Bookstore Business Plan

Chamberí Reading Room

DOCUMENT GUIDE

Contents

Proposed independent bookstore in Chamberí Madrid

Prepared for a prospective sponsor and lender. Financial assumptions are illustrative and commitments remain subject to premises, demand, supplier and finance gates.

Executive summary....4
Business details....5
Business concept and objectives....6
Business model canvas....7
SWOT and longer term goals....8
TOWS strategy matrix....9
Owner and management....10
Owner and key personnel profiles....11
Target customers....12
Segmentation targeting and positioning....13
Value proposition canvas....14
Market size and trends....15
Market research and evidence....16
PESTLE analysis....17
Competitors and substitutes....18
Porter five forces....19
Strategy canvas....20
Location and premises....21
Equipment and systems....22
Products and services....23
Pricing and unit economics....24
Sales channels and fulfilment....25
Brand and customer experience....26
Marketing plan....27
Sales process and customer acquisition....28
Retention and ongoing sales....29
Daily operations and suppliers....30
Sustainability practices....31
Staffing and training....32
Staff skills and fair work....33
Legal and insurance requirements....34
Opening roadmap....35

Risks and management actions....36
Research and evidence....37
Quotes and assumptions....38
Model guide and completion....39
Startup costs and funding....40
Itemized startup costs....41
Owner personal survival budget....42
Financing terms and security....43
Revenue forecast and capacity....44
Costs and projected profit....45
Profit and loss forecast....46
Cash flow and financial position....47
Cash flow forecast months one to six....48
Cash flow forecast months seven to twelve....49
Financial position summary....50
Break even and scenarios....51

01 / STRATEGY

Executive summary

A proposed neighbourhood bookstore with an inventory and cash discipline

Chamberí Reading Room is a proposed Spanish limited company operating one independent bookstore in Chamberí, Madrid. The working offer is Spanish language adult fiction and non-fiction, children's books and selected standard stationery. The proposed 120 square metre shop has no awarded lease, named premises, supplied founder credentials, committed customers or secured finance. Food, alcohol, used books, publishing and paid education are outside the launch scope.

Launch is provisionally January 2027 after site, demand, distributor and finance gates. Base requires EUR 177,887 including a EUR 30,000 reserve target, with EUR 220,000 proposed funding and EUR 72,113 opening cash. First year net sales are EUR 360,477 with a EUR 32,357 net loss. Minimum cash is EUR 59,069. Downside reaches an unmet EUR 281,059 cash deficit and requires cancellation or a credible commercial redesign; no automatic additional funding is assumed.

Base forecast	**EUR or condition**
Proposed equity and debt	220,000 unapproved
Initial funding requirement	177,887
Opening cash	**72,113**
2027 net revenue	360,477
2027 net profit	(32,357)
Minimum cash	59,069
Downside unmet cash	281,059

02 / STRATEGY

Business details

The company identity and premises remain proposed

The working name is Chamberí Reading Room SL. Shareholder identity, contact details, beneficial owner records, registered address, bank account and incorporation evidence must be supplied by the actual sponsor. The plan does not invent a biography or professional qualification. A Spanish SL is the proposed model entity; actual tax registration and employment treatment require local review.

The retail range focuses on new books, special orders collected at the shop and stationery such as ordinary pens and notebooks. Special orders are already included in paid book baskets, so there is no second online uplift on the same sale. Free author conversations support marketing but create no forecast ticket revenue. Premises works and public events require confirmation of permitted activity and capacity.

03 / STRATEGY

Business concept and objectives

Test demand before ordering the opening backlist

The store aims to make local discovery and ordering convenient through curated shelves, staff recommendations and reliable collection notices. National publisher sales establish an active book sector but cannot validate this catchment's footfall, conversion, basket or achievable shop revenue. The selected neighbourhood still needs pedestrian counts, interviews and competing offer checks. [E3]

Before signing a long lease, the owner should complete twelve weekday and weekend counting sessions at each shortlisted site, interview thirty nearby readers and families, and obtain three distributor term sheets. These are validation tasks, not observations already made. A capital decision should use tested transaction ranges and an agreed rent rather than converting city population into buyers.

Gate	Evidence	Owner
Site	Measured layout and permitted use	Owner and surveyor
Demand	Observed counts and interviews	Owner
Stock	Distributor credit and returns terms	Lead bookseller
Finance	Committed funds and downside plan	Owner

04 / STRATEGY

Business model canvas

Nine blocks connect customer service with shelf capital

The central customer groups are nearby adult readers and households buying children’s books, with stationery a small complementary category. Value comes from useful recommendations and dependable special orders. In-store discovery and collection are channels; a permission-based reading list is a relationship tool. Publishers and distributors supply inventory; booksellers, shelves, catalogue records and cash are resources.

Revenue comes from three explicit transaction segments. The cost structure is product cost, paid staff, occupancy and administration. Free community events consume the existing marketing and staff budgets. The canvas’s weakest blocks are unconfirmed supplier terms and untested customer demand. Neither a generic industry margin nor a popular neighbourhood constitutes a signed commercