Pet Supply Store Business Plan and Operations Starter Kit

A working kit for independent pet supply store owners. It prices three departments by the item, builds the open-to-buy that keeps the shelf stocked without eating the holiday cash, counts shrink at cost, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

PET SUPPLY STORES
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PAGE 2

Start here

A pet supply store can show a decent blend and still lose money on the shelf that pays the bills. Food is 60 percent of sales at a thin margin; the hard goods carry the margin and the rent. This kit makes you write the department prices, the buying budget and the count down, then tests whether the cash holds through a year that peaks in December.

WHAT IS INSIDE

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HOW TO USE IT

1. Build sales by department on page 6 and the store's costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Fixture quotes, lease terms and the stock you can afford change before opening, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists daily and the weekly review each week. Run the buying budget on page 9 before the order goes in, and count the stock on page 10 at the interval you set.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the pet supply store questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **Investigation questions** on page 14 come from the same published questions, drafted by AI models and checked by a separate AI model. The founder-dependency question is a World Consulting Group working question added to them. Not one of these came out of field measurement, so each stays a hypothesis.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, animal care or financial advice. Lease terms, insurance, signage, product handling and animal care vary by location; each area is a compliance and registration review with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

The lender's first question is whether the store can fund the holiday buy before the holiday sales land. Answer each prompt in plain sentences on separate sheets, and keep the arithmetic from the pages that follow.

1. Executive summary (draft it last)

Cover the concept, the site, the departments and the money required, from the fit-out through the opening stock. Then name the month the page 6 forecast first reaches cash break-even (page 8), and give the page 4 result.

2. Concept, customer and trade

Who walks in on a Saturday for a bag of food, and who comes back on a Tuesday for litter, a filter or a tank? Separate the weekly food buyer from the household setting up a new pet. Your till records will say which one pays the rent and how much of the basket is an attachment sale.

3. Site, departments and hours

Write down the unit, the stockroom, the aquatics wall and the parking, then the departments you intend to carry and how much shelf each one takes. Be explicit about which department covers the rent and which one draws people in on a weekday. List every charge the lease adds on top of base rent.

4. Departments and pricing

Take the core items in each department from invoices and shelf tags rather than from a distributor's price list, and put the cost beside the retail price for each. Test the margin the department has to hold and the turns it has to earn, since a shelf can look well priced and still lose money at the count. See what a 4 percent move on price does to break-even on page 13.

DEPARTMENT	ITEM COST	RETAIL PRICE	ITEM COST AS % OF PRICE

> *Owner question: Food is 60 percent of my sales at a 33 percent margin, and the customer can price it on a phone in ten seconds. What is the store selling that they cannot price that way, and what does it earn per square foot?*
>
> The attachment sale: the treat, the litter, the tank, the filter. The food line brings the customer back and the hard goods pay for the shelf. If the treats and supplies department is not covering what the food line gives away, the plan is a food warehouse with a lease. The buying budget on page 9 is the control on assortment, and page 13 tests a chain taking part of the food line.

PAGE 4

Business plan, part two

5. Operations

Describe how stock moves from the distributor's truck to the shelf, covering receiving, pricing, the shelf location, the special-order desk and the aquatics wall. Name the step that slows the busiest Saturday, and who checks each step when you are not in the store.

6. Team

List every role, the hours it covers and the pay it costs, including a market wage for your own hours. Name the person who can open without you; the first question on page 14 checks that dependency.

7. Marketing

Explain why a household picks your counter over the chain twenty minutes away, and what brings a food buyer back for the attachment. Track repeat tickets, special orders and loyalty sign-ups in records you own.

8. Financials and funding

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

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

TEST	PASS?
Gate 0. The draft lease, the fit-out and fixture quotes and every approval the store needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, total sales reach cash break-even at the month-12 run rate (page 8) and closing cash stays at or above your cash floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The plan's item counts in its busiest month fit the stock and the buying budget on page 9, and planned items a month reach break-even on page 8.	
5. Expected item counts rest on evidence (a count of cars at the site with a capture rate from comparable stores, or your own records from a prior store), not on the size of the trade area.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

