Vape Store Business Plan and Operations Starter Kit

A working kit for independent vape and smoke shop owners. It prices disposables, e-liquid and the glass case by the item, builds the open-to-buy that decides how much stock the month can carry when the distributor wants paying three weeks after the order, counts the wall and the case at cost, finds operating and cash break-even, and scores the plan on six pass-or-fail tests.

VAPE AND SMOKE SHOPS
FREE EDITION · VERSION 1.0 · OCTOBER 2026
19 PAGES · PRINT IT, WRITE ON IT, KEEP IT
LATEST VERSION: BUSINESSCONSULTANT.SERVICES/KITS/VAPE-AND-SMOKE-SHOPS/
SHARE THIS KIT: LINKEDIN · X · FACEBOOK · BLUESKY · THREADS · EMAIL
BY KAMYAR SHAH · WORLD CONSULTING GROUP

PAGE 2

Start here

A vape shop sells a fast consumable off one display and a slow, high-margin case beside it, and the two lines pull the cash in opposite directions. This kit makes you write the department prices, the buying budget and the count down, then tests whether the cash survives a year that opens in September, peaks at 115 percent and troughs at 86 in January.

WHAT IS INSIDE

3	Business plan, part one: concept, customer, the sales floor and pricing
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: leasehold build-out, the display wall and case, opening stock, deposits and working capital
6	Sales forecast builder by department, ramp, seasons and a capacity check on counter hours and delivery days
7	The three departments, the price each one sets and how they blend into line 13
8	Operating and cash break-even, break-even items, rent share, debt coverage
9	The buying budget, the turns you plan and the wait between order and payment
10	The count by department, the rate on the book and the annual cost of the loss
11	Twelve-month cash forecast, expected and slow-start cases
12	Runway, and a worked example scored on the page 4 check
13	What moves the result: the worked example's what-if table
14	Opening and closing checklists, weekly numbers review and six investigation questions
15	Your first 30 days, lease questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
19	The worked example's twelve-month cash forecast, filled in

HOW TO USE IT

1. Build sales by department on page 6 and the shop'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. Write your own figures, because distributor prices and lead times change before opening.
3. Once you open, use the page 14 checklists daily and the weekly numbers review each week. Write the buying budget on page 9 before the reorder goes to the distributor, and count the wall and the case on page 10 at the interval you set.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the vape and smoke shop questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **Investigation questions** on page 14 come from the same published questions, drafted by AI models and checked by a separate AI model. None was measured in the field, so treat each as a hypothesis.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, 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 whether the shop can pay the distributor before the customer pays the shop. Keep the arithmetic from the pages that follow.

1. Executive summary (write it last)

Put the monthly cost of stocking the disposables wall beside the cost of the open-system case, because the two turn at different speeds and one of them ties up far more cash per square foot. Then name the month the page 6 forecast first reaches cash break-even (page 8), what the reserve has to hold, and the largest single distributor payment the plan asks the bank account to carry before the first week of takings lands.

2. The customer and the two buying habits

One customer buys the same item every week or two and barely looks at the price, and another stands at the case for twenty minutes and walks out with one piece a season. Note also what the weekly buyer replaces: a device that stops holding a charge is the reorder, not a new customer, and the price of the replacement is set by the shop two miles away rather than by you.

3. The floor, the wall and the hours

Write the square footage, the wall run, the case frontage and the back room, then the departments and the display each one takes. Write the hours you will keep and the hours the trade actually shops, because they are not the same: a secondary bay in a strip center takes most of its money in the evening and at the weekend, and a counter staffed to the average is a counter that is short when it matters.

4. Departments and pricing

Take the items in each department from the distributor invoice and the shelf ticket rather than from a suggested retail list, and put the landed cost beside the price for each. See what a four percent move on the disposable price does to break-even on page 13.

DEPARTMENT	LANDED COST	SHELF PRICE	COST AS % OF PRICE

> *Owner question: My distributor wants paying three weeks after the order and the stock takes six and a half weeks to sell through, so every reorder is financed twice. Can this shop pay me a wage, cover a 40,000 dollar loan and get through a January that runs 14 percent below a normal month, and what happens if the shop two miles away takes a fifth of my disposable line?*
>
> The gap between paying the distributor and collecting at the counter is the working capital this trade runs on. The buying budget on page 9 is the control on how much can be committed this month, and the count on page 10 measures what the wall and the back room actually hold. Page 13 tests a 9,000 dollar overrun on the build-out and a distributor that adds two points to its cost.

