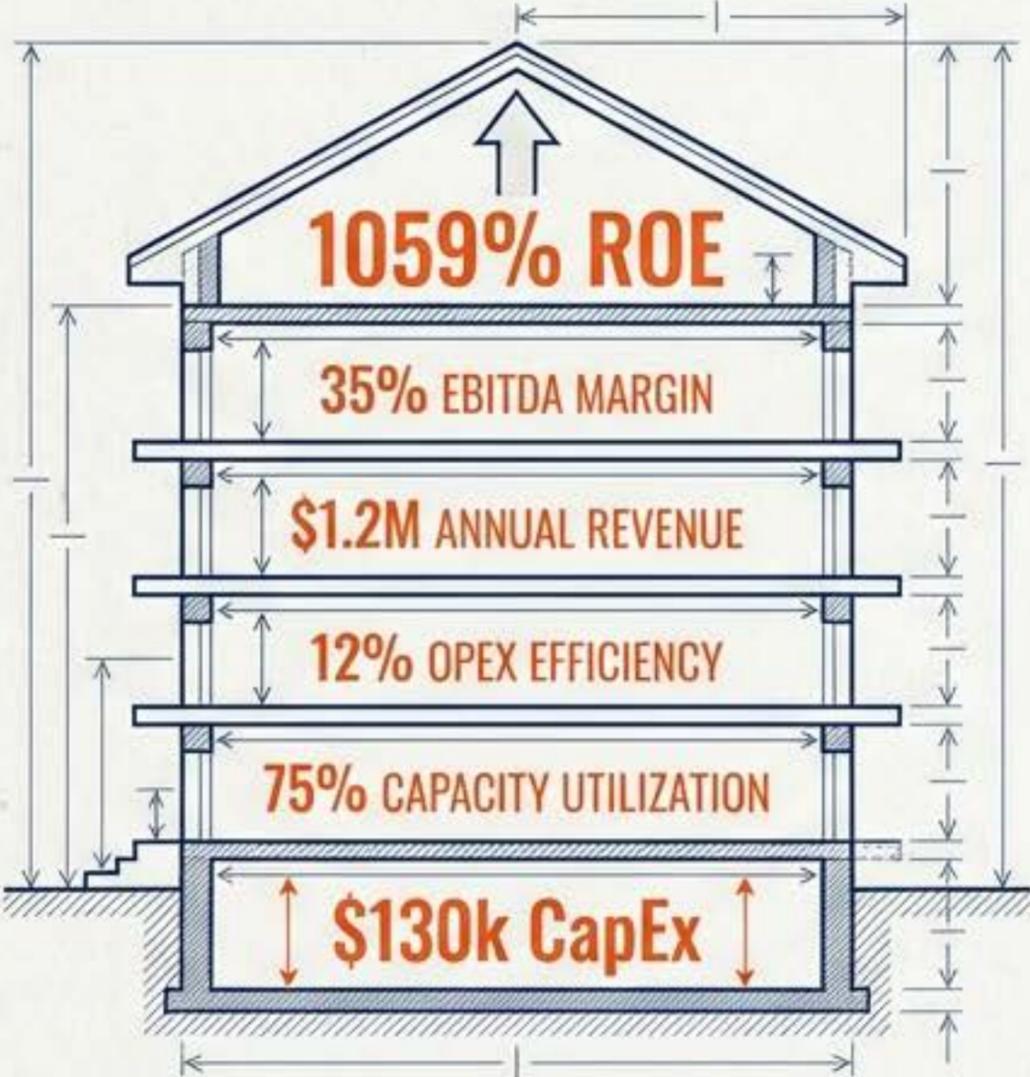


# OPERATIONAL RIGOR AS THE PATH TO 1059% ROE

A Strategic Blueprint for Building a High-Yield After-School STEAM Program (2026-2030)



