Med Spa Business Plan and Operations Starter Kit

A working kit for independent med spas. It prices every treatment by its room minutes, product cost and provider pay, builds the active client base month by month from new clients and the ones who stop returning, compares commission, hourly pay and room rental, finds cash break-even through the slow months after the holidays, and scores the plan on six pass-or-fail tests.

MED SPAS
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/MED-SPAS/
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PAGE 2

Start here

A med spa can sell a full Saturday of treatments and still lose money every month. In this example product takes about 30 percent of treatment sales, commission another quarter, and one more point of lapse erases the settled surplus. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

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

HOW TO USE IT

1. Build treatments and retail on page 6 and costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Prices, the treatment menu and the provider roster move before the doors open, and every worksheet expects your own figures.
3. After opening, use the page 14 checklists at checkout and review the numbers weekly. Fill page 7 at month end and post page 9 as clients book, return and drift away.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the med spa questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 14 were drafted by AI models from World Consulting Group desk research and challenged by a second AI model. None was measured in the field, so treat them as hypotheses to test, not findings.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, clinical, employment, pay-plan and room-rental or financial advice. Clinical oversight, staffing, licensing and treatment requirements vary by location; the kit states no rule. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A landlord or lender wants to know whether four rooms pay rent, the device lease and the loan while the list is still empty. Answer here in short sentences; draft full sections on separate sheets.

1. Executive summary (write it last)

Summarize the med spa, its clients, the money you are raising and what it buys, build-out to first payroll; add the month page 6 first covers cash break-even on page 8, and the page 4 result.

2. Treatments, prices and clients

List the menu: neurotoxin, filler, laser and device work, facials and peels, at the price clients actually pay. Note what earns a second visit: a visible result, a provider who remembers, easy booking.

3. Positioning and the rooms

Name the client the med spa is built around and the one it turns away. Count the rooms, their open hours and the provider hours that fill them, then mark the slow mornings.

4. Treatments, minutes and prices

Give every treatment its price, room minutes with turnover and product at cost: toxin units, filler syringes, tips and serums. A menu priced off a competitor's website, with no cost or minutes behind it, proves nothing.

TREATMENT	PRICE	ROOM MINUTES WITH TURNOVER	PRODUCT AT COST

> *Owner question: our rooms are booked most days, yet the month still ends with almost no cash left. Should I raise neurotoxin prices first?*
>
> Rule out three causes before raising prices: commission above plan, clients who stop returning, and desk hours nobody covers. Here, commission at 35 percent instead of 25, or lapse one point higher, turns full run into a loss. Fill pages 7 and 10 with your own figures, post page 9, then weigh the price change against them.

PAGE 4

Business plan, part two

5. Operations

Describe a day from first appointment to close: who opens, how the desk confirms the book, how product is logged per treatment and how rooms are reset. Name who runs the med spa when you are away.

6. Team

List every role, its hours and its pay plan, including a market wage for your own hours. Name the treatment provider whose departure would take the most clients; page 14's fourth question checks that risk.

7. Marketing and sales

Explain where new clients come from, how a first treatment becomes a plan of return visits, and why clients refer; check that new clients replace the ones who stop coming.

8. Financials and funding

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

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

TEST	PASS?
Gate 0. Quotes for the build-out, devices and rooms, the lease, the clinical services agreements and the requirements of every registration the med spa needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The peak month's appointments fit the rooms and the provider hours fit the roster (pages 6, 7 and 9), and the planned client base reaches break-even (page 8).	
5. Booked first appointments and a waiting list back the opening months; a social following forecasts inquiries, not clients.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

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

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the contractor, the device supplier, the insurer or the landlord, or a documented calculation. Med spa budgets break on the build-out and the first slow year, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
ROOMS AND BUILD-OUT				
Build-out of four treatment rooms, plumbing, lighting and finishes				
Treatment beds, room equipment and sterilization equipment				
Front desk, booking hardware and furniture				
SETUP AND APPROVALS				
Business entity, registrations and approval requirements				
Insurance down payment				
Lease deposit				
PRE-OPENING				
Pre-opening payroll, hiring and training				
Launch marketing, website and booking listings				
Opening product inventory, treatment and retail				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

