

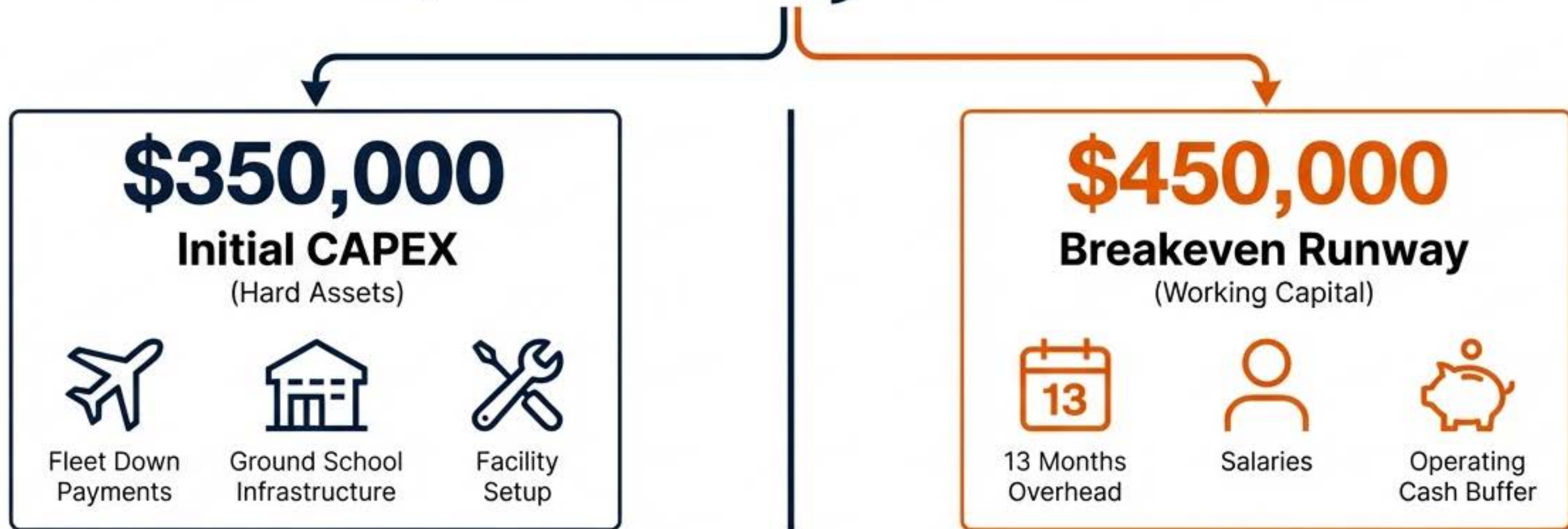
Flight School Startup Economics

Capital requirements and the
strategic path to profitability.



The Macro Financial Picture

\$800,000



Strategic Note: This \$800,000 total requirement is the absolute minimum capital needed to survive the pre-profitability ramp-up.

Surviving the 13-Month Breakeven Runway

Target Minimum Cash:

