Florist Business Plan and Operations Starter Kit

A working kit for independent flower-shop owners. It prices three departments by the bouquet, the planter and the arrangement, tests the buy against stock turns and the lead-time cash gap, counts shrink at the cooler, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

FLORIST SHOPS
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PAGE 2

Start here

A flower shop can sell out every Saturday and still run short in July. The plan counts the Valentine's week, but it never prices the stem, the bucket that wilts in the cooler or the Tuesday in August when nobody orders. This kit makes you write those numbers down, then tests whether they hold, before a landlord, a lender or a quiet week asks.

WHAT IS INSIDE

3	Business plan, part one: concept, customer, location, hours, departments and bouquet pricing
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HOW TO USE IT

1. Build the three departments on page 6 and the shop's costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Cooler quotes, rent terms and the crew you can hire change before opening, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists every day and the numbers review every week. Recheck the department margins monthly on page 7, and run the buying budget on page 9 before every standing order.

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 florist shop questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **Investigation questions** on page 14 come from the same published questions, drafted by AI models and checked by a separate AI model. The founder-dependency question is a World Consulting Group working question added to them. None was measured in the field, so treat each as a hypothesis.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, registration or financial advice. The rules on handling plant material and green waste, employment terms, delivery vehicles and lease terms vary by state and county. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender reads this section to settle one question: can the shop pay rent, cover the minimum crew and service the loan before the cash is gone, and what happens in a September with no weddings on the calendar? Write your answers here and keep the long version on your own sheets.

1. Executive summary (write it last)

Lay out what the shop is, where it sits, the hours it keeps and the cash it takes, and what that cash buys from the first lease payment to the first delivery of stock. Then name the month in the page 6 forecast when takings first cover cash break-even (page 8), and write down the page 4 verdict.

2. Concept, customer and the three departments

Who walks in on a Tuesday, who sends flowers on a Friday, and why would either pay a shop rather than pick up a supermarket bunch? Describe each department and the buyer it was built for. On plant material and green waste, the shop takes a compliance and registration review with a qualified professional.

3. Location, hours and the cooler

Describe the site, the parking and how many people pass the door on a weekday and on a Saturday, and name the neighbors that pull them in. Say which opening hours cover the rent and which merely keep the lights on. Then list every charge the lease adds beyond rent.

4. Departments and the bouquet price

For each department, give the average unit cost from the page 7 table, the retail ticket and the margin it carries. Set an entry bouquet, a mid bouquet and a large arrangement as three separate prices, and quote event work the way you would quote it to a bride.

DEPARTMENT	WHOLESALE COST	RETAIL PRICE	MARGIN IN TOTAL

> *Owner question: February and May are the best weeks we have all year, and every September I am moving money around to cover the cooler. Which number is wrong, the price, the order, or the payroll?*
>
> Page 12 shows it: a full-run month covers the wage and the loan, while the quiet weeks between the peaks drag closing cash to its low, and under the floor when sales disappoint. Page 13 reruns the cost shocks and page 11 shows how long the opening cash lasts.

PAGE 4

Business plan, part two

5. Operations

Describe how a bucket moves from the delivery door to the cooler and from the cooler to the bench, who checks the stem count and who signs for it when you are not there. Note where a short bunch goes unrecorded.

6. Team

List every role, the hours it covers and what it costs, including a market wage for your own hours. A shop open six days needs cover for every one of them; page 14 tests whether that week depends on you.

7. Marketing

Explain why a customer sends flowers through your shop and what keeps them from ordering online. Track the order count, the departments in it and any promotion redeemed, in records you own.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below. Show how much the shop needs, where the money comes from and how long it lasts below plan.

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

TEST	PASS?
Gate 0. The draft lease, the cooler and bench quotes and the requirements of every approval the shop needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, total sales reach cash break-even at the month-12 run rate (page 8) and closing cash stays at or above your cash floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The pieces the design benches, the cooler and the van can handle in the peak week fit what the shop can make (page 6), and full-run sales of all three departments reach cash break-even (page 8).	
5. Expected bouquets, planters and arrangements a month rest on evidence you gathered (a door count across a weekday and a Saturday, a competitor's posted volume, or your own sales history), not on a supplier's forecast.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