CONFIDENTIAL STRATEGIC ROADMAP

# THE INVESTMENT THESIS: HIGH YIELDS REQUIRE PRECISION EXECUTION

## → The Opportunity

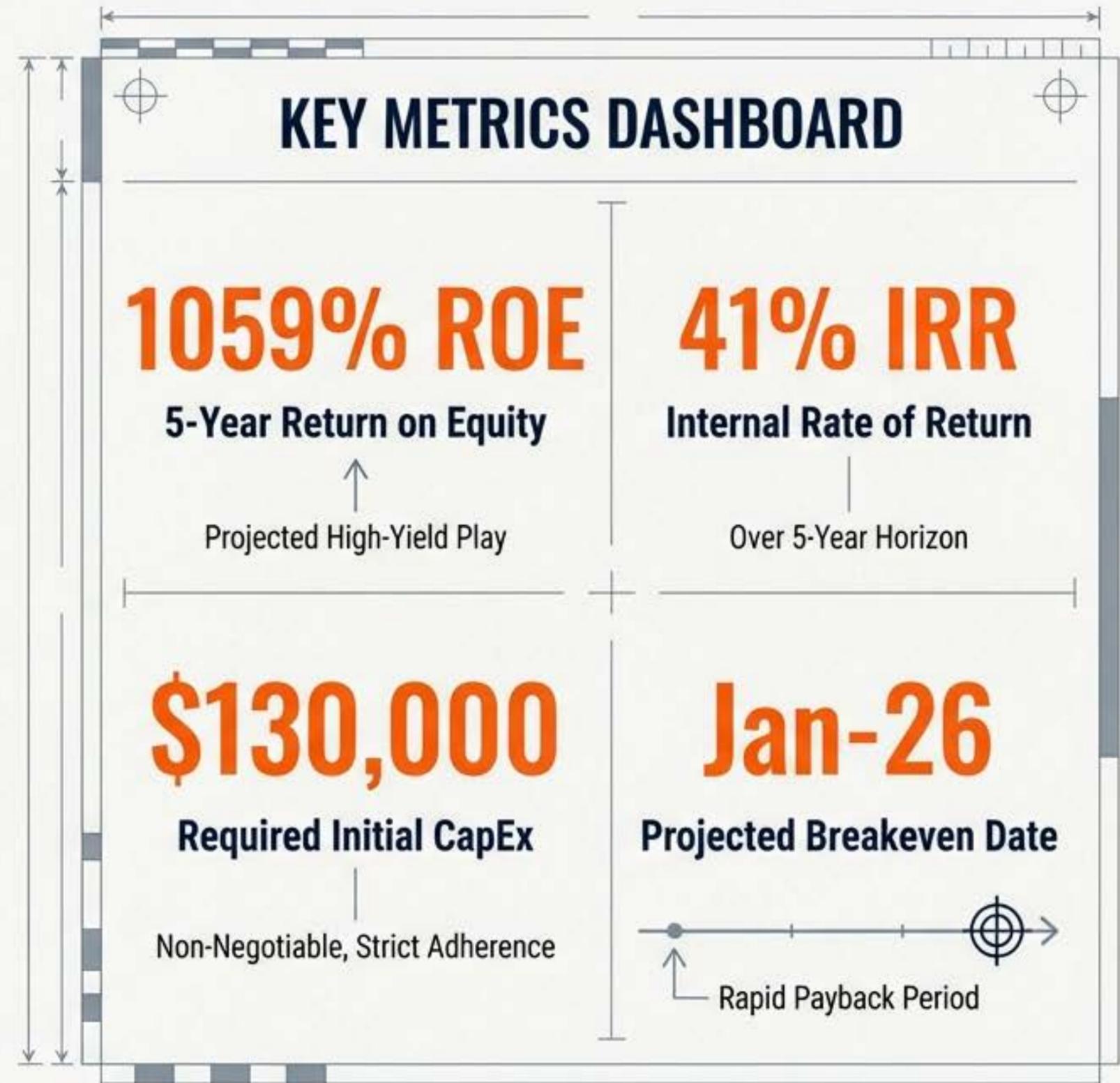
We are projecting a 1059% Return on Equity (ROE) and a 41% Internal Rate of Return (IRR) over a 5-year horizon. This is a high-yield play on the growing demand for specialized STEAM education.

## The Commitment

Achieving this requires a non-negotiable initial capital outlay of \$130,000 and strict adherence to operational KPIs. This is not passive income; it is an **active** operational machine.

