Liquor Store Business Plan and Operations Starter Kit

A working kit for independent package-store owners. It prices three departments by the bottle and the pack, tests the buy against stock turns and the lead-time cash gap, counts shrink at the shelf, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

LIQUOR STORES
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PAGE 2

Start here

A package store can look busy and still run out of cash. The plan counts the Friday queue, but it never prices the bottle, the case sitting in the back room or the January that follows a good December. This kit makes you write those numbers down, then tests whether they hold, before a landlord, a lender or a slow quarter asks.

WHAT IS INSIDE

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

1. Build the three departments 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. Cooler quotes, rent terms and the crew you can hire change before opening, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists every day and the numbers review every week. Recheck the department margins monthly on page 7, and run the buying budget on page 9 before every order.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the liquor 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, registration or financial advice. The rules on selling alcohol, signage, opening hours, employment terms and lease terms vary by state and county. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

The lender will ask whether the store covers rent, the minimum crew and the loan before the money runs out, and how it survives a January that pays for nothing. Answer each prompt here; draft the full sections on separate sheets.

1. Executive summary (write it last)

Set out the concept, the site, the hours and the money you need, with what it buys from fit-out to opening stock. Then give the month the page 6 forecast first reaches cash break-even (page 8), and the page 4 result.

2. The concept, the customer and the three shelves

Who comes through the door on a Tuesday afternoon, who sends someone out for a bottle on Friday night, and why would they pick this store over the supermarket aisle? Name the three departments and say which shopper each one is there for. On selling alcohol, the sales side takes a compliance and registration review with a qualified professional.

3. Location, opening hours and what keeps it cold

Set out the site and the parking, count the traffic past the door on a weekday and on a Saturday, and name the anchors that pull people in. Say which hours pay the rent and which only staff the register. Note every cost the lease adds on top of base rent.

4. Departments and shelf price

List the three departments with the average bottle or pack cost from the page 7 table, the shelf price and the margin each one carries. Price a well, a call and a premium bottle separately, and price packs the way they sell.

DEPARTMENT	UNIT COST	SHELF PRICE	MARGIN

> *Owner question: I have $280,000 of borrowed money and $264,150 of my own. Can this store pay me a wage, cover the loan and still have cash left after a slow January, and what happens to that answer if a distributor raises my cost two points and I hold my shelf prices?*
>
> Page 12 answers the first half: the full-run month covers the wage and the loan, and a thin month takes closing cash below the $40,000 floor. Page 13 runs the second half, and page 11 shows how many months the opening cash buys at that rate. A store that clears its costs in a normal month can still fail a bad quarter.

PAGE 4

Business plan, part two

5. Operations

Describe how a case moves from the delivery door to the shelf, who checks the invoice and who signs for it when you are not there. Note where a short case goes unrecorded.

6. Team

List every role, the hours it covers and what it costs, including a market wage for your own hours. A store open seventy-seven hours needs cover for all of them; page 14 tests whether that week depends on you.

7. Marketing

Explain why a customer makes your store the stop on the way home and what keeps them out of the supermarket. Track the basket count, the departments in it and any promotion redeemed, in records you own.

8. Financials and funding

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

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

TEST	PASS?
Gate 0. The draft lease, the cooler and fixture quotes and the requirements of 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 bottles and packs rung in the busiest hour of the busiest month fit what the registers and the cooler doors can move (page 6), and the full-run sales of the three departments together reach cash break-even (page 8).	
5. Expected bottles and packs a month rest on evidence you gathered (a weekday-and-Saturday door count, a competitor's posted volume, or your own sales history), not on a distributor's forecast.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

