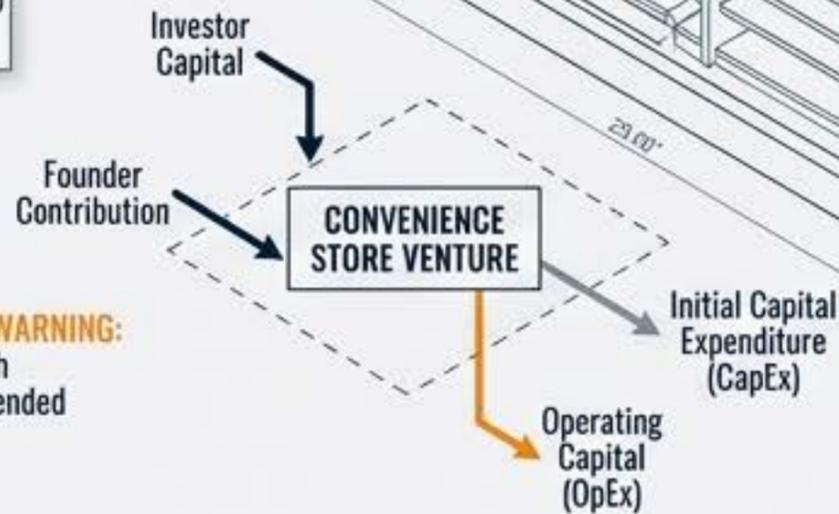
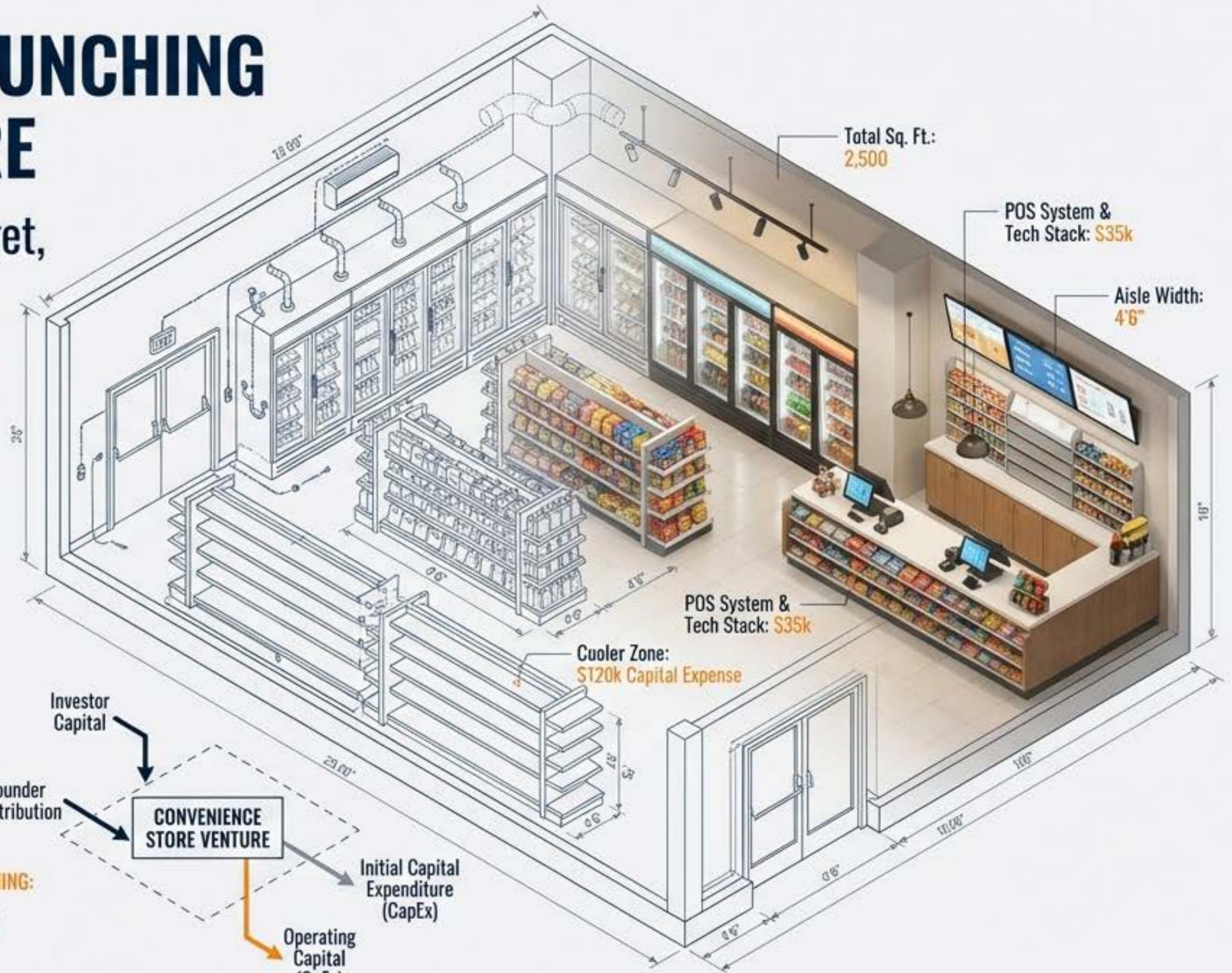