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

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the contractor, the fixture dealer or the landlord, or a documented calculation for the opening stock. Store budgets break on the racking nobody quoted, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
SPACE AND EQUIPMENT				
Leasehold improvements and lighting				
Shelving, gondolas, the aquatics rack system and counters				
Refrigeration, freezer and aquarium pumps				
Point of sale, scanners and e-commerce setup				
Smallwares, tanks and display				
Signage				
SETUP AND CONNECTIONS				
Compliance and registration review, and utility connections				
Lease deposit and pre-opening rent				
Insurance down payment				
Business entity and accounting setup				
PRE-OPENING				
Opening inventory at cost				
Training and pre-opening payroll				
Soft opening				
Launch marketing				
Professional fees				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

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

PAGE 6

Sales forecast builder

Every other number depends on sales, so build sales by department from items and prices, not from the rent you need to cover. Count items by department from your own till records or from a comparable store; a department's average item price is its sales divided by its items, not the price of one bag on the shelf. The average item is not the average basket: a food department averaging $24 an item sits inside baskets of three to six items.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE ITEM	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Pet food (dry, canned and frozen)	items				
Treats, toys and supplies	items				
Aquatics, small pets and hardware	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 = full-run department sales times ramp times season. Use 100 percent where a factor does not apply. Ramp, season and items a month are your assumptions; write down the evidence for each, and treat the December peak as a season for hard goods rather than a food baseline.

CAPACITY CHECK

```
Monthly capacity = the stock the shelf, the stockroom and the aquatics wall hold, turned at your planned annual turns and divided by 12, converted to items at each department's average cost; the buying budget on page 9 is the cash version of the same limit
```

A pet supply store is limited by shelf space and the cash behind the stock before it is limited by the crew. Treat capacity as stock dollars and shelf space rather than as an hours limit. Three thousand square feet carries a few thousand items across the shelf, the stockroom and the aquatics wall, and the wall holds only the tanks the rack has room for. The plan carries three departments and one buying budget, and the buying budget you can fund is what decides how deep the shelf runs. Write the items each department can hold, the turns you plan and the order you can pay for.

PAGE 7

Departments, price and what each shelf keeps

Three departments, three jobs, and one blended cost line that hides the difference. The food aisle brings the customer back week after week, the treats and toy wall turns a food trip into a bigger basket, and the aquatics and small-pet wall brings the enthusiast back for consumables and equipment. Price each shelf from what that department actually paid for the item, delivered, and from the margin its job can carry. What lands on line 13 is the result of those three decisions, not a rate you pick and then apply.

```
A department's margin = (retail price less item cost) divided by retail price
Markup = the same gap divided by item cost, and it always reads bigger than margin; a price set from
markup keeps less than the label suggests
What the store keeps = all department sales less all department cost of goods, over all department
sales; line 13 blends the departments by their sales
```

WORKED EXAMPLE: FOOD, TREATS AND THE AQUATICS WALL (ILLUSTRATIVE)

DEPARTMENT	SOLD IN A MONTH	PRICE ON THE SHELF	LANDED COST	KEPT PER ITEM	MARGIN	MARKUP	SHARE OF SALES
Pet food (dry, canned and frozen)	2,815	$24.00	$16.08	$7.92	33.0%	49.3%	60%
Treats, toys and supplies	1,900	$16.00	$8.32	$7.68	48.0%	92.3%	27%
Aquatics, small pets and hardware	457	$32.00	$16.64	$15.36	48.0%	92.3%	13%

The example lands 1.0 points below the 40.0 percent margin it sets for itself, a shortfall of about $1,127 a month at this sales level. Treats, toys and supplies carries the strongest margin rate (48.0 percent) and Pet food (dry, canned and frozen) the weakest (33.0 percent). The largest share of sales is Pet food (dry, canned and frozen), at 60 percent. Blended, the example runs at a 39.0 percent gross margin and a 63.9 percent markup. These departments set the sales lines and the cost-of-goods share in the page 12 worked example; the buying budget on page 9 and the shrink count on page 10 use the same three. Group the shelves the way your distributor invoices them, because the count, the buying budget and every later price change follow the same groups. Freight, receiving and any landed adjustment belong inside the item cost, so the figure under the price is what the shelf really paid. Judge a shelf by the dollars it leaves per foot of run and per dollar of stock it ties up. A fast department survives a narrow margin because it turns, and a slow one cannot. Expect the premium departments to price against what a specialist buyer will pay rather than against a chain tag, then test that expectation with a week of your own sales. Whichever department carries the largest share of sales carries the blend, so fix the food margin first and let the other two follow.