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

PAGE 5

Startup budget worksheet

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

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
SPACE AND EQUIPMENT				
Leasehold improvements (floors, lighting, restroom and back-room build-out)				
Walk-in cooler, reach-in refrigeration, display cases and shelving				
Delivery, rigging and electrical connections				
Point of sale, scanners, cameras and alarms				
Signage, window graphics and interior category signs				
SETUP AND DEPOSITS				
Utility deposits, alarm monitoring setup and the card terminal setup				
Lease deposit and pre-opening rent				
Insurance down payment for the first year				
PRE-OPENING				
Opening inventory at cost, all three departments				
Pre-opening payroll, training and the soft opening				
Launch marketing, window graphics and professional fees				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash and no funding receipts unless they are dated and committed), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the fit-out runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build the departments from bottles and packs, not from the rent you need to cover. Count the spirits first, from a door count you took on a weekday and a Saturday, and price each department at the shelf price it actually sells at.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE SHELF PRICE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Spirits	bottles				
Wine	bottles				
Beer and ready-to-drink	packs				

Full-run month

RAMP AND SEASONS

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

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

CAPACITY CHECK

```
Register capacity = staffed registers times transactions per register-hour times average bottles and packs per transaction, an hourly ceiling; that rate times each open period's hours is period capacity, a daily or weekly ceiling. Test the busiest hour of the busiest month against the hourly ceiling, plan the period below period capacity, and check the cooler doors as a limit on the hour
```

Write, for each open period, its hours, how many registers are staffed and what one register rings in an hour, timed on a real Friday evening rather than a quiet Tuesday. The busiest hour of the busiest month must fit the registers' hourly ceiling, and the bottles and packs sold in that hour must fit the cooler doors, because a door that is empty at eight on a Friday loses the sale before the till sees it. If the plan needs more units than the registers and the doors can move in that hour, the plan is wrong, however long the queue.

PAGE 7

Gross margin and markup by department

A package store does not carry one margin. Spirits, wine and beer buy at their own case cost, turn at their own speed and take their own share of the shelf, and the blended number a lender asks about is only the sum of those three decisions. Price every department from the invoice that lands at the back door: the bottle cost, the case break and the shelf tag it earns. Then watch the gap between margin and markup, because a shelf price set from a multiplier overstates what each sale keeps.

```
Gross margin on a bottle = (shelf price minus bottle cost) divided by shelf price
Markup = (shelf price minus bottle cost) divided by bottle cost; markup is always the larger number, and
pricing a whole department from a multiplier overstates the margin each sale keeps
Department margin = department sales minus the cost of the bottles and packs sold, divided by department
sales; line 13 is the three departments blended by sales
```

WORKED EXAMPLE: SPIRITS, WINE AND BEER (ILLUSTRATIVE)

DEPARTMENT	UNITS / MONTH	PRICE	UNIT COST	MARGIN / UNIT	MARGIN	MARKUP	SHARE OF SALES
Spirits	2,480	$29.50	$19.47	$10.03	34.0%	51.5%	44%
Wine	2,280	$18.50	$11.66	$6.84	37.0%	58.7%	25%
Beer and ready-to-drink	4,050	$13.00	$9.62	$3.38	26.0%	35.1%	31%

The example lands 0.04 points above the 32.2 percent margin it sets for itself, worth about $66 a month at this sales level. Wine carries the strongest margin rate (37.0 percent) and Beer and ready-to-drink the weakest (26.0 percent). The largest share of sales is Spirits, at 44 percent. Blended, the example runs at a 32.2 percent gross margin and a 47.6 percent markup. These three 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. Run this page before you agree to a distributor's opening order. A department that turns four times a year has to earn its shelf on margin per square foot rather than on volume, and a thin spirits margin can still be the best space in the store when the bottles move. Write the units as bottles or packs a month at full run, not as cases, so the price and the cost describe the same thing.

YOUR DEPARTMENTS AND THEIR SHELF PRICES

DEPARTMENT	UNITS / MONTH	PRICE	UNIT COST	MARGIN / UNIT	MARGIN	MARKUP	SHARE OF SALES

Price every department from its own invoice and the margin it has to carry, not from the supermarket shelf tag across the street. Beer can run a thin margin and still earn its space because the packs move; a slow wine earns the shelf on margin per square foot, since the case that sits for a season costs the same rent as the case that empties in a week.