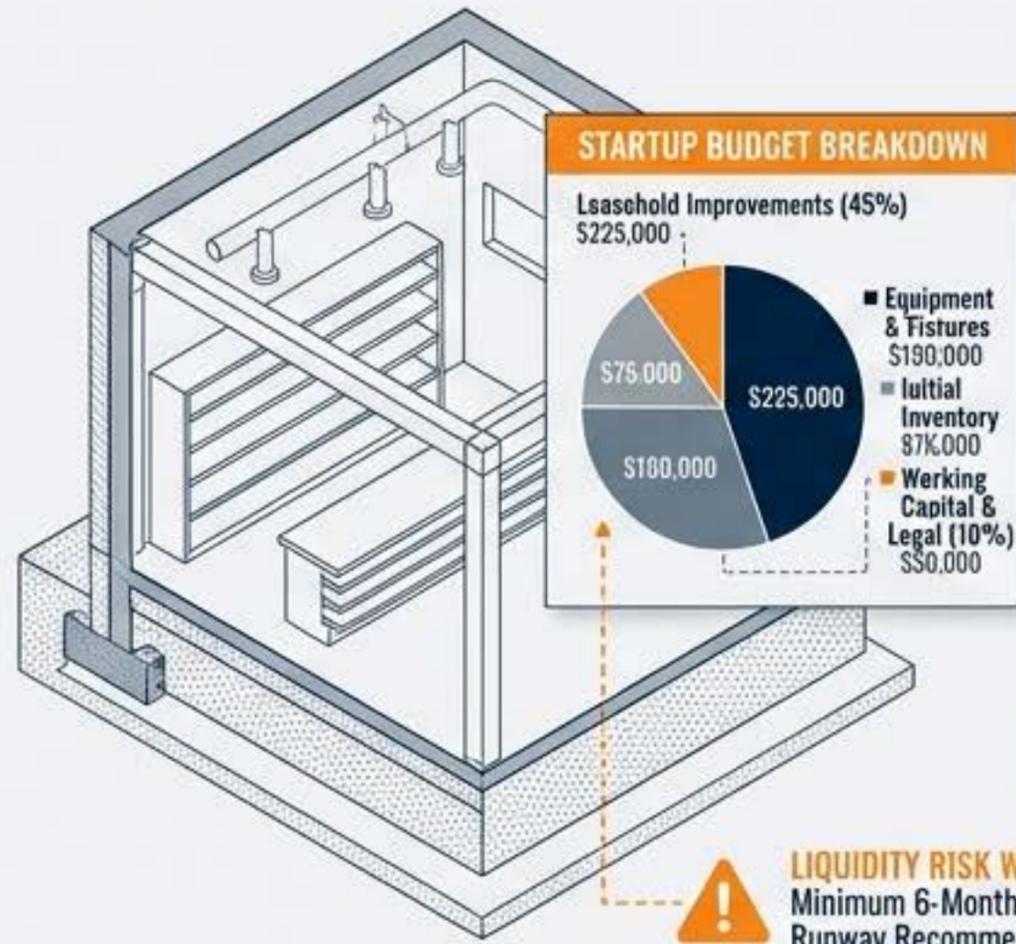