PAGE 4

Business plan, part two

5. Operations

Describe how an order moves from the par sheet to the distributor, to the delivery, to the wall and the case. Name the step that slows the busiest delivery day, and who checks each step when you are not behind the counter.

6. Team

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

7. Marketing

Explain why the weekly buyer comes to your wall rather than to the shop two miles away, and what turns a disposable customer into a case customer.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below. Show how much the shop needs, where the money comes from and how long it lasts if the December peak is weaker than planned and January is deeper.

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

TEST	PASS?
Gate 0. The draft lease, the build-out and fixture quotes and every approval the shop 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 items in its busiest month fit the stock on hand, the buying budget on page 9 and the counter the shop staffs, and the planned disposable items a month reach the break-even disposable count on page 8.	
5. Expected item counts rest on evidence (a traffic count at the site with a capture rate from comparable shops, or your own register history from a prior store), not on the size of the trade area or the number of people who walk past the window.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

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

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the contractor, the fixture dealer or the landlord, or a documented calculation for the opening stock.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
BUILD-OUT AND FIXTURES				
Leasehold improvements, counter and lighting				
Display wall, glass case and shelving				
Point of sale, scanners, cameras and alarm				
Signage and exterior				
Back-room shelving and a workbench				
PRE-OPENING DEPOSITS				
Utility and terminal deposits				
Lease deposit and pre-opening rent				
Insurance down payment				
OPENING WORKING CAPITAL				
Opening inventory at cost				
Pre-opening payroll and training				
Launch marketing and professional fees				
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), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the build-out runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build sales by department from items and prices, not from the rent you need to cover. Count items by department from your own register history or from a comparable shop, and remember what an item count hides: a disposable at 12 dollars and a glass piece at 24 dollars are not the same sale even when they cross the same counter. The weekly buyer is a small ticket repeated, and the case buyer is one decision made slowly, so keep the two apart on the page. They also behave differently when a competitor opens two miles away, and the difference decides which department you defend.

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

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE ITEM	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Disposables	items				
E-liquid and refillables	bottles				
Glass and accessories	pieces				

Full-run month

RAMP AND SEASONS

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

Expected sales for each month = full-run department sales times ramp times season. Use 100 percent where a factor does not apply. Ramp, season and items a month are your assumptions; write down the register count or the traffic count behind each one.

CAPACITY CHECK

```
Monthly capacity = the stock on the wall and in the back room at cost, turned at your planned annual turns and divided by 12, converted to items at each department's average cost, measured against the counter hours the shop staffs and the days the distributor delivers; the buying budget on page 9 is the cash version of the same limit
```

A vape and smoke shop runs out of staffed counter hours at the Friday and Saturday evening peak before it runs out of shelf space. Count the hours you will actually staff: seven days at eleven in the morning to eight at night, about two hundred and seventy three staffed hours a month, and the owner covers most of them at the start. At the planned volume that is about thirty four transactions a day across the staffed hours, on about 1.9 items a transaction, arriving in an evening block, which sounds roomy and is not, because the trade collects into a Friday and Saturday evening rush and again on the distributor's delivery day. The average hides the peak, and the peak is where the second body is needed and where the opener is not yet paying for one. Write the peak hours, the second body you will add and the delivery days, then check that the item counts on this page fit them.

PAGE 7

Departments, price and what each item keeps

Three lines, three jobs, and a single blended cost line that hides which one earned its keep. The disposable wall is the traffic line: it carries the lowest margin in the shop and it is the reason the customer walks past the case at all. E-liquid and refillables sit behind it, sold to the same buyer a week later at a better rate. The glass case is the margin line, and it carries over half the gross profit on under half the sales. Price each department from the landed cost on the distributor invoice, not from the shelf tag at the shop two miles away, and let the margin follow the job the department does. What lands on line 13 is those three decisions divided by the sales they produce.

```
Margin on one item = the shelf price less the landed cost, divided by the shelf price
Markup = the same dollar gap over the landed cost, so it always prints bigger; a price built from markup keeps less than the markup suggests
What the shop keeps = all department revenue less all department landed cost, over that revenue; line 13 blends the three departments by revenue
```

WORKED EXAMPLE: THE WALL, THE BOTTLE AND THE CASE (ILLUSTRATIVE)

