Car Dealership Business Plan and Operations Starter Kit

A working kit for independent used-vehicle lot owners. It prices the late-model line, the value line and the trucks, measures front-end gross a vehicle and the days each one sits before it sells, builds the buying budget against auction cash terms, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

USED CAR DEALERSHIPS
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Start here

A used-vehicle lot is a stock business wearing a showroom. The money leaves within days of the auction and comes back weeks later when the car sells, so the same dollar is spent twice before it is earned once.

WHAT IS INSIDE

3	Business plan, part one: who buys from the lot, the front line and the price the market sets
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HOW TO USE IT

1. Build sales by vehicle line on page 6 and the lot's costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft page 3 from the answers you write down, not from the ones you intend to write.
2. Use pencil. Auction prices, recon costs and the stock you can finance change before opening, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists daily and the weekly numbers review each week. Price the lot against the market every Monday, write the buying budget on page 10 before the auction runs, and read the front-end gross on page 9 beside the cash balance, because they are the same question asked two ways.

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 used car dealership questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **Investigation questions** on page 14 come from the same published questions, drafted by AI models and checked by a separate AI model. The founder-dependency question is a World Consulting Group working question added to them. None was measured in the field, so treat each as a hypothesis.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, regulatory or financial advice. Requirements vary by location, and a qualified professional should review the regulatory pitfalls. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

The lender's first question is how long the lot waits to be paid for a car it has already bought and paid for.

1. Executive summary (write it last)

Cover the concept, the site, the vehicle lines and the money required, from the build-out through the opening lot. Then name the month the page 6 forecast first reaches cash break-even (page 8), what the reserve has to hold, and the front-end gross a vehicle the plan assumes (page 9).

2. The buyer and the price the market sets

Write down who drives onto the lot and what they compare you against, because the buyer sees the same listing sites you do and arrives knowing the asking prices on your row. The late-model car is the most transparent and the thinnest, the older value car carries the widest spread and the most repair risk, and the truck carries the most dollars a unit. Note what each buyer trades against: a payment, a commute, a work truck that has to start on Monday.

3. The lot, the recon bay and the front line

Write the number of display spaces, the square footage of the office, the showroom and the recon shop, then the hours a bay is tied up for each car and who does the work. Name the corner of the lot a buyer walks first and the units that never get looked at. The selling constraint and the stock constraint are not the same: one bay and one technician set how fast a bought car reaches the front line, while two selling windows a week and one salesperson on a Saturday set how fast it leaves.

4. Vehicle lines and pricing

Take the landed cost of each line from the auction invoice plus the buyer's fee, the transport and the recon order, and put the asking price you can actually hold beside it, not the price you hope to hold. Test each line on the front-end gross it has to earn and the days it has to turn, then see what a three percent price move does on page 13.

VEHICLE LINE	LANDED COST	PRICE	COST AS % OF PRICE

> *Owner question: I buy at auction and I am paid when the car sells, so the money is out for weeks. How many vehicles do I have to retail in a month, at what average front-end gross, before the yard rent, the crew and the loan are paid?*
>
> The turn, not the sticker, decides whether the lot stays liquid. Page 9 measures front-end gross a vehicle and the days each class sits, page 10 sets the money the month can put into stock at auction terms, and page 8 finds the vehicles a month that cover the fixed cost and the loan. Page 13 tests a rival store that takes a share of the late-model line and a cost rise of one point of sales.

PAGE 4

Business plan, part two

5. Operations

Describe how a car moves from the auction run to the bid, to the transport, to the recon bay, to the front line, to the deal jacket and to the bank. Name the step that slows the busiest week, who checks each one and what happens to a unit that fails recon or sits past its days.

6. Team

List every role, the hours it covers and the pay it costs, including a market wage for your own buying and pricing time. Name the person who can run the lot without you, and note who covers a Saturday when two buyers arrive at once.

7. Marketing

Explain why a buyer drives onto your lot rather than clicking the next listing, and what gets a car onto the row looking like the photograph. Track the calls, the lot walks and the deals written in records you own, and treat every listing as the front door of the business rather than as an advertisement.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below. Show how much the lot needs, where the money comes from, how long it lasts if the ramp is slower than planned, and what happens to the bank balance when a car sits sixty days instead of forty-five.