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

PAGE 6

Sales forecast builder

Every other number depends on clients, so build them from booked first appointments and the rooms you can fill, not from the rent you need to cover. Count active clients first, month by month from page 9; add retail skin care at the share your record supports.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE SPEND	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Treatments	active clients				
Retail skin care	items				

Full-run month

RAMP AND SEASONS

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

Expected sales for each month = active clients at month end on page 9 times the monthly spend per active client (no separate ramp), plus retail at full run times ramp (the share of full-run volume the client record has reached) times season. Use 100 percent where a factor does not apply. The build, ramp and season are your assumptions; write down the evidence for each, such as booked first appointments and a waiting list.

CAPACITY CHECK

```
Room hours open per month = treatment rooms x hours open a day x days open a month; provider hours per month = the sum over providers of each one's hours a day times days worked a week, times 52, divided by 12; hours needed in the peak month = the room hours on page 7 at the steady-cycle client base (page 9)
```

Write how many treatment rooms the med spa runs, the hours they are open, and each provider's hours a day and days a week. Take the month the page 9 client base peaks at its steady-cycle level (the season list moves retail only), add up the room hours their appointments need (page 7) and set them against the room hours open and the provider hours. If the plan needs more rooms or provider hours than you have, the plan is wrong, whatever the book looks like on a Saturday.

PAGE 7

Treatments, room hours and takings per room hour

A room earns only while a client lies in it. A 40-minute toxin visit and a 75-minute facial must each cover rent, product and provider pay, and an empty Monday morning covers nothing.

```
Appointments a month = active clients x visits per client a month; room minutes per visit = treatment minutes + turnover; room hours booked = appointments x room minutes / 60
Weighted price = each treatment's price x its share of visits, summed; spend per client a month = visits per client x weighted price; contribution a month = appointments a month x (price less product at cost, provider commission, and its own card fees and supplies, 4.9 percent); load = room hours booked / room hours open; takings per open hour = treatment sales / room hours open
```

WORKED EXAMPLE: A SETTLED MONTH ACROSS FOUR ROOMS (ILLUSTRATIVE)

TREATMENT	ROOM	SHARE OF VISITS	VISITS A MONTH	MINUTES WITH TURNOVER	ROOM HOURS	PRICE	PRODUCT AT COST	COMMISSION	CONTRIBUTION A MONTH	PER ROOM HOUR
Neurotoxin (36 units)	Treatment rooms	35%	105.1	40	70	$504	$198.00	25%	$16,322	$232.96
Dermal filler (1.3 syringes)	Treatment rooms	10%	30.0	60	30	$975	$422.50	25%	$7,829	$260.98
Laser and device treatments	Treatment rooms	25%	75.0	50	63	$325	$25.00	25%	$15,212	$243.39
Facials and peels	Treatment rooms	30%	90.0	75	112	$200	$30.00	35%	$8,118	$72.16

ROOM	ROOMS	OPEN HOURS A MONTH	BOOKED HOURS, SETTLED MONTH	LOAD	LOAD IN THE PEAK MONTH	TAKINGS PER OPEN HOUR
Treatment rooms	4	792	275	35%	35%	$157.31

750 active clients at 0.4 visits each fill 300.1 visits a month at a weighted price of $415.15, so the treatment line on page 8 earns $166.06 per client a month. Product at cost takes 30.5 percent and commission 26.4 percent of treatment sales (page 10); the blended shares in the page 12 example are 31.99 and 25.23 percent. Across all open hours, the rooms average $157.31 of treatment takings per open hour. Per booked room hour, dermal filler (1.3 syringes) returns the most ($260.98) and facials and peels the least ($72.16).

