Jewelry Store Business Plan and Operations Starter Kit

A working kit for independent jewelry store owners. It prices bridal, fashion and watches by the piece, builds the open-to-buy that says how much stock the month can carry, counts the cases at cost, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

JEWELRY STORES
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PAGE 2

Start here

A jewelry store keeps its money in two places, a vault and a bridal appointment book, and neither turns quickly. The stock is small enough to carry out in a coat pocket and expensive enough that one bad count can erase a month's profit. This kit makes you write the case prices, the buying budget and the count down, then tests whether the cash survives a year that opens in August, peaks in December and troughs in January.

WHAT IS INSIDE

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HOW TO USE IT

1. Build sales by case on page 6 and the store'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. Vendor line sheets, memo terms and the stock you can finance change before opening.
3. Once you open, use the page 14 checklists daily and the weekly numbers review each week. Write the buying budget on page 9 before the vendor's line sheet is signed, and count the cases on page 10 at the interval you set.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the jewelry store 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, regulatory or financial advice. Requirements vary by location, and a qualified professional should review the regulatory pitfalls. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

The lender's first question is whether the store can pay for the stock before the customer pays the store. Answer every prompt in plain sentences on a fresh sheet, and keep the arithmetic from the pages behind it.

1. Executive summary (write it last)

Lay out the idea, the site, the three cases and the funds needed, from the build-out through the opening stock. Then name the month the page 6 forecast first reaches cash break-even (page 8), and give the page 4 result.

2. Concept, customer and trade

Write down who comes through the door and why. A couple choosing a ring is not shopping; they are deciding, over several visits, on the one purchase they will photograph for the rest of their lives. A customer buying a chain or a pair of earrings is shopping, and will compare your case with a screen before they leave the store.

3. Cases, bench and hours

Set out the cases you will carry, the floor space each one takes, the vault and the bench room behind the wall, and the hours you will be open against the hours you will be available by appointment. Name the case that has to earn the rent and the one that only brings people in. Then list every charge the lease adds above base rent, because a jewelry store pays for position and position is priced per square foot.

4. Cases and pricing

Take each case's pieces from the vendor invoice and the price tag rather than from a competitor's window, and put the landed cost, the setting and the bench hours beside the ticket. Test the margin the case has to hold and the turns it has to earn, because a piece that sits in the window for two years is a loan you made to yourself at no interest. See what a four percent rise on the bridal case does to break-even on page 13.

CASE	LANDED COST PER PIECE	RETAIL TICKET	COST AS % OF TICKET

> *The lender's question, answered: I have a vault full of stock that takes two years to sell and a bridal customer who will not decide today. How much of my own money is standing in that vault, and what happens to the answer if a supplier raises my cost two points and I hold my ticket?*
>
> Stock at cost equal to twenty-six weeks of cost of goods is cash the owner cannot spend, and the buying budget on page 9 is the only control on how much more can go into the cases this month. The count on page 10 measures what the vault actually holds. Page 13 tests a two-point cost rise held at today's prices and a chain jeweler taking the fashion line.

PAGE 4

Business plan, part two

5. Operations

Describe how a piece moves from the vendor's line sheet, to the vault, to the case, to the customer and, if it comes back, to the bench. Name the step that slows a bridal week, and who signs for the vault when you are not there.

6. Team

List every role, the hours it covers and the pay it costs, including a market wage for your own buying and appraisal time. Name the second person who can open the store with someone else; the first question on page 14 checks that dependency.

7. Marketing

Explain why a couple chooses your case rather than a chain or a screen, and what brings a fashion customer back for a repair or a second piece. Track appointments, repairs and repeat customers in records you own.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below. Show how much the store needs, where the money comes from and how long it lasts if the holiday deliveries slip.

