Sample Business Plan for a Successful Permanent Makeup Studio in the US

Luna Aesthetics Studio, LLC (Texas LLC founded March 1, 2024) operates a premium permanent makeup studio in Austin, TX. Founder Elena Ramirez (ex-European Wax Center regional manager, $2.1M P&L oversight) and Lead Artist Jasmine Tran (7-year PMU specialist) deliver microblading, lip blush, and scalp micropigmentation services at $650-$2,500 per procedure. Targeting $367,200 Year 1 revenue with 76% gross margin, we break even at 41.3 clients/month. Business plan dated October 26, 2023.

1. Executive Summary

2.3 million Austin metro residents lack access to medically supervised permanent makeup services, costing consumers 12.7 hours annually on daily makeup application (NPD Group 2023). Luna Aesthetics solves this with FDA-compliant pigments, dual-certified artists, and dermatologist oversight, charging $680 average ticket for procedures requiring 2.3 hours of client time. Our luxury spa environment achieves 47% repeat client rate versus industry 32% (IBISWorld).

We generate revenue through 7 core services (microblading $650, lip blush $900, SMP $2,500) and $45 aftercare kits. Year 1 targets 45 clients/month at $680 average revenue per client (ARPC), yielding $367,200 revenue. COGS averages $163/client (24% of revenue), delivering 76% gross margin. Fixed costs of $17,300/month require 41.3 clients to break even. Profitability begins Month 14 with $22,604 net income in Year 1 (6.1% net margin).

We seek $150,000 funding: $58,000 owner investment, $92,000 SBA 7(a) loan (7.5% interest, 10-year term). Funds cover $108,000 startup costs (detailed in Section 9) and 12 months of operating expenses. This capital enables $420,000 Year 3 revenue with 71.4% gross margin, 2.8x LTV:CAC ratio, and 14-month CAC payback. ROI: 22% IRR by Year 5 with Dallas expansion.

2. Company Overview

Luna Aesthetics operates as a Texas LLC (formation cost $3,000) for liability protection and pass-through taxation. Located at 1201 South Lamar Boulevard, Austin, TX 78704 in a high-traffic mixed-use plaza (24,000 daily vehicles, $3,200/month lease), we serve Travis/Williamson/Hays counties. Ownership: Elena Ramirez 60% (managing member), Jasmine Tran 40% (lead artist). LLC structure was chosen for 23% lower formation cost versus S-Corp and simplified compliance.

Elena Ramirez (CEO) managed 12 European Wax Center locations ($2.1M annual revenue), reducing labor costs by 18% through scheduling optimization. Jasmine Tran (Lead Artist) trained at Phi Academy Seoul, performing 1,200+ procedures with 4.8/5 client satisfaction. Maria Lopez (Client Manager) increased Medical Spa Austin retention by 33% via CRM implementation.

Date	Milestone	Status	Next Steps
Mar 2024	LLC formation, business license	Complete	N/A
Apr 2024	Lease execution, build-out	Complete	N/A
May 2024	Equipment installation	Complete	N/A
Jun 2024	Staff hiring, training	Complete	N/A
Jul 2024	Soft launch (50% capacity)	Complete	Track client acquisition cost
Oct 2024	Full operations (100% capacity)	Active	Hit 40 clients/month
Feb 2025	Break-even point	Pending	Reduce CAC by 15%
Dec 2025	Year 2 revenue target $504,000	Pending	Hire 3rd artist

3. Market Analysis

US PMU TAM: $1.9 billion by 2030 (Grand View Research CAGR 9.8%). SAM: $42 million Texas market (2.2% of US TAM). SOM: $1.8 million Austin metro capture (4.3% of SAM) based on 2.3 million population, 68% female 25-55 demographic (US Census), and 1.2 procedures per 100 people annually (IBISWorld). Methodology: (2,300,000 population *34% target demo* 1.2 procedures) * $700 avg price = $656,880 annual demand. Conservative 27% market capture = $1.77 million SOM.

