Gym Business Plan and Operations Starter Kit

A working kit for independent gyms and fitness studios. It prices every membership plan by the members it holds and the staff hours it takes, builds the member count month by month from joins and cancellations, turns dues drafts into a collection pattern, finds cash break-even through the summer slump, and scores the plan on six pass-or-fail tests.

GYMS AND FITNESS STUDIOS
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/GYMS-AND-FITNESS-STUDIOS/
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BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

A gym can sign two hundred members in January and be short of cash by August. Rent and the equipment leases are due whether the floor is full or empty, and a member who cancels early may never repay the cost of signing them. This kit writes those numbers down and tests them before a lender or a landlord asks.

WHAT IS INSIDE

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HOW TO USE IT

1. Build memberships, training and retail 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. Dues, plans and the class schedule move before the presale closes, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every join and the numbers review every week. Run the page 7 plan table at every month end and update the page 9 build table as members join and cancel.

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 fitness club 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, membership agreements, billing and cancellation or financial advice. Membership, billing and music licensing requirements vary by location; the kit states no rule. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender or a landlord will ask whether dues throw off enough cash for rent, the equipment leases and the loan through the summer slump. Give each answer in plain sentences here and draft the full sections on separate sheets.

1. Executive summary (write it last)

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

2. Plans, classes and members

Describe the plans you sell, the classes and open-floor hours behind them, and what members are really paying for beyond the equipment: a coach who knows their name, a class that fits before work, a result they can see. Write it the way members talk, and say which members and partners bring friends in.

3. Positioning and capacity

Be clear about who the club is built for and who it is not. Then count how many members the floor and the class timetable can take at the busy hours, and the staff hours that keep every opening hour covered.

4. Plans, dues and staff hours

For each plan, note the members it can hold, the monthly dues and the instructor hours behind it. Dues matched to a chain's ad, with no staff hours under them, are a guess.

PLAN	MEMBERS IT CAN HOLD	MONTHLY DUES	STAFF HOURS A MONTH

> *Owner question: our trial visits convert well and then a third of new members cancel inside six months. Are the dues too high?*
>
> Rule out this cause before touching the dues: a new member who has not been coached, booked into a class or greeted by name in the first two weeks drifts, and the cancellation arrives with the draft. Log every join by source with the date of the first class or coaching session (page 14), book that session before the member walks away from the desk on day one, and compare the six-month cancellation rate of like cohorts by join month, source and plan. Treat any gap as an association worth a controlled test, not proof of a cause.

PAGE 4

Business plan, part two

5. Operations

Describe a day from the first unlock to the last class: who opens, how the desk and the floor are covered through the day, the class schedule, cleaning and the close. Name who runs the club when you are not there.

6. Team

List every role, its hours and its pay, including a market wage for your own hours. Name the person who can run the club for a week without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where leads come from, how a lead becomes a trial visit and a trial becomes a join, and why members stay and refer; measure whether referral joins cover the cancellations.

8. Financials and funding

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

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

TEST	PASS?
Gate 0. Signed membership agreements or founding presales for the opening members, equipment and insurance quotes, the lease and the requirements of every registration the club 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 members fit the floor and its staff hours fit the roster (pages 6, 7 and 9), and planned membership reaches break-even (page 8).	
5. Signed agreements and founding presales back the opening members; a lead list forecasts trial visits, not members.	
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 an equipment lease. **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 equipment supplier, the insurer or the landlord, or a documented calculation. Gym budgets break on the build-out and the first slow summer, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
EQUIPMENT AND BUILD-OUT				
Strength, cardio and functional equipment				
Build-out, flooring, mirrors and locker rooms				
Sound, access control and software				
SETUP AND APPROVALS				
Business entity, registrations and approval requirements				
Insurance down payment				
Lease deposit and first month				
PRE-OPENING				
Pre-opening payroll and hiring				
Presale marketing, website and launch				
Opening retail and supply stock				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the 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 members, so build them from signed agreements, founding presales and the floor you can serve, not from the rent you need to cover. Count memberships first, month by month from page 9; add training and retail at the volume your lead record supports.

```
Monthly sales for a line = units times average dues 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 DUES	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Memberships	members				
Personal training and small-group packs	sessions				
Day passes, retail and vending	items				

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 = members at month end on page 9 times average dues (no separate ramp), plus training and retail at full run times ramp (the share of full-run volume the lead record has reached) times season. Use 100 percent where a factor does not apply. The build, ramp and season are your assumptions; write down the evidence for each, such as your presale agreements and your lead record.

CAPACITY CHECK

