Tutoring Center Business Plan and Operations Starter Kit

A working kit for independent tutoring centers. It prices every program by the students it holds and the instructor hours it takes, builds the student count month by month from enrollments and withdrawals, finds cash break-even through the summer trough, and scores the plan on six pass-or-fail tests.

TUTORING CENTERS
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PAGE 2

Start here

A tutoring center can enroll a hundred students in September and be short of cash by June. Rent and the instructors are due whether the rooms are full or half empty, and a family who leaves in October may never repay the cost of enrolling them. This kit writes those numbers down and tests them before a lender or a landlord asks.

WHAT IS INSIDE

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15	Your first 30 days, lease questions, sources and what the full kit adds
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19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build tuition, test prep and materials 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. Tuition, programs and the timetable move before the first term starts, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every enrollment and the numbers review every week. Run the page 7 program table at every month end and update the page 9 build table as students enroll and leave.

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 tutoring center 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, enrollment agreements, billing and withdrawals 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

Whoever reads this plan, a bank or a landlord, wants one question answered: does tuition cover the rent, the tutors' pay and the loan through the quiet summer? Answer in plain sentences, then write the long sections on your own sheets.

1. Executive summary (write it last)

Say what the center teaches, which families it serves, what the opening costs and what that buys, from fit-out to first payroll. Close with the month the page 6 forecast first covers cash break-even from page 8, and with the page 4 score.

2. What the center teaches, and to whom

Name each subject and program, the students in a group and the length of a session. Then say what a parent buys beyond the worksheet: a tutor who knows the child, a session that fits the school day, a grade that moves by June. List the schools that send students to you.

3. Who the center is for, and how many it can hold

Draw a line around the student the center serves best, and admit who it does not suit. Count the seats the rooms and timetable offer after school, and the tutor hours each session needs.

4. Programs, tuition and tutor hours

For each program, list the seats it fills, the monthly tuition and the tutor hours it takes. Tuition copied from a chain, with no teaching hours under it, is only a guess.

PROGRAM	SEATS IT HOLDS	MONTHLY TUITION	TUTOR HOURS A MONTH

> *Owner question: our free diagnostics turn into enrollments, then a quarter of those families leave before the school year ends. Is our tuition too high?*
>
> Check the first two weeks before you blame the price. A student with no named tutor, and a parent hearing nothing from the center, drifts, and the notice arrives with the next bill. Record each enrollment with its source and the date of the first session (page 14), book that session before the parent leaves, and compare how many students leave in groups that started in the same month and program. A gap points to a lead, not a cause.

PAGE 4

Business plan, part two

5. Operations

Describe a day from the first unlock to the last session: who opens, how the desk and classrooms are covered through the after-school block, cleaning and the close. Name who runs the center when you are not there.

6. Team

List every role, its hours and its pay, including a market wage for your own hours. Name the person who can run the center for a week without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where inquiries come from, how an inquiry becomes an evaluation and an enrollment, and why families stay and refer; measure whether referral enrollments cover the families who leave.

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. Signed enrollment agreements or pre-opening registrations for the opening students, furniture and insurance quotes, the lease and the requirements of every registration the center needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The peak month's students fit the classrooms and its instructor hours fit the roster (pages 6, 7 and 9), and full-run planned tuition reaches break-even (page 8).	
5. Signed enrollment agreements and pre-opening registrations back the opening students; an inquiry list forecasts evaluations, not students.	
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 promise a start date. **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 furniture supplier, the insurer or the landlord, or a documented calculation. Tutoring budgets break on the build-out and the first summer trough, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
BUILD-OUT AND EQUIPMENT				
Furniture, computers and the assessment kit				
Build-out, classrooms and fit-out				
Signage, security and the point-of-sale system				
SETUP AND APPROVALS				
Business entity, registrations and approval requirements				
Insurance down payment				
First and last month's rent				
PRE-OPENING				
Pre-opening payroll and hiring				
Presale and grand-opening marketing				
Opening curriculum 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 students, so build them from signed enrollment agreements, pre-opening registrations and the classrooms you can serve, not from the rent you need to cover. Count students first, month by month from page 9; add test prep and materials at the volume your inquiry record supports.

```
Monthly sales for a line = units times average tuition 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 TUITION	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Students on a monthly plan	students				
Test-prep and exam packages	packages				
Assessment and materials fees	items				

Full-run month

RAMP AND SEASONS

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

Expected sales for each month = students at month end on page 9 times average tuition (no separate ramp), plus test prep and materials at full run times ramp (the share of full-run volume the inquiry record has reached) times season. Use 100 percent where a factor does not apply. The build, ramp and season are your assumptions; write down the evidence for each, such as your enrollment agreements and your inquiry record.

CAPACITY CHECK

