Building a Tanning salon Enterprise: A Detailed Sample Plan

SunGlow Tanning & Wellness LLC (TX LLC, est. Mar 2024) - Maria Thompson, ex-Luminé Spa director ($1.2M revenue operation). Premium tanning/wellness studio targeting $240k Y1 revenue at 80% gross margin.

SECTION 1: EXECUTIVE SUMMARY

60% of Austin tanning clients abandon salons due to outdated facilities (DSHS 2023); SunGlow's $325k buildout delivers dermatologist-approved UV/sunless options at $38 avg ticket vs competitors' $28-$32. FDA age restrictions eliminated 35% of industry revenue since 2015; our 25-45yo target (70% female, $65k+ income) spends 22% more per visit than legacy clients (IBISWorld). We solve compliance fatigue with digital age verification and medical-grade protocols.

We generate revenue through memberships (60% of Y1 target), walk-ins (25%), and add-ons (15%). Pricing: $69/mo UV membership (vs Tan Republic's $59), $45 spray tan (vs Bronze & Co's $42), $20 red light session. Gross margin 80% from $7.60 COGS per $38 visit (DHA solution $5, skincare $2.60). Break-even at 678 visits/month; achieve profitability by Month 18 with $135,800 Y3 net profit at 22.3% margin.

We seek $325,000: $100k (30.8%) owner equity, $175k (53.8%) SBA 7(a) loan (7.5% interest, 10-yr term), $50k (15.4%) angel convertible note. Funds deploy to $95k buildout, $110k equipment, $25k launch marketing. Capital enables 12-month runway to hit 720 visits/month by Month 12, capturing 25% of $950k Austin SOM. Projected 3.2x ROI by Year 5 exit.

SECTION 2: COMPANY OVERVIEW

Texas LLC formed March 15, 2024 for liability protection and pass-through taxation. Leased 1,800 sq. ft. at 401 W 6th St (Austin) at $54,000/yr ($3/sq. ft.) due to 12,500 daily foot traffic (Placer.ai) and proximity to 8 gyms within 0.5 miles. Ownership: Maria Thompson 60% (capital contribution $85k), James Carter 30% ($15k), Dr. Alan Ruiz 10% ($50k investment).

Maria Thompson (CEO) grew Luminé Spa Houston revenue from $420k to $1.2M in 3 years (2021-2023) through membership model (65% revenue mix). James Carter (COO) reduced BodyTech Fitness equipment downtime 40% via predictive maintenance (2020-2023). Dr. Lena Patel (dermatologist advisor) co-authored Texas TDLR tanning safety guidelines (2022).

Date	Milestone	Status	Next Steps
Mar 15, 2024	LLC formation	Complete	Secure SBA pre-approval
Apr 30, 2024	Lease execution	Complete	Finalize buildout plans
Jun 15, 2024	SBA loan application	In progress	Submit financial projections
Aug 1, 2024	Buildout commencement	Pending	Hire contractor
Oct 15, 2024	Equipment installation	Pending	Staff training
Jan 15, 2025	Staff certification	Pending	Final compliance audit
Mar 1, 2025	Soft launch (members-only)	Pending	Track conversion metrics
May 15, 2025	Full public launch	Pending	Hire part-time technician

SECTION 3: MARKET ANALYSIS

TAM: $1.8B US indoor tanning (IBISWorld 2023). SAM: $120M Texas market (DSHS facility count x avg revenue). SOM: $950k Austin metro (5 salons x $190k avg revenue; DSHS 2024). Methodology: 2024 Austin salon count verified via TDLR database; revenue extrapolated from IBISWorld national avg ($152k/salon) adjusted for Austin's 25% premium pricing.

Primary customer: 25-45yo female ($65k+ household income), spends $127/mo on beauty services (Statista 2023). Buys 1.8 tanning sessions monthly; 68% prefer hybrid wellness services. Budget: $35-$55/session; 42% join $60-$90/mo memberships. 70% discover via Instagram; 35% convert within 14 days of first inquiry.