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Rent and common area charges	
2. Liability and property insurance	
3. Salaried manager and the minimum opening crew, with payroll taxes and benefits	
4. Owner's market wage (management time; hours on the floor go in line 3 or 14)	
5. Loan interest (fit-out and cooler loans)	
6. Utilities and internet (the coolers run all night)	
7. Marketing, loyalty and local advertising	
8. Point of sale, inventory and security software	
9. Accounting, bookkeeping and bank fees	
10. Refrigeration and equipment maintenance	
11. Waste, cleaning and alarm monitoring	
12. Product training, responsible-service training and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Merchandise cost of goods, from the three departments (derived on page 7)	
14. Hourly store labor above the minimum crew, with payroll taxes	
15. Card and payment fees (a share of sales)	
16. Shrink, from the quarterly count (derived on page 10)	
17. Other variable: bags, ice, tasting samples and markdowns	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even bottles a month = (monthly fixed costs with line 4 and principal, minus the contribution from
the wine and beer departments at planned full-run sales and own contribution ratios, line 13 plus each
department's share of lines 14 to 17) divided by the contribution from one average spirits bottle;
spirits is the main line, so the count is what it must sell once the store has paid its share
Month-12 run rate = average monthly sales over a year at month 12's ramp, with the seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

RESULT	PER MONTH	PER WEEK	PER DAY OPEN
Operating break-even sales			
Cash break-even sales			
Break-even spirits bottles a month (use cash break-even)	one figure per month		
Rent share and debt service coverage at full-run and month-12 sales		ratios, monthly only	

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

PAGE 9

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

The order is where a package store's cash disappears. A pallet of spirits bought in September is settled in October and can still be stacked in March, so what sold last week tells you less than what this month's trade and your planned turns will let you hold. Drop minimums, case allowances and a rep's sheet all push the order past that figure. This page builds the month's ceiling from the invoice cost of what you sell, the stock on hand and the cases on the truck.

```
Average stock at cost = a year of cost of goods divided by the turns you plan
Open-to-buy = the month's invoice cost of the bottles and packs sold, plus the stock the shelves should
carry, minus what already sits in the store, minus what the distributor is bringing
A case is paid after the distributor's lead time and its terms, so the money is out of the account 31
days after the order goes in; the forecast on page 19 pays invoices in the sale month, so enter your own
lead and terms in the page 11 inputs
```

WORKED EXAMPLE: WHAT A MONTH OF STOCK COSTS, BY DEPARTMENT (ILLUSTRATIVE)

DEPARTMENT	SALES / MONTH	SHARE	COST OF GOODS / MONTH	SHARE AT COST
Spirits	$73,160	44%	$48,286	42%
Wine	$42,180	25%	$26,585	23%
Beer and ready-to-drink	$52,650	31%	$38,961	34%

Sales by department come from the page 7 working example; each cost column multiplies a department's bottles or packs by what one costs on the invoice.

WHAT THE MONTH LETS YOU SPEND

LINE	AT INVOICE COST
Bottles and packs sold in the month, at invoice cost	$113,831
Stock the shelves and cooler should hold, at invoice cost (a year of cost of goods over 4.6 turns)	$296,951
Stock behind the counter on day one, at invoice cost	$296,952
Cases already ordered and due in this month, at invoice cost	$26,000
Still free to buy this month, at invoice cost	$87,831

That leaves room to spend $87,831 this month: enough to cover what the month sells and lift the stock to target, once the cases already in the store and on the truck are counted. The store carries 2.6 months of cost tied up in stock behind the counter on the opening day ($296,952 against $113,831 of stock cost for the month), and the plan is 4.6 turns a year, with an order placed today settled 31 days later: 10 days on the distributor's lead time and 21 days before the invoice comes due. Cash does not arrive with the cases, which is the lead-time cash gap: sizing the order is a cash question before it is a stock question. Replace the turns figure with your own count when you have one: 4.6 turns is a plan, not a benchmark, and a wide wine range runs slower than beer. A negative figure means the store is over-bought, so mark down or hold the order back, never borrow more.

