Yoga and Pilates Studio Business Plan and Operations Starter Kit

A working kit for independent yoga and Pilates studios. It prices every plan by the members it holds and the teaching hours it takes, builds the member count month by month from joins and cancellations, carries dues through the January peak and the August trough, prices a taught hour against the hours a teacher is paid for, and scores the plan on six pass-or-fail tests.

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

Start here

A studio can sell seventy founding memberships before it opens and still be short of cash by August. Rent, the manager and the loan fall due whether the room is full or empty, and a member who leaves in week six may never repay what it cost to bring them in. This kit writes those numbers down and tests them.

WHAT IS INSIDE

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HOW TO USE IT

1. Build memberships, private sessions and drop-ins on page 6 and costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil: every worksheet expects your own figures.
3. After you open, work the page 14 checklists at each join and the weekly review, then refresh the page 7 plan table monthly.

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

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, membership agreements, billing and cancellation or financial advice. Class scheduling, memberships and the use of a leased space vary by location; the kit states no rule. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

Whoever puts money behind a yoga or Pilates room reads this page to see whether class dues carry the rent, the loan and the late-summer dip. Answer in short paragraphs here.

1. Executive summary (write it last)

Say what the studio teaches, who comes through the door, how much the opening needs and where it goes, from the first mat to the first pay run; close with the month the page 6 forecast first covers cash break-even on page 8, and the page 4 score.

2. The timetable, the tiers and the people on the mats

Walk through a normal week: which styles run, and which membership sits behind each class. Say what a member is buying past the mats and the mirror: a teacher who watches their form, a 6.45am slot that fits round a job, a practice that brings them back.

3. Who the studio suits, and how full it can run

Name the person this studio is built for, and be as clear about the person it is not. Then work out how many bodies the room takes at its busiest times, and the teacher hours the schedule needs.

4. Membership tiers, dues and teacher hours

Against each tier, write the headcount it can carry, what it charges a month, and the taught hours it consumes. A price copied from a chain's window card, with no teacher time costed beneath it, is only a number.

MEMBERSHIP TIER	MEMBERS IT CAN CARRY	DUES A MONTH	TEACHER HOURS A MONTH

> *Owner question: Half the people who use the intro pass have stopped coming by week six. Is the intro pass priced too low, or is the first month letting them drift?*
>
> Clear this before anyone touches the dues: someone who buys the intro pass but is never put in a named class, greeted by name or given a plan for the first month fades by week six, and the notice lands with the next draft. Log every pass against its source and the class date that followed (page 14), put the visitor into a class before they leave, and compare six-week drop-off across intake months, sources and tiers. Read any gap as an association worth testing, not a proven cause.

PAGE 4

Business plan, part two

5. Operations

Describe a day from the first unlock to the last class: who opens, how the desk and the room are covered through the day, the timetable, cleaning and the close. Name who runs the studio when you are not there.

6. Team

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

7. Marketing and sales

Explain where intro offers and leads come from, how an intro offer becomes a member, and why members stay and refer; measure whether referral joins cover the cancellations.

8. Financials and funding

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

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

TEST	PASS?
Gate 0. Signed membership agreements or founding presales for the opening members, build-out and insurance quotes, the lease and the requirements of every registration the studio needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. The peak month's members fit the room and its teaching hours fit the timetable (pages 6, 7 and 9), and planned membership reaches break-even (page 8).	
5. Signed agreements and founding presales back the opening members; an intro-offer list forecasts joins, not members.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

Not ready: Gate 0 fails. **Green:** Gate 0 and all six tests pass. **Amber:** Tests 1 and 3 pass, but Test 2, 4, 5 or 6 fails, so fix the plan before you sign a lease. **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 fit-out contractor, the insurer or the landlord, or a documented calculation. Studio budgets break on the build-out and the first slow summer, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
MATS, PROPS AND BUILD-OUT				
Mats, props, mirrors, sound and changing-room fit-out				
Build-out, flooring, lighting and plumbing				
Booking software, terminals, signage and cameras				
SETUP AND APPROVALS				
Business entity, registrations and approval requirements				
Insurance down payment				
Lease deposit and first month				
PRE-OPENING				
Pre-opening payroll and hiring				
Presale marketing, branding, website and launch				
Opening retail, props and supply stock				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