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

TEST	PASS?
Gate 0. The draft lease, the build-out quotes and every approval the lot needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, total sales reach cash break-even at the month-12 run rate (page 8) and closing cash stays at or above your cash floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The plan's vehicles in its busiest month fit the recon bay's days and the display spaces the lot carries, and planned volume reaches break-even on page 8.	
5. Expected unit counts rest on evidence (auction run sheets from a sale you have worked, a buyer list you can call, or a site count with a turn rate from comparable lots), not on the traffic that passes the lot.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

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

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the contractor, the fixture or systems supplier, or a documented calculation for the opening lot.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
SPACE AND EQUIPMENT				
Leasehold improvements, office and showroom build-out				
Office furniture, customer area and showroom displays				
Computers, dealer management software, phones and listing tools				
Signage and lot frontage				
Lot lighting, cameras, gate and alarm				
Reconditioning bay tools and equipment				
SETUP AND DEPOSITS				
Lease deposit and pre-opening rent				
Insurance down payment				
Entity and accounting setup				
PRE-OPENING AND STOCK				
Opening inventory, vehicles at landed cost				
Lot prep and photography				
Training and pre-opening payroll				
Launch marketing				
CASH AND CONTINGENCY				
Opening cash				
Contingency				
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), carried up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the lot setup runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build sales by vehicle line from units and prices, not from the rent you need to cover. Count units from auction runs you have actually worked or a buyer list you can call, and remember what an average hides: a late-model car at 26,900 dollars and a value car at 18,400 dollars cross the same front line and leave very different gross behind, because the late-model market is the one the buyer has already priced and the value car is where the spread still exists. Keep the three lines apart on the page, because a plan that blends them cannot see which row is paying for the yard.

```
Monthly sales for a line = units times average vehicle price 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 VEHICLE PRICE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Late-model used vehicles	vehicles				
Value vehicles	vehicles				
Trucks and SUVs	vehicles				

Full-run month

RAMP AND SEASONS

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

Expected sales for each month = full-run vehicle sales times ramp times season. Use 100 percent where a factor does not apply. Ramp, season and units a month are your assumptions; write down the auction run sheet, the buyer list or the site count behind each one.

CAPACITY CHECK

```
Monthly capacity = the smaller of the recon bay's days a month divided by the days a vehicle occupies it
and the display spaces the lot carries times 30.4 divided by the planned days in inventory
```

An independent lot runs out of recon bay days in the busiest week before it runs out of display space, and the selling constraint is the busiest Saturday afternoon. Count the hours you will actually staff: one bay clears about two cars a week at two to four days a car, so twenty two vehicles a month needs three bays of recon time, and a front line of forty spaces against twenty two vehicles a month at forty-five days in inventory. The average hides the peak: a good auction run lands several cars in one week, and a car waiting on a bay is money already spent that is not yet for sale. Two selling windows a week and one salesperson on a Saturday are the other queue, and a buyer who waits is a buyer who drives to the next lot. Write the auction days, the bay schedule and the weekend cover, then check that the unit counts on this page fit them.

PAGE 7

Vehicle lines, front-end gross and what each row leaves behind

Three lines that look alike from the street and behave like three businesses. The late-model row is the most transparent and the thinnest: the buyer has already checked the price on the same listing site, so the gross is made on the buy and the recon, never on the sticker. The value row carries the widest spread and the most repair risk, and the trucks carry the most dollars a unit and the most days on the grass. Price each line from its landed cost, which is the hammer price plus the buyer's fee, the transport and the recon order, and let the blend on line 13 show what is actually left. This plan carries no lot-loss line: the cost of goods on line 13 is the landed cost of each vehicle, so the margin on this page and the contribution on page 8 are both struck before any damage, theft or write-down on the lot is taken into account, and that zero is a stated zero rather than a measured one.

