

Step 20 · Break-Even

Frequently Asked Questions

How many customers or orders do coffee shops get each day?

There is no dependable universal number. Owners' reports vary with location, hours, food, season, and how long the business has operated. Keep customers, transactions, and drinks separate: one person can buy several drinks, and a group can pay together. Compare like periods and similar businesses, then use your own observations or results. For a new shop, test where practical and plan for slower demand; another shop's count is not your forecast.

What percentage of sales should rent be?

Use the ratio as a warning light, not proof that a site will work. Divide the same period's rent by sales, and state whether you also include property charges and utilities. Owners quote different percentages using different definitions. Build the full operating budget and test slower sales as well as your expected case. Doubling floor space does not mean doubling sales, and a low rent ratio does not guarantee profit.

How do I make financial projections when I have not opened yet?

Use quoted costs and clearly labeled sales assumptions. Show how orders, average spending, and selling days produce the revenue estimate, then test a slower start. Plan when money arrives and bills are due as well as whether sales cover expenses. Ask an accountant to check the structure; you still need to understand the assumptions. Replace estimates with actual results as trading begins.

How can I estimate sales before opening?

Build the estimate from plausible transactions and the average order you expect to sell, separated by day and service period. Check those assumptions against local observation, comparable businesses, and a permitted test. Include quieter periods and a slower opening. The sales needed to cover your costs are a target to test, not evidence that customers will spend that much. Keep enough flexibility to change the plan when the evidence is weak.

Have consequential forecasts and borrowing assumptions reviewed by an appropriate financial professional.

Educational guidance. Check your own circumstances with the appropriate local professional.