

Crafting Your Donut shop Strategy: US Market

Sample Business Plan

Sweet Rise Donuts LLC, founded March 15, 2024, operates a 1,200 sq. ft. artisanal donut shop in Portland, OR. Founder Elena Martinez (ex-Stumptown Coffee GM) and Head Pastry Chef Jordan Lee (ex-Blue Star Donuts) target urban professionals with \$3.25-\$3.75 premium donuts and \$4.50 specialty beverages. Projecting \$312,000 Year 1 revenue at 37.5% gross margin, we break even at 166 donuts/day.

SECTION 1: EXECUTIVE SUMMARY

US consumers spend \$1.2 billion annually on specialty donuts (IBISWorld 2023), yet 68% of Portlanders report dissatisfaction with dietary-inclusive options (Nielsen 2023). Sweet Rise solves this with 40% vegan/gluten-free menu items using local ingredients, achieving 4.8 Google stars during 30-day soft launch (217 reviews). We sell 300 donuts/day at \$3.25 average price + \$1,200 beverage revenue, yielding \$195,000 gross profit on \$312,000 Year 1 revenue. Fixed costs of \$10,083/month require 166 donuts/day to break even; we hit 261/day by Month 6.

We secure \$225,000 funding: \$100,000 owner equity (60% Martinez, 30% Lee, 10% Chen) and \$125,000 SBA 7(a) loan at 8.5% over 10 years. Funds allocate to leasehold improvements (\$65,000, 28.9%), equipment (\$38,000, 16.9%), and 6-month operating buffer (\$90,000, 40.0%). This enables 18-month profitability (Month 18 net income: \$8,200), 25,000 social followers by Year 3, and Seattle expansion by Q3 2026. Investor ROI: 22% IRR by Year 5 exit.

SECTION 2: COMPANY OVERVIEW

Sweet Rise Donuts LLC (Oregon File #7894562) chose Oregon LLC structure for pass-through taxation and \$250 liability protection per owner. We lease 1,200 sq. ft. at 3425 NE Alberta Street (Portland's highest foot traffic corridor: 12,000 weekly visitors) at \$3,500/month with 3% annual rent cap. Founders invested \$100,000 equity after validating demand through 3 pop-up events generating \$18,750 revenue at 42% gross margin.

Elena Martinez (CEO) grew Stumptown Coffee's Alberta location to \$1.2M annual revenue in 3 years. Jordan Lee (Head Pastry Chef) developed Blue Star Donuts' seasonal program driving 22% same-store sales growth. David Ortiz (Part-time Marketing Lead) executed viral campaigns for Pine State Biscuits generating 3.2M TikTok views at \$0.18 CPM.

Date	Milestone	Status	Next Steps
Mar 2024	Business registration complete	Done	N/A
Apr 2024	Lease signed with \$10,500 deposit	Done	N/A
May 2024	Buildout completed (\$65,000)	Done	N/A
Jun 2024	Soft launch (30-day)	Done	Analyze sales data
Jul 2024	SBA loan disbursement	Done	Deploy operating buffer
Aug 2024	Hire Operations Manager	Pending	Finalize Sarah Kim offer
Oct 2024	Wholesale pilot launch (3 cafes)	Planned	Negotiate contracts
Mar 2025	Reach 10,000 Instagram followers	Planned	Execute "Donut of Week" campaign

SECTION 3: MARKET ANALYSIS

US specialty donut TAM: \$1.2B (IBISWorld 2023). Pacific Northwest SAM: \$128M (Nielsen 2023 metro foodservice data). Portland SOM: \$4.1M (3.2% share by Year 3), calculated as: (Portland metro population 2.58M) x (35% target demo) x (\$120 annual donut spend) x (3.2% achievable share) = \$4.1M. We exclude mass-market chains (Dunkin', grocery) as non-competitors for SOM.

Primary customers: 25-40yo urban professionals (62% of sales), median income \$78,500 (Portland Metro data). They spend \$8.25 avg ticket, visit 1.7x/week, and prioritize Instagrammable products (87% check social media before visiting). Secondary: students (23% of sales) spending \$6.50 avg ticket during 7-10AM peak.

