Tattoo Shop Business Plan and Operations Starter Kit

A working kit for independent tattoo studios. It prices every service by its station minutes, ink and needle cost and artist pay, builds the active client book month by month from new clients and the ones who stop returning, checks five artist stations against the hours the artists give, compares commission, hourly pay and booth rent, finds cash break-even, and scores the plan on six pass-or-fail tests.

TATTOO STUDIOS
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19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/TATTOO-STUDIOS/
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PAGE 2

Start here

A studio can be booked out every Saturday and still run short of cash by March. Rent, the front desk and the loan fall due whether the stations are busy on a Tuesday or not, and an artist who leaves can take a book of clients along.

WHAT IS INSIDE

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4	Business plan, part two, and the six-test pass or fail check
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15	Your first 30 days, lease questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build tattoo services and booth rent on page 6 and costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Prices, the service menu and the artist roster move before the doors open, and every worksheet expects your own figures.
3. Once you open, run the page 14 checklists daily, the numbers review weekly, and keep page 9 current.

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 tattoo studio questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 14 were drafted by AI models from World Consulting Group desk research and challenged by a second AI model. None was measured in the field, so treat them as hypotheses to test, not findings.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, pay-plan, booth-agreement and consent or financial advice. Requirements vary by location; review with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A landlord reads this page before signing and a lender before releasing a dollar. Both ask whether five tattoo stations, worked by the artists you hire, can carry the rent, the front desk and the loan through a slow February.

1. Executive summary (write it last)

Open with the studio's name, the clients it inks and where they travel from. State the money you need and what each slice buys, from the five stations to the first commission run. Close with the month page 6 clears page 8 cash break-even, and page 4's verdict.

2. Wall cards, sittings and what a client pays

Every flash sheet item, half-day sitting and full-day piece gets a price and the station minutes it swallows, from stencil and outline through shading to clean-down.

3. Who you ink, and how many chairs

Name the client you want in the chair, whether that is the sleeve collector, the Friday-night flash walk-in or the cover-up. Then count the stations, the hours an artist stands at each one, and name who covers a Saturday.

4. Menu, station time, ink and needles

Each menu line gets a price, the station minutes from stencil to clean-down, and the ink, cartridges and gloves it burns; cost it from your own supply invoices.

PIECE OR SITTING	PRICE	MINUTES IN THE CHAIR	INK AND NEEDLES

> *Owner question: Tuesdays are dead and my strongest artist wants booth rent. Do I move everyone off commission?*
>
> Look at the dead Tuesday before you touch the pay plan: the booking record may show the desk failing to rebook clients rather than a commission rate set too low. A booth agreement hands the renter control of her bookings and supplies, while her station still carries the studio rent, power and front-desk wage, so put the agreement in front of a qualified professional before anyone signs it. Run the page 10 comparison on her takings at full run and at the 70 percent start, then watch desk rebooking for a month.

PAGE 4

Business plan, part two

5. Operations

Describe a day from opening to close: who opens, how the desk runs the book, how stations are cleaned between clients, and who runs the studio when you are away.

6. Team

List every role, its hours and its pay plan, including a market wage for your own hours. Name the artist whose departure would take the most clients; question four on page 14 checks that dependency.

7. Marketing and sales

Explain where new clients come from, how a first sitting becomes a second, and why clients return and refer; measure whether new clients cover the ones who stop coming.

8. Financials and funding

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

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

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

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

PAGE 5

Startup budget worksheet

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

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
STATIONS AND BUILD-OUT				
Five stations and equipment				
Build-out and lighting				
Autoclave, furniture and point-of-sale hardware				
SETUP AND APPROVALS				
Entity, registrations, approvals and legal review				
Insurance down payment				
First month's rent, the deposit equivalent				
PRE-OPENING				
Pre-opening payroll and onboarding				
Launch marketing, photography and website				
Opening ink, needles and other stock				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

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

PAGE 6

Sales forecast builder

Every other number depends on clients, so build them from booked first sittings, the clients your artists bring back and the stations you can fill, not from the rent you need to cover. Count active clients first, month by month from page 9; add booth rent at the volume your record supports.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE SPEND	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Tattoo services	active clients				
Booth rent	booths				

Full-run month

RAMP AND SEASONS

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

Expected sales for each month = active clients at month end on page 9 times the monthly spend per active client (no separate ramp), plus booth rent as signed. The page 9 book carries each month's service level, so enter 100 percent where a factor does not apply. The new-client plan and the lapse rate are your assumptions; write down the evidence for each, such as booked first sittings and the clients each artist brings.