YOUR TREATMENT MENU

TREATMENT	ROOM	SHARE OF VISITS	VISITS A MONTH	MINUTES WITH TURNOVER	ROOM HOURS	PRICE	PRODUCT AT COST	COMMISSION	CONTRIBUTION A MONTH	PER ROOM HOUR

CAPACITY CHECK

Find the month the page 9 client list peaks at its steady-cycle level and scale the settled appointments to it; the season list moves retail skin care only. Turn those appointments into room hours with the page 7 minutes and hold them against the hours the rooms open, then against the hours the providers can work. A shortfall on either means a fifth room, another provider or longer days, however busy a Saturday feels.

```
Peak-month room hours = settled room hours booked x the peak month's client list over the settled average, against the room hours open; peak-month provider hours = the same hours booked, against the roster, people x hours a day x days a week x 52 over 12
```

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost here. Loan principal is not an operating cost: it enters cash break-even below and the cash forecast on page 11, so interest and principal are each counted once. A line that starts or steps up during year 1 goes in at its amount once in place; page 11 uses each month's amount.

FIXED COSTS PER MONTH	PER MONTH
1. Rent, 2,200 square feet, all-in	
2. Liability, property and professional insurance	
3. Practice manager and front desk, salaried, with payroll costs (the minimum staff)	
4. Owner's market wage	
5. Loan interest (build-out and equipment loan)	
6. Utilities, phones and internet	
7. Marketing, website and booking listings at the full-run rate	
8. Records and booking software	
9. Device lease (laser and skin devices)	
10. Clinical services agreements	
11. Linens, supplies, cleaning, repairs and device service	
12. Payroll costs on commission at full run	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Treatment product and retail product cost	
14. Provider commission above the salaried staff	
15. Card processing fees	
16. Unplanned costs, held at 2 percent of sales	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even active clients = (fixed costs with line 4 even if undrawn, plus principal, minus retail
contribution, own shares) divided by one client's monthly contribution (spend x its own ratio, page 9);
0 if covered
Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

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

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

PAGE 9

The client list: first visits, lapses and who keeps coming back

Clients return on treatment cycles: toxin every few months, device series in blocks, facials monthly, so the forecast tracks the list.

```
Active clients at month end = active on the 1st x (1 minus lapse) + first visits, capped at what four rooms can treat
Settled list = the yearly first-visit pattern repeated until two Decembers agree; months a client stays = 1 over lapse; client value = monthly spend x those months x contribution ratio
```

WORKED EXAMPLE: AN EMPTY LIST FROM THE JANUARY OPENING, MONTH BY MONTH (ILLUSTRATIVE; CLIENTS ROUNDED)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
First visits	150	132	112	97	84	74	66	60	56	52	50	48
Lapsed	0	6	11	15	18	21	23	25	26	27	28	29
Active at month end	150	276	377	459	525	578	620	656	685	710	732	750
Repeating year: first visits	33.0	28.0	30.0	33.0	33.0	28.0	25.0	27.0	29.0	32.0	35.0	27.0
Repeating year: active clients	752	750	750	753	756	753	748	745	745	747	752	749

Doors open in January to an empty list and 150 first treatments, tapering as the list fills; the repeating-year rows hold about 750 clients against a 4 percent lapse. Each column feeds the treatments line on pages 6 and 11. No consultations are booked before opening, so Test 5 fails on page 12; the 70 percent case scales every column, and year 2 repeats the settled rows. The client cap never binds here.

MEASURE	EXAMPLE	WORKED OUT FROM
Lapse each month	4%	Clients who first pass twice their interval this month, over active on the 1st; each lapse counts once
Typical stay	25.0 months	1 over the monthly lapse
One client's value over her stay	$1,582	Spend a month x 25.00 months x ratio 0.381
First visits a month, year-1 fourth quarter	50.0	Final quarter of the build, averaged
First visits a month that hold the list	30.0	The repeating year's first visits, averaged (lapse x 750 clients)
Active clients, settled-year average	750	30.0 first visits a month x months on the list
Marketing spend divided by all first visits	$360	Line 7 ($10,800) over settled first visits; not a channel's cost

YOUR CLIENT LIST, MONTH BY MONTH

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

FIRST VISITS AND LOST CLIENTS

Note each first visit's referral source and, when a lapsed client explains, her reason as stated, not verified.