THE REAL COST OF LAUNCHING A CONVENIENCE STORE

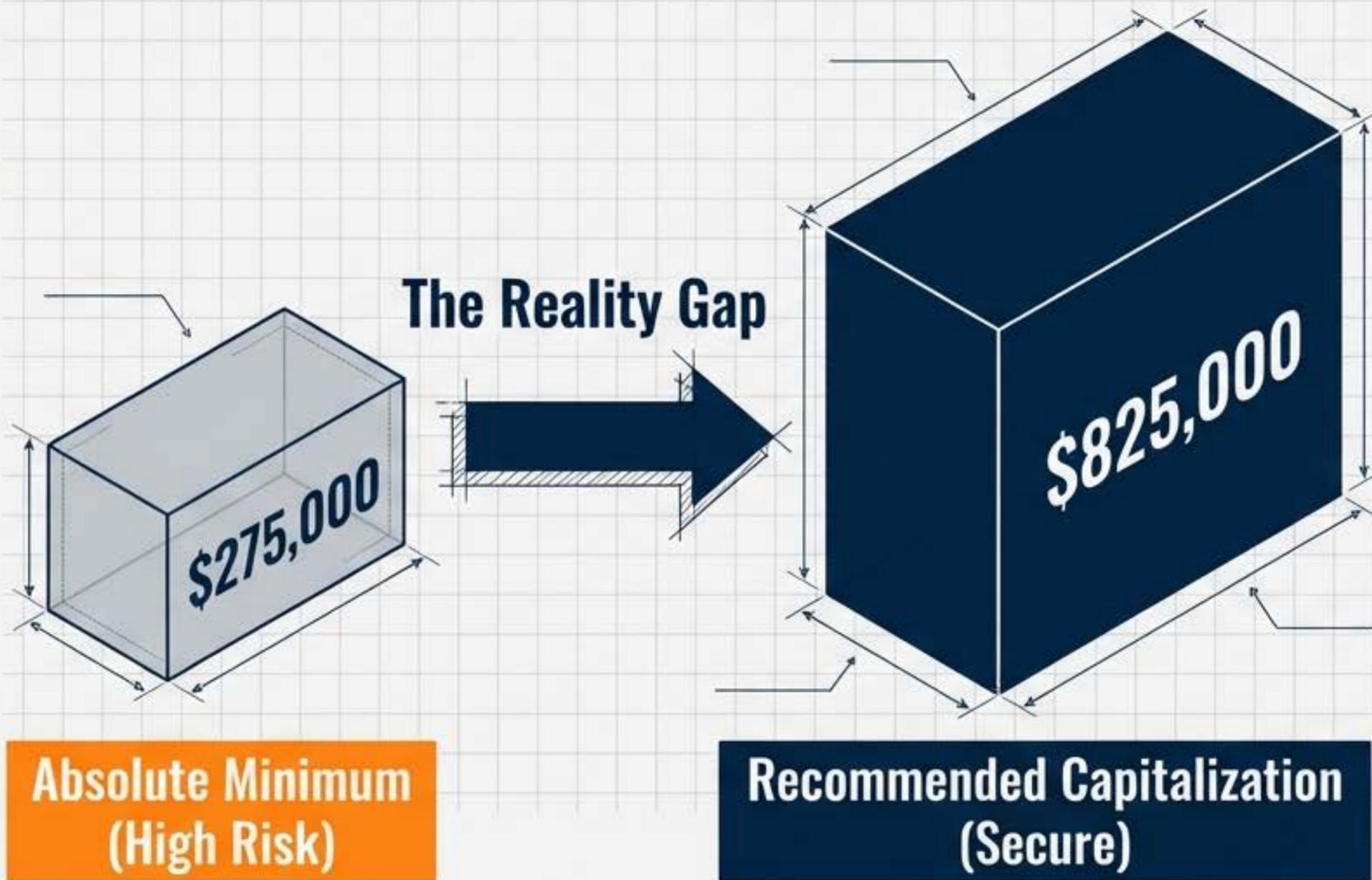
Capital Requirements, Startup Budget, and Liquidity Strategy