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

PAGE 6

Sales forecast builder

Every other number depends on members, so build them from signed agreements, founding presales and the classes you can staff, not from the rent you need to cover. Count memberships first, month by month from page 9; add private sessions and drop-ins at the volume your intro-offer record supports.

```
Monthly sales for a line = units times average dues 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 DUES	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Memberships	members				
Private sessions	sessions				
Drop-ins, workshops and retail	items				

Full-run month

RAMP AND SEASONS

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

Expected sales for each month = members at month end on page 9 times average dues (no separate ramp), plus private sessions and drop-ins at full run times ramp (the share of full-run volume the intro-offer record has reached) times season. Use 100 percent where a factor does not apply. The build, ramp and season are your assumptions; write down the evidence for each, such as your presale agreements and your intro-offer record.

CAPACITY CHECK

```
Paid teaching hours a month = each teacher's hours a day times days a week, summed, times 52, over 12; hours needed in the peak month = the plan hours on page 7 at steady-cycle membership (page 9); steady-cycle membership against the timetable's places
```

Write how many teachers are on the roster, the hours each is paid a day and the days each works a week. Take the peak month of the season list, members at the steady-cycle level (page 9), add up the class, private-session and drop-in hours the plans require that month (page 7) and set them against the hours the team can field; set that month's members against the places the timetable can serve. If the plan requires more hours or more places than you have, the plan is wrong, whatever the presale says.

PAGE 7

Membership tiers, mat spaces and what each space earns

A teacher is paid for the class whether six people unroll a mat or sixteen do. Set each tier's price against the hours it consumes and the bodies the room can take.

Fill rate = members divided by mat spaces; dues income = members x the monthly price; teaching cost = class hours x the loaded teacher rate; tier contribution = dues income minus teaching cost minus card fees and consumables at the line's own shares (page 8).
Income per available place = dues income divided by places, measured at this headcount. Teaching cost here is direct class labor at the loaded rate; page 10's utilization-adjusted $56.64 a taught hour is the floor to price against, so re-run this table at that rate before setting dues.

WORKED EXAMPLE: THE THREE TIERS AT THE PLANNED HEADCOUNT (ILLUSTRATIVE)

TIER	MAT SPACES	MEMBERS	FILL	DUES A MONTH	DUES INCOME	TAUGHT HOURS	TEACHER COST	MATERIALS, FEES, CONSUMABLES	TIER CONTRIBUTION	PER SPACE
Unlimited	220	170	77%	$149	$25,330	118	$4,456	$1,672	$19,203	$115.14
Eight-class	105	80	76%	$109	$8,720	43	$1,624	$576	$6,521	$83.05
Community	55	40	73%	$89	$3,560	12	$453	$235	$2,872	$64.73

Loading payroll taxes and benefits onto the base rate puts a paid hour at the loaded rate of $37.76 ($32.00 plus 18 percent). Measured per mat space, unlimited returns the most ($115.14) and community the least ($64.73). The mat count is the owner's own reading of this room and this schedule. Of the 173 tier teaching hours a month, 40 are salaried; the rest are carried on line 14 of page 8: 13.7 percent of dues income, 21.23 percent of everything sold. Private sessions and drop-ins carry their own 135 teaching hours a month at their lines' own shares. Each line's own lines 13 and 14: memberships 2.7 and 13.7; private sessions 2.7 and 55.0; drop-ins, workshops and retail 2.7 and 39.3.

YOUR TIERS

TIER	MAT SPACES	MEMBERS	FILL	DUES A MONTH	DUES INCOME	TAUGHT HOURS	TEACHER COST	MATERIALS, FEES, CONSUMABLES	TIER CONTRIBUTION	PER SPACE

DUES AND THE COLLECTION PATTERN

In the worked example dues and every other line are collected in full in the month they are billed (dues taken by direct debit on the 1st, in the month they cover), so page 11 carries no receivables and the collection pattern is $100 in that month for every $100 billed.

WHETHER THE ROOM AND THE ROSTER CAN CARRY IT

Everything is tested in the busiest month of the year (January here), with the base at its settled level: headcount against mat spaces, taught hours against the hours the teachers can actually be rostered for.

Settled headcount in the year's busiest month (page 9) set against the mat spaces; the class, one-to-one and drop-in hours that month set against teacher capacity (people x hours a day x days a week x 52 over 12)

PAGE 8

Break-even and coverage

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

FIXED COSTS PER MONTH	PER MONTH
1. Studio rent, 2,600 square feet	
2. Liability, property and professional liability insurance	
3. Studio manager and front desk lead, salaried, with payroll taxes and benefits (the minimum staff)	
4. Owner's market wage	
5. Loan interest (build-out and equipment loan)	
6. Utilities, with phones, internet and a music subscription	
7. Marketing, website, listings and member app	
8. Membership billing and studio management software	
9. Accounting, bookkeeping and bank fees	
10. Mat, prop and equipment replacement, with maintenance	
11. Cleaning, laundry and supplies	
12. Other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Retail, workshop materials and class materials cost of goods	
14. Hourly class teachers and private-session instructors above the salaried team, with payroll taxes	
15. Payment processing and draft fees	
16. Class and cleaning consumables	
Total variable cost share	

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

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

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

PAGE 9

Arrivals, leavers and how the member base builds

A member base is a bucket with a hole in it. People leave and new people arrive, so the forecast traces that month by month instead of drawing a tidy upward line.