```
Rate on a unit = the sale price less the landed cost, divided by that price
Markup = the same dollar gap taken over the landed cost, so it always reads higher; a sticker built from
markup keeps less than the markup implies
What a row keeps = its revenue less its own landed cost, over its revenue; line 13 weighs the three
vehicle rows together by revenue.
```

WORKED EXAMPLE: THE LATE-MODEL ROW, THE VALUE ROW AND THE TRUCKS (ILLUSTRATIVE).

DEPARTMENT	UNITS A MONTH ACROSS THE ROW	ASKING PRICE	LANDED COST	LEFT PER VEHICLE	MARGIN	MARKUP	PART OF REVENUE
Late-model used vehicles	9	$26,900.00	$23,537.50	$3,362.50	12.5%	14.3%	47%
Value vehicles	9	$18,400.00	$15,732.00	$2,668.00	14.5%	17.0%	32%
Trucks and SUVs	4	$27,900.00	$24,133.50	$3,766.50	13.5%	15.6%	21%

The blend finishes at 13.35 percent, a twentieth of a point under the 13.4 percent target the plan sets for itself, a gap worth roughly $246 in a month at this volume and a sign that the target is the published band rather than a figure chosen to flatter the example. The value row holds the fattest rate at 14.5 percent; the late-model row sits at the bottom on 12.5 percent. Revenue concentrates on the late-model row: 47 percent of every dollar the front line takes. Weighed together, the plan runs at 13.35 percent on revenue, which rounds to 13.4, and a 15.4 percent markup on landed cost. Those rows set the sales lines and the cost-of-goods share on page 12; the buying budget on page 10 uses the same three. Group the departments the way you buy them, because the buying budget and every later turn figure follow the same three rows. The late-model row cannot earn its space on gross rate; it earns it on how fast the car leaves, and a week past its days turns a thin gross into a loss. Expect the price pressure to arrive through the listing site rather than through the buyer, because the same tool that prices your row prices the one across the road, and expect the value row to carry a wide rate that a single transmission order can erase. The trucks are the row where a bad buy costs the most and turns the slowest, so their days matter more than their rate. The largest share of sales is the late-model row, which is why its price is settled first and the others follow. The three prices in the worked example are calibration rather than a recommendation: they reproduce a published average selling price at a planned volume, and the landed costs hold the published front-end band. Replace them with your own auction receipts before you commit money, and put your own unit counts in, because this is one mid-size lot and not an average of the trade.

WRITE YOUR OWN THREE VEHICLE ROWS

DEPARTMENT	UNITS A MONTH ACROSS THE ROW	ASKING PRICE	LANDED COST	LEFT PER VEHICLE	MARGIN	MARKUP	PART OF REVENUE

Set each row from its own landed cost against the price the market will actually pay, never from the sticker on the car across the road. A row that turns quickly can live on a thin rate and still carry the yard; a row that turns slowly has to earn its space on the gross it leaves per parking space.

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Rent and common area charges, 40 display spaces and a 1,200 square foot office and showroom	
2. Liability, garage-keepers and property insurance	
3. Salaried manager and the opening crew, with payroll taxes and benefits	
4. Owner's market wage for buying, pricing and lot management (selling hours are in line 3)	
5. Loan interest (lot build-out, equipment and opening stock loan, year-one average)	
6. Utilities and internet, the lot lights run all night	
7. Marketing, listing sites, photography and local advertising	
8. Dealer management system, listings and phones	
9. Accounting, bookkeeping and bank fees	
10. Lot and building maintenance, and equipment service	
11. Training, subscriptions and other fixed costs	
12. Alarm monitoring, waste and lot supplies	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Cost of goods sold, blended across the three vehicle lines (set by the department landed costs)	
14. Card and payment fees, charged above the cash portion of each deal	
15. Transport and fuel, moving a unit from the auction to the recon bay	
16. Auction fees, lot supplies, lot fuel and yard shuttle runs	
17. Other variable costs, detail supplies and warranty top-ups	
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 vehicles a month = (monthly fixed costs, principal and other recurring cash out minus the
monthly contribution from the value line and the trucks at planned full-run sales and own contribution
ratios) divided by the contribution from one average late-model vehicle
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 vehicles a month (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; daily = weekly divided by days open per week. Rent share = line 1 divided by net sales.

PAGE 9

Front-end gross a vehicle, and what a day on the lot costs

A lot does not sell cars, it sells days. Every unit on the row is money that has already left the account, and the only question that decides whether the month works is how many days pass before that money comes back with a gross attached. Front-end gross is the sale price less the acquisition cost and the recon order, and dividing it by the days the car sat turns a sticker into a rate the lot can compare across rows. A car with a fat gross that sits for ninety days earns less a day than a thin one that leaves in three weeks, and the space it holds could have carried the next unit. That is why the table below is read by the gross-per-day column last, after the days column has been checked.

