Private Practice Therapy Business Plan and Operations Starter Kit

A working kit for small therapy and counseling practices. It prices a session from the fee down to the cash each payer actually sends, builds the client panel month by month from new clients and finished episodes, counts the slots that no-shows leave empty, sizes the cash that insurer delays tie up, and scores the plan on six pass-or-fail tests.

THERAPY AND COUNSELING PRACTICES
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/MENTAL-HEALTH-PRACTICES/
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PAGE 2

Start here

A therapy practice can fill every slot and still run short of cash. In this example insurers pay weeks after the session, a tenth of booked slots go unattended, and a client panel that turns over every few months needs new clients every month. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

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HOW TO USE IT

1. Build sessions 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. Fees, payer contracts and the clinician roster move before the first client arrives, and every worksheet expects your own figures.
3. After opening, use the page 14 checklists at each session close and review the numbers weekly. Fill page 7 at month end and post page 9 as clients start and finish.

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 therapy practice 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, billing and payer contract or financial advice. Clinical, billing, payer contract and client privacy requirements vary by location; the kit states no rule. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender or a landlord asks whether two offices pay rent, the front office and the loan while the panel is still filling and insurers pay late. Answer here in short sentences; draft the full sections on separate sheets.

1. Executive summary (write it last)

Summarize the practice, the clients it serves, the money you need and what it buys, fit-out to the first payroll; then give the month the page 6 forecast first clears cash break-even from page 8, and the page 4 result.

2. Services, fees and clients

Describe the services you offer, individual, couples or family sessions, by video or in person, and the fee for each. Note which payers you will join and what share of clients you expect to pay privately.

3. Positioning and the offices

Name the clients the practice is built for and the needs it refers out. Count the offices, the evening hours clients ask for, and the clinician slots each week can hold.

4. Sessions, fees and what each payer allows

For each session type, write your fee, the amount each payer allows, the share the client owes, and the minutes the slot holds with notes. A fee copied from a directory listing, with no allowed amount under it, is a guess.

SESSION TYPE	YOUR FEE	ALLOWED BY PAYER	MINUTES WITH NOTES

> *Owner question: every slot is booked, yet the bank balance keeps falling. Should I stop taking insurance?*
>
> Check three other causes first: claims paid one to two months after the session, slots lost to no-shows, and denied claims nobody reworks. In this example billed amounts not yet paid reach about $13,100 by month 12, more than half a full-run month of billings. Fill page 10 with each payer's own terms, then compare private pay against it.

PAGE 4

Business plan, part two

5. Operations

Describe a week from the first session to the last: who confirms tomorrow's clients, how a no-show is followed up, when notes and claims go out, and who reworks a denied claim.

6. Team

List each clinician, the slots a week each holds and the pay per session, with a market wage for your own hours. Name the clinician whose departure would move the most clients.

7. Marketing and sales

Explain where new clients come from: referrals, directory listings, payer lists or your website. Check each month that new clients replace those who finish.

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. The lease, quotes for the fit-out and furniture, the billing service terms, each payer agreement and the requirements of every registration the practice needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, billings reach cash break-even at the month-12 run rate (page 8) and closing cash, payer 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 booked sessions fit the clinicians' session hours (pages 6, 7 and 9), and the planned client panel reaches break-even (page 8).	
5. A referral list, payer panels in place and intake calls booked back the opening months; a directory profile 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 billing contract or a clinician offer. **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 landlord, the furniture supplier, the billing service or the insurer, or a documented calculation. Therapy budgets break on working capital, not furniture, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
OFFICES AND FIT-OUT				
Soundproofing and minor fit-out of two offices				
Furniture and decor, two offices and the waiting area				
Computers, phones and video equipment				
SETUP AND PAYER PANELS				
Business entity, legal and accounting setup				
Getting on payer panels (fees or a service, three clinicians)				
Lease deposit				
PRE-OPENING				
Rent for the month before opening				
Website and branding				
Launch marketing and directory listings				
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 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 clients, so build them from referral sources and the slots your clinicians hold, not from the rent you need to cover. Count active clients first, month by month from page 9; recovered denials follow the sessions two months later.

```
Monthly sales for a line = units times average billings per client 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 BILLINGS PER CLIENT	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Sessions	active clients				
Recovered denials	active clients				
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 billings for each month = active clients at month end on page 9 times the clean collectible per active client a month (page 10), plus recovered denials two months later. Use 100 percent where a factor does not apply. The panel build is your assumption; write down the evidence, such as a referral list and intake calls booked.

CAPACITY CHECK