```
Paid staff hours available per month = the sum over staff of each one's hours a day times days worked a week, times 52, divided by 12; staff hours needed in the peak month = the class and training hours on page 7 at the steady-cycle membership (page 9); steady-cycle membership against the members the floor can serve
```

Write how many people are on the staff, the hours each is paid a day and the days each works a week. Take the peak month of the season list, members at the steady-cycle level (page 9), add up the instructor and training hours the plans need that month (page 7) and set them against the hours the team can field; set that month's members against the members the floor can serve. If the plan needs more hours or more floor than you have, the plan is wrong, whatever the presale says.

PAGE 7

Plans, places and revenue per available place

A class costs its instructor whether six members or sixteen turn up. Price every plan on the staff hours it takes and the members it can hold.

```
Plan fill = members over places; dues revenue = members x monthly dues; coaching cost = class hours x
the loaded instructor rate; plan contribution = dues less coaching cost less processing and consumables
at the line's own shares (page 8)
Revenue per available place = dues over places, the average at this membership
```

WORKED EXAMPLE: THREE PLANS AT FULL RUN (ILLUSTRATIVE)

PLAN	PLACES	MEMBERS	FILL	MONTHLY DUES	DUES REVENUE	COACHING HOURS	COACHING COST	FEES, CONSUMABLES	PLAN CONTRIBUTION	PER PLACE
Basic access	520	450	87%	$45	$20,250	0	$0	$790	$19,460	$38.94
Premium with classes	240	220	92%	$79	$17,380	160	$4,800	$678	$11,902	$72.42
Student and senior	40	30	75%	$29	$870	0	$0	$34	$836	$21.75

Instructors cost $30.00 an hour loaded ($25.00 base plus 20 percent). Each available place earns most on premium with classes ($72.42) and least on student and senior ($21.75). Places are the owner's own figure for this floor and timetable. Class hours above the salaried team (160 a month, 0 on salary) sit on line 14 of page 8: 12.5 percent of dues, 18.44 percent of all sales. Own line 13 and 14 shares by line: memberships 0 and 12.5; personal training and small-group packs 0 and 45.0; day passes, retail and vending 50 and 0.0.

YOUR PLANS

PLAN	PLACES	MEMBERS	FILL	MONTHLY DUES	DUES REVENUE	COACHING HOURS	COACHING COST	FEES, CONSUMABLES	PLAN CONTRIBUTION	PER PLACE

DUES, TRAINING AND RETAIL: WHEN CASH LANDS

INCOME LINE	STEP	SHARE OF THE CHARGE	CLEARED
Memberships	Dues drafted on the first (new members pay at sign-up), cleared in the month	95%	in that month
Memberships	Failed drafts, rerun the next month	5%	the next month
Personal training and small-group packs	Paid at purchase	100%	in that month
Day passes, retail and vending	Paid at sale	100%	in that month

Of each $100 billed in a month the club clears $96 in that month and $4 the next month. Dues, training and retail are mixed by full-run sales (memberships 75 percent, personal training and small-group packs 20 percent, day passes, retail and vending 5 percent) to give one rounded pattern here only; page 11 clears each line on its own schedule, which is how your forecast should work.

CAPACITY CHECK

The peak season month is the test (January in the example), at steady-cycle membership: members against places, class and coaching hours against the team's hours.

```
Steady-cycle members in the peak season month (page 9) against the places; that month's class and
training hours against staff hours (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. Club rent, 6,000 square feet	
2. Liability and property insurance	
3. General manager and front desk lead, salaried, with payroll taxes and benefits (the minimum staff)	
4. Owner's market wage	
5. Loan interest (equipment and build-out loan)	
6. Utilities, phones, internet and music service	
7. Marketing, website and member app	
8. Membership billing and club management software	
9. Accounting, bookkeeping and bank fees	
10. Cardio equipment leases and preventive maintenance	
11. Cleaning, towel service and supplies	
12. Other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Retail and vending cost of goods	
14. Hourly class instructors, trainers and floor staff above the salaried team, with payroll taxes	
15. Payment processing and draft fees	
16. Class and cleaning consumables	
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 members = (fixed costs with line 4 even if undrawn, plus principal, minus training and retail
contribution at their own shares) divided by one member's monthly contribution; 0 if covered
Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

