

Hookah lounge Business Plan: A Proven Sample for US Entrepreneurs

Saffron Lounge, LLC (Texas LLC founded Q3 2024) operates a 3,200 sq ft hookah lounge in Austin's South Congress district targeting 21-35 year olds at \$42 average spend per guest. We project \$696,000 Year 1 revenue with 40% gross margin, breaking even at 1,850 guests/month by Month 7. Amir Khalid (ex-Dallas/Houston lounge GM, 8 years hospitality ops) leads this venture.

SECTION 1: EXECUTIVE SUMMARY

Austin has 140+ licensed venues competing for \$3.2M annual hookah spend (IBISWorld 2023), yet 68% of surveyed patrons (n=320) cite "inauthentic shisha" and "poor ventilation" as top frustrations. Saffron Lounge solves this with FDA-compliant tobacco-free shisha (\$22-\$38/session), HEPA-filtered HVAC (\$50,000 installation), and certified hookah specialists. We capture 8.5% market share by Year 1 through 3.2-guest average party size at \$42 spend.

Revenue streams: Hookah (60% at 60% gross margin), beverages (30% at 75% margin), food (8% at 65% margin), events (2%). Year 1 gross profit: \$417,600 (\$696,000 revenue x 60% margin). Fixed costs (\$344,400) exceed gross profit until Month 7 when monthly revenue hits \$62,000. Profitability achieved at \$744,000 annual revenue.

We seek \$250,000 SBA 7(a) loan (10-year term, 7.5% interest, \$2,937 monthly payment) against \$135,000 founder equity. Funds deploy as: \$175,000 lease/build-out, \$82,000 equipment, \$38,000 inventory, \$15,000 licenses, \$35,000 marketing, \$40,000 working capital. This funds 14-month runway to hit \$58,000 monthly revenue and 18% net margin by Year 2.

SECTION 2: COMPANY OVERVIEW

Saffron Lounge, LLC (Texas filing #805671212) chose LLC structure for liability protection and pass-through taxation. Location at 1800 South Congress (78704) secured at \$10,500/month rent (\$39.38/sq ft annually), below SoCo average (\$42/sq ft) due to 5-year lease commitment. Ownership: Amir Khalid 60% (contributed \$81,000), Elena Rivera 25% (\$33,750), Jordan Lee 15% (\$20,250).

Amir Khalid (CEO) managed 2 Dallas/Houston lounges to \$1.8M combined revenue in 2022 (22% net margin) and passed 12 TABC audits. Elena Rivera (COO) reduced inventory waste 18% at Latin bar chain through par-level systems. Jordan Lee (CMO) generated 3,200 Austin leads/month at \$18 CAC for beverage brand launch.

Date	Milestone	Status	Next Steps
Jun 2024	Lease signed	Complete	Begin build-out
Jul 2024	TABC license secured	Complete	Finalize HVAC compliance
Aug 2024	Staff hiring complete	Pending	Complete 2-week training
Sep 2024	Soft launch (invite-only)	Pending	Refine ops based on feedback
Oct 2024	Grand opening	Pending	Hit 1,000 guests Month 1
Mar 2025	Break-even achieved	Pending	Optimize marketing spend
Sep 2025	Year 1 profitability	Pending	Begin expansion research
Jan 2026	Second location scouting	Pending	Secure \$500k expansion capital

SECTION 3: MARKET ANALYSIS

TAM: \$680M US hookah industry (IBISWorld 2023). SAM: \$54M Texas market (140 venues x \$385k avg revenue). SOM: \$279k Year 1 revenue from 6,650 guests (8.5% of Austin's \$3.2M SOM). Calculation: 320,000 Austin residents aged 21-35 (US Census) x 12% nightlife participation rate (Statista) x \$8.75 monthly hookah spend = \$3.2M annual SOM.

Target customers: 21-35 year olds earning \$40k+ (62% college-educated). 78% use ride-share to venues (Lyft 2023 Austin data). Budget: \$35-\$50/session. Buying behavior: 68% book via Instagram, 41% attend weekly, 29% spend >\$50 with groups of 3.2 people (n=320 survey).

Market trends: 1) Experiential nightlife grew 72% YoY post-pandemic (Statista 2023), 2) Tobacco-free shisha demand up 34% (Hookah.org 2023), 3) Middle Eastern food market expanding at 6.1% CAGR (IBISWorld), 4) Texas indoor smoking regulations tightened 22% since 2020 (DSHS data).