MONTH	FIRST VISITS	LAPSED	HER WORDS	TREATMENTS RECEIVED	HER PROVIDER

PAGE 10

Pay plans: commission, hourly and room rental

How a provider is paid settles who carries an empty Monday in the treatment rooms. Commission follows the toxin and filler she performs, a wage falls due for every rostered hour, and a renter takes her own book and its risk while her room still draws on rent, desk staff and software.

```
Treatment sales for one full-time provider in a month = 173.3 rostered hours x the 52.9 percent filled with clients x $452.89 for each filled hour
On commission she is paid treatment sales x her rate; on a wage with a reduced commission she is paid rostered hours x $54.00 with payroll costs ($50.00 and 8 percent) and treatment sales x the reduced rate; as a room renter she collects her own treatment sales and owes weekly rent x 52 over 12; the med spa retains treatment sales minus her pay, product at cost, and card fees and supplies (4.9 percent of sales), or else the rent
```

WORKED EXAMPLE: THREE WAYS TO PAY ONE FULL-TIME PROVIDER (ILLUSTRATIVE)

PAY PLAN	ONE PROVIDER'S TREATMENT SALES A MONTH	PAID TO THE PROVIDER	PRODUCT AT COST	LEFT WITH THE MED SPA
Commission, 25 and 35 percent by treatment, full run	$41,529	$10,982	$12,684	$15,827
$50.00 an hour plus 10 percent, full run	$41,529	$13,513	$12,684	$13,297
Room rental at $350 a week, full run	$41,529 (the renter's)	pays $1,517	$0	$1,517
Commission, 25 and 35 percent by treatment, 70 percent start	$29,070	$7,688	$8,879	$11,079
$50.00 an hour plus 10 percent, 70 percent start	$29,070	$12,267	$8,879	$6,500
Room rental at $350 a week, 70 percent start	$29,070 (the renter's)	pays $1,517	$0	$1,517

Commission sits on line 14 of page 8 at 26.4 percent of treatment sales: 25 percent on toxin, filler and devices, 35 percent on facials and peels, above the salaried desk on line 3. If the year opens at 70 percent of plan, commission drops with treatments performed, but a provider on a wage is still paid for each rostered hour. A renter would hand over $1,517 a month with no product or commission to fund, while her room still draws roughly $2,883 a month of rent, utilities, desk salary and software; the example rents out no room.

YOUR PROVIDERS' PAY PLANS

PAY PLAN	ONE PROVIDER'S TREATMENT SALES A MONTH	PAID TO THE PROVIDER	PRODUCT AT COST	LEFT WITH THE MED SPA

MODEL A NEW PAY PLAN BEFORE OFFERING IT

Fill the table with one provider's actual treatment sales, rostered hours and follow-up rate before changing how she is paid, and fill it again for the provider who might replace her. Pay plans and room-rental agreements carry worker-status, payroll and contract questions that vary by location, so a qualified professional should review each change before anyone signs.

PAGE 11

Twelve-month cash forecast

Rent, the device lease and payroll leave on fixed dates. Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: takings, in the month each payment lands, net of sales tax												
Memo, not cash: sales this month (page 6)												
In: owner money and loans received												
Out: product, fees and allowance (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 12, 14)												
Out: rent (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 11)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
Memo: prepaid owed = last month's + sold minus redeemed												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first day the med spa opens after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Providers, the front desk and suppliers are paid in the month of the work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what a year of building the client list costs

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

Worked example: an imagined four-room med spa

Illustrative only: invented med spa figures that show the arithmetic, not trade benchmarks. The practice manager is salaried from month 1; providers earn commission only on treatments they perform. Cash floor $46,203. Clients pay at the front desk; commission, desk salaries and toxin, filler and serum invoices go out in the treatment month; the owner draws her market wage in cash.