Primary customers: Women 30-50, $100k+ household income, spending $1,200 annually on brows/lashes (Statista). 62% book via Instagram, 28% via Google search. Willing to pay 20% premium for medical oversight (2023 client survey, n=150). Secondary: Men 45+ seeking SMP ($2,500 procedure, 15% of target market), post-mastectomy clients (1,200 annual procedures in Austin per Texas Cancer Registry).

Key trends: 42% PMU appointment growth (2021-2023, Statista), 68% female clients aged 30-50 (IBISWorld), 31% TikTok-driven "no-makeup makeup" searches (Google Trends 2023), 23% increase in SMP demand from cancer survivors (American Cancer Society).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Women 30-50 (brows/lips)	$1.1M	11.2%	5.1%	70% of SOM; premium pricing justifies lower share
Men 45+ (SMP)	$340k	18.5%	3.8%	High-ticket service; medical partnerships drive growth
Post-cancer clients	$210k	9.0%	8.0%	Specialized training; 40% referral rate from oncologists
Teens/20s (eyeliner)	$150k	6.3%	2.5%	Regulatory restrictions; lower priority

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Market	$1.9B	N/A	N/A	Grand View Research 2023
Texas Market	N/A	$42M	N/A	(US TAM *TX population %) = $1.9B* 2.2%
Austin Metro	N/A	N/A	$1.77M	(2.3M pop *34% target demo* 1.2 proc) *$700* 27%

4. Competitive Analysis

Austin has 3 direct competitors: Brow Bar ATX ($550 microblading, $280k revenue est.), Ink & Glow ($850 microblading, $320k revenue est.), Beauty Marks ($950 microblading, $410k revenue est.). Indirect competition: 47 eyebrow threading salons (avg $35 service), 12 med-spas offering injectables. Competitors lack medical oversight (100% of Austin studios), use non-hypoallergenic pigments (78% per client complaints), and have 3.2-month waitlists (Google Maps reviews).

Our advantages: 1) Dual-certified artists (Society of Permanent Cosmetic Professionals + Phi Academy; 0.4% of US artists hold both), reducing touch-up rate to 18% vs industry 35%. 2) Dermatologist oversight (Dr. Alan Patel, 15-year practice), increasing client trust (47% conversion rate vs 32% industry). 3) 90-day touch-up guarantee, driving 47% repeat rate vs 32% industry average. 4) Digital client portal with aftercare tracking, reducing no-shows to 8% vs 15% industry.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Brow Bar ATX	$280k	$550	Low price	No medical oversight; 4.2 stars	+20% price premium with dermatologist validation
Ink & Glow	$320k	$850	Luxury branding	1 artist; 3.5-month waitlist	2 artists; 2-week max wait time
Beauty Marks	$410k	$950	Med-spa integration	22% client complaints on pigment migration	FDA-compliant pigments; 0.2% migration rate
Thread & Glow	$190k	$35	Low cost	Non-permanent solution	$650 lifetime value vs $420 annual threading cost
DIY Kits	$85k	$40	Convenience	37% infection rate (FDA)	Clinical environment; OSHA compliance

Strengths	Weaknesses	Opportunities	Threats
Medical oversight (0% infection rate)	Limited artist pool (2 staff)	SMP growth (18.5% CAGR)	New entrants (3 studios in 2023)
47% repeat client rate	High CAC ($108)	Post-cancer partnerships	Economic downturn (discretionary spend)

76% gross margin	1,200 sq ft capacity limit	TikTok beauty trends (+31% searches)	Regulatory changes (TX Board)
90-day touch-up guarantee	No payment plans	Dallas expansion (Year 4)	Pigment shortages (2022 crisis)

5. Products & Services

We deliver 7 core services: Microblading ($650, 2-hour procedure using single-use needles), Combo Brows ($750, hybrid technique), Ombre Powder Brows ($800, airbrush effect), Eyeliner Tattoo ($550, upper/lower), Lip Blush ($900, 18-month pigment retention), Scalp Micropigmentation ($2,500, 3 sessions), Areola Restoration ($1,200 per areola). Each includes 90-day touch-up, digital aftercare tracking, and hypoallergenic pigments (PermaBlend). Add-ons: Annual Brow Refresh ($250), Aftercare Kit ($45), Virtual Consultation ($50).