```
Paid instructor hours a month = each instructor's hours a day times days worked a week, times 52, over
12; instructor hours needed in the peak month = the program hours on page 7 at the steady-cycle
enrollment (page 9), plus the test-prep teaching hours, with the peak month's season factor applied to
any seasonal line; steady-cycle enrollment against the students the classrooms can serve
```

Write how many instructors are on the staff, the hours each is paid a day and the days each works a week. Take the peak month of the season list, students at the steady-cycle level (page 9), add up the teaching hours the programs require that month (page 7) and set them against the hours the team can field; set that month's students against the students the classrooms can serve. If the plan requires more hours or more classrooms than you have, the plan is wrong, whatever the pre-opening registrations say.

PAGE 7

Tutoring programs, seats and takings per seat

Six students in a room and sixteen in the same room burn the same tutor hour. So price each program by the tutor hours it consumes and the seats it can keep filled.

```
Program fill = students over seats; tuition revenue = students x monthly tuition; teaching cost = tutor hours x the loaded tutor rate; program contribution = tuition less teaching cost less processing and materials at the line's own shares (page 8)
Revenue per available seat = tuition over seats, the figure at this enrollment
```

WORKED EXAMPLE: THE THREE PROGRAMS AT A FULL TERM (ILLUSTRATIVE)

PROGRAM	SEATS	STUDENTS	FILL	MONTHLY TUITION	TUITION INCOME	TUTOR HOURS	TUTOR PAY	WORKBOOKS, FEES	PROGRAM CONTRIBUTION	PER SEAT
Group tutoring, five to an instructor, four hours a month	110	80	73%	$244	$19,520	64	$1,574	$1,210	$16,736	$177.45
One-to-one tutoring, four hours a month	45	32	71%	$248	$7,936	128	$3,148	$492	$4,296	$176.36
Homework club, five afternoons a week	35	28	80%	$129	$3,612	30	$738	$224	$2,650	$103.20

A tutor hour costs $24.59 loaded, which is $20.84 plus 18 percent for payroll taxes and benefits. Counted per seat, group tutoring, five to an instructor, four hours a month brings in the most ($177.45) and homework club, five afternoons a week the least ($103.20). Every seat count here is the owner's own, tied to these classrooms and this timetable. Tutor hours: 222 a month on the three programs plus 80 on test-prep packages, none of them salaried, sit on line 14 of page 8: 18.1 percent of the monthly plan's settled-year tuition and 19.08 percent of settled-year sales. No instructor is on salary, so every instructor hour is a cash cost at the loaded wage. The line 13 and 14 shares, line by line: students on a monthly plan 2 and 18.1; test-prep and exam packages 0 and 30.0; assessment and materials fees 45 and 0.0.

YOUR OWN PROGRAMS

PROGRAM	SEATS	STUDENTS	FILL	MONTHLY TUITION	TUITION INCOME	TUTOR HOURS	TUTOR PAY	WORKBOOKS, FEES	PROGRAM CONTRIBUTION	PER SEAT

WHAT THE ROOMS AND THE ROSTER CAN CARRY

The busiest month of the season is the test (September in this example). At the settled enrollment, set students against seats, and teaching hours against the hours the team can work.