Strategic Capital Breakdown for Founders & Investors

PROJECT: URBAN MART - C-STORE DEVELOPMENT
 DATE: OCTOBER 26, 2024

THE CAPITAL GAP: MINIMUM VIABLE VS. SECURE LAUNCH

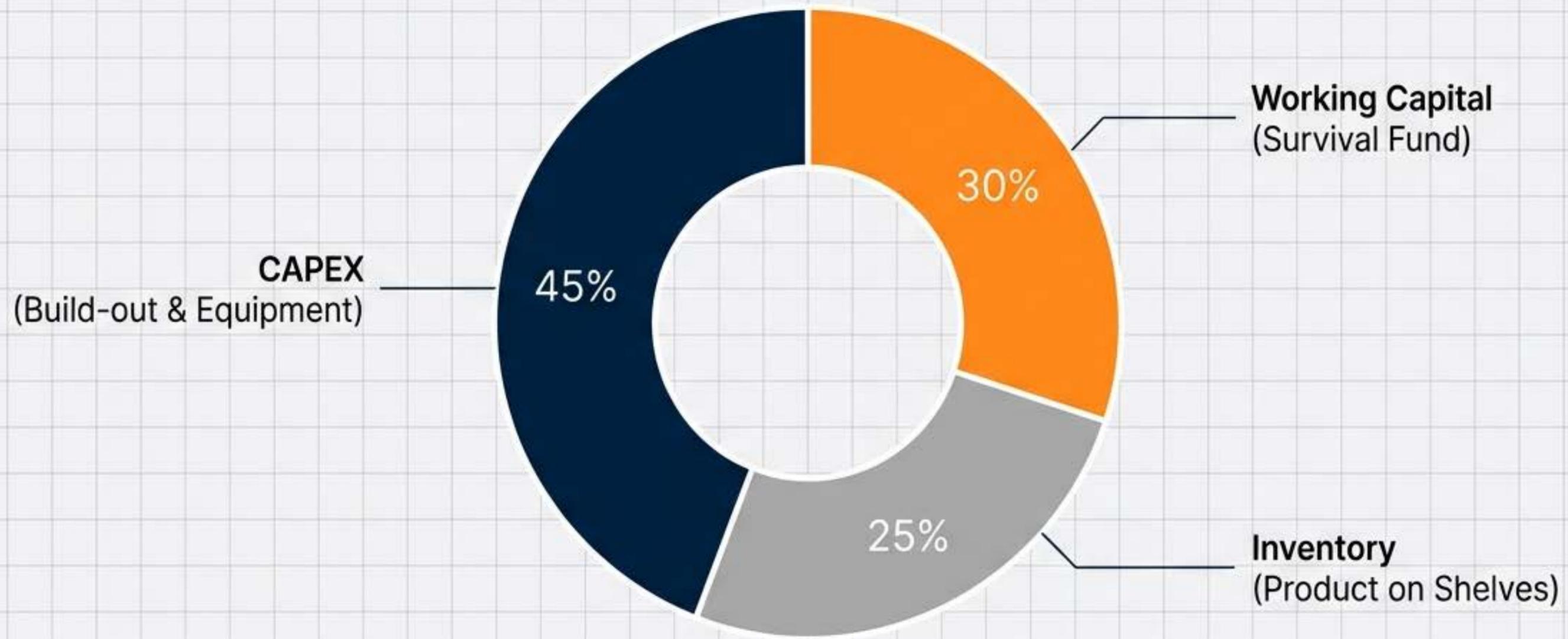


The Risk: A \$275k budget leaves zero margin for error. It covers only the build-out and a thin 3-month cushion.

The Reality: The \$825k target creates a 6-month operational cushion to survive variable margins and slow initial velocity.

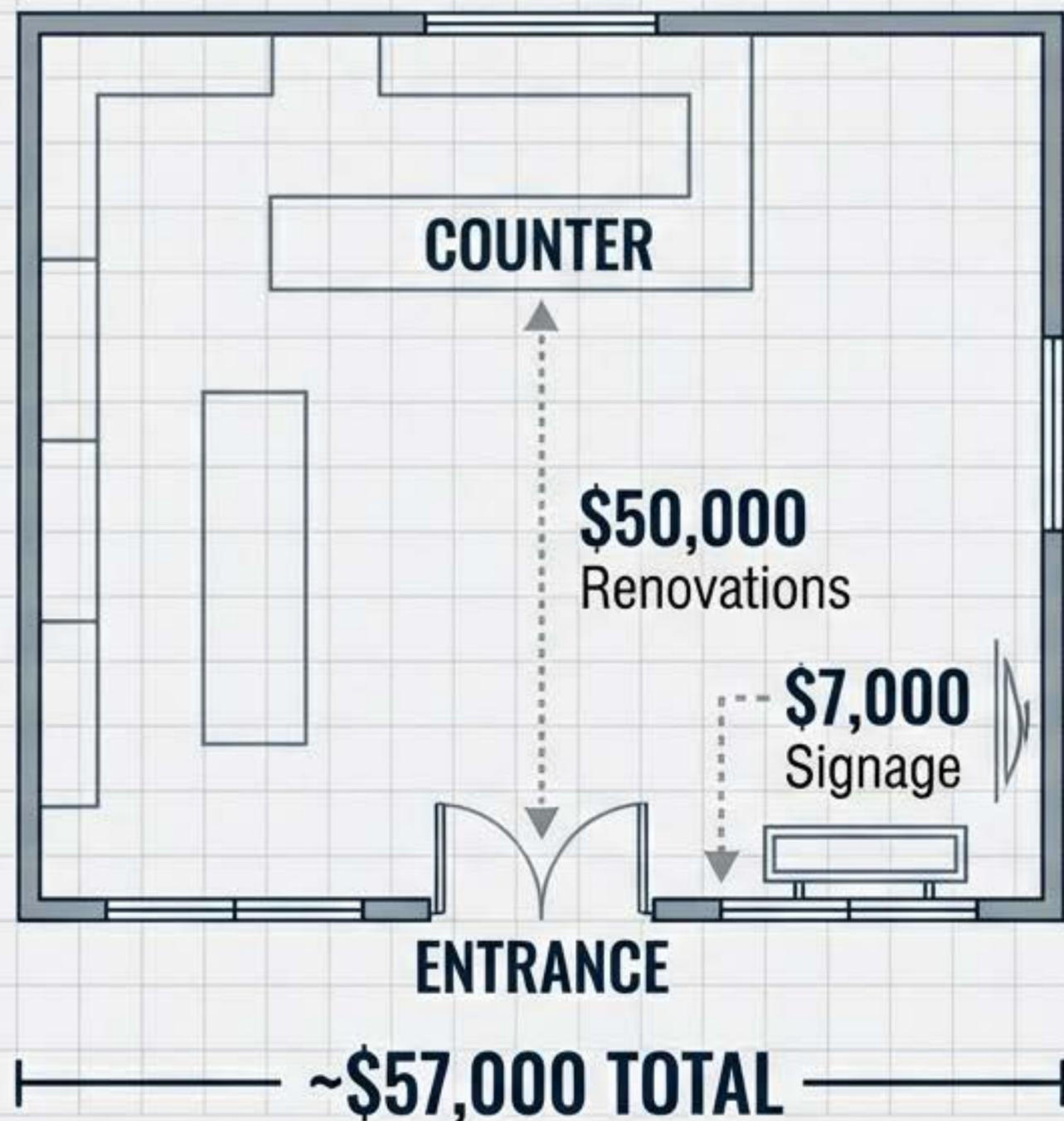
Insight: Do not plan for the best-case scenario. This capital is not just for opening doors; it is for keeping them open until profitability in May 2026.

