own words.
- ☐ When a regular rebooks, ask whether a friend would want the same hands.

MONTH END, AND THE REGULARS WHO HAVE GONE QUIET

- ☐ Set hours each room was sold against hours a therapist was paid to stand in it.
- ☐ Post every first visit and every regular who has stopped booking into the page 9 table.
- ☐ Mark the regulars whose gap between visits has doubled, once each, and ring only those who said a call was welcome.
- ☐ Divide that group by the clients on the book on the 1st for the month's lapse rate.
- ☐ Weigh what each therapist drew off the backbar and sold at retail against her treatment takings.
- ☐ When a therapist hands in her notice, pull her regulars from the booking history and call those who gave permission to be contacted.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Treatment takings by therapist, against the room hours she was booked				
Proportion who left with a next date, therapist by therapist				
Hours a room was staffed and hours it was sold				
First visits by source, and how many returned				
Backbar draw and retail cost, against treatment takings				
No-shows, plus appointments cancelled the same day				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** When two clients land in one room, someone asks for a discount or a therapist calls in sick, does the desk stop until the owner leaves her treatment?
2. **Reactive operations.** Count last week. How many clients sat past their slot, how much table time went unpaid on a no-show, and how many owner hours went on a client?
3. **Growth without structure.** What share of first visits never become a second, and which mornings leave the tables folded?
4. **Talent and retention.** If your busiest therapist quit tomorrow, how many of her regulars has someone else already worked on?
5. **Revenue plateau.** Across twelve months, has the average ticket edged up, and how much comes from retail at the desk, an upgraded backbar and longer treatments?
6. **Systems gap.** Could the desk name, this morning, every regular running past twice her usual wait?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the booking diary's client list, the page 9 table, the roster set beside room hours sold, or the backbar sheet.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Begin the weekly review; each day, write down booked room hours, staffed therapist hours and the hours the owner spends treating.
Week 2	Complete the page 7 table from your own service minutes, prices and backbar cost, and flag the treatment that earns least per room hour.
Week 3	Enter every new and every drifting client in the page 9 table, then work out this month's lapse rate.
Week 4	Put real closing cash into page 11 and redo the runway; write down which calls the desk may make without phoning you.
After month 1	Set each therapist's rebooking share and booked hours beside her page 10 pay plan and the page 6 roster.

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 Day Spa 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 treatment pricing calculator from room minutes and backbar cost to a margin, a client and rebooking tracker, a pay-plan comparison for each therapist, checkout 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 day spas and massage, 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. Day spas and massage owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, pay-plan, room-rent-agreement, gratuity 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 figures; a copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as client names, formulas, staff records or bank 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 day spa. I have attached the Spa Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my services, clients and therapists, 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 a price, wage, commission rate, lapse rate, room 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 a month times the average spend or price. Services follow the page 9 build (active clients x monthly spend); retail = full-run sales x ramp x season; room rent = rooms x monthly rent. Full-run and break-even figures take services at the settled-year average (page 9), not the planned count; the month-12 run rate repeats it, scaled so December equals month 12's clients. Gratuity sits outside the model; have a qualified professional confirm how it is handled.
- 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 treatment hours go in the minimum-staff line (line 3) at a market wage unless they move with sales (line 14). Rostered 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, all divided by 52. Daily = weekly divided by days open per week.
- Break-even active clients = fixed costs, principal and other recurring cash out minus retail and room rent contribution, all divided by one client's monthly contribution (spend x its own ratio, page 9); 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. Room hours open per month = treatment rooms x hours open a day x days open a month; therapist hours per month = the sum over therapists of hours a day times days a week, times 52, all divided by 12; hours needed in the peak month = the room hours on page 7 at the peak client book (page 9).
- 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 the spa opens after startup spending is paid. Place every receipt and payment (deposits, 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 each receipt in the month my terms say; if a term is missing, mark [NEED: payment timing]. The worked example takes service and retail payment at checkout, room rent monthly when due, sells no memberships, gift cards or prepaid series, and pays payroll and suppliers in the month of the work; record prepaid cash when received, with no second receipt at redemption. In the slow-start case, every month's sales, booked appointments included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from that month's slow-start sales on the same payment timing (fair because line 14 is charged only on sales that occur; no commission on lost sales). Runway = consecutive future months, counted from the latest closed month (before opening, from the first day the spa opens), before the first month 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, worker status, room-rent agreement and gratuity 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; apply the page 13 no-usable-number rules and score the affected tests accordingly. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous client IDs. Do not ask for names, phone numbers, addresses, bank account or identification numbers, or the names of my clients or staff.
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 needs only the page 7, 9 and 10 results I have given, not the full tables. 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. Services and prices, treatment rooms and hours open, clients and where they come from, the therapists on the roster with paid hours a day and days a week, and days open per week.
b. Sales build: for services, each service's price, room minutes with the reset, backbar cost and share of appointments, the visits a month an active client makes, my monthly lapse rate, the clients I open with (any my therapists bring), my planned new clients for each month from 1 to 12, the recurring yearly new clients that hold full run, and the active clients the rooms can serve; for retail, the items a month at full run and the average price, 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; for room rent, the rooms rented and the monthly rent; 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). Do not model the spa services line day by day; the page 9 build replaces its count once fully booked. 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 service: its room type, price, service minutes, reset minutes, product cost per appointment and its share of appointments; the rooms of each type with hours open; visits a month per active client; the therapist roster (people and their hours).
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (equipment quote, contractor quote, insurer quote, landlord quote or calculation) for each line on page 5, from treatment tables and build-out to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried manager and desk, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my treatment hours go in the minimum-staff line (line 3) at a market wage unless they move with sales (line 14).
f. Variable cost shares of net sales for lines 13 to 16: line 13, backbar product and retail cost; line 14, therapist commission above the salaried staff; line 15, card fees; line 16, supplies used in treatments; and any sales line whose own shares differ, given for that line.
g. Confirm the lapse rate, the new-client plan and the client cap from item b; change nothing unless I say so.
h. How I pay each therapist today or plan to, and for the comparison the commission rate, the hourly wage with its lower commission rate, and the weekly room rent I would consider (write none for a plan I will not consider); their paid hours a week; and the payroll taxes and benefits share.
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 clients pay (at checkout, or prepaid series and gift cards and when they are redeemed), when the room renter pays, and when therapists, the desk and suppliers are paid. Tips are outside this example and are excluded from modeled sales, payroll and cash flow; confirm their treatment with a qualified payroll or legal professional.
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 the spa opens 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 day spa, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by service line, retail line, room rent 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 active clients (use cash break-even); rent share and planning debt service coverage at full-run sales and at the month-12 run rate, 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), which is the page 11 $000 convention; page 19 is a dollar illustration, 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; they track amounts owed and do not change closing cash: tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and unredeemed gift cards and prepaid series (last month's + sold minus redeemed), services you still owe.
6. Service economics by price, minutes, product cost and therapist pay, hours booked and use by room type, takings per open room hour, and the peak-month capacity check.
7. The 12-month client build (new clients, lapsed, active clients, percent of full run) and the settled year that repeats, the settled base against the plan, months a client stays, client value and marketing spend per new client.
8. One therapist's month under each pay plan at full run and at the 70 percent start, what the business keeps, and line 14.
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 client count or pay 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 client build, the room minutes and the pay plans, before anyone sees the plan, and recheck the page 4 result with a calculator.