## → The Critical Milestone

The model hinges on reaching **65% Occupancy** by Year 2 to cover fixed overhead. Breakeven is projected for Jan-2026, creating a **rapid payback period** on the initial investment. ←



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# STAFFING RATIOS CREATE A REVENUE CEILING

**The Physics of Profitability:** Regulatory constraints dictate the maximum financial upside.

1 Staff :  
**12 Students** Ratio



$$\begin{aligned} &8 \text{ Staff Members} \\ &\times 12 \text{ Students} \\ \hline &= 96 \text{ Spots} \\ &\text{Maximum} \end{aligned}$$

Student Enrollment

## The Trap:

If your financial model assumes 95% occupancy, **you must staff for 100% capacity** to capture that revenue.

You cannot add the 97th student without hiring a full new FTE, creating a **step-function increase** in costs.

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# VALIDATING THE MARKET BEFORE BREAKING GROUND

**Step 1:** Confirming the product-market fit and regulatory landscape.



## The Pricing Hypothesis

**Positioning:** \$450 Full-Time Elementary.

**Reality Check:** Local Competitors average \$400. The \$50 premium MUST be justified by STEAM curriculum value.



## The Regulatory Check

**Warning:** Do not commit the budgeted \$70,000 for Transportation Vans until confirming municipal codes for space-per-child and transport mandates.



## Actionable Step

Survey local school districts for service gaps. Confirm if the "50% Occupancy Start in 2026" model is realistic or optimistic based on waitlist data.

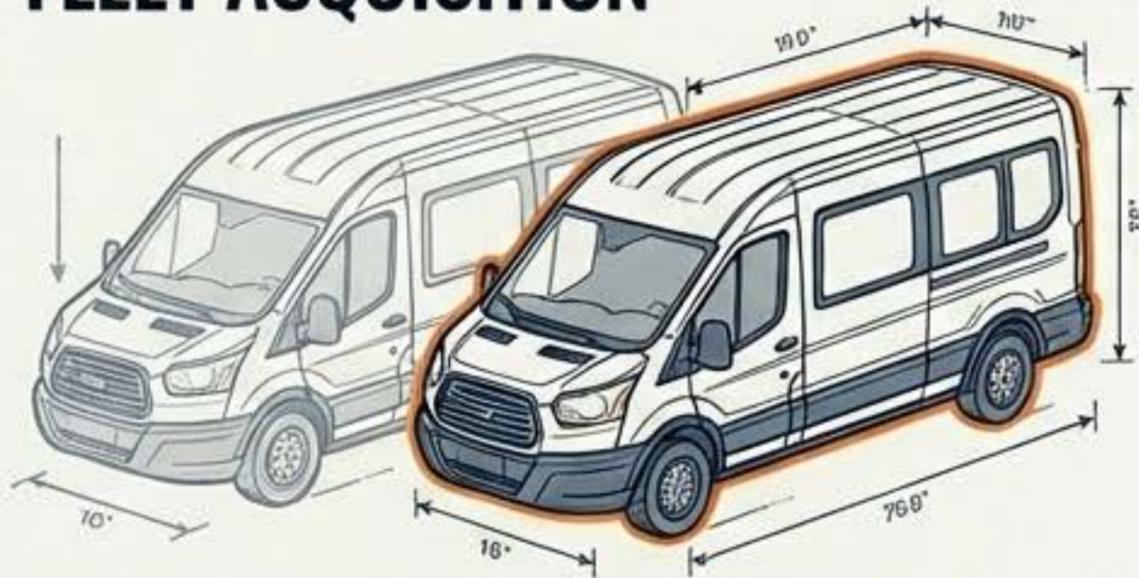


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# THE PRICE OF ENTRY: \$130,000 TO LAUNCH

**Step 3:** Startup Capital Breakdown. These are non-negotiable assets enabling service delivery.

## FLEET ACQUISITION



**\$70,000** (Two Student Transportation Vans)  
Critical for enrollment access.

**\$130,000**  
Total CapEx

## LIQUIDITY



**\$35,000** (Working Capital / Setup Buffer)  
The hidden cost of liquidity until Jan-26.



## FACILITY PREP

**\$25,000** (Renovation & Environment)  
Creating the STEAM lab environment.

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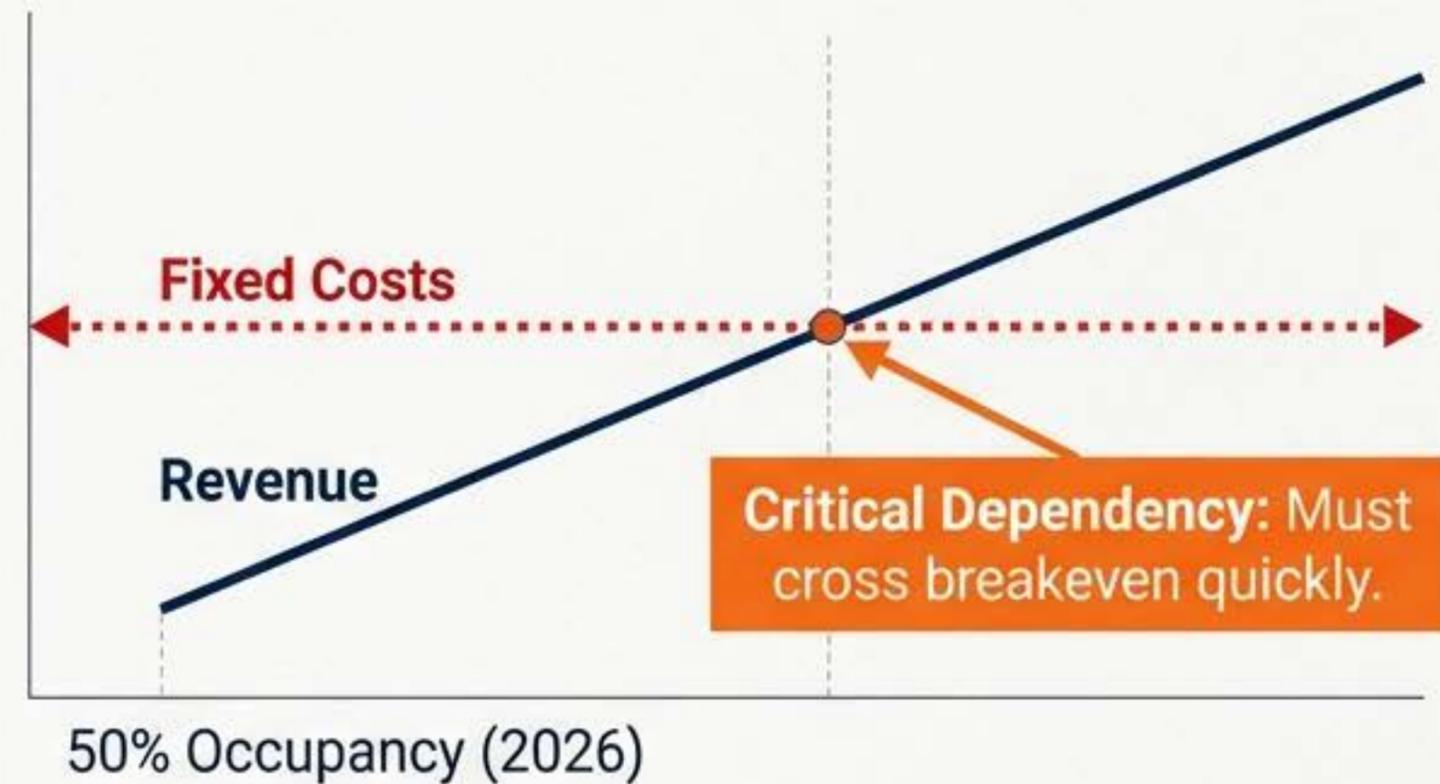
# REVENUE LEVERS AND THE OCCUPANCY IMPERATIVE

Step 2: The Cash Out. Revenue generation lags behind overhead during ramp-up.

## Revenue Architecture

1. **Anchor: \$450** Full-Time Elementary Tuition (Core Driver)
2. **Upsell: \$100** Specialized Workshops (Boosts ARPU)
3. **Volume Play: \$250** Part-Time (Requires high volume)
4. **Ancillary: Holiday Camp Fees** (Margin booster)