WHERE THE CAPITAL GOES: THE THREE OPERATIONAL BUCKETS



Founders most frequently underestimate the Working Capital cushion. If fixed monthly burn is \$20k, you need \$120k reserved strictly for survival.

HARD COST I: THE PHYSICAL BUILD-OUT



Total Allocation: ~\$57,000

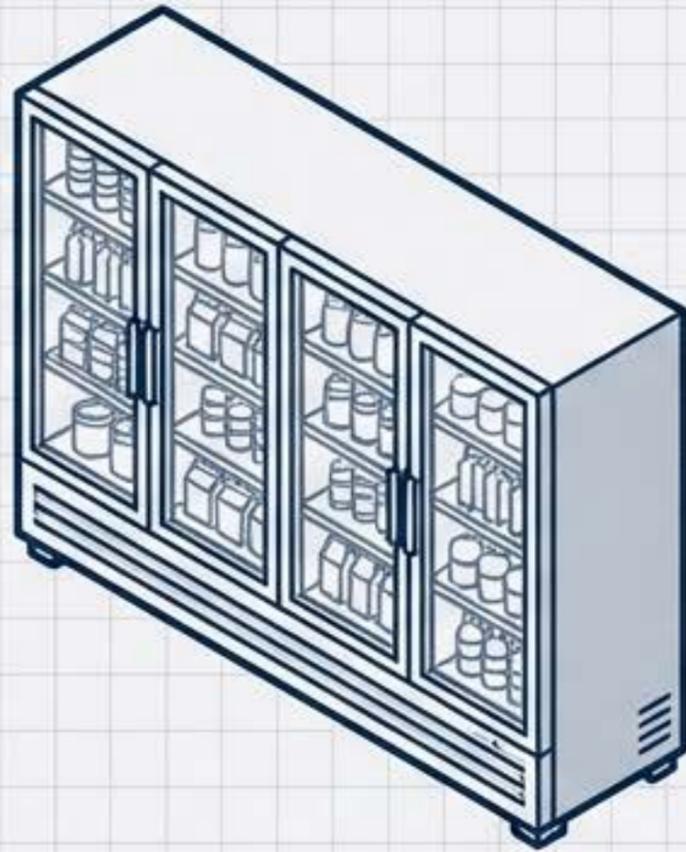
- | | |
|---|----------|
| • Renovations (Electrical, Plumbing, Layout): | \$50,000 |
| • Signage (Exterior Branding): | \$7,000 |



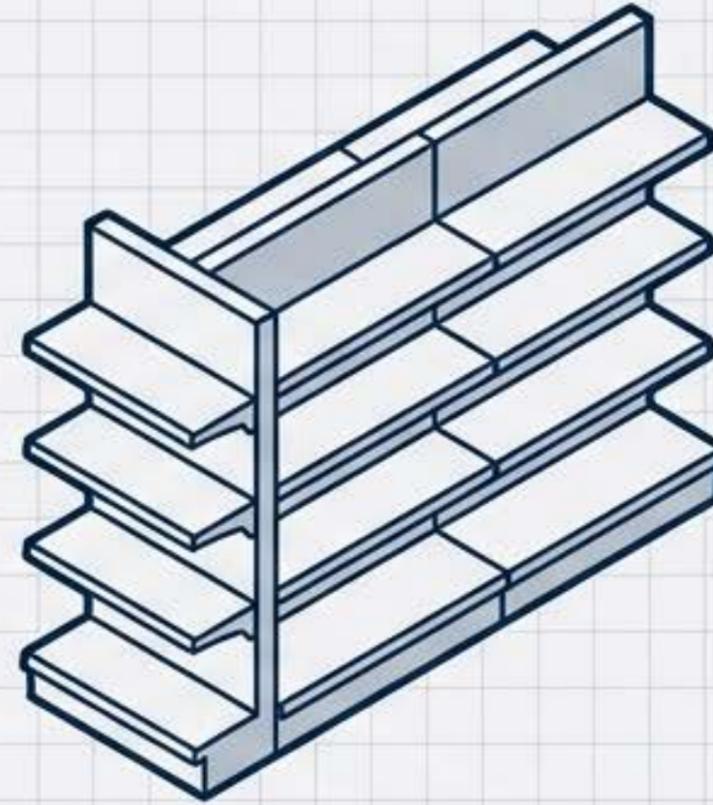
Scope Creep Killer: Lock down design specs and get **three competing contractor bids** before signing. A **20% contingency** is recommended for unforeseen site conditions.