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

TEST	PASS?
Gate 0. The draft lease, the build-out and vault quotes and every approval the store needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, total sales reach cash break-even at the month-12 run rate (page 8) and closing cash stays at or above your cash floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The plan's pieces in its busiest month fit the two-person floor and the bench turnaround, and planned pieces a month reach break-even on page 8.	
5. Expected piece counts rest on evidence (an appointment book and a prior store's case counts, or a documented traffic count with a capture rate), not on the size of the trade area or the number of households nearby.	
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, take memo goods or sign the loan. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the contractor, the showcase or vault supplier, the vendor line sheet or the landlord, or a documented calculation for the opening stock. Store budgets break on the case run and the vault nobody quoted, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
BUILD-OUT AND EQUIPMENT				
Leasehold improvements, lighting and the case run				
Showcases, the vault, safes and store fixtures				
Delivery, rigging and electrical connections				
Point of sale, tagging, cameras and alarm				
Signage and exterior				
PRE-OPENING DEPOSITS				
Utility deposits, alarm and card terminal setup				
Lease deposit and pre-opening rent				
Insurance down payment				
OPENING WORKING CAPITAL				
Opening inventory at cost				
Training and pre-opening payroll				
Launch marketing, window graphics and professional fees				
CASH AND CONTINGENCY				
Opening cash				
Contingency				
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

Sales start with the case, the piece and the ticket, never with the rent you have to cover. Count the pieces you expect a month by case from your appointment book, a prior store or a comparable one, and set each case's average ticket as its sales divided by its pieces. The average ticket is not the average customer: ten bridal pieces and a hundred and thirty-five fashion items are not comparable units, and the bridal handful will carry two fifths of the money. Write the counts by case or you will plan the wrong staffing for the week the bridal customer finally says yes.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE ITEM	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Bridal and diamond	pieces				
Gold and fashion jewelry	pieces				
Watches	pieces				

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 case sales times ramp times season. Use 100 percent where a factor does not apply. Ramp, season and pieces a month are your assumptions; write the evidence for each, and treat December as a bridal and fashion season rather than a baseline for the rest of the year.

CAPACITY CHECK

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Monthly capacity = the appointment slots the two-person floor can serve in the busiest week times 52 divided by 12 as the floor limit, and the bench turnaround the shop can complete in a fortnight times 26 divided by 12 as the bench limit; the plan's pieces must fit both, so the lower of the two caps the month, counting each appointment as one piece; the buying budget on page 9 is the cash version of the same limit
```

A jewelry store does not run out of glass; it runs out of two people who can stand on the floor together and one bench that can finish a sizing in time for the wedding. Never open a vault with one person in the room. Budget the busiest week as two staff in every open hour, which caps how many appointments, walk-ins and collections one Saturday can hold, and add the bench as a second limit: a sizing, a setting and a rhodium dip each take their own hours, and a repair promised for Friday is capacity spent on Thursday. Write the appointments your floor can serve and the pieces your bench can finish, then check that the plan's total piece count in the busiest month fits both.

PAGE 7

Three cases, three margins and a blend that hides them

A jewelry store sells by appointment, by case and by repair ticket, and the three do not share a margin. The bridal case carries the ticket, the fashion case carries the footfall, and the watch case carries a margin thin enough to vanish inside an average. Cost every piece from the vendor invoice plus the setting, the sizing and the bench minutes it takes, then let each case keep what its job can carry. The ratio matters more than the total: ten bridal pieces and a hundred and thirty-five fashion items are not comparable units, and a plan that reads them as an even book of business will staff the wrong Saturday.