Market trends: 1) Wellness integration driving 1.2% CAGR after 5-year decline (IBISWorld); 2) Non-UV services growing at 8.3% annually (AADA 2023); 3) FDA age verification compliance costs increased operator expenses 18% since 2018; 4) Dermatologist partnerships boost client retention 27% (Journal of Cosmetic Dermatology).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Fitness Enthusiasts	$380,000	5.1%	30%	Gym partnerships cover 40% of target
Professionals	$332,500	2.8%	25%	Proximity to downtown offices
Tourists/Events	$142,500	-1.2%	15%	Seasonal demand peaks
Skincare Clients	$95,000	12.4%	35%	Red light therapy differentiation

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Market	$1,800,000,000	-	-	IBISWorld NAICS 812112
Texas Market	-	$120,000,000	-	DSHS facility count (792) x $151,500 avg revenue
Austin Metro	-	-	$950,000	5 salons x $190,000 revenue (25% Austin premium)

SECTION 4: COMPETITIVE ANALYSIS

Austin has 5 direct competitors: 2 chains (Tan Republic, SunTan Express), 3 boutiques (Bronze & Co, 2 independents). Tan Republic ($220k revenue/salon) dominates with 45% market share but uses outdated low-pressure beds. SunTan Express (budget UV) averages $140k/salon with 18% client churn (DSHS complaints data). No competitor offers dermatologist-vetted protocols or red light therapy.

Our advantages: 1) Medical compliance - Dr. Patel's protocols reduce liability claims risk by 60% (vs industry avg 2.3 claims/salon/yr); 2) Hybrid revenue model - 40% non-UV revenue by Year 2 vs competitors' 15%; 3) App-driven retention - 32% lower churn than industry 7% monthly avg; 4) Premium pricing power - $38 avg ticket vs $30 citywide avg.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Tan Republic	$220,000	$59/mo membership	Brand recognition	No wellness add-ons	Red light therapy + dermatologist oversight
Bronze & Co	$185,000	$42/spray tan	Instagram presence	Single location	Hybrid UV/sunless + 3x retail margin
SunTan Express	$140,000	$19/UV session	Low price	18% client churn	Premium experience (80% gross margin)
At-home kits	N/A	$25/kit	Convenience	Uneven results	Professional application + skin health focus
L'Aqua Spa	$310,000	$65/spray tan	Luxury positioning	No tanning specialization	Tanning-specific expertise + lower price

Strengths	Weaknesses	Opportunities	Threats
Dermatologist advisory board	Higher startup costs ($325k vs $210k avg)	Texas wellness tourism growth (4.7% CAGR)	Texas HB 1245 (UV ban proposal)
80% gross margin model	Limited brand awareness (Month 1)	Corporate wellness partnerships	Spray tan DIY kits (-3.1% revenue impact)
App-based retention system	Dependent on 2 founders	Red light therapy medical research	Recession reducing discretionary spend

Prime downtown location	No established client base	Expansion to San Antonio (2026)	New competitor entry (20% probability)

SECTION 5: PRODUCTS & SERVICES

We deliver 4 service categories: 1) UV tanning via Wolff Systems high-pressure beds (240W bulbs, 30% longer life than industry avg); 2) Sunless tanning using SunFX organic DHA (70% lower odor); 3) Wellness add-ons including Mined Wellness red light panels (660nm wavelength); 4) Private-label skincare (Phoenix Skincare Labs, GMP-certified). Each session includes skin health assessment and post-treatment antioxidant mist.

Pricing set 15% above competitors based on dermatologist validation and superior equipment. $69 UV membership covers unlimited 12-min sessions (vs $59 industry avg) due to Wolff bed efficiency ($0.80/session operating cost vs $1.20 industry). $45 spray tan includes vitamin mist add-on (competitors charge $5 extra). Gross margin 80% achieved through $7.60 COGS ($5 DHA, $2.60 skincare).

Tier	Price	Features	Target Customer	Expected % Rev	Gross Margin
UV Membership	$69/mo	Unlimited 12-min sessions	Fitness enthusiasts	40%	82%
Spray Membership	$89/mo	2 sessions + red light	Professionals	20%	78%
Walk-in UV	$25/session	12-min high-pressure	Tourists	15%	85%
Spray Tan	$45/session	Vitamin mist included	All segments	10%	75%
Red Light Therapy	$20/session	10-min session	Skincare clients	10%	90%
Retail Products	$22-$299	At-home kits, devices	Members	5%	65%

Metric	Value	Calculation/Notes
Price per unit	$38.00	Weighted avg: (60% x $60) + (25% x $48) + (15% x $52)
COGS per unit	$7.60	DHA $5.00 + Skincare $2.60 (20% of price)
Gross Profit per unit	$30.40	$38.00 - $7.60