PAGE 19

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $22,381.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**65,300**	**56,340**	**50,179**	**46,460**	**44,780**	**44,799**	**46,288**	**49,018**	**52,610**	**56,918**	**62,102**	**68,378**
In: sales receipts	29,167	35,603	41,279	46,014	49,973	53,391	56,282	58,251	59,867	61,904	64,469	67,555
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: product cost, fees and consumables (lines 13, 15, 16)	4,477	5,429	6,433	7,259	7,979	8,588	9,109	9,373	9,530	9,891	10,414	11,104
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	18,802	21,487	23,717	25,587	27,127	28,466	29,595	30,438	31,181	31,981	32,931	34,024
Out: spa rent (line 1)	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Out: other costs, with loan interest (lines 2, 5 to 12)	9,229	9,229	9,229	9,229	9,229	9,229	9,229	9,229	9,229	9,229	9,229	9,229
Out: income tax set-aside, equipment replacement, stock build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(8,960)**	**(6,161)**	**(3,719)**	**(1,680)**	**19**	**1,489**	**2,730**	**3,592**	**4,308**	**5,184**	**6,276**	**7,579**
Closing cash, expected	**56,340**	**50,179**	**46,460**	**44,780**	**44,799**	**46,288**	**49,018**	**52,610**	**56,918**	**62,102**	**68,378**	**75,957**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**65,300**	**52,314**	**41,287**	**31,969**	**24,079**	**17,378**	**11,706**	**6,903**	**2,702**	**(996)**	**(4,081)**	**(6,403)**
Sales receipts, slow start	20,417	24,922	28,895	32,210	34,981	37,374	39,397	40,776	41,907	43,333	45,128	47,288
Out: variable costs, slow start (lines 13 to 16)	11,022	13,568	15,832	17,719	19,301	20,665	21,819	22,596	23,224	24,037	25,069	26,316
Out: fixed costs (lines 1 to 12), principal, bills, less funding	22,381	22,381	22,381	22,381	22,381	22,381	22,381	22,381	22,381	22,381	22,381	22,381
Net cash flow, slow start	**(12,986)**	**(11,027)**	**(9,318)**	**(7,890)**	**(6,701)**	**(5,672)**	**(4,803)**	**(4,201)**	**(3,698)**	**(3,085)**	**(2,322)**	**(1,409)**
Closing cash, slow start	**52,314**	**41,287**	**31,969**	**24,079**	**17,378**	**11,706**	**6,903**	**2,702**	**(996)**	**(4,081)**	**(6,403)**	**(7,812)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**7,078**	**6,783**	**6,828**	**6,882**	**7,038**	**7,236**	**7,403**	**7,388**	**7,259**	**7,288**	**7,537**	**8,009**

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 $65,656 a month, against month 12's own $67,555): closing cash runs $82,622 in month 1 and $157,690 in month 12, lowest $82,622 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 70 percent also applies to room rent, so the stress includes a room-rent shortfall. Season moves retail, not appointments.