Not ready: Gate 0 fails. **Green:** Gate 0 and all six tests pass. **Amber:** Tests 1 and 3 pass, but Test 2, 4, 5 or 6 fails, so fix the plan before you sign the lease, order the cooler or take a loan. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the fit-out contractor, the cooler supplier or the landlord, or a documented calculation. Shop budgets break on the cooler that arrives the wrong size and the drain nobody quoted, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
FIT-OUT AND EQUIPMENT				
Leasehold improvements (floors, lighting, restroom and workroom build-out)				
Walk-in cooler and refrigerated display case				
Design benches, work tables and a sink				
Delivery van				
Point of sale, card terminal and back-office software				
Signage and window graphics				
SETUP AND DEPOSITS				
Lease deposit and pre-opening rent				
Insurance down payment for the first year				
Entity setup and accounting setup				
Utility deposits and phone and internet setup				
Registration and compliance setup				
PRE-OPENING				
Opening inventory at cost, all three departments				
Pre-opening payroll, training and the soft opening				
Launch marketing and opening-week flowers				
Professional fees				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash and no funding receipts unless they are dated and committed), 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 sales, so build the departments from bouquets and arrangements, not from the rent you need to cover. Count the fresh stems first, from a door count you took on a weekday and a Saturday, and price each department at the retail price it actually sells at.

```
Monthly sales for a line = units times average bouquet price times days open in the month (or times 1
for units counted per month)
Days open in a month = days open per week times 52, divided by 12
```

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE BOUQUET PRICE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Fresh cut flowers	bouquets				
Plants and planters	planters				
Arranged and event work	arrangements				

Full-run month

RAMP AND SEASONS

MONTH	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Ramp, % of full run												
Season, % of full-run month (M1 = opening month)												
Expected sales												

Expected sales for each month = full-run department sales times ramp times season. Use 100 percent where a factor does not apply. Ramp, season and units a month are your assumptions; write down the evidence for each, and treat February and May as seasons, not baselines.

CAPACITY CHECK

```
Peak-week capacity = for each open day in the peak week, the smaller of the pieces the staffed design
benches can build and the pieces the cooler can hold, added up across the week's open days, an estimated
ceiling to plan below, with the busiest week and the van's delivery run checked against it
```

Write, for each open day in the peak week, how many design benches are staffed, how many pieces each designer can finish, and what the cooler space holds overnight. The van sets a second ceiling, because a piece that is ready at nine and cannot be delivered by eleven loses the sale after the labor is spent, so check the peak week on page 6 and the department mix on page 7. If the plan needs more pieces than the benches and the cooler can carry, the plan is wrong, however full the window looks.

PAGE 7

Margin and markup, department by department

A flower shop does not run on a single margin. Stems, plants and arranged pieces each arrive at their own wholesale cost, sell at their own pace and occupy the bench for a different length of time, and the blended figure a lender asks for is nothing more than the sum of those three choices. Price each department from the invoice that lands at the back door: what the stem or the plant cost, how many go into a bunch, and the ticket the finished piece carries. Watch the distance between margin and markup too, since a retail price built from a multiplier flatters what each sale actually keeps. Fresh cut flowers carry the highest rate on this page and arranged work the lowest; if your own figures invert that, the mix has shifted, so check the piece mix and the pricing before the next delivery.

```
Gross margin on a bouquet = (retail price minus stem or plant cost) divided by retail price
Markup = (retail price minus unit cost) divided by unit cost; markup is always the larger number, and
pricing a whole department from a multiplier overstates the margin each sale keeps
Department margin = department sales minus the cost of the stems, plants and materials sold, divided by
department sales; line 13 is the three departments blended by sales
```

WORKED EXAMPLE: FRESH, PLANTS AND ARRANGED WORK (ILLUSTRATIVE)

DEPARTMENT	UNITS SOLD IN THE MONTH	RETAIL PRICE	WHOLESALE COST	MARGIN PER UNIT	MARGIN IN TOTAL	MARKUP ON COST	SHARE OF TAKINGS
Fresh cut flowers	510	$54.00	$13.50	$40.50	75.0%	300.0%	54%
Plants and planters	158	$49.00	$19.60	$29.40	60.0%	150.0%	15%
Arranged and event work	163	$95.00	$47.50	$47.50	50.0%	100.0%	31%

The example lands 1.6 points above the 63.5 percent margin it sets for itself, worth about $806 a month at this sales level. Fresh cut flowers carries the strongest margin rate (75.0 percent) and Arranged and event work the weakest (50.0 percent). The largest share of sales is Fresh cut flowers, at 54 percent. Blended, the example runs at a 65.1 percent gross margin and a 186.4 percent markup. Those same three departments feed the sales lines, and the share at cost, in the page 12 worked example; the buying budget on page 9 and the shrink count on page 10 use the same three. Work this page before you commit to a standing order. A department turning four times a year has to earn its bench through margin rather than volume, while a thin arranged margin can still be the best use of a Saturday when the pieces go out at the asking price. Enter units as bouquets, planters and arrangements a month at full run rather than as stems, so the retail price and the unit cost describe the same object. Fresh cut flowers here earn 75.0 percent, five points over the 60 to 70 percent band the florist margin guide listed on page 15 prints, because that guide also gives the trade standard as a three to four times markup on wholesale and this example takes the four times end. At 70 percent the fresh cost rises from $13.50 to $16.20 a bouquet and the full-run net falls from about $2,538 to about $1,161, which is still positive after principal. The page prints the margin, the band and that sensitivity side by side rather than choosing one published statement quietly.