Segment	Size (\$)	Growth Rate	Our Share Target	Rationale
UT Austin students	840,000	5.2%	12%	12k students within 2 miles; 40% nightlife spend
Young professionals	1,408,000	6.1%	9%	32k 25-35yo in zip codes 78701-05; \$65k avg income
Tourists	672,000	8.3%	5%	2.4M Austin visitors Q3-Q4; 28% seek cultural experiences
Local residents	280,000	3.7%	15%	70k residents in target zips; 12% venue penetration

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Hookah Industry	\$680M	\$54M (Texas)	\$3.2M (Austin)	IBISWorld revenue data x venue counts
Target Customers	74M 21-35yo US	4.1M Texas	320,000 Austin	US Census age brackets
Annual Spend	\$9.12/person	\$13.09/person	\$10.00/person	IBISWorld spend data / customer survey

SECTION 4: COMPETITIVE ANALYSIS

Austin's 3 direct competitors generate \$2.9M combined revenue: Alchemy Lounge (\$1.1M, 40% market share), Oasis Hookah (\$980k, 35%), Hookah Spot (\$820k, 25%). Alchemy leads on cocktails but charges \$45+ hookah sessions with 35% tobacco-free option penetration. Oasis has authentic shisha but 2.8-star Google rating due to dated interior. Hookah Spot targets students at \$18 sessions but lacks ventilation compliance.

Our advantages: 1) HEPA ventilation (\$50k investment) meets Texas Code §261.141 (competitors average 3.2-star ventilation ratings), 2) 100% FDA-compliant shisha (vs. 65% competitors), 3) \$22-\$38 pricing with 60% gross margin (industry avg 52%), 4) 4.7-star target rating via professional staff training (industry avg 3.9).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Alchemy Lounge	\$1.1M	\$45 hookah	Cocktail program	Low authenticity (28% repeat)	Authentic shisha + 40% lower price
Oasis Hookah	\$980k	\$25 hookah	Family recipes	Poor digital presence (500 IG followers)	3,200+ launch followers via influencer blitz
Hookah Spot	\$820k	\$18 hookah	Student pricing	No ventilation compliance	DSHS-certified air quality
Midnight Cowboy	\$2.4M	\$18 cocktails	Speakeasy vibe	No hookah service	Hookah + craft beverage combo
Whisler's	\$1.9M	\$16 cocktails	Rooftop space	Limited shisha options	Full hookah menu + private cabanas

Strengths	Weaknesses	Opportunities	Threats
DSHS-certified ventilation	High startup costs (\$385k)	Tobacco-free shisha demand +34% YoY	Texas indoor smoking ban proposal (2025)
Experienced ops team (8+ years)	Dependent on ride-share traffic	Austin visitor growth +8.3% YoY	Rent increases (5% annual escalation)
60% gross margin on hookah	Staff turnover risk (hospitality avg 75%)	Corporate event partnerships	New competitors (2 planned in 2024)
Prime SoCo location	Limited food menu (8% revenue)	Expansion to Sun Belt cities	Shisha supply chain disruptions

SECTION 5: PRODUCTS & SERVICES

We offer 45-60 minute hookah sessions using 12-inch Egyptian pharaoh bases with triple-hose setups. Shisha prepared by certified specialists using FDA-compliant tobacco (Starbuzz) and tobacco-free herbal blends (Herbal Hookah Co.). Beverages include house-made syrups and local spirits. Food features vegan/gluten-free small plates prepared in dedicated kitchen.

Pricing based on \$12.80 average COGS per hookah session (60% margin at \$32 avg price): \$22 basic (2-person), \$28 premium (3-person), \$38 signature (4-person). Beverages priced at 75% margin: \$14 cocktails (\$3.50 COGS), \$8 mocktails (\$2 COGS). Food at 65% margin: \$12 plates (\$4.20 COGS). Competitor benchmark: Alchemy charges \$45 for 2-person session (52% margin).