CAPACITY CHECK

```
Station hours open per month = stations x hours open a day x days open a month; artist hours per month = the sum over artists of hours a day times days a week, times 52, divided by 12; hours needed in the peak month = the station hours on page 7 at the steady-cycle client base (page 9)
```

Write how many stations the studio runs for its own artists, the hours they are open, and each artist's hours a day and days a week. Take the month the page 9 client book peaks at its steady-cycle level, add up the station hours their sittings need (page 7) and set them against the station hours open and the hours the artists can work. If the plan needs more stations or more artist hours than you have, the plan is wrong, whatever the book looks like on a Saturday.

PAGE 7

Wall cards, station hours and takings per chair hour

A station earns only while a client sits in it. A full-day back piece and a flash walk-in both carry rent and commission, and an unsold Tuesday morning carries the rent alone.

Sittings a month = the active book x sittings per client a month; minutes a piece ties up a station = hands-on time + clean-down; station hours = sittings x minutes, divided by 60
Weighted ticket = each piece's price x its share of sittings, summed; monthly spend per client = sittings a month x weighted ticket; contribution a month = sittings a month x (price less ink and needle cost, artist commission, and the line's own card fees and supplies, 3.94 percent of its takings); station use = hours the station is held (service plus clean-down) divided by hours open; takings per open hour = service takings over station hours open

WORKED EXAMPLE: ONE SETTLED MONTH ON THE STUDIO FLOOR (ILLUSTRATIVE)

PIECE	STATION	SHARE OF SITTINGS	SITTINGS A MONTH	MINUTES PER SITTING, CLEAN-DOWN IN	HOURS THE STATION IS HELD	PRICE	INK AND NEEDLE COST	ARTIST COMMISSION	LEFT FOR THE STUDIO	PER BOOKED STATION HOUR
Flash or small piece	Tattoo stations	35%	48.7	60	49	$110	$5.00	45%	$2,492	$51.17
Custom piece, half-day	Tattoo stations	35%	48.7	165	134	$300	$6.00	45%	$7,168	$53.52
Full-day large piece	Tattoo stations	12%	16.7	350	97	$650	$11.00	45%	$5,359	$55.01
Rework or cover-up	Tattoo stations	18%	25.1	225	94	$500	$8.00	45%	$6,207	$65.95

STATION TYPE	HOW MANY	HOURS THE CHAIRS ARE OPEN A MONTH	HOURS BOOKED IN A SETTLED MONTH	SHARE OF OPEN HOURS USED	THE SAME SHARE IN THE BUSIEST MONTH	TAKINGS PER OPEN CHAIR HOUR
Tattoo stations	5	1,080	374	35%	35%	$40.14

The book of 833 clients, sitting 0.167 times each, fills 139.2 sittings a month at a weighted ticket of $311.50; tattoo services therefore enter page 8 at $52.02 per client a month. Ink and needles take 2.1 percent of service takings and artist commission 45.0 percent (page 10), with the blends shown on the page 12 example. Spread across every hour the chairs are open, takings average $40.14.

YOUR OWN MENU

PIECE	STATION	SHARE OF SITTINGS	SITTINGS A MONTH	MINUTES PER SITTING, CLEAN-DOWN IN	HOURS THE STATION IS HELD	PRICE	INK AND NEEDLE COST	ARTIST COMMISSION	LEFT FOR THE STUDIO	PER BOOKED STATION HOUR

CHAIRS AGAINST THE ARTIST ROSTER

Take the month when the page 9 book reaches its high point, convert that month's sittings into station hours, then weigh them against the hours the chairs are open and the hours your artists are rostered. A shortfall means another station or another pair of hands.