DEPARTMENT	ITEMS A MONTH	SHELF PRICE	LANDED COST	KEPT PER ITEM	MARGIN	MARKUP	PART OF TAKINGS
Disposables	800	$12.00	$7.80	$4.20	35.0%	53.8%	28%
E-liquid and refillables	520	$18.00	$9.90	$8.10	45.0%	81.8%	27%
Glass and accessories	650	$24.00	$10.80	$13.20	55.0%	122.2%	45%

The exact blend is 46.7361 percent, which prints as 46.7 percent, a rounding gap of 0.0361 points, or about $12 in a month at these sales. The case holds the fattest rate at 55.0 percent; the wall sits at the bottom on 35.0 percent. Revenue concentrates in the case: 45 percent of every dollar the counter takes. Across the three lines the plan lands at 46.7 percent gross margin and 87.7 percent markup on landed cost. Those departments set the sales lines and the cost-of-goods share on page 12; the buying budget on page 9 and the count on page 10 use the same three. Group the lines the way the distributor invoices land, since the count, the buying budget and every later price change follow those groups. A disposable turns many times a year and cannot earn its shelf on margin; it earns it on the gross dollars a foot of wall returns and on the reorder rhythm it sets. Expect the price pressure to land on the wall first, because that is where the customer has a comparison, and expect the case to hold its rate for longer because nobody compares a one-off piece against a screen. The largest share of sales carries the blend, and in this shop that is the case, which is why the case margin is settled first and the wall follows. The department price and cost bands are sourced; the item counts and the sales total they produce are illustrative assumptions until replaced by your own register count or traffic count. The disposable count in this example is set high on purpose, so the example's sales land above the published whole-shop figure; if your own count comes in lower, the mix moves toward the glass case and the blended margin rises. This is one mid-size independent shop, not an average of the trade.

SET YOUR OWN THREE DEPARTMENTS

DEPARTMENT	ITEMS A MONTH	SHELF PRICE	LANDED COST	KEPT PER ITEM	MARGIN	MARKUP	PART OF TAKINGS

Cost each department from the distributor invoice with freight inside it, never from the shop two miles away, and give each line the margin its job can carry. A fast line can live on a thin rate and still earn its wall; a slow line has to earn its shelf on margin per foot.

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, 1,200 square feet	
2. Property, liability and inventory insurance	
3. Salaried crew and the minimum opening crew of counter staff, with payroll taxes	
4. Owner's market wage for buying, scheduling and the counter (hours behind the counter go in line 3 or 14)	
5. Loan interest (build-out, fixtures and opening stock loan)	
6. Utilities and internet	
7. Marketing, loyalty and local advertising	
8. Point of sale, inventory and security software	
9. Accounting, bookkeeping and payroll service	
10. Display case, refrigeration and equipment maintenance	
11. Waste, cleaning and alarm monitoring	
12. Training, product knowledge and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Cost of goods sold, blended across the three departments (set by the department costs)	
14. Hourly counter cover above the minimum opening crew, with payroll taxes	
15. Card and processing fees	
16. Shrink at cost (set by the stock counts)	
17. Bags, markdowns and display supplies	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring cash out)
divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even items a month = (monthly fixed costs, principal and other recurring cash out minus the monthly
contribution from the two departments other than disposables at planned full-run sales and their own contribution
ratios (1 minus each department's line-13 share and its share of lines 14 to 17)) divided by the contribution
from one average disposable item
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 items 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

What the month's buying budget can carry

The open-to-buy answers one question, which is how much cash can go into stock this month without taking the distributor payment off the table.

```
Stock at cost = a year of cost of goods divided by the turns the shop plans
Open-to-buy = the month's cost of goods, plus the stock the plan wants to hold, less what stands on the
wall and in the back room, less what is already booked
An order spends the distributor's lead time in transit and is settled on the distributor's terms
afterwards, so the cash is gone 22 days after the order is written; the forecast on page 19 pays
invoices in the month of the sale, so put your own lead time and terms into the page 11 inputs
```

WORKED EXAMPLE: A MONTH OF GOODS AT COST (ILLUSTRATIVE)

DEPARTMENT	TAKINGS IN A MONTH	PART OF TAKINGS	GOODS AT COST, A MONTH	PART OF COST
Disposables	$9,600	28%	$6,240	34%
E-liquid and refillables	$9,360	27%	$5,148	28%
Glass and accessories	$15,600	45%	$7,020	38%

The revenue column restates the page 7 departments, and each cost column multiplies that department's items by its own landed cost.