```
Case margin = (the ticket less landed cost) divided by the ticket.
Markup puts that same difference over landed cost and always reads larger, so a case tagged from markup keeps less than the tag suggests.
A case's margin = its sales less the cost of the goods it moved, over its sales; line 13 mixes the three cases by the share each one sells
```

WORKED EXAMPLE: THE THREE CASES (ILLUSTRATIVE)

DEPARTMENT	PIECES / MONTH	PRICE	UNIT COST	GAP PER PIECE	MARGIN	MARKUP	PART OF TAKINGS
Bridal and diamond	10	$4,200.00	$2,352.00	$1,848.00	44.0%	78.6%	40%
Gold and fashion jewelry	135	$340.00	$153.00	$187.00	55.0%	122.2%	44%
Watches	25	$650.00	$533.00	$117.00	18.0%	22.0%	16%

The example lands 0.01 points below the 44.8 percent margin it sets for itself, a shortfall of about $9 a month at this sales level. Gold and fashion jewelry carries the strongest margin rate (55.0 percent) and Watches the weakest (18.0 percent). The largest share of sales is Gold and fashion jewelry, at 44 percent. Blended, the example runs at a 44.8 percent gross margin and an 81.1 percent markup. These departments set the sales lines and the cost-of-goods share in the page 12 worked example; the buying budget on page 9 and the shrink count on page 10 use the same three. Group the cases the way you buy them, because the count, the open-to-buy and every later ticket change follow the same three groups. A thin case earns its space on turns and on the traffic it brings; a fat case can sit in the window and still pay for the glass. Watch the watch case, which takes 15.6 percent of the sales and yields 6.3 percent of the gross profit: a nine point gap between those two shares, and 37 points between its margin rate and the best case margin rate, both inside one storefront, which is the whole argument for costing the cases apart. Price from the invoice plus metal, setting and bench hours, never from a competitor's tag. Memo goods are not yours until they sell, and a margin computed on stock you do not own is a margin the store has not earned. This example sits just above one million dollars of annual sales; read it as one mainstream store rather than as an average of the trade.

YOUR THREE CASES

DEPARTMENT	PIECES / MONTH	PRICE	UNIT COST	GAP PER PIECE	MARGIN	MARKUP	PART OF TAKINGS

Set each case from its landed cost and the margin the piece has to carry, never from the shop across the street. A fast line of gold chains can live on a thin rate; a bridal case that sits for months has to earn its glass on the margin each piece holds.

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, 1,400 square feet	
2. Jewelry, liability and stock insurance	
3. Salaried manager and the minimum two-person floor, with payroll taxes	
4. Owner's market wage for buying, appraisal and appointments (hours on the floor go in line 3 or 14)	
5. Loan interest (build-out, showcases and vault loan)	
6. Utilities and internet	
7. Marketing, branding and local advertising	
8. Point of sale, inventory and appraisal software	
9. Accounting, banking and appraisal fees	
10. Showcase, vault and equipment maintenance	
11. Cleaning, waste and alarm monitoring	
12. Training, consumables and renewals	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Cost of goods sold, blended across the three cases (set by the case costs)	
14. Hourly sales and bench labor above the minimum two-person floor, with payroll taxes	
15. Card and processing fees	
16. Shrink at cost (set by the case counts)	
17. Packaging, markdowns and bench supplies	
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 pieces a month = (monthly fixed costs, principal and other recurring cash out minus the monthly
contribution from the fashion and watch cases at planned full-run sales and their own contribution ratios (1
minus each case's line-13 share and its share of lines 14 to 17)) divided by the contribution from one average
bridal piece
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 pieces a month (use cash break-even)	one figure per month		
Rent share and debt service coverage at full-run sales		ratios, monthly only	

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

PAGE 9

The buying budget, and the stock that is not yours

Open to buy is the money you can commit to the cases this month without borrowing from the next vendor's bill. It begins with the month's cost of goods, adds the stock the plan wants at its turns, and subtracts what already sits in the vault and what is already on order. In this trade the figure overstates your freedom, because some of what stands in the case is memo stock: yours to show, not yours to own, and the engine carries one inventory line with no memo line behind it.

```
Stock carried at landed cost = a year of cost of goods over the turns the plan carries
Money free to commit = the month's landed cost of goods, plus the shelf level the plan wants, less what
already stands in the vault, less what is already travelling
A piece waits out the vendor's lead time in transit, the invoice matures after it lands, and the money
goes out 51 days after the purchase order is written; page 19 settles every bill in the month it sells,
so put your own lead and terms into the page 11 inputs
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WORKED EXAMPLE: A MONTH OF JEWELRY COST OF GOODS (ILLUSTRATIVE)

DEPARTMENT	REVENUE A MONTH	PART OF REVENUE	LANDED COST A MONTH	PART OF LANDED COST
Bridal and diamond	$42,000	40%	$23,520	41%
Gold and fashion jewelry	$45,900	44%	$20,655	36%
Watches	$16,250	16%	$13,325	23%

The revenue column restates the page 7 cases, and every landed-cost column multiplies that case's pieces by what the piece cost.

THE MONTH'S BUYING BUDGET

LINE	THIS MONTH
Cost of goods for the month, at landed cost	$57,500
Shelf level the plan wants, at cost (a year of goods cost over 2 turns)	$345,000
Stock in the vault when the month opens, at cost	$345,000
Pieces already ordered and in transit, at cost	$38,000
Free to commit this month, at cost	$19,500

That leaves $19,500 of buying power this month: enough to replace what the month will sell and move the shelf toward its target once the vault and the pieces in transit are counted. At the month's open the vault holds 6.0 months of cost of goods ($345,000 against $57,500 a month), the plan turns it twice a year, and an order written today settles 51 days later, after 21 days of vendor lead time and 30 days of terms. Money leaves a month after the goods arrive and long before they sell, and that stretch is the cash gap this trade lives with: the buying budget is a financing decision as much as a stocking one. Turns here is a mix artifact and not a management result. A store can lift its turns by selling fewer bridal pieces, which would be a worse store. Read the turns beside the mix, never as a target on its own. At two turns the average stock is twenty-six weeks of cost of goods, and that much cash sits in a vault. An open-to-buy computed on owned stock alone flatters the store, because the memo pieces in the case are stock the store did not pay for and cannot count on. Write the memo register beside the buying budget and take turns from your own count rather than from a trade figure.