HARD COST II: REFRIGERATION & FIXTURES

\$25,000 ▶



◀ **\$15,000**



Total Allocation: ~\$40,000



Operational Warning: Timeline Risk: Confirm lead times immediately. If fridges arrive late, the store cannot open, but rent is still due. Consider certified refurbished units to potentially save 20-30%.

HARD COST III: THE TRANSACTION ENGINE (POS)



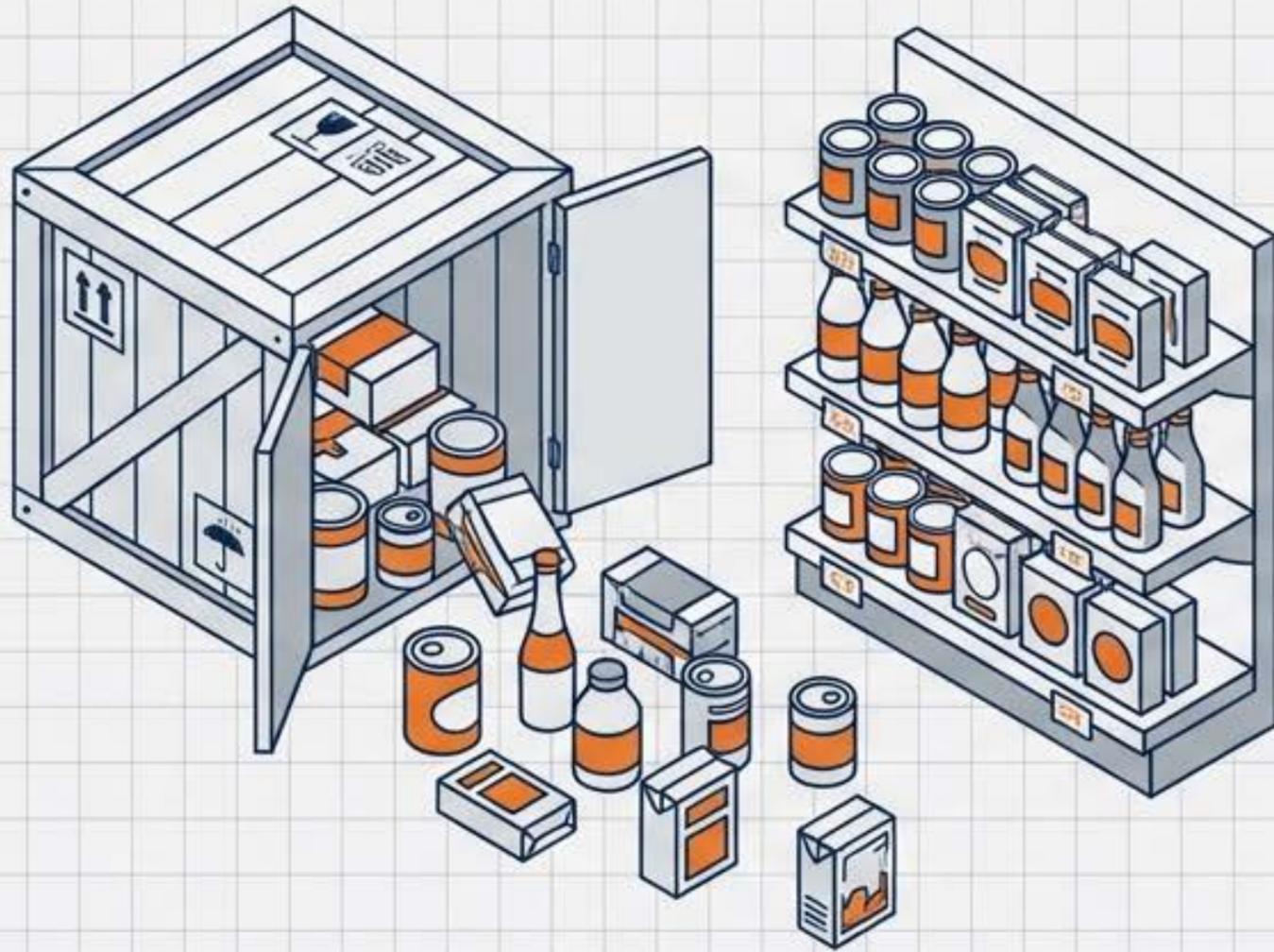
Total Initial Outlay: ~\$10,450

- | | |
|---|----------|
| • Hardware (Terminals, Scanners, Printers): | \$10,000 |
| • Software (First 3 Months Fees): | \$450 |



Operational Cost of Choice: Cheap hardware leads to slow integration and transaction times. This directly hurts the “fast” promise made to commuters. Negotiate transaction fees early to protect gross margins.