YOUR OWN CEILING FOR THE MONTH

LINE	AT INVOICE COST
Bottles and packs sold in the month, at invoice cost	
Stock the shelves should hold, at invoice cost	
Held in the store on day one, at invoice cost	
Cases already on their way	
Still free to buy this month, at invoice cost	

Write the order to the month's trade and the stock you want behind the counter, never to a distributor's drop minimum or an allowance that lapses on Friday. A saving on wine you cannot move before the label turns is a loss wearing a discount.

PAGE 10

Inventory shrink and the physical count

Shrink is stock the store paid for and then could not sell. In a package store it leaves by four routes: a case signed in short at the delivery door, a bottle broken on the back-room floor, a bottle that walked out without a scan, and a count that started out wrong. Only the last of those is bookkeeping. Counting once a quarter, department by department, with two people and the doors shut, converts a nagging worry into a number you can hold beside the same quarter a year ago.

```
Shrink = the book stock at cost minus what the count found at cost
Rate on book = shrink divided by the book stock at cost; annualized rate = the count rate times 12
divided by the months since the last count
Line 16 = the annualized shrink at cost as a percent of the year's sales
```

WORKED EXAMPLE: ONE QUARTER'S COUNT, DEPARTMENT BY DEPARTMENT (ILLUSTRATIVE)

DEPARTMENT	ON THE BOOKS	FOUND IN THE COUNT	SHORT	PERCENT OF BOOK	ACROSS A YEAR
Spirits	$125,958	$123,061	$2,897	2.3%	9.2%
Wine	$69,353	$67,758	$1,595	2.3%	9.2%
Beer and ready-to-drink	$101,641	$99,303	$2,338	2.3%	9.2%
Total	$296,952	$290,122	$6,830	2.3%	9.2%

A count 3 months after the previous tally showed $6,830 missing at cost, a 2.3 percent rate against the book value, or 9.2 percent across a year. So $27,320 of stock tied up over the year at cost, and that sets line 16 at 1.4 percent of the year's sales in the page 12 worked example. Space the counts closely enough that one short case can still be traced, since a gap of 3 months leaves you knowing that the stock went missing, never which week it left. The count in this example shows what a quarter of leakage looks like at cost. Monthly variances that stay inside one department are worth chasing before they turn into the annual figure, and a variance that lands in one department twice points to a process fault rather than bad luck. Keep each count filed by department so a repeat shows up before the year closes. Set line 16 from the counted rate, never from a trade average.

YOUR OWN COUNT, DEPARTMENT BY DEPARTMENT

DEPARTMENT	ON THE BOOKS	FOUND IN THE COUNT	SHORT	PERCENT OF BOOK	ACROSS A YEAR

Have two staff walk the store with the doors shut, taking one department at a time, and put the variance on paper before the records are touched. Loss leaves a package store through the delivery door, the back room, the register and the shelf long before anyone carries a bottle out, so a tally written only to catch theft will miss most of what it is looking for.

PAGE 11

Twelve-month cash forecast

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

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

Month 1 opening cash is cash on opening day after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Card settlements land within a few days and cash lands at the till, so a sale and its money sit in the same month; the worked example pays distributor invoices in the month the goods are sold, so enter your own lead time and terms in these inputs if they differ. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Three departments, a December peak and a thin January

Runway = how many months in a row the store can keep its doors open, counted from the latest closed month (before the opening day, from that day itself), until the first month whose closing balance sits under your floor

Worked example: a hypothetical independent package store

Illustrative figures, not benchmarks; the arithmetic is the point. Open daily, 30.33 days a month on average; 3,200 square feet in a strip center; opens in September. Cash floor $40,000. Card and cash takings clear in the sale month; distributor invoices are paid in the sale month too, so enter your own lead and terms on page 11; rent, wages, interest and principal leave in the month shown, and the owner takes the stated wage out; nothing new is injected.