## Revenue vs Overhead



**The Math:** 40 kids @ \$450 = \$18,000/mo. But starting at 50% occupancy means revenue initially lags.

*Ash Edut*

# STRUCTURAL ANALYSIS: THE FIXED FLOOR VS. VARIABLE RISK

## Step 4: Cost Structure Analysis

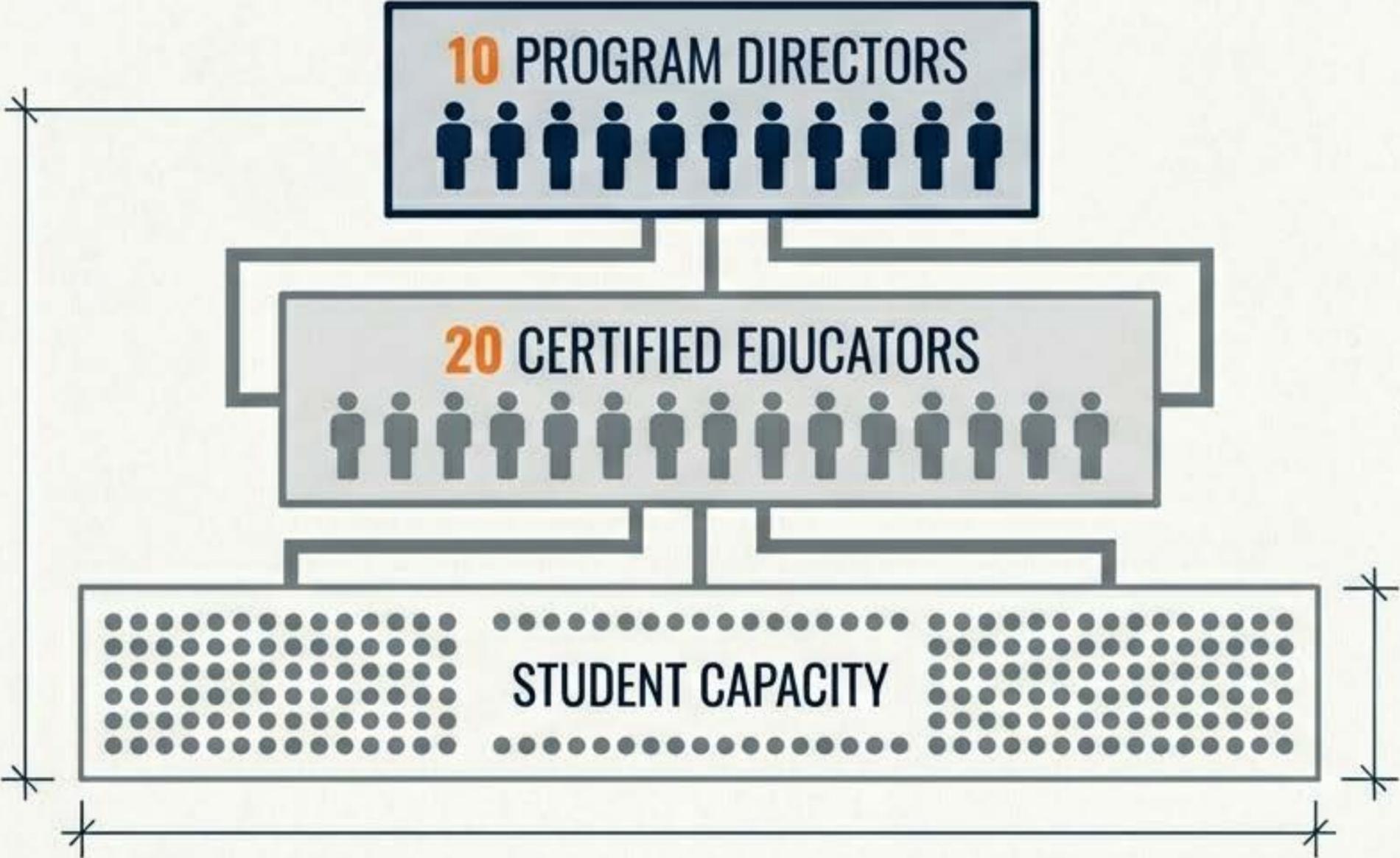


### The Squeeze:

Initially, 80 cents of every dollar is consumed by variable costs. The "Floor" remains constant, but the variable load eats margins during ramp-up.

# STAFFING THE MACHINE: 30 FTEs TO DELIVER QUALITY

Step 5: Human Capital. This ratio is the core promise of the STEAM curriculum.



**Retention Strategy:**  
Salaries must be pegged to market rates. High turnover is a hidden tax that kills service quality and increases hiring costs. This structure is not a cost center; it is the product.

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# JUSTIFYING THE PREMIUM: EDUCATION VS. SUPERVISION

Why parents pay \$450 for STEAM vs. standard care.

