

# Profitability Analysis for Utopia Modern Salon Suites

## 1. Can You Afford to Work at Utopia?

### Simple Formula:

$$\text{Net Income} = \text{GWR} - (\text{WR} + \text{WE})$$

**GWR:** Gross Weekly Revenue

**WR:** Weekly Rent

**WE:** Weekly Expenses

### Example Calculation:

Let's say you're aiming for a net income that supports an annual take-home pay of \$100,000.

First, calculate your weekly take-home goal:

$$\text{\$100,000} \div 51 = \text{\$1,961 per week}$$

Assume the following:

**-Weekly Rent: \$300**

**-Weekly Expenses: \$500**

Plug these into the formula to find your necessary **Gross Weekly Revenue:**

$$\text{Required GWR} = \text{\$1961} + \text{\$300} + \text{\$500}$$

$$\text{Required GWR} = \text{\$2761}$$

So, to achieve a \$100,000 annual take-home, you need to generate at least \$2,761 in revenue each week.

## 2. Desired Take-Home Income

### Simple Formula:

$$\text{Required GWR} = \text{Desired Take-Home} + \text{WR} + \text{WE}$$

### Example Calculation:

If your goal is to take home \$100,000 a year:

1. Desired Weekly Take-Home: \$1,923

- 2. Weekly Rent: \$300
- 3. Weekly Expenses: \$500

Plug these into the formula:

$$\text{Required GWR} = \$1923 + \$300 + \$500$$

$$\text{Required GWR} = \$2723$$

So, you need to generate \$2,723 in weekly revenue to reach your goal.

Breaking it Down by Days Worked:

If you plan to work 5 days a week:

$$\text{Required Daily Revenue} = \$2723 \div 5 = \$544.60 \text{ per day}$$

You'd need to earn about \$545 per day to meet your \$100,000 annual take-home goal.

### 3. Run Your Own Numbers

Now it's your turn! Use the formulas below to calculate whether Utopia is the right fit for your financial goals.

#### Step 1: Desired Annual Take-Home Income

- Enter Your Desired Annual Take-Home: \$ \_\_\_\_\_
- Calculate Your Weekly Take-Home Goal  
Desired Take-Home  $\div$  52 = Your Weekly Take-Home

#### Step 2: Calculate Required Gross Weekly Revenue

- Weekly Rent: \$ \_\_\_\_\_
- Weekly Expenses: \$ \_\_\_\_\_
- Required GWR:  
Weekly Take-Home + WR + WE = Your Required GWR

#### Step 3: Determine Your Daily Revenue Target

- Enter Days You Plan to Work per Week: \_\_\_\_\_
- Calculate Your Daily Revenue Target:  
Required GWR  $\div$  Days Worked = Your Daily Revenue Target

Now you can clearly see what you need to earn each week and day to reach your financial goals at Utopia Modern Salon Suites. Play around with the numbers until you find the perfect fit for your business aspirations!