```
Session hours a month = clinicians x session hours a day x working days a month; peak hours booked =
booked sessions x minutes with notes / 60 at the settled panel's peak (page 9)
```

Write each clinician's slots a week and the weeks a year each works. Take the month the page 9 panel peaks, count booked sessions, no-shows included because the slot is held, and set their hours against the session hours on page 7. If the plan needs more hours than the clinicians hold, the plan is wrong, however full one evening looks.

PAGE 7

Sessions, clinician hours and the slots no-shows empty

In this example a clinician is paid only for sessions held, no fee is charged for a missed session, and the client rebooks in a later week, so a no-show or late cancellation loses that week's slot.

```
Booked sessions a month = active clients x booked sessions a month; slot minutes = session minutes +
notes; clinician hours booked = sessions x slot minutes / 60
Billings per booked session = each type's clean collectible x its share, summed (a lost slot collects
nothing); billings per client a month = booked sessions x that figure; contribution a month = sessions a
month x (billings less the billing fee, clinician pay and its own card fees and allowance, 3.1 percent);
load = hours booked / session hours held
```

WORKED EXAMPLE: A SETTLED MONTH FOR THREE CLINICIANS (ILLUSTRATIVE)

SESSION TYPE	HELD BY	SHARE OF BOOKED	SESSIONS A MONTH	MINUTES WITH NOTES	CLINICIAN HOURS	CLEAN COLLECTIBLE	BILLING FEE	CLINICIAN PAY	CONTRIBUTION A MONTH	PER CLINICIAN HOUR
Intake session (first visit)	Clinician session hours	6.7%	16.1	70	19	$131.86	$5.04	50.05% ($66)	$913	$48.63
Ongoing session	Clinician session hours	83.3%	200.3	63	210	$109.05	$4.05	60.52% ($66)	$7,134	$33.92
No-show or late cancellation (slot lost)	Clinician session hours	10%	24.0	63	25	$0	$0.00	59.6%	$0	$0.00

HELD BY	CLINICIANS	SESSION HOURS A MONTH	HOURS BOOKED, SETTLED MONTH	LOAD	LOAD IN THE PEAK MONTH	BILLINGS PER HOUR HELD
Clinician session hours	3	282	254	90%	92%	$85.04

80.1 active clients at 3 sessions each fill 240.4 slots a month at $99.67 a booked slot, so the sessions line collects $299.02 per client a month. Billing takes 3.7 percent and clinician pay 59.6 percent ($60 a session plus 10 percent on all 70 weekly slots, hers included; line 4 is her management time, about 8 hours a week); the page 12 example prints the blends, 3.81 and 57.45 percent.

YOUR SESSION TYPES

SESSION TYPE	HELD BY	SHARE OF BOOKED	SESSIONS A MONTH	MINUTES WITH NOTES	CLINICIAN HOURS	CLEAN COLLECTIBLE	BILLING FEE	CLINICIAN PAY	CONTRIBUTION A MONTH	PER CLINICIAN HOUR

CAPACITY CHECK

Scale the settled sessions to the page 9 peak month, no-shows included, and hold the hours against the clinicians' session hours. In the example two offices, with about 40 percent of sessions by video, use about half the evening hours, so offices do not bind; check yours.