```
Students at the settled level in the busiest season month (page 9), set against the seats; that month's teaching hours set against tutor hours (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. Center rent, 1,800 square feet	
2. Business owner's policy, professional liability and workers' compensation	
3. Assistant director and front desk lead, salaried, with payroll taxes and benefits (the minimum staff)	
4. Owner's market wage	
5. Loan interest (build-out and equipment loan)	
6. Utilities, phones, internet and alarm	
7. Marketing and website	
8. Tutoring management and billing software	
9. Accounting, payroll service and bank fees	
10. Assessment packages, curriculum and printer leases	
11. Cleaning contract and supplies	
12. Other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Workbooks and materials on the tuition line	
14. Instructor hours above the salaried roster, with payroll taxes	
15. Payment processing and billing fees	
16. Teaching and cleaning consumables	
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 students = (fixed costs with line 4 even if undrawn, plus principal and other recurring cash
out, less test-prep and materials contribution at its own shares) divided by one student's monthly
contribution; 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 students (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

New enrollments, leavers and the student roll

A student roll is a bucket with a hole in it. Families leave and new ones sign up every month, so the forecast must climb with that churn, not in one smooth line.

```
Students at month end = last month's roll, less leavers at the monthly churn rate, plus new enrollments, never above the seats available
Settled center = enrollments a month over churn; life = 1 over churn months; lifetime value = tuition x life x plan contribution ratio; enrollments to hold it = churn x the settled roll
```

WORKED EXAMPLE: THE ROLL FILLS FROM THE AUGUST OPENING (ILLUSTRATIVE; ROUNDED, HAND CHECKS DIFFER)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
Enrollments signed	45	29	24	20	17	15	13	12	11	10	9	9
Students who left	0	3	4	6	7	7	8	8	8	8	9	9
Students on the roll	45	71	91	105	116	123	129	133	135	137	137	138
Share of a full center, percent	32	51	65	75	83	88	92	95	97	98	98	98

The opening month starts with the 45 students signed before opening; the roll settles around 136 once 8 or 9 enrollments a month match the leavers. The students on a monthly plan line on pages 6 and 11 carries this table; a student pays tuition from their first month. The enrollments for August are illustrative pre-opening registrations signed before opening, not Test 5 evidence; this example has none, so page 12 fails Test 5. The slow start cuts every month to 70 percent of plan; year two holds July's level. No student waits for a seat here: the roll never reaches the seats.

MEASURE	IN THIS EXAMPLE	HOW IT IS WORKED OUT
Students leaving in a month	6.25%	Students who left during the month, over the roll on its first day
Average stay of a student	16.0 months	One over the monthly churn
Value of a student over that stay	$2,686	Tuition x months (16.00) x contribution ratio 0.757
Enrollments a month, May to July	9.3	Averaged over the last quarter of the table
Enrollments a month that hold a full center	8.5	The settled yearly enrollments cycle, averaged
Students once the roll settles	136	8.5 enrollments a month x the life, equal to enrollments over churn
Marketing dollars per enrollment	$377	$3,200 of line 7 over enrollments a month in a steady year

YOUR OWN ROLL, AUGUST THROUGH JULY

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

ENROLLMENT AND LEAVING LOG

Record every enrollment and departure with the reason the parent gave: what the family said, not a cause you have checked.

MONTH	NEW ENROLLMENTS	LEAVERS	REASON THE PARENT GAVE	MONTHS ON THE ROLL	SUBJECT OR PROGRAM

PAGE 10

Tutor hours, teaching time and the real cost of a taught hour

A tutor is paid for the shift, while the parent pays only for the minutes a student sits in the room. Marking between sessions, planning tomorrow's lesson and the dead hour before the evening group all come out of the center's own pocket.

```
Utilization = the hours spent teaching divided by the hours paid
Loaded hourly cost = the tutor's hourly pay x (1 + the payroll tax, benefit and paid-time-off share)
Cost per taught hour = every paid hour at the loaded rate, divided by the hours actually taught
```

WORKED EXAMPLE: ONE TUTOR, ONE WEEK IN TERM TIME (ILLUSTRATIVE)

HOURS IN THE WEEK	THIS WEEK	SHARE OF PAY
Paid hours	32	100%
Hours in front of students, teaching	26	81%
Marking, planning and parent calls	3	9.4%
Staff training and paid rest	2	6.3%
Front desk cover in quiet hours	1	3.1%

Take a tutor paid $20.84 an hour. With 18 percent for payroll taxes and benefits loaded on, that hour costs $24.59, and at 81 percent utilization one taught hour costs the center $30.27. Build the program price from that number, because neither the wage alone nor the loaded rate on its own shows what a taught hour really costs.

