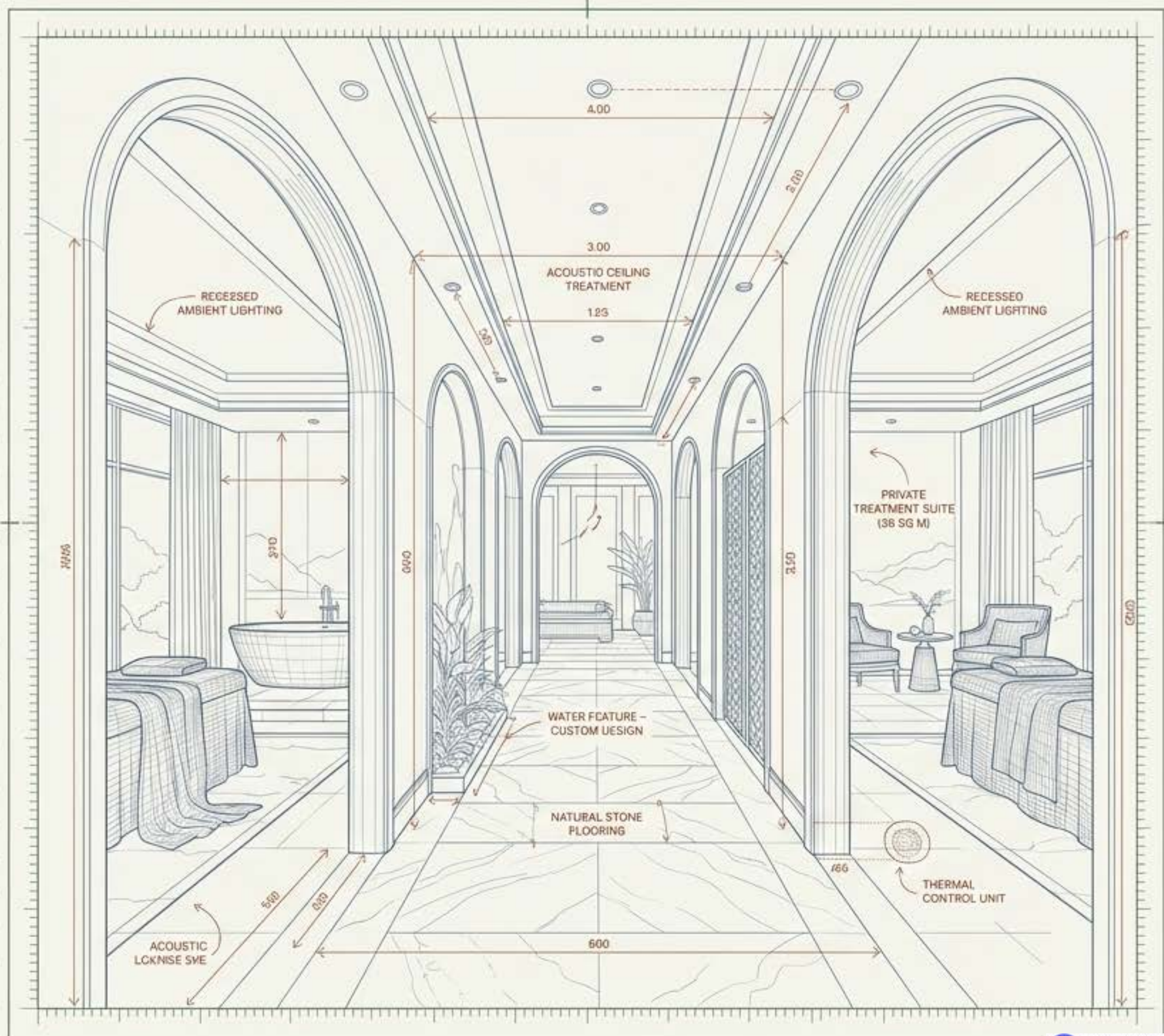


Financial & Operational Launch Strategy: The Urban Oasis

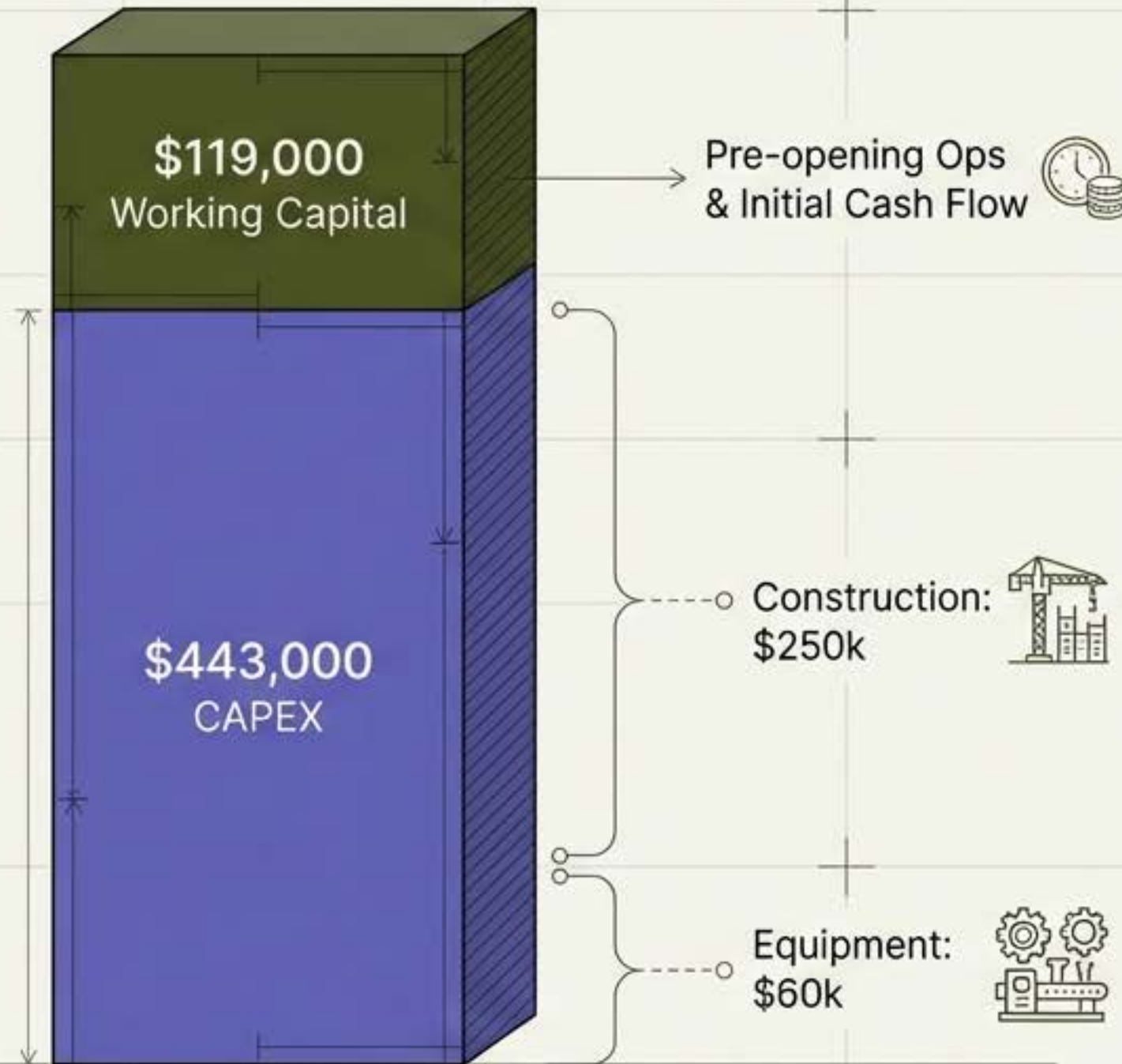
Capital Requirements, Unit Economics, and Roadmap to April 2026 Profitability.

CONFIDENTIAL STRATEGIC DOCUMENT –
FOR INVESTOR & EXECUTIVE REVIEW



The Capital Requirement: \$562,000 to Reach Market

TARGET LAUNCH:
APRIL 2026



Strategic Imperative

Funding commitment must precede construction start. We must secure full funding before Q1 2026 to avoid project stalls and contractor cost inflation.

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Operational Runway & The Safety Gap Analysis



Recommendation: Secure an additional \$40,000–\$60,000 buffer to guarantee safety beyond the immediate 4-month breakeven projection.