High-month station hours = settled station hours x the high month's client book over the settled average, set against station hours open; high-month artist hours = the same station hours, set against the roster, people x hours a day x days a week x 52 over 12

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Studio rent, 1,400 square feet	
2. Bundled registrations and insurance	
3. Salaried studio manager and front desk, with payroll taxes (the minimum staff)	
4. Owner's market wage	
5. Loan interest (build-out and equipment loan)	
6. Utilities, water, phones and internet	
7. Marketing, website and listings	
8. Booking, point-of-sale and payroll software	
9. Accounting, bookkeeping and bank fees	
10. Cleaning, laundry and repairs	
11. Education and team training	
12. Employer taxes on commission at full run, studio supplies and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Ink, needles and product cost	
14. Artist commission above the salaried manager	
15. Card processing fees	
16. Studio consumables, gloves, barriers and cleaning	
Total variable cost share	

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

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

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

PAGE 9

The book: fresh faces, fading regulars and the ones who keep coming back

A tattoo book leaks at the edges. Each month a handful of regulars simply stop calling, while fresh faces walk in off the street or follow an artist home from a guest spot.

```
Clients on the books at month end = the clients you had on the 1st, less the month's lapse, plus
newcomers, never more than the chairs can seat
Settled book = the settled rows, run until each December repeats the last; stay = 1 over the lapse; what
one client is worth = monthly spend x months stayed x contribution ratio
```

WORKED EXAMPLE: OPENING IN JANUARY ON THE ARTISTS' REGULARS (ILLUSTRATIVE)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Newcomers	225	175	148	128	112	102	94	87	80	74	70	66
Slipped away	7	25	37	46	52	57	61	63	65	66	67	67
Book at month end	308	458	570	652	712	757	790	814	829	837	840	839
Settled year: newcomers	58.0	59.0	65.0	67.0	69.0	66.0	64.0	66.0	65.0	66.0	73.0	82.0
Settled year: book at month end	840	832	830	831	833	833	830	830	828	828	835	850

Month 1 opens with the 90 regulars the five artists carry over, roughly 18 apiece, plus 225 first-time clients; a newcomer counts from the month she first books. Rows are rounded; a hand check can differ by one. Pages 6 and 11 carry this table as the tattoo services line month by month. The artists' January regulars are the Test 5 evidence in a real plan; the example has none, so page 12 fails Test 5. No sitting waits on a free chair in this build.

MEASURE	IN THE EXAMPLE	WHERE THE FIGURE COMES FROM
Monthly lapse rate	8%	Clients past twice their usual gap, over the 1st's book
How long one client keeps coming	12.5 months	1 divided by the monthly lapse
What a single client is worth to the studio	$318	Monthly spend x 12.50 months x the contribution ratio 0.489
Newcomers, closing quarter	70.0	Averaged over October, November and December
Newcomers to hold steady	66.7	8 percent lapse x the 833-client settled average
Book size, settled average	833	66.7 a month x how long each keeps coming
Ad spend per newcomer	$13	$900 of line 7 over a settled month's newcomers

YOUR OWN BOOK, JANUARY THROUGH DECEMBER

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

FRESH FACES AND FADING REGULARS

Write down how each new client found the shop, and ask a drifting one, without prompting, why she stopped booking.