Key trends: Specialty donut CAGR 7.2% (vs 3.1% overall); 42% demand dietary options (Technavio 2023); "snackification" driving 35% of meal replacements (IFIC 2023); local business preference up 18% since 2020 (Nielsen).

Segment	Size (\$)	Growth Rate	Our Share Target	Rationale
Urban Professionals	\$2.1M	8.1%	4.5%	Aligned with Alberta Arts District traffic
College Students	\$1.3M	6.7%	3.8%	Proximity to PSU (2.1 miles)
Tourists	\$0.5M	5.2%	2.1%	Voodoo Doughnut proximity
Wholesale	\$0.2M	12.0%	8.0%	Q4 2024 pilot with 3 cafes

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Donut Market	\$3.7B	N/A	N/A	IBISWorld 2023
Pacific NW Specialty	N/A	\$128M	N/A	Nielsen metro foodservice spend x 35%
Portland Specialty	N/A	N/A	\$4.1M	2.58M pop x 35% demo x \$120 spend x 3.2% share

SECTION 4: COMPETITIVE ANALYSIS

Direct competitors: Blue Star (\$3.50-\$4.50/donut, \$2.1M Portland revenue), Pip's Original (\$2.75/donut, \$1.8M revenue), Voodoo Doughnut (\$3.00/donut, \$3.5M revenue). Blue Star dominates 28% market share but has 0% gluten-free options. Pip's has 22% share with cult following but no seasonal rotation. Voodoo captures 19% tourist share with inconsistent quality (3.2 Google stars).

Our advantages: 1) 40% dietary-inclusive menu (vs 0-10% competitors) driving 35% repeat rate in soft launch; 2) Seasonal menu refresh every 28 days (vs competitors' 90-180 days) increasing social shares by 220%; 3) Zero-waste operations (5% waste rate vs industry 12%) saving \$1,200/month disposal costs; 4) Hyper-local partnerships (e.g., Camas Country Mill) reducing ingredient costs 8%.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Blue Star	\$2.1M	\$3.50-\$4.50	Brand recognition	0% GF/vegan options	40% inclusive menu
Pip's Original	\$1.8M	\$2.75	Customer loyalty	No seasonal innovation	Monthly menu rotation
Voodoo	\$3.5M	\$3.00	Tourist traffic	3.2 Google stars	4.8 Google stars
Starbucks	N/A	\$1.99	Convenience	Mass-produced	Handcrafted batches
Grocery bakeries	N/A	\$1.50	Low price	Stale inventory	8-hour freshness guarantee

Strengths	Weaknesses	Opportunities	Threats
40% GF/vegan menu	Limited seating (20 seats)	Seattle expansion (Q3 2026)	Rising flour costs (+12% YoY)
4.8 Google rating	No delivery (25% commission)	Wholesale growth (12 cafes by 2025)	New competitor (Doughnut Project)
Local supplier network	Dependent on foot traffic	Protein line launch (Q2 2025)	Oregon min. wage \$16.20 by 2025
Zero-waste ops	Single location risk	Corporate gifting program	Health code violations

SECTION 5: PRODUCTS & SERVICES

We produce 300-500 donuts daily in 3 shifts: 3-5AM mixing, 5-7AM frying, 7-9AM glazing. Core items: Classic Glazed (\$3.25, 35% sales mix), Seasonal Specials (\$3.75, 25%), Vegan (\$3.50, 20%), Gluten-Free (\$3.75, 20%). Beverages: House coffee (\$2.50-\$3.50, 42% margin), Cold brew (\$4.00, 68% margin). Bundles: 6-Donut Box (\$18.00, 28% margin), Donut of Month Club (\$25/month, 65% margin).

Pricing sets 15-20% above chains using psychological pricing (\$3.25 vs \$3.00). Bundles increase average order value from \$8.25 to \$14.50. Loyalty program (9th donut free) drives 35% repeat rate. Wholesale pricing at \$2.10/donut (30% below retail) to cafes.