SET YOUR OWN THREE DEPARTMENTS

DEPARTMENT	SOLD IN A MONTH	PRICE ON THE SHELF	LANDED COST	KEPT PER ITEM	MARGIN	MARKUP	SHARE OF SALES

Price from the invoice, not from the chain's shelf tag, and let each department's margin follow the job that department does. A fast shelf survives a narrow margin because it turns; the aquatics wall turns slowly and has to earn its rent on the margin and on the floor space it occupies. Re-price when a landed cost moves, not when a competitor does.

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Rent and common area charges, 3,000 square feet	
2. Property, liability and inventory insurance	
3. Salaried manager and the minimum opening crew, with payroll taxes and benefits	
4. Owner's market wage for management and buying time (hours on the floor go in line 3 or 14)	
5. Loan interest (fit-out, fixtures and refrigeration loan)	
6. Utilities and internet	
7. Marketing, loyalty platform and local advertising	
8. Point of sale, e-commerce and software subscriptions	
9. Accounting, bookkeeping and payroll service	
10. Repairs and maintenance, refrigeration and aquatics	
11. Waste, pest control and other services	
12. Bank fees, subscriptions and renewals	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Cost of goods sold, blended across the three departments (set by the department costs)	
14. Extra store labor at peak hours, above the minimum opening crew, with payroll taxes	
15. Card and processing fees	
16. Shrink at cost (set by the stock counts)	
17. Loyalty rewards and local promotions	
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 items a month = (monthly fixed costs, principal and other recurring cash out minus the
monthly contribution from the smaller departments at planned full-run sales and own contribution ratios,
each department's line-13 share plus its share of lines 14 to 17) divided by the contribution from one
average item in the food department
Month-12 run rate = average monthly sales over a year at month 12's ramp, with the seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

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

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

PAGE 9

How much stock the month can carry

Inventory is the largest asset a pet supply store owns and the easiest one to over-buy. The buying budget answers one question, which is how much cash can go into stock this month without taking food off next month's invoice. Every case on the shelf competes for that single figure, so it has to be set before the order is written rather than reconciled after the truck arrives.

```
Average stock at cost = annual cost of goods divided by the number of turns you plan
Open-to-buy = the month's cost of goods, plus the stock you want to hold, less what is on the shelf, less what is already inbound
Stock crosses the lead time before it reaches the shelf, and the invoice falls due after that, which puts the cash outflow 40 days after the order is placed; the forecast on page 19 pays invoices in the sale month, so enter your own lead and terms in the page 11 inputs
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WORKED EXAMPLE: A MONTH OF COST OF GOODS BY DEPARTMENT (ILLUSTRATIVE)

DEPARTMENT	SALES IN A MONTH	PART OF SALES	COST OF GOODS IN A MONTH	PART OF COST
Pet food (dry, canned and frozen)	$67,560	60%	$45,265	66%
Treats, toys and supplies	$30,400	27%	$15,808	23%
Aquatics, small pets and hardware	$14,624	13%	$7,604	11%

The sales column repeats page 7 worked example, and each cost column is that department's units times its own unit cost.

THE FIGURE THE ORDER HAS TO FIT

LINE	DOLLARS AT COST
Cost of goods for the month, at cost	$68,678
Stock the month should hold, at cost (a year of cost of goods over 6.5 turns)	$126,790
Stock on hand when the month opens, at cost	$126,800
Inbound this month, already ordered, at cost	$15,000
Free to buy with this month, at cost	$53,667

That is a buying budget of $53,667 this month, which restocks the month's sales and lifts the stock toward target after allowing for what is already shelved and what is inbound. The store carries 1.8 months of cost tied up in stock on the opening day ($126,800 against $68,678 of monthly cost of goods), plans 6.5 turns a year, while an order placed today is settled 40 days later, because the lead time is ten days and the terms run thirty days past that. The goods and the payment never move together, and that gap is what the budget has to carry. Buying stock is a cash decision as much as a shelf decision. Distributor terms set the rhythm. An order written today lands in ten days and is paid thirty days after it lands, so the money stays out of the bank for forty days and the store carries the stock across that whole gap. Faster turns shorten the wait, and slower turns mean the same sales need more cash behind them. Take the turns from your own counts and your own invoices rather than from a trade figure, and re-run the arithmetic whenever a season, a promotion or a new brand changes the mix. The stockroom and the aquatics racks are stock as well, because a case in the back is a case you have already paid for.

WORK OUT YOUR OWN FIGURE

LINE	DOLLARS AT COST
Cost of goods for the month, at cost	
Stock the month should hold, at cost	
Stock on hand when the month opens, at cost	
Inbound this month, already ordered	
Free to buy with this month, at cost	

Write the order to the month's sales and the stock you want to hold, never to a distributor's truck minimum or a deal that expires on Friday. A saving on food that passes its date before it sells is a loss with a discount attached.

PAGE 10

Counting the loss between the book and the shelf

Some stock leaves a store without a sale, and a count is the only instrument that finds it. The loss is measured at cost, as the gap between what the records say should be on hand and what is physically there. It opens at the receiving door, in the stockroom, on the aquatics racks and at the register. Count in a fixed rhythm, by department, with the same two people and the same procedure, and record the result before anyone touches the records.