```
Closing headcount = opening headcount, less the month's departures at the churn rate, plus arrivals, and never above what the room can carry.
Where the base settles = arrivals a month divided by churn; typical stay = 1 divided by churn; what a member is worth = dues x stay x contribution ratio; arrivals needed to hold a level = churn x that level
```

WORKED EXAMPLE: THE ROOM FILLS OUT OF THE SEPTEMBER PRESALE (ILLUSTRATIVE; HEADCOUNTS ROUNDED)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Sign-ups sold	70	46	36	30	51	40	30	24	20	16	13	12
Departures	0	3	5	7	8	10	11	12	12	13	13	13
Members on the books	70	113	144	167	210	241	260	272	279	282	282	281
Against full run, percent	24	39	50	58	73	83	90	94	96	97	97	97

The doors open in month 1 with the 70 founders from the presale; at 13 arrivals a month, enough to cover the leavers, the base levels out around 283 (row totals use unrounded counts). Pages 6 and 11 print this build as the memberships line, month by month; a member starts paying dues the month they arrive. The first month's arrivals are the founder memberships sold before the doors opened, the Test 5 evidence in a real plan (here, the 70 sold before opening). Every month is cut to 70 percent in the slow start, and the second year repeats the pattern from the level August reached, with the same season. Nothing here fills the room to its ceiling, so nobody is turned away.

MEASURE	IN THIS EXAMPLE	WHERE IT COMES FROM
Departures a month	4.6%	Leavers in a month divided by the headcount on day one
Typical length of a membership	21.7 months	1 divided by the monthly churn
What one member is worth over their stay	$2,247	Dues x 21.74 months x the line's contribution ratio of 0.797
Arrivals a month, June through August	13.7	Averaged over the final three columns
Arrivals needed to keep the room full	13.0	The settled year's arrivals, averaged
Headcount once it settles	283	13.0 arrivals a month x the typical stay, the same as arrivals divided by churn
Marketing cost per new member	$60	Line 7's $780 spread over a settled year's monthly arrivals

YOUR OWN BASE, SEPTEMBER THROUGH AUGUST

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

ARRIVALS AND LEAVERS LEDGER

Note only the service and schedule words at each arrival and departure.

MONTH	ARRIVED	LEFT	IN THEIR WORDS	HOW LONG THEY STAYED	TIER

How much of a paid shift is taught time, and what a taught hour really costs

The hourly rate buys a teacher's whole shift, while dues cover only the hour when the room has people in it. Setting up, wiping down between classes and the dead hour at two in the afternoon are paid time that no member is ever charged for.