Tier	Price	Features	Target Customer	Expected % Rev	Gross Margin
Single Donut	\$3.25-\$3.75	Daily fresh, 8-hr shelf life	Walk-in traffic	58%	34.2%
Beverages	\$2.50-\$5.50	Local beans, house-made syrups	All customers	18%	62.1%
Bundles	\$18-\$32	Custom packaging, free coffee	Gift buyers	16%	28.3%
Wholesale	\$2.10	Pre-orders, 4AM delivery	Cafes/grocers	8%	41.7%

Metric	Value	Calculation/Notes
Price per unit	\$3.25	Average across menu
COGS per unit	\$2.14	Flour \$0.45, sugar \$0.18, labor \$0.82, packaging \$0.69
Gross Profit per unit	\$1.11	\$3.25 - \$2.14
Gross Margin %	34.2%	\$1.11 / \$3.25
CAC	\$13.79	\$2,000 monthly marketing spend / 145 leads

LTV	\$142.50	1.7 visits/week x \$8.25 x 52 weeks x 25% margin / 12% monthly churn
LTV:CAC	10.3	\$142.50 / \$13.79
Payback Period	1.8 months	CAC / (Avg monthly profit per customer)

SECTION 6: MARKETING & SALES

Go-to-market focuses on high-ROI channels: Foot traffic (72% of sales) from Alberta Arts District, digital marketing (25% of sales), wholesale (3% Year 1). Google Ads target "vegan donuts Portland" CPC \$2.40; Meta targets 25-40yo within 10 miles CPC \$1.80. SEO targets top 3 ranking for 12 local keywords by Month 6 (current rank: #14).

Sales cycle: Awareness (social ad or foot traffic) -> Consideration (in-store sampling, 68% conversion) -> Purchase (avg ticket \$8.25) -> Retention (loyalty program). Conversion funnel: 12,000 weekly foot traffic -> 1,440 daily visitors (12% entry rate) -> 576 daily customers (40% conversion) -> 202 repeat customers (35% rate).

Retention tactics: Donut of Month Club (\$25/month, 120 subscribers by Year 1), birthday rewards (18% redemption), referral program (\$5 credit, 22% participation). Target churn: 8% monthly (vs industry 12%). Expansion revenue: 30% from bundle upgrades.

Channel	Monthly Budget	Expected CAC	Expected Leads/Mo	Conversion Rate	Expected Customers/Mo	ROI
Google Ads	\$1,200	\$13.79	87	23.0%	20	285%
Meta Ads	\$800	\$13.79	58	23.0%	13	285%
Foot Traffic	\$0	\$0	1,440	40.0%	576	N/A
Wholesale	\$300	\$100	3	100.0%	3	317%
Total	\$2,300	\$3.90	1,548	37.2%	612	241%

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	\$800	\$500	\$200	\$0	\$0	\$1,500	109	25
2	\$1,000	\$600	\$200	\$0	\$0	\$1,800	131	30
3	\$1,200	\$700	\$200	\$100	\$0	\$2,200	159	37
4	\$1,200	\$800	\$200	\$200	\$100	\$2,500	181	42
5	\$1,200	\$800	\$200	\$300	\$100	\$2,600	188	44
6	\$1,200	\$800	\$200	\$400	\$100	\$2,700	195	45
7	\$1,200	\$800	\$200	\$500	\$100	\$2,800	202	47
8	\$1,200	\$800	\$200	\$600	\$100	\$2,900	209	48
9	\$1,200	\$800	\$200	\$700	\$100	\$3,000	216	50
10	\$1,200	\$800	\$200	\$800	\$100	\$3,100	223	52
11	\$1,200	\$800	\$200	\$900	\$100	\$3,200	230	53
12	\$1,200	\$800	\$200	\$1,000	\$100	\$3,300	237	55

SECTION 7: OPERATIONS

Daily workflow: 3:00-5:00AM dough mixing (20-qt mixer), 5:00-7:00AM frying (2-tier gas fryer), 7:00-9:00AM display setup. Open 6AM-3PM Tue-Sun (closed Mondays). Capacity: 500 donuts/day (current 300), 20-seat dining, 4-min drive-thru service. Inventory turnover: 4.2x monthly. Waste rate: 4.7% (vs industry 12%), donated after 4PM.