YOUR DEPARTMENTS AND THEIR RETAIL PRICES

DEPARTMENT	UNITS SOLD IN THE MONTH	RETAIL PRICE	WHOLESALE COST	MARGIN PER UNIT	MARGIN IN TOTAL	MARKUP ON COST	SHARE OF TAKINGS

Price every department from its own wholesale invoice and the margin it has to carry, not from the supermarket bunch on the corner. Arranged work can run a thin margin and still earn its bench because the pieces move; a plant that sits for a season earns its space on margin per square foot, since the planter that stays a month costs the same rent as the bouquet that leaves in a day.

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost here. Loan principal is not an operating cost: it enters cash break-even below and the cash forecast on page 11, so interest and principal are each counted once.

FIXED COSTS PER MONTH	PER MONTH
1. Rent and common area charges	
2. Liability and property insurance	
3. Salaried lead designer and the minimum opening crew, with payroll taxes and benefits	
4. Owner's market wage (management time; hours at the bench go in line 3 or 14)	
5. Loan interest (fit-out, cooler and van loans)	
6. Utilities and internet (the cooler runs all night)	
7. Marketing, loyalty and local advertising	
8. Point of sale, ordering and delivery software	
9. Accounting, bookkeeping and bank fees	
10. Cooler and van maintenance	
11. Waste, cleaning and green-waste collection	
12. Floral training and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Fresh stem and plant cost of goods, from the three departments (derived on page 7)	
14. Hourly design and delivery labor above the minimum crew, with payroll taxes	
15. Card and payment fees (a share of sales)	
16. Shrink, from the quarterly count (derived on page 10)	
17. Other variable: delivery fuel, ribbon, wrapping, vases and markdowns	
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 bouquets a month = (monthly fixed costs with line 4 and principal, minus the contribution
from the plants and arranged work at planned full-run sales and own contribution ratios, line 13 plus
each department's share of the four upper lines) divided by the contribution from one average bouquet;
fresh cut flowers is the main line, so the count is what it must sell once the shop has paid its share
Month-12 run rate = average monthly sales over a year at month 12's ramp, with the 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 bouquets a month (use cash break-even)	one figure per month		
Rent share and debt service coverage at full-run and month-12 sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; daily = weekly divided by days open per week. Rent share = line 1 divided by net sales.

PAGE 9

Open-to-buy: the month's buying budget

The buy is where a flower shop's cash disappears. A bucket ordered on Monday is paid 31 days later, may sit in the cooler by Thursday and may be in the bin by Sunday, so what matters is not last week's sales but how much stock this month's trade and the target turns will support. A supplier's minimum and a box discount both push that figure up. This page works the buying budget out of cost of goods, the stock in the cooler and whatever is on order, then puts a cash figure on the ordering-to-paying gap.

```
Average stock at cost: a year of cost of goods sold divided by stock turns
Open-to-buy: begin with the month's cost of goods sold, add the stock the turns target calls for, then
take away what the cooler and the floor already hold and what has been ordered
A standing order spends its lead time in transit and is settled on the supplier's terms once it lands,
so the cash leaves 31 days after the order is placed; the forecast on page 19 pays invoices in the sale
month, so enter your own lead and terms in the page 11 inputs
```

WORKED EXAMPLE: ONE MONTH OF STOCK COST, DEPARTMENT BY DEPARTMENT

DEPARTMENT	SALES / MONTH	SHARE	STOCK COST FOR THE MONTH	SHARE OF STOCK COST
Fresh cut flowers	$27,540	54%	$6,885	39%
Plants and planters	$7,742	15%	$3,097	17%
Arranged and event work	$15,485	31%	$7,743	44%

Department sales are the page 7 worked example; cost of goods is each department's bouquets, planters or arrangements times the cost of a unit.

THE BUYING BUDGET

LINE	THIS MONTH
Stems and stock sold in the month, at cost	$17,724
Stock the turns target calls for, at cost (annual cost of goods divided by 9 turns)	$23,632
What the cooler holds on day one, at cost	$23,500
Wholesale orders already placed and due in, at cost	$5,500
Open-to-buy for the month, at cost	$12,357

That is a buying budget of $12,357 this month: enough to cover the month's sales and lift stock to target, after subtracting the buckets in the cooler and on the van. The store carries 1.3 months of stock at cost in the cooler and on the floor on the first day ($23,500 against $17,724 of monthly cost of goods), plans 9 turns a year, and stock ordered today is paid 31 days later: 3 days of supplier lead time plus 28 days of terms. The money does not arrive with the stems; that gap between paying and selling is the lead-time cash gap, which makes the buying budget a cash decision before a stock decision. Put your own count in place of the turns figure. Nine turns a year is a planning assumption on this page, not a published benchmark; a cooler turns far faster than plants standing on the floor, so ordering every two days is a rhythm of the trade rather than a stock ratio. A negative open-to-buy means the shop is over-bought; the remedy is a smaller order or a markdown, never a bigger loan. Lead time here is 3 days and terms run 28.