\$450,000

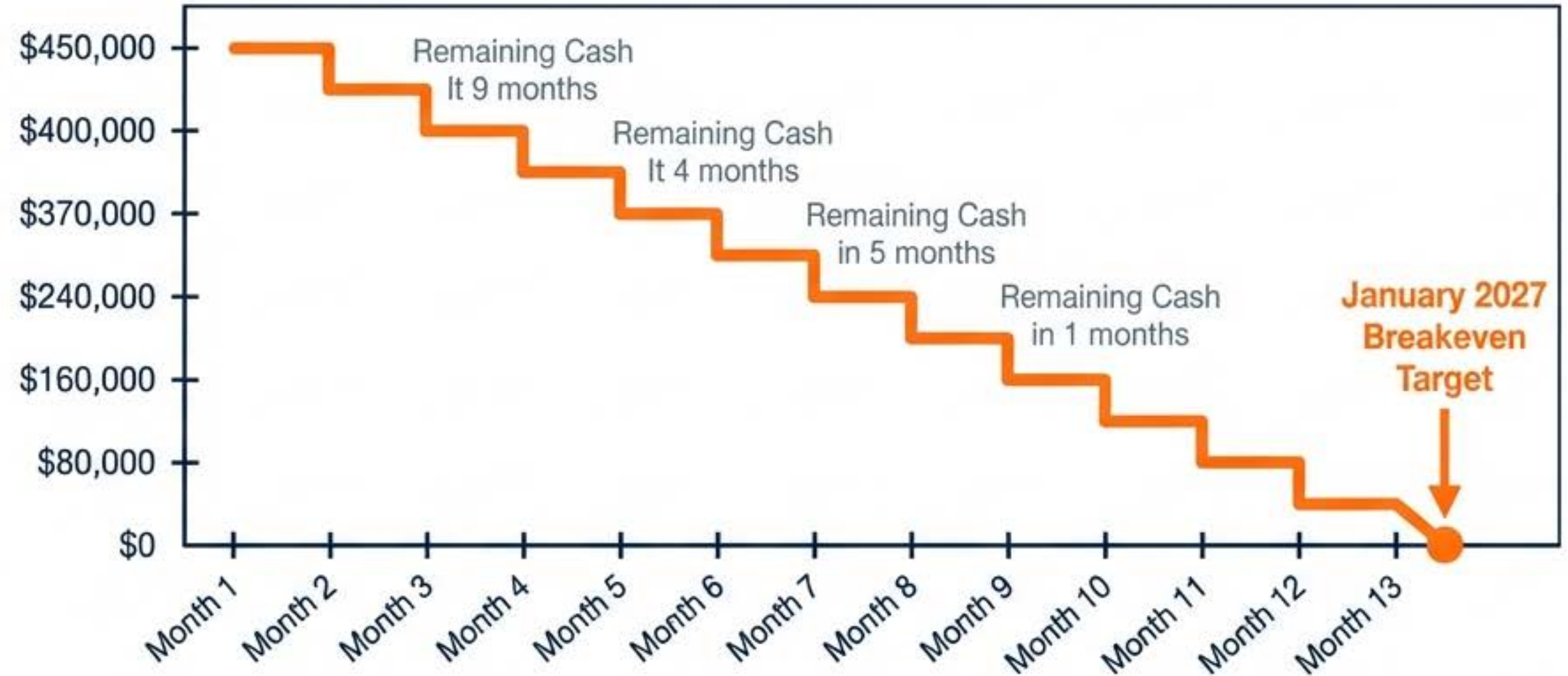


Monthly Fixed Burn:

\$16,000



$$\left[\begin{array}{l} \$12,000 \\ \text{Rent} \end{array} + \begin{array}{l} \$4,000 \\ \text{Fleet Insurance} \end{array} \right]$$



Strategic Playbook



- **Risk Factor:** If breakeven is delayed to 15 months, an additional \$69,000 minimum is required.
- **Runway Management:** Maximize early cohort occupancy, closely monitor student attrition, and focus sales on full-certification career-track students to shorten the burn period.

Cost 1: Securing the Fleet

Total Cost:

\$150,000

Category: CAPEX (Aircraft Down Payment)

Target: 2026 Launch

Strategic Playbook



- **The Reality:** This is a non-negotiable cash drain tied up in physical assets, not available for marketing or operations. Validating quotes early is critical.
- **Optimization:** Negotiate lower deposit requirements by offering longer lease terms or securing superior interest rates. Delaying past 2026 risks revenue pipelines.