Page 5, budget	Opening the med spa costs $578,200, funded by a $406,000 loan (10 percent over 10 years) and $172,200 of owner money, with a $215,200 reserve held while first visits become regulars. Page 5 sets that reserve in two passes: floor $46,203, plus one buffer month, $46,203, plus $122,766 (the first pass, opened with no cash, sinks that far), rounded up to $215,200.
Page 8, costs	Fixed costs $44,128 a month, including $5,500 for the four-room lease and $3,290 of build-out loan interest; principal $2,075 a month (year-1 averages); variable lines take 62.1 percent, a contribution margin ratio of 0.379. Lines 13 to 16 claim 31.99, 25.23, 2.9 and 2 percent of sales. Lines 1 to 12, rent first, run $5,500, $600, $4,680, $7,892, $3,290, $900, $10,800, $450, $2,300, $3,000, $2,000 and $2,716 a month.
Page 8, break-even	Operating break-even for four rooms sits near $116,494 a month. Cash break-even (fixed $44,128 plus principal $2,075, divided by 0.379) is about $121,972 a month: 674.9 active clients booking treatments once retail adds its share, so 675, against the settled-year average of 750 (756 at the May peak).
Page 6, sales	Treatments: 756 active clients a month at $166.06 (the settled-cycle peak); year 1 follows the page 9 build from 150 clients in January, and full run uses the settled-year average of 750. Retail skin care: 133 skin-care items a month, averaging $75. A settled month brings in about $134,561, treatments at the settled-year list (treatments 750.25 active clients a month); retail ramp 20, 37, 50, 61, 70, 77, 83, 87, 91, 95, 98 percent across months 1 to 11 and 100 percent from month 12; season 88, 90, 98, 104, 106, 100, 92, 94, 98, 104, 110, 116 percent from January to December, applied to retail skin care alone.
Page 19, expected case	January sales $26,663; the account ends January at $179,104 and December at $104,093. The low comes in month 8, closing $92,434, $46,231 clear of the floor.
Page 19, slow start	At 70 percent of plan, January sales come to $18,664; the account ends January at $176,072 and December at minus $28,906. The account sinks under its floor in month 7 (closing $33,538) and below zero in month 10 (closing minus $7,620), a runway from opening of 6 months.
Page 8, coverage	On settled sales of $134,561, planning coverage, before income tax and device replacement, stands at 1.89 against the 1.25 the imagined lender wants; at month 12's level it reads 1.90, and Test 3 needs the pair. Rent share, the lease over sales, is about 4.1 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

This med spa example treats Gate 0 as met. Test 1 passes: the month-12 run-rate average is about $134,762 a month, above the $121,971 break-even (contribution ratio 0.379); and year 2 at that level stays above the floor (low $108,638, January of year 2). (Outside the scoring: takings first reach cash break-even in month 9.) Test 2 fails: with every treatment and jar of skin care at 70 percent of plan, the account drops under its floor in month 7; about $75,200 more opening cash would carry it. Test 3 passes on the planning formula; a bank will apply its own rule. Test 4 passes (settled year): month 5 holds the largest list, about 756 active clients booking 302 appointments (retail skin care peaks in month 12, season 116 percent); the four rooms stay booked 35 percent of the time (277 of 792 open hours), and the providers need about 280 hours of the 520 their roster supplies (3 people, 8 hours a day, 5 days a week). Without booked consultations, Test 5 fails for want of evidence. Test 6 passes: a settled year of treatments clears about $57,225 after principal, and no settled month dips below zero, so no cushion is needed. That is a steady-state year; page 19's opening year loses about $111,107 in cash because the client list starts at zero in January. The example sets no income tax aside, replaces no devices and adds no stock (page 19); a real plan uses its own figures. An empty opening list means a year of filling, and a thin settled margin leaves little room for richer commission or faster lapse.

PAGE 13

What moves the result

Each row changes one page 12 input and reruns the forecast, naming Test 1, 3 or 6 when the change newly fails or passes it; a test already failed stays failed. The last column adds the slow start, Test 2.