Tier	Price	Features	Target Customer	Expected % Revenue	Gross Margin
Basic Hookah	\$22	2-person, 1 flavor	Students (\$40k income)	25%	62%
Premium Hookah	\$28	3-person, 2 flavors	Young professionals (\$65k)	30%	60%
Signature Hookah	\$38	4-person, 3 flavors + fruit	Tourists/corporate (\$85k+)	5%	58%
Craft Cocktails	\$14-\$18	Local spirits, house syrups	All segments	25%	75%
Small Plates	\$9-\$16	Vegan/GF options	Food-focused guests	8%	65%
Private Events	\$75-\$150/hr	Cabana + min spend	Groups of 10+	2%	70%

Metric	Value	Calculation/Notes
Price per unit	\$42	Avg spend: 2.8 guests x \$15 beverage + \$27 hookah
COGS per unit	\$16.80	Hookah \$12.80 (40%) + beverage \$3.50 (25%) + food \$0.50 (5%)
Gross Profit per unit	\$25.20	\$42 - \$16.80

Gross Margin %	60%	\$25.20 / \$42
CAC	\$18.50	\$36,000 Year 1 marketing / 1,946 new customers
LTV	\$168	4 visits x \$42 x 60% margin / 15% churn
LTV:CAC	9.1	\$168 / \$18.50
Payback Period	1.1 months	CAC / (Avg monthly profit per customer)

SECTION 6: MARKETING & SALES

Primary channel: Instagram/TikTok targeting 21-35yo within 5 miles of SoCo. \$18,000 budget yields 21,176 clicks at \$0.85 CPC (Meta 2023 Austin avg). Conversion rate 4% to reservations = 847 bookings. Secondary: Google Ads (\$9,000, \$1.20 CPC, 7,500 clicks, 3.5% conversion = 263 bookings). Tertiary: 12 influencers (\$500/post, 5k-50k followers, avg 1,200 impressions/post = 14,400 impressions).

Sales cycle: 1) Ad click (3.2% CTR), 2) Online reservation (4% conversion), 3) In-venue purchase (92% close rate). Avg party size 3.2 guests. Sales cycle length: 2.1 days from ad click to visit. Month 1 conversion rate 35% (soft launch incentives), stabilizing at 28% by Month 4.

Retention: Saffron Circle loyalty program targets 35% repeat rate. \$15 referral credit drives 22% new customers from referrals. Email list (50% opt-in rate) receives biweekly offers with 18% redemption rate. Churn target: 15% monthly (industry avg 25%). Expansion revenue: \$12.50 incremental spend from repeat guests.

Channel	Expected CAC Budget	Conversion Rate	Expected Customers/Month	ROI	
Instagram Ads	\$18,000	1.76%	71	12.3x	
Google Ads	\$7,500	3.5%	263	22	8.2x
Influencers	\$500	2.2%	26	26	10.7x
Email Marketing	\$2,500	3.0%	54	18.1x	
Referral Program	\$3,000	10.0%	25	14.0x	

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	900	2,000	500	1,500	500	5,400	4,200	145
2	900	1,800	500	1,000	300	4,500	3,650	125
3	900	1,500	500	500	200	3,600	3,100	105
4	900	1,200	500	300	100	3,000	2,550	85
5	900	1,000	500	200	100	2,700	2,200	75
6	900	900	500	150	100	2,550	2,000	68
7	900	800	500	100	100	2,400	1,850	63
8	900	750	500	100	100	2,350	1,750	60
9	900	700	500	100	100	2,300	1,700	58
10	900	700	500	100	100	2,300	1,700	58
11	900	700	500	100	100	2,300	1,700	58
12	900	700	500	100	100	2,300	1,700	58

SECTION 7: OPERATIONS

Daily workflow: 4PM staff briefing > 4:30PM hookah prep (15 units) > 5PM opening > hourly table checks > 1AM closing (Sun-Thu). Capacity: 120 indoor + 40 patio guests. Peak throughput: 85 guests/hour (1.4 min/guest service time). Inventory managed via Toast POS par levels: shisha reorder at 14-day supply, beverages at 21 days, food at 7 days.

Key vendors: Herbal Hookah Co. (shisha, \$1,200/month, 30-day terms, backup: Shisha Source Inc.), Republic National Distributing (beverages, \$1,800/month, net 15), Sysco (food, \$900/month, net 10). Technology: Toast POS (\$1,200/month, 12 users), Resy reservations (\$250/month), QuickBooks Online (\$50/month).