RESULT	PER MONTH	PER WEEK	PER DAY OPEN
Operating break-even sales			
Cash break-even sales			
Break-even members (use cash break-even)	one figure per month		
Rent share and debt service coverage at full-run sales		ratios, monthly only	

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

PAGE 9

Joins, cancellations and the membership build

Membership is a stock that leaks. Every month some members cancel and new ones join, and the forecast has to follow that build month by month rather than a smooth ramp.

```
Members at month end = members at the start, less cancellations at the monthly churn rate, plus new joins, never more than the club can hold
Members at steady state = joins a month over churn; average membership life = 1 over churn; member lifetime value = dues x life x contribution ratio; joins that hold the club level = churn x full-run members
```

WORKED EXAMPLE: THE CLUB FILLS FROM THE JANUARY PRESALE (ILLUSTRATIVE; MEMBERS ROUNDED)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Joins sold	200	114	100	85	75	65	58	52	46	40	35	30
Cancellations	0	7	11	14	16	18	20	21	22	23	24	24
Active members	200	307	396	467	526	573	611	641	665	681	693	698
Of full run, percent	29	44	57	67	75	82	87	92	95	97	99	100

Month 1 opens with the 200 founding members from the presale; the plan holds 700 once joins settle at the 24 or 25 a month that replace cancellations. This table is the memberships line on pages 6 and 11, month for month; a new member pays dues from the month they join. January's joins are the founding members signed in the presale before opening, the Test 5 evidence in a real plan (the example holds none, so page 12 fails Test 5). The slow start cuts every month here to 70 percent of the plan, and year 2 runs the steady pattern from December's level. The club never reaches its limit in this plan, so no new member waits to join.

NUMBER	EXAMPLE	FROM
Monthly cancellations	3.5%	Cancellations in a month over the members active on its first day
Average membership life	28.6 months	One over the monthly churn
Member lifetime value	$1,314	Dues x months (28.57) x contribution ratio 0.836
Joins a month, October to December	35.0	The last quarter of the table, averaged
Joins that hold the full club	24.5	The settled yearly joins cycle averaged (churn x 700 members)
Members once steady	700	24.5 joins a month x the life, equal to joins over churn
Marketing per join	$102	$2,500 of line 7 over joins a month in a steady year

YOUR MEMBERSHIP, JANUARY TO DECEMBER

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

JOIN AND CANCELLATION LOG

Note each join and each cancellation with the reason the member gave; treat a stated reason as what the member said, not a verified cause.

MONTH	JOINS	CANCELS	WHAT THEY SAID	MONTHS AS A MEMBER	PLAN

PAGE 10

Leads, trial visits and joins by source

A club fills from a handful of places: a member's guest pass, a maps or social inquiry, a corporate partnership. Their trial visits turn into joins at very unequal rates, so trace each lead source through to the join and weigh it against the cancellations it must make up.

```
Trial rate = trial visits divided by leads; join rate = joins divided by trial visits
Leads needed = the joins you are short divided by (trial rate times join rate)
Monthly churn = members who cancelled in the month divided by members at the start of the month
```

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

SOURCE	LEADS	TRIAL VISITS	JOINS	TRIAL RATE	JOIN RATE	LEAD TO JOIN	LEADS FOR 105 JOINS, THIS SOURCE ALONE
Referrals and member guests	60	45	35	75%	78%	3 days	180
Online search, maps and social	180	85	44	47%	52%	7 days	430
Employer partnerships and events	55	32	18	58%	56%	10 days	321

These counts only illustrate the arithmetic; nothing here explains why a guest joins and a maps lead does not, and a single quarter is a signpost, not a rate. Its 97 joins land within a tenth of the 105 the page 9 table plans for October to December, the first full-run quarter. In the example, losing 24.5 of 700 members in a month is a monthly churn of 3.5 percent, taken against the members on the books on the 1st before anyone new joins; leads have to replace those cancellations before the club can grow.