```
Front-end gross per vehicle = sale price minus acquisition cost minus reconditioning cost
Days in inventory = days from the day the vehicle is taken in to the day it is retailed
Gross per vehicle-day = front-end gross per vehicle divided by its days in inventory
Turn = 30.4 divided by days in inventory; the lot sells this many times its spaces a month
```

WORKED EXAMPLE: FRONT-END GROSS BY CLASS (ILLUSTRATIVE)

CLASS	UNITS / MONTH	PRICE	ACQUISITION	RECONDITIONING	LANDED COST	FRONT GROSS	GROSS %	DAYS	GROSS / DAY
Late-model used vehicles	9	$26,900.00	$22,087.50	$1,450.00	$23,537.50	$3,362.50	12.5%	45	$74.72
Value vehicles	9	$18,400.00	$14,282.00	$1,450.00	$15,732.00	$2,668.00	14.5%	45	$59.29
Trucks and SUVs	4	$27,900.00	$22,683.50	$1,450.00	$24,133.50	$3,766.50	13.5%	45	$83.70

Landed cost is acquisition plus reconditioning, the unit cost the page 7 margin table carries. The example averages $3,152 of front-end gross a vehicle across 22 units a month, at 45 days in inventory and 0.68 turns a month. The lot plans 22 vehicles a month against room for 27 at 45 days in inventory, so 7 spaces stand free: the constraint is demand, not the lot. Days in inventory is measured from the day the car is taken in and paid for, not from the day it reaches the front line, because the money leaves at the auction and the bay time is part of the wait. The recon cost sits inside the landed cost and is not a separate line, so a repair discovered before the sale shows up as a lower gross rather than as a cost of its own, and a warranty repair after the sale sits in line 17. A unit bought at a good price and then held for a fault the buyer will not pay for is a unit that has already lost the margin. Use your own jacket dates and your own recon orders, and count a car at the body shop or the detailer as stock, because it is money on the row wherever it is parked. The turn the lot can hold is a planning ceiling and not a demand forecast: the spaces tell you what the row can carry at a given age, and the market tells you whether the cars leave.

YOUR CLASSES

CLASS	UNITS / MONTH	PRICE	ACQUISITION	RECONDITIONING	LANDED COST	FRONT GROSS	GROSS %	DAYS	GROSS / DAY

Sell the age, not the discount. A vehicle that carries a lot of front gross but sits on the lot for months earns less a day on the money and the space than one that carries less and turns quickly. Price to the days you actually see, not to the days the guidebook assumes.

PAGE 10

What the month's auction money can carry

Open-to-buy settles one thing only: how much money may go into cars this month without pulling the next auction run off the table. Every unit on the row, every car in the bay and every deposit already placed chase that single number, so it is fixed before the run list is drafted rather than settled after the transporter arrives.

```
Stock at landed cost = twelve months of vehicle cost over the turns the lot plans
Open-to-buy = the month's vehicle cost, plus the stock the plan wants on the row, less what already stands there, less what is already bought and in transit
A car spends the auction's lead time in transit and settles on the auction's terms after it lands, so cash departs 10 days after the bid; page 19 settles invoices in the month of the sale itself, so enter your own lead time and terms on page 11
```

WORKED EXAMPLE: A MONTH OF CARS AT LANDED COST (ILLUSTRATIVE).

DEPARTMENT	REVENUE IN A MONTH	PART OF REVENUE	LANDED COST, A MONTH	PART OF COST
Late-model used vehicles	$242,100	47%	$211,838	47%
Value vehicles	$165,600	32%	$141,588	31%
Trucks and SUVs	$111,600	21%	$96,534	21%

The revenue column repeats the page 7 rows, and every cost column takes that row's units against its own landed cost.

THE AUCTION MONEY THE MONTH CAN ABSORB

LINE	THIS MONTH
Cars sold in the month, at landed cost	$449,960
Stock the row should hold, at landed cost (annual cost of goods divided by 8.1 turns)	$666,607
Stock standing when the month opens, at landed cost	$665,000
Bought and landing this month, at landed cost	$96,000
Free to commit this month, at landed cost	$355,566

That is a buying budget of $355,566 this month: enough to replace what the month will sell and reach the target stock, after what already stands on the lot and what is already on order. The lot carries 1.5 months of stock at landed cost at the open ($665,000 against $449,960 of monthly cost of goods), plans 8.1 turns a year, and a car bought today is settled 10 days later: 7 days of auction lead time plus 3 days of terms. The auction is paid within days and the buyer pays weeks later, and that stretch is the working-capital problem this trade lives with. The open-to-buy is a cash decision, not only a stock decision. The auction sets one rhythm and the buyer sets the other, and here the two run against the lot: a car bought today is paid within days and takes about six weeks to sell at the planned turn, while the money from the sale arrives a few days after the jacket is signed. A normal month therefore funds the next purchase out of the last sale only if the row turns, and the strain arrives when a unit sits past its days in a slow month. Faster turns shorten the gap and slower turns widen it, which is why a buying sheet built from what sold is worth more than a bargain on a car the market will not clear, and why a unit bought past the recon estimate costs more than the discount it came with.

WORK YOUR OWN FIGURE

LINE	THIS MONTH
Cars sold in the month, at landed cost	
Stock the row should hold, at landed cost	
Stock standing at the open of the month, at landed cost	
Bought and still to land, at landed cost	
Free to commit this month, at landed cost	

Size the buy to what the row sold and the stock the plan wants, never to a sale's run of cars or a bargain that fills a space. A discount on a car the market will not clear costs more than it saves.

PAGE 11

Twelve-month cash forecast

Profit and cash are different numbers: loan principal, build-out bills, the opening lot buy and the funding lag all drain the bank account. Enter amounts in thousands of dollars (51.25 means 51,250 dollars).

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

Month 1 opening cash is cash on opening day after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. The engine books every sale in the month it is written and does not model the funding lag, so enter the receipts in the month the money lands rather than the month the deal was done, and keep page 10 beside the forecast as the measure of what is still out. 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 card fees you would also cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and a lot that pays for its cars before it sells