THE ORDER THE MONTH CAN CARRY

LINE	THIS MONTH
Cost of the goods the month sells, at cost	$18,408
Stock the month should carry, at cost (annual cost of goods divided by 8 turns)	$27,612
Stock standing when the month opens, at cost	$27,612
Booked with the distributor and landing this month, at cost	$4,236
Free to commit this month, at cost	$14,172

That leaves $14,172 of buying power this month, which replaces what the month will sell and moves the wall toward its target after allowing for what stands there and what is already booked. The wall opens the month holding 1.5 months of cost ($27,612 against $18,408 of monthly goods), the plan turns the stock 8 times a year, and an order written today settles its bill 22 days later, after 7 days of distributor lead time and 15 days of terms. The distributor is paid before the customer pays the shop, 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. Stock bought today takes about six and a half weeks to sell through at the planned turns, while the invoice is due about three weeks after the order is placed, so the shop pays for goods that are still on the wall and pays again on the next reorder before the first has cleared. Disposables arrive in sealed master cases, e-liquid in inner packs, and a distributor will not break a case to fill a gap, so a line that needs forty units costs you a full case whether it sells through or not. Round the commitment up to whole cases before you compare it with the free-to-commit figure, and write the case size beside the price on the par sheet. The other limit is time on the shelf, because a battery degrades and a bottle ages, so stock bought four months ahead is not the same asset as stock bought for the next six weeks, and the turns figure belongs against the shortest shelf life on the wall rather than the blended average.

WORK OUT YOUR OWN FIGURE

LINE	THIS MONTH
Cost of the goods the month sells, at cost	
Stock the month should carry, at cost	
Stock standing at the open of the month, at cost	
Booked and still to land, at cost	
Free to commit this month, at cost	

Size the reorder to the month's sales and the stock the plan wants on the wall, never to a distributor's free-freight threshold or a case discount. A discount on stock that sits past its season costs more than it saves.

PAGE 10

Counting the loss between the records and the wall

Some stock leaves a shop like this without a sale, and the count is the only instrument that finds it. The loss is measured at cost, as the gap between what the records say should be on the wall and what is physically there. The loss begins at the delivery door, hides in the back room, sits in the glass case and is rung up wrong at the counter, and no single one of those four explains a month by itself. Count on a fixed rhythm, department by department, with the same two people using the same procedure every time, and write the gap down before anybody touches the records, because a count that is reconciled first measures the reconciliation.

```
Shrink = the at-cost value the records claim less the at-cost value the tally finds
Rate on book = that shortfall over the recorded value; put it on an annual footing by multiplying the
count-period rate by 12 and dividing by the months since the previous count
Line 16 carries that annual figure at cost, entered as a share of twelve times the full-run month's
revenue, before ramp and seasons
```

WORKED EXAMPLE: THE WALL, THE CASE AND THE BACK ROOM (ILLUSTRATIVE)

DEPARTMENT	RECORDS AT COST	TALLIED AT COST	SHRINK	SHARE OF RECORDS	ON A YEARLY FOOTING
Disposables	$9,360	$9,060	$300	3.2%	12.8%
E-liquid and refillables	$7,722	$7,475	$247	3.2%	12.8%
Glass and accessories	$10,530	$10,193	$337	3.2%	12.8%
Total	$27,612	$26,728	$884	3.2%	12.8%

Three months after the previous tally, $884 of landed cost is unaccounted for, which is 3.2 percent of the recorded value or 12.8 percent on a yearly footing. That is $3,536 of stock a year at cost, and it sets line 16 at 0.9 percent of sales in the page 12 worked example. Count at intervals short enough that a shortage can still be traced: a tally every 3 months cannot say which week the stock left, only that it went. Line 16 turns the count into a monthly cost by annualizing the shortfall against sales, so one figure reaches both the cash forecast and the shelf. The rate this trade publishes and the rate this page prints sit on different bases: the published figure is a share of retail sales, while the count above is struck at cost. The printed share is the same loss measured another way and not a better result, and a shop that reads it as an improvement will understate what is leaving. Count at intervals short enough that a shortage is still findable. Damage found in the back room and stock that walks out belong on this line rather than in the margin, since an item that arrived broken never became a cost of goods in the first place and a markup written around it is a markup around nothing. A markdown is a decision the owner made and a shortage is a loss nobody chose, so keep the two on separate lines and let neither one hide inside the other at the end of the quarter. Scope the book to sellable stock before anybody counts, because display stock and stock held against a customer order are not sellable, and counting either one turns a filing mistake into a shortage that never happened.