```
Shrink = the at-cost value the records carry less the at-cost value the count finds
Rate on book = that gap over the book value; annualize by multiplying the count-period rate by 12 and
dividing by the months since the last count
Line 16 carries the annualized gap at cost, shown as a percentage of annual sales
```

WORKED EXAMPLE: COUNTING THREE DEPARTMENTS (ILLUSTRATIVE)

DEPARTMENT	RECORDS AT COST	FOUND AT COST	MISSING AT COST	SHARE OF BOOK	ANNUALIZED ON BOOK
Pet food	$83,566	$79,866	$3,700	4.4%	17.7%
Treats and supplies	$29,187	$27,287	$1,900	6.5%	26.0%
Aquatics and small pets	$14,036	$12,881	$1,155	8.2%	32.9%
Total	$126,789	$120,034	$6,755	5.3%	21.3%

A count 3 months after the last one shows $6,755 missing at cost, a 5.3 percent rate on book, or 21.3 percent a year. That is $27,020 of stock a year at cost, which sets line 16 at 2.0 percent of sales in the page 12 worked example. Count at short enough intervals that a shortage is still findable: a count every 3 months cannot tell you which week the stock left, only that it did. Line 16 turns the count into a monthly cost by annualizing the shortfall as a share of sales, so one figure reaches both the cash forecast and the shelf. A quarterly count leaves the rate a season stale, and a monthly one costs more in labor than the loss it catches, so most stores settle on a rhythm and hold to it. Livestock loss belongs here rather than in margin. An animal that dies before it sells never becomes a cost of goods, and the aquatics and small-pet department therefore needs its own rate. A markdown is a decision and a shortage is a loss, so keep them on separate lines and let neither hide the other. Two people sign the sheet, one counts and one records, and nobody in the room edits the book.

YOUR OWN THREE COUNTS

DEPARTMENT	RECORDS AT COST	FOUND AT COST	MISSING AT COST	SHARE OF BOOK	ANNUALIZED ON BOOK

Two people, doors locked, one department at a time, and the gap goes on paper before anyone opens the records. Loss leaves through the receiving door, the stockroom, the aquatics racks and the register long before it leaves through a shoplifter, and a count written only to catch theft will miss most of what it looks for.

PAGE 11

Twelve-month cash forecast

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

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

Month 1 opening cash is cash on opening day after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Counter sales settle when the customer pays, by card or in cash, and card batches settle one to two business days later; in this example every sale pays in the month it is rung, so enter each month's receipts in the month the money lands and enter distributor invoices on the terms you actually get. A special order taken with a deposit is still a sale in the month the customer collects it. 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 a store that opens into the spring

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Runway = the months the store can keep paying, counted from the latest closed month (or from opening day
while still shut), up to but not including the first month closing cash drops under the floor
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Worked example: a hypothetical single pet supply store

Illustrative figures, not benchmarks. Open seven days a week, about 30.3 days a month, 3,000 square feet; opens in March. Cash floor $31,931. Counter receipts clear in the sale month; fixed costs leave as shown; goods are paid in the month they are sold, so enter your own distributor terms on page 11. The owner draws a wage and no outside money arrives.

Page 5, budget	Startup spending adds up to $418,540, financed by a $195,000 loan (10.5 percent over 10 years) and $223,540 of owner money, including a $115,600 working capital the plan never spends on opening day. Two passes set the reserve: floor $31,931, plus a one-month buffer of $31,931, plus $51,693 (how far a first pass with an empty till goes under zero), rounded up to $115,600.
Page 8, costs	The fixed lines take $30,960 a month, including $7,800 for rent and $1,660 of loan interest; principal $971 a month (both averaged across the first year); variable share 69.7 percent, which gives a contribution margin ratio of 0.303. Lines 13 to 17 take 61.0, 2.5, 2.7, 2 and 1.5 percent of sales (line 13 blended across the sales lines). Cost lines 1 to 12 come to $7,800, $600, $13,100, $4,500, $1,660, $900, $800, $350, $400, $400, $250 and $200 a month.
Page 8, break-even	Operating break-even sits around $102,183 a month. Cash break-even (fixed $30,960 plus principal $971, divided by 0.303) is about $105,387 a month: 2,441.1 items a month from pet food (dry, canned and frozen) after what the two smaller departments bring in (line 13 runs 67.0 percent on pet food (dry, canned and frozen), 52 on treats, toys and supplies and 52 on aquatics, small pets and hardware; lines 14 to 17 come off every line at a single rate, which makes the contribution ratio 0.243 on pet food, 0.393 on treats, toys and supplies, 0.393 on aquatics, small pets and hardware), so 2,442, against the 2,815 the plan assumes.