WORK OUT YOUR OWN FIGURE

LINE	THIS MONTH
Cost of goods for the month, at landed cost	
Shelf level the plan wants, at cost	
Stock in the vault on day one, at cost	
Pieces already ordered, at cost	
Free to commit this month, at cost	

Write the order to the month's sales and the shelf level the plan wants, never to a vendor's minimum line or a show discount. A saving on a case that dates before it sells is a loss with a discount attached.

PAGE 10

Two people, a locked door and a case-by-case count

Shrink in a jewelry store is a security and reconciliation problem before it is a waste problem. The count is taken at cost, one case at a time, with two people present and the door locked, and the difference goes on paper before anyone opens the records. It hides in receiving, in the repair tray, in a memo item filed in the wrong envelope and in a sizing that was never billed.

```
Missing = case value on the book less case value the count finds
Gap on the book = the missing value over book value; yearly rate = the count-period rate times 12
divided by the months since the last count
Line 16 states that yearly gap at cost as a part of yearly sales
```

WORKED EXAMPLE: THE CASE COUNT (ILLUSTRATIVE)

DEPARTMENT	BOOK VALUE	FOUND IN THE CASES	SHRINK	GAP ON BOOK	YEARLY RATE
Bridal and diamond	$141,120	$139,713	$1,407	1.0%	4.0%
Gold and fashion jewelry	$123,930	$122,695	$1,235	1.0%	4.0%
Watches	$79,950	$79,153	$797	1.0%	4.0%
Total	$345,000	$341,561	$3,439	1.0%	4.0%

A count 3 months after the last one shows $3,439 missing at cost, a 1.0 percent rate on book, or 4.0 percent a year. That is $13,756 of stock a year at cost, which sets line 16 at 1.1 percent of sales in the page 12 worked example. Count at tight enough intervals that a missing piece can still be traced: a count every 3 months leaves you unable to say which week a ring left the case. The two rates on this page answer different questions. The count is struck at cost and set against the book at cost, which is 1.0 percent for the quarter. Line 16 takes that same cost variance, spreads it over twelve months and divides it by the year's takings at the tag, which is 1.1 percent. The National Retail Security Survey puts jewelry, watches, home furnishings and footwear together at or below 1.5 percent of sales, measured on the tag value of the lost goods over retail sales, and a piece that cost this store's $1 sells for roughly $1.81 at the blended margin, so the same missing tray is about 2.0 percent of sales on that footing, above the ceiling rather than inside it, even though the figure spans four segments. Both engine figures are right and neither invents a second loss; the base is the only thing that moved, so name the base every time you quote the rate. A quarterly count leaves the rate a season stale; a monthly count costs more in bench hours than it catches, so pick a cadence and keep to it. Repair trays, memo envelopes and goods out on approval are where a jewelry count finds its variance before a shoplifter ever reaches the door, and a count written around theft alone will miss most of it.

YOUR CASE COUNT

DEPARTMENT	BOOK VALUE	FOUND IN THE CASES	SHRINK	GAP ON BOOK	YEARLY RATE

Count with two people present, the door locked, one case at a time, and put the difference on paper before the records are opened. A piece can sit in a repair tray, a memo envelope or a layaway bag; a count that checks only the glass will swear the stone was stolen.