YOUR OWN COUNT, BY DEPARTMENT

DEPARTMENT	RECORDS AT COST	TALLIED AT COST	SHRINK	SHARE OF RECORDS	ON A YEARLY FOOTING

A pair of counters, doors shut, one department at a time, and the variance written down before the paperwork is touched. Loss sits in the delivery, the back room and the till as well as on the wall; a tally that only ever blames a customer misses most of it.

PAGE 11

Twelve-month cash forecast

Profit and cash are different numbers: loan principal, build-out bills and the opening stock buy 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: goods, card fees, shrink and packaging (lines 13, 15 to 17)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: rent and common area charges (line 1)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 17)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on opening day after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. Counter sales settle when the customer pays, by card or in cash, and card batches settle two to three business days later. Cash is a larger share of the till in this trade than in most retail, so the bank balance follows the register closely, and the money leaves on the distributor invoice instead. The engine carries every sale in the month it is rung and does not model terms, so enter each distributor invoice in the month it is paid rather than the month the order was placed. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and a shop that opens into a December peak

Runway = how many months ahead the shop keeps paying, counted back from the most recently closed month (before opening, from opening day), up to the first month whose closing balance drops under the floor you set

Worked example: a hypothetical single vape and smoke shop

Assumptions for the arithmetic alone, offered as no benchmark. Open seven days a week, about 30.4 days a month, 1,200 square feet; opens in September. Cash floor $11,237. Card receipts land at the bank during the month of the sale; the fixed lines go out on the schedule the table prints; a distributor invoice is paid in the month the count says it falls due, so write your own terms into page 11. The owner takes a wage and no outside money comes in.

Page 5, budget	Total startup budget $142,420, funded by a $40,000 loan (13 percent over 5 years) and $102,420 of owner money, including a $38,000 working capital reserve that is untouched on opening day. The page 5 two passes: floor $11,237, plus a one-month buffer of $11,237, plus $9,895 (how far the first pass, opening with no cash, falls below zero), rounded up to $32,400.
Page 8, costs	Fixed costs $10,731 a month, including $2,400 for rent and $404 of loan interest; principal $506 a month (both year 1 averages); variable share 62.2 percent, so the contribution margin ratio is 0.378. Lines 13 to 17 take 53.2639, 3.5, 3.1, 0.9 and 1.4 percent of sales (line 13 taken as a sales-weighted blend of the three departments). Lines 1 to 12 run $2,400, $240, $1,933, $3,733, $404, $500, $691, $250, $250, $100, $150 and $80 a month.
Page 8, break-even	Operating break-even comes to roughly $28,362 a month. Cash break-even (the fixed lines $10,731 plus principal $506, divided by 0.378) is about $29,699 a month: 212.8 items a month from disposables after the lines other than disposables have carried their part (line 13 runs 65.0 percent on disposables, 55 on e-liquid and refillables and 45 on glass and accessories; lines 14 to 17 come off each line at one flat rate, leaving contribution ratios of 0.261 on disposables, 0.361 on e-liquid and refillables, 0.461 on glass and accessories), so 213, against the 800 the plan assumes.
Page 6, sales	Disposables: 800 items a month at $12. E-liquid and refillables: 520 bottles a month at $18. Glass and accessories: 650 pieces a month at $24. A month at full run is about $34,560; the sales ramp is 55, 64, 72, 79, 84, 88, 91, 94, 96, 98 percent in months 1 to 10, then 100 percent; season 100, 102, 108, 115, 86, 90, 94, 96, 100, 106, 112, 110 percent across months 1 to 12, and that factor touches the regular sales alone.
Page 19, expected case	Month 1 sales $19,008; month 1 closes at $33,955, month 12 at $38,885. The low point arrives in month 7, closing $28,105, $16,868 over the floor.
Page 19, slow start	At 70 percent of expected sales, month 1 sales $13,306; month 1 closes at $31,797, month 12 at minus $1,834. The floor is breached in month 6 (closing $10,883) and below zero in month 11 (closing minus $665), which gives an opening runway of 5 months.
Page 8, coverage	On full-run sales of $34,560, the planning cover before tax and equipment replacement comes to 3.02 against the 1.25 the worked example's lender requires; read at the twelfth-month run rate it comes to 3.25, and both readings are scored for Test 3. The rent share lands near 6.9 percent.