YOUR OPEN-TO-BUY

LINE	THIS MONTH
Stems and stock sold in the month, at cost	
Stock the turns target calls for, at cost	
Bunches in the cooler on day one, at cost	
Standing orders placed with the wholesaler, at cost	
Open-to-buy for the month, at cost	

Buy for the month's sales and the target turns, not a supplier's minimum drop or a box deal ending midweek. A discount on stems that will not open before they sell costs more than it returns.

PAGE 10

What is lost between delivery and sale, and the count

Shrink is stock you paid for and could not sell. In a flower shop it hides in four places: a bunch that arrived short, a bucket left out of the cooler, a stem that left the bench with no order behind it, and a count that was wrong before anyone started. Only the count itself belongs to bookkeeping. Counting once a quarter, department by department, with two people at a closed bench, turns a vague worry into a rate you can hold up against the same quarter a year earlier.

```
Shrink: what the books say the stock cost, less what the count actually found
Rate on book: shrink over book stock at cost; to annualize, multiply the count rate by 12 and divide by the months covered
Line 16: the annualized shrink at cost, stated as a percentage of the year's sales
```

WORKED EXAMPLE: THE QUARTERLY COUNT BY DEPARTMENT (ILLUSTRATIVE)

DEPARTMENT	ON THE BOOKS, AT COST	FOUND IN THE COUNT, AT COST	MISSING AT COST	RATE AGAINST THE BOOK	ANNUALIZED RATE
Fresh cut flowers	$9,180	$8,093	$1,087	11.8%	47.4%
Plants and planters	$4,129	$3,939	$190	4.6%	18.4%
Arranged and event work	$10,323	$8,575	$1,748	16.9%	67.7%
Total	$23,632	$20,607	$3,025	12.8%	51.2%

A count 3 months after the last count found $3,025 missing at cost, a 12.8 percent rate on book, or 51.2 percent a year. That is $12,100 of stock over a year, at cost, and that puts line 16 at 2.0 percent of sales in the page 12 worked example. Count at a short enough interval that a short bunch can still be traced; a quarterly count shows that stock went missing, not the week it went. Line 16 reads the count as a share of sales, 2.0 percent here, and that is the figure the plan uses; the 51.2 percent a year the page also prints is a rate on book stock at cost rather than on sales, and the two describe the same spoilage from opposite directions. Count at short intervals through the summer, because a July heat wave can double what a bucket loses in a fortnight while a single quarterly count spreads that loss over three months. Chase small monthly variances inside one department before they harden into the annual figure, and treat a variance that shows up in the same department twice as a process fault rather than bad luck. Line 16 comes from the counted rate, never from an industry figure.

YOUR COUNT

DEPARTMENT	ON THE BOOKS, AT COST	FOUND IN THE COUNT, AT COST	MISSING AT COST	RATE AGAINST THE BOOK	ANNUALIZED RATE

Count with two people and the doors locked, one department at a time, and record the variance before anyone adjusts a figure. In a flower shop the loss hides at the delivery door, in the cooler, at the bench and on the floor; a count that only ever blames a customer walking out misses most of it.

Twelve-month cash forecast

Profit and cash differ: loan principal, stock bought before it sells and a thin first autumn all drain the bank account. Enter thousands of dollars (51.25 means $51,250), receipts net of sales tax; closing cash excludes the tax account.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: sales receipts (page 6), excluding sales tax												
In: owner money and loans received												
Out: stem and plant cost, card fees, shrink and delivery (lines 13, 15 to 17)												
Out: wages and payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: rent and common area charges (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 17)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on opening day after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Card settlements land within a few days and cash lands at the counter, so a sale and its money sit in the same month; the worked example pays wholesale stem and plant invoices in the month the goods are sold, so enter your own lead time and terms on page 11 if they differ. 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

Three departments, two peaks and a thin September

Runway = the tally of months the shop keeps trading, starting at the latest closed month (or at the opening day, before it opens), through to the first month whose closing balance drops below your floor

Worked example: a hypothetical independent flower shop

Illustrative figures, not benchmarks. Six days a week, 26 days a month, 1,500 square feet with a design bench, a cooler and a van; opens in March. Cash floor $23,905. Card and cash takings clear in the sale month; the worked example pays wholesale stem and plant invoices in the month the goods are sold, so enter your own lead time and terms on page 11 if they differ, and rent, wages, interest and principal leave in the month shown; the owner draws the wage stated; no fresh money is put in.