MONTH	NEWCOMERS	SLIPPED AWAY	WHAT SHE SAID	SITTINGS BEFORE	CHAIR SHE SAT IN

PAGE 10

Paying the artists: commission, an hourly wage or booth rent

The pay plan settles who swallows an empty Tuesday. Commission moves with the artist's own book, an hourly wage is owed the moment she is on the roster, and booth rent hands the bookings and their risk to the renter, according to how the agreement is drafted, while the chair she works still costs the studio rent and front-desk time.

```
What one artist brings in a month = 156.0 paid hours x 47.9 percent of those hours with a client in the chair x $115.91 per booked hour
On commission she takes the agreed rate's share of it; on hourly plus a smaller commission she is paid her hours x $32.55 loaded ($28.30 plus 15 percent) and adds takings x the smaller rate; on booth rent she keeps every dollar and hands over the weekly rent x 52 over 12; the studio banks takings minus pay, ink and needle cost, and card fees and supplies (3.94 percent), or just the rent
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WORKED EXAMPLE: A FULL-TIME ARTIST WEIGHED AGAINST THREE PAY PLANS (ILLUSTRATIVE)

PLAN	HER SERVICE TAKINGS IN A MONTH	WHAT SHE IS PAID	INK AND NEEDLE COST	WHAT STAYS WITH THE STUDIO
45 percent commission on her takings, full run	$8,670	$3,901	$184	$4,243
Hourly wage plus 15 percent commission, full run	$8,670	$6,377	$184	$1,767
Booth rent at $150 a week, full run	$8,670 (the renter's)	pays $650	$0	$650
45 percent commission on her takings, 70 percent start	$6,069	$2,731	$129	$2,970
Hourly wage plus 15 percent commission, 70 percent start	$6,069	$5,987	$129	minus $286
Booth rent at $150 a week, 70 percent start	$6,069 (the renter's)	pays $650	$0	$650

Line 14 on page 8 holds the commission plan: 45.0 percent of service takings, paid on top of the salaried manager on line 3. At the 70 percent start commission shrinks along with each book, while the hourly wage is owed for every hour she is rostered, whether a client turns up or not. The booth renter hands the studio $650 a month, with no ink or commission set against it, and yet her station still carries about $1,255 a month (lines 1, 3, 6 and 8: rent, desk, utilities and software, spread across the five commission stations and the rented booth chair, so each of the six chairs carries a share). Booth rent costs the studio nothing in variable terms, which is why the break-even client count on page 8 takes its contribution out separately.

YOUR OWN ARTISTS, PLAN BY PLAN

PLAN	HER SERVICE TAKINGS IN A MONTH	WHAT SHE IS PAID	INK AND NEEDLE COST	WHAT STAYS WITH THE STUDIO

BEFORE YOU MOVE ANYBODY ONTO A NEW PLAN

Work this table through on one artist's own takings, hours and rebooking share before you alter how she is paid, then work it again for whoever would take over her station. Any pay plan, booth agreement or tip policy drags worker-status, payroll and contract questions along with it, and those answers differ by location, so have a qualified professional review each change before anyone signs.

PAGE 11

Twelve-month cash forecast

Rent and payroll leave on fixed dates, slow weeks or not. Enter $000 (51.25 means $51,250), receipts net of tax you collect; held tax stays out of closing cash.

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

Month 1 opening cash is cash on 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. Artists, the desk and suppliers are paid in the month of the work. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only commission on sales you would not make. 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

How long the cash lasts, and what a dead January takes out

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

Worked example: a hypothetical tattoo studio

The figures belong to a made-up studio, so read them as arithmetic rather than a benchmark. A salaried manager holds the front desk from month 1; five artists take commission on every piece they ink, and the booth renter hands over weekly rent. Cash floor $18,240. Clients settle each tattoo session at the counter; the booth renter hands over rent weekly, in the month it falls due; artists, the front desk and suppliers are all paid in the month their work happens; the owner draws the market wage in cash.

Page 5, what it takes to open	It takes $170,550 to open these doors, raised as a $95,000 loan (10 percent over 10 years) plus $75,550 from the owner's own pocket, which also pays for a $56,300 reserve left untouched on opening day. That page sizes the cushion twice over: the floor of $18,240, one further month on top as a buffer at $18,240, then $19,769 (how far the first pass, run on an empty till, sinks below zero), rounded up to $56,300.
Page 8, what a month costs	Fixed studio costs come to $17,754 a month, of which $3,200 pays for the studio space and $770 covers loan interest; principal adds $486 a month (both averaged across year 1); variable costs make up 50.3 percent, so every dollar taken leaves 0.497 of contribution behind. Lines 13 to 16, ink, commission, card fees and consumables, eat 2.09, 44.34, 2.41 and 1.47 percent of sales apiece, while lines 1 to 12 together cost $3,200, $400, $3,580, $4,905, $770, $600, $900, $148, $350, $450, $150 and $2,301 every month.
