



THE CHIEF FINANCIAL OFFICER'S VERDICT

Profitable, but running on five weeks of cash.

The shop clears a 9% margin, which is respectable for a salon. The risk is the cushion: one slow month and payroll comes out of the owner's pocket.

THE ONE THING TO REMEMBER

You make money every month. You just never keep enough of it on hand to survive a bad one.

9%

Profit margin

5 weeks

Cash on hand, in weeks of expenses

48%

Payroll as a share of revenue

\$3

Gel manicure price below the local median

DO THESE THREE THINGS

1

Build an eight-week cash reserve

Moves payroll risk off the owner's personal card.

Set aside \$1,100 a week from the 9% margin until the balance covers 8 weeks of expenses | Who: Owner | When: Start this month

+3 weeks of cushion by March

2

Raise the gel manicure price by \$3

The shop is the cheapest of five nearby salons on its most-booked service.

2,300 gel manicures a year × \$3, assuming no loss in volume | Who: Owner | When: Next price-list print

\$6,900 a year

3

Open a separate sales-tax account

Tax collected is sitting in the operating account and looks like profit.

Who: Owner + bookkeeper | When: This month

No surprise bill in January

Based on: Client export — QuickBooks P&L and bank statements, Sep 2025 – Aug 2026, exported by the owner. The rest of this report shows the evidence and the full plan.

What we found

WHERE THE MONEY GOES

Where does each dollar of revenue go?

Payroll takes almost half. Rent and supplies take another quarter. Nine cents is profit.

Each dollar of revenue, last 12 months



Source: raw/qbo-pnl-2025-09_2026-08.csv

The same year in dollars

Line	Amount	Share of revenue
Revenue	\$386,412	100%
Payroll	\$185,478	48%
Other operating costs	\$57,962	15%
Rent	\$54,098	14%
Supplies	\$42,505	11%
Card fees	\$11,592	3%
Profit	\$34,777	9%

Source: raw/qbo-pnl-2025-09_2026-08.csv

CASH CUSHION

How long could the shop survive a bad month?

About five weeks. The balance dipped under three weeks twice this year.

Month-end cash has hovered between \$14K and \$38K. In January and July it fell below three weeks of expenses, and the owner covered payroll on a personal card both times.

Month-end cash balance (\$ thousands)



Source: raw/bank-statements-2026-08.pdf

Twice this year

Payroll was covered on the owner's personal card in January and July.

PRICE CHECK

Are prices in line with the neighbourhood?

Below it on the services that sell most, at it on the rest.

Price change calculator: try your own numbers on the dashboard

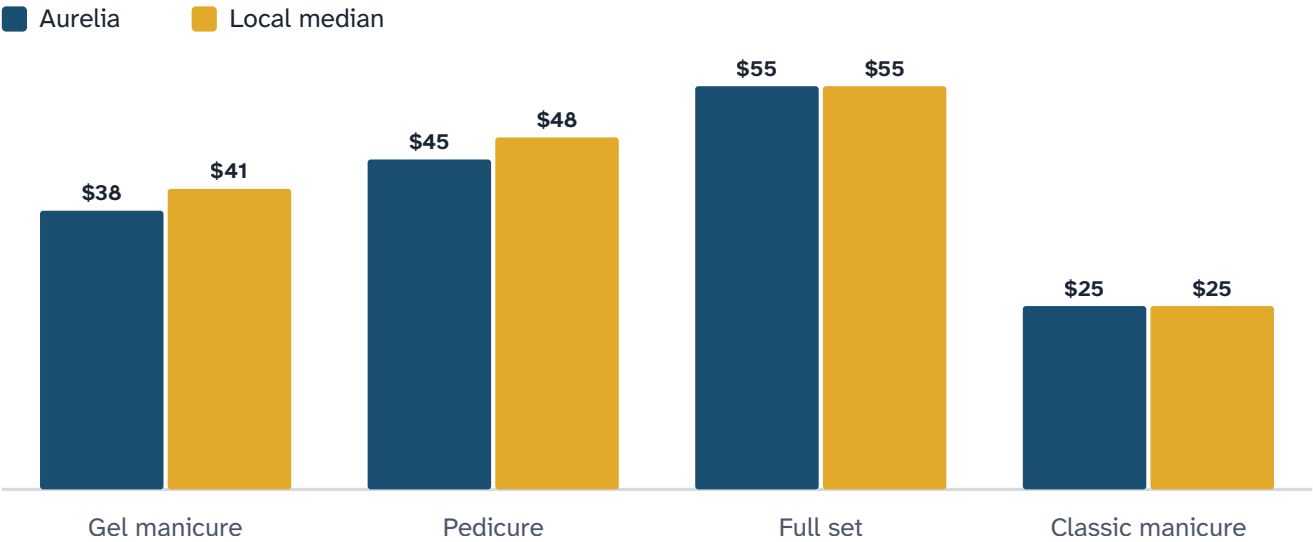
Gel manicures a year 2,300 · Price increase per service \$3 · Share of volume lost to the increase 0% ·

Current gel manicure price \$40

Extra revenue a year: \$6,900

Source: analysis/price-survey.md

Your price vs the local median, top four services



Source: analysis/price-survey.md — five salons within two miles, checked 2026-08-28

The plan

0–30 days

Protect the cash

Cost: \$0

30–90 days

Price to the market

Cost: \$120 printing

90–365 days

Plan the next lease

Cost: \$0

0–30 days: Protect the cash \$0

☐ Open a sales-tax account and move this quarter's tax into it

A second checking account used only for tax collected.

Who: **Owner + bookkeeper** Effort: **1 hour** Worth: **No January surprise** Confidence: **High**

We also considered: Track it in a spreadsheet — works until the first busy month.

If it doesn't work: Close the account.

☐ Start the weekly \$1,100 transfer to savings

Automatic transfer every Monday.

Who: **Owner** Effort: **15 minutes** Worth: **8 weeks of cushion by March** Confidence: **High**

We also considered: Line of credit — covers the gap but costs interest.

If it doesn't work: Pause the transfer.

30–90 days: Price to the market \$120 printing

☐ Raise gel manicure and pedicure prices by \$3

Who: **Owner** Worth: **\$6,900 a year on gel alone**

90–365 days: Plan the next lease \$0

☐ Open rent renewal talks six months early

What could go wrong

Risk	How bad	How likely	What fixes it
A slow month forces payroll onto a personal card	High	Medium	Eight-week reserve
Sales tax mixed into operating cash	Medium	High	Separate account
Rent increase at renewal in 2027	Medium	Medium	Start the conversation six months early

How sure we are

What would change our mind

A reserve already held outside the business account. The owner says there is none.

The strongest objection, and why the finding holds

The dips may be timing — tax payments landing in January and July. Partly true, which is exactly why the tax money needs its own account.

What we could not see

Bank statements are PDFs; balances were read by hand for 12 month-ends.