Gross Margin %	80.0%	$30.40 / $38.00
CAC	$358	($2,500 Google Ads + $1,800 Social) / 12 leads x 1.2 conversion factor
LTV	$1,140	$38 ARP x 30 months lifetime (3.3% monthly churn)
LTV:CAC	3.2x	$1,140 / $358 (industry benchmark 3x)
Payback Period	9.4 months	$358 CAC / ($38 x 80% GM x 1.25 margin factor)

SECTION 6: MARKETING & SALES

Primary channel: Google Ads targeting "spray tan Austin" (1,900 monthly searches, $2.80 CPC). Secondary: Instagram/TikTok targeting fitness enthusiasts (25-45yo, $65k+ income within 5 miles). $2,500/mo Google Ads budget yields 893 clicks (3.2% CTR), 36 leads (4.1% conversion), 15 customers ($167 CAC). $1,800/mo social spend generates 1,200 leads, 48 customers ($37.50 CAC).

Sales cycle: 1) Awareness (Google/Instagram); 2) Consideration (free skin health consultation); 3) Conversion (first session $19.99); 4) Retention (app-based loyalty program). Conversion rate: 4.1% online to lead, 42% lead to first visit, 65% first visit to membership. Sales cycle length: 12.7 days avg (vs industry 18 days).

Retention via "Glow Club" tiers: Bronze (0-499 pts): 5% retail discount; Silver (500-1,499): 10% + priority booking; Gold (1,500+): 15% + free red light. Target churn: 3.3% monthly (vs industry 7%). Expansion revenue: 22% of members add red light therapy within 90 days.

Channel	Monthly Budget	Expected CAC	Expected Leads/Month	Conversion Rate	Expected Customers/Month	ROI
Google Ads	$2,500	$167	36	4.1%	15	5.8x
Instagram/TikTok	$1,800	$37.50	1,200	4.0%	48	15.2x
Gym Partnerships	$900	$45	20	50.0%	10	21.3x
Direct Mail	$1,000	$100	10	2.0%	2	3.8x
Influencers	$800	$80	10	25.0%	2.5	4.8x
Total	$7,000	$93	1,276	6.0%	77.5	8.2x

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	$3,000	$2,500	$500	$2,000	$500	$8,500	1,520	91
2	$2,800	$2,200	$500	$1,500	$500	$7,500	1,380	83
3	$2,600	$2,000	$500	$1,000	$500	$6,600	1,250	75
4	$2,500	$1,800	$500	$500	$500	$5,800	1,120	67
5	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63
6	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63
7	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63
8	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63
9	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63
10	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63
11	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63
12	$2,500	$1,800	$500	$0	$500	$5,300	1,050	63

SECTION 7: OPERATIONS

Daily workflow: 1) 8:30 AM - Sanitize beds (EPA-approved quaternary ammonium); 2) 9:00 AM - Open; 3) Client check-in via Mindbody app; 4) Post-session retail offer; 5) 8:00 PM - Close, inventory count. Capacity: 3 beds handle 120 sessions/day (3 beds x 10 hrs x 4 sessions/hr); current utilization target 45% in Year 1 (54 sessions/day). Staff certified via Texas TDLR 8-hr safety course ($150/person).

Key systems: Mindbody ($199/mo) for bookings (98% client adoption target), Square POS ($29/mo + 2.6% fees), QuickBooks Online ($30/mo). All client data stored in HIPAA-compliant AWS environment ($120/mo). Wolff Systems service contract ($1,200/yr) covers bed maintenance.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Wolff Systems	Tanning beds	$917	36-mo lease	Ultrabronz
SunFX	Spray tan solution	$1,500	12-mo min order	Aviva Labs
Mined Wellness	Red light panels	$1,000	24-mo lease	Joovv
Phoenix Skincare	Private-label products	$1,200	MOQ 100 units	Skin Authority
AT&T	Business internet	$120	24-mo contract	Google Fiber

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Mindbody	Booking/CRM	$199	4	Booker, Vagaro
Square	POS/Appointments	$29	4	Clio, Fresha
QuickBooks Online	Accounting	$30	2	Xero, QuickBooks Desktop
Mailchimp	Email marketing	$100	1	Klaviyo, Constant Contact
AWS	Data storage	$120	1	Google Cloud, Azure

SECTION 8: MANAGEMENT TEAM

Structure: CEO (full-time), COO (full-time), 2 part-time technicians, 1 part-time front desk. Salaries: CEO $72,000, COO $60,000, technicians $18/hr, front desk $16/hr. Compensation philosophy: Base salary at 75th percentile for Austin beauty industry + profit-sharing (5% of net profits distributed quarterly).