Pricing is 15-20% above competitors based on medical oversight (dermatologist validation adds $120/client value per survey), artist certifications (reduces touch-ups by 17%), and luxury environment (justifies $80 premium vs med-spas). Lip blush at $900 achieves 78% gross margin ($198 COGS) versus industry 65%, enabling reinvestment in marketing.

Tier	Price	Features	Target Customer	Expected % Revenue	Gross Margin
Microblading	$650	1 touch-up, pigment kit	Women 30-50	35%	76%
Lip Blush	$900	1 touch-up, numbing cream	Women 25-45	25%	78%
SMP	$2,500	3 sessions, scalp analysis	Men 45+, cancer survivors	15%	72%
Aftercare Kit	$45	Glow Ritual balm, instructions	All clients	5%	82%

Metric	Value	Calculation/Notes
Price per service	$680	Weighted avg: (35%*$650 + 25%*$900 + 15%*$2,500 + 5%*$45) = $680
COGS per service	$163	Pigments $72 + Supplies $58 + Aftercare $33 = $163 (24% of revenue)
Gross Profit per service	$517	$680 - $163 = $517
Gross Margin %	76%	$517 / $680 = 76%

CAC	$108	($2,500 Google Ads + $750 Instagram + $250 referrals) / 32 clients = $108
LTV	$302	($680 ARPC *47% repeat rate* 1.3 services) / 15% churn = $302
LTV:CAC	2.8x	$302 / $108 = 2.8x (industry benchmark 2.5x)
Payback Period	14 months	CAC / (Gross Profit per service *repeat rate) = $108 / ($517* 47%) = 0.44 months per client; 14 months for full cohort

6. Marketing & Sales

Go-to-market combines digital ($3,500/month budget) and local channels. Google Ads target "microblading Austin" (CPC $3.50, 2.5% CTR, 8% conversion) generating 10 clients/month at $150 CAC. Instagram focuses on before/after Reels (3 posts/week, $750 budget) yielding 16 clients/month at $47 CAC. Local partnerships with 5 dermatologists drive 6 clients/month at $42 CAC via $250 referral program. Total CAC: $108.

Sales cycle: 1) Awareness (Google/Instagram), 2) Consideration (website gallery, 15-min virtual consult $50), 3) Conversion (in-person appointment, 42% close rate), 4) Retention (SMS touch-up reminders, 47% repeat rate). Average sales cycle: 14 days. Conversion funnel: 1,000 impressions -> 25 clicks -> 2 leads -> 0.8 clients.

Retention tactics: Automated SMS touch-up reminders (87% open rate), birthday discount ($100 off), loyalty points ($50 credit per referral), email newsletter (25% click-through rate). Target churn: 15% monthly (industry 22%), with expansion revenue from add-ons ($120/client annually).

Channel	Monthly Budget	Expected CAC		E L Conversion Rate	Expected Customers/Month	ROI	
Google Ads	$1,500	$150		108%	10	2.4x	
Instagram	$750	$47		80	20%	16	4.1x
Referrals	$250	$42		6 100%	6	5.8x	
Derm Partners	$0	$42		6 100%	6	6.2x	
Total	$2,500	$108		1031.4%	32	3.4x	

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	$1,500	$750	$250	$0	$0	$2,500	102	32
2	$1,500	$750	$250	$0	$0	$2,500	102	32
3	$1,500	$750	$250	$0	$0	$2,500	102	32
4	$1,500	$750	$250	$0	$0	$2,500	102	32
5	$1,500	$750	$250	$0	$0	$2,500	102	32
6	$1,500	$750	$250	$0	$0	$2,500	102	32
7	$1,500	$750	$250	$0	$0	$2,500	102	32
8	$1,500	$750	$250	$0	$0	$2,500	102	32
9	$1,500	$750	$250	$0	$0	$2,500	102	32
10	$1,500	$750	$250	$0	$0	$2,500	102	32
11	$1,500	$750	$250	$0	$0	$2,500	102	32
12	$1,500	$750	$250	$0	$0	$2,500	102	32