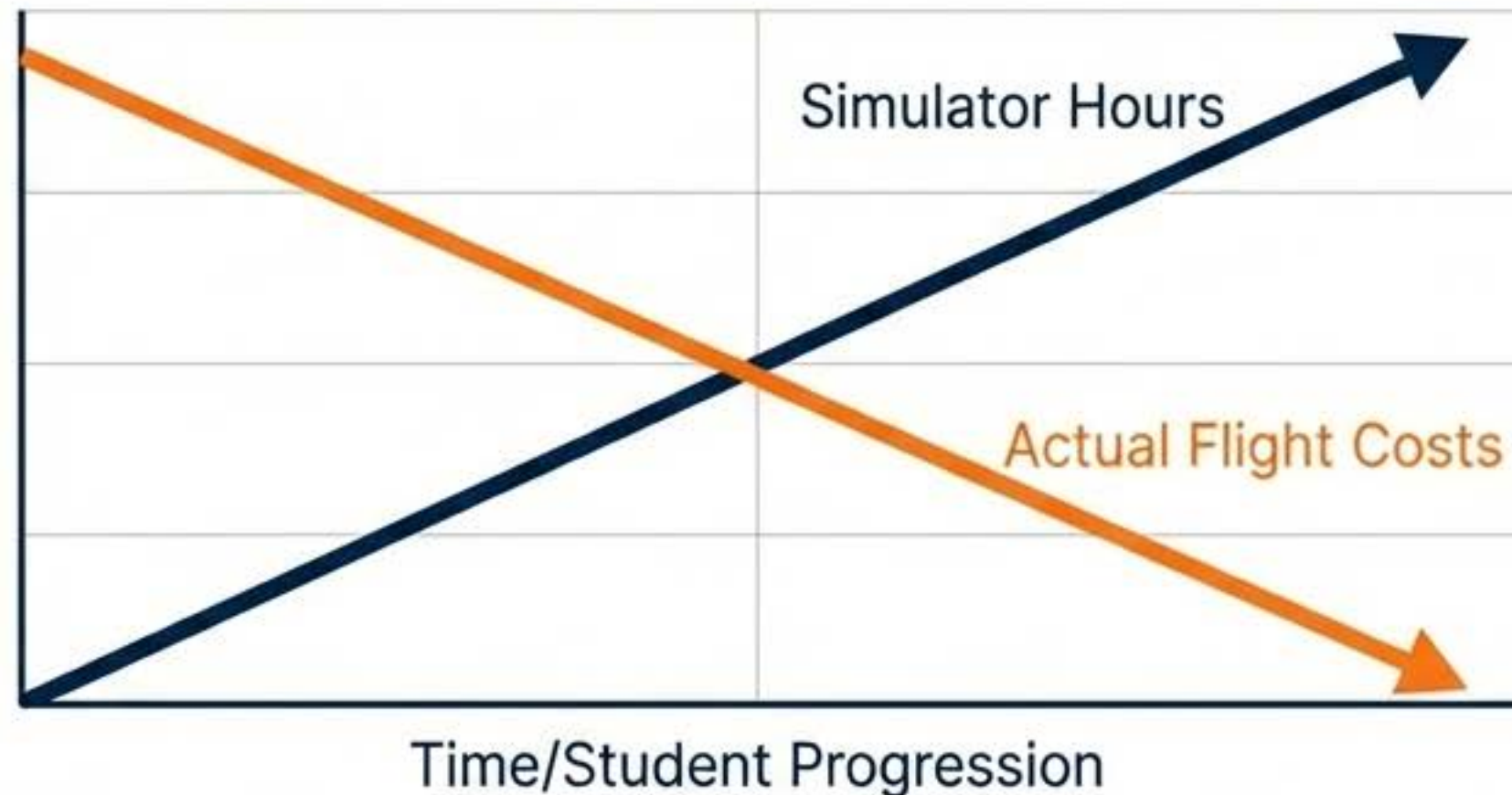
Cost 2: Displacing Variable Flight Costs

Total Cost:

\$80,000

Category: CAPEX (Flight Simulator)

Target: Q1 2026 (Feb-Apr)



Strategic Playbook

The ROI Math: To break even on this machine against a \$150/hour real flight cost, the simulator must successfully displace exactly 533 hours of actual flight time.

Deployment: Must be deployed by **April 2026**, preceding classroom setup, to maximize impact before student cohorts scale.