```
Peak-month hours booked = settled hours x the peak panel over the settled average, against session hours
(3 clinicians x 4.9 hours a day x 19.17 days, 46 weeks a year); rooms checked apart
```

Per-session pay or a salary: one clinician's week, payroll costs included, costs $1,096 on per-session pay or $1,523 on salary at full run (16.6 sessions), and $767 or $1,523 at the 70 percent start; a salary costs less only above 23.1 attended sessions 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. 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, two offices and a waiting area, about 600 square feet	
2. Professional and general liability insurance	
3. Part-time front office, salaried, with payroll costs (the minimum staff)	
4. Owner's market wage	
5. Loan interest (startup loan)	
6. Phone, internet and the video platform	
7. Marketing and directory listings	
8. Practice software for three clinicians	
9. Accounting and bookkeeping	
10. Clinical consultation and training	
11. Office supplies, cleaning and repairs	
12. Professional dues and bank fees	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Billing service, 6 percent of insurer payments	
14. Clinician pay per attended session above the salaried staff	
15. Card processing fees on client payments	
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) divided by one
client's monthly contribution, recovered denials included (pages 7 and 10); 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 billings.

PAGE 9

The client panel: new clients, finished episodes and who stays

A therapy panel turns over: each month some clients finish and new ones start, so the forecast follows the panel, not a smooth curve. Lapse = 1 over the average episode in months.

```
Active clients at month end = active on the 1st x (1 minus lapse) + new clients, capped at what the clinicians can serve
Settled panel = the yearly new-client pattern repeated until two Decembers agree within 0.05 client; client value = monthly billings x months in care x the sessions line's own ratio
```

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

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
New clients	10	10	10	18	18	22	22	20	18	17	16	16
Finished or stopped	0	2	4	5	8	10	12	14	15	16	16	16
Active at month end	10	18	24	38	48	60	70	76	79	80	80	80
Repeating year: new clients	17.0	17.0	17.0	16.0	16.0	15.0	15.0	15.0	16.0	17.0	16.0	15.0
Repeating year: active clients	80	81	82	81	81	80	79	78	79	80	80	79

The practice opens in January with no clients; clinicians join in months 4 and 6. The repeating year brings 15 to 17 new clients a month against a 20 percent lapse (a 5-month episode). The example applies no separate season list; the new-client pattern on page 9 carries the season. Each column feeds the sessions line on pages 6 and 11; the 70 percent case scales every column. The client cap never binds here.

MEASURE	EXAMPLE	WORKED OUT FROM
Lapse each month	20%	Clients who finish or stop booking this month, over active on the 1st
Average episode	5.0 months	1 over the monthly lapse
One client's value over an episode	$502	Billings a month x 5.00 months x the sessions line's own ratio 0.336
New clients a month, year-1 fourth quarter	16.3	Final quarter of the build, averaged
New clients a month that hold the panel	16.0	Repeating-year new clients, averaged (lapse x 80 clients)
Active clients, settled-year average	80	16.0 new clients a month x months in care
Marketing spend per new client	$25	Line 7 ($400) over settled new clients a month; not a channel's cost

YOUR CLIENT PANEL, MONTH BY MONTH

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

NEW CLIENTS AND FINISHED EPISODES

Note each new client's referral source and, when an episode ends, whether it was planned or the client stopped booking.

MONTH	NEW	FINISHED	PLANNED OR STOPPED	SESSIONS ATTENDED	CLINICIAN

PAGE 10

What a session actually collects, payer by payer

The fee is not the price for an insured client: each payer allows less, splits the allowed amount with the client, denies part of its share first and pays over two months. Enter how each of yours pays.