Page 8, where the shop stops losing money	Running costs break level near $35,730 a month. Counting cash as well (fixed $17,754 plus principal $486, divided by 0.497) puts the figure near $36,700 a month, which needs 691.0 active clients from tattoo services each month after booth rent chips in, so 691, against the 850 the plan assumes.
Page 6, what the shop brings in	Tattoo services: 850 active clients a month at $52.02 each at the settled-cycle peak; year 1 follows the page 9 build from 308 active clients in January. Booth rent: 1 booth a month at $650. A settled month takes about $43,999, services at the mature average (tattoo services 833.30 active clients a month); no separate booking ramp applies, because the book drives service sales; season runs 86, 90, 96, 100, 102, 100, 98, 100, 96, 100, 108, 124 percent through the twelve months as a walk-in reference only and never reaches services.
Page 19, the case as planned	January brings in $16,661, and the bank balance reads $46,545 at that month end and $59,160 at the close of December. Its shallowest month is month 4, which still closes on $36,531, $18,291 above the floor.
Page 19, the case where the book fills slowly	Scale every month to 70 percent of the expected takings and January brings $11,663, leaving $44,000 in the bank at that month end and minus $7,362 at the close of December. Cash first slips below the floor in month 5, closing on $15,473, and goes below zero in month 10, closing on minus $1,697, which leaves the studio 4 months of runway after opening day.
Page 8, how comfortably the debt is covered	On settled sales of $43,999 the planning coverage figure, with income tax and new equipment left out, reaches 3.88 against the 1.25 our sample bank asks for, and 3.66 at the month-12 run rate; Test 3 checks both. Studio rent takes about 7.3 percent.

PAGE 4 VERDICT ON THIS EXAMPLE: AMBER

Gate 0 is treated as met for the example; your plan needs its quotes and lease in writing. Test 1 passes: the month-12 run-rate average sits near $43,413, clear of the $36,700 break-even at that mix (ratio 0.497), and cash holds above the floor through year 2 (lowest close $62,664, in its first month). (Break-even lands in month 5.) Test 2 fails: at 70 percent the account drops below the floor in month 5, and roughly $25,700 of extra opening cash would carry it. Test 3 passes on the planning formula; a lender may read the covenant its own way. Test 4 passes on the settled year: the book peaks in month 12, with about 850 active clients booking 142 sittings (season 124 percent on walk-in trade only), stations at 35 percent of open hours (381 of 1,080), and artists covering 380 of the 780 hours that 5 artists give at 9 hours a day, 4 days a week. The station and artist hours are rounded and can differ by one. Test 5 fails: nothing written down backs the artists' regulars. Test 6 passes: a settled year nets about $43,474 after principal, every month in the black, so no cushion is needed. Page 19's opening year adds about $2,860 to its cash while the book fills. Page 19 holds nothing back for tax or equipment; enter your own. Break-even needs most of the book; drifting clients cost more than clients who never walked in.

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 CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $2,186	Expected case holds the floor
Tattoo services: average spend 5 percent higher, same volume (only sales-linked fees rise)	plus $1,107	Break-even active clients fall from 691.0 to 656.7 a month, so from 691 to 657: per-unit costs stay the same, so the ratio rises from 0.497 to 0.498 on the new sales (sales-linked fees, lines 14, 15 and 16, take 48.9 percent of each added dollar)
Fixed studio costs come to $500 lower	plus $500	Cash break-even falls to about $35,701
Monthly lapse 2 points higher (8 to 10 percent; about 101 fewer active clients by month 12, and $3,223 a month less on the settled year's average month)	minus $3,223	Expected case still clears the floor; slow start deadline unchanged (month 5); coverage at the month-12 run rate falls to 1.09; would fail Test 3
New clients 25 percent lower in months 1 to 3 (about 59 fewer active clients by month 12; $1,501 a month less at full run)	minus $1,501	Expected case still clears the floor; slow start below the floor in month 4 (closing $13,598)
An artist leaves in month 7 and 60 active clients follow her ($3,121 a month of service sales gone), from month 7 onward	minus $1,527	Expected case still clears the floor; slow start deadline unchanged (month 5)
No-shows and late cancellations take 6 percent of sittings (about 8 a month; $2,601 a month of sales), from month 1 onward	minus $1,273	Expected case still clears the floor; slow start below the floor in month 4 (closing $17,010)