Key vendors: Camas Country Mill (flour, \$1,200/month, 12-month contract, backup: Bob's Red Mill), Willamette Valley Farms (eggs/dairy, \$900/month, 6-month contract, backup: Stahlbush Island Farms). Technology stack optimized for food retail: Toast POS (\$129/month) for inventory/payroll, Shopify (\$79/month) for e-commerce.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Camas Country Mill	Organic flour	\$1,200	12 months, 30-day cancel	Bob's Red Mill
Willamette Valley Farms	Eggs/dairy	\$900	6 months, 15% discount	Stahlbush Island Farms
Oregon Fruit Products	Canned fruit	\$400	Open purchase	Local farmers markets
Eco-Products	Compostable packaging	\$600	12 months, 5% volume discount	World Centric
La Marzocco	Coffee equipment service	\$150	24/7 support, 4-hr response	Local technician

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Toast	POS/inventory/payroll	\$129	5	Square (rejected: \$199/month)
Shopify	E-commerce	\$79	2	WooCommerce (rejected: \$50 + dev time)
Upserve	Inventory mgmt	\$99	2	MarketMan (rejected: \$149/month)
Mailchimp	Email marketing	\$50	1	Klaviyo (rejected: \$45 + transaction fees)
QuickBooks Online	Accounting	\$30	1	Xero (rejected: \$15 + bank fees)

SECTION 8: MANAGEMENT TEAM

Organizational structure: 5 FTEs by Month 8 (Founder/CEO, Head Pastry Chef, Operations Manager, Assistant Baker, 2 Cashiers). Compensation: Market-rate salaries (Oregon food service avg +10%) with profit-sharing after Year 1 (5% of net profits). Founders defer salaries until Month 7 (\$5,000/month each).

Advisory board: Michael Torres (ex-CFO, Stumptown Coffee) - equity compensation (0.5%); Lisa Chen (Director, Oregon Restaurant Assoc) - \$1,500/month retainer. Both assist with wholesale expansion and regulatory compliance.

Month	Role	Salary	Priority	Source	Onboarding Time
1-6	Founder/CEO	\$0	Critical	N/A	N/A
1-6	Head Pastry Chef	\$0	Critical	N/A	N/A
1	Assistant Baker	\$3,200	Critical	Craigslist	2 weeks
1	Cashier (PT)	\$1,280	High	In-store signage	1 week
3	Cashier (PT)	\$1,280	High	In-store signage	1 week
8	Operations Manager	\$4,583	Critical	LinkedIn	4 weeks
10	Marketing Lead (PT)	\$1,000	Medium	Freelance network	2 weeks

SECTION 9: FINANCIAL PLAN

Key assumptions: 300 donuts/day Year 1 (growing to 450 by Year 2), \$3.25 avg price, 37.5% gross margin. Customer acquisition: 145 leads/month at \$13.79 CAC, 37.2% conversion. Monthly churn: 8% (vs industry 12%). Payroll grows from \$3,840 to \$6,200/month as staff hired. Rent fixed at \$3,500/month with 3% annual increase.

Revenue streams: Donuts (58% of Year 1 revenue), beverages (18%), bundles (16%), wholesale (8%). Growth drivers: Seasonal menu refreshes (22% sales lift per launch), Donut of Month Club (targeting 5% of customers), wholesale expansion (3 to 12 cafes by Year 2).

Cost structure: Fixed costs 64% of OpEx (\$114,000/year), variable 36% (\$64,000/year). Major costs: Rent (\$42,000, 23.6%), Payroll (\$74,400, 41.8%), Marketing (\$24,000, 13.5%). Variable costs scale at 0.35x revenue growth (COGS + payment processing).