Page 5, budget	Everything you must fund before the door opens is $216,000, funded by a $110,000 loan (10.5 percent over 10 years) and $106,000 out of the owner's pocket, including an $86,900 reserve the plan does not spend at the start. The page 5 two passes: floor $23,905, plus a one-month buffer of $23,905, plus $39,034 (the depth the opening pass reaches below zero on no cash), rounded up to $86,900.
Page 8, costs	Fixed costs $23,357 a month, including $4,300 for rent and $937 of loan interest; principal $548 a month (both year 1 averages); the five variable lines absorb 47.9 percent, so the share of each sales dollar left after variable costs is 0.521. Lines 13 through 17 are charged at 34.9, 3, 3, 2 and 5 percent of sales (line 13 brings the three departments together at one blended rate). Lines 1 to 12 run $4,300, $350, $9,300, $3,650, $937, $850, $2,620, $250, $350, $300, $250 and $200 a month.
Page 8, break-even	Operating break-even lands at about $44,842 a month. Cash break-even (that is, fixed $23,357 plus principal $548, divided by 0.521) is about $45,894 a month: 434.2 bouquets a month from fresh cut flowers after the other lines' contribution (line 13 runs 25.0 percent on fresh cut flowers, 40 on plants and planters and 50 on arranged and event work; the four upper lines are charged evenly across the departments, which puts the contribution ratio at 0.620 on fresh cut flowers, 0.470 on plants and planters, 0.370 on arranged and event work), so 435, against the 510 the plan assumes.
Page 6, sales	Fresh cut flowers: 510 bouquets a month at $54. Plants and planters: 158 planters a month at $49. Arranged and event work: 163 arrangements a month at $95. At full run the month sells $50,767; shop sales ramp 50, 60, 68, 75, 81, 87, 92, 96, 99 percent in months 1 to 9, then 100 percent; season 88, 94, 140, 100, 79, 79, 89, 96, 90, 123, 74, 148 percent over the twelve months, and all three departments trace that shape.
Page 19, the expected run	Month 1 sales $22,337; month 1 closes at $74,630, month 12 at $67,500. Low: month 7, closing $47,866, $23,961 over the floor.
Page 19, on the slow start	At 70 percent of plan, month 1 sales $15,636; month 1 closes at $71,139, month 12 at minus $12,738. The shop runs short of the floor in month 6 (closing $18,125) and below zero in month 9 (closing minus $4,883), so the shop can open for 5 months.
Page 8, the coverage ratio	At full-run sales of $50,767, coverage before income tax and before any equipment replacement comes to 2.71 against the 1.25 the coverage this example's lender wants; at the month-12 run rate it is 2.71, and Test 3 turns on both. Rent share is about 8.5 percent.

PAGE 4 RESULT FOR THE SHOP: AMBER

Gate 0 is treated as met for the example. Test 1 passes: by month 12 the pace is about $50,767 a month, above the $45,894 break-even; at that rate the floor holds a second year (lowest close $66,865, month 1 of year 2). (Context, not part of the test: expected takings reach cash break-even in month 3.) Test 2 fails on the slow start; closing cash falls through the floor in month 6; about $40,200 more reserve would pass it. Test 3 clears the planning arithmetic, though the lender's own definition still governs. Tests 4 and 5 fail: in the peak month (season 148 percent) nothing counts the design benches or the cooler space the flower holidays need, and no evidence backs the planned units. Test 6 passes: a settled year at full run clears roughly $30,456 after principal, yet the till dips below zero in months 1, 5, 6, 7, 9 and 11; hold a reserve to bridge the quiet gap between peaks of at least $6,401, the deepest running-cash slide (from its month 4 high to its month 7 low), a gap the page 5 reserve covers. That is the steady-state year, not the opening year: page 19's first year loses about $19,400 of cash, given that the startup months and the ramp come first. The example carries no income tax, no equipment replacement and no stock build-up (page 19); check a live plan on its own numbers. September, not January, is the cash low; the two peaks have been paid for and the winter has not arrived.

