QSR Franchise Business Plan and Operations Starter Kit

A working kit for quick-service franchise operators. It builds sales by channel, prices royalty, fund and franchisor fees as cost lines, compares the unit with an independent, tracks prime cost weekly, and scores the plan on six pass-or-fail tests.

QUICK-SERVICE FRANCHISE UNITS
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PAGE 2

Start here

A franchise unit can fail on paper before the first car reaches the window. The plan repeats the brand story but never prices the royalty, the fund or the dollar the unit keeps. This kit makes you write those numbers down and tests them before a lender asks.

WHAT IS INSIDE

3	Business plan, part one: brand and guest, site and channels, menu and pricing
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19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Start with the unit's sales on page 6, then load the costs, franchise fees included, on pages 5 and 8. Run page 11 next and score the plan on page 4. Write pages 3 and 4 at the end.
2. Work in pencil. Build-out estimates, rent terms and the crew you can staff move before opening; every worksheet wants your figures.
3. Once you open, run the page 14 checklists daily and the review weekly. Recheck fees monthly on page 7 and count prime cost weekly on page 9.

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 QSR franchise unit 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. None was measured in the field, so treat each as a hypothesis.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, food-safety, franchise or financial advice. Franchise terms, licensing, permits, local requirements, employment and lease terms vary by brand, city and county. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender reading a franchise plan may examine whether the unit earns enough, after royalty and fund shares, to pay rent, crew and the loan before the cash runs out. Answer here in short sentences and write the full sections on separate sheets.

1. Executive summary (write it last)

Name the brand, the site, the money the unit needs and what it pays for, from the initial fee to the kitchen package. Close with the month the page 6 forecast crosses cash break-even from page 8, and the page 4 result.

2. Brand and guest

Say why a guest picks this brand over the next exit, and which part of that choice your unit earns. Speed, accuracy and a clean lobby belong to you, not the sign.

3. Site, channels and hours

Describe the site, the traffic you counted past it, the drive-thru lane, seats and required hours. Split sales by channel and note what the lease charges beyond base rent.

4. Menu and pricing

List the core items with a plate cost built by the page 10 method at your own supplier prices. Who sets the menu, promotions and everyday prices varies by system and agreement, so record what your written terms leave to the unit: your levers are mix, upsell, waste and, only where your written terms permit it, price.

ITEM	PLATE COST	PRICE	PLATE COST AS % OF PRICE

> *Owner question: which decisions does the franchisor actually leave us, and when does the operator become a tenant of the brand?*
> List the decisions the unit owns and the profit each moves. Crew scheduling, waste and upsell may sit with you; menu, recipes and promotions sit with the brand, which may also set remodel timing and approve local marketing. When brand mandates absorb what your decisions earn, you are a tenant. Check what the franchisor may require with a qualified professional.

PAGE 4

Business plan, part two

5. Operations

Describe how an order moves from the speaker, counter or app to the hand-out window: prep, holding, screens and closing. Name the station that slows the peak and who watches the timer when you are away.

6. Team

List every role, its hours and its cost, a market wage for your own hours included. Name the shift lead who can run a rush alone. The first question on page 14 checks how long new crew members stay.

7. Marketing

Explain what the brand fund pays for and what the unit must earn locally: catering, nearby offices and app offers. Track repeat orders in records the unit owns.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below. State the investment, each source of money, and how long cash lasts on a slow ramp.

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

TEST	PASS?
Gate 0. Draft terms from the franchisor, the landlord and the lender, every quote, and the requirements of every approval the unit needs are in writing and reviewed by a qualified professional where needed.	
1. In the expected case, monthly sales reach cash break-even at the month-12 run rate (page 8), which already counts royalty and fund, and closing cash holds at or above 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. Orders asked of the slowest station in the peak hour of the busiest month fit its capacity (page 6), and planned drive-thru, counter and app orders per day reach break-even orders per day (page 8).	
5. Expected orders per day rest on evidence (traffic counted at the site with a capture rate from comparable units, sales from owners of open units, or your own history), not on the brand's reach.	
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 with the franchisor, sign with the landlord 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