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Herbal Hookah Co.	Tobacco-free shisha	1,200	12-month, cancel 30 days	Shisha Source Inc.
Republic National	Alcohol distribution	1,800	Net 15, 1% discount	Empire Distributors
Sysco Austin	Food supplies	900	Net 10, 2% discount	Wheatsville Co-op
HookahPro USA	Equipment maintenance	300	Monthly service	In-house repairs
Republic Waste	Trash/recycling	225	Monthly	Waste Management

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Toast POS	Sales, inventory, labor	1,200	12	Square (rejected: poor hospitality features)
Resy	Reservations/waitlist	250	3	OpenTable (rejected: \$499 setup fee)
QuickBooks Online	Accounting	50	2	Xero (rejected: no SBA loan integration)
Hootsuite	Social media	99	2	Buffer (rejected: no TikTok scheduling)
Lyft Business	Ride-share promo codes	200	1	Uber Works (rejected: no Austin coverage)

SECTION 8: MANAGEMENT TEAM

Organizational structure: CEO (1), COO (1), CMO (1 consultant), GM (1), supervisors (2), staff (15 FTE). Compensation: GM \$65,000 base + 5% revenue bonus, supervisors \$45,000 + \$1,000/month attendance bonus, servers \$15/hr + tips (avg \$28/hr total). Benefits: 50% health insurance after 90 days, 401(k) match at 3% after 1 year.

Advisory board: Dr. Nima Farhad (DSHS compliance, 10 hrs/month @ \$150/hr), Maria Chen (hospitality scaling, 5 hrs/month equity only). Consultants retained for regulatory and expansion strategy.

Month	Role	Salary	Priority	Source	Onboarding Time
1	General Manager	65,000	High	Robert Half	30 days
1	Hookah Specialists (2)	32,000	High	Indeed	14 days
1	Bartenders (4)	30,000	High	Staffing agency	7 days
2	Shift Supervisors (2)	45,000	Medium	Internal promotion	30 days
2	Servers (4)	28,000	Medium	Craigslist	7 days
3	Chef	42,000	Low	Local culinary school	21 days
3	Security (2)	36,000	Low	Guard1 Solutions	14 days

SECTION 9: FINANCIAL PLAN

Key assumptions: Month 1 revenue \$35,000 (60% capacity), growing 8% monthly to \$62,000 by Month 7. Avg guests: 833 (Month 1) to 1,476 (Month 12). COGS: 40% of revenue (shisha 15%, beverages 10%, food 8%, credit card fees 7%). Payroll: 48% of revenue initially, scaling to 42% by Year 3. Churn: 15% monthly. CAC: \$18.50.

Revenue model: 60% from hookah (60% margin), 30% beverages (75% margin), 8% food (65% margin), 2% events (70% margin). Growth drivers: 1) Loyalty program increasing visits from 1.8 to 2.5/year, 2) Event bookings growing from 2 to 8/month, 3) Beverage attach rate rising from 65% to 85% of hookah sessions.

Cost structure: Fixed costs 65% of OpEx (\$223,860 Year 1), variable 35% (\$120,540). Fixed: rent \$126,000, payroll \$115,000, software \$18,600. Variable: inventory \$114,000, marketing \$36,000, credit card fees \$48,720. Costs scale at 0.7x revenue growth after Month 6.

Funding: \$250,000 SBA loan covers 65% of startup costs. \$135,000 founder equity meets 20% down payment requirement. Funds provide 14-month runway to \$58,000 monthly revenue. Milestones: Month 7 break-even, Month 14 profitability, Year 2 expansion planning.

Item	Cost	Notes
Legal Fees and Drilling	300	State fee + registered agent
TABC License	4,500	Mixed beverage permit
City/County license	800	Austin occupan permit
Hookah permit	1,200	City Code §9-2 complian
Hookahs (50 units)	25,000	Egyptian pharaoh bases
Bar/Kit	35,000	Used refrigeration counters

Equipment	Sound/lighting	10,000	Yamaha speakers LED system
Technology	POS system	12,000	Toast hardware + 12-month contract
Initial Inventory	Shisha/tobacco	15,000	60-day supply
Initial Inventory	Beverages	12,000	Alcohol + non-alc
Initial Inventory	Food supplies	11,000	7-day supply
Marketing	Reopening campaign Launch	35,000	Influencer ads, events
Working Capital	6 months OpEx reserve	40,000	Based on \$6,667/m pre-revenue
Insurance	Annual premium	14,400	Liability, property, liquor
Professional Fees	Legal/accounting	10,000	SBA loan packaging
Contingency (10%)	Unplanned costs	38,500	10% of total costs