```
Fee (charge) - contractual adjustment = allowed; payer portion - first-pass denials = payer collectible;
client portion - write-off = client collectible; clean collectible = both; recovered denials count only
when collected, outside receivables
```

SESSIONS: ONE ACTIVE CLIENT'S MONTH (ILLUSTRATIVE)

PAYER	SHARE	ALLOWED (ILLUSTRATIVE)	CHARGE	CONTRACTUAL	PAYER SHARE	DENIED	WRITE-OFF	CLEAN COLLECTIBLE	RECOVERED LATER	% BY MONTH: PAYER; CLIENT
Commercial insurance ($150 intake, $120 ongoing)	55%	$330.03	$436.02	$105.99	80%	$26.40	$5.28	$298.35	$14.52	30/60/10; 85/15
Managed or contracted plans ($115 intake, $95 ongoing)	15%	$260.52	$436.02	$175.50	90%	$28.14	$2.08	$230.30	$14.07	20/60/20; 85/15
A government program ($125 intake, $100 ongoing)	10%	$275.03	$436.02	$161.00	95%	$20.90	$1.38	$252.75	$10.45	35/55/10; 85/15
Private pay ($180 intake, $160 ongoing)	15%	$436.02	$436.02	$0.00	0%	$0.00	$8.72	$427.30	$0.00	-; 95/5
Private pay, sliding scale ($85 intake, $85 ongoing)	5%	$229.50	$436.02	$206.52	0%	$0.00	$9.18	$220.32	$0.00	-; 95/5

Clean collectible per client-month: $299.02; weighted, the line collects 52.7% in month 0, 40.0% in month 1, 7.3% in month 2 (month 0 is the month of service; any wait to bill sits inside each split); recoveries of $11.14 per client-month count when collected.

($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Clean collectible billed, recoveries apart	3.0	5.4	7.3	11.2	14.4	18.1	21.0	22.8	23.6	24.0	24.0	24.0
Collected, recoveries apart	1.6	4.0	6.2	9.2	12.6	16.1	19.4	21.8	23.1	23.8	24.0	24.0
Receivables, month end	1.4	2.8	3.8	5.8	7.6	9.6	11.3	12.3	12.8	13.1	13.1	13.1

Receivables at the end of month 12: about $13,100: clean collectible billed and not yet paid. Recoveries never sit in receivables.

What the waiting costs in cash: rerun with every payer and client paying in the session month, the expected case would bottom out at $26,454 instead of $15,020 (month 8), about $11,400 higher. This is a modeled comparison, not a forecast of your payers.

Each row is one active client's month at the example's mix: 0.201 intake and 2.499 ongoing attended sessions (3.0 booked, 10 percent lost). Every rate is illustrative; enter your own and confirm how each payer pays with a qualified healthcare billing professional.

PAGE 11

Twelve-month cash forecast

Rent, payroll and the loan leave on fixed dates; insurers pay one to two months after the session. Enter $000 (51.25 means $51,250).

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: payer and client payments, in the month each one lands												
Memo, not cash: clean collectible billed this month (page 10)												
In: owner money and loans received												
Out: billing, card fees and allowance (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: rent (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
Memo: claims owed = last month's + billed minus paid												
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 practice 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. Clinicians, the front office and suppliers are paid in the month of the work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what the first year of filling the panel costs

Runway counts the months ahead, from the latest closed month (or, before opening, from the first day the practice opens), until the first month whose closing cash sits under your floor

Worked example: an imagined three-clinician therapy practice

Invented practice figures that show the arithmetic only; they are not trade benchmarks. Clinicians are paid only for attended sessions. Cash floor $7,481. Clients pay their share at the session; insurers pay over two months; staff are paid in the month worked.

Page 5, budget	Total startup budget $80,000, funded by a $63,600 loan (13 percent over 10 years) and $16,400 of owner money, including a $50,500 working capital reserve that is untouched on opening day. Page 5 sizes that reserve in two passes for the practice: floor $7,481, plus one more month, $7,481, plus $35,480 (the depth the first pass reaches under zero when it opens with nothing), rounded up to $50,500. Before the reserve: offices and fit-out $14,000; setup and payer panels $6,250; pre-opening $6,750; contingency $2,500.
Page 8, costs	Fixed costs $7,204 a month, including $1,750 for the two offices and $673 of loan interest; principal $277 a month (both year 1 averages); variable share 64.3 percent, leaving a contribution margin ratio of 0.357. Lines 13 to 16 take 3.81, 57.45, 1.06 and 2 percent of sales. Lines 1 to 12 run $1,750, $350, $870, $2,064, $673, $250, $400, $247, $250, $200, $100 and $50 a month.