Red Flag

Current \$562k capital structure leaves zero margin for error if profitability is delayed beyond Month 4.



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The Profitability Equation: Validating Unit Economics

Success hinges on maintaining the \$138 ticket average.

A dip in ARPV combined with high fixed costs and variable commissions will immediately erode margin.

[\$138 ARPV]

×

[25 Daily Visits]

=

[\$103,500 Monthly Revenue]

750 Monthly Clients required to support the \$12,000 monthly rent obligation.

vs. Fixed OPEX Baseline: \$21,300/month

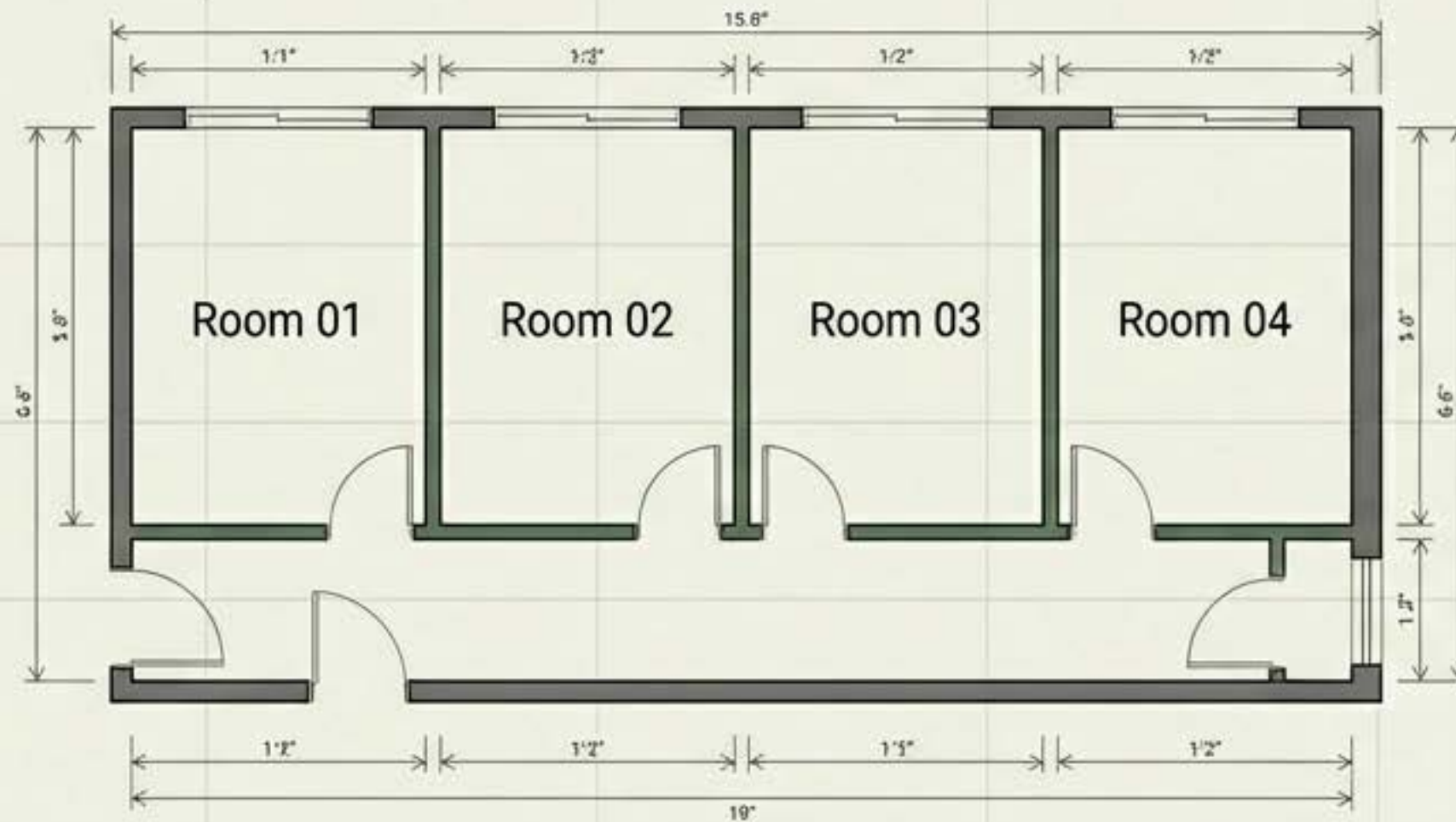


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Capacity Check: Is 25 Visits Per Day Realistic?



Capacity Dashboard

4 Rooms × 10 Hours = 40 Available Service Hours
Target Volume = 25 Service Hours



Staffing Requirement: 2.5 FTE therapists required strictly to cover volume.

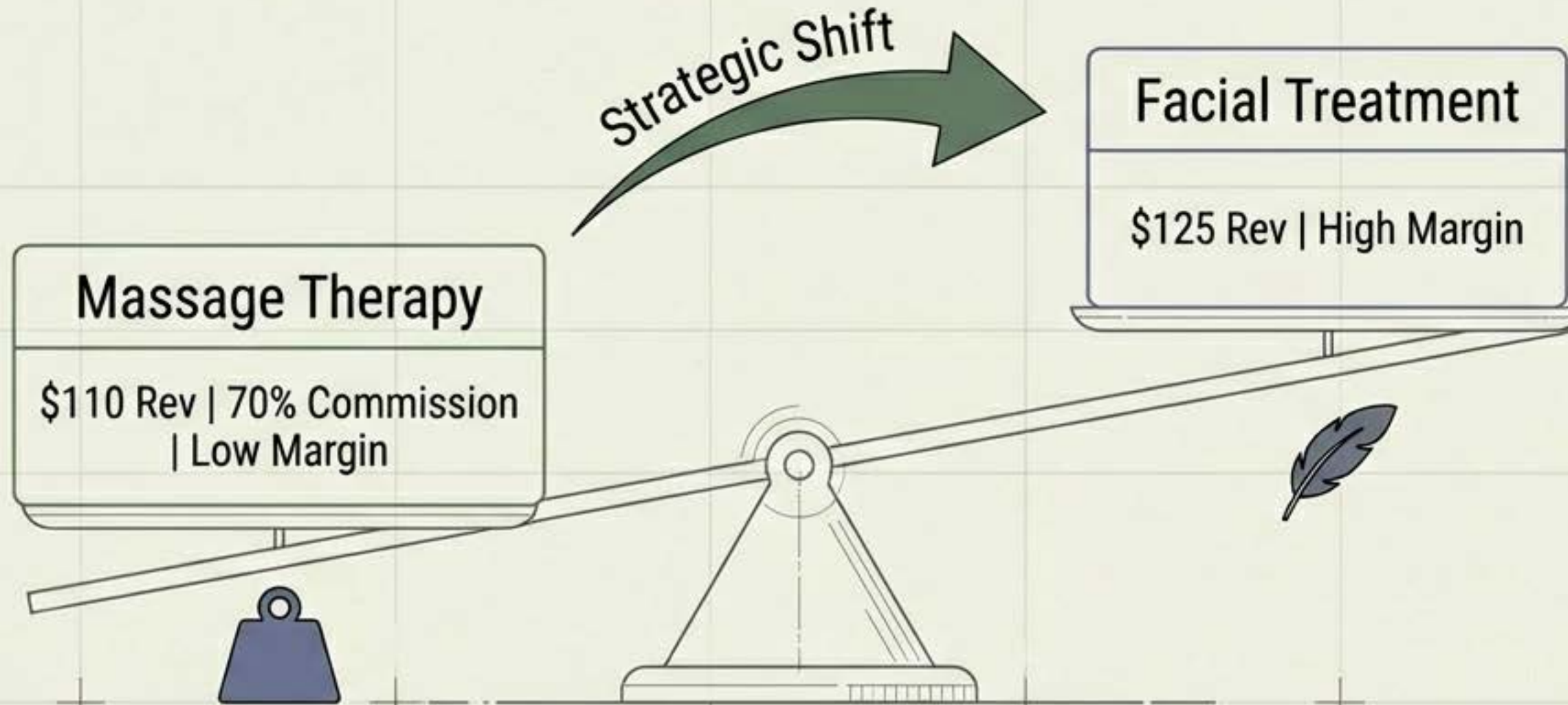
Physical capacity exists, but requires aggressive scheduling to match competitor density.

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Service Mix Leverage: Optimizing Contribution Margin



Insight: Massage therapy has a 70% commission load; shifting mix to facials and retail attachment is critical for margin expansion.

Current Mix: 50% Massage / 35% Facial

Goal: Shift marketing to Facials to capture the \$15/hour revenue premium.

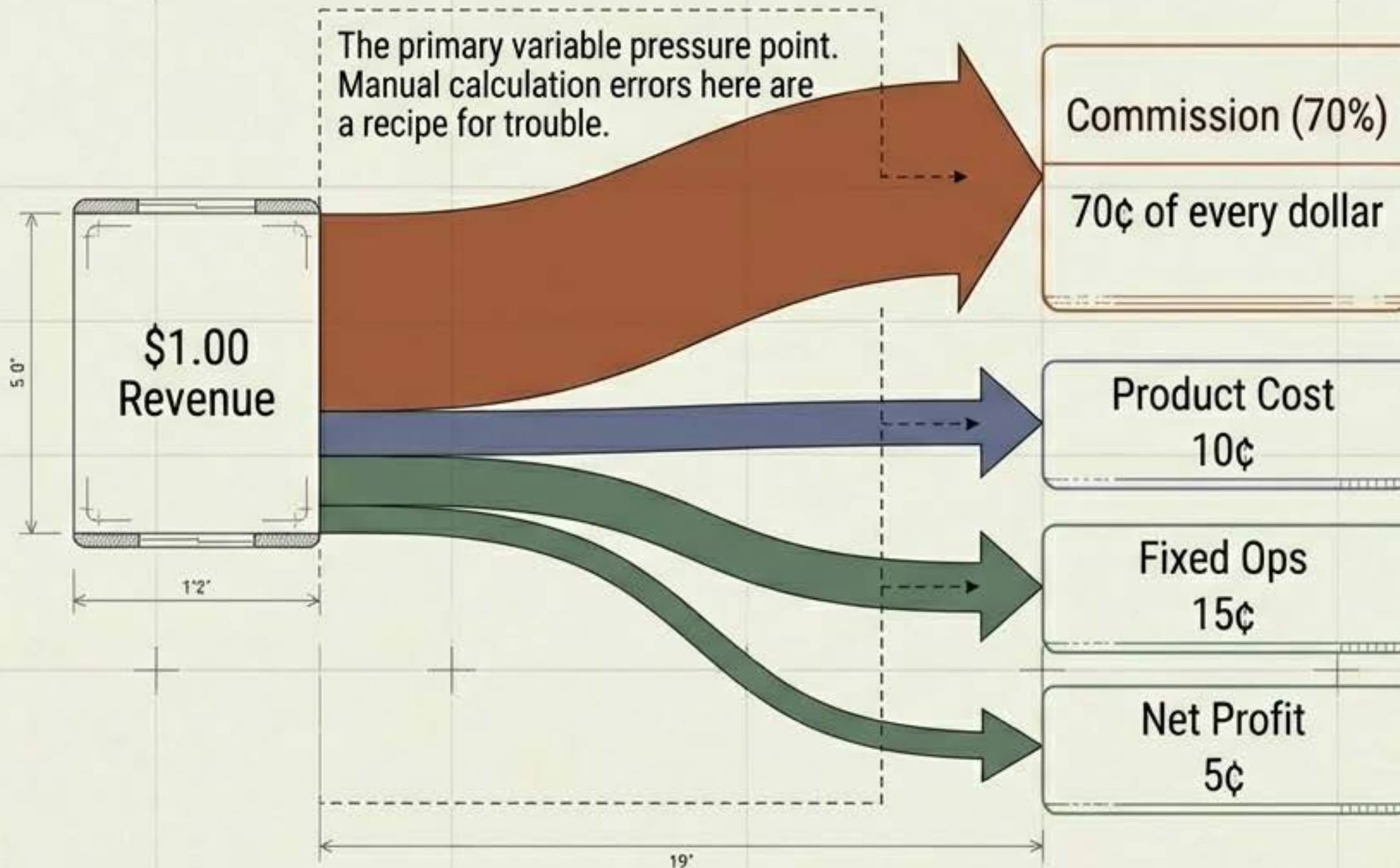


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Controlling Variable Costs: The 70% Commission Risk



Systemic Solution

- ⊕ **Automated Tracking:** POS auto-calculates payouts based on Service AOV.
- ⊕ **Incentive Structure:** Tie bonuses to retail attachment (lower variable cost).
- ⊕ **Wage Leakage:** Benchmark Lead Therapist \$65k salary against local rates.

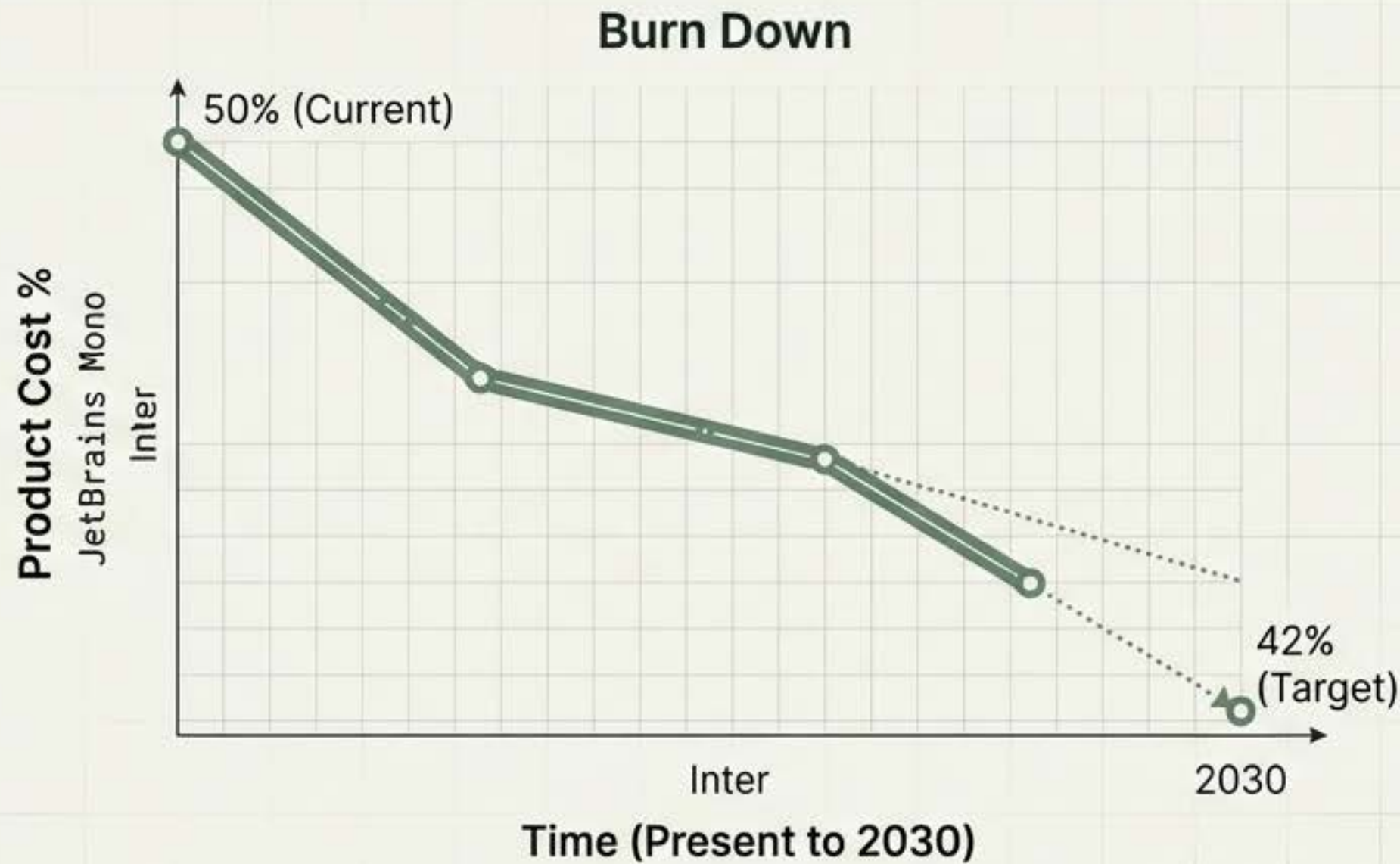


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The War on COGS: Reducing Treatment Product Cost



Reducing product cost is essential as volume scales toward 65 visits/day.