## Standard Care (\$400)

Basic Supervision

Unstructured Time

General Staff

## STEAM Program (\$450)

Certified Educators  
(We Teach, Don't Watch)

Specialized STEAM Curriculum

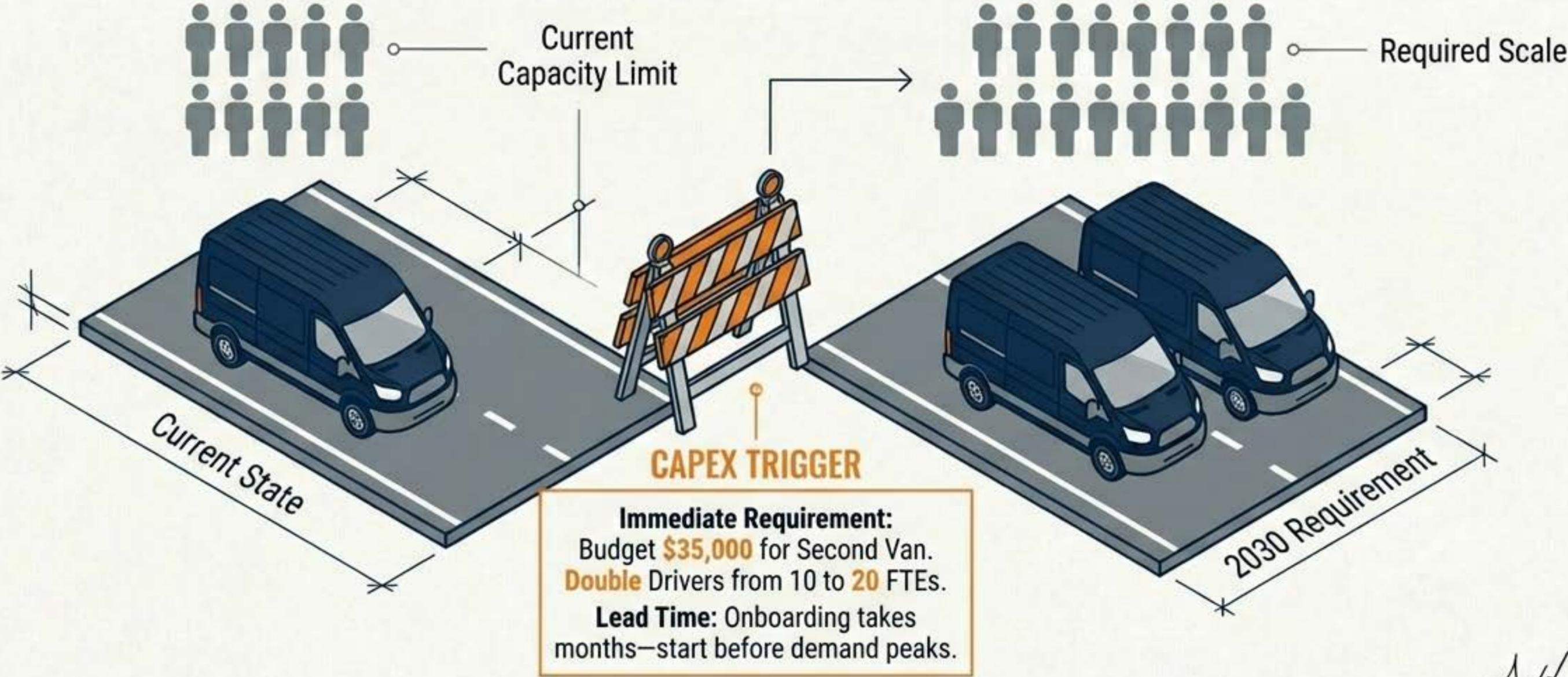
Project-Based Learning  
Workshops **+\$100 Value**

### Strategic Positioning:

An educational investment for the child,  
not just a logistical solution for the parent.

# SCALING OPERATIONS: THE TRANSPORTATION BOTTLENECK

Current fleet capacity cannot support the 90% occupancy target for 2030.