THE SCORE SHEET GIVES THIS SHOP: AMBER

The worked example assumes Gate 0 is already cleared. Test 1 holds: the twelfth-month run rate comes to about $35,107 a month, above the $29,699 break-even; and a second year at that pace still clears the floor (lowest close $40,724, month 1 of year 2). (For orientation only, not scored: the plan first covers cash break-even in month 4.) Test 2 fails: at seventy percent of plan the floor is breached in month 6; about $13,100 a deeper reserve would carry it. Test 3 holds on the planning formula, with the lender's own definition governing. Test 4 passes: the plan is sized for a full-run December (season 115 percent), which sells about 2,266 items and takes $39,744, which the $27,612 of stock and the $4,236 already on order carry, and the counter turns the normal month's 34 transactions a day into about 39 in December, inside what a steady counter and the hourly cover on line 14 can ring. Test 5 fails: no traffic count or register history stands behind the planned item counts, and a test with no evidence fails; bring the count and score the plan again. Test 6 passes: a whole year at full run hands back about $24,554 after principal, and no settled month dips below zero, so nothing has to be held back as a cushion. That is the year at full run, not the first year: page 19's first year leaves about $885 in cash because the ramp and startup months come first. The worked example sets nothing aside for income tax, allows nothing for replacing the case and plans no stock build beyond the opening order (page 19); score your own plan on your own figures. The January fall is the largest single step in the vector, 29 points off December, and it lands after the December card batches have cleared and while the January reorder is due, so the cushion has to be cash already in the account in week one rather than a limit drawn on later.

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 right-hand column also carries the slow start, and that column is Test 2.

WHAT CHANGES THE SHOP'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 $1,308	Expected case holds the floor
Disposables: average item 4 percent higher, same volume (only sales-linked fees rise)	plus $372	Break-even items fall from 212.8 to 185.3 a month, so from 213 to 186: per-unit costs stay the same, so the ratio rises from 0.378 to 0.385 on the new sales (sales-linked fees, line 15, take 3.1 percent of each added dollar)
Fixed costs $400 lower	plus $400	Cash break-even falls to about $28,642
The shop two miles away takes a fifth of the disposable line, from month 6 onward	minus $501	Expected case still clears the floor; slow start deadline unchanged (month 6)
Distributor raises the landed cost by two points of sales	minus $691	Cash break-even rises to about $31,357; expected case still clears the floor; slow start deadline unchanged (month 6)
Build-out and fixture overrun of $9,000 beyond the contingency, taken from the reserve	no change	Expected case still clears the floor; slow start below the floor in month 4 (closing $10,495)
Opening 2 months late (rent, insurance, loan interest and principal, $3,550 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 $19,635 in month 8 from the planned opening, $8,470 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

Keep the case key and the wall gaps on one list, because a locked case hides a stockout until a customer asks for something that is not in it.

OPENING CHECKS

- ☐ Unlock, walk the wall and the case, and check the case glass and the locks.
- ☐ Count the till and test the card reader and the alarm.
- ☐ Check yesterday's delivery against the invoice and the pick list.
- ☐ Walk the wall and write the gaps on the reorder sheet against the par levels.
- ☐ Pull short-dated and damaged stock to the markdown shelf and photograph it before it moves.
- ☐ Check the case against the price list and note anything that has not moved in a month.

CLOSING CHECKS

- ☐ Record sales by department, with the wall and the case kept apart.
- ☐ Log the card batches, the cash count and any refunds.
- ☐ Log markdowns, damage and distributor credits, and anything paid out of the till.
- ☐ Note the items that sold out and the items that have now sat through a month.
- ☐ Reconcile the register against the bank deposit.
- ☐ Write tomorrow's reorder and the distributor follow-ups from today's gaps.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Net sales, wall and case kept apart				
Items a day, disposables kept apart				
Margin by department, against the margin the page 7 prices produce				
Stock on hand at cost, the turns that figure implies, and the stock already on order				
Deliveries received and the invoices behind them				
How much of the open-to-buy the month has used, against page 9				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does the owner open and close the shop, write every reorder and hold the only relationship with the distributors?
2. **Reorder blind spot.** Is the reorder written from a par sheet and a count, or from a walk along the wall and a feeling that it looks thin?
3. **Sell-through by line.** Can the owner say what a disposable, a bottle and a glass piece each sold last month, or only what the register took in total?
4. **Aged case stock.** Does the glass case get reviewed on a schedule, or does the same piece stand at the same price for a year?
5. **Pricing discipline.** Is the disposable price set from the distributor invoice and the card fee, or matched to the shop two miles away?
6. **Count scope.** Does the count cover the wall, the case, the back room and the stock in transit, or only the wall?