TOTAL	385,000
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Category	Monthly Cost	Annual Cost	Notes
Rent	Fixed 40,500	126,000	Includes NNN
Salaries/Payroll	Fixed 23,333	280,000	15 FTE @ avg \$28/hr
Benefits	Fixed 4,400	16,800	7.65% FICA + 3% workers' comp
Insurance	Fixed 4,200	14,400	Monthly premium
Software	Fixed 4,549	18,588	Toast, Resy, QuickBo
Utilities	Fixed 2,200	26,400	Electric, gas, water
Marketing	Fixed 3,000	36,000	As per Section 6
Loan Payment	Fixed 2,937	35,244	SBA 7(a) 10-yr @ 7.5%
COGS - Shisha	Variable 4,910	59,160	15% of revenue
COGS - Beverages	Variable 3,267	39,440	10% of revenue

COGS - Food	Variable	20,880	8% of revenue
COGS - Credit Card Fees	Variable	29,232	2.9% + \$0.30/tra
TOTAL FIXED		44,119	
TOTAL VARIABLE		12,393	
COMBINED		56,512	

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1 Total
Revenue	35,000	37,800	40,824	44,090	47,617	51,426	55,540	59,983	64,782	70,000	75,700	81,800	696,000
COGS	14,000	15,120	16,330	17,636	19,047	20,570	22,216	23,993	25,913	28,000	30,280	32,720	278,400
Gross Profit	21,000	22,680	24,494	26,454	28,570	30,856	33,324	35,990	38,869	42,000	45,420	49,080	417,600
Marketing	5,400	4,500	3,600	3,000	2,700	2,550	2,400	2,350	2,300	2,300	2,300	2,300	36,000
Salaries	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	280,000
Rent	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000
Software	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	18,588
Insurance	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Other OpEx	8,537	8,387	8,237	8,087	7,937	7,787	7,637	7,587	7,537	7,537	7,537	7,537	92,652
Total OpEx	49,119	48,069	47,019	46,169	45,319	44,919	44,119	44,019	43,919	43,919	43,919	43,919	529,040
EBITDA	-28,119	-25,389	-22,525	-19,715	-16,749	-14,063	-10,795	-8,029	-5,050	-1,919	1,501	5,161	-111,440
Depreciation	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000
EBIT	-33,952	-31,222	-28,358	-25,548	-22,582	-19,896	-16,628	-13,862	-10,883	-7,752	-4,332	-772	-181,440
Interest	1,552	1,535	1,518	1,500	1,482	1,464	1,446	1,428	1,409	1,390	1,371	1,352	17,604
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-35,504	-32,757	-29,876	-27,048	-24,064	-21,360	-18,074	-15,290	-12,292	-9,142	-5,703	-2,124	-199,044

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
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Beginning Cash	175,000	139,496	106,739	76,863	49,815	25,751	4,391	-13,683	-28,973	-41,265	-50,407	-56,110
Cash In	35,000	37,800	40,824	44,090	47,617	51,426	55,540	59,983	64,782	70,000	75,700	81,800
Funding	250,000	0	0	0	0	0	0	0	0	0	0	0
Total Cash In	285,000	37,800	40,824	44,090	47,617	51,426	55,540	59,983	64,782	70,000	75,700	81,800
Cash Out	320,504	70,557	70,700	70,938	73,681	72,786	73,614	75,273	77,074	79,142	81,403	83,924
Total Cash Out	320,504	70,557	70,700	70,938	73,681	72,786	73,614	75,273	77,074	79,142	81,403	83,924
Net Cash Flow	-35,504	-32,757	-29,876	-26,848	-26,064	-21,360	-18,074	-15,290	-12,292	-9,142	-5,703	-2,124
Ending Cash	139,496	106,739	76,863	49,815	25,751	4,391	-13,683	-28,973	-41,265	-50,407	-56,110	-58,234

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	696,000	225,000	243,000	262,440	283,435	306,110	330,600	357,048	385,612	1,480,000
COGS	278,400	90,000	97,200	104,976	113,374	122,444	132,240	142,819	154,245	592,000
Gross Profit	417,600	135,000	145,800	157,464	170,061	183,666	198,360	214,229	231,367	888,000
OpEx	529,040	128,000	132,000	136,000	140,000	142,000	145,000	148,000	151,000	586,000
EBITDA	-111,440	7,000	13,800	21,464	30,061	41,666	53,360	66,229	80,367	302,000
Net Income	-199,044	-18,000	-5,200	6,464	15,061	26,666	38,360	51,229	65,367	220,000
Ending Cash	-58,234	20,000	85,000	160,000	250,000	320,000	400,000	490,000	590,000	590,000

Metric	Value	Calculation
Monthly Fixed Costs	44,119	From OpEx table
Variable Cost per Unit	16.80	COGS per guest
Price per Unit	42.00	Avg guest spend
Contribution Margin per Unit	25.20	42 - 16.80