Funding: \$225,000 total. Use: Leasehold improvements \$65,000 (28.9%), Equipment \$38,000 (16.9%), Initial inventory \$12,000 (5.3%), Marketing launch \$15,000 (6.7%), Operating buffer \$90,000 (40.0%), Legal/licensing \$5,000 (2.2%). Funds provide 14.2 months runway at \$15,833 monthly burn (Months 1-6).

Category	Item	Cost	Notes
Legal/Formation	LLC filing	\$200	Oregon SOS fee
Licenses/Permits	Food Service License	\$500	Multnomah County
Licenses/Permits	Alcohol Permit (future)	\$1,200	Deferred until coffee expansion
Equipment	Donut fryer	\$8,500	2-tier, gas-powered
Equipment	Dough mixer	\$6,200	20-qt capacity
Equipment	Prep cabinets	\$1,900	2 units
Equipment	Refrigeration	\$1,500	2 units

Equipment		Espresso machine	\$3,000	La Marzocco Linea Mini
Technology		POS system	\$2,500	Toast hardware
Initial Inventory		Week 1 supplies	\$12,000	Flour, sugar, packaging
Marketing Launch		Website	\$5,000	Freelance designer
Marketing Launch		Soft launch event	\$10,000	30-day pop-up costs
Working Capital	6 months buffer		\$90,000	Months 1-6 operating costs
Insurance		General Liability	\$4,800	Annual premium
Professional Fees		SBA loan origination	\$3,500	3% of \$125k loan
Contingency		10% buffer	\$22,500	Unplanned expenses
Total			\$225,000	

Category	Fixed	Variable	Total Monthly Cost	Annual Cost	Notes
Rent	Fixed		\$3,500	\$42,000	3% annual increase

Salaries/Payroll	Fixed \$6,200	\$74,400	Includes 15% payroll tax
Benefits	Fixed \$0	\$0	Deferred until Year 2
Insurance	Fixed \$400	\$4,800	General Liability only
Software	Fixed \$500	\$6,000	Toast, Shopify, Upserve
Utilities	Fixed \$600	\$7,200	Electric, gas, water
Marketing	Variable \$2,000	\$24,000	Scales with revenue
Loan Payment	Fixed \$1,582	\$18,984	Starts Month 7
Supplies	Variable \$1,200	\$14,400	Cleaning napkins, etc.
Maintenance	Variable \$300	\$3,600	Equipment servicing
Professional Services	Fixed \$200	\$2,400	Accounting support
Other	Variable \$500	\$6,000	Bank fees, misc.
Fixed Total	\$12,200	\$146,400	
Variable Total	\$3,500	\$42,000	
Combined Total	\$15,700	\$188,400	

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Year 1
Revenue	\$15,000	\$18,000	\$22,000	\$25,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$31,500	\$31,800	\$32,000	\$312,300
COGS	\$5,625	\$6,750	\$8,250	\$9,375	\$10,125	\$10,500	\$10,875	\$11,250	\$11,625	\$11,813	\$11,925	\$12,000	\$117,113
Gross Profit	\$9,375	\$11,250	\$13,750	\$15,625	\$16,875	\$17,500	\$18,125	\$18,750	\$19,375	\$19,688	\$19,875	\$20,000	\$195,188
Marketing	\$1,500	\$1,800	\$2,200	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300	\$31,100
Salaries	\$3,840	\$3,840	\$3,840	\$5,120	\$5,120	\$5,120	\$6,200	\$6,200	\$6,200	\$6,200	\$6,200	\$6,200	\$65,040
Rent	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
Software	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Insurance	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800
Other OpEx	\$1,500	\$1,600	\$1,700	\$1,800	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600	\$23,500
Total OpEx	\$10,840	\$11,240	\$11,740	\$13,320	\$13,620	\$13,820	\$14,500	\$14,700	\$14,900	\$15,200	\$15,300	\$15,500	\$172,440
EBITDA	-\$1,465	\$10	\$2,010	\$2,305	\$3,255	\$3,680	\$3,625	\$4,050	\$4,475	\$4,488	\$4,575	\$4,500	\$22,748
Depreciation	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
EBIT	-\$2,965	-\$1,490	\$510	\$805	\$1,755	\$2,180	\$2,125	\$2,550	\$2,975	\$2,988	\$3,075	\$3,000	\$4,748
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$885	\$885	\$885	\$885	\$885	\$885	\$5,310
Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$523	\$526	\$547	\$530	\$1,626
Net Income	-\$2,965	-\$1,490	\$510	\$805	\$1,755	\$2,180	\$1,240	\$1,665	\$1,567	\$1,577	\$1,643	\$1,585	\$17,188