Page 5, budget	The whole opening bill is $544,150, funded by a $280,000 loan (11 percent over 10 years) and $264,150 of the owner's own cash, including an $85,000 reserve left untouched on opening day.
Page 8, costs	Fixed costs $36,884 a month, including $8,000 for rent and $2,500 of loan interest; principal $1,357 a month (both year 1 averages); the variable lines take 75.7608 percent, which leaves a contribution margin ratio of 0.242392. Lines 13 to 17 carry 67.7608, 3.2, 2.2, 1.4 and 1.2 percent of sales (line 13 is the blended figure across the three departments). Lines 1 to 12 run $8,000, $850, $15,404, $4,400, $2,500, $1,700, $1,680, $380, $440, $840, $450 and $240 a month.
Page 8, break-even	The operating break-even sits near $152,167 a month. The cash break-even (fixed $36,884 plus principal $1,357, divided by its contribution margin ratio) is about $157,765 a month: 2,156.7 bottles a month from spirits after the other lines' contribution (line 13 runs 66.0 percent on spirits, 63 on wine and 74 on beer and ready-to-drink; lines 14 to 17 take an equal share of each department, so the contribution ratio is 0.260 on spirits, 0.290 on wine, 0.180 on beer and ready-to-drink), so 2,157, against the 2,480 the plan assumes.
Page 6, sales	Spirits: 2,480 bottles a month at $29.50. Wine: 2,280 bottles a month at $18.50. Beer and ready-to-drink: 4,050 packs a month at $13. A full-run month comes to $167,990; store sales ramp 55, 64, 72, 79, 84, 88, 91, 94, 96, 98 percent in months 1 to 10, then 100 percent; season 100, 105, 116, 125, 85, 88, 92, 95, 100, 103, 102, 100 percent over the twelve months, and each department follows that shape.
Page 19, expected case	Month 1 sales $92,395; month 1 closes at $69,155, month 12 at $43,592. The store runs short of the floor in month 7 (closing $35,989), which leaves runway from opening at 6 months.
Page 19, slow start	With turnover at 70 percent of the expected case, month 1 sales $64,676; month 1 closes at $62,436, month 12 at minus $81,653. The store runs short of the floor in month 3 (closing $28,915) and below zero in month 6 (closing minus $15,236), which leaves runway from opening at 2 months.
Page 8, coverage	At full-run sales of $167,990, the planning coverage, before income tax and before replacing equipment, is 1.64 against the 1.25 the planning lender in this example asks for; at the month-12 run rate it is 1.74, and Test 3 requires both. Rent share is about 4.8 percent.

PAGE 4 RESULT FOR THE STORE: RED

Gate 0 is treated as met for the example. Test 1 fails: takings cover cash break-even in month 4, yet the closing balance drops under the floor in month 7; the low point is $34,110 in month 8, $5,890 under the floor, so holding the floor needs about $5,900 more opening cash plus a buffer. Test 2 fails: on the slow start the closing balance drops under the floor in month 3; about $121,700 more reserve would pass it. Test 3 passes on the planning formula, though the lender's own definition governs. Tests 4 and 5 fail: in the busiest month (season 125 percent) nothing yet counts the peak hour at the registers or the cooler doors, and nothing backs the planned units, no door count and no sales history. Test 6 passes: a full year at full run leaves roughly $34,220 after principal, but monthly net cash flow runs negative in months 5, 6 and 7; hold a reserve for the thin months of at least $6,817, the largest running-cash fall, which the page 5 reserve absorbs. The steady state, not the forecast: page 19's first year loses about $41,408 in cash because the ramp and startup months come first. The example pays no income tax, replaces no equipment and builds no stock (page 19); score your own plan against your own figures. The holiday quarter pays for a year that is thin in every other month; a plan that needs December to be normal needs more cash, not a better December.