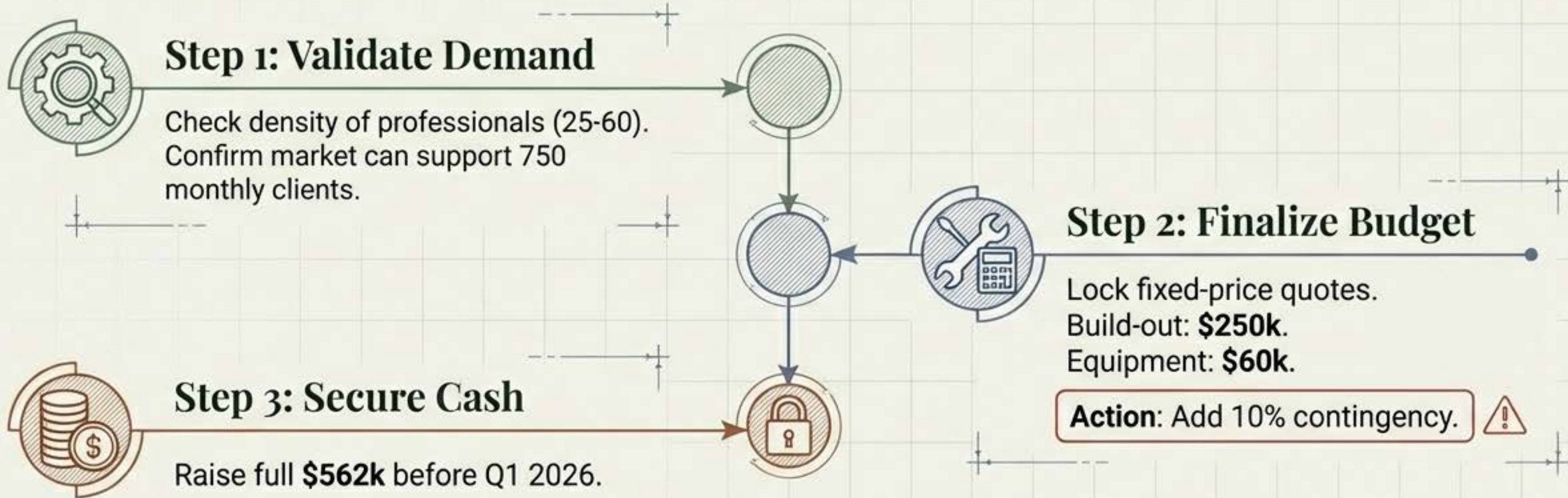
Tactical Checklist


- Standardize product usage per treatment.
- Implement FIFO (First-In, First-Out) inventory tracking.
- Renegotiate bulk purchase agreements.
- Strict waste tracking log for disposables.


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Phase 1: Validation & Capital (Steps 1-3)

Theme: Don't sign until we are sure.



 **Risk Check:** Do not rely on future revenue for construction invoices.

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Phase 2: Structural Setup (Steps 4-5)

Theme: Building the Machine.

Step 4: Model Mix

Validate **\$138 ARPV** aligns with market tier.

Ensure non-massage mix yields **>65%** contribution.

Step 5: Hire Core Team

Spa Manager
(\$75k)

Lead Therapist
(\$65k)

55 FTE
Staff Total
Inter

Constraint

Keep total payroll burden manageable against the **\$21,300** fixed OPEX baseline.



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Phase 3: Operational Launch (Steps 6-7)

Theme: Race to Revenue.



Implement Tracking

Job costing for every dollar of **\$21.3k** fixed overhead. Tag costs to **Rent, Utilities, Supplies.**



Drive Visits

Goal: **154 visits/month** to cover non-wage costs.

Marketing Strategy
\$3,000 monthly retainer must yield pre-bookings.
Tactic: Hyper-local digital ads with "20% off first service" for bookings 30 days out.

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Critical Risk Assessment & Mitigation

Risk Category	Trigger Event	Mitigation Strategy
Construction Stalls	Funding runs dry mid-build.	Full \$562k secured in bank before signing (Step 3).
Wage Leakage	70% commissions erode margin.	Automated POS calculations & retail attachment incentives.
Low Volume	Failing to hit 154 visits/month.	Aggressive 20% off pre-booking incentives for professionals.