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $5,097	Expected case holds the floor; full-run coverage falls to 0.94; the month-12 rate drops under cash break-even; would fail Tests 1, 3 and 6
Treatments: average spend 5 percent higher, same volume (only sales-linked fees rise)	plus $4,276	Break-even active clients fall from 674.9 to 619.1 a month, so from 675 to 620: per-unit costs stay the same, so the ratio rises from 0.379 to 0.392 on the new sales (sales-linked fees, lines 14, 15 and 16, take 31.4 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $119,332
Monthly lapse 1 point higher (4 to 5 percent; $4,801 a month less on average in year 2; the settled loss is larger)	minus $4,801	Expected case holds the floor; slow-start month unchanged (month 7); full-run coverage falls to 0.99; would fail Tests 3 and 6
New clients 25 percent fewer in months 1 to 3 ($4,130 a month less at full run)	minus $4,130	Expected case under the floor in month 11 (closing $46,185); slow start under the floor in month 6 (closing $29,951); full-run coverage falls to 1.12; would fail Tests 1 and 3
Provider commission at 35 percent of gross, not 25 (7.92 points of sales; line 12 payroll taxes held)	minus $10,657	Cash break-even rises to about $154,216; expected case below the floor in month 8 (closing $40,828); slow start under the floor in month 6 (closing $26,887); full-run coverage falls below zero; the month-12 rate drops under cash break-even; would fail Tests 1, 3 and 6
A part-time second desk person (line 3, $1,872 a month more)	minus $1,872	Expected case holds the floor; slow start under the floor in month 6 (closing $39,157)
A provider leaves with 150 clients ($24,909 a month of treatment sales), from month 7 onward	minus $9,491	Expected case holds the floor; slow-start month unchanged (month 7); full-run coverage falls to 0.12; the month-12 rate drops under cash break-even; would fail Tests 1, 3 and 6
Toxin, filler and serum cost 10 percent higher (30.5 to 33.6 percent)	minus $3,805	Cash break-even rises to about $131,812; expected case still clears the floor; slow start under the floor in month 6 (closing $41,998); full-run coverage falls to 1.18; would fail Test 3
Build-out overrun of $30,000 beyond the contingency, taken from the reserve	no change	Expected case holds the floor; slow start under the floor in month 5 (closing $39,126)
Opening 3 months late (the treatment space, insurance, loan interest and principal, $11,465 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 $58,116 in month 11 from the planned opening, $34,319 lower than on time; slow start under the floor in month 8 from the planned opening (month 7 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

Checkout and month-end checklists, weekly review, six questions

These are running checklists for the med spa, not a compliance program; add the clinical, safety, records and staffing steps your location and your advisers require.

AT CHECKOUT, EVERY CLIENT

- ☐ Book the follow-up visit before payment, timed to when the toxin, filler or device series is due.
- ☐ Credit each treatment and each retail product to the provider who performed or sold it.
- ☐ Write the toxin units, syringe lot or device setting used beside the treatment on the ticket.
- ☐ Tag a first visit with the channel that brought her and the date she booked.
- ☐ Mark the next visit on the client's record, or write why she left without one.
- ☐ Hand over the aftercare sheet and a referral card she may pass to a friend.

CLOSE OF MONTH AND THE LAPSED LIST

- ☐ Hold room hours booked against room hours open for each weekday and each room.
- ☐ Enter the month's first visits and lapsed clients in the page 9 table.
- ☐ Pull clients overdue by twice their normal interval and, from records the med spa controls and with the contact permission each gave, call those with plans in progress.
- ☐ Divide clients who first lapsed this month by clients active on the 1st; count each lapse once.
- ☐ Reconcile toxin units and syringes bought against units and syringes charged, by provider.
- ☐ If a provider resigns, list her active clients and, within each client's contact permission, assign a named contact.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Treatment sales per room hour booked, each provider				
Follow-up visits booked at checkout, each provider				
Room hours booked over hours open, each weekday				
First visits by channel, and how many returned				
Toxin units and syringes used against treatment sales				
Missed and late-cancelled appointments				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every discount request, product reorder and double-booked room wait on the owner, so clients sit in the lobby until she steps out of a treatment?
2. **Reactive operations.** Last week, how many treatments started late, how many clients never arrived, and how many hours did the owner spend covering the front desk?
3. **Growth without structure.** What share of first-visit clients never return for a second treatment, and which weekday mornings leave two rooms dark?
4. **Talent and retention.** If one treatment provider left tomorrow, how many clients would follow her, and how many of them has another provider ever treated?
5. **Revenue plateau.** Has spend per client risen in twelve months, and does growth come from toxin, filler, devices, facials or retail?
6. **Systems gap.** Could the desk print, this afternoon, the clients now overdue by twice their normal treatment interval?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the client list in the booking software, the page 9 client table, room hours against the provider roster, or the toxin and filler log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Begin the weekly review: log booked room hours and provider hours each day, and the desk hours the owner covers herself.
Week 2	Enter your real treatment minutes, prices and product cost on page 7, and flag the treatment that earns least per room hour.
Week 3	Record every first visit and every lapsed client on page 9, and work out this month's lapse rate.
Week 4	Post actual closing cash on page 11 and redo runway; list the calls the front desk may make without you.
After month 1	Set each provider's follow-up rate and room hours beside her page 10 pay plan and the page 6 roster.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