7. Operations

Daily operations: 9 AM-6 PM Tuesday-Saturday. Appointment flow: 15-min consult -> 2-hour procedure -> 10-min aftercare briefing. Strict 24-hour pre-screening for blood thinners/skin conditions. Capacity: 3 treatment rooms support 6 clients/day (2 hours/procedure + 30-min turnover). Sterilization: Autoclave for non-disposables, single-use needles/pigments, OSHA-certified bloodborne pathogens training. Staffing: 2 PMU artists (55% revenue share), 1 manager ($3,000/month), 1 part-time sterilization tech ($1,200/month).

Key vendors: PermaBlend (pigments, $1,200/month, 30-day terms, backup: Li'lypad), DermaOne (equipment service, $500/month, 12-month contract, backup: Phi Academy), Glow Ritual (aftercare, $300/month, 60-day terms). Technology: Mindbody Online ($150/month, CRM/booking), Square POS ($0.10/transaction + 2.6%), WordPress website ($50/month hosting).

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
PermaBlend	Pigments	$1,200	Net 30	Li'lypad
SterileX	Disposables	$400	Net 15	Beauty Angel
DermaOne	Equipment service	$500	12-month	Phi Academy
Glow Ritual	Aftercare	$300	Net 60	In-house formulation
Square	Payment processing	$85	Month-to-month	Stripe

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Mindbody Online	CRM, booking, email	$150	3	Acuity Scheduling ($99)
Square POS	Payments, Affirm plans	$85	3	Toast ($79)
WordPress	Website, SEO	$50	2	Squarespace ($40)
Google Workspace	Email, docs	$18	3	Microsoft 365 ($20)
Canva Pro	Social media graphics	$12	2	Adobe Creative Cloud ($53)

8. Management Team

Organizational structure: CEO (Elena Ramirez), Lead Artist (Jasmine Tran), Client Manager (Maria Lopez). Compensation: Artists earn base $2,500 + 30% commission (avg $4,500/month), manager $3,000/month. No executive salaries in Year 1; founders take 0% salary until Month 14 profitability. Year 2: CEO salary $60,000, artists $5,000/month base + 35% commission.

Advisory board: Dr. Alan Patel (dermatologist, 15-year practice) provides monthly safety reviews for $500/session. Compensation: $6,000/year retainer. Maria Lopez (Client Manager) sources talent via Texas Cosmetology Board registry and PMU forums.

Month	Role	Salary	Priority	Source	Onboarding Time
1	Lead Artist	$4,500	Critical	Internal	0 days
1	Client Manager	$3,000	Critical	Internal	0 days
6	Part-time Sterilizer	$1,200	High	Craigslist	14 days
10	2nd Artist	$4,500	Critical	PMU forums	30 days
14	CEO Salary	$5,000	Medium	Internal	0 days

9. Financial Plan

Key assumptions: Year 1: 30 clients Month 1 -> 45 clients Month 12 (5% monthly growth). ARPC $650 -> $680 (0.5% monthly increase). COGS 24% of revenue. Monthly churn 15%. CAC $108. Fixed costs $17,300/month. Year 2: 60 clients/month, ARPC $700. Year 3: 70 clients/month, ARPC $720, COGS 28.6% (SMP expansion).

Revenue model: 95% service fees, 5% aftercare kits. Growth drivers: Instagram ROI 4.1x, dermatologist referrals (6 clients/month), 47% repeat rate. Price increases: 3% annually (below inflation). Expansion revenue: SMP services add $37,500 Year 2 revenue.

Cost structure: 76% gross margin (industry 65-75%). Fixed costs: 65% of OpEx ($14,083/month). Variable costs: 35% of OpEx ($7,300/month). Scaling: Artist commission (55% of revenue) is primary variable cost. Fixed costs grow 2% monthly (rent, insurance).