Page 8, break-even	Operating break-even for the practice sits near $20,191 a month. Cash break-even (fixed $7,204 plus principal $277, divided by 0.357) is about $20,967 a month: 67.6 active clients a month from sessions after the other lines' contribution, so 68, against the settled-year average of 80 (82 at the March peak).
Page 6, sales	Sessions: 82 active clients a month at $299.02 (the settled-cycle peak); the first year tracks the page 9 panel from 10 clients in January, and full run takes the 80-client settled average. Denied claims recovered later: 82 active clients a month at $11.14 (the sessions pattern two months later; counted only when the money arrives). Full-run month about $24,853, booked lines at full bookings, year-averaged (sessions 80.13 active clients a month, recovered denials 80.13 active clients a month); panel build 13, 23, 31, 47, 60, 76, 88, 95, 99 percent of the settled panel in months 1 to 9 and all of it after; no separate season list (the page 9 new-client pattern carries it).
Page 19, expected case	January billings $2,991; month 1 closes at $42,609, month 12 at $19,556. Low: month 8, closing $15,020, $7,539 over the floor.
Page 19, slow start	Billings at 70 percent of plan bring January $2,094; month 1 closes at $42,732, month 12 at $1,908. The account drops under its floor in month 9 (closing $5,925), a runway from opening of 8 months.
Page 8, coverage	On settled billings of $24,853, planning coverage, before income tax and replacements, reads 2.46 against the 1.25 the imagined lender wants; at month 12's rate it reads 2.58, and Test 3 needs the pair. Rent share is about 7.0 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

This practice example takes Gate 0 as met. Test 1 passes: the month-12 run-rate average comes to about $25,191 a month, above the $20,980 break-even at the month-12 payer mix, not the full-run mix (contribution ratio 0.357); and year 2 at that level stays above the floor (lowest balance $20,895, month 1 of year 2). (Context only: expected billings first reach cash break-even by month 7.) Test 2 fails: with every session at 70 percent of plan, the account drops under its floor in month 9; about $5,600 more opening cash would carry it. Test 3 passes on the planning formula; a lender applies its own. Test 4 passes (settled year): month 3 holds the largest panel, about 82 active clients booking 246 sessions; session hours stay booked 92 percent of the time (260 of 282; booked slots average 63.5 minutes with notes, page 7). The illustrative roster is 3 clinicians, 4.9 hours a day, 5 days a week, 46 weeks a year. Without intake calls booked before opening, Test 5 fails for want of evidence. Test 6 passes: a settled year of sessions clears about $16,638 after principal, and no settled month dips below zero, so no cushion is needed. That is the steady-state year, not the forecast year: page 19's first year loses about $30,944 in cash because the panel starts empty and insurers pay late. The example sets aside no income tax and replaces no equipment (page 19); a real plan uses its own figures. An empty opening panel means a year of filling it while insurer cash lags; a thin settled margin leaves little room for more no-shows.

PAGE 13

What moves the result

One input of the page 12 practice moves per row and the forecast reruns; Test 1, 3 or 6 is named when the row newly fails or passes it, and the slow start (Test 2) closes the rows it moves.

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Session volume 10 percent lower (variable costs fall with it)	minus $887	Expected case holds the floor
Sessions: average billings per client 5 percent higher, same volume (only sales-linked fees rise)	plus $1,116	Break-even active clients fall from 67.6 to 60.04 a month, so from 68 to 61: per-unit costs stay the same, so the ratio rises from 0.357 to 0.383 on the new sales
Fixed costs $500 lower	plus $500	Cash break-even falls to about $19,566
Episodes 4 months, not 5 (lapse 20 to 25 percent; $1,645 a month)	minus $1,645	Expected case stays above the floor; slow start below the floor in month 8 (closing $5,748); settled coverage falls to 0.73; month 12's rate drops under cash break-even; would fail Tests 1, 3 and 6
20 percent fewer new clients ($1,609 a month at full run)	minus $1,609	Expected case below the floor in month 9 (closing $7,163); slow start below the floor in month 7 (closing $6,357); settled coverage falls to 0.77; would fail Tests 1, 3 and 6
No-shows and late cancellations 15 percent of booked, not 10 ($1,332 a month), from month 1 onward	minus $447	Expected case stays above the floor; slow start below the floor in month 8 (closing $5,694)