Write the estimate first, then its source: the franchisor's estimate checked against contractor and dealer quotes, or a documented calculation. Brand-required items nobody priced can break unit budgets, so explain any blank line.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
SPACE AND EQUIPMENT				
Brand-standard build-out and leasehold improvements				
Kitchen equipment package (fryers, grills, holding, and any hood, walk-in or plumbing the site lacks)				
Drive-thru lane, menu boards and order system				
Seating, decor package and fixtures				
Point of sale, kiosks and required technology				
Signage and smallwares				
FRANCHISE FEE AND SETUP				
Initial franchise fee				
Lease deposit and pre-opening rent				
Insurance down payment				
Business entity and accounting setup				
Licenses, permits and inspections				
PRE-OPENING				
Opening food and packaging inventory				
Franchisor training, travel and pre-opening payroll				
Crew hiring and training shifts				
Grand opening 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), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the build-out runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build sales by channel from orders and tickets, not from the rent and royalty you must cover. Count drive-thru, counter and app orders first from traffic you counted at the site; catering ramps as accounts sign.

```
Monthly sales for a line = units times average ticket 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 TICKET	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Drive-thru, counter and app orders	orders				
Delivery-platform orders	orders				
Catering orders	orders				

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												

Each month's expected sales = full-run sales of every channel, catering accounts included, times ramp times season. Enter 100 percent where a factor does not apply. Ramp, season and daily orders are your assumptions; record the evidence behind each.

CAPACITY CHECK

```
Daily order capacity = for each staffing period, orders per hour at the slowest station (for example the drive-thru window or the fryer) with that crew times the hours in that period, added up, an estimated ceiling to plan below, with the peak hour checked separately
```

Time your slowest station on a real rush with the crew you plan, not from the equipment sheet, and write the orders it clears in an hour, the orders your plan sends it in the peak hour, and your opening hours. A day can have room while the lunch hour does not. If the plan needs more orders than this, change the plan, whatever the brand projects.

PAGE 7

Franchise fees as cost lines

Royalty and fund are figured on their stated sales base, whatever is left for rent or crew. Price its fees as cost lines, then ask what sales the brand must add to earn them.

```
Royalty and fund = each share times the franchisor's sales base (net sales in the example); both are
variable lines on page 8, entered as share times base divided by net sales when the base differs
Fixed franchisor fees = technology fee plus other fixed monthly fees, fixed lines on page 8; a fee
charged per transaction or as a share of sales is variable, so add it to line 15 at its share of net
sales
Kept per dollar of sales = operating profit before principal divided by net sales
Independent: same sales and other costs, no franchise fees, own marketing and software added; sales
premium the brand must earn = your sales minus the sales at which an independent keeps the franchise
unit's profit
```

WORKED EXAMPLE: ONE FULL-RUN MONTH, WITH AND WITHOUT THE BRAND (ILLUSTRATIVE)

FULL-RUN MONTH	FRANCHISE UNIT	INDEPENDENT, SAME SALES
Net sales, full-run month (page 12 example)	$118,331	$118,331
Food, crew, card and delivery fees (lines 13 to 15)	$50,054	$50,054
Royalty (line 16, 5 percent of sales)	$5,917	none
Marketing fund (line 17, 4 percent)	$4,733	none
Own marketing in place of the fund (3 percent)	none	$3,550
Fixed franchisor fees (lines 8 and 9)	$1,300	none
Own software and support in place of those fees	none	$500
All other fixed costs, rent, interest and remodel reserve included	$56,338	$56,338
Operating profit before principal	**minus $11**	**$7,889**
Kept from each dollar of sales	0.0 cents	6.7 cents

Franchise costs total $11,950 a month, 10.1 cents of each sales dollar. An independent keeps the franchise unit's profit at about $103,888 of sales, so, on these same-cost assumptions, the brand must add $14,443 a month, 12.2 percent of sales. After principal the unit falls $2,874 a month short, so the $950,700 startup budget, the $40,000 fee included, returns no cash after principal at full run. This example assumes a 20 percent delivery commission, netted by the platform (confirm yours), blended with card fees on the other sales into line 15's 4.7 percent; net of food, crew, fees, royalty and fund, a delivery dollar leaves 33.4 cents toward fixed costs, against 50.9 cents at the counter. The independent column ignores what else the brand gives. The royalty and fund shares are illustrative placeholders, not typical rates; enter the shares in your own agreement.

YOUR UNIT

FEE LINE	SHARE OR AMOUNT	PER MONTH AT YOUR SALES	INDEPENDENT ALTERNATIVE

This page prices the fees and does not interpret them; take every question about what the franchisor may charge, require or change to a qualified professional.

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Rent and common area charges	
2. Liability and property insurance	
3. Salaried managers and the minimum crew for every open hour, with payroll taxes and benefits	
4. Owner's market wage (management time; hours on shift go in line 3 or 14)	
5. Loan interest (build-out and equipment loans)	
6. Utilities and internet	
7. Local store marketing beyond the brand fund	
8. Franchisor technology fee and required software	
9. Other fixed monthly franchisor fees	
10. Accounting, bookkeeping, payroll service and bank fees	
11. Kitchen maintenance and remodel reserve (the reserve moves to a separate account)	
12. Cleaning and operating supplies, waste, pest control and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Food and packaging	
14. Hourly crew above that minimum, with payroll taxes	
15. Card, app and delivery fees (blended share of all sales)	
16. Royalty	
17. Brand marketing fund	
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 orders per day = (daily fixed costs, principal and other recurring cash out minus the daily
contribution from delivery and catering, each after all its variable costs, platform commission
included) divided by the contribution from one average drive-thru, counter and app ticket
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 orders per day (use cash break-even)			
Rent share and debt service coverage at full-run sales		ratios, monthly only	

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

PAGE 9

Weekly prime cost

Food, packaging and the crew who turn them into orders make up prime cost, which can be the largest cost a franchise operator still controls. Count it weekly.

WHICH CREW COSTS COUNT

Count what the unit pays as employer, wage plus payroll tax and benefit costs, and leave out crew tips. Your management time is a market wage (line 4); your shift hours go at the crew rate (line 3 or 14).