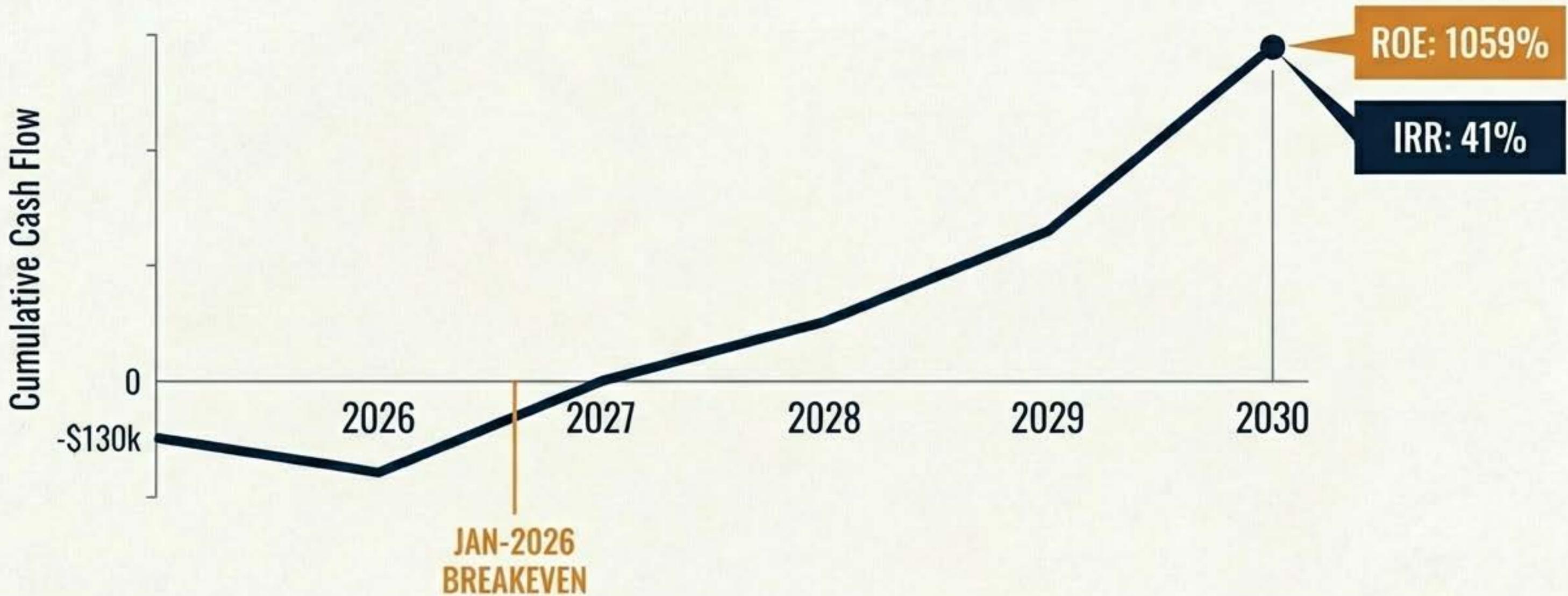


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# FINANCIAL ROADMAP: 2026–2030 FORECAST

Step 6: The path to profitability.



**Critical Assumption:** These returns assume navigating cash flow tightness in Year 1 (50% Occupancy).

# VELOCITY IS VITAL: THE CASE FOR AGGRESSIVE MARKETING

Why a 50% marketing spend is required fuel for the engine.

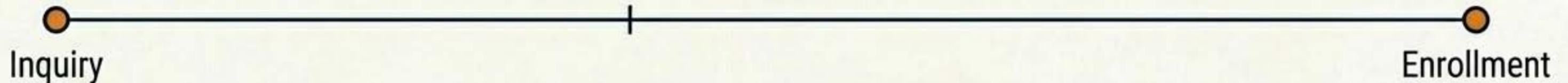


**AGGRESSIVE GROWTH MODE**

Marketing Spend:  
50% of Revenue.

**TARGET: <14 DAYS.**

## THE ONBOARDING KPI



**Why?** If onboarding takes 14+ days, churn risk rises significantly. Velocity is required to cover the CapEx. Spend must be targeted at zip codes with immediate need.

*Architectural*

# RISK MITIGATION AND DOWNSIDE PROTECTION

Step 7: Identifying and neutralizing threats to the model.