Advisory board: Dr. Lena Patel (dermatology) - $500/mo retainer; Mark Reynolds (ex-Tan Republic ops) - 0.5% equity grant. Both provide 8 hours/month consultation.

Month	Role	Salary	Priority	Source	Onboarding Time
4	Part-time Technician	$1,440	High	Craigslist	2 weeks
5	Part-time Technician	$1,440	High	Craigslist	2 weeks
6	Part-time Front Desk	$1,280	Medium	Indeed	3 weeks
9	Freelance Marketer	$2,500	Low	Upwork	1 week

SECTION 9: FINANCIAL PLAN

Key assumptions: 15 new customers/month in Year 1 (growing to 25/month by Year 3); 3.3% monthly churn; $38 average revenue per customer; 20% COGS; $20,600 fixed monthly OpEx. Membership conversion: 65% of first-time visitors. Visit frequency: Members 2.1x/month, walk-ins 1.2x/month. Marketing efficiency: $93 CAC yielding 77.5 customers/month by Month 4.

Revenue model: 60% from memberships ($69-$89/mo), 25% walk-ins ($25-$45/session), 15% add-ons/retail ($10-$299). Growth drivers: 1) Gym referral program (targeting 10% conversion from 500 monthly leads); 2) App-based loyalty driving 22% expansion revenue; 3) Red light therapy adoption increasing average ticket 18%.

Cost structure: 20% COGS (variable), 80% fixed OpEx. Fixed costs: Rent 21.8%, Payroll 42.5%, Marketing 14.6%, Loan 8.7%. Variable costs scale linearly with visits. OpEx increases 5% annually for inflation. Payroll grows at 15% Year 2, 10% Year 3 as staff expands.

Funding: $325,000 covers $275,000 startup costs + $50,000 operating buffer. Provides 12 months runway to reach 720 visits/month. Milestones funded: Buildout completion (Month 4), breakeven (Month 16), 10% market share (Month 22).

Category		Item	Cost	Notes
Legal/Formation		LLC filing	$500	Texas SOS fee
Licenses/Permits		TDLR license	$1,200	2-yr facility license
Equipment		3 UV beds	$85,000	Wolff Systems Platinum
Equipment		2 spray booths	$25,000	SunFX Ventilated
Equipment		Red light panels	$12,000	2 Mined Wellness units
Technology		Mindbody setup	$2,500	Custom branding

Technology		Square hardware	$2,500	2 POS systems
Initial Inventory		DHA solution	$10,000	6-mo supply
Initial Inventory		Skincare products	$8,000	Private-label stock
Marketing Launch		Paid ads	$15,000	Months 1-3 spend
Marketing Launch		Event booths	$5,000	2 fitness expos
Marketing Launch		Direct mail	$5,000	10,000 postcards
Working Capital		6 months OpEx	$123,600	$20,600 x 6
Insurance		Liability policy	$2,400	$1M coverage
Contingency		10% buffer	$10,000	Unplanned expenses
Total			$325,000	

Category		Type	Monthly Cost	Annual Cost		Notes
Rent		Fixed	$4,500	$54,000		1,800 sq. ft. @ $3/sq. ft.

Salaries	Fixed	$7,292	$87,500	3.5 FTE avg
Benefits	Fixed	$1,458	$17,500	20% of payroll
Insurance	Fixed	$400	$4,800	Liability + property
Software	Fixed	$478	$5,736	Mindbody, Square, QB
Utilities	Fixed	$600	$7,200	Electricity operation
Marketing	Fixed	$3,000	$36,000	As per Section 6
Loan Payment	Fixed	$1,800	$21,600	SBA 7(a) principal + interest
Supplies	Variable	$1,200	$14,400	Sanitizers, retail displays
Maintenance	Variable	$800	$9,600	Bed bulb replacement
Payment Processing	Variable	$622	$7,464	2.6% of $240k revenue
Professional Fees	Fixed	$50	$600	Accounting
Fixed Total		$19,400	$232,800	
Variable Total		$2,622	$31,464	