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 STORE'S RESULT (MONTHLY CHANGE AT FULL RUN; EACH DEADLINE RERUN THROUGH THE FORECAST; SLOW-START LOSSES SHRINK WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $4,072	Expected case below the floor in month 5; full-run coverage falls to 0.59; would fail Tests 3 and 6
Spirits: average shelf price 4 percent higher, same volume (only card fees rise with the price; lines 14, 16 and 17 stay at their base dollars)	plus $2,862	Break-even bottles fall from 2,156.7 to 1,874.5 a month, so from 2,157 to 1,875: per-unit costs stay the same, so the ratio rises from 0.242 to 0.255 on the new sales (sales-linked fees, line 15, take 2.2 percent of each added dollar); would pass Test 1
Fixed costs $600 lower	plus $600	Cash break-even slips to about $155,290
A competing store two miles away takes 20 percent of the spirits line from month 6, from month 6 onward	minus $3,802	Expected case below the floor in month 6 (closing $36,337); slow start deadline unchanged (month 3); full-run coverage falls to 0.66; would fail Tests 3 and 6
A distributor raises the cost-of-goods line by two percentage points of sales and the store holds its shelf prices	minus $3,360	Cash break-even climbs to about $171,953; expected case below the floor in month 5 (closing $34,219); slow start deadline unchanged (month 3); full-run coverage falls to 0.77; would fail Tests 3 and 6
Fit-out overrun of $30,000 beyond the contingency, taken from the reserve	no change	Expected case below the floor in month 1 (closing $39,155); the slow start runs short of the floor in month 1 (closing $32,436)
Opening 3 months late (rent, insurance, loan interest and principal, $12,707 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 4 from the planned opening, below zero in month 7; the slow start runs short of the floor in month 4 from the planned opening (month 3 on time); about $42,900 more opening cash holds the expected case at the floor

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

These checklists are about running the store, not about the records and reviews your own situation requires; add every task and check that applies to you.

BEFORE OPENING

- ☐ Check the cooler temperature log and walk the beer door for a warm case or a dated pack.
- ☐ Face the front case, pull the best sellers forward and fill the gaps from the back stock on the pick list.
- ☐ Check the shelf tag against the price file on the ten lines that move most, and correct any tag that disagrees.
- ☐ Count the opening till, and check the card terminal, the scanner and the label printer.
- ☐ Walk the aisles for broken packs and single cans, and log what comes off the shelf and why.
- ☐ Read the delivery sheet and mark what arrives today against the invoice and the case count.

AFTER CLOSE

- ☐ Record sales by department and by tender, card and cash kept apart.
- ☐ Log what was pulled, broken, tasted or marked down, with the reason and the department.
- ☐ Receive the delivery, check the case count against the invoice and note any short case before you sign.
- ☐ Record the hours worked on the floor and the hours the owner spent on the register.
- ☐ Set the next order from the shelf and the back stock, not from the rep's suggested sheet.
- ☐ Lock the spirits case, arm the alarm and write the cash count.

WEEKLY NUMBERS

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales and gross margin by department				
Baskets rung and the average basket				
Card fees as a share of sales				
Stock at cost and the weeks of supply by department				
Lines out of stock and items marked down, by department				
Delivery short cases and credits outstanding				
Shrink logged since the last count				

SIX QUESTIONS TO WORK THROUGH

1. **Founder dependency.** Does the owner open most mornings, approve every markdown and place most orders with the distributor reps?
2. **Dead stock.** Is the back room filling with slow wine while the top six sellers run out, a sign that the order follows a rep's sheet rather than the shelf?
3. **The January hangover.** Does the plan treat December as the normal month and January as the exception, or the other way round?
4. **Price and the pack.** When a distributor cost rose, did the shelf price move on spirits and stay put on beer, and which department lost the units?
5. **Shrink.** Do the count variances sit in one department every quarter, and does the camera log line up with those weeks?
6. **Case breaks and deliveries.** Does a delivery land the day before a count, and does the invoice match what came through the door case for case?

Questions and their sources are described on page 2. Check each one against a record: the sales report by department and tender, the receiving sheet with the invoice, the markdown and breakage log, or the quarterly count sheet.