Contribution Margin %	60%	25.20 / 42
Break-Even Units	1,751	44,119 / 25.20
Break-Even Revenue	73,542	1,751 x 42
Expected Break-Even Month	7	Month 7 revenue \$55,540 (75% of target)
Safety Margin	25%	(62,000 - 46,500) / 62,000

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	60%	60%	60%	55-65% (nightlife)
Operating Margin %	-16.0%	1.5%	14.9%	5-10% (mature venues)
Net Profit Margin %	-28.6%	0.7%	14.9%	8-12%
Current Ratio	0.8	1.2	1.8	1.5+
Quick Ratio	0.6	1.0	1.5	1.0+
CAC Payback	1.1 months	1.0 months	0.9 months	6-12 months
LTV:CAC	9.1	10.2	11.5	3:1 minimum
Monthly Burn Rate	16,587	0	0	N/A
Runway	10.6 months	N/A	N/A	6+ months

SECTION 10: RISK ANALYSIS

Top risks: 1) Regulatory change (probability 4/5, impact \$120k revenue loss), 2) Staff turnover >75% (probability 5/5, impact \$45k recruitment costs), 3) Foot traffic decline 20% (probability 3/5, impact \$11.6k/month revenue), 4) Shisha supply disruption (probability 2/5, impact 30% session cancellations).

Mitigation: 1) \$15k/year legal retainer for regulatory monitoring, 2) \$500 signing bonus + \$1,000 quarterly retention bonus, 3) \$5k/month targeted promos to recover 65% traffic loss, 4) Dual sourcing with 6-week inventory buffer. Contingency: Pivot to 100% tobacco-free if regulations tighten (30% margin impact).

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Texas indoor smoking ban	4	5	20	DSHS compliance officer on retainer	Shift to 100% tobacco-free shisha	CEO
Rent increase >5%	3	4	12	5-year fixed lease signed	Negotiate revenue-sharing clause	COO
Staff turnover >75%	5	4	20	\$1k retention bonus + career pathing	Cross-train 100% of staff	GM
Shisha supply disruption	2	5	10	Dual sourcing + 6-week inventory	Switch to in-house blending	COO
Reputation damage	3	3	9	Real-time social media monitoring	Pre-written crisis comms plan	CMO
Foot traffic decline	3	4	12	\$5k/month targeted promos	Partner with ride-share for discounts	CMO
Alcohol license suspension	2	5	10	TABC-certified staff + ID scanners	Shift focus to non-alc beverages	GM
Competition surge	4	3	12	Loyalty program + private events	Acquire competitor at 0.8x revenue	CEO

SECTION 11: IMPLEMENTATION TIMELINE

Critical path: HVAC compliance (Month 1-2), staff training (Month 2), inventory systems (Month 3). Dependencies: TABC license required before hiring bartenders, POS integration needed for inventory management. Key priority: Achieve 75% ventilation compliance by Month 2 to avoid \$5k/day fines.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Build-out completion	DSHS ventilation certification	\$50k HVAC budget	Pass inspection first try	COO
1	Staff hiring	15 FTE hired	\$10k recruitment budget	90% retention at 90 days	GM
2	Training completion	Certified hookah specialists	2-week curriculum	100% pass TABC exam	GM
2	POS integration	Toast-Resy sync live	IT consultant (\$2k)	Zero reservation errors	COO
3	Soft launch	500 guests served	Influencer event (\$5k)	4.5+ star average rating	CMO
3	Inventory system	Par levels established	Toast reporting	Waste <5% of COGS	COO
4	Marketing optimization	CAC < \$20	\$3k A/B testing	ROI >8x on ad spend	CMO
5	Menu refinement	Top 3 dishes identified	Sales data analysis	Food revenue >7% of total	Chef
6	Cash flow positive	Operating cash flow > \$0	Cost control measures	EBITDA > \$0	CEO
7	Break-even	Revenue > fixed costs	1,751+ guests	Net income > \$0	CEO
8	Loyalty program launch	500 members	Mailchimp setup (\$200)	35% repeat rate	CMO
12	Year 1 review	Expansion plan drafted	\$5k consulting	22% net margin	CEO

SECTION 12: APPENDIX

Supporting documents: TABC license application, HVAC compliance report, 12-month cash flow model, supplier contracts. All assumptions documented with source data (IBISWorld, US Census, Meta benchmarks). Full financial model available in Excel format.