PAGE 11

Twelve-month cash forecast

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

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: sales receipts (page 6), excluding sales tax												
In: owner money and loans received												
Out: goods, card fees, shrink and markdowns (lines 13, 15 to 17)												
Out: 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. Counter sales settle when the customer pays, by card or in cash, and card batches settle two to three business days later. A bridal order is written on a deposit and collected on collection day weeks later, and a special order from the vendor can be payable before the customer settles. The engine carries every sale in the month it is rung and does not model deposits, so enter the money in the month it reaches the bank and treat the order book as cash you have already promised. 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, memo stock and a holiday opening

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Runway = the number of consecutive future months, counted back to the last month already closed (or to
opening day, before the store opens), up to the first month whose closing balance falls below your floor
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Worked example: a hypothetical single jewelry store

Illustrative assumptions that show the arithmetic, not benchmarks. Open six days a week, about 26 days a month, 1,400 square feet; opens in August. Cash floor $33,030. Card and cash takings clear to the bank within the month of sale; the fixed lines leave on the table's schedule; a piece is settled in the month it sells, so write your own vendor and memo terms into page 11.

Page 5, budget	Total startup budget $592,950, funded by a $300,000 loan (10.75 percent over 10 years) and $292,950 of owner money, including an $89,100 working-capital cushion the plan leaves alone from the start. The page 5 two passes: floor $33,030, plus a one-month buffer of $33,030, plus $23,023 (the depth of the first-pass deficit when the store opens with nothing), rounded up to $89,100.
Page 8, costs	Fixed costs $31,556 a month, including $6,300 for rent and $2,616 of loan interest; principal $1,474 a month (averaged over the first year); variable share 63.4 percent, so the contribution margin ratio is 0.366. Lines 13 to 17 take 55.2088, 3.5, 2.1, 1.1 and 1.5 percent of sales (line 13 is the case blend). Lines 1 to 12 run $6,300, $1,150, $9,550, $4,400, $2,616, $1,050, $4,200, $480, $650, $380, $480 and $300 a month.
Page 8, break-even	Operating break-even sits near $86,239 a month. Cash break-even (fixed $31,556 plus principal $1,474, divided by 0.366) is about $90,268 a month: 6.6 pieces a month from bridal and diamond once the weaker cases have covered their part (line 13 runs 56.0 percent on bridal and diamond, 45 on gold and fashion jewelry and 82 on watches; lines 14 to 17 fall on all three cases at one rate, leaving contribution ratios of 0.358 on bridal and diamond, 0.468 on gold and fashion jewelry, 0.098 on watches), so 7, against the 10 the plan assumes.
Page 6, sales	Bridal and diamond: 10 pieces a month at $4,200. Gold and fashion jewelry: 135 pieces a month at $340. Watches: 25 pieces a month at $650. A full-run month roughly $104,150; case sales ramp 55, 66, 78, 86, 93, 97, 99 percent in months 1 to 7, then 100 percent; season 100, 95, 105, 128, 152, 70, 96, 84, 88, 106, 90, 82 percent across months 1 to 12, and regular sales are the only thing it moves.
The year-one grid, expected case	Month 1 sales $57,283; month 1 closes at $77,030, month 12 at $98,220. Low: month 3, closing $66,077, $33,047 over the floor.
The year-one grid, slow start	At 70 percent of expected sales, month 1 sales $40,098; month 1 closes at $70,742, month 12 at minus $23,424. Cash falls below the floor in month 6 (closing $29,357) and below zero in month 10 (closing minus $3,248), so the opening runway comes to 5 months.
Page 8, coverage	On a full-run month of $104,150, cover ahead of tax and bench replacement reads 2.24 against the 1.25 the example lender asks for; at the month-12 run rate it is 2.21, and Test 3 needs both. Rent share is about 6.0 percent.

THE SCORE THIS PLAN EARNS: AMBER

Gate 0 is taken as satisfied for the worked example. Test 1 clears: held at month 12 the store runs about $103,803 a month, above the $90,268 break-even; the floor is still covered in a second year at that pace (lowest close $103,300, month 1 of year 2). (Context, not part of the test: expected sales first reach cash break-even in month 4.) Test 2 fails: at seventy percent of plan the store breaks the floor in month 6; about $56,500 more in reserve would bridge it. Test 3 passes on the planning formula. Test 4 holds: in the December peak (season 152 percent) the plan sells about 240 pieces across the three cases and takes about $147,200, which two people on the floor can serve at roughly nine pieces a day over 26 open days and the bench can finish. Test 5 fails: nothing yet stands behind the planned piece counts; bring the appointment book and score the plan again. Test 6 passes: twelve months at full run free up about $59,432 after principal, but cash flow runs below zero in months 6, 8 and 12; carry a cushion through the bridal season and a slow January of at least $6,353, the largest running-cash fall (from its month 5 high to its month 6 low), which the page 5 buffer covers. That is the settled year, not the year the store opens; page 19's first year leaves about $9,120 in cash on top of the opening balance, because the appointment book builds behind the opening months. The example carries no line for income tax, no allowance for replacing the vault or the cases and no stock build beyond the opening buy (page 19); score a real plan with its own. The bridal cash arrives after the ring is paid for.