```
Utilization = hours spent teaching divided by hours paid
Loaded cost of a paid hour = the teacher's rate x (1 + the share for payroll taxes, benefits and holiday)
Real cost of a taught hour = every paid hour at the loaded rate, divided by the hours actually taught
```

WORKED EXAMPLE: A SINGLE TEACHER'S WEEK (ILLUSTRATIVE)

HOURS	HOURS THIS WEEK	SHARE OF PAID HOURS
Paid hours	15	100%
Hours in front of a class or a one-to-one	10	67%
Setting up, wiping down and greeting members	2	13.3%
Training, plus breaks that are paid	1	6.7%
Desk duty, cover and the dead hours	2	13.3%

At a $32.00 wage with 18 percent payroll taxes and benefits, every paid hour costs the studio $37.76 an hour; at 67 percent utilization a taught hour costs the studio $56.64. Use that number as a cost floor when you set tier prices, then test the price against local dues, the timetable and the intro-offer evidence; the hourly rate and the loaded rate both understate what a taught hour costs you.

YOUR TEACHING TEAM, WEEK BY WEEK

TEACHER	PAID HOURS	IN CLASS	SETUP, GREETING	TRAINING, BREAKS	UTILIZATION	COST OF A TAUGHT HOUR

WHERE A TEACHER'S NOTICE DOES THE MOST DAMAGE

When the room follows one teacher, their notice can empty a class inside a week. That only happens when the format, the sequencing and the notes on each member sit in someone's head instead of the studio's own file. Write the class down so a stand-in can take it on Monday morning.

PAGE 11

Twelve-month cash forecast

Rent and payroll fall due before the season turns. Enter $000 (51.25 means $51,250), receipts net of tax; that tax stays out of closing cash.

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

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

PAGE 12

Runway, and what the first-month drop-off costs

```
Runway = how many months the studio keeps trading, counted forward from the last month with closed
accounts (from opening day for a new studio), until the month closing cash first drops under your floor
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Worked example: a hypothetical yoga and Pilates studio

These numbers were made up to show how the arithmetic works; they are not targets for your studio. Both salaried staff are paid from month 1. Cash floor $26,129. Dues leave the member's account on the 1st and land in the month they cover; private sessions and drop-ins are settled when bought; teachers and suppliers are paid in the month they work; the owner draws their market wage in cash. If a member pays a year up front, the cash arrives earlier than shown and the unredeemed months are services the studio owes, held apart from spending cash.