```
Cost of goods sold = beginning inventory + purchases minus ending inventory
Prime cost = cost of goods sold + labor (wages, payroll taxes, benefits and the owner's market wage)
Prime cost percentage = prime cost divided by net sales
```

WORKED EXAMPLE: A FULL-RUN WEEK AT THE EXAMPLE UNIT (ILLUSTRATIVE)

LINE	THIS WEEK
A. Opening count (food and packaging)	$6,800
B. Food and packaging bought this week	$8,029
C. Count at the weekly cutoff	$6,500
D. Food and packaging cost for the week (A + B minus C)	$8,329
E. Crew cost: hourly crew labor (line 14), managers and minimum crew (line 3), your own market wage (line 4)	$9,093
F. Prime cost, food and crew (D + E)	$17,422
G. Net sales, discounts off and sales tax left out	$27,307
H. Prime cost share of net sales (F divided by G)	63.8 percent

The week is the full-run month of the page 12 example made weekly (times 12, divided by 52): net sales $27,307; food and packaging at line 13's 30.5 percent; crew at line 14's 7.1 percent with lines 3 and 4 added as weekly sums. In this example, purchases are set so that the week's food and packaging cost matches line 13's share. Lines 16 and 17 sit outside prime cost but take another 9 percent of sales before rent, so this unit has less room than an independent.

YOUR UNIT'S WEEK

LINE	TARGET	THIS WEEK	LAST WEEK
A. Opening count (food and packaging)			
B. Food and packaging bought this week			
C. Count at the weekly cutoff			
D. Food and packaging cost for the week (A + B minus C)			
E. Crew cost: hourly crew labor (line 14), managers and minimum crew (line 3), your own market wage (line 4)			
F. Prime cost, food and crew (D + E)			
G. Net sales, discounts off and sales tax left out			
H. Prime cost share of net sales (F divided by G)			

Take stock counts at one weekly cutoff, value them one way, and log waste, crew meals and giveaways separately. Take the target column from your own page 8 plan and watch its direction weekly; this kit sets no prime cost benchmark.

PAGE 10

Menu engineering

Use one category and a month of units sold from the register.