Cost 3: Securing the 90-Day Operational Buffer

Total Cost:
\$48,000

Category:
Working Capital
(Pre-Paid Fixed
Expenses)

Target:
Immediate Start

$$\left[\begin{array}{c} \text{Hangar icon} \\ \$12,000 \\ \text{Rent} \end{array} + \begin{array}{c} \text{Shield icon} \\ \$4,000 \\ \text{Insurance} \end{array} \right] \times \begin{array}{c} \mathbf{3} \\ \text{Months} \end{array} = \begin{array}{c} \mathbf{\$48,000} \\ \text{Base Safety Net} \end{array}$$

Strategic Playbook

- **Overhead Management:** You cannot cut compliance, but you can negotiate. Push for a **6-month annual premium discount** on insurance.
- **Facility Tactics:** Challenge hangar space requirements **immediately**; push to lease only 50% capacity during the initial ramp-up.

Cost 4: Funding the Initial Instructional Roster

Total Cost: \$31,667

Category: Working Capital
(Staff Wages Buffer)

Target: Pre-Launch



1 Chief Flight Instructor
\$90k annual / \$7,500 monthly



2 Certified Flight Instructors (CFIs)

Covers the
first 30 days

Strategic Playbook

- **Payroll Restraint:** Payroll eats cash fast. Delay full-time hiring until exactly 30 days pre-launch.
- **Contract Flexibility:** Utilize experienced contract instructors for early flights until the membership pipeline confirms steady revenue coverage.

Cost 5: Establishing Ground Operations

Total Cost: \$30,000

Category: CAPEX (Classroom & Office)

Target: February 2026



Administrative Hardware



Classroom Furniture



Initial Facility Fit-out

Strategic Playbook

- **Strict Functionality:** Avoid aesthetic overspending. Prioritize high-quality used administrative hardware.
- **Brand Deferment:** Delay non-essential cosmetic upgrades and branding until after initial revenue generation. Missing the Feb 2026 deadline directly delays revenue from the first cohorts.

Cost 6: Controlling Maintenance Margins In-House

Total Cost: \$25,000

Category: CAPEX
(Hangar Tools & Equipment)

Target: March 2026



In-House
Maintenance

Protected
Operational
Margins

External
Maintenance
Shops

Severe Margin
Erosion

Strategic Playbook

- **Procurement Phase:** Do not buy new. Source certified used/refurbished gear specific to GA standards. Bundle purchases with initial calibration services.
- **Capital Discipline:** Avoid purchasing overly complex, high-end diagnostic gear during the initial launch phase.

Cost 7: Building the Digital Revenue Backbone

Total Cost: \$15,000

Category: CAPEX
(IT & Scheduling Software)