```
Runway = the count of months the lot can keep meeting its bills, taken back from the most recent month closed (before opening, from opening day), ending at the first month whose closing balance drops beneath your reserve line
```

Worked example: one made-up independent used-vehicle lot

Illustrative figures laid out to demonstrate the sums, never offered as any benchmark. Open Monday to Saturday, ten hours a day, about 26 days a month; the lot has 40 display spaces and opens in March. Cash floor $40,632. The fixed lines go out on the schedule the table prints, and the owner draws a wage; no outside capital enters.

Page 5, the opening budget	Total startup budget $1,013,850, carried by a $300,000 loan (11 percent over 10 years) and $713,850 put in by the owner, with a $120,000 cushion for trade that the first morning leaves whole. The page 5 sizing starts from a floor of $40,632, then a single month of cushion worth $40,632, plus $17,208 (the depth to which a first pass, opening with nothing, breaches zero), carried up to $98,500.
Page 8, standing costs	Fixed costs $39,178 a month, including $6,500 for rent and $2,678 of loan interest; principal $1,454 a month (each a first-year average); variable share 90.0 percent, which leaves a contribution ratio of 0.100. Lines 13 to 17 take 86.6473, 1.6, 0.85, 0.4 and 0.5 percent of sales (line 13 mixed across the three vehicle lines). Lines 1 to 12 run $6,500, $1,600, $15,200, $4,800, $2,678, $1,400, $2,500, $400, $900, $1,600, $800 and $800 a month.
Page 8, the break-even point	The break-even ahead of debt sits near $391,674 a month. The all-in break-even, debt included (standing costs $39,178 plus principal $1,454, divided by 0.100) is about $406,210 a month: 4.4 vehicles a month from late-model used vehicles once the value row and the trucks have paid in (line 13 runs 87.5 percent on late-model used vehicles, 85.5 on value vehicles and 86.5 on trucks and suvs; the four charges above cost of goods bite each line alike, so the contribution ratio comes to 0.092 on late-model used vehicles, 0.112 on value vehicles, 0.102 on trucks and suvs), so 5, against the 9 the plan assumes.
Page 6, the sale lines	Late-model used vehicles: 9 vehicles a month at $26,900. Value vehicles: 9 vehicles a month at $18,400. Trucks and SUVs: 4 vehicles a month at $27,900. In a settled month the lot turns over about $519,300; the monthly unit count climbing 55, 64, 72, 79, 84, 88, 91, 94, 96, 98 percent through months 1 to 10, then 100 percent; season 102, 108, 106, 100, 95, 97, 101, 104, 99, 92, 87, 109 percent through all twelve months, and only the everyday trade carries that swing.
Page 19, the expected run	First-month turnover $291,327; month 1 closes at $108,509, month 12 at $160,463. The shallowest point lands in month 3, closing $102,792, $62,160 over the floor.
Page 19, the slow run	Held at seven tenths of plan, month 1 sales $203,929; month 1 closes at $99,766, month 12 at $2,049. The reserve breaks in month 6 (closing $38,268), which gives a count from day one of 5 months.
Page 8, debt cover	With a settled month turning over $519,300, the ratio the note holder looks at, before tax and before replacing lifts or software, stands at 3.74 against the 1.25 the note holder here requires; on the twelfth-month pace it reads 3.74, and Test 3 is scored on the pair. Rent share is about 1.3 percent.

THE SIX TESTS SCORE THIS EXAMPLE: AMBER

For this example Gate 0 is taken as cleared. Test 1 succeeds: on the twelfth-month pace turnover reaches about $519,300 a month, above the $406,210 break-even; the reserve line survives a second full year at that pace (lowest close $172,814, month 1 of year 2). (Background only, outside the scoring: planned turnover first meets all-in break-even in month 4.) Test 2 fails: held at seven tenths of plan, the balance breaks the reserve line in month 6; about $38,600 a deeper cushion would bring it through. Test 3 succeeds on the planning formula, read the way the note holder reads it. Test 4 passes: in the peak month in the seasonal pattern (season 109 percent) the plan retails about 24 vehicles, which the recon bay's days can take and the display spaces on the lot carry. Test 5 fails: no auction run sheets or buyer list stand behind the planned unit counts, and a test with no evidence fails; bring the run sheets and score the plan again. Test 6 passes: twelve settled months leave roughly $135,744 once principal is paid, and no settled month dips under zero, which leaves nothing to cushion. Those are settled-year figures rather than first-year ones: page 19's first year leaves about $40,463 in cash because the ramp and startup months come first. This example lays nothing aside for income tax, nothing for a new lift or a software renewal, and buys no stock beyond the opening row (page 19); rate a live plan against its own lot.

PAGE 13

What moves the result

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

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

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
Sales volume 10 percent lower (variable costs fall; fixed stay)	minus $5,194	Expected case holds the floor
Late-model used vehicles: average vehicle price 3 percent higher, same volume (only sales-linked fees rise)	plus $7,147	Break-even vehicles fall from 4.4 to 3.3 a month, so from 5 to 4: per-unit costs stay the same, so the ratio rises from 0.100 to 0.112 on the new sales (sales-linked fees, line 14, take 1.6 percent of each added dollar)
Fixed costs $1,200 lower	plus $1,200	Cash break-even falls to about $394,214