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 SHIFTS THE SHOP'S RESULT (THE MONTHLY CHANGE ONCE SALES REACH FULL RUN; EVERY DEADLINE RERUN THROUGH THE FORECAST; SLOW-START LOSSES FALL WITH TURNOVER)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $2,644	Expected case holds the floor; full-run coverage falls to 0.93; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Fresh cut flowers: average bouquet price 6 percent higher, same volume (the price move drags only the card fee with it)	plus $1,603	Break-even bouquets fall from 434.2 to 396.9 a month, so from 435 to 397: per-unit costs stay the same, so the ratio rises from 0.521 to 0.535 on the new sales (sales-linked fees, line 15, take 3.0 percent of each added dollar)
Fixed costs $400 lower	plus $400	The cash break-even drops to roughly $45,126
Wholesale fresh prices rise 25 percent for one month (about $2,547 of extra stem cost in the twelfth month)	minus $2,547 in month 12 only	On the expected case the closing balance stays over the floor; slow start deadline unchanged (month 6)
Every receipt lands one month after the sale (the whole month's receipts move, not one department; about $50,767 in a full-run month) (crew and bills still paid on time)	no change	Expected case below the floor in month 3 (closing $18,577), below zero in month 10; the slow start closes under its floor in month 3 (closing $17,560); would fail Test 1
Spoilage doubles, so shrink rises from 2.0 to 4.0 percent of sales	minus $1,015	The cash break-even moves up to roughly $47,727; expected case still clears the floor; slow start deadline unchanged (month 6)
Sales run 15 percent below plan, from month 4 onward	minus $3,966	On the expected case the closing balance stays over the floor; slow start deadline unchanged (month 6); full-run coverage falls to 0.04; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Rent rises 10 percent at renewal	minus $430	On the expected case the closing balance stays over the floor; slow start deadline unchanged (month 6)
Fit-out overrun of $10,000 beyond the contingency, taken from the reserve	no change	On the expected case the closing balance stays over the floor; the slow start closes under its floor in month 5 (closing $19,308)
Opening 3 months late (rent, insurance, loan interest and principal, $6,135 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 $23,943 in month 9 from the planned opening, $23,923 lower than on time; the slow start closes under its floor in month 7 from the planned opening (month 6 on time)

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

```
Contribution margin ratio zero or below: break-even is N/A; score Tests 1 and 6 as failed
One unit's contribution, or the count it is multiplied by, zero or below: break-even units are N/A;
score Test 4 as failed
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A; score Test 3 as passed
```

PAGE 14

Opening and closing lists, the weekly review and six questions

These lists cover the running of the shop, not the records and reviews your own circumstances demand; add each task and check that applies to your case.

BEFORE OPENING

- ☐ Read the cooler temperature log, and pull anything warm or past its best.
- ☐ Condition the morning delivery, write the stem count against the invoice, and only then put it away.
- ☐ Face the display, bring the oldest arranged pieces forward, and reprice whatever has sat out for more than two days.
- ☐ Match the order board to the day's deliveries, and chase any piece not yet on the van.
- ☐ Count the opening till and test the card terminal and the label printer.
- ☐ Walk the display for wilted stems and fallen petals, and record what comes off and why.

AFTER CLOSE

- ☐ Write the day's sales up by department and by tender, keeping card and cash separate.
- ☐ Note everything pulled, wilted or reduced, with the cause and the department.
- ☐ Take the delivery in, count the stems against the invoice, and note a short bunch before signing.
- ☐ Log the hours spent at the bench and on the van, and the hours the owner put in on the floor.
- ☐ Build the next standing order from the cooler and the order book, never from the list the supplier suggests.
- ☐ Secure the cooler, set the alarm and record the cash count.

THE WEEKLY NUMBERS TO KEEP

WHAT YOU TRACK	TARGET	THIS WEEK	LAST WEEK	GAP TO TARGET
Sales net of tax, and margin, by department				
Orders booked, and the value of an average order				
Card fees measured against sales				
Stock at cost, and each department's weeks of cover				
Stems binned and pieces reduced, per department				
Late or short deliveries, and credits still owed				
Shrink recorded since the last count				

SIX QUESTIONS TO ANSWER FOR YOURSELF

1. **Founder dependency.** Does the owner stand behind the counter most mornings, approve every markdown and place most of the standing order with the supplier?
2. **Dead stock.** Is the cooler filling with stems nobody wants while the best sellers run dry, a hint that the order follows the supplier's list and not the order book?
3. **The two peaks.** Does the plan count February and May as ordinary months and the rest as the exception, or is it the other way round?
4. **Price and the bunch.** When wholesale stem prices rose, did the top of the price range move while the entry price held, and which department lost the units?
5. **Shrink.** Do the variances land in one department quarter after quarter, and does the cooler log agree with those weeks?
6. **Deliveries and the count.** Could a delivery arrive the day before a count, and does the invoice agree with the stem count bunch by bunch?

Where each question came from is set out on page 2. Check each one against a record: the report of sales by department and tender, the receiving sheet matched to its invoice, the wilt and markdown log, and the quarterly count sheet.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record sales by department and by tender. Log the hours the owner spends at the bench, and write every renewal date and record check in one place with the date it falls due.
Week 2	Recheck every department cost on page 7 against this week's wholesale invoices and the bunch prices. Time the design benches through a real Friday.
Week 3	Fill the page 9 buying budget from the cooler and the order book, and compare it with the order the supplier suggests.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions a key holder may make without calling you.
After month 1	Keep the department margins weekly on page 7 and compare the book stock with the count on page 10. Set the standing order from four weeks of sell-through and run-outs, not from the calendar.