YOUR PIPELINE, BY SEGMENT

SOURCE	LEADS	TRIAL VISITS	JOINS	TRIAL RATE	JOIN RATE	DAYS LEAD TO JOIN	LEADS NEEDED

LEAD AND CANCELLATION LOG

MEMBER	TRIAL DATE	JOIN DATE	JOINED OR CANCELLED	REASON, IN THE MEMBER'S WORDS

PAGE 11

Twelve-month cash forecast

Rent and payroll leave before failed drafts clear. Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: collections, in the month each payment lands, net of sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: retail cost, fees and consumables (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: club rent (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
Memo: receivables = last month's + billed minus collected												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first day the club 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. Staff, instructors 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 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what the summer slump costs

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

Worked example: a hypothetical fitness club

Invented figures, chosen so the arithmetic shows; none is a benchmark for a club. The two salaried staff work from month 1; dues are drafted on the 1st. Cash floor $36,023. Dues draft on the 1st; 95 percent clears that month and the failed 5 percent clears on the rerun a month later; training packs and retail are paid at purchase; staff and suppliers are paid in the month of the work; the owner's market wage is drawn in cash.

Page 5, budget	All told the startup budget is $405,800, funded by a $200,000 loan (10.5 percent over 7 years) and $205,800 of owner money; the total includes a $155,300 reserve that carries the build, the summer slump, failed drafts, the floor and the buffer. Page 5 sizes the reserve in two passes: floor $36,023, plus a month's buffer, $36,023, plus $83,173 (the trough of a first pass begun with no cash), rounded up to $155,300.
Page 8, costs	Fixed costs $34,320 a month, including $9,000 for the club space and $1,670 of loan interest inside it; principal $1,703 a month (both year 1 averages); the variable lines add up to 24.8 percent, leaving a contribution margin ratio of 0.752. Lines 13 to 16 take 2.45, 18.44, 3 and 0.9 percent of sales. Fixed lines 1 to 12 come to $9,000, $700, $8,600, $5,500, $1,670, $1,800, $2,500, $450, $400, $2,400, $900 and $400 a month.
Page 8, break-even	Operating break-even is near $45,632 a month. Cash break-even (fixed $34,320 plus principal $1,703, divided by 0.752) is about $47,897 a month: 642.4 members a month from memberships once training and retail have contributed at their own shares (page 7), so 643, against the 700 the plan signs.
Page 6, sales	Memberships: 700 members a month at $55 month for month from the January presale, then the steady January-to-December pattern. Personal training and small-group packs: 160 sessions a month at $65. Day passes, retail and vending: 180 items a month at $14. The steady-year average month is about $51,419, the membership line at its steady-year average (memberships 699.99 members a month); training and retail ramp 35, 50, 60, 70, 80, 85, 90 percent from January to month 7, then 100 percent; season 120, 115, 105, 105, 95, 90, 85, 85, 105, 105, 100, 90 percent, January to December, on training and retail; dues follow page 9.
Page 19, expected case	Month 1 dues and sales of $16,426; January closes out at $130,646, December at $79,688. Low: month 8, closing $72,127, $36,104 clear of the floor.
Page 19, slow start	Members, sessions and sales at 70 percent of the expected case: month 1 sales $11,498; January closes out at $127,235, December at minus $27,311. Cash sinks under the floor in month 6 (closing $35,176) and below zero in month 10 (closing minus $8,633), so runway, counted from opening day, comes to 5 months.
Page 8, coverage	At the steady-year average, with sales of $51,419, planning coverage, before income tax and equipment replacement, comes to 1.79 against the 1.25 the example lender requires; on December's run rate it comes to 1.76, and Test 3 weighs both. Rent share is about 17.5 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is taken as met for the example. Test 1 passes: the month-12 run rate earns about $51,331 a month, above the $47,906 break-even at that sales mix (contribution ratio 0.752); cash keeps above the floor through a second year at that membership (lowest point $83,556, the second January). (Not scored: dues and sales first cover cash break-even in month 9.) Test 2 fails: at 70 percent of the plan, cash falls below the floor in month 6; about $63,400 more reserve at the start would pass it. Test 3 passes on the planning formula, but a lender will apply its own definition. Test 4 passes: in the peak month (month 1, season 120 percent, steady-cycle membership) 700 members fit 800 places and need about 350 class and training hours against the 624 the trainers can field (6 people, 4 hours a day, 6 days a week); 700 members pass the break-even count. Test 5 fails for want of evidence. Test 6 passes: a steady year at full membership, slump included, leaves about $31,794 after principal, and running cash never falls within the steady year, so it needs no cushion. That is the steady-state year rather than the opening year: page 19's first year loses about $75,612 to cash because the member count climbs all year and the first summer slump lands before a second January. Break-even takes most of the members, and the summer slump comes before the January joins repay their signing cost.