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	\$225,000	\$218,070	\$213,780	\$210,040	\$205,195	\$199,250	\$193,230	\$187,815	\$182,050	\$176,058	\$170,036	\$164,039
Cash In (Revenue)	\$15,000	\$18,000	\$22,000	\$25,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$31,500	\$31,800	\$32,000
Cash In (Other)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash In	\$15,000	\$18,000	\$22,000	\$25,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$31,500	\$31,800	\$32,000
Cash Out (COGS)	\$5,625	\$6,750	\$8,250	\$9,375	\$10,125	\$10,500	\$10,875	\$11,250	\$11,625	\$11,813	\$11,925	\$12,000
Cash Out (OpEx)	\$10,840	\$11,240	\$11,740	\$13,320	\$13,620	\$13,820	\$14,500	\$14,700	\$14,900	\$15,200	\$15,300	\$15,500

Cash Out (CapEx)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Out (Debt)	\$0	\$0	\$0	\$0	\$0	\$0	\$1,582	\$1,582	\$1,582	\$1,582	\$1,582	\$1,582
Cash Out (Taxes)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$523	\$526	\$547	\$530
Total Cash Out	\$16,465	\$17,990	\$19,990	\$22,695	\$23,745	\$24,320	\$26,957	\$27,532	\$28,630	\$29,121	\$29,354	\$29,612
Net Cash Flow	-\$1,465	\$10	\$2,010	\$2,305	\$3,255	\$3,680	\$2,043	\$2,468	\$2,370	\$2,379	\$2,446	\$2,388
Ending Cash	\$218,070	\$213,780	\$210,040	\$205,195	\$199,250	\$193,230	\$187,815	\$182,050	\$176,058	\$170,036	\$164,039	\$158,042

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	\$312,300	\$126,000	\$135,000	\$144,000	\$175,000	\$210,000	\$225,000	\$240,000	\$255,000	\$930,000
COGS	\$117,113	\$47,250	\$50,625	\$54,000	\$65,625	\$78,750	\$84,375	\$89,999	\$95,625	\$348,750
Gross Profit	\$195,188	\$78,750	\$84,375	\$90,000	\$109,375	\$131,250	\$140,625	\$150,001	\$159,375	\$581,250
OpEx	\$172,440	\$65,000	\$68,000	\$71,000	\$82,000	\$100,000	\$105,000	\$110,000	\$115,000	\$430,000
EBITDA	\$22,748	\$13,750	\$16,375	\$19,000	\$27,375	\$31,250	\$35,625	\$40,001	\$44,375	\$151,250
Net Income	\$17,188	\$9,500	\$11,500	\$13,500	\$18,500	\$22,000	\$25,000	\$28,000	\$31,000	\$106,500
Ending Cash	\$158,042	\$137,542	\$125,042	\$115,542	\$100,042	\$85,042	\$75,042	\$65,042	\$55,042	\$55,042

Metric	Value	Calculation
Monthly Fixed Costs	\$10,083	$(\$146,400 \text{ annual fixed} / 12) - \text{loan payment}$
Variable Cost per Unit	\$2.14	COGS per donut
Price per Unit	\$3.25	Average donut price
Contribution Margin per Unit	\$1.11	$\$3.25 - \2.14

Contribution Margin %	34.2%	\$1.11 / \$3.25
Break-Even Units per Month	9,084	\$10,083 / \$1.11
Break-Even Revenue per Month	\$29,523	9,084 units x \$3.25
Expected Break-Even Month	Month 5	Projected revenue \$27,000 > \$29,523? No - Month 6: \$28,000 still short. Month 7: \$29,000 > \$29,523 -> Month 7
Safety Margin	4.3%	(\$32,000 - \$29,523) / \$32,000 (Month 12)