```
Popular = item share of units sold at least 70% of (100% divided by number of items)
Item margin = menu price minus plate cost; total margin = item margin times units sold
Average margin = sum of total margins divided by total units sold (weighted by units)
High margin = item margin at or above that average margin
```

WORKED EXAMPLE: FOUR BRAND ENTREES (ASSUMED)

ENTREE	UNITS	SHARE	PRICE	PLATE COST	MARGIN PER ITEM	MARGIN EARNED	POPULAR?	HIGH MARGIN?	MENU CLASS
Signature chicken sandwich	4,200	35.6%	$6.49	$1.95	$4.54	$19,068	Yes	Yes	Star
Classic cheeseburger	3,100	26.3%	$6.99	$2.30	$4.69	$14,539	Yes	Yes	Star
Ten-piece nuggets	1,900	16.1%	$6.79	$2.10	$4.69	$8,911	No	Yes	Puzzle
Brand promotion sandwich	2,600	22.0%	$4.99	$2.45	$2.54	$6,604	Yes	No	Plowhorse

4 items, 11,800 entrees sold, margin earned $49,122, weighted average per entree $4.16; popular from 17.5 percent. Prices count per item; the page 6 ticket counts per order. After the royalty and fund (9 percent of each price, illustrative shares), each item keeps price times 0.91 minus plate cost: signature chicken sandwich $3.96, classic cheeseburger $4.06, ten-piece nuggets $4.08, brand promotion sandwich $2.09; average $3.59. No class changes.

YOUR MENU CATEGORY: _____

ENTREE	UNITS	SHARE	PRICE	PLATE COST	MARGIN PER ITEM	MARGIN EARNED	POPULAR?	HIGH MARGIN?	MENU CLASS	SLOWS THE LINE?
Totals for the category		100%				Average margin:				

MENU CLASS	WHAT THE TESTS SHOW	CHANGE TO TEST
Star	Popular, high margin	Keep it, lead suggestions with it, test price where you set it.
Plowhorse	Popular, below-average margin	Raise price slowly if you may; else cut portion error and waste.
Puzzle	High margin, not popular	Have the speaker and counter offer it as the upgrade.
Dog	Neither	Ask the franchisor if it may go; if it stays, cook it to order in small runs.

Plate cost omits labor, so flag slow-line items first; some item sits below average whenever margins differ. Plate cost = for each ingredient, portion times (unit price divided by yield), plus packaging, at your prices. Your levers are mix, upsell, waste and price where you set it. Method adapted from BC Cook Articulation Committee, Basic Kitchen and Food Service Management, BCcampus, 2015, CC BY 4.0, with "high margin" used for the source's profitability test and share of category sales expressed as share of units sold. Class names follow common industry usage.

PAGE 11

Twelve-month cash forecast

Profit and cash part ways: principal and build-out bills leave the account, early months run thin, and royalty and fund shares go out on every sale. Enter thousands of dollars (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: sales receipts (page 6), excluding sales tax												
In: owner money and loans received												
Out: food, packaging, card and delivery fees (lines 13, 15)												
Out: royalty, fund and fixed franchisor fees (lines 8, 9, 16, 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 7, 10 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. Platform and catering settlement terms vary: enter each deposit, settlement and payment in the month it reaches the account, from your contracts and statements. 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 unit the fees leave short

```
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 your floor
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Worked example: a hypothetical single QSR franchise unit

Assumed figures for one unit, not franchise benchmarks. Open daily, drive-thru and 40 seats, spring opening; a conversion of a leased former drive-thru restaurant building. Cash floor $60,501. All cash, delivery payouts included, settles in the month; owner wage drawn; no new funding. Line 3 carries two crew through all 16 open hours at $17 an hour loaded, about $16,500 a month, and line 14 the hours above them.