YOUR TUTORS, ONE WEEK EACH

TUTOR	PAID HOURS	IN CLASS	MARKING, PLANNING	TRAINING, REST	UTILIZATION	COST PER TAUGHT HOUR

WHERE A TUTOR'S DEPARTURE COSTS THE MOST

When a well-liked tutor walks out, students follow. The center keeps them only if the lesson plans, the diagnostic records and the relationship with each parent belong to the center rather than to one person. Write all three down for every group, so a new tutor can pick the class up on Monday.

PAGE 11

Twelve-month cash forecast

Rent and payroll leave before failed payments clear. Enter $000 (51.25 means $51,250); 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: collections, in the month each payment lands												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: materials, processing fees and consumables (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: center 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: receivables = last month's + billed minus collected												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 16)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

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

PAGE 12

Runway, and what a summer with no new enrollments costs

```
Runway = the months, one after another, the center survives after the latest closed month (before
opening, from the day the center first opens), until closing cash drops under your floor
```

Worked example: a hypothetical tutoring center

Invented figures: the arithmetic is all they show, and none is a benchmark for a tutoring center. The salaried assistant director and the front desk lead are on payroll from month 1. Cash floor $27,392. If a family pays a year up front, the cash arrives earlier than shown and the unredeemed months are sessions the center owes, held apart from spending cash; deduct the unredeemed months before you read closing cash against the floor on page 11. The monthly plan is billed a month ahead and counted in the month billed; test prep is paid when a parent buys it, materials at handover, and tutors in the month they teach; the owner draws the market wage in cash.

Page 5, budget	The startup budget totals $244,800, paid by a $180,000 loan (10 percent over 6 years) and $64,800 of owner money; $103,500 of it is reserve for the fit-out, the long summer, slow-paying families, the floor and a buffer. Page 5 sizes that reserve in two passes: the $27,392 floor, another month of buffer at $27,392, and $48,618 for the deepest hole a no-cash first pass digs, rounded up to $103,500.
Page 8, the monthly cost	Overhead runs $25,471 a month: $4,300 for classrooms and $1,414 of loan interest (year 1 averages); principal adds $1,921. Variable lines total 27.4 percent of sales, leaving a contribution margin ratio of 0.726, and lines 13 to 16 carry 4.15, 19.08, 3.2 and 1 percent of takings. The twelve standing lines run $4,300, $225, $6,952, $6,500, $1,414, $560, $3,200, $180, $550, $650, $520 and $420 a month.
Page 8, break-even	A month of operating break-even sits near $35,099. Cash break-even, fixed $25,471 plus principal $1,921 over 0.7257, lands about $37,746 a month, and hitting it takes 130.6 students a month on the monthly plan once test prep and materials pay their share at page 7, so 131 against 140 planned (settled 136, page 9).
Page 6, what the month bills	The monthly plan carries 140 students at full run at $221.91, month for month from the August opening, then the steady August-to-July pattern; page 9 ramps it. Test prep adds 20 packages a month at $328 and materials 30 items at $75. The steady-year average comes to about $38,918 (students on a monthly plan 135.68 students a month), with test prep and materials ramping 40, 55, 65, 75, 85, 90, 95 percent between August and month 7, then the full 100 percent; season reads 104, 115, 112, 104, 88, 110, 108, 104, 100, 95, 82, 78 percent, August to July. Tuition follows page 9.
Page 19, the planned case	Month 1 brings $13,650 of tuition and sales, August closes at $85,935 and July at $57,090; the lowest point is month 7, closing $54,882, $27,490 clear of the floor.
Page 19, the slow start	With students, packages and fees at 70 percent of the expected case, month 1 sales reach $9,555, August closes at $82,987 and July at minus $27,598. Cash slips under the floor in month 6 (closing $20,302) and under zero in month 9 (closing minus $3,566). The runway from opening day works out at 5 months.
Page 8, how coverage measures	At the steady-year average, on sales of $38,918, planning coverage before income tax and equipment replacement reaches 1.26 against the 1.25 our example bank asks for, and 1.37 at July's run rate; Test 3 reads the pair together. Rent takes about 11.0 percent of sales.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