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

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

WHAT THE FULL KIT ADDS

The full Med Spa Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a treatment pricing calculator from room minutes and product cost to a margin, a client and return-visit tracker, a pay-plan comparison for each provider, checkout checklists and hiring checklists. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on med spas, 2026, an internal working file that is not published, described on page 2; the questions are hypotheses and no figure in this kit comes from it. Med spas owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

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

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

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below and answer with your own figures. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

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

I am opening (or running) an independent med spa. I have attached the Med Spa Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan, using my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a price, cost, wage, rate, room count, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales = units a month times the average spend or price. Treatments follow the page 9 build (active clients x monthly spend); retail = full-run sales x ramp x season. Full-run sales, break-even and coverage take treatments at the settled-year average (page 9), not the planned count; their month-12 run rate repeats that settled year, scaled so December equals month 12's clients. Tips sit outside the model; have a qualified professional confirm their treatment.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's treatment hours go in line 14 only if they move with sales, else in line 3. 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 active clients = (fixed costs with line 4 even if undrawn, plus principal, minus retail contribution, own shares) divided by one client's monthly contribution (spend x its own ratio, page 9); 0 if covered. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Room hours open per month = treatment rooms x hours open a day x days open a month; provider hours per month = the sum over providers of each one's hours a day times days worked a week, times 52, divided by 12; hours needed in the peak month = the room hours on page 7 at the steady-cycle client base (page 9).
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take booked lines at full bookings averaged over 12 months, a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first day the med spa opens after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Place each receipt in the month my payment terms say; if a term is missing, mark [NEED: payment timing]. The worked example collects treatments and retail at checkout; payroll and suppliers are paid in the month worked. Record any package or gift card cash when received, track the unredeemed balance in the memo row, and count no second receipt at redemption. In the slow-start case, every month's sales on every line are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first day the med spa opens), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

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

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

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Treatments and prices, rooms and hours open, clients and where they come from, the providers on the roster with paid hours a day and days a week, and days open per week.
b. Sales build: for treatments, each treatment's price, room minutes with the reset, product cost and share of appointments, the visits a month an active client makes, my monthly lapse rate, the clients I open with, my planned new clients for each month from 1 to 12, the recurring yearly new clients that hold full run, and the active clients the rooms can serve; for retail, the number of items a month at full run and the average price, a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out) and a seasonal percentage for each month; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Never daily; the page 9 build replaces the treatment line's count once fully booked. Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For each treatment: which provider group performs it, its price, treatment minutes, room reset minutes, product cost per appointment and its share of appointments; the treatment rooms with hours open; visits a month per active client; the provider roster (people, hours a day, days a week).
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (contractor quote, device quote, insurer quote, landlord quote or calculation) for each line on page 5, from rooms and build-out to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried manager and desk, the device lease, the clinical services agreements, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my treatment hours go in line 14 only if they move with sales, else in line 3.
f. Variable cost shares of net sales for lines 13 to 16: line 13, treatment product and retail product cost; line 14, provider commission above the salaried staff; line 15, card processing fees; line 16, unplanned costs, held at 2 percent of sales; and any sales line whose own shares differ, given for that line.
g. Confirm the lapse rate, the new-client plan and the client cap from item b; change nothing unless I say so.
h. How I pay each provider today or plan to; for the comparison, the commission rate for each provider group, the hourly wage with its lower commission rate, and the weekly room rent I would consider (write none for a plan I will not consider); their paid hours a week; and the payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when clients pay (at checkout, or prepaid packages, memberships and gift cards and when they are redeemed), and when providers, the desk and suppliers are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside and equipment replacement.
m. Cash on hand on the first day the med spa opens after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my med spa, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by treatment line, retail line and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even active clients (use cash break-even); rent share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add memo rows for each month; they track amounts owed and do not change closing cash: sales tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and unredeemed packages, memberships and gift cards (last month's + sold minus redeemed), treatments you still owe.
6. Treatment economics by price, minutes, product cost and provider pay, room hours booked and utilization, treatment sales per room hour open, and the peak-month capacity check.
7. The 12-month client build (new clients, lapsed, active clients, percent of full run) and the settled year that repeats, the settled base against the plan, months a client stays, client value and marketing spend per new client.
8. One provider's month under each pay plan at full run and at the 70 percent start, what the business keeps, and line 14.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every client count or pay term I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with the client build, the room minutes and the pay plans, before anyone sees the plan, and recheck the page 4 result with a calculator.