PAGE 15

Your first 30 days

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

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- ☐ Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- ☐ Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- ☐ What does the space need before you can open, and who pays to add or upgrade it?
- ☐ Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- ☐ When does rent start, at signing, when the space is ready or at the opening day?
- ☐ 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 Liquor 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 department margin and shelf-price model, an open-to-buy and stock-turn planner, a shrink count worksheet, receiving and cycle-count procedures and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. U.S. Census Bureau, Monthly Retail Trade Survey, NAICS 4453 (beer, wine and liquor retailers), census.gov: the sales level. mPower Beverage, Liquor store profit margins: the category margin bands, labor, occupancy, payment and shrink. Toast, How much do liquor stores make: the monthly cost lines. O*NET OnLine, Retail Salespersons (41-2031.00) and retail supervisors (41-1011.00): the wages. Cushman & Wakefield, retail asking rents: the rent line. U.S. Energy Information Administration, Electric Power Monthly: utilities. NAGGL and Bankrate: the loan rate. All accessed 2026-11-05.
World Consulting Group material. Liquor stores owner questions, businessconsultant.services, 2026. The department unit volumes, the seasonal shape and the stock turns are planning judgments built on the Census sales level, not published figures; replace them with your own counts.

SCOPE AND DISCLAIMER

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

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

PAGE 16

Customize this kit with AI

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

BEFORE YOU RELY ON THE ANSWER

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

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a rent, wage, bottle cost, shelf price, unit count, door count, percentage or benchmark.
2. The numbers in the kit, including the example store's departments, bottle costs and shelf prices, 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 invoice, sales report, count or calculation gives the real number. Label my own estimates MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average shelf price times days open in the month (or times 1 for units counted per month). Days open in a month = days open per week times 52 divided by 12. Each month's expected sales = full-run department sales times the ramp percentage times the seasonal percentage.
- Net sales exclude sales tax. Labor = wages for the crew and the salaried manager, payroll taxes and benefits, plus a market wage for my own hours, management and the floor. 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 bottles a month = (monthly fixed costs with line 4 and principal, minus the contribution from the wine and beer departments at planned full-run sales and own contribution ratios, line 13 plus each department's share of lines 14 to 17) divided by the contribution from one average spirits bottle; spirits is the main line, so the count is what it must sell once the store has paid its share. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Register capacity = staffed registers times transactions per register-hour times average bottles and packs per transaction, an hourly ceiling; that rate times each open period's hours is period capacity, a daily or weekly ceiling. Test the busiest hour of the busiest month against the hourly ceiling, plan the period below period capacity, and check the cooler doors as a limit on the hour.
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp, with the seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on opening day after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Enter card settlements in the month the money lands, and distributor invoices in the month they are paid, after the lead time and the terms. In the slow-start case, every month's sales, bookings included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = how many months in a row the store can keep its doors open, counted from the latest closed month (before the opening day, from that day itself), until the first month whose closing balance sits under my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

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

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

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Concept, customer, site and square footage, hours open, and the three departments with their units, shelf prices and costs.
b. Sales build: for spirits, wine and beer and ready-to-drink (bottles or packs a month), the average shelf price and the average cost a unit for each, days open per week and opening hours; a ramp percentage for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, 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 (a door count across a weekday and a Saturday, my own sales history from another store, or a competitor's posted volume, which pass Test 5; the distributor's sales forecast does not).
c. For each merchandise department: units sold a month at full run, the average retail price a unit, and the average unit cost at cost, plus the gross margin the department has to hold.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (fit-out or cooler quote, or calculation) for each line on page 5, from the fit-out to the contingency.
e. Monthly fixed costs for each numbered line on page 8, from rent (line 1) to training and other fixed costs (line 12), including loan interest and my market wage for management time (line 4; my hours on the floor go in line 3 (minimum crew) or 14 at a market wage), whether I draw that wage in cash, and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month.
f. Variable cost shares of net sales for lines 13 to 17: line 13, merchandise cost of goods, from the three departments (derived on page 7); line 14, hourly store labor above the minimum crew, with payroll taxes; line 15, card and payment fees (a share of sales); line 16, shrink, from the quarterly count (derived on page 10); line 17, other variable: bags, ice, tasting samples and markdowns; and any sales line whose own shares differ, given for that line.
g. My annual inventory turns (annual cost of goods sold divided by average stock at cost), stock on hand at cost on the first day of the plan month, stock already on order and arriving this month at cost, the supplier lead time in days, and the supplier payment terms in days.
h. For each department: book stock at cost and counted stock at cost at my last physical count, and one store-level figure for the number of months since the previous count.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when each sales line pays me, which is at the till by card or cash and how many days the card processor takes to settle, and when I pay my distributors, including the lead time between the order and the delivery.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, cooler and refrigeration replacement, and stock build-up.
m. Cash on hand on opening day after all startup spending, fit-out bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