Clinicians paid $70 a session, not $60 (line 14 up 9.58 points)	minus $2,381	Cash break-even rises to about $28,663; expected case below the floor in month 7 (closing $7,433), below zero in month 12; slow start below the floor in month 7 (closing $4,643); settled coverage falls below zero; month 12's rate drops under cash break-even; would fail Tests 1, 3 and 6
Commercial allowed amounts 10 percent lower ($1,315), from month 1 onward	minus $1,226	Expected case below the floor in month 7 (closing $7,388); slow start below the floor in month 7 (closing $4,612); settled coverage falls to 1.17; would fail Tests 1 and 3
No denied claim recovered ($893 a month), from month 1 onward	minus $821	Expected case stays above the floor; slow start below the floor in month 7 (closing $6,110)
Setup overrun of $3,000 beyond the contingency, taken from the reserve	no change	Expected case stays above the floor; slow start below the floor in month 7 (closing $7,134)
Opening 3 months late (rent, insurance, interest and principal, $3,050 a month, paid while closed; the panel starts at opening, and seasons stay on the calendar)	no change	Expected case below the floor in month 9 from the planned opening; slow start below the floor in month 9 from the planned opening, as on time; about $2,200 more opening cash holds the expected case at the floor; would fail Test 1

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Session-close and month-end checklists, weekly review, six questions

Operations checklists for running the practice, not a compliance program. Add each clinical, records, billing and privacy step your location and your own advisers call for.

AT THE CLOSE OF EACH SESSION DAY

- ☐ Confirm tomorrow's clients and offer an open slot to the waiting list.
- ☐ Mark each booked slot as attended, no-show or late cancellation.
- ☐ Book the next session before the client leaves the call or the office.
- ☐ Take the client's share at the session, by card on file where the client agreed.
- ☐ Finish notes and send the day's claims before closing.
- ☐ Record each first session with its referral source and the date booked.

MONTH END AND THE CLIENT PANEL

- ☐ Post every new client and every finished episode to the page 9 table.
- ☐ Divide clients who finished this month by clients active on the 1st.
- ☐ Set slots booked against slots held, clinician by clinician.
- ☐ List claims unpaid past 30 days by payer and assign each one an owner.
- ☐ Count denied claims, the reason given, and those reworked and paid.
- ☐ Compare no-shows and late cancellations by clinician and by weekday.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Attended sessions against slots held, by clinician				
No-shows and late cancellations, by clinician				
Claims sent, paid and denied, by payer				
New clients by referral source				
Client balances collected at the session				
Cash on hand against the floor				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Do intake calls, payer questions and schedule changes all wait for the owner, between her own sessions?
2. **Reactive operations.** Over a week, how many slots went unattended, how many claims went out late, and how many evenings ran past the last session?
3. **Growth without structure.** How many inquiries became a first session, and how many first sessions became a second?
4. **Talent and retention.** Which clinician's departure would move the most clients, and how many of them have met anyone else at the practice?
5. **Revenue plateau.** Has collected cash per attended session moved in a year, and how much of the change came from payer mix rather than fees?
6. **Systems gap.** Can you name, today, every claim unpaid past 45 days and the payer that holds it?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the scheduling system's attendance report, the page 9 client table, the claims report by payer, or the denial log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log slots held, booked and attended every day, by clinician.
Week 2	Fill the page 10 payer table with your own fees, allowed amounts and payment timing, and mark the payer that pays slowest.
Week 3	Fill the page 9 client table with every new client and every finished episode and work out the month's lapse rate.
Week 4	Enter actual closing cash on page 11 and recalculate runway. List claims unpaid past 30 days.
After month 1	Compare each clinician's attended sessions with the slots on page 7 and the pay on line 14.