For this example, treat Gate 0 as cleared. Test 1 passes. The month-12 running rate earns about $39,407 a month, above the $37,746 cash break-even (0.7257 unrounded), and cash stays over the floor through a second year (lowest point $58,185, the second August). (Out of scoring: cash break-even arrives by month 8 of the plan.) Test 2 fails. At 70 percent of the plan cash drops under the floor in month 6; about $55,000 more reserve would clear it. Test 3 passes on the planning formula; a lender applies its own definition. Test 4 passes: in the peak month (month 2, season 115 percent, steady-cycle enrollment) 136 students fit inside 190 seats, and the timetable needs about 310 teaching hours against 347 the tutors can field (4 tutors, 4 hours a day, 5 days a week). Test 5 fails for want of evidence. Test 6 passes: a steady-state year with the book full, trough included, leaves about $10,213 after principal; months 11 and 12 go negative ($513, $384) and running cash falls $897 from its month-10 peak, which the page 5 buffer covers, the balance staying positive. That is the steady-state year, not the opening year: page 19's first year loses about $46,410 of cash. Break-even needs most seats filled, and the long summer drains cash before the September intake repays those costs.

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
All three lines 10 percent lower: tuition, test prep and materials (lines 13 to 16 fall)	minus $2,824	Expected case holds the floor; full-run coverage falls to 0.41; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Students on a monthly plan: average tuition 4 percent higher, same volume (billing and processing fees are the only cost that rises)	plus $1,166	Break-even students fall from 130.6 to 124.3 a month, so from 131 to 125: per-unit costs stay the same, so the ratio rises from 0.726 to 0.733 on the new sales (sales-linked fees, line 15, take 3.2 percent of each added dollar)
Fixed costs $800 lower	plus $800	Cash break-even falls to about $36,643
Monthly churn 1.25 points higher (6.25 to 7.5 percent; about 11 fewer students by month 12, $2,744 a month less on average in year 2)	minus $2,744	Expected case still clears the floor; slow start deadline unchanged (month 6); full-run coverage falls to 0.43; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Enrollments 25 percent lower in months 1 to 3 (about 13 fewer students by month 12, wider in the months between; $2,131 a month less at full run)	minus $2,131	Expected case below the floor in month 11 (closing $25,375); slow start below the floor in month 5 (closing $18,494); full-run coverage falls to 0.62; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Tuition 8 percent lower, the same students ($2,332 a month less), from month 1 onward	minus $2,332	Expected case still clears the floor; slow start below the floor in month 5 (closing $24,357); full-run coverage falls to 0.56; the month-12 run rate falls below cash break-even; would fail Tests 1, 3 and 6
Tuition from 10 families, billed in each of the 2 months from month 4, never collected ($2,219 a month)	minus $2,219 (two-month event)	Expected case still clears the floor; slow start below the floor in month 5 (closing $24,980); $4,438 never collected
Utilities 25 percent higher ($140 a month more on line 6, a fixed rise)	minus $140	Expected case still clears the floor; slow start deadline unchanged (month 6); full-run coverage falls to 1.21; would fail Test 3
Build-out overrun of $8,000 beyond the contingency, met out of the cash reserve	no change	Expected case still clears the floor; slow start below the floor in month 5 (closing $21,419)
Opening 3 months late (the classrooms, insurance, loan interest and principal, $7,860 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 $27,763 in month 12 from the planned opening, $27,119 lower than on time; slow start below the floor in month 7 from the planned opening (month 6 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

Enrollment checklists, weekly review, six questions

These are operating checklists for running a tutoring center, not a compliance program. Add whatever enrollment, billing, leaving and safeguarding steps your location and your own advisers require.

BEFORE THE FIRST SESSION

- [ ] Hold the first session until the enrollment form is signed and the deposit has cleared.
- [ ] Pencil the first session into the tutor's timetable while the parent is still at the desk.
- [ ] Write the subject, the term dates, the billing date and the notice period into the agreement and the billing record.
- [ ] Take an emergency contact and anything the parent shares about a learning or medical need.
- [ ] Log the student with how the family found the center and the date they enrolled.
- [ ] Walk the tutor through the diagnostic, the term goals and any limits the parent described.