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

WHEN THE ANSWER COMES BACK

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

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $40,000.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**85,000**	**69,155**	**58,277**	**54,045**	**56,014**	**46,847**	**40,139**	**35,989**	**34,110**	**34,960**	**37,821**	**41,114**
In: sales receipts	92,395	112,889	140,305	165,890	119,945	130,091	140,641	150,015	161,270	169,569	171,350	167,990
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: merchandise cost, card fees, shrink and bags (lines 13, 15 to 17)	67,042	81,914	101,806	120,372	87,033	94,395	102,049	108,853	117,018	123,041	124,333	121,895
Out: wages and payroll, line 4 if drawn in cash (lines 3, 4, 14)	22,761	23,416	24,294	25,112	23,642	23,967	24,305	24,604	24,965	25,230	25,287	25,180
Out: rent and common area charges (line 1)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Out: other costs, with loan interest (lines 2, 5 to 12)	9,080	9,080	9,080	9,080	9,080	9,080	9,080	9,080	9,080	9,080	9,080	9,080
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	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(15,845)**	**(10,878)**	**(4,232)**	**1,969**	**(9,167)**	**(6,708)**	**(4,150)**	**(1,879)**	**850**	**2,861**	**3,293**	**2,478**
Closing cash, expected	**69,155**	**58,277**	**54,045**	**56,014**	**46,847**	**40,139**	**35,989**	**34,110**	**34,960**	**37,821**	**41,114**	**43,592**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**85,000**	**62,436**	**43,349**	**28,915**	**18,821**	**931**	**(15,236)**	**(29,614)**	**(42,401)**	**(53,279)**	**(62,748)**	**(71,916)**
Sales receipts, slow start	64,676	79,022	98,214	116,123	83,961	91,064	98,449	105,011	112,889	118,698	119,945	117,593
Out: variable costs, slow start (lines 13 to 17)	48,999	59,868	74,407	87,976	63,610	68,990	74,586	79,557	85,526	89,926	90,872	89,089
Out: fixed costs (lines 1 to 12), principal, bills, less funding	38,241	38,241	38,241	38,241	38,241	38,241	38,241	38,241	38,241	38,241	38,241	38,241
Net cash flow, slow start	**(22,564)**	**(19,087)**	**(14,434)**	**(10,094)**	**(17,890)**	**(16,167)**	**(14,378)**	**(12,787)**	**(10,878)**	**(9,469)**	**(9,168)**	**(9,737)**
Closing cash, slow start	**62,436**	**43,349**	**28,915**	**18,821**	**931**	**(15,236)**	**(29,614)**	**(42,401)**	**(53,279)**	**(62,748)**	**(71,916)**	**(81,653)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**2,478**	**4,514**	**8,994**	**12,658**	**(3,629)**	**(2,408)**	**(779)**	**442**	**2,478**	**3,700**	**3,293**	**2,478**

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 $85,000 of opening cash sits above the $40,000 floor, so a small miss spends the buffer, not the floor. The opening cash is $85,000, stated in the page 5 budget; this example does not size it with the two passes, so read the reserve line as a decision rather than a result. 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 $169,530 a month, against month 12's own $167,990): closing cash runs $46,071 in month 1 and $77,812 in month 12, lowest $46,071 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.