Page 5, the money the opening needs	Getting the doors open costs $235,800, raised as a $200,000 loan (9.5 percent over 7 years) and $35,800 from the owner's own pocket; inside that figure sits a $99,800 reserve the studio does not touch on opening day, kept for the hollow months. Page 5 arrives at the reserve twice: floor $26,129, plus one further month of costs held back, $26,129, plus $47,534 (the deepest first pass, opening with nothing), rounded up to $99,800.
Page 8, the monthly cost base	Fixed costs $24,368 a month, including $3,900 for the room itself, plus $1,508 of interest on the fit-out loan; principal $1,761 a month (interest and principal are each year-one monthly averages); the variable lines take 27.83 percent (2.7, 21.23, 2.9 and 1 percent of takings), which gives a contribution margin ratio of 0.7217. The twelve fixed lines cost $3,900, $320, $9,200, $5,500, $1,508, $1,150, $780, $180, $350, $700, $480 and $300 a month.
Page 8, where the plan breaks even	Operations break even at about $33,765 a month. Cash break-even (fixed $24,368 plus principal $1,761, divided by 0.7217) is about $36,205 a month: 213.0 members a month from memberships once private sessions and drop-ins have paid their share (page 7), so 213, against the 290 the plan puts on the books.
Page 6, what the studio sells	Memberships: the plan holds 290 members at $129.69, month for month from the September presale, then the steady September-to-August pattern. Private sessions: 70 sessions a month at $95. Drop-ins, workshops and retail: 120 items a month at $24. A full-run month brings in about $46,209, with memberships at their settled-year average (memberships 282.82 members a month); private-session and drop-in ramp 30, 40, 48, 55, 66, 73, 79, 84, 88, 92, 96 percent through month 11, then the full 100 percent; season 114, 106, 94, 86, 126, 118, 113, 102, 96, 87, 82, 76 percent over the year, applied to private sessions and drop-ins alone; dues are built on page 9.
Page 19, the expected year	Opening month dues and sales of $12,338; the opening month ends at $82,314, and August at $89,318. Low: month 5, closing $52,266, $26,137 above the floor.
Page 19, the slow-start year	With members, sessions and takings all at 70 percent: month 1 sales $8,637; the opening month ends at $79,721, and August at minus $1,602. The balance goes under the floor in month 6 (closing $21,097) and below zero in month 12 (closing minus $1,602), which leaves a runway of 5 months.
Page 8, what a lender measures	With full-run sales of $46,209, the coverage figure, before tax and equipment replacement, reaches 3.21 against the 1.25 the sample bank demands; at the month-12 run rate the number reaches 3.28, and Test 3 reads the pair together. Rent share is about 8.4 percent.

PAGE 4 READING ON THIS SAMPLE PLAN: AMBER

The example has cleared Gate 0. Test 1 passes: the month-12 run rate, the year-2 average, comes in at about $46,487 a month, above the $36,182 break-even for that year-2 mix (about 0.6 percent above the $46,209 full-run month, because year 2 holds August's booking level through the year and averages about 285 members against the 282.82 settled-year average); the balance stays over the floor into a second year (its lowest close $96,869, the second September). (Outside the test: the takings first reach cash break-even in month 6.) Test 2 fails: with takings cut to 70 percent, the balance drops under the floor in month 6; about $27,800 more opening cash would carry it. Test 3 passes on the formula here; a bank will read it its own way. Test 4 passes: in the peak month (month 5, season 126 percent, steady-cycle membership) 284 members fit 380 places and need about 340 teaching hours against the 455 the teachers can field (7 people, 3 hours a day, 5 days a week). Test 5 passes: the 70 founding memberships were sold in a six-week presale. Test 6 passes: a steady-state year, slump and all, leaves roughly $86,643 after principal, and no settled month dips under zero, so no cushion is called for. Steady-state year, not opening year: page 19's first year loses about $10,482 in cash. Most members are needed for break-even, and August is the trough.