Page 6, sales	Pet food (dry, canned and frozen): 2,815 items a month at $24. Treats, toys and supplies: 1,900 items a month at $16. Aquatics, small pets and hardware: 457 items a month at $32. A full-run month near $112,584; department sales ramp 50, 60, 68, 75, 80, 85, 89, 92, 95, 97, 99 percent in months 1 to 11, then 100 percent; the season runs 100, 102, 104, 102, 100, 98, 96, 98, 102, 110, 92, 94 percent through the twelve months, applied to each department's regular sales.
Page 19, expected case	Month 1 sales $56,292; month 1 ends at $100,725, month 12 at $68,767. The lowest month is 8, closing $63,907, $31,976 over the floor.
Page 19, slow start	At 70 percent of expected sales, month 1 sales $39,404; month 1 ends at $95,608, month 12 at minus $32,135. The store drops under the floor in month 6 (closing $24,712) and below zero in month 9 (closing minus $6,013), so runway from opening is 5 months.
Page 8, coverage	On a full-run month of $112,584, the plan covers its debt service, before income tax set-aside and before equipment replacement, at 1.83 against the 1.25 the example lender requires; at the month-12 run rate it is 1.81, and Test 3 needs both. Rent share is about 6.9 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is treated as met for the example. Test 1 clears: the month-12 run rate is about $112,396 a month, above the $105,387 break-even; the floor still holds in year two at that pace (lowest closing cash $70,948, month 1 of year 2). (Context, not part of the test: expected sales first reach cash break-even in month 9.) Test 2 fails: in the slow start the store drops under the floor in month 6; about $64,100 extra reserve would shut the gap. Test 3 clears on the planning arithmetic, measured by the lender's own definition. Test 4 passes; the peak month (season 110 percent) fits the buy and the shelf. Test 5 fails: nothing backs the planned item counts, and a test without evidence fails; bring the count and score again. Test 6 passes: a full year at full run leaves about $25,484 after principal, though the cash flow goes below zero in month 11; carry a cushion through the January reset of at least $548, the biggest drop in running cash (from its month 10 high to its month 11 low), which the page 5 buffer covers. That describes the steady-state year, not the ramp year; the page 19 first year loses about $46,833 in cash, since the ramp and the first trading months arrive before the profit. The example leaves out the income tax set-aside, equipment replacement and stock build-up (page 19); score a real plan with its own. The holiday buy is paid before the holiday sales, then January tests the reserve.

PAGE 13

What moves the result

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

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $3,411	Expected case holds the floor; full-run coverage falls to 0.53; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Pet food (dry, canned and frozen): average item 4 percent higher, same volume (only sales-linked fees rise)	plus $2,629	Break-even items fall from 2,441.1 to 2,104.1 a month, so from 2,442 to 2,105: per-unit costs stay the same, so the ratio rises from 0.303 to 0.319 on the new sales (sales-linked fees, line 15, take 2.7 percent of each added dollar)
The fixed lines take $600 lower	plus $600	Cash break-even falls to about $103,407
A chain opens two miles away and takes 20 percent of the food volume, $13,512 a month of sales, from month 6 onward	minus $3,283	Expected case still clears the floor; slow-start deadline unchanged (month 6); full-run coverage falls to 0.58; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Distributor prices rise and add 3 points to line 13, retail prices held	minus $3,378	Cash break-even rises to about $116,969; expected case still clears the floor; the slow start breaks below the floor in month 5 (closing $28,752); full-run coverage falls to 0.55; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Shrink runs at 3.0 percent of sales instead of 2.0 percent, one point on the blended variable share	minus $1,126	Cash break-even rises to about $108,984; expected case still clears the floor; slow-start deadline unchanged (month 6)
Food prices cut 8 percent with cost held, sales held at plan: 3.5 points on the blended variable share	minus $3,936	Cash break-even rises to about $119,134; expected case below the floor in month 12 (closing $29,959); the slow start breaks below the floor in month 5 (closing $27,429); full-run coverage falls to 0.33; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Fit-out overrun of $12,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; the slow start breaks below the floor in month 5 (closing $24,753)