PAGE 13

What moves the result

Each row changes one input of the page 12 example and reruns the forecast. A row names Test 1, 3 or 6 when the change would newly fail or pass it; a test the example already fails stays failed. The last column also gives the slow start, which is Test 2.

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
All three lines 10 percent lower: dues, training and retail (lines 13 to 16 fall)	minus $3,867	Expected case holds the floor; full-run coverage falls to 0.64; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Memberships: average dues 5 percent higher, same volume (draft and processing fees are the only cost that rises)	plus $1,867	Break-even members fall from 642.4 to 607.2 a month, so from 643 to 608: per-unit costs stay the same, so the ratio rises from 0.752 to 0.760 on the new sales (sales-linked fees, line 15, take 3.0 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $46,567
Monthly churn 1.5 points higher (3.5 to 5 percent; about 71 fewer members by month 12, $4,978 a month less on average in year 2)	minus $4,978	Expected case still clears the floor; slow start deadline unchanged (month 6); full-run coverage falls to 0.31; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Joins 25 percent lower in months 1 to 3 (about 72 fewer members by month 12, wider in the months between; $3,307 a month less at full run)	minus $3,307	Expected case below the floor in month 12 (closing $35,037); slow start deadline unchanged (month 6); full-run coverage falls to 0.81; the month-12 run rate falls below cash break-even; would fail Tests 1 and 3
Memberships: dues 10 percent lower for a year to hold joins ($3,734 a month less, the same members), from month 1 onward	minus $3,734	Expected case below the floor in month 12 (closing $35,029); slow start deadline unchanged (month 6); full-run coverage falls to 0.68; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
3 months of drafts from 35 members, billed from month 4, never clear ($1,925 a month)	no change	Expected case still clears the floor; slow start deadline unchanged (month 6); $5,775 never collected
Cardio leases and maintenance 20 percent higher ($480 a month more on line 10, a fixed rise)	minus $480	Expected case still clears the floor; slow start deadline unchanged (month 6)
Build-out overrun of $10,000 beyond the contingency, met out of the cash reserve	no change	Expected case still clears the floor; slow start deadline unchanged (month 6)
Opening 3 months late (the club space, insurance, loan interest and principal, $13,073 a month, paid while closed; no sales; the ramp starts at the new opening, and seasons stay on the calendar)	no change	Expected case below the floor in month 9 from the planned opening; slow start below the floor in month 7 from the planned opening (month 6 on time); about $3,200 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

Membership checklists, weekly review, six questions

Operations checklists for running the club, not a compliance program. Add each agreement, billing, cancellation and safety step your location and your own advisers call for.

BEFORE A MEMBER STARTS

- [ ] Do not activate access until the agreement is signed and the first draft has cleared.
- [ ] Book the first coaching session or class before the member leaves the desk.
- [ ] Record the plan, the draft date and the cancellation terms in the agreement and the billing system.
- [ ] Collect the health questionnaire and emergency contact your location requires.
- [ ] Add the member to the source log with the lead source and the date joined.
- [ ] Brief the floor team on the member's goals and any limits they reported.