Funding: $150,000 total. $58,000 owner investment. $92,000 SBA loan (7.5% interest, 10-year term). Funds cover $108,000 startup costs and 12 months of $21,383 average OpEx. Runway: 14 months. Milestones: Month 10 positive cash flow, Month 14 break-even, Year 2 revenue $504,000.

Category	Ite	Cost	Notes
Legal/Formation	LLC filing, operating agreement	$3,000	Texas SOS $300 + attorney $2,700
Licenses/Permits	Cosmetology, business license	$2,500	TX Board $1,200 + City of Austin $1,300
Equipment	Micropigmentation machines	$18,000	2 DermaO units @ $9,000
Equipment	Autoclave, chairs, lighting	$10,000	Used equipme purchase

Technology Setup	Mindbody setup, website	$5,500	Develop + 3 months subscript
Initial Inventory	Pigments, needles, aftercare	$6,000	2-month supply
Marketing Launch	Google Ads, influencer fees	$8,000	Pre-oper campaig
Working Capital	3 months OpEx reserve	$64,149	$21,383 * 3 = $64,149
Insurance	Liability, property	$3,500	Annual premium
Professional Fees	Accounting setup	$1,500	Bookkee system
Facility Setup	Build-out, signage	$45,000	1,200 sq ft @ $37.50/s ft
Branding	Logo, photoshoot	$2,000	Local designer
Training	Artist certification	$1,200	Phi Academy refresher
Contingency	10% buffer	$9,800	Calculate on total

Total		$108,000	

Category	Type	Monthly Cost	Annual Cost	Notes
Rent	Fixed	$3,200	$38,400	Incl. utilities, CAM
Salaries	Variable	$12,000	$144,000	2 artists @ $4,500, 1 manager @ $3,000
Benefits	Variable	$1,800	$21,600	15% of payroll
Marketing	Variable	$2,500	$30,000	As per Section 6
Software	Fixed	$150	$1,800	Mindbody, Square, Canva
Insurance	Fixed	$350	$4,200	Liability, property
Supplies	Variable	$1,200	$14,400	Pigments, disposables
Loan Payment	Fixed	$1,083	$13,000	SBA 7a @ 7.5%
Utilities	Fixed	$400	$4,800	Electricity, internet
Professional Services	Fixed	$300	$3,600	Accounting, legal
Travel	Variable	$200	$2,400	Supplier meetings

Miscellaneous	Variable	$500	$6,000	Repairs, cleaning
Fixed Total		$5,983	$71,800	
Variable Total			$15,400	$184,800
Combined Total		$21,383	$256,600	

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Year 1
Revenue	$18,000	$19,200	$20,400	$21,600	$22,800	$24,000	$25,200	$26,400	$27,600	$28,800	$30,000	$31,200	$279,200
COGS	$4,320	$4,608	$4,896	$5,184	$5,472	$5,760	$6,048	$6,336	$6,624	$6,912	$7,200	$7,488	$67,008
Gross Profit	$13,680	$14,592	$15,504	$16,416	$17,328	$18,240	$19,152	$20,064	$20,976	$21,888	$22,800	$23,712	$212,192
Marketing	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$30,000
Salaries	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$144,000
Rent	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$38,400
Software	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$1,800
Insurance	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$4,200
Other OpEx	$3,183	$3,183	$3,183	$3,183	$3,183	$3,183	$3,183	$3,183	$3,183	$3,183	$3,183	$3,183	$38,200
Total OpEx	$21,383	$21,383	$21,383	$21,383	$21,383	$21,383	$21,383	$21,383	$21,383	$21,383	$21,383	$21,383	$256,600
EBITDA	-$7,703	-$6,791	-$5,879	-$4,967	-$4,055	-$3,143	-$2,231	-$1,319	-$407	$505	$1,417	$2,329	-$44,408
Depreciation	$933	$933	$933	$933	$933	$933	$933	$933	$933	$933	$933	$933	$11,200
EBIT	-$8,636	-$7,724	-$6,812	-$5,900	-$4,988	-$4,076	-$3,164	-$2,252	-$1,340	-$428	$484	$1,396	-$55,608
Interest	$575	$575	$575	$575	$575	$575	$575	$575	$575	$575	$575	$575	$6,900
Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Income	-$9,211	-$8,299	-$7,387	-$6,475	-$5,563	-$4,651	-$3,739	-$2,827	-$1,915	-$1,003	-$91	$821	-$62,508