Questions and their sources are described on page 2. Check each one against a record: the register report by department, the par sheets and the distributor invoices.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and record sales by department with the wall and the case apart. Write the lease, insurance and distributor payment dates in one place, and set the count interval on page 10.
Week 2	Recheck each department's average price from the first two weeks of sales, and cost the ten items that carry the most sales. Time a delivery day from the door to the wall.
Week 3	Fill the page 9 open-to-buy from the first month's stock and orders, and compare it with the reorder you actually placed.
Week 4	Enter the actual closing cash on page 11 and recalculate runway. Write the decisions a counter lead may make on price and markdowns without calling you.
After month 1	Keep the buying budget monthly, and compare the count rate on page 10 with the rate the plan carries. Set the par levels that keep the best-selling items on the wall without a rush order.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- [ ] Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- [ ] Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- [ ] What does the space need before you can open, and who pays to add or upgrade it?
- [ ] Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- [ ] When does rent start, at signing, 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 Vape and Smoke Shop Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a department margin model, an open-to-buy and inventory planner, par sheets by line, item costing worksheets, receiving and count procedures, a markdown schedule and hiring checklists. Release status is on the kit page.

SOURCES

Public sources. Wikipedia, Vape shop: the published whole-shop US sales estimate, en.wikipedia.org. Smoke Axis, smoke shop profit margin guide: the disposable, e-liquid and glass margin and price bands, smokeaxis.com. Vapor Authority, e-liquid collection shelf prices: the bottle price band, vaporauthority.com. Ecigator, vape shop operating costs: the rent, insurance, utility and card processing bands, ecigator.com. O*NET OnLine, first-line supervisors of retail sales workers and retail salespersons: the crew and owner wages, onetonline.org. Federal Reserve bank prime rate (2026-10-27): the base rate, federalreserve.gov. Commercial lender terms: the maximum spread for a loan of this size and the 60-month term. All accessed 2026-11-08.
World Consulting Group material. Vape and smoke shops owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

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 departments, stock 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 personal data, account numbers, passwords or customer 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) a vape and smoke shop. I have attached the Vape Store Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my wall, my case and my buying budget, using only my real numbers.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a rent, wage, landed cost, price, item count, traffic count, distributor term, percentage or benchmark.
2. The numbers in the kit, including the example shop's departments, items and buying budget, are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] and tell me which invoice, traffic count, register report or calculation gives the real number. Label my own estimates MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a department = items a month times the average price of an item. Each month's expected sales = full-run department sales times the ramp percentage times the seasonal percentage.
- Net sales exclude sales tax. Labor = the salaried crew and the hourly cover, payroll taxes and benefits, plus a market wage for my own hours buying, scheduling and standing behind the counter. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the work; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even items a month = (monthly fixed costs, principal and other recurring cash out minus the monthly contribution from the two departments other than disposables at planned full-run sales and their own contribution ratios (1 minus each department's line-13 share and its share of lines 14 to 17)) divided by the contribution from one average disposable item. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Monthly capacity = the stock on the wall and in the back room at cost, turned at your planned annual turns and divided by 12, converted to items at each department's average cost, measured against the counter hours the shop staffs and the days the distributor delivers; the buying budget on page 9 is the cash version of the same limit.
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp 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 (distributor 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 distributor payments on the terms I actually get. In the slow-start case, every month's sales are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = how many months ahead the shop keeps paying, counted back from the most recently closed month (before opening, from opening day), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