HARD COST IV: INITIAL INVENTORY INVESTMENT



Projected Monthly Sales

× 14% (COGS Rate)

× 1 Month

= ~\$40,000 (Initial Inventory Cost)



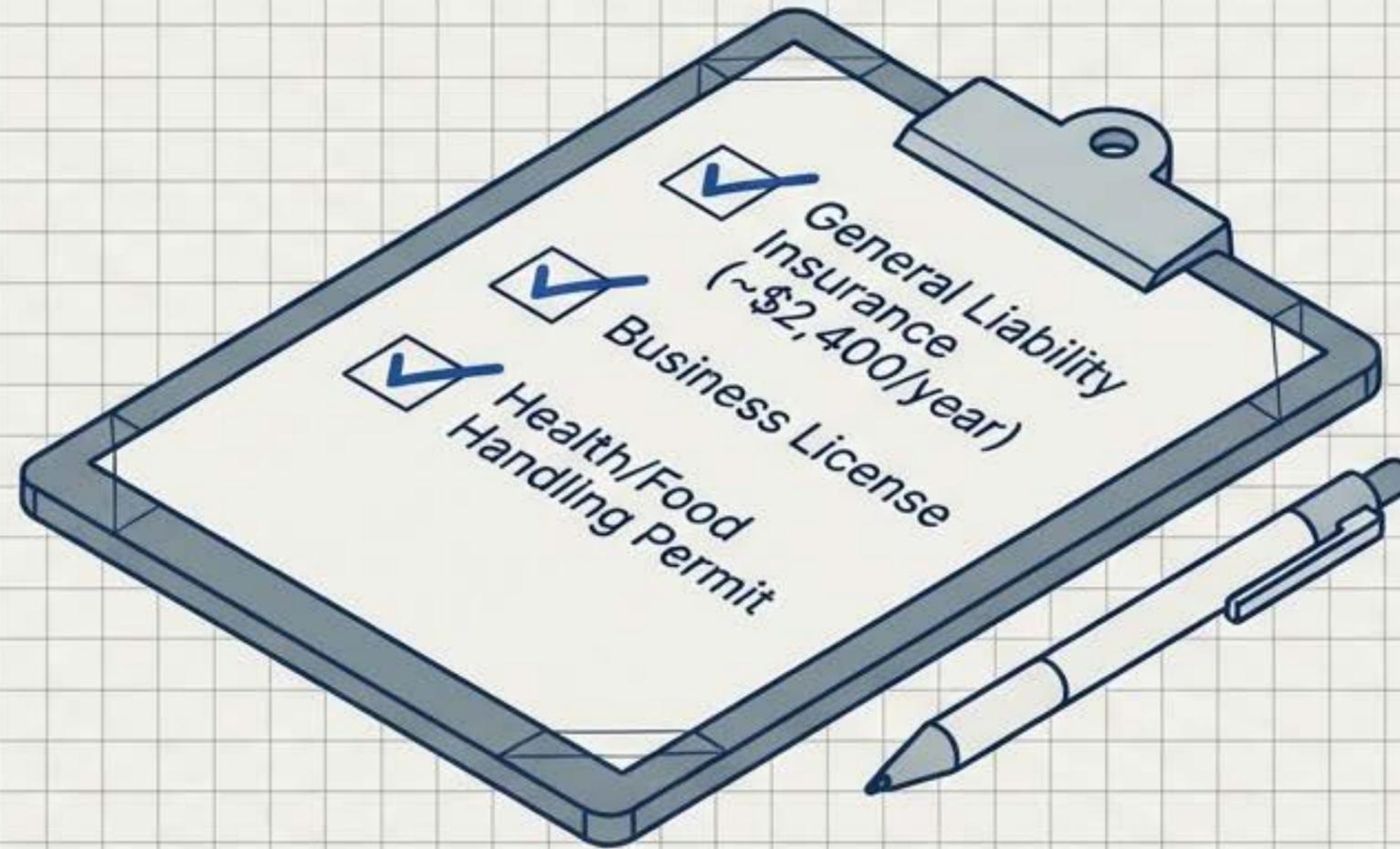
Cash Flow Tactic: Push vendors for Net 30 payment terms to delay cash outflow. Prioritize high-velocity SKUs (fresh food/beverage) over slow-moving general merchandise.

SOFT COST I: THE PRE-OPENING CASH BURN



Efficiency Tip: Keep the team lean. Use owners for setup tasks and delay hiring floor staff until two weeks before opening. Every extra week of training burns ~\$3,500.

SOFT COST II: COMPLIANCE & RED TAPE



Regulatory Lag: Start permit research 90 days out. If a food permit takes 14+ days to process, your launch slips, but your burn rate continues. Shop three brokers to shave ~10% off insurance premiums.