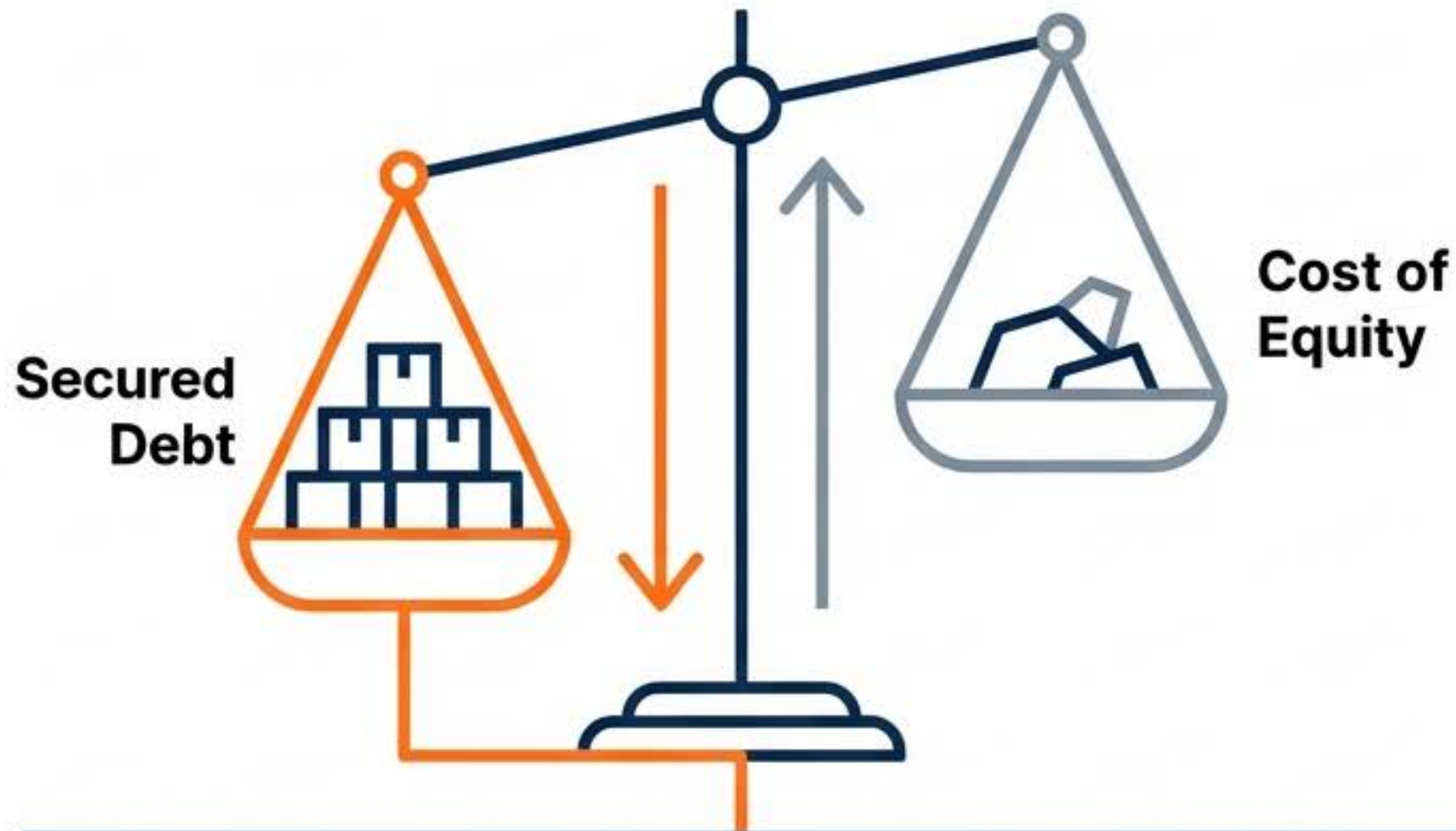
Target: Pre-2026
Launch



Strategic Playbook

- **Software Architecture:** Prioritize scalable SaaS platforms over bloated enterprise systems.
- **Cost Optimization:** Negotiate multi-year subscription rates to lock in savings. Implementation always takes longer than expected; deploy early to ensure student intake tracking is flawless.

Capital Structure Strategy



The Equity Problem

The projected 8% IRR falls severely short of typical early-stage equity investor hurdles (15% - 25% IRR).

Equity dilution will be excessively expensive for founders.

Strategic Playbook

- **Financing Levers:** Utilize secured debt for heavy physical assets (aircraft) to lower the weighted average cost of capital.
- **Risk Modeling:** Founders must calculate the Debt Service Coverage Ratio (DSCR), modeling monthly loan payments strictly against projected recurring membership streams.

Executive Summary

1

The Total Ask

\$800,000 total requirement, anchored by a minimum \$450,000 working capital survival buffer.

2

CAPEX Drivers

Initial capital expenditures demand \$350,000, heavily concentrated in aircraft down payments and simulator displacement.

3

The Profitability Timeline

Operations mandate a rigid 13-month runway, plotting breakeven precisely for January 2027.

4

Prime Cost Drivers

The dual pressures of a \$150k immediate fleet deposit combined with an inescapable \$16,000 monthly fixed burn rate.