MONTH END AND STUDENTS WHO LEAVE

- [ ] Set each subject's enrollment against its seats, and the tutor hours booked against the roster.
- [ ] Post every new student and departure to the page 9 table, with the reason the parent gave.
- [ ] Retry a declined card inside the window the agreement allows, and note every retry and call.
- [ ] Work out the month's churn: students who left divided by those on the roll on the 1st.
- [ ] Log every inquiry with its source, diagnostic date and whether it became an enrollment.
- [ ] When a family leaves, ask what would have kept the student, and which other family they might send.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Tuition billed against cash collected, by subject				
Enrollment in each program against the seats the rooms hold				
Tutor hours delivered against the hours rostered				
New students and leavers, by program				
Inquiries, diagnostics and sign-ups, by how the family found us				
Declined payments and balances older than 10 days				
Owner hours lost to tutoring or the front desk				

SIX QUESTIONS TO INVESTIGATE

1. **Owner dependency.** Do diagnostic bookings, timetable swaps and billing arguments all wait for the owner, while the desk stalls every question?
2. **Firefighting.** In the past week, how many sessions ran without a tutor or with fewer than four students? How many cards were declined, and how long did the owner sit at the front desk?
3. **Growth outrunning the systems.** How many students quit before their third month of tutoring, and how much tuition is still unpaid on the 15th?
4. **Tutor retention.** If one popular tutor resigned tomorrow, which groups would lose their students with them?
5. **Tuition plateau.** How long, in days, from the free diagnostic to a signed enrollment, and how many inquiries never book the diagnostic at all?
6. **Mixed message.** Do two programs at the same monthly tuition consume very different tutor hours, and does the timetable now differ from the one the brochure sold?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the inquiry and diagnostic log, the page 9 roll, the tutor hours against the roster sheet, or the list of declined payments.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log instructor and front-desk hours every day. Log the hours the owner covers.
Week 2	Fill the page 7 program table at the loaded wage and mark any program whose tuition does not cover its teaching hours, materials and fees.
Week 3	Fill the page 9 build table with every enrollment and withdrawal and work out the month's churn.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions the desk lead may make without calling you.
After month 1	Compare each program's students with the students it can hold and the teaching hours worked with the roster on page 6.

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 Tutoring Center 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 program pricing calculator from instructor hours and tuition to a margin, an enrollment and churn tracker, editable inquiry, evaluation and class trackers, enrollment 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 independent tutoring centers, 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. Tutoring centers owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, enrollment agreements, billing and withdrawals 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 programs, tuition and costs. The prompt is on the kit page, ready to copy.

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 enrollment agreements, students' names, learning records or staff records. 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 tutoring center. I have attached the Tutoring Center Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my programs, students and instructors, on my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you or you calculate from mine with the formulas below. Never invent tuition, a wage, a churn figure, a capacity 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 times average tuition or price, every line counted per month. The monthly plan follows the page 9 build (students at month end times average tuition); test prep and materials = full-run sales times ramp times season. Full-run break-even and coverage take that plan at its settled-year average (page 9), not the planned count.
- 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 14 at a market wage. 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 students = (fixed costs with line 4 even if undrawn, plus principal and other recurring cash out, less test-prep and materials contribution at its own shares) divided by one student's monthly contribution; 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. Paid instructor hours a month = each instructor's hours a day times days worked a week, times 52, over 12; instructor hours needed in the peak month = the program hours on page 7 at the steady-cycle enrollment (page 9), plus the test-prep teaching hours, with the peak month's season factor applied to any seasonal line; steady-cycle enrollment against the students the classrooms can serve.
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take booked lines at full bookings averaged over 12 months, a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first day the center opens after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice 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 example bills tuition monthly in advance, collects packages at purchase and materials at sale; instructors and suppliers are paid in the month worked. In the slow-start case, every month's sales on every line are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the day the center first opens), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