Ink and needle cost 20 percent higher ($184 a month)	minus $184	Cash break-even rises to about $37,019; expected case still clears the floor; slow start deadline unchanged (month 5)
Build-out overrun of $18,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 2 (closing $16,378)
Opening 3 months late (the studio space, insurance, loan interest and principal, $4,856 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 $21,929 in month 7 from the planned opening, $14,603 lower than on time; slow start below the floor in month 6 from the planned opening (month 5 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

Desk and month-close checklists, weekly review, six questions

These lists keep the floor and the front desk moving; they are not a compliance program. Your own advisers and your location decide the cleaning, safety, staffing and booth-agreement steps you add on top.

AT THE FRONT DESK, WITH EVERY CLIENT

- ☐ Book the next sitting before she reaches the door, timed to how the piece is healing or how quickly the last one went.
- ☐ Put the takings and the ink and needle cost against the artist who actually did the work.
- ☐ Jot the station minutes and the product used onto the ticket while she is still in the chair.
- ☐ For a first-timer, record how she found the shop and which day she rang.
- ☐ If she goes without another date in the book, write the reason on her card.
- ☐ Ask a returning client whether a friend fancies the same hand and the same chair.

CLOSING THE MONTH AND CALLING THE LAPSED

- ☐ Set booked station hours beside staffed station hours, weekday by weekday.
- ☐ Enter every newcomer and every client who slipped away in the page 9 table.
- ☐ Flag anyone past twice her usual gap, count her once, and ring only those who agreed.
- ☐ Divide the newly flagged drifters by the book you held on the 1st, and that is the lapse rate.
- ☐ Weigh the ink and needle bill against each artist's own takings.
- ☐ When an artist resigns, pull her clients from your records and call only those who agreed.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Takings per artist per hour she worked a chair				
Share of clients who left with a next date, artist by artist				
Station hours an artist stood against hours the chair was paid for				
First-timers by how they found you, and how many returned				
Ink and needle spend as a slice of takings				
No-shows and cancellations on the day				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** When a big piece, a price haggle or a double booking lands, does the desk leave the client standing while you are fetched?
2. **Reactive operations.** Last week, how many clients sat waiting past their slot, how many never turned up, and how many of your own hours vanished into paperwork instead of running the shop?
3. **Growth without structure.** What share of first-timers never come back for a second sitting, and which weekday mornings leave chairs cold week after week?
4. **Talent and retention.** If your busiest artist walked out tomorrow, how many of her clients have ever sat in another artist's chair at this shop?
5. **Revenue plateau.** Across twelve months, did the average sitting get more valuable, and how much of that came from bigger pieces and longer sessions?
6. **Systems gap.** Could the desk, this afternoon, hand you a list of everyone now past twice her usual gap between sittings?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the booking system's client list, the page 9 table, station hours against the roster, or the ink and needle log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Begin the weekly review; each day, write down booked station hours, staffed artist hours and the hours the owner spends on admin.
Week 2	Complete the page 7 table from your own service minutes, prices and ink costs, and flag the service that earns least per station hour.
Week 3	Enter every new and every drifting client in the page 9 table, then work out this month's lapse rate.
Week 4	Put real closing cash into page 11 and redo the runway; write down which calls the desk may make without phoning you.
After month 1	Set each artist's rebooking share and booked hours beside her page 10 pay plan and the page 6 roster.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

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

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

WHAT THE FULL KIT ADDS

The full Tattoo Shop 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 service pricing calculator from station minutes and ink cost to a margin, a client and rebooking tracker, a pay-plan comparison for each artist, checkout checklists and hiring checklists. Release status is on the kit page.

SOURCES

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

SCOPE AND DISCLAIMER

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

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

PAGE 16

Customize this kit with AI

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