PAGE 13

What moves the result

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

WHAT MOVES THE RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
All three lines 10 percent lower in volume: memberships, private sessions and drop-ins (lines 13 to 16 fall)	minus $3,335	Expected case holds the floor
Memberships: average dues 5 percent higher, same volume (draft and processing fees are the only cost that rises)	plus $1,781	Break-even members fall from 213.0 to 200.8 a month, so from 213 to 201: per-unit costs stay the same, so the ratio rises from 0.722 to 0.731 on the new sales (sales-linked fees, line 15, take 2.9 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $34,819
Monthly churn 2 points higher (4.6 to 6.6 percent; about 36 fewer members by month 12, about 86 fewer once the roll resettles; $11,107 a month less in dues at that settled level)	minus $8,853	Expected case still clears the floor; slow start below the floor in month 5 (closing $25,864); full-run coverage falls to 0.50; would fail Tests 3 and 6
Joins 30 percent lower in months 1 to 3 (about 28 fewer members by month 12, wider in the months between; $3,657 a month less in dues at month 12)	minus $2,915	Expected case still clears the floor; slow start below the floor in month 4 (closing $25,790)
Memberships: dues 10 percent lower, the same members ($3,562 a month less), from month 1 onward	minus $3,562	Expected case still clears the floor; slow start below the floor in month 5 (closing $21,087)
25 members leave in one month ($3,242 a month), from month 7 onward	minus $2,584	Expected case still clears the floor; slow start deadline unchanged (month 6)
Rent 15 percent higher ($585 a month more on line 1, a fixed rise)	minus $585	Expected case still clears the floor; slow start below the floor in month 5 (closing $24,408)
Marketing 50 percent higher ($390 a month more on line 7, a fixed rise)	minus $390	Expected case still clears the floor; slow start below the floor in month 5 (closing $25,383)
Build-out overrun of $10,000 beyond the contingency, met out of the cash reserve	no change	Expected case still clears the floor; slow start below the floor in month 4 (closing $25,850)
Opening 3 months late (the studio space, insurance, loan interest and principal, $7,489 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 $32,263 in month 8 from the planned opening, $20,003 lower than on time; slow start below the floor in month 7 from the planned opening (month 6 on time)

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

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

PAGE 14

Front-desk and month-end checklists, weekly review, six questions

These are working lists for a studio floor, not a compliance scheme. Whatever your premises and advisers ask for on sign-up, billing and safety belongs on them too.

BEFORE THE FIRST CLASS

- ☐ Leave the tier dormant until the paperwork is signed and the first dues draft clears.
- ☐ Put the newcomer into a named class, with a teacher and a time, before they leave.
- ☐ Write the tier, billing date and notice period into the signed form and the booking app.
- ☐ Take the health form and emergency number your premises asks for, store them securely, and make them available only to staff who need them for class safety.
- ☐ Enter the person in the source log: which intro pass they used, and the day they joined.
- ☐ Brief the teacher on what they want from a practice, and anything flagged as off limits.

MONTH END, FREEZES AND LEAVERS

- ☐ Set each tier's headcount beside the mats it fills, and its booked hours beside the timetable.
- ☐ Log every arrival and leaver on the page 9 grid, with the words the member used at the desk.
- ☐ Retry a declined draft only as the signed terms and the payment processor permit, and note each attempt.
- ☐ Work out the month's churn as leavers divided by the members on the books on day one.
- ☐ Against every intro pass, keep the referral source, the first class date, and whether it converted.
- ☐ At a cancellation, ask what would have kept them on the mat, and whether a friend wants the place.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Dues cleared, split by tier and billing attempt				
Headcount per tier against mat capacity				
Taught hours booked against the hours on the roster				
Arrivals, leavers and freezes, tier by tier				
Intro passes taken and converted, by source				
Declined drafts, and any balance older than 10 days				
Owner hours: teaching against desk				

SIX QUESTIONS TO INVESTIGATE

1. **Owner at the center of everything.** Does every intro pass, timetable swap and billing argument wait for the owner, while the desk parks the question?
2. **Firefighting on the floor.** In one week, count the classes that ran short of a teacher or drew fewer than four people, the drafts that bounced, and the owner's lost desk hours.
3. **Growth with no system behind it.** How many of this quarter's joiners quit inside 90 days, and how many payments are still uncollected past the 15th?
4. **Key-teacher risk.** Which slots would thin out if one teacher handed in notice, because the room follows that person rather than the class?
5. **A schedule losing its regulars.** On average, how long does an intro pass sit before it becomes a membership, and how many are never used for a single class?
6. **The timetable drifting from the model.** Do tiers priced alike consume wildly different teacher hours, and has the schedule drifted from the one you priced?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the intro-pass ledger, the page 9 member grid, the roster set against the schedule, or the list of declined drafts.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log teaching and desk hours every day. Log the hours the owner covers.
Week 2	Fill the page 7 plan table at the loaded wage and mark any plan whose dues do not cover its teaching hours, supplies and fees.
Week 3	Fill the page 9 build table with every join and cancellation and work out the month's churn.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions the desk lead may make without calling you.
After month 1	Compare each plan's members with the members it can hold and the teaching hours worked with the timetable on page 6.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