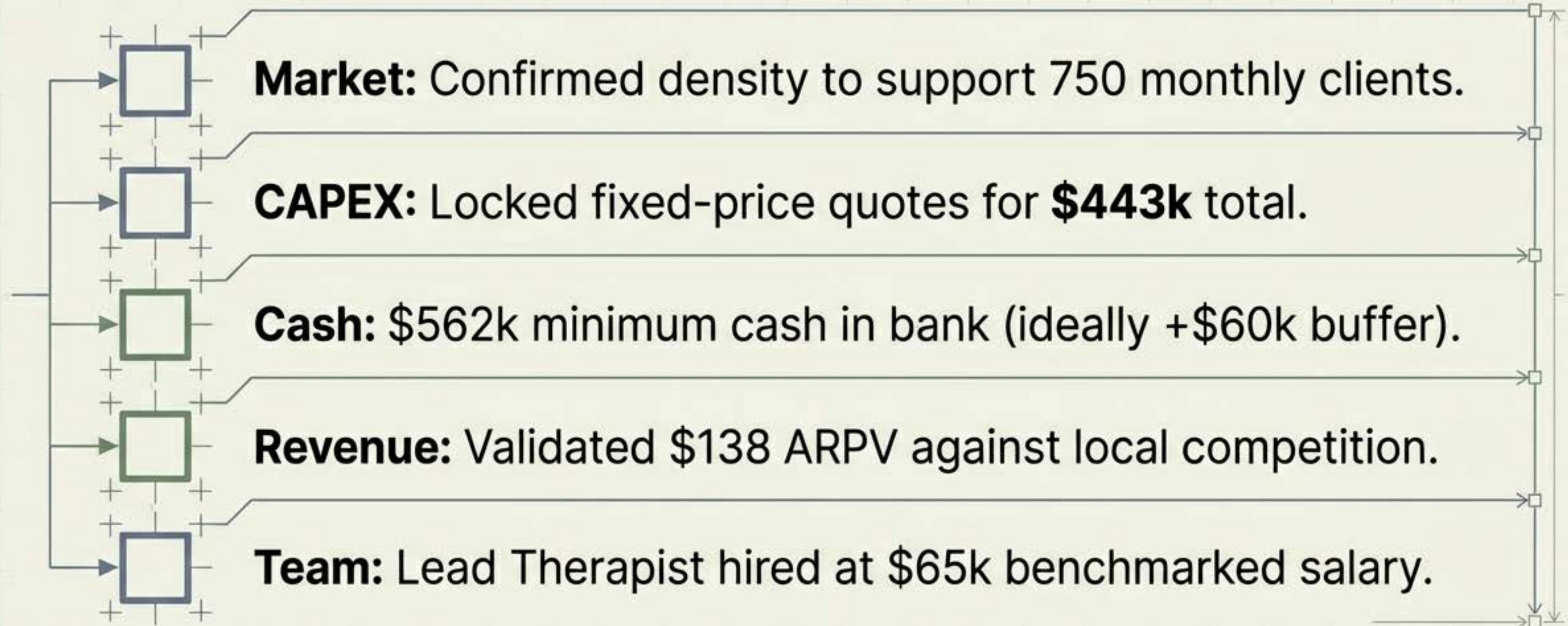


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Pre-Flight Checklist: The Go/No-Go Conditions



All systems must be green to initiate Q1 2026 build-out.



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The Financial Vision: Year 1 Outlook

Year 1 EBITDA Forecast
\$300,000

By rigidly adhering to the \$138 ARPV target and controlling the 70% commission structure.



Execute the Blueprint.



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Appendix: Detailed Financial Assumptions

Rent / Volume	\$12,000 Rent requires 750 clients/mo (\$103.5k Revenue)
Fixed OPEX	\$21,300/month (excluding wages)
Break-even Volume	~154 visits/month to cover Fixed OPEX
Marketing Efficiency	\$3,000 retainer must yield CPA < ARPV (\$138)
Price Sensitivity	10% conversion drop expected per \$10 price increase



PROJECT
Execute the Blueprint.

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