MONTH END AND CANCELLATIONS

- [ ] Line up each plan's members against the places it can hold, and instructor hours against the hours on the roster.
- [ ] Post every join and cancellation to the page 9 table along with the reason the member gave at the desk.
- [ ] Rerun failed drafts on the timing your member agreement and processor allow, and record each retry and contact.
- [ ] Calculate the month's churn: cancellations divided by members active on the 1st.
- [ ] Record each lead with its source, the trial visit date and whether it joined.
- [ ] When someone cancels, ask what would have kept them training here and which friend might take their place.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Dues drafted against cash cleared, by plan and draft step				
Members by plan against the places the floor can serve				
Instructor and trainer hours against the roster				
Joins, cancellations and freezes by plan				
Leads, trial visits and joins by source				
Failed drafts and balances over 10 days				
Owner hours spent on the floor or the desk				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Do trials, timetable changes and billing disputes all queue for the owner, with the desk holding questions until the owner turns up?
2. **Reactive operations.** Over a week, how many classes ran without their instructor or with under four members, how many drafts failed, and how many hours did the owner spend behind the desk?
3. **Growth without structure.** How many new members cancel before day 90, and how many drafts remain uncollected by the 15th?
4. **Talent and retention.** Which classes would empty if a single instructor left, because the members come for that instructor?
5. **Revenue plateau.** How many days does a trial visit take to turn into a join, and how many leads never book a visit?
6. **Strategic confusion.** Do plans sold at the same price use very different amounts of staff time, and has the timetable you run moved away from the one you sold?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the lead and trial log, the page 9 membership table, instructor hours against the roster, or the failed-draft list.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log instructor and desk hours every day. Log the hours the owner covers.
Week 2	Fill the page 7 plan table at the loaded wage and mark any plan whose dues do not cover its staff hours, supplies and fees.
Week 3	Fill the page 9 build table with every join and cancellation and work out the month's churn.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions the desk lead may make without calling you.
After month 1	Compare each plan's members with the members it can hold and the staff hours worked with the roster on page 6.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- [ ] Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- [ ] Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- [ ] What does the space need before you can open, and who pays to add or upgrade it?
- [ ] Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- [ ] When does rent start, at signing, at permit or at opening?
- [ ] Are there limits on operating hours, signage, parking, deliveries or the uses allowed in the space?
- [ ] What happens to the lease and the fixtures if you sell the business?

Have a qualified professional review the lease before you sign. These questions prepare you for that conversation; they do not replace it.

WHAT THE FULL KIT ADDS

The full Gym 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 plan pricing calculator from staff hours and dues to a margin, a membership and churn tracker, editable lead, trial and class trackers, membership 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 independent gyms and fitness studios, 2026, an internal working file that is not published, described on page 2; the questions are hypotheses and no figure in this kit comes from it. Gyms and fitness studios owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, membership agreements, billing and cancellation 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 plans, dues and costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

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

I am opening (or running) an independent fitness club. I have attached the Gym Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my plans, members and staff, 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 dues, a wage, a churn figure, a capacity count, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales = units times average dues or price (every line is counted per month). Memberships follow the page 9 build (members at month end times average dues); training and retail = full-run sales times ramp times season. Full-run sales, break-even and coverage take memberships at its settled-year average (page 9), not the planned count.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's coaching and class hours go in line 14 at an instructor's rate. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the floor; 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 members = (fixed costs with line 4 even if undrawn, plus principal, minus training and retail contribution at their own shares) divided by one member's monthly contribution; 0 if covered. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid staff hours available per month = the sum over staff of each one's hours a day times days worked a week, times 52, divided by 12; staff hours needed in the peak month = the class and training hours on page 7 at the steady-cycle membership (page 9); steady-cycle membership against the members the floor can serve.
- 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 club opens after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Place each receipt in the month my payment terms say; if a term is missing, mark [NEED: payment timing]. The worked example drafts dues on the first (new members pay at sign-up), collects them in the service month with failed drafts later, and lands training and retail in their month; payroll and suppliers are paid in the month worked. In the slow-start case, every month's sales on every line are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first day the club opens), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

Paste this part directly after the rules on page 16, as one message.

5. Do not give legal, tax, licensing, permit, membership agreement, billing, cancellation and music licensing requirements, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous member IDs. Do not ask for names, addresses, bank account or tax ID numbers, health questionnaires, or the names of my members 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 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. Plans and classes, hours open, members and lead sources, the staff on the roster with paid hours a day and days a week, and days open per week.
b. Sales build: for memberships, each plan's places, the members at full run and the monthly dues, my monthly churn and my planned joins for each month from 1 to 12 (month 1's are the founding members signed before opening), the recurring yearly joins that hold full run, and the members the floor can serve; for training packs and for day passes and retail, the sessions or items a month at full run and the average charge, a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month for those two lines from my lead record or my market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Never daily; the page 9 build replaces the membership line's 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 plan: places and members at full run, the monthly fee, and the direct staff hours a month it needs; the salaried roster's paid hours a month; the loaded wage of the hourly staff above it.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (equipment quote, insurer quote, landlord quote or calculation) for each line on page 5, from equipment 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 staff, the equipment leases, 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 coaching and class hours go in line 14 at an instructor's rate.
f. Variable cost shares of net sales for lines 13 to 16: line 13, retail and vending cost of goods; line 14, hourly class instructors, trainers and floor staff above the salaried team, with payroll taxes; line 15, payment processing and draft fees; line 16, class and cleaning consumables; and any sales line whose own shares differ, given for that line.
g. Confirm the churn, the joins plan and the places from item b; change nothing unless I say so.
h. For each lead source: leads, trial visits and joins last quarter, and days from lead to join; members at the start of the month and members who cancelled; the number of new joins I need.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