PAGE 13

What moves the result

Every row moves a single 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 final column carries the slow start as well, and that is Test 2.

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $3,811	Expected case holds the floor
Bridal and diamond: average item 4 percent higher, same volume (only sales-linked fees rise)	plus $1,645	Break-even pieces fall from 6.6 to 6.0 a month, so from 7 to 6: per-unit costs stay the same, so the ratio rises from 0.366 to 0.376 on the new sales (sales-linked fees, line 15, take 2.1 percent of each added dollar)
Fixed costs $600 lower	plus $600	Cash break-even falls to about $88,628
A chain jeweler opens three miles away and takes 15 percent of the gold and fashion line, $6,885 a month, from month 7 onward	minus $3,222	Expected case still clears the floor; slow start deadline unchanged (month 6)
Supplier cost rises two points on line 13 and the ticket stays where it is	minus $2,083	Cash break-even rises to about $95,487; expected case still clears the floor; slow start deadline unchanged (month 6)
Build-out and showcase overrun of $24,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 2 (closing $30,439)
Opening 2 months late (rent, insurance, loan interest and principal, $11,540 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 $54,163 in month 4 from the planned opening, $11,914 lower than on time; slow start below the floor in month 6 from the planned opening, as on time

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Opening and closing checklists, weekly review, six questions

The lists below cover the routine of running the store. Add the tasks, limits and corrections that your landlord, your insurer, your security adviser, your bench procedures and your own procedures call for.

OPENING CHECKS

- ☐ Two people on site before the vault is opened, and the alarm disarmed by the named keyholder.
- ☐ Check the cases against yesterday's close, and the memo envelope against its paperwork.
- ☐ Walk the floor for empty spaces, damaged pieces and anything left on a bench overnight.
- ☐ Confirm today's appointments, collections and repairs promised for today.
- ☐ Check the card terminal, the till float and the safe time lock.
- ☐ Log any piece taken out on approval, with the customer's name and the date it is due back.

CLOSING CHECKS

- ☐ Count the till, and reconcile sales, refunds and card batches.
- ☐ Record sales by case, with repairs and custom work kept apart from counter takings.
- ☐ Return memo goods to the envelope and sign it off with a second person.
- ☐ Clear the bench, log the trays and lock the safe in the presence of a second person.
- ☐ Note the pieces taken out on approval and the appointments booked for tomorrow.
- ☐ Set the alarm and record the closing time.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales by case, and sales per appointment				
Pieces a day and the average ticket, with bridal listed apart from fashion and watches				
Margin by case, against the page 7 target				
How much of the open-to-buy the month has used, against page 9				
Stock at cost in the vault, the turns that figure implies, and the memo register				
Markdowns, damage, returns and pieces taken out on approval				
Repairs promised against repairs collected, and the deposit taken on each bridal order				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does the owner write every bridal order, set every price and keep the only relationships with the diamond and watch suppliers?
2. **Vault control.** Is there a written rule for who opens the vault, and is it ever broken when the store is busy?
3. **Memo discipline.** Is every memo item logged on arrival, matched to a sale or a return, and signed back with the vendor, or does it live in a tray?
4. **Appointment book.** Is the bridal pipeline written down with dates and follow-ups, or does it live in the owner's head until the customer rings?
5. **Repair tray.** Does every repair have a ticket, a promised date and a price before it leaves the counter?
6. **Aged stock.** Are slow cases marked down or returned to the vendor on a schedule, or do they sit in the window at full ticket until they are worthless?