Opening 2 months late (rent, insurance, loan interest and principal, $11,031 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 $42,126 in month 12 from the planned opening, $21,781 lower than on time; the slow start breaks below the floor in month 6 from the planned opening, as on time

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Opening and closing checklists, weekly review, six questions

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

WEEKLY NUMBERS CHECK

MEASURE	TARGET	THIS WEEK	LAST WEEK	DISTANCE FROM TARGET
Department net sales, and sales per hour of labor				
Items a day and the average price of an item, with food listed apart from hard goods				
Margin by department, against the page 7 target				
How much of the open-to-buy the month has used, against page 9				
Stock on hand at cost, and the turns that figure implies				
Markdowns, damages, credits and livestock losses				
Special orders placed and special orders picked up				

SIX QUESTIONS WORTH ANSWERING

1. **Founder dependency.** Does the owner write nearly every order, approve every new brand and hold the only relationship with the distributors?
2. **Assortment creep.** Has a new brand or a distributor deal added items the shelf cannot carry, while the slow sellers stay on it at full price?
3. **Shrink and markdown.** Are losses at cost and deliberate price cuts recorded in the same place, so nobody can tell a count shortage from a decision?
4. **Stockouts on the fast line.** Does the food the customer comes back for run out while a special order sits unsold in the stockroom?
5. **Food price match.** Is the food line priced to match the chain without measuring the attachment sale that has to pay for it?
6. **Livestock.** Does the aquatics count include the tanks, the feed and the animals, or does mortality appear only as a gap at the year end?

Questions and their sources are described on page 2. Check each one against a record: the sales report by department, the receiving log, the markdown and damage sheet, the open-to-buy worksheet, or the count sheets.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record sales by department with food and hard goods apart. Write the lease, insurance and distributor payment dates in one place, and set the count interval on page 10.
Week 2	Recheck each department's average item price from the first two weeks of sales, and cost the ten items that carry the most sales. Time a receiving day from the truck to the shelf.
Week 3	Fill the page 9 open-to-buy from the first month's stock and orders, and compare it with the order you actually placed.
Week 4	Enter the actual closing cash on page 11 and recalculate runway. Write the decisions an assistant manager may make without calling you.
After month 1	Keep the buying budget monthly, and compare the count rate on page 10 with the rate the plan carries. Set the order points that keep the food aisle and the aquatics wall stocked without a rush order.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

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

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

WHAT THE FULL KIT ADDS

The full Pet Supply Store Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a department sales and margin model, an open-to-buy and inventory planner, an item costing worksheet, receiving and count procedures, seasonal buy templates and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. etailpet.io, pet retail inventory turnover: the turns band and the consumables and durables split, etailpet.io. 1851 Franchise, Pet Supplies Plus franchise deep dive (August 2026): annual gross margin by store age, average unit volume and inventory, 1851franchise.com. Shopify retail shrink guide, citing the National Retail Security Survey: the all-retail shrink benchmark, shopify.com. Cushman & Wakefield, US Shopping Center MarketBeat, Q3 2026: the asking rent line, assets.cushmanwakefield.com. O*NET OnLine, retail supervisors and retail salespersons: the wages, onetonline.org. Square, card processing fees: the card line, squareup.com. FRED, bank prime loan rate (2026-10-27): the loan rate band, fred.stlouisfed.org. All accessed 2026-11-05.
World Consulting Group material. Pet supply stores owner questions, businessconsultant.services, 2026.

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

PAGE 16

Customize this kit with AI

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

BEFORE YOU RELY ON THE ANSWER

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

I am opening (or running) a pet supply store. I have attached the Pet Supply Store Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my site, my departments and my buying budget, using only my real numbers.

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

PAGE 17

The prompt, continued

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

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

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Concept, customer and pet mix, site and square footage, departments and the shelf each takes, and whether I sell livestock.