Paste this part directly after the text on page 17, still as one message.

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when members pay dues (drafted on the first and cleared in the month, or later, and the share of drafts that fail), deposits or enrollment fees I collect and when, and when payroll, instructors and suppliers are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside and equipment replacement.
m. Cash on hand on the first day the club 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 fitness club, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by membership line, training line, retail line and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even members (use cash break-even); rent share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add memo rows for each month, kept out of closing cash: sales tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Program economics by places, enrollment, fee, staff hours and revenue per available place, ranked, with the capacity check on places and staff hours.
7. The 12-month membership build (joins, leaves, members, percent of full run), steady state against the plan, membership life, lifetime value and acquisition cost per join.
8. Pipeline by segment with leads needed and monthly churn.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every member count or draft 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 membership build, instructor hours and draft terms, before anyone sees the plan, and recheck the page 4 result with a calculator.

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $36,023.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**155,300**	**130,646**	**112,174**	**98,212**	**88,251**	**81,185**	**76,325**	**73,237**	**72,127**	**73,416**	**75,494**	**77,776**
In: sales receipts	15,876	24,021	29,689	35,007	38,591	41,249	43,363	46,164	50,065	51,004	50,985	50,024
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: retail cost, fees and consumables (lines 13, 15, 16)	1,170	1,673	1,961	2,299	2,469	2,577	2,659	2,874	3,278	3,314	3,249	3,085
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	17,437	18,897	19,767	20,746	21,265	21,609	21,869	22,477	23,575	23,689	23,531	23,104
Out: club rent (line 1)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Out: other costs, with loan interest (lines 2, 5 to 12)	11,220	11,220	11,220	11,220	11,220	11,220	11,220	11,220	11,220	11,220	11,220	11,220
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	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703	1,703
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(24,654)**	**(18,472)**	**(13,962)**	**(9,961)**	**(7,066)**	**(4,860)**	**(3,088)**	**(1,110)**	**1,289**	**2,078**	**2,282**	**1,912**
Closing cash, expected	**130,646**	**112,174**	**98,212**	**88,251**	**81,185**	**76,325**	**73,237**	**72,127**	**73,416**	**75,494**	**77,776**	**79,688**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**155,300**	**127,235**	**103,498**	**82,918**	**65,138**	**49,385**	**35,176**	**22,208**	**10,624**	**719**	**(8,633)**	**(17,843)**
Sales receipts, slow start	11,113	16,815	20,782	24,505	27,013	28,874	30,354	32,315	35,045	35,703	35,690	35,017
Out: variable costs, slow start (lines 13 to 16)	3,155	4,529	5,339	6,262	6,743	7,060	7,299	7,876	8,927	9,032	8,877	8,462
Out: fixed costs (lines 1 to 12), principal, bills, less funding	36,023	36,023	36,023	36,023	36,023	36,023	36,023	36,023	36,023	36,023	36,023	36,023
Net cash flow, slow start	**(28,065)**	**(23,737)**	**(20,580)**	**(17,780)**	**(15,753)**	**(14,209)**	**(12,968)**	**(11,584)**	**(9,905)**	**(9,352)**	**(9,210)**	**(9,468)**
Closing cash, slow start	**127,235**	**103,498**	**82,918**	**65,138**	**49,385**	**35,176**	**22,208**	**10,624**	**719**	**(8,633)**	**(17,843)**	**(27,311)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**3,942**	**3,618**	**2,974**	**2,974**	**2,326**	**2,002**	**1,679**	**1,679**	**2,974**	**2,974**	**2,650**	**2,002**

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 $51,331 a month, against month 12's own billed sales of $50,039): closing cash runs $83,556 in month 1 and $110,594 in month 12, lowest $83,556 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.