A franchise store certifies its trade-ins and takes 15 percent of the late-model line, from month 6 onward	minus $3,323	Expected case still clears the floor; slow start deadline unchanged (month 6)
Fees and transport rise by one point of sales	minus $5,193	Cash break-even rises to about $451,331; expected case still clears the floor; slow start below the floor in month 5 (closing $34,764)
Recon bay and lot lighting overrun of $45,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 2 (closing $39,267)
Opening 2 months late (rent, insurance, loan interest and principal, $12,232 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 $71,870 in month 6 from the planned opening, $30,922 lower than on time; slow start below the floor in month 6 from the planned opening, as on time

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Opening and closing checklists, weekly review, six questions

Add the tasks, limits and corrections that your auction accounts, your insurer, your floorplan or your own procedures call for.

OPENING CHECKS

- [ ] Walk the row and count the units against the stock list, then count the keys against the units.
- [ ] Check the units that came back from the body shop, the detailer or the recon lot against their jackets.
- [ ] Check the battery, the fuel level and the tires on every unit that has sat for a week.
- [ ] Check the day's appointments, the holds and the deposits taken on a unit not yet delivered.
- [ ] Check the bay schedule against the cars waiting on reconditioning.
- [ ] Check the listing photos and the prices against the market before the day starts.

CLOSING CHECKS

- [ ] Record the deals written, the deposits taken and the deliveries promised for tomorrow.
- [ ] Log the units bought, the buyer's fees paid and the transport booked.
- [ ] Reconcile the register, the card batches and the cash drawer against the day's deals.
- [ ] Note every unit past forty-five days and the decision taken on it.
- [ ] Check the keys and the titles back to the lock box and the file.
- [ ] Write tomorrow's auction run list and the recon orders that have to clear the bay.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Vehicles retailed and the front-end gross by line, with the trucks kept apart				
Units bought, the landed cost of each and the days each one is expected to sit				
Margin by line, against the page 7 target, with the late-model row shown separately				
How much of the open-to-buy the month has used, against page 10				
Recon orders open, the days each unit has waited on the bay and the repair cost against the estimate				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does the owner work every auction run, set every price and hold every buyer relationship, so the lot stops when the owner is away?
2. **Aging control.** Is every unit re-priced on a schedule at 30, 60 and 90 days, or does the oldest car quietly become the cheapest by default?
3. **Buying against the row.** Is the next car bought to replace what sold, or to fill an empty space because the lot looks thin?
4. **Recon discipline.** Is the reconditioning estimate written before the bid, and does the final repair order get charged back to that unit?
5. **Front-end blindness.** Can the owner say what each class earned last month, or only what the lot took in total?
6. **Title and key control.** Is every title, key and jacket accounted for at the close, or is the paperwork reconciled only when a deal needs it?

Questions and their sources are described on page 2. Check each one against a record: the stock list with a landed cost and a date on every unit, the deal jackets, the auction invoices and buyer's fees, the recon orders, the listing and price history, and the buying budget worksheet.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record every unit's landed cost, its arrival date and its asking price in one list. Write the lease, insurance and auction payment dates in one place.
Week 2	Recheck each line's asking price against the market, and cost the recon order on the units that have been through the bay. Time one car from the auction to the front line, and time a deal from the jacket to the bank.
Week 3	Fill the page 10 open-to-buy from the first month's stock and purchases, and compare it with the auction money you actually spent. Set the markdown schedule for the units past forty days.
Week 4	Enter the actual closing cash on page 11 and recalculate runway. Fill the page 9 gross and days figures with the real deals, and write the decisions a salesperson may make without calling you.
After month 1	Keep the buying budget monthly and re-price the row every Monday. Set the par level for the front line that keeps the row full without buying a car the market will not clear.

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 Car Dealership Business Plan and Operations Starter Kit adds an editable business plan, a three-year financial model with profit and loss and cash flow, a front-end gross and days-in-inventory tracker, an open-to-buy and stock planner, and an aging and markdown policy. Release status is on the kit page.

SOURCES