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, when the space is ready, 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 Florist Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a department margin and bouquet-price model, an open-to-buy and stock-turn planner, a shrink count worksheet, receiving and cycle-count procedures and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. Menubly, Flower shop profit margins: the department margin bands, labor, occupancy, payment and spoilage. Livingflowers, How much do florists make: the revenue band. Boesen, the live shop price list: the top of the retail price range for bouquets and arranged pieces. O*NET OnLine, Floral Designers (27-1023.00) and Retail Salespersons (41-2031.00): the wages. Square, card processing rates: the card fee. Bplans, florist business plan sample: inventory turns and payment days. Bankrate, small business loan rates: the loan rate. All accessed 2026-11-05.
World Consulting Group material. Florist shops owner questions, businessconsultant.services, 2026. The department unit volumes, the seasonal shape and the stock turns are planning judgments built on the published revenue band and the department shares, not published figures; replace them with your own counts.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, registration or financial advice. Provided as is, without warranty. © 2026 World Consulting Group. Free diagnostic tool at businessconsultant.services. The site's privacy page explains what the diagnostic tool sends to an AI provider for analysis and the third-party analytics on the site.

About the author. Kamyar Shah is the founder of World Consulting Group and works as a fractional COO and CMO. He has more than 25 years of experience and more than 650 engagements across more than a dozen industries. Contact and the latest version: businessconsultant.services.

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer with your own departments, retail prices and costs. The kit page has a copy-ready version.

BEFORE YOU RELY ON THE ANSWER

Check every department total and unit cost with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as employee records, customer or wedding lists or bank account details. 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 flower shop. I have attached the Florist Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my site, my three departments and my retail prices, using only my real numbers.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a rent, wage, stem cost, retail price, unit count, door count, percentage or benchmark.
2. The numbers in the kit, including the example shop's departments, stem costs and retail prices, are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number is missing, ask me for it. If I ask you to estimate, write [NEED: ...] and tell me which invoice, sales report, count or calculation gives the real number. Label my own estimates MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average retail price times days open in the month (or times 1 for units counted per month). Days open in a month = days open per week times 52 divided by 12. Each month's expected sales = full-run department sales times the ramp percentage times the seasonal percentage.
- Net sales exclude sales tax. Labor = wages for the design and delivery crew and the salaried lead designer, payroll taxes and benefits, plus a market wage for my own hours, management and the bench. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the work; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even bouquets a month = (monthly fixed costs with line 4 and principal, minus the contribution from the plants and arranged work at planned full-run sales and own contribution ratios, line 13 plus each department's share of the four upper lines) divided by the contribution from one average bouquet; fresh cut flowers is the main line, so the count is what it must sell once the shop has paid its share. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Peak-week capacity = for each open day in the peak week, the smaller of the pieces the staffed design benches can build and the pieces the cooler can hold, added up across the week's open days, an estimated ceiling to plan below, with the busiest week and the van's delivery run checked against it.
- 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, with the seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on opening day after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Enter card settlements in the month the money lands, and wholesale stem and plant invoices in the month they are paid, after the lead time and the terms. In the slow-start case, every month's sales, bookings included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the tally of months the shop keeps trading, starting at the latest closed month (or at the opening day, before it opens), through to the first month whose closing balance drops 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, record-keeping, employment, wage or lease advice. Do not name laws, registration categories, government offices, 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 or sources that are not in the kit, and make no claim about the effect of flowers on health. 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. Do not ask for names, home addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Concept, customer, site and square footage, hours open, and the three departments with their units, retail prices and costs.
b. Sales build: for fresh cut flowers, plants and planters, and arranged and event work (bouquets, planters or arrangements a month), the average retail price and the average cost a unit for each, days open per week and opening hours; a ramp percentage for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month; and the slow-start percentage I want to test (this kit sets a 70 percent stress test; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (a door count across a weekday and a Saturday, my own sales history from another shop, or a competitor's posted volume, which pass Test 5; the supplier's forecast does not).
c. For each merchandise department: units sold a month at full run, the average retail price a unit, and the average unit cost at cost, plus the gross margin the department has to hold.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (fit-out or cooler quote, or calculation) for each line on page 5, from the fit-out to the contingency.
e. Monthly fixed costs for each numbered line on page 8, from rent (line 1) to floral training and other fixed costs (line 12), including loan interest and my market wage for management time (line 4; my hours at the bench go in line 3 (minimum crew) or 14 at a 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.
f. Variable cost shares of net sales for lines 13 to 17: line 13, fresh stem and plant cost of goods, from the three departments (derived on page 7); line 14, hourly design and delivery labor above the minimum crew, with payroll taxes; line 15, card and payment fees (a share of sales); line 16, shrink, from the quarterly count (derived on page 10); line 17, other variable: delivery fuel, ribbon, wrapping, vases and markdowns; and any sales line whose own shares differ, given for that line.
g. My annual inventory turns (annual cost of goods sold divided by average stock at cost), stock on hand at cost on the first day of the plan month, stock already on order and arriving this month at cost, the supplier lead time in days, and the supplier payment terms in days.
h. For each department: book stock at cost and counted stock at cost at my last physical count, and one store-level figure for the number of months since the previous count.
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 each sales line pays me, which is at the counter by card or cash and how many days the card processor takes to settle, and when I pay my wholesale stem and plant suppliers, including the lead time between the order and the delivery.
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, cooler and van replacement, and stock build-up.
m. Cash on hand on opening day after all startup spending, fit-out bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my flower shop, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by department and month, with annual sales and the capacity check from page 6.
3. The completed startup budget with the total, listing the fit-out and the cooler first. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even bouquets a month (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) 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 held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Gross margin and markup for each department and blended across the store, the department carrying the most sales and the one carrying the weakest margin, and the cost-of-goods share the rest of the plan uses.
7. The month's open-to-buy at cost, whether the store is over-bought or under-bought, months of stock on hand, and the date the cash leaves for an order placed today.
8. Shrink in dollars by department, the annualized shrink rate, the shrink share of sales the plan carries, and the count discipline the kit recommends.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every door count or quote I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, the units a month and the retail price first, then recheck the page 4 result with a calculator.