b. The sales build: for each department, the items a month and the average item price, days open per week and opening hours; a ramp percentage for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (a count of cars at the site with a capture rate from comparable stores, or my own records from a prior store).
c. For each merchandise department: units sold a month at full run, the average retail price a unit, and the average unit cost at cost, plus the gross margin the department has to hold.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. The startup budget: an amount and its source (contractor, fixture or equipment quote, or calculation) for each line on page 5, from the fit-out to the contingency.
e. Monthly fixed costs for each numbered line on page 8, from rent and common area charges (line 1) to bank fees and renewals (line 12), including loan interest and my market wage for management time (line 4; my hours on the floor go in line 3 (the minimum opening crew) or 14 at a crew wage), whether I draw that wage in cash, and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month.
f. Variable cost shares of net sales for lines 13 to 17: line 13, cost of goods sold, blended across the three departments (set by the department costs); line 14, extra store labor at peak hours, above the minimum opening crew, with payroll taxes; line 15, card and processing fees; line 16, shrink at cost (set by the stock counts); line 17, loyalty rewards and local promotions; and any sales line whose own shares differ, given for that line.
g. My annual inventory turns (annual cost of goods sold divided by average stock at cost), stock on hand at cost on the first day of the plan month, stock already on order and arriving this month at cost, the supplier lead time in days, and the supplier payment terms in days.
h. For each department: book stock at cost and counted stock at cost at my last physical count, and one store-level figure for the number of months since the previous count.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

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

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

WHEN THE ANSWER COMES BACK

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

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $31,931.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**115,600**	**100,725**	**89,670**	**81,863**	**76,027**	**71,385**	**67,869**	**65,083**	**63,907**	**65,030**	**69,496**	**68,633**
In: sales receipts	56,292	68,901	79,619	86,127	90,067	93,782	96,192	101,506	109,094	120,127	102,542	105,829
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: goods, card fees, shrink and promotions (lines 13, 15 to 17)	37,829	46,302	53,505	57,879	60,526	63,022	64,642	68,213	73,313	80,727	68,910	71,118
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	19,007	19,323	19,590	19,753	19,852	19,945	20,005	20,138	20,327	20,603	20,164	20,246
Out: rent and common area charges (line 1)	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800
Out: other costs, with loan interest (lines 2, 5 to 12)	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560
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	971	971	971	971	971	971	971	971	971	971	971	971
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(14,875)**	**(11,055)**	**(7,807)**	**(5,836)**	**(4,642)**	**(3,516)**	**(2,786)**	**(1,176)**	**1,123**	**4,466**	**(863)**	**134**
Closing cash, expected	**100,725**	**89,670**	**81,863**	**76,027**	**71,385**	**67,869**	**65,083**	**63,907**	**65,030**	**69,496**	**68,633**	**68,767**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**115,600**	**95,608**	**78,290**	**63,246**	**49,582**	**36,753**	**24,712**	**13,183**	**2,780**	**(6,013)**	**(12,466)**	**(22,649)**
Sales receipts, slow start	39,404	48,231	55,734	60,289	63,047	65,648	67,334	71,054	76,366	84,089	71,779	74,080
Out: variable costs, slow start (lines 13 to 17)	27,465	33,618	38,847	42,022	43,945	45,758	46,932	49,526	53,228	58,611	50,031	51,635
Out: fixed costs (lines 1 to 12), principal, bills, less funding	31,931	31,931	31,931	31,931	31,931	31,931	31,931	31,931	31,931	31,931	31,931	31,931
Net cash flow, slow start	**(19,992)**	**(17,318)**	**(15,044)**	**(13,664)**	**(12,829)**	**(12,041)**	**(11,529)**	**(10,403)**	**(8,793)**	**(6,453)**	**(10,183)**	**(9,486)**
Closing cash, slow start	**95,608**	**78,290**	**63,246**	**49,582**	**36,753**	**24,712**	**13,183**	**2,780**	**(6,013)**	**(12,466)**	**(22,649)**	**(32,135)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**2,180**	**2,863**	**3,545**	**2,863**	**2,180**	**1,498**	**816**	**1,498**	**2,863**	**5,592**	**(548)**	**134**

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. 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 $112,396 a month, against month 12's own $105,829): closing cash runs $70,948 in month 1 and $94,251 in month 12, lowest $70,948 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.