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

5. Do not give legal, tax, licensing, permit, 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 student IDs. Do not ask for names, addresses, bank account details, learning or health records, or the names of my students 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 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. Programs and classes, hours open, students and inquiry sources, the instructors on the roster with paid hours a day and days a week, and days open per week.
b. Sales build: for the monthly plan, each program's places, the students at full run and the monthly tuition, my monthly churn and my planned enrollments for each month from 1 to 12 (month 1's are the students registered before opening), the recurring yearly enrollments that hold full run, and the students the classrooms can serve; for test-prep packages and for assessment and materials fees, the items a month at full run and the average charge, a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month for those two lines from my inquiry record or my market; 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 program: the seats and the students at full run, the monthly fee, and the direct staff hours a month it needs; the salaried roster's paid hours a month; the loaded wage of the hourly staff above it.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (furniture quote, insurer quote, landlord quote or calculation) for each line on page 5, from build-out and equipment to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried staff, the curriculum and printer leases, 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 on shift go in line 14 at a market wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, workbooks and materials on the tuition line; line 14, instructor hours above the salaried roster, with payroll taxes; line 15, payment processing and billing fees; line 16, teaching and cleaning consumables; and any sales line whose own shares differ, given for that line.
g. Confirm the churn, the enrollment plan and the places from item b; change nothing unless I say so.
h. For one typical week per instructor: paid hours, hours teaching a class or a session, setup, marking and family check-in hours, training and paid-break hours, and front desk cover or quiet hours; the base pay 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 tuition is billed and when it is collected, deposits or enrollment fees I collect and when, when test-prep packages and materials are paid, and when payroll, instructors and suppliers are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside and equipment replacement.
m. Cash on hand on the first day the center 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 families 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 tutoring center, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by tuition line, test-prep line, materials line and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even students (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, kept out of closing cash: collected tax, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Program economics by seats, enrollment, fee, staff hours and revenue per available seat, ranked, with the capacity check on seats and staff hours.
7. The 12-month student roll build (enrollments, leavers, students, percent of full run), steady state against the plan, average stay, lifetime value and acquisition cost per enrollment.
8. Teaching-hour utilization and the true cost of a taught hour, with the largest leak named.
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 student count or payment 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 student build, instructor hours and payment terms, 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 $27,392.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**103,500**	**85,935**	**73,951**	**65,770**	**60,280**	**56,367**	**55,082**	**54,882**	**55,424**	**56,204**	**56,972**	**57,105**
In: sales receipts	13,650	21,370	26,548	30,188	32,220	36,080	37,571	38,574	38,824	38,729	37,683	37,423
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: materials, processing fees and consumables (lines 13, 15, 16)	1,194	1,854	2,255	2,524	2,624	3,065	3,188	3,262	3,244	3,196	3,022	2,973
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	16,081	17,560	18,534	19,214	19,569	20,360	20,643	20,830	20,860	20,825	20,588	20,525
Out: center rent (line 1)	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Out: other costs, with loan interest (lines 2, 5 to 12)	7,719	7,719	7,719	7,719	7,719	7,719	7,719	7,719	7,719	7,719	7,719	7,719
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	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(17,565)**	**(11,984)**	**(8,181)**	**(5,490)**	**(3,913)**	**(1,285)**	**(200)**	**542**	**780**	**768**	**133**	**(15)**
Closing cash, expected	**85,935**	**73,951**	**65,770**	**60,280**	**56,367**	**55,082**	**54,882**	**55,424**	**56,204**	**56,972**	**57,105**	**57,090**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**103,500**	**82,987**	**66,380**	**52,436**	**40,375**	**29,419**	**20,302**	**11,944**	**4,106**	**(3,566)**	**(11,246)**	**(19,370)**
Sales receipts, slow start	9,555	14,959	18,584	21,132	22,554	25,256	26,300	27,002	27,177	27,110	26,378	26,196
Out: variable costs, slow start (lines 13 to 16)	2,676	4,174	5,136	5,801	6,118	6,981	7,266	7,448	7,457	7,398	7,110	7,032
Out: fixed costs (lines 1 to 12), principal, bills, less funding	27,392	27,392	27,392	27,392	27,392	27,392	27,392	27,392	27,392	27,392	27,392	27,392
Net cash flow, slow start	**(20,513)**	**(16,607)**	**(13,944)**	**(12,061)**	**(10,956)**	**(9,117)**	**(8,358)**	**(7,838)**	**(7,672)**	**(7,680)**	**(8,124)**	**(8,228)**
Closing cash, slow start	**82,987**	**66,380**	**52,436**	**40,375**	**29,419**	**20,302**	**11,944**	**4,106**	**(3,566)**	**(11,246)**	**(19,370)**	**(27,598)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**730**	**1,676**	**2,041**	**1,795**	**759**	**1,655**	**1,090**	**613**	**474**	**276**	**(513)**	**(384)**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. Variable costs use each sales line's own shares, so a month can differ by a few dollars from the blended share. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $39,407 a month, against month 12's own billed sales of $37,423): closing cash runs $58,185 in month 1 and $71,740 in month 12, lowest $58,185 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.