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	$42,000	$32,789	$24,490	$17,103	$10,628	$5,065	$314	-$3,425	-$6,252	-$8,167	-$9,170	-$9,261
Cash In	$18,000	$19,200	$20,400	$21,600	$22,800	$24,000	$25,200	$26,400	$27,600	$28,800	$30,000	$31,200

Total Cash In	$18,000	$19,200	$20,400	$21,600	$22,800	$24,000	$25,200	$26,400	$27,600	$28,800	$30,000	$31,200
Cash Out	$27,211	$27,499	$27,787	$28,075	$28,363	$28,651	$28,939	$29,227	$29,515	$29,803	$30,091	$30,379
Total Cash Out	$27,211	$27,499	$27,787	$28,075	$28,363	$28,651	$28,939	$29,227	$29,515	$29,803	$30,091	$30,379
Net Cash Flow	-$9,211	-$8,299	-$7,387	-$6,475	-$5,563	-$4,651	-$3,739	-$2,827	-$1,915	-$1,003	-$91	$821
Ending Cash	$32,789	$24,490	$17,103	$10,628	$5,065	$314	-$3,425	-$6,252	-$8,167	-$9,170	-$9,261	-$8,440

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	$367,200	$126,000	$132,300	$138,600	$144,900	$157,500	$163,800	$170,100	$176,400	$604,800
COGS	$88,000	$31,500	$33,075	$34,650	$36,225	$44,625	$46,410	$48,195	$49,980	$173,000
Gross Profit	$279,200	$94,500	$99,225	$103,950	$108,675	$112,875	$117,390	$121,905	$126,420	$431,800
OpEx	$256,600	$64,150	$67,358	$70,565	$73,773	$77,562	$81,440	$85,317	$89,194	$323,513
EBITDA	$22,600	$30,350	$31,867	$33,385	$34,902	$35,313	$35,950	$36,588	$37,226	$108,287
Net Income	$22,604	$22,500	$23,600	$24,700	$25,800	$26,200	$26,600	$27,100	$27,600	$80,500
Ending Cash	-$8,440	$17,060	$42,660	$70,360	$100,160	$131,360	$163,960	$198,060	$233,660	$233,660

Metric	Value	Calculation
Monthly Fixed Costs	$17,300	Rent $3,200 + Software $150 + Insurance $350 + Loan $1,083 + Utilities $400 + Prof. Services $300 + Misc $500 + Depreciation $933 + Interest $575 = $17,300
Variable Cost per Service	$163	COGS breakdown: Pigments $72 + Supplies $58 + Aftercare $33 = $163
Price per Service	$680	Weighted average revenue
Contribution Margin per Unit	$517	$680 - $163 = $517

Contribution Margin %	76%	$517 / $680 = 76%
Break-Even Units per Month	33.5	$17,300 / $517 = 33.5 clients
Break-Even Revenue per Month	$22,780	33.5 * $680 = $22,780
Expected Break-Even Month	Month 14	Projection shows positive net income Month 12; includes 2-month buffer
Safety Margin	27.8%	(45 clients - 33.5) / 45 = 27.8%

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	76%	75%	71.4%	65-75%
Operating Margin %	6.1%	15.2%	13.3%	8-12%
Net Profit Margin %	6.1%	11.3%	13.3%	5-10%
Current Ratio	0.8	1.9	2.3	1.5+
Quick Ratio	0.7	1.7	2.1	1.0+
CAC Payback Period	14 months	10 months	8 months	6-18 months
LTV:CAC Ratio	2.8x	3.1x	3.5x	2.5x+
Monthly Burn Rate	$5,209	$0	N/A	N/A
Runway (months)	14	Infinite	Infinite	N/A

10. Risk Analysis

Top risks: 1) Regulatory non-compliance (Probability 3/5, Impact 4/5): TX Cosmetology Board fines average $8,500 for sterilization violations. 2) Reputational damage (Probability 4/5, Impact 5/5): 1-star review reduces bookings by 22% (BrightLocal). 3) Artist turnover (Probability 4/5, Impact 4/5): Industry attrition 35% annually. 4) Economic downturn (Probability 2/5, Impact 4/5): 2020 saw 63% PMU booking decline.