BEFORE YOU RELY ON THE ANSWER

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

I am opening (or running) an independent tattoo studio. I have attached the Tattoo Shop Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my services, clients and artists, using my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a price, wage, commission rate, lapse rate, station count, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales = units a month times the average spend or price. Tattoo services follow the page 9 build (active clients x monthly spend); booth rent = booths x weekly rent x 52 / 12. Full-run sales, break-even and coverage take services at the settled-year average (page 9), not the planned count; their month-12 run rate repeats that settled year, scaled so December equals month 12's clients. Deposits are cash when taken, not sales; the unearned part is owed. Confirm holding rules with a professional.
- 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 worked at a station go in line 3 at a market wage unless they move with sales (line 14). Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the work; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even active clients = (fixed costs with line 4 even if undrawn, plus principal and other recurring cash out, minus the booth-rent line's own contribution) divided by one client's monthly contribution (spend x its own ratio, page 9); 0 if covered. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Station hours open per month = stations x hours open a day x days open a month; artist hours per month = the sum over artists of hours a day times days a week, times 52, divided by 12; hours needed in the peak month = the station hours on page 7 at the steady-cycle client base (page 9).
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take booked lines at full bookings averaged over 12 months, a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on 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. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Place each receipt in the month my payment terms say; if a term is missing, mark [NEED: payment timing]. The worked example collects tattoo services at checkout and booth rent when due, takes no deposits, and pays payroll and suppliers in the month worked; record any prepaid cash when received, with no second receipt at redemption. In the slow-start case, every month's sales on every line are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only commission on sales I would not make). 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, worker status, booth agreement, age and consent requirements, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous client IDs. Do not ask for names, phone numbers, addresses, bank account or tax ID numbers, or the names of my clients or staff.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it needs only the page 7, 9 and 10 results I have given, not the full tables. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Services and prices, stations and hours open, clients and where they come from, the artists on the roster with paid hours a day and days a week, and days open per week.
b. Sales build: for tattoo services, each service's price, station minutes with the clean-down, product cost and share of sittings, the sittings a month an active client makes, my monthly lapse rate, the clients I open with (any my artists bring), my planned new clients for each month from 1 to 12, the recurring yearly new clients that hold full run, and the active clients the stations can serve; for booth rent, the booths rented and the weekly rent; 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). Do not model this line day by day; the page 9 build replaces its count once fully booked. Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For each service: its station kind, price, minutes in the chair (clean-down included), product cost per sitting and its share of sittings; the stations of each kind with hours open; sittings a month per active client; the artist roster (people, hours a day, days a week).
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (station quote, contractor quote, insurer quote, landlord quote or calculation) for each line on page 5, from stations and build-out to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried manager and desk, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my hours worked at a station go in line 3 at a market wage unless they move with sales (line 14).
f. Variable cost shares of net sales for lines 13 to 16: line 13, ink, needles and product cost; line 14, artist commission above the salaried manager; line 15, card processing fees; line 16, studio consumables, gloves, barriers and cleaning. Give each share as a percentage of its own line's sales: the commission share is a rate on each artist's service takings, and the line 14 share that results over all sales is a blend to check against, never a rate to apply to total sales.