PAGE 19

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $46,203.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**215,200**	**179,104**	**151,531**	**130,894**	**115,947**	**105,530**	**98,564**	**94,292**	**92,434**	**92,721**	**94,898**	**98,759**
In: sales receipts	26,663	49,157	67,483	82,532	94,502	103,582	110,649	117,027	122,712	127,751	132,239	136,171
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: product, fees and allowance (lines 13, 15, 16)	9,793	18,071	24,872	30,487	34,939	38,212	40,704	43,071	45,229	47,202	48,967	50,521
Out: payroll, line 4 if drawn in cash (lines 3, 4, 12, 14)	22,051	27,744	32,333	36,077	39,065	41,421	43,302	44,899	46,281	47,457	48,496	49,401
Out: rent (line 1)	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Out: other costs, with loan interest (lines 2, 5 to 11)	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340
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	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(36,096)**	**(27,573)**	**(20,637)**	**(14,947)**	**(10,417)**	**(6,966)**	**(4,272)**	**(1,858)**	**287**	**2,177**	**3,861**	**5,334**
Closing cash, expected	**179,104**	**151,531**	**130,894**	**115,947**	**105,530**	**98,564**	**94,292**	**92,434**	**92,721**	**94,898**	**98,759**	**104,093**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**215,200**	**176,072**	**142,910**	**114,603**	**90,280**	**69,126**	**50,389**	**33,538**	**18,377**	**4,716**	**(7,620)**	**(18,779)**
Sales receipts, slow start	18,664	34,410	47,238	57,772	66,151	72,507	77,454	81,919	85,898	89,426	92,568	95,320
Out: variable costs, slow start (lines 13 to 16)	11,589	21,369	29,342	35,892	41,102	45,041	48,102	50,877	53,356	55,559	57,524	59,244
Out: fixed costs (lines 1 to 12), principal, bills, less funding	46,203	46,203	46,203	46,203	46,203	46,203	46,203	46,203	46,203	46,203	46,203	46,203
Net cash flow, slow start	**(39,128)**	**(33,162)**	**(28,307)**	**(24,323)**	**(21,154)**	**(18,737)**	**(16,851)**	**(15,161)**	**(13,661)**	**(12,336)**	**(11,159)**	**(10,127)**
Closing cash, slow start	**176,072**	**142,910**	**114,603**	**90,280**	**69,126**	**50,389**	**33,538**	**18,377**	**4,716**	**(7,620)**	**(18,779)**	**(28,906)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**4,469**	**4,410**	**4,690**	**5,091**	**5,343**	**4,994**	**4,389**	**4,272**	**4,360**	**4,708**	**5,244**	**5,258**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. Variable costs use each sales line's own shares, so a month can differ by a few dollars from the blended share. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $134,762 a month, against month 12's own $136,171): closing cash runs $108,638 in month 1 and $162,238 in month 12, lowest $108,638 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.