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

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

WHAT THE FULL KIT ADDS

The full Yoga and Pilates Studio 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 plan pricing calculator from teaching hours and dues to a margin, a membership and churn tracker, editable intro-offer and class trackers, membership checklists and hiring checklists. Release status is on the kit page.

SOURCES

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

SCOPE AND DISCLAIMER

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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 plans, dues and costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

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

I am opening or running an independent yoga and Pilates studio. I attached the Yoga and Pilates Studio Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my classes and members.

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 dues, a wage, a churn figure, a capacity count, percentage or benchmark.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales = units times average dues or price times days open in the month (or times 1 for a line counted per month). Memberships follow the page 9 build (members at month end times average dues); private sessions and drop-ins = full-run sales times ramp times season. Full-run sales, break-even and coverage take memberships at its settled-year average (page 9), not the planned count.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's hours on shift go in line 14 at a market wage. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from the work; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even members = (fixed costs with line 4 even if undrawn, plus principal and other recurring cash out, minus private-session and drop-in contribution at their own shares) divided by one member's monthly contribution; 0 if covered. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Paid teaching hours a month = each teacher's hours a day times days a week, summed, times 52, over 12; hours needed in the peak month = the plan hours on page 7 at steady-cycle membership (page 9); steady-cycle membership against the timetable's places.
- Rent share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take booked lines at full bookings averaged over 12 months, a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first day the studio opens after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Place each receipt in the month my payment terms say; if a term is missing, mark [NEED: payment timing]. The worked example drafts dues on the first and clears them in the month they are for (new members pay at sign-up), and lands private sessions and drop-ins in their month; teachers and suppliers are paid in the month worked. In the slow-start case, every month's sales on every line are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair: line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first day the studio opens), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

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

5. Do not give legal, tax, licensing, permit, membership agreement, billing, cancellation and class scheduling requirements, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous member IDs. Do not ask for names, addresses, bank account or identification numbers, health questionnaires, or the names of my members or staff.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Plans and classes, the timetable, members and intro-offer sources, the teachers on the roster with paid hours a day and days a week, and days open per week.
b. Sales build: for memberships, each plan's places, the members at full run and the monthly dues, my monthly churn and my planned joins for each month from 1 to 12 (month 1's are the founding members signed before opening), the recurring yearly joins that hold full run, and the members the timetable can serve; for private sessions and for drop-ins and retail, the sessions or items a month at full run and the average charge, a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month for those two lines from my intro-offer record or my market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Do not model the membership line day by day; the page 9 build replaces its count once fully booked. Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For each plan: places and members at full run, the monthly fee, and the direct teaching hours a month it needs; the salaried roster's paid hours a month; the loaded wage of the hourly staff above it.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (fit-out quote, insurer quote, landlord quote or calculation) for each line on page 5, from mats and build-out to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the salaried staff, the loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my hours on shift go in line 14 at a market wage.
f. Variable cost shares of net sales for lines 13 to 16: line 13, retail, workshop materials and class materials cost of goods; line 14, hourly class teachers and private-session instructors above the salaried team, with payroll taxes; line 15, payment processing and draft fees; line 16, class and cleaning consumables; and any sales line whose own shares differ, given for that line.
g. Take the churn rate, the arrivals plan and the mat spaces from item b as given; do not alter them unless I tell you to.
h. For one ordinary week per teacher: paid hours, hours spent in front of a class or a one-to-one, setting-up and greeting hours, training and paid-break hours, and desk or dead hours; the base rate and the payroll taxes and benefits share.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