THE RUNWAY: WHY YOU NEED A WORKING CAPITAL BUFFER

- Fixed Overhead:
~\$25,000/month
- Initial Burn Rate:
~\$7,500 monthly deficit
- Time to Breakeven:
~5 Months (Target:
May 2026)



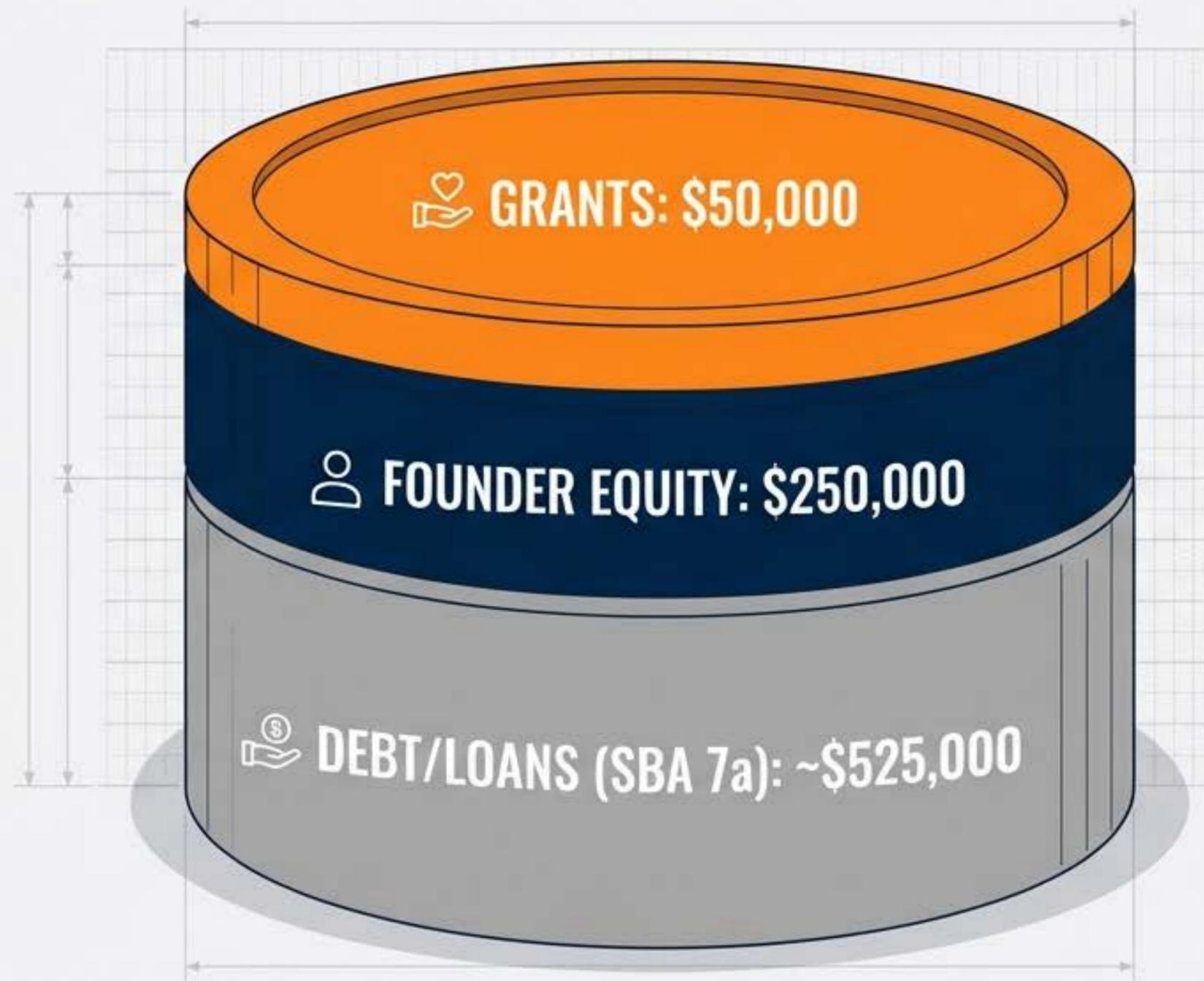
Key Insight: **The Capital Reserve:** Within the \$825,000 total, ~\$150,000 must be liquid working capital reserved to keep the doors open until cash flow neutrality.

THE PATH TO PROFITABILITY: MAY 2026



Breakeven speed depends on sales velocity. Aggressive marketing and inventory management are required to hit the 5-month target.

STRUCTURING THE \$825,000 CAPITAL STACK



LEVERAGE NOTE:

Securing \$50k in grants reduces the required debt component, directly improving your debt service coverage ratio. Keep \$150k liquid within this stack for working capital.

EXECUTION CHECKLIST & GOLDEN RULES



Fund for 6 Months.

Do not budget only for opening day.



Cap the Build.

Lock renovation costs at \$57k max. Avoid scope creep.



Speed is Capital.

Every week of delay burns ~\$3,500 in overhead.



Protect the Cushion.

Keep \$150k liquid for working capital—do not spend on assets.