Mitigation: 1) Monthly compliance audits with Dr. Patel ($500/session), documented sterilization logs (reduces violation risk by 80%). 2) Mandatory 90-day touch-up guarantee, photo consent policy, $200 review resolution fund (cuts negative reviews by 65%). 3) Profit-sharing (top artists earn 15% revenue share), 1-year non-compete (10-mile radius), $1,000/year training stipend (reduces attrition to 18%). 4) Affirm payment plans (0% APR for 6 months), SMP expansion (23% medical relevance), 3-month pigment inventory buffer.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Regulatory non-compliance	3	4	12	Monthly audits; OSHA training	Compliance insurance ($200/month)	Ramirez
Negative online reviews	4	5	20	Touch-up guarantee; review management	PR agency retainer ($1,500/month)	Lopez
Artist turnover	4	4	16	Profit-sharing; non-compete	Backup artist network (3 contacts)	Tran
Pigment shortage	2	5	10	Multi-vendor sourcing; 3-month buffer	Formula adaptation protocol	Tran
Economic downturn	2	4	8	Payment plans; SMP focus	Cost reduction to $18k OpEx	Ramirez
New competitors	3	3	9	Brand differentiation; loyalty program	Price match guarantee	Lopez
Infection outbreak	1	5	5	Single-use tools; health screening	Business interruption insurance	Tran
Payment processor issues	2	3	6	Multi-processor setup (Square/Stripe)	Cash-only temporary policy	Ramirez

11. Implementation Timeline

Year 1 priorities: Achieve 40 clients/month by Month 6, reduce CAC to $95 by Month 9, hit break-even Month 14. Critical path: Instagram content calendar (Month 1), dermatologist partnerships (Month 3), Mindbody CRM optimization (Month 5). Dependencies: Artist certification (Month 2) required before SMP service launch (Month 4).

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Full operations launch	100% capacity bookings	Marketing budget $2,500	30 clients	Ramirez
2	Artist certification	Phi Academy SMP certification	$1,200 training budget	SMP service live	Tran
3	Dermatologist partnerships	5 signed referral agreements	$250 referral budget	6 referral clients	Ramirez
4	SMP service launch	3 SMP procedures booked	Marketing allocation $500	$7,500 revenue	Tran
5	CRM optimization	Automated SMS reminders	Mindbody setup $300	No-shows <10%	Lopez
6	40 clients/month	Booking calendar 80% full	Staffing plan review	Revenue $27,200	Ramirez
7	Google Ads optimization	CAC reduced to $100	Ad spend $1,500	12 clients from ads	Lopez
8	Loyalty program launch	"Luna Circle" active	Marketing budget $300	15% referral rate	Lopez
9	CAC reduction	CAC $95	Instagram budget $750	18 Instagram clients	Lopez
10	Positive cash flow	Net income >$0	OpEx review	Net income $505	Ramirez
11	Staffing review	2nd artist hire plan	Recruitment budget $500	Waitlist <2 weeks	Tran
12	Break-even preparation	Month 14 forecast	Financial model update	Net income $821	Ramirez

12. Appendix

Supporting documents: Texas Cosmetology Board compliance checklist, PermaBlend supplier agreement, Mindbody CRM analytics report, SBA loan term sheet. All financial assumptions documented with industry sources (Grand View Research, IBISWorld, Statista). Full client survey data available upon request. Key assumption validation: 4.8% Instagram conversion rate verified via 3 competitor ad audits (October 2023).