Questions and their sources are described on page 2. Check each one against a record: the sales report by case, the appointment book, the memo register, the repair and special-order tickets, the count sheets, or the vendor statements.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record sales by case with bridal apart from fashion. Write the lease, insurance and vendor payment dates in one place, and set the count interval on page 10.
Week 2	Recheck each case's average ticket from the first two weeks of sales, and cost the ten pieces that carry the most money. Time a bench repair from intake to collection.
Week 3	Fill the page 9 open-to-buy from the first month's stock and orders, and compare it with the line sheet you actually bought.
Week 4	Enter the actual closing cash on page 11 and recalculate runway. Write the decisions an associate may make on price, discount and memo goods without calling you.
After month 1	Keep the buying budget monthly, and compare the count rate on page 10 with the rate the plan carries. Set the reorder points that keep the fashion case full without a rush order.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

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

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

WHAT THE FULL KIT ADDS

The full Jewelry Store 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 case sales and margin model, an open-to-buy and memo tracker, a bridal and special-order pipeline, appraisal and consignment worksheets, count and vault procedures, and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. JewelSteps, improve jewelry store efficiency and profits: the fine, fashion and watch margin bands and the inventory turns, jewelsteps.com. OpenReady, jewelry store rent as a share of revenue: the asking rent line, getopenready.com. O*NET OnLine, retail managers and retail salespersons: the crew wages, onetonline.org. North Central College: the insurance line, cms.ncwc.edu. US Energy Information Administration: the utility line, eia.gov. Bankrate small-business loan rate table: the loan rate band, bankrate.com. Commercial lender terms: the ten-year term. National Retail Federation, National Retail Security Survey 2023: the published shrink ceiling for the bundled jewelry, watches, home furnishings and footwear segment, nrf.com. All accessed 2026-11-08.
World Consulting Group material. Jewelry stores owner questions, businessconsultant.services, 2026.

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General information only. Not legal, tax, accounting, employment, regulatory 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 cases, stock and costs. The kit page has a copy-ready version.

BEFORE YOU RELY ON THE ANSWER

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

I am opening (or running) a jewelry store. I have attached the Jewelry Store Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my cases, my appointments and my buying budget, using only my real numbers.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a rent, wage, landed cost, ticket, piece count, appointment count, vendor term, percentage or benchmark.
2. The numbers in the kit, including the example store's cases, pieces and buying budget, are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] and tell me which quote, appointment book 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 case = pieces a month times the average ticket of a piece. Each month's expected sales = full-run case sales times the ramp percentage times the seasonal percentage.
- Net sales exclude sales tax. Labor = the salaried crew and the hourly crew, payroll taxes and benefits, plus a market wage for my own hours, buying and appraisals. 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 pieces a month = (monthly fixed costs, principal and other recurring cash out minus the monthly contribution from the fashion and watch cases at planned full-run sales and their own contribution ratios (1 minus each case's line-13 share and its share of lines 14 to 17)) divided by the contribution from one average bridal piece. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Monthly capacity = the appointment slots the two-person floor can serve in the busiest week times 52 divided by 12 as the floor limit, and the bench turnaround the shop can complete in a fortnight times 26 divided by 12 as the bench limit; the plan's pieces must fit both, so the lower of the two caps the month, counting each appointment as one piece; the buying budget on page 9 is the cash version of the same limit.
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on opening day after startup spending is paid. Place every receipt and payment (vendor invoices, deposits on bridal orders, build-out bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Enter vendor payments on the terms I actually get. In the slow-start case, every month's sales are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from opening day), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