Public sources. Auto Remarketing, used-vehicle dealer benchmarks: days in inventory, turns and the cost-to-market spread, autoremarketing.com. VantaInsights, used-car dealership profit margins: the sales level, receipts over establishments, vantainsights.com. QuickerBonds, profit per used car: the worked vehicle's buy, sale and gross, quickerbonds.com. Cox Automotive, used-vehicle listing and price data: the retail price bands, coxautoinc.com. Blue and Company, dealership financial benchmarks: the establishment-level sales and margin figures, blueandco.com. Vehicle Recon Tracker: the reconditioning cost a vehicle, vehiclerecontracker.com. UT Extension, land-use planning standards: the lot's parking density, utia.tennessee.edu. O*NET OnLine, retail salespersons and sales managers: the crew and owner wage levels, onetonline.org. US Energy Information Administration, commercial electricity prices: the utilities line, eia.gov. Stripe, card processing fees: the payment-fee band, stripe.com. NAGGL, maximum loan spreads, and the Bankrate small-business loan rate table: the loan rate band, naggl.org and bankrate.com. Commercial lender terms: the ten-year term. StartPermit, commercial lease cost data: the rent band, startpermit.com. All accessed 2026-11-08.
World Consulting Group material. Used car dealerships owner questions, businessconsultant.services, 2026.

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General information only. Not legal, tax, accounting, employment, regulatory 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 vehicle lines, stock, turn and costs. The kit page has a copy-ready version.

BEFORE YOU RELY ON THE ANSWER

Check every department total and landed cost with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste customer records, deal jackets, account numbers, passwords or buyer lists. 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 used-vehicle lot. I have attached the Car Dealership Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my lot, my vehicle lines and my turn, using only my real numbers.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a rent, wage, landed cost, price, unit count, auction fee, turn, percentage or benchmark.
2. The numbers in the kit, including the example lot's vehicle lines, units and buying budget, are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] and tell me which invoice, deal jacket or calculation gives the real number. Label my own estimates MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a vehicle line = units a month times the average price of one. Each month's expected sales = full-run line sales times the ramp percentage times the seasonal percentage.
- Net sales exclude sales tax. Labor = the salaried manager and crew, the hourly cover above them, payroll taxes and benefits, plus a market wage for my own buying and pricing work. 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 vehicles a month = (monthly fixed costs, principal and other recurring cash out minus the monthly contribution from the value line and the trucks at planned full-run sales and own contribution ratios) divided by the contribution from one average late-model vehicle. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Monthly capacity = the smaller of the recon bay's days a month divided by the days a vehicle occupies it and the display spaces the lot carries times 30.4 divided by the planned days in inventory.
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on opening day after startup spending is paid. Place every receipt and payment (auction invoices, build-out bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Enter vehicle receipts on the funding cycle I actually see, not in the month of the sale. In the slow-start case, every month's sales are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only card fees I would also cut). Runway = the count of months the lot can keep meeting its bills, taken back from the most recent month closed (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, 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, and make no claim about a vehicle's condition, history or value that you cannot support. For the market and marketing sections, use only what I tell you, and list the local facts I should gather, such as the lots within five miles and the auctions that serve this area.
7. Work every total line by line and recheck it in total. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous client IDs. Do not ask for names, home addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Concept, the buyer and what each one compares the lot against, the display spaces and the recon bay, the three vehicle lines and the space each one takes, the hours I plan to keep and the auction days I will work.
b. The sales build: for each vehicle line, the units a month and the average price of one, days open per week and opening hours; a ramp percentage for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (auction run sheets from a sale I have worked, a buyer list I can call, or a site count with a turn rate from comparable lots).
c. For each merchandise department: units sold a month at full run, the average retail price a unit, and the average unit cost at cost, plus the gross margin the department has to hold.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. The startup budget: an amount and its source (contractor, fixture, systems or recon-bay quote, or calculation) for each line on page 5, from the build-out to the contingency.
e. Monthly fixed costs for each numbered line on page 8, from rent (line 1) to alarm monitoring and lot supplies (line 12), including loan interest and my market wage for buying and pricing (line 4; selling hours go in line 3, the salaried crew), whether I draw that wage in cash, and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month.