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $23,905.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**86,900**	**74,630**	**65,639**	**66,908**	**62,835**	**55,851**	**50,120**	**47,866**	**48,331**	**47,987**	**56,607**	**52,270**
In: sales receipts	22,337	28,633	48,330	38,075	32,486	34,892	41,568	46,787	45,233	62,443	37,568	75,135
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: stem and plant cost, card fees, shrink and delivery (lines 13, 15 to 17)	10,032	12,860	21,706	17,101	14,590	15,671	18,670	21,013	20,315	28,045	16,873	33,746
Out: wages and payroll, line 4 if drawn in cash (lines 3, 4, 14)	13,620	13,809	14,400	14,092	13,925	13,997	14,197	14,354	14,307	14,823	14,077	15,204
Out: rent and common area charges (line 1)	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Out: other costs, with loan interest (lines 2, 5 to 12)	6,107	6,107	6,107	6,107	6,107	6,107	6,107	6,107	6,107	6,107	6,107	6,107
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	548	548	548	548	548	548	548	548	548	548	548	548
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(12,270)**	**(8,991)**	**1,269**	**(4,073)**	**(6,984)**	**(5,731)**	**(2,254)**	**465**	**(344)**	**8,620**	**(4,337)**	**15,230**
Closing cash, expected	**74,630**	**65,639**	**66,908**	**62,835**	**55,851**	**50,120**	**47,866**	**48,331**	**47,987**	**56,607**	**52,270**	**67,500**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**86,900**	**71,139**	**57,674**	**51,391**	**41,368**	**29,308**	**18,125**	**9,376**	**2,530**	**(4,883)**	**(6,020)**	**(16,228)**
Sales receipts, slow start	15,636	20,043	33,831	26,653	22,740	24,425	29,098	32,751	31,663	43,710	26,297	52,595
Out: variable costs, slow start (lines 13 to 17)	7,492	9,603	16,209	12,771	10,895	11,703	13,942	15,692	15,171	20,942	12,600	25,200
Out: fixed costs (lines 1 to 12), principal, bills, less funding	23,905	23,905	23,905	23,905	23,905	23,905	23,905	23,905	23,905	23,905	23,905	23,905
Net cash flow, slow start	**(15,761)**	**(13,465)**	**(6,283)**	**(10,023)**	**(12,060)**	**(11,183)**	**(8,749)**	**(6,846)**	**(7,413)**	**(1,137)**	**(10,208)**	**3,490**
Closing cash, slow start	**71,139**	**57,674**	**51,391**	**41,368**	**29,308**	**18,125**	**9,376**	**2,530**	**(4,883)**	**(6,020)**	**(16,228)**	**(12,738)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**(635)**	**951**	**13,115**	**2,538**	**(3,015)**	**(3,015)**	**(371)**	**1,480**	**(106)**	**8,620**	**(4,337)**	**15,231**

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 follows the page 5 two passes, buffer included. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $50,767 a month, against month 12's own $75,135): closing cash runs $66,865 in month 1 and $97,957 in month 12, lowest $66,865 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.