Combined Total			[illegible]			Note: Month 1-3 OpEx lower

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1 Total
Revenue	$12,000	$15,600	$19,200	$21,600	$24,000	$26,400	$26,400	$26,400	$26,400	$26,400	$26,400	$26,400	$240,000
COGS	$2,400	$3,120	$3,840	$4,320	$4,800	$5,280	$5,280	$5,280	$5,280	$5,280	$5,280	$5,280	$48,000
Gross Profit	$9,600	$12,480	$15,360	$17,280	$19,200	$21,120	$21,120	$21,120	$21,120	$21,120	$21,120	$21,120	$192,000
Marketing	$8,500	$7,500	$6,600	$5,800	$5,300	$5,300	$5,300	$5,300	$5,300	$5,300	$5,300	$5,300	$65,300
Salaries	$5,750	$5,750	$5,750	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$82,500
Rent	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$54,000
Software	$350	$350	$350	$478	$478	$478	$478	$478	$478	$478	$478	$478	$5,280
Insurance	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$4,800
Other OpEx	$4,000	$4,000	$4,000	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$51,000
Total OpEx	$23,500	$22,500	$21,600	$23,050	$22,550	$22,550	$22,550	$22,550	$22,550	$22,550	$22,550	$22,550	$267,680
EBITDA	-$13,900	-$10,020	-$6,240	-$5,770	-$3,350	-$1,430	-$1,430	-$1,430	-$1,430	-$1,430	-$1,430	-$1,430	-$75,680
Depreciation	$2,708	$2,708	$2,708	$2,708	$2,708	$2,708	$2,708	$2,708	$2,708	$2,708	$2,708	$2,708	$32,500
EBIT	-$16,608	-$12,728	-$8,948	-$8,478	-$6,058	-$4,138	-$4,138	-$4,138	-$4,138	-$4,138	-$4,138	-$4,138	-$108,180
Interest	$1,094	$1,087	$1,080	$1,073	$1,066	$1,059	$1,052	$1,045	$1,038	$1,031	$1,024	$1,017	$12,600
Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Income	-$17,702	-$13,815	-$10,028	-$9,551	-$7,124	-$5,197	-$5,190	-$5,183	-$5,176	-$5,169	-$5,162	-$5,155	-$85,200

Line Item		M	M	M	M	M	M	M	M	M	M	M	M12
Beginning Cash		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash In													
Revenue		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Funding		[illegible]	[illegible]	[illegible]	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Cash In		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Out													

COGS		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OpEx		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CapEx		[illegible]	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Cash Out		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Cash Flow		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ending Cash		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	$240,000	$115,500	$121,275	$127,339	$133,706	$140,391	$147,411	$154,781	$162,520	$610,000
COGS	$48,000	$23,100	$24,255	$25,468	$26,741	$28,078	$29,482	$30,956	$32,504	$122,000
Gross Profit	$192,000	$92,400	$97,020	$101,871	$106,965	$112,313	$117,929	$123,825	$130,016	$488,000
OpEx	$267,680	$61,500	$61,500	$61,500	$61,500	$61,500	$61,500	$61,500	$61,500	$246,000
EBITDA	-$75,680	$30,900	$35,520	$40,371	$45,465	$50,813	$56,429	$62,325	$68,516	$242,000
Net Income	-$85,200	$18,540	$21,312	$24,223	$27,279	$30,488	$33,857	$37,395	$41,110	$135,800
Ending Cash	-$54,685	$-3,165	$34,047	$80,270	$132,549	$188,037	$246,894	$309,289	$375,399	$375,399

Metric	Value	Calculation
Monthly Fixed Costs	$19,400	OpEx excluding variable costs
Variable Cost per Unit	$7.60	20% of $38 avg ticket
Price per Unit	$38.00	Weighted average revenue
Contribution Margin per Unit	$30.40	$38.00 - $7.60
Contribution Margin %	80.0%	$30.40 / $38.00
Break-Even Units per Month	638	$19,400 / $30.40

Break-Even Revenue per Month	$24,244	638 units x $38.00
Expected Break-Even Month	16	Per cash flow projection
Safety Margin	5.9%	(720 projected visits - 638 BE) / 720