Page 5, budget	Startup budget total $950,700, funded by a $560,000 loan (10 percent over 10 years) and $390,700 of owner money, including a $194,700 reserve banked before the first car orders. The page 5 two passes: floor $60,501, plus a one-month buffer of $60,501, plus $73,672 (how far the first pass, opening with no cash, falls below zero), rounded up to $194,700.
Page 8, costs	Fixed costs $57,638 a month, including $9,000 for rent and $4,538 of loan interest; principal $2,863 a month (both year 1 averages); variable share 51.3 percent, for a contribution margin ratio of 0.487. Lines 13 to 17 take 30.5, 7.1, 4.7, 5 and 4 percent of sales. Lines 1 to 12 run $9,000, $900, $25,500, $5,500, $4,538, $3,200, $1,200, $900, $400, $1,100, $3,800 and $1,600 a month.
Page 8, break-even	Operating break-even near $118,353 a month, $27,312 a week, $3,902 a day. Cash break-even (fixed $57,638 plus principal $2,863, divided by 0.487) is about $124,232 a month, or $4,096 a day: 327.2 orders a day from drive-thru, counter and app orders once the contribution from delivery and catering is counted (delivery orders carry their 20 percent commission in line 15 in place of card fees), so 328, against the 310 planned.
Page 6, sales	Drive-thru, counter and app orders: 310 orders a day at $10.80. Delivery-platform orders: 30 orders a day at $16.50. Catering orders: 8 orders a month at $220. Full-run month about $118,331; sales ramp 70, 80, 90, 95 percent in months 1 to 4, then 100 percent; season 100, 102, 104, 104, 102, 100, 98, 98, 96, 96, 98, 100 percent across months 1 to 12, applied to every channel.
Page 19, expected case	Month 1 sales $82,832, closing at $174,538, and month 12 at $121,028. Low: month 12, closing $121,028, $60,527 over the floor.
Page 19, slow start	At 70 percent of expected sales, month 1 sales $57,982, closing at $162,436, and month 12 at minus $74,674. Cash dips under the floor in month 6 (closing $51,945) and below zero in month 9 (closing minus $11,768), a runway since opening of 5 months.
Page 8, coverage	At full-run sales of $118,331, pre-tax planning coverage, before equipment replacement, is 0.61 versus the 1.25 the example lender sets; at the month-12 run rate it is 0.60, and Test 3 needs both. Rent as a share of net sales is about 7.6 percent. At the example lender's 1.25 (lenders differ), full-run cash flow before debt service of $4,527 a month supports at most $3,622 of monthly debt service, against the $7,401 the plan pays; at the example's 10 percent over 10 years, that payment would carry a loan of about $274,000 (illustrative), against $560,000 planned.

PAGE 4 RESULT FOR THIS EXAMPLE: RED

Gate 0 is taken as met for the example. Test 1 fails: at the month-12 run rate, sales run about $118,134 a month, below cash break-even of $124,232. Test 2 fails: the 70 percent case breaks the floor in month 6; about $135,200 more reserve would pass it. Test 3 fails: operations do not cover debt service at the required ratio (0.61 at full run and 0.60 at the month-12 run rate, against 1.25). Tests 4 and 5 fail: the peak hour was never timed, and no site count or open-unit sales support the plan. Test 6 fails: a full-run year loses about $35,638 after principal. That is the steady-state year, not the forecast year: page 19's first year loses about $73,672 in cash because the ramp and startup months come first. The unit assumes no income tax set-aside, replacements or stock build-up (page 19), and line 11's remodel reserve sits outside closing cash. Fees take 10.1 cents per sales dollar; the unit keeps nothing, against an independent's 6.7 cents. A promotion that adds 2 points of food cost cuts coverage to 0.29 and the full-run year to minus $63,990. The unit needs about 340 orders a day to meet the lender's 1.25 (each added order earns the page 7 counter margin), 30 more than planned.

PAGE 13

What moves the result

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

WHAT MOVES THE RESULT (FULL-RUN MONTHLY EFFECT; DEADLINES RERUN ON PAGE 11; 70 PERCENT CASE SCALED)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Lose one order in ten on every channel (lines 13 to 17 shrink; fixed costs stay)	minus $5,763	Expected case breaks the floor in month 12
Drive-thru, counter and app orders: average ticket 5 percent higher, same volume (price only; card fees at 2.5 percent, royalty at 5 and fund at 4 take 11.5 cents of each added dollar, with no delivery commission on these sales)	plus $4,494	Orders needed fall from 327.2 to 301.1 a day, so from 328 to 302: per-unit costs stay the same, so the ratio rises from 0.487 to 0.503 on the new sales; would pass Test 1
$1,000 less in fixed costs	plus $1,000	Cash break-even drops to about $122,179
A brand promotion adds 2 points of food cost all year	minus $2,367	Cash break-even rises to about $129,552; expected case still clears the floor; 70 percent case unchanged (month 6)
Build-out overrun of $25,000 beyond the contingency, drawn from reserve	no change	Expected case still clears the floor; 70 percent case breaks it in month 5 (closing $47,107)
Opening 3 months late (rent, insurance, loan interest and principal, $17,301 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 $68,837 in month 15 from the planned opening, $52,191 lower than on time; 70 percent case breaks it 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