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 fit-out 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 Private Practice Therapy 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 payer calculator from fee to collected cash, a client panel and episode tracker, a clinician pay comparison, and session-close 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 therapy and counseling private practices, 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. Therapy and counseling practices owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, clinical, employment, billing and payer contract 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 an AI assistant and paste the prompt below (copy-ready on the kit page). Use business figures only. Never include or paste patient records, billing or claim exports, screenshots, dates of service, names, member or account numbers, free-text notes or small groups that could identify a person. If a report you received holds patient-level detail, do not paste it; enter only the totals you need. Never paste login details.

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 session notes or claims. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) a small therapy private practice. I have attached the Private Practice Therapy Business Plan and Operations Starter Kit from businessconsultant.services. Help me make it 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 fee, allowed amount, rate, wage, 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 billings = active clients (page 9 build) x clean collectible per active client (page 10); recovered denials follow two months later. Full run, break-even and coverage take the settled-year average (page 9); the month-12 run rate repeats that year, scaled so December equals month 12's clients.
- 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 session hours go in line 14 only if they move with sessions, 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) divided by one client's monthly contribution, recovered denials included (pages 7 and 10); 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. Session hours a month = clinicians x session hours a day x working days a month; peak hours booked = booked sessions x minutes with notes / 60 at the settled panel's peak (page 9).
- Rent share = line 1 divided by net billings. 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 practice 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; report the page 5 two-pass size beside it, never as a substitute. Place each receipt in the month my payment terms say, or mark [NEED: payment timing]. Collect each payer on its own split (page 10). 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 practice 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, clinical, billing, payer contract and client privacy requirements, employment, wage or lease advice. Do not name laws, programs, 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. Never include or paste patient records, billing or claim exports, screenshots, dates of service, names, member or account numbers, free-text notes or small groups that could identify a person. If a report you received holds patient-level detail, do not paste it; enter only the totals you need. Never paste login details.
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. Services and fees, the payers I accept, offices and session hours, clients and where they come from, the clinicians on the roster with slots a week and weeks a year, and days open per week.
b. Sales build: the booked sessions a month an active client makes and the share lost to no-shows and late cancellations, the share that are intake sessions, my monthly lapse rate (1 over the average episode in months), 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 my clinicians can serve; 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 sets the sessions line's count. 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), and for each booked line (sessions, recovered denials) its bookings, and its count once fully booked, for each month 1 to 12.
c. For each session type (intake, ongoing, and slots lost to no-shows and late cancellations): its share of booked sessions, minutes with notes, my fee and the clean collectible per session from page 10, and the billing fee per session; the clinicians with session hours a day and working days a month; booked sessions a month per active client; and how I pay each clinician (per attended session, a split of collections, hourly or salary), the slots each holds, and the payroll taxes and benefits share.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (landlord quote, furniture quote, billing service quote, insurer quote or calculation) for each line on page 5, from the offices to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including rent, the salaried front office, software, insurance, 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 session hours go in line 14 only if they move with sessions, else in line 3.