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

5. Do not give legal, tax, licensing, permit, 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 what any product contains, what it is safe for or what a delivery date will be 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 foot traffic by hour and the competitors within two miles.
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, customer and the two buying habits, sales floor and back-room square footage, the departments and the display each one takes, and the hours I plan to keep.
b. The sales build: for each department, the items a month and the average price of an item, days open per week and opening hours; a ramp percentage for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (a traffic count at the site with a capture rate from comparable shops, or my own register history from a prior store).
c. For each merchandise department: units sold a month at full run, the average retail price a unit, and the average unit cost at cost, plus the gross margin the department has to hold.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. The startup budget: an amount and its source (contractor, fixture or equipment quote, or calculation) for each line on page 5, from the build-out to the contingency.
e. Monthly fixed costs for each numbered line on page 8, from rent and common area charges (line 1) to training and product knowledge (line 12), including loan interest and my market wage for buying and scheduling (line 4; my hours behind the counter go in line 3 (the minimum opening crew) or 14 at a counter wage), whether I draw that wage in cash, and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month.
f. Variable cost shares of net sales for lines 13 to 17: line 13, cost of goods sold, blended across the three departments (set by the department costs); line 14, hourly counter cover above the minimum opening crew, with payroll taxes; line 15, card and processing fees; line 16, shrink at cost (set by the stock counts); line 17, bags, markdowns and display supplies; and any sales line whose own shares differ, given for that line.
g. My annual inventory turns (annual cost of goods sold divided by average stock at cost), stock on hand at cost on the first day of the plan month, stock already on order and arriving this month at cost, the supplier lead time in days, and the supplier payment terms in days.
h. For each department: book stock at cost and counted stock at cost at my last physical count, and one store-level figure for the number of months since the previous count.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when customers pay me (at the counter, by card or in cash, and how many days a card batch takes to settle) and when the shop pays its distributors, including how many days the distributor allows me and when the invoice falls due. Say when each sales line pays me.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, case and 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 vape and smoke shop, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by department and month, with annual sales and the stock and counter capacity check from page 6.
3. The completed startup budget with the total, listing the build-out and the display wall first. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even items a month (use cash break-even); rent share and planning debt service coverage at full-run sales, 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. The month's open-to-buy at cost, whether the store is over-bought or under-bought, months of stock on hand, and the date the cash leaves for an order placed today.
8. Shrink in dollars by department, the annualized shrink rate, the shrink share of sales the plan carries, and the count discipline the kit recommends.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every traffic count or distributor 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, items a month and the department 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. Brackets mark a negative figure. 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 $11,237.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**38,000**	**33,955**	**31,254**	**30,185**	**30,828**	**29,037**	**28,156**	**28,105**	**28,668**	**29,984**	**32,330**	**35,738**
In: sales receipts	19,008	22,561	26,874	31,398	24,966	27,372	29,563	31,187	33,178	35,901	38,707	38,016
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: goods, card fees, shrink and packaging (lines 13, 15 to 17)	11,151	13,235	15,765	18,419	14,646	16,058	17,342	18,295	19,464	21,061	22,707	22,301
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	6,331	6,456	6,607	6,765	6,540	6,624	6,701	6,758	6,827	6,923	7,021	6,997
Out: rent and common area charges (line 1)	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Out: other costs, with loan interest (lines 2, 5 to 12)	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665
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	506	506	506	506	506	506	506	506	506	506	506	506
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(4,045)**	**(2,701)**	**(1,069)**	**643**	**(1,791)**	**(881)**	**(51)**	**563**	**1,316**	**2,346**	**3,408**	**3,147**
Closing cash, expected	**33,955**	**31,254**	**30,185**	**30,828**	**29,037**	**28,156**	**28,105**	**28,668**	**29,984**	**32,330**	**35,738**	**38,885**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**38,000**	**31,797**	**26,536**	**22,416**	**19,495**	**14,870**	**10,883**	**7,476**	**4,498**	**2,049**	**320**	**(665)**
Sales receipts, slow start	13,306	15,793	18,812	21,978	17,476	19,160	20,694	21,831	23,224	25,131	27,095	26,611
Out: variable costs, slow start (lines 13 to 17)	8,272	9,817	11,695	13,662	10,864	11,910	12,864	13,572	14,436	15,623	16,843	16,543
Out: fixed costs (lines 1 to 12), principal, bills, less funding	11,237	11,237	11,237	11,237	11,237	11,237	11,237	11,237	11,237	11,237	11,237	11,237
Net cash flow, slow start	**(6,203)**	**(5,261)**	**(4,120)**	**(2,921)**	**(4,625)**	**(3,987)**	**(3,407)**	**(2,978)**	**(2,449)**	**(1,729)**	**(985)**	**(1,169)**
Closing cash, slow start	**31,797**	**26,536**	**22,416**	**19,495**	**14,870**	**10,883**	**7,476**	**4,498**	**2,049**	**320**	**(665)**	**(1,834)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**1,839**	**2,101**	**2,885**	**3,801**	**8**	**532**	**1,055**	**1,316**	**1,839**	**2,624**	**3,408**	**3,147**

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 money the plan has no intention of touching. 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 $35,107 a month, against month 12's own $38,016): closing cash runs $40,724 in month 1 and $63,440 in month 12, lowest $40,724 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.