## RISK: STAFF TURNOVER

**IMPACT:** Unplanned hiring costs eat into the \$6,550 fixed overhead.

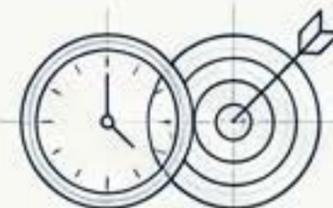
**MITIGATION:** Pay Market-Rate Salaries for all 20 Educators immediately.



## RISK: SLOW ENROLLMENT

**IMPACT:** Failing to hit 65% occupancy Year 2 extends payback period.

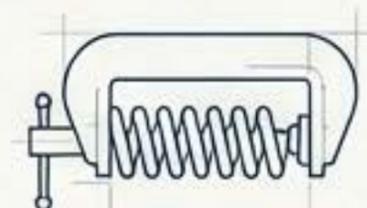
**MITIGATION:** Strict enforcement of 14-day onboarding rule.



## RISK: COST BLOAT

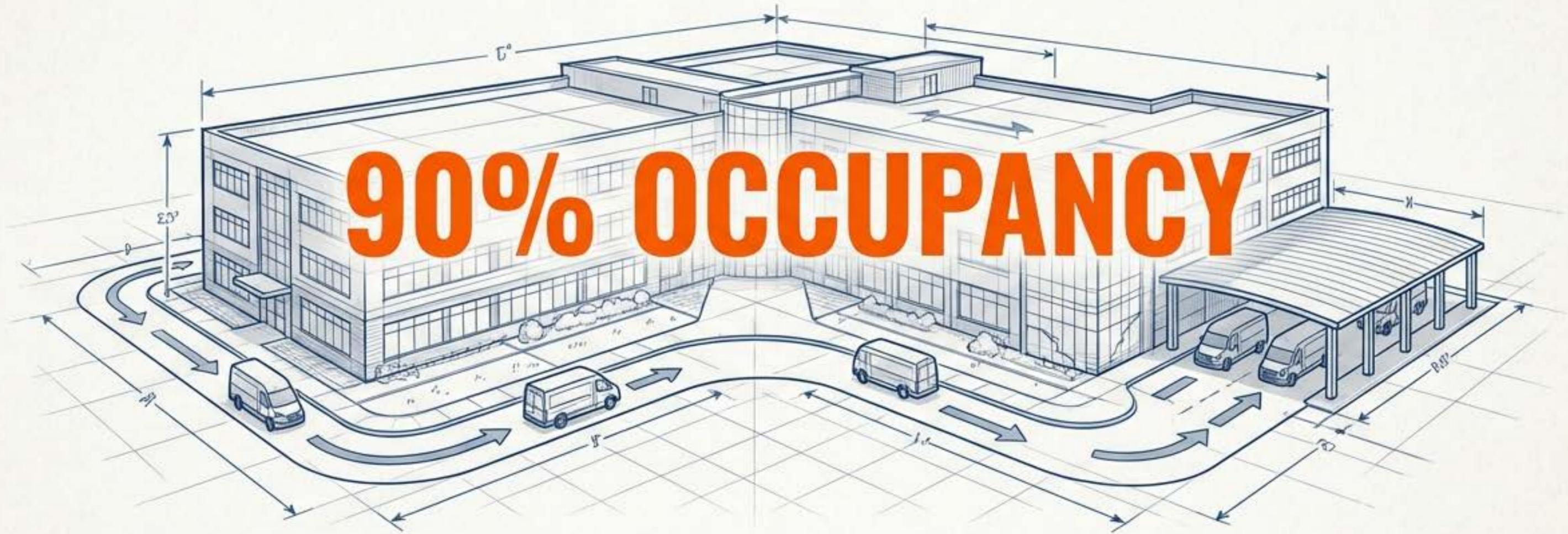
**IMPACT:** Variable costs exceeding 80% of revenue.

**MITIGATION:** Bulk purchasing to keep materials under 30% revenue.



# THE 2030 VISION: OPERATIONAL MATURITY

The target state of the business at scale.



**Multi-Van Fleet**  
(Capitalized)



**Fully Staffed:**  
20 Drivers, 30 Educational FTEs



**Financial Stability:**  
Fixed cost floor (\$6,550) becomes negligible % of revenue.

# STRATEGIC CHECKLIST FOR LAUNCH

The Go/No-Go Decision Matrix.



**EXECUTION OF THESE 5 POINTS IS THE GATEWAY TO THE JAN-2026 BREAK-EVEN.**