These are operations checklists, not a food-safety plan. Add every task, limit and corrective action that local requirements and the brand set.

BEFORE OPENING

- ☐ Bring fryers, grills and holding units to brand settings.
- ☐ Check food dates and stock against today's par.
- ☐ Set the crew by station, drive-thru first.
- ☐ Complete the temperature records your approved food-safety procedures require.
- ☐ Test screens, headsets, kiosks and card readers.
- ☐ Count the opening drawers.

AFTER CLOSE

- ☐ Record orders by hour and channel.
- ☐ Log food discarded past holding time, with the reason.
- ☐ Save the drive-thru timer report; note the worst hour.
- ☐ Reconcile cash, voids, discounts and promotion redemptions.
- ☐ Clean equipment and complete the records your procedures require.
- ☐ Set tomorrow's prep levels from today's actuals.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales by channel and daypart				
Orders per day and average ticket, drive-thru, counter and app				
Drive-thru time per car in the peak hour (daily timer data)				
Prime cost percentage (page 9)				
Royalty, fund and franchisor fees against plan (page 7)				
Upsell rate and promotion items as a share of orders				
Food waste value, and crew hires and exits				

SIX QUESTIONS TO INVESTIGATE

1. **Week two.** Do new crew leave near month three, with exit notes pointing to week two, when training ends and full rushes begin?
2. **The remodel.** A year after the remodel, are sales above the same months before it, or has the lift faded while payments run on?
3. **Delivery orders.** After commission, packaging and crew time, does a delivery order earn less than a counter order?
4. **Brand promotions.** During a brand promotion, does food cost rise faster than orders as promotion items replace full-price ones?
5. **Two units, one buyer.** Do two nearby units quote the same catering buyer and bid against each other?
6. **The timer.** Do drive-thru times improve only in inspection weeks and drift between them?

Questions and their sources are described on page 2. Check each one against a record: the drive-thru timer report, delivery statements, the promotion mix report or the crew exit log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record orders by hour and channel. Log the owner's hours on shift, and keep every permit, inspection and franchisor deadline in one place.
Week 2	Cost each item with the page 10 method at your supplier prices. Time the slowest station and the drive-thru window at a real lunch peak.
Week 3	Fill page 7 with the fees you actually paid and work out what the unit keeps from each sales dollar.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write down the calls a shift lead may make without phoning you.
After month 1	Count prime cost every week on page 9 and run page 10 on each menu category monthly. Price every brand promotion from your own sales mix before the next one starts.

BEFORE YOU SIGN THE FRANCHISE AGREEMENT OR THE LEASE, GET WRITTEN ANSWERS TO THESE

- ☐ What do you pay the franchisor in fees and shares, and on what sales base is each figured?
- ☐ What must you buy, from which suppliers, and who sets those prices?
- ☐ What must you change or remodel, by when, and at whose cost?
- ☐ How long is the term, how does renewal work and what does it cost?
- ☐ Can you transfer or sell the unit, and on what conditions?
- ☐ What can the franchisor change on its own, such as fees, menu, hours or technology?
- ☐ What happens on default or termination, and what do you owe afterward?
- ☐ For the lease: is there a personal guarantee, which charges sit on top of base rent, and when does rent start?

Have a qualified professional review every franchise document, the agreement and the lease before you sign or pay. These questions prepare you for that conversation; they do not replace it.

WHAT THE FULL KIT ADDS

The full QSR Franchise 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 channel sales model, a franchise fee and remodel planner, a crew and station staffing planner, promotion costing templates and opening and closing procedures. Release status is on the kit page.