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	80.0%	80.0%	80.0%	65-75% (services)
Operating Margin %	-28.2%	19.7%	22.3%	10-15% (mature)
Net Profit Margin %	-35.5%	19.7%	22.3%	8-12%
Current Ratio	0.8	1.9	2.5	1.5+
Quick Ratio	0.7	1.7	2.3	1.0+
CAC Payback	N/A	9.4 months	8.1 months	6-18 months
LTV:CAC Ratio	3.2x	3.2x	3.5x	3x
Monthly Burn Rate	$7,100	N/A	N/A	N/A
Runway (months)	7.7	N/A	N/A	N/A

SECTION 10: RISK ANALYSIS

Top risks: 1) Regulatory change (Texas HB 1245 UV ban proposal; 20% probability, $122k revenue impact); 2) Liability claim (industry avg 2.3 claims/salon/yr; 15% probability, $25k avg claim); 3) Economic downturn (recession reducing discretionary spend 18%; 30% probability, $43k revenue impact); 4) Key staff departure (COO leaving; 10% probability, 3-month operational disruption).

Mitigation: 1) Diversify to 60% non-UV revenue by Q3 2026 via $18k equipment retooling; 2) Mandatory client consent forms + $1M liability insurance ($2,400/yr); 3) Introduce $49 student membership (targeting 15% revenue mix) to offset downturn; 4) Cross-train technicians + 5% profit-sharing to retain COO.

Risk	Probability (1-5)	Impact (1-5)	Risk Score	Mitigation Strategy	Contingency Plan	Owner
UV tanning ban	2	5	10	Shift to 60% non-UV revenue by Q3 2026	Convert beds to red light stations ($18k)	CEO
Liability claim	3	4	12	Client health disclosures + staff certification	Settle claims within insurance deductible	COO
Recession impact	4	3	12	Student membership tier + retail focus	Reduce marketing spend 20%	CEO
Staff turnover	2	4	8	Profit-sharing + cross-training	Use freelance technicians ($35/hr)	COO
Competitor price war	3	3	9	Loyalty program (32% lower churn)	Match prices for 3 months	CEO
DSHS compliance failure	1	5	5	Monthly internal audits	Temporary closure for retraining	COO
Equipment failure	3	2	6	Wolff Systems service contract	Rent replacement beds ($500/day)	COO
Marketing underperformance	4	3	12	Real-time channel optimization	Double gym referral budget	Marketing Dir

SECTION 11: IMPLEMENTATION TIMELINE

Priority 1: Achieve 420 visits/month by Month 6 through gym partnerships (targeting 500 leads/mo at 10% conversion). Critical path: Buildout completion by Month 4 (dependent on SBA loan approval by Month 2). Priority 2: Reach 720 visits/month by Month 12 via app-based retention (targeting 3.3% monthly churn). Priority 3: Achieve profitability by Month 18 through OpEx control (holding fixed costs under $20,600 until Month 10).

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	SBA loan approval	Final financial package	$1,500 legal fees	Commitment letter	CEO
2	Buildout commencement	Permit approvals	$95k contractor deposit	Construction start	COO
3	Equipment ordering	Purchase agreements	$122k equipment deposit	Delivery schedule	COO
4	Staff hiring	2 technicians certified	$3,000 training	TDLR certification	COO
5	Marketing launch	10 gym partnerships	$7,000 Month 5 budget	500 leads generated	Marketing Dir
6	420 visits achieved	App adoption report	Retention tactics deployed	420+ visits	CEO
7	Process optimization	Sanitization audit	Staff cross-training	95% client satisfaction	COO
8	Red light therapy launch	15% add-on rate	$12k device installation	22% revenue increase	CEO
9	Cash flow positive	Monthly P&L report	OpEx under $20,600	Positive net income	CEO
10	720 visits achieved	Membership conversion data	App loyalty program	720+ visits	Marketing Dir
11	Break-even analysis	Visit volume report	Cost structure review	638+ visits	CEO
12	Profitability plan	Y2 budget approval	Financial forecasting	Month 18 profit target	CEO

SECTION 12: APPENDIX

Supporting documents available: 1) SBA loan commitment draft; 2) Wolff Systems equipment quotes; 3) DSHS compliance checklist; 4) Detailed market research data (IBISWorld, Statista); 5) 36-month financial model with sensitivity analysis. All assumptions documented with source citations and calculation methodologies.