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	62.5%	65.0%	62.5%	60-65% (food retail)
Operating Margin %	5.5%	11.5%	15.1%	8-12% (food retail)
Net Profit Margin %	5.5%	11.5%	11.5%	5-10% (food retail)
Current Ratio	1.8	2.1	2.3	1.5-2.0
Quick Ratio	1.5	1.8	2.0	1.0-1.5
CAC Payback	1.8	1.5	1.2	6-18 months
LTV:CAC	10.3	12.0	15.0	3:1 minimum
Monthly Burn Rate	\$15,833	\$0	\$0	N/A
Runway (months)	14.2	N/A	N/A	N/A

SECTION 10: RISK ANALYSIS

Top risks: 1) Supply chain disruption (flour cost volatility, probability 4/5, impact \$1,200/month loss); 2) Labor shortages (Oregon food service vacancy rate 12%, probability 3/5, impact \$2,500/month overtime); 3) New competitor entry (Doughnut Project opening 0.5 miles away, probability 3/5, impact 15% sales loss); 4) Health code violation (probability 2/5, impact \$5,000 fine + reputation damage).

Mitigation: 1) Multi-vendor sourcing with 2-week inventory buffer (\$2,400 buffer stock); 2) Cross-training staff + automated scheduling (Upserve saves 10 labor hours/week); 3) Loyalty program driving 35% repeat rate (vs competitor 22%); 4) Biweekly HACCP audits + \$5,000 emergency fund.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Flour cost increase	4	4	16	Multi-vendor contracts; 2-week buffer stock	Pass 50% cost to customers	Lee
Labor shortage	3	4	12	Cross-training; Upserve scheduling	Temp agency contract	Martinez
New competitor	3	3	9	Loyalty program; social media blitz	Menu innovation sprint	Ortiz
Health code violation	2	5	10	Biweekly HACCP audits	Emergency fund deployment	Kim
Rent increase	3	3	9	5-year lease with 3% cap	Explore ownership by Year 4	Martinez
Low sales ramp	2	4	8	Conservative projections; 6-mo buffer	Pivot to wholesale focus	Martinez
Equipment failure	2	3	6	Service contract; \$5k emergency fund	Rental equipment agreement	Lee
Reputation damage	2	4	8	Real-time review monitoring	Crisis comms protocol	Ortiz

SECTION 11: IMPLEMENTATION TIMELINE

Critical path: Month 1-3 buildout and soft launch, Month 4-6 customer acquisition scaling, Month 7-9 profitability milestone. Dependencies: SBA loan approval (Month 1), Operations Manager hire (Month 8), wholesale pilot (Month 10). Key priority: Achieve 166 donuts/day by Month 5 to hit break-even.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Buildout completion	Permit approval, equipment install	\$65k leasehold budget	Pass health inspection	Martinez
2	Soft launch	30-day pop-up event	\$10k marketing budget	200 daily customers	Lee
3	SBA loan disbursement	Funds received	Loan docs	\$125k in account	Martinez
4	Google Ads launch	Campaign live	\$1.2k budget	Top 3 ranking for 3 keywords	Ortiz
5	Break-even analysis	Financial review	POS data	166 donuts/day achieved	Kim
6	10,000 Instagram followers	Social media growth	Content calendar	10k followers	Ortiz
7	Profitability	Positive net income	Financial reports	\$1,240 net income	Kim
8	Operations Manager hire	Sarah Kim onboarded	\$4.58k salary	Inventory waste <5%	Martinez
9	Donut of Month Club launch	Subscription program live	\$500 marketing	50 subscribers	Ortiz
10	Wholesale pilot	3 cafes onboarded	\$300 marketing	\$6k wholesale revenue	Lee
11	Seattle site selection	3 locations vetted	\$2k travel budget	Lease terms negotiated	Martinez
12	Year 1 review	Financial audit	Accountant support	\$17k net profit achieved	Kim