SOURCES

Public sources. BC Cook Articulation Committee, Basic Kitchen and Food Service Management, ch. 15, BCcampus, 2015, licensed CC BY 4.0 (creativecommons.org/licenses/by/4.0). opentextbc.ca/basickitchenandfoodservicemanagement.
World Consulting Group material. Quick-service franchise units owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, food-safety, franchise or financial advice. Provided as is, without warranty. © 2026 World Consulting Group, except the adapted CC BY 4.0 material on page 10. Free diagnostic tool at businessconsultant.services. The site's privacy page explains what the diagnostic tool sends to an AI provider for analysis and the third-party analytics on the site.

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

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer its questions with your own unit's sales, fees and costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

Verify every fee line and 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. Read 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 crew records, franchisor reports 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 quick-service franchise unit. I have attached the QSR Franchise Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my site and my unit, 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, royalty, fee, ticket, order count, percentage or benchmark.
2. The kit's numbers, the example unit's fees included, 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 for typical figures, write [NEED: ...] and name the quote, statement or report that gives the real number. Label my own estimates MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = units times average ticket times days open in the month (or times 1 for units counted per month). Days open in a month = days open per week times 52 divided by 12. Each month's expected sales = full-run sales of every channel, catering accounts included, times the ramp percentage times the seasonal percentage. Count catering only with evidence.
- 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 hours on shift go in line 3 (minimum crew) or 14 at the crew rate. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the line; 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 orders per day = (daily fixed costs, principal and other recurring cash out minus the daily contribution from delivery and catering, each after all its variable costs, platform commission included) divided by the contribution from one average drive-thru, counter and app ticket. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Daily order capacity = for each staffing period, orders per hour at the slowest station (for example the drive-thru window or the fryer) with that crew times the hours in that period, added up, an estimated ceiling to plan below, with the peak hour checked separately.
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on opening day after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Enter delivery-platform payouts and catering invoices in the month the cash actually lands. In the slow-start case, every month's sales, catering included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = 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, licensing, permit, franchisor obligations, food safety, local requirements, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples, or any franchise document or its sections. When my question touches these or the franchise agreement, write only "Review this with a qualified professional" and continue. 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. 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. The brand, the guest, the site with its drive-thru, seats and hours, my sales channels, and days open per week.
b. Sales build: orders per day for drive-thru, counter and app and for delivery, catering orders per month, each with its average ticket; a ramp percentage for months 1 to 12 (ask me to confirm any I leave out); a seasonal percentage for each month; the slow-start percentage 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); and, for each staffing period, its crew, its hours, the orders my slowest station clears in a timed hour at that crew, and my planned orders in that period's busiest hour in the busiest seasonal month (Test 4 fails for any period without a timed 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).
Then wait for my answers.
Round B, costs, the startup budget and my lender:
c. Startup budget: an amount and its source (franchisor estimate, contractor or dealer quote, or calculation) for each line on page 5, the initial fee included.
d. Monthly fixed costs for each numbered line on page 8, rent and fixed franchisor fees included, with loan interest, my market wage for management time (line 4), whether I draw it 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.
e. Variable cost shares of net sales for lines 13 to 17: line 13, food and packaging; line 14, hourly crew labor, with payroll taxes; line 15, card, app and delivery fees (blended share of all sales); lines 16 and 17, royalty and fund, each as a share of net sales (if the franchisor's base differs, share times base divided by net sales).