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

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when members pay dues (drafted on the first and cleared in the month, or later), deposits or enrollment fees I collect and when, and when teachers and suppliers are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside and equipment replacement.
m. Cash on hand on the first day the studio opens after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what 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 yoga and Pilates studio, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by membership line, private-session line, drop-in line and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even members (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), which is the page 11 $000 convention; page 19 is a dollar illustration, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add memo rows for each month, kept out of closing cash: the tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Program economics by places, enrollment, fee, staff hours and revenue per available place, ranked, with the capacity check on places and staff hours.
7. The 12-month membership build (joins, leaves, members, percent of full run), steady state against the plan, membership life, lifetime value and acquisition cost per join.
8. Taught-time share, the real cost of a taught hour, and the biggest leak named.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every member count or draft term I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with the membership build, teaching hours and draft terms, before anyone sees the plan, and recheck the page 4 result with a calculator.

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

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $26,129.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**99,800**	**82,314**	**69,588**	**60,157**	**53,235**	**52,266**	**54,556**	**58,929**	**64,402**	**70,602**	**76,946**	**83,239**
In: sales receipts	12,338	18,667	22,921	26,164	35,200	39,418	42,168	43,391	44,251	44,237	44,115	43,728
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: materials, processing fees and consumables (lines 13, 15, 16)	814	1,232	1,513	1,727	2,323	2,602	2,783	2,864	2,921	2,920	2,912	2,886
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	17,581	18,732	19,410	19,930	22,417	23,097	23,583	23,625	23,701	23,544	23,481	23,334
Out: studio rent (line 1)	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Out: other costs, with loan interest (lines 2, 5 to 12)	5,768	5,768	5,768	5,768	5,768	5,768	5,768	5,768	5,768	5,768	5,768	5,768
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	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(17,486)**	**(12,726)**	**(9,431)**	**(6,922)**	**(969)**	**2,290**	**4,373**	**5,473**	**6,200**	**6,344**	**6,293**	**6,079**
Closing cash, expected	**82,314**	**69,588**	**60,157**	**53,235**	**52,266**	**54,556**	**58,929**	**64,402**	**70,602**	**76,946**	**83,239**	**89,318**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**99,800**	**79,721**	**62,974**	**48,534**	**35,850**	**27,333**	**21,097**	**16,319**	**12,312**	**8,813**	**5,415**	**1,982**
Sales receipts, slow start	8,637	13,067	16,044	18,315	24,640	27,593	29,518	30,374	30,975	30,966	30,881	30,610
Out: variable costs, slow start (lines 13 to 16)	2,587	3,685	4,355	4,870	7,028	7,700	8,167	8,252	8,345	8,235	8,185	8,065
Out: fixed costs (lines 1 to 12), principal, bills, less funding	26,129	26,129	26,129	26,129	26,129	26,129	26,129	26,129	26,129	26,129	26,129	26,129
Net cash flow, slow start	**(20,079)**	**(16,747)**	**(14,440)**	**(12,684)**	**(8,517)**	**(6,236)**	**(4,778)**	**(4,007)**	**(3,499)**	**(3,398)**	**(3,433)**	**(3,584)**
Closing cash, slow start	**79,721**	**62,974**	**48,534**	**35,850**	**27,333**	**21,097**	**16,319**	**12,312**	**8,813**	**5,415**	**1,982**	**(1,602)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**7,333**	**7,025**	**6,447**	**5,834**	**8,446**	**8,630**	**8,497**	**7,907**	**7,531**	**6,828**	**6,305**	**5,860**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. Variable costs use each sales line's own shares, so a month can differ by a few dollars from the blended share. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $46,487 a month, against month 12's own billed sales of $43,728): closing cash runs $96,869 in month 1 and $178,621 in month 12, lowest $96,869 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.