g. Confirm the lapse rate, the new-client plan and the client cap from item b; change nothing unless I say so.
h. How I pay each artist today or plan to, and for the comparison the commission rate, the hourly wage with its lower commission rate, and the weekly booth rent I would consider (write none for a plan I will not consider); their paid hours a week; and the payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when clients pay (at checkout, or a deposit with the balance on the day), when the booth renter pays, and when artists, the desk and suppliers are paid. Tips are outside this example and are excluded from modeled sales, payroll and cash flow; confirm how they are taxed with a qualified payroll or legal professional.
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 the first day the studio opens after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what clients 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 tattoo studio, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by service line, booth rent and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even active clients (use cash break-even); rent share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add memo rows for each month; they track amounts owed and do not change closing cash: tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and unredeemed gift cards and prepaid packages (last month's + sold minus redeemed), work you still owe.
6. Service economics by price, minutes, product cost and artist pay, hours booked and utilization by station kind, revenue per available station hour, and the peak-month capacity check.
7. The 12-month client build (new clients, lapsed, active clients, percent of full run) and the settled year that repeats, the settled base against the plan, months a client stays, client value and marketing spend per new client.
8. One artist's month under each pay plan at full run and at the 70 percent start, what the business keeps, and line 14.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every client count or pay term I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

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

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $18,240.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**56,300**	**46,545**	**40,618**	**37,525**	**36,531**	**37,061**	**38,737**	**41,266**	**44,399**	**47,910**	**51,618**	**55,404**
In: sales receipts	16,661	24,483	30,275	34,564	37,677	40,021	41,763	42,997	43,770	44,173	44,332	44,270
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: ink, needle, card fees and consumables (lines 13, 15, 16)	970	1,444	1,795	2,055	2,244	2,386	2,491	2,566	2,613	2,637	2,647	2,643
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	15,691	19,211	21,818	23,748	25,148	26,204	26,988	27,543	27,891	28,073	28,144	28,116
Out: studio rent (line 1)	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Out: other costs, with loan interest (lines 2, 5 to 12)	6,069	6,069	6,069	6,069	6,069	6,069	6,069	6,069	6,069	6,069	6,069	6,069
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	486	486	486	486	486	486	486	486	486	486	486	486
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(9,755)**	**(5,927)**	**(3,093)**	**(994)**	**530**	**1,676**	**2,529**	**3,133**	**3,511**	**3,708**	**3,786**	**3,756**
Closing cash, expected	**46,545**	**40,618**	**37,525**	**36,531**	**37,061**	**38,737**	**41,266**	**44,399**	**47,910**	**51,618**	**55,404**	**59,160**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**56,300**	**44,000**	**34,378**	**26,742**	**20,574**	**15,473**	**11,174**	**7,472**	**4,193**	**1,179**	**(1,697)**	**(4,519)**
Sales receipts, slow start	11,663	17,138	21,193	24,195	26,374	28,015	29,234	30,098	30,639	30,921	31,032	30,989
Out: variable costs, slow start (lines 13 to 16)	5,723	8,520	10,589	12,123	13,235	14,074	14,696	15,137	15,413	15,557	15,614	15,592
Out: fixed costs (lines 1 to 12), principal, bills, less funding	18,240	18,240	18,240	18,240	18,240	18,240	18,240	18,240	18,240	18,240	18,240	18,240
Net cash flow, slow start	**(12,300)**	**(9,622)**	**(7,636)**	**(6,168)**	**(5,101)**	**(4,299)**	**(3,702)**	**(3,279)**	**(3,014)**	**(2,876)**	**(2,822)**	**(2,843)**
Closing cash, slow start	**44,000**	**34,378**	**26,742**	**20,574**	**15,473**	**11,174**	**7,472**	**4,193**	**1,179**	**(1,697)**	**(4,519)**	**(7,362)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**3,793**	**3,585**	**3,544**	**3,559**	**3,624**	**3,606**	**3,542**	**3,531**	**3,496**	**3,487**	**3,661**	**4,048**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. Variable costs use each sales line's own shares, so a month can differ by a few dollars from the blended share; the blended share is a result to check, never a rate to apply to total sales. 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 $43,413 a month, against month 12's own $44,270): closing cash runs $62,664 in month 1 and $99,198 in month 12, lowest $62,664 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.