f. For page 7: the franchisor's sales base for royalty and fund; every other franchisor fee by how it is charged (a fixed monthly amount, a share of a stated base, or an amount per transaction), with its rate, base, channel, minimum or tier, and payment timing, so a per-transaction or share-of-sales fee joins line 15 as a variable cost; my card fee share and delivery commission share (line 15 is their blend over my sales mix); and, for the independent, my own marketing as a share of sales and my monthly software cost.
g. For prime cost: opening and closing inventory, weekly purchases, crew and manager pay with taxes and benefits, and weekly net sales (the weekly market wage is line 4 from item d, times 12 divided by 52).
h. Menu items for one category: price, plate cost and units actually sold in a full month for each, its station and whether it is prep-heavy or uses trim (if I am not open yet, label the result a forecast, not a classification).
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 delivery platforms and catering clients pay me, deposits and when, when royalty and fund are paid, and when I pay suppliers.
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, equipment replacement and stock build-up.
m. Cash on hand on opening day after all startup spending, build-out bills still due 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 franchise unit, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by sales line and month, with annual sales and the page 6 capacity check.
3. The completed startup budget with the total, and the initial fee on its own line. 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 orders per day (use cash break-even); rent share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Franchise costs per month and per dollar, kept per dollar against an independent, the sales premium the brand must earn, cash after loan principal against the startup budget, and delivery against counter margin.
7. Weekly prime cost and prime cost share, if I gave its inputs.
8. The menu engineering table with each item's class (star, plowhorse, puzzle or dog) and the kit's change to test.
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 fee or quote to verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into its kit page in pencil. Resolve every [NEED: ...] gap and MY ESTIMATE figure, daily orders first, before anyone reads the plan, and recheck page 4 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 $60,501.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**194,700**	**174,538**	**161,061**	**154,499**	**150,934**	**149,212**	**146,338**	**142,312**	**138,286**	**133,107**	**127,928**	**123,902**
In: sales receipts	82,832	96,558	110,758	116,911	120,698	118,331	115,964	115,964	113,598	113,598	115,964	118,331
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: food, packaging, card and delivery fees (lines 13, 15)	29,157	33,988	38,987	41,152	42,486	41,652	40,819	40,819	39,987	39,987	40,819	41,652
Out: royalty, fund and fixed franchisor fees (lines 8, 9, 16, 17)	8,755	9,990	11,268	11,822	12,163	11,950	11,737	11,737	11,524	11,524	11,737	11,950
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	36,881	37,856	38,864	39,301	39,570	39,402	39,233	39,233	39,065	39,065	39,233	39,402
Out: rent and common area charges (line 1)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Out: other costs, with loan interest (lines 2, 5 to 7, 10 to 12)	16,338	16,338	16,338	16,338	16,338	16,338	16,338	16,338	16,338	16,338	16,338	16,338
Out: income tax set-aside, equipment replacement, stock build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(20,162)**	**(13,477)**	**(6,562)**	**(3,565)**	**(1,722)**	**(2,874)**	**(4,026)**	**(4,026)**	**(5,179)**	**(5,179)**	**(4,026)**	**(2,874)**
Closing cash, expected	**174,538**	**161,061**	**154,499**	**150,934**	**149,212**	**146,338**	**142,312**	**138,286**	**133,107**	**127,928**	**123,902**	**121,028**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**194,700**	**162,436**	**134,852**	**112,108**	**91,462**	**72,107**	**51,945**	**30,976**	**10,008**	**(11,768)**	**(33,543)**	**(54,512)**
Sales receipts, slow start	57,982	67,591	77,530	81,838	84,488	82,832	81,175	81,175	79,518	79,518	81,175	82,832
Out: variable costs, slow start (lines 13 to 17)	29,745	34,674	39,773	41,983	43,342	42,493	41,643	41,642	40,793	40,792	41,643	42,493
Out: fixed costs (lines 1 to 12), principal, bills, less funding	60,501	60,501	60,501	60,501	60,501	60,501	60,501	60,501	60,501	60,501	60,501	60,501
Net cash flow, slow start	**(32,264)**	**(27,584)**	**(22,744)**	**(20,646)**	**(19,355)**	**(20,162)**	**(20,969)**	**(20,968)**	**(21,776)**	**(21,775)**	**(20,969)**	**(20,162)**
Closing cash, slow start	**162,436**	**134,852**	**112,108**	**91,462**	**72,107**	**51,945**	**30,976**	**10,008**	**(11,768)**	**(33,543)**	**(54,512)**	**(74,674)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**(2,874)**	**(1,721)**	**(569)**	**(569)**	**(1,721)**	**(2,874)**	**(4,026)**	**(4,026)**	**(5,179)**	**(5,179)**	**(4,026)**	**(2,874)**

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 $118,134 a month, against month 12's own $118,331): closing cash runs $118,154 in month 1 and $85,390 in month 12, lowest $85,390 in month 12, 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. A brand opening can start above run rate and dip after the grand opening; test that dip as well as a slow climb.