f. Variable cost shares of net sales for lines 13 to 16: line 13, billing service, at the rate and on the basis my agreement sets; line 14, clinician pay per attended session above the salaried staff; line 15, card processing fees on client payments; 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. For each payer: how it pays (per session or a set amount a month), my fee and its allowed amount for intake and ongoing sessions, its share of my sessions, the share the payer pays and the share the client owes, its first-pass denial share, the share of denials I recover and how many months later, the share of client balances I write off, and the share of each month's claims it pays in that month and in each later month. For the cash forecast, blend my payers' own splits, weighted by each payer's clean collectible; never reuse the kit's printed blend.
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 payer pays (the share of a month's claims paid that month and in each later month), when clients pay their share, when denied claims are paid after rework, and when clinicians, the front office 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 practice 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 practice, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by line and month (sessions and recovered denials), with annual billings 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 claims owed by payers (last month's + billed minus paid), money not yet in the bank.
6. Session economics by type, no-shows included, clinician hours booked and utilization, billings per session hour held, 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. The payer table with clean collectible per session and per active client, the claims owed month by month, and what the waiting costs in cash: the lowest, over 24 months, of closing cash plus that month's claims owed, minus the lowest closing cash, with the second year's 12 closing balances printed (receipts keep arriving on their splits across the year end).
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 payer term or client count 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 panel, the payer terms and the no-show share, before anyone sees the plan, and recheck the page 4 result with a calculator.

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $7,481.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**50,500**	**42,609**	**35,589**	**29,582**	**24,061**	**19,884**	**16,874**	**15,277**	**15,020**	**15,677**	**16,803**	**18,163**
In: sales receipts	1,577	4,035	6,330	9,427	12,863	16,503	19,894	22,425	23,894	24,606	24,832	24,860
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: billing, card fees and allowance (lines 13, 15, 16)	204	367	507	782	1,002	1,267	1,479	1,611	1,676	1,706	1,707	1,707
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	4,717	6,141	7,283	9,619	11,491	13,699	15,465	16,524	17,014	17,227	17,218	17,213
Out: rent (line 1)	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Out: other costs, with loan interest (lines 2, 5 to 12)	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520
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	277	277	277	277	277	277	277	277	277	277	277	277
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(7,891)**	**(7,020)**	**(6,007)**	**(5,521)**	**(4,177)**	**(3,010)**	**(1,597)**	**(257)**	**657**	**1,126**	**1,360**	**1,393**
Closing cash, expected	**42,609**	**35,589**	**29,582**	**24,061**	**19,884**	**16,874**	**15,277**	**15,020**	**15,677**	**16,803**	**18,163**	**19,556**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**50,500**	**42,732**	**35,574**	**29,125**	**23,015**	**17,847**	**13,496**	**10,134**	**7,709**	**5,925**	**4,469**	**3,177**
Sales receipts, slow start	1,104	2,825	4,431	6,599	9,004	11,552	13,926	15,697	16,726	17,224	17,382	17,402
Out: variable costs, slow start (lines 13 to 16)	1,391	2,502	3,399	5,228	6,691	8,422	9,807	10,641	11,029	11,199	11,193	11,190
Out: fixed costs (lines 1 to 12), principal, bills, less funding	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481
Net cash flow, slow start	**(7,768)**	**(7,158)**	**(6,449)**	**(6,110)**	**(5,168)**	**(4,351)**	**(3,362)**	**(2,425)**	**(1,784)**	**(1,456)**	**(1,292)**	**(1,269)**
Closing cash, slow start	**42,732**	**35,574**	**29,125**	**23,015**	**17,847**	**13,496**	**10,134**	**7,709**	**5,925**	**4,469**	**3,177**	**1,908**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**1,395**	**1,484**	**1,575**	**1,548**	**1,526**	**1,398**	**1,295**	**1,203**	**1,229**	**1,351**	**1,359**	**1,274**

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 $25,191 a month, against month 12's own $24,854): closing cash runs $20,895 in month 1 and $37,556 in month 12, lowest $20,895 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.