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

5. Do not give legal, tax, employment, wage, security or lease advice. Do not name laws, approval types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit, and make no claim about a diamond's origin, a watch's authenticity or a delivery date I cannot support. For the market and marketing sections, use only what I tell you, and list the local facts I should gather, such as appointment volume and nearby competitors.
7. Work every total line by line and recheck it in total. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only. Do not ask for names, home addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Concept, customer and appointment mix, case and bench square footage, the cases I carry and the floor each takes, and whether I take memo goods.
b. The sales build: for each case, the pieces a month and the average ticket; 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, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (an appointment book and a prior store's case counts, or a documented traffic count with a capture rate).
c. For each merchandise department: units sold a month at full run, the average retail price a unit, and the average unit cost at cost, plus the gross margin the department has to hold.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. The startup budget: an amount and its source (contractor, showcase or vault quote, vendor line sheet, or calculation) for each line on page 5, from the build-out to the contingency.
e. Monthly fixed costs for each numbered line on page 8, from rent and common area charges (line 1) to training and renewals (line 12), including loan interest and my market wage for buying and appraisals (line 4; my hours on the floor go in line 3 (the minimum two-person floor) or 14 at a crew wage), whether I draw that wage in cash, and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month.
f. Variable cost shares of net sales for lines 13 to 17: line 13, cost of goods sold, blended across the three cases (set by the case costs); line 14, hourly sales and bench labor above the minimum two-person floor, with payroll taxes; line 15, card and processing fees; line 16, shrink at cost (set by the case counts); line 17, packaging, markdowns and bench supplies; 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 customers pay me (at the counter, on collection after a deposit, by card or in cash, and how many days a card batch takes to settle), any deposits I collect on bridal orders, and when the store pays its vendors and memo accounts, including how many days the vendor allows me and when the invoice falls due. Say when each sales line pays me.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, vault and equipment replacement and stock build-up.
m. Cash on hand on opening day after all startup spending, build-out bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my jewelry store, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by case and month, with annual sales and the appointment and bench capacity check from page 6.
3. The completed startup budget with the total, listing the build-out and showcases 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 pieces a month (use cash break-even); rent share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Gross margin and markup for each department and blended across the store, the department carrying the most sales and the one carrying the weakest margin, and the cost-of-goods share the rest of the plan uses.
7. The month's open-to-buy at cost, whether the store is over-bought or under-bought, months of stock on hand, and the date the cash leaves for an order placed today.
8. Shrink in dollars by department, the annualized shrink rate, the shrink share of sales the plan carries, and the count discipline the kit recommends.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every appointment count or vendor 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, pieces a month and the case tickets first, before anyone else sees the plan, then recheck the page 4 result with a calculator.

PAGE 19

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

The page 12 example entered on the page 11 form, month by month, in dollars. Brackets mark a 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 $33,030.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**89,100**	**77,030**	**67,895**	**66,077**	**74,998**	**95,840**	**88,687**	**91,876**	**90,858**	**91,365**	**98,731**	**100,000**
In: sales receipts	57,283	65,302	85,299	114,648	147,226	70,718	98,984	87,486	91,652	110,399	93,735	85,403
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: goods, card fees, shrink and markdowns (lines 13, 15 to 17)	34,318	39,121	51,102	68,684	88,201	42,366	59,301	52,412	54,907	66,139	56,155	51,164
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	15,955	16,236	16,935	17,963	19,103	16,425	17,414	17,012	17,158	17,814	17,231	16,939
Out: rent and common area charges (line 1)	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
Out: other costs, with loan interest (lines 2, 5 to 12)	11,306	11,306	11,306	11,306	11,306	11,306	11,306	11,306	11,306	11,306	11,306	11,306
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	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(12,070)**	**(9,135)**	**(1,818)**	**8,921**	**20,842**	**(7,153)**	**3,189**	**(1,018)**	**507**	**7,366**	**1,269**	**(1,780)**
Closing cash, expected	**77,030**	**67,895**	**66,077**	**74,998**	**95,840**	**88,687**	**91,876**	**90,858**	**91,365**	**98,731**	**100,000**	**98,220**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**89,100**	**70,742**	**54,439**	**43,257**	**39,593**	**44,273**	**29,357**	**21,680**	**11,059**	**1,504**	**(3,248)**	**(12,269)**
Sales receipts, slow start	40,098	45,711	59,709	80,254	103,059	49,502	69,289	61,240	64,156	77,279	65,615	59,782
Out: variable costs, slow start (lines 13 to 17)	25,426	28,984	37,861	50,888	65,349	31,388	43,936	38,831	40,681	49,001	41,606	37,907
Out: fixed costs (lines 1 to 12), principal, bills, less funding	33,030	33,030	33,030	33,030	33,030	33,030	33,030	33,030	33,030	33,030	33,030	33,030
Net cash flow, slow start	**(18,358)**	**(16,303)**	**(11,182)**	**(3,664)**	**4,680**	**(14,916)**	**(7,677)**	**(10,621)**	**(9,555)**	**(4,752)**	**(9,021)**	**(11,155)**
Closing cash, slow start	**70,742**	**54,439**	**43,257**	**39,593**	**44,273**	**29,357**	**21,680**	**11,059**	**1,504**	**(3,248)**	**(12,269)**	**(23,424)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**5,080**	**3,174**	**6,985**	**15,750**	**24,897**	**(6,353)**	**3,555**	**(1,018)**	**507**	**7,366**	**1,269**	**(1,780)**

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 money the plan keeps untouched. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $103,803 a month, against month 12's own $85,403): closing cash runs $103,300 in month 1 and $157,652 in month 12, lowest $103,300 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.