f. Variable cost shares of net sales for lines 13 to 17: line 13, cost of goods sold, blended across the three vehicle lines (set by the department landed costs); line 14, card and payment fees, charged above the cash portion of each deal; line 15, transport and fuel, moving a unit from the auction to the recon bay; line 16, auction fees, lot supplies, lot fuel and yard shuttle runs; line 17, other variable costs, detail supplies and warranty top-ups; and any sales line whose own shares differ, given for that line.
g. For each vehicle class: units retailed a month, the average sale price, the average acquisition cost, the average reconditioning cost, and the average days from acquisition to sale; plus one lot-level figure for the number of spaces.
h. My annual inventory turns (annual cost of goods sold divided by average stock at cost), stock on hand at cost on the first day of the plan month, stock already on order and arriving this month at cost, the supplier lead time in days, and the supplier payment terms in days.
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 a buyer pays me (the deposit at the desk, the balance by check, transfer or lender draft) and when each lender funds the deal, with the days each one actually takes; and when the auction and the recon shop are paid, including how many days the auction allows and when the draft falls due. Say when each sales line pays me.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, equipment replacement and stock build-up.
m. Cash on hand on opening day after all startup spending, build-out bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my used-vehicle lot, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by vehicle line and month, with annual sales, the recon bay and front-line capacity check from page 6 and the front-end gross by class from page 9.
3. The completed startup budget with the total, listing the build-out and the opening lot first. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even vehicles a month (use cash break-even); rent share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add a sales tax memo for each month: collected, remitted, and owed at month end (last month's owed + collected minus remitted), kept out of closing cash.
6. Gross margin and markup for each department and blended across the store, the department carrying the most sales and the one carrying the weakest margin, and the cost-of-goods share the rest of the plan uses.
7. Front-end gross per vehicle and per vehicle-day by class, the blended front-end gross, the days in inventory the plan assumes, and whether the lot can hold the planned volume at that age.
8. The month's open-to-buy at cost, whether the store is over-bought or under-bought, months of stock on hand, and the date the cash leaves for an order placed today.
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 unit cost or auction invoice 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, units a month and the vehicle prices first, before anyone else sees the plan, then recheck the totals.

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 $40,632.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**120,000**	**108,509**	**103,780**	**102,792**	**103,196**	**104,015**	**107,723**	**114,832**	**124,981**	**133,716**	**139,917**	**144,476**
In: sales receipts	291,327	358,940	396,330	410,247	414,401	443,274	477,289	507,668	493,543	468,201	451,791	566,037
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: vehicles at landed cost, card fees, transport and auction supplies (lines 13 to 17)	262,186	323,037	356,686	369,211	372,950	398,934	429,548	456,887	444,176	421,368	406,600	509,418
Out: payroll, line 4 if drawn in cash, and hourly cover (lines 3, 4)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Out: rent (line 1)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Out: other costs, with loan interest (lines 2, 5 to 12)	12,678	12,678	12,678	12,678	12,678	12,678	12,678	12,678	12,678	12,678	12,678	12,678
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	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(11,491)**	**(4,729)**	**(988)**	**404**	**819**	**3,708**	**7,109**	**10,149**	**8,735**	**6,201**	**4,559**	**15,987**
Closing cash, expected	**108,509**	**103,780**	**102,792**	**103,196**	**104,015**	**107,723**	**114,832**	**124,981**	**133,716**	**139,917**	**144,476**	**160,463**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**120,000**	**99,766**	**84,267**	**71,386**	**59,479**	**47,863**	**38,268**	**31,055**	**25,970**	**19,895**	**12,046**	**3,048**
Sales receipts, slow start	203,929	251,258	277,431	287,173	290,081	310,292	334,102	355,367	345,480	327,741	316,254	396,226
Out: variable costs, slow start (lines 13 to 17)	183,531	226,125	249,680	258,448	261,065	279,255	300,683	319,820	310,923	294,958	284,620	356,593
Out: fixed costs (lines 1 to 12), principal, bills, less funding	40,632	40,632	40,632	40,632	40,632	40,632	40,632	40,632	40,632	40,632	40,632	40,632
Net cash flow, slow start	**(20,234)**	**(15,499)**	**(12,881)**	**(11,907)**	**(11,616)**	**(9,595)**	**(7,213)**	**(5,085)**	**(6,075)**	**(7,849)**	**(8,998)**	**(999)**
Closing cash, slow start	**99,766**	**84,267**	**71,386**	**59,479**	**47,863**	**38,268**	**31,055**	**25,970**	**19,895**	**12,046**	**3,048**	**2,049**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**12,351**	**15,468**	**14,429**	**11,312**	**8,715**	**9,754**	**11,831**	**13,390**	**10,793**	**7,156**	**4,559**	**15,987**

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 is the planned figure, which is above the page 5 two-pass size. 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 $519,300 a month, against month 12's own $566,037): closing cash runs $172,814 in month 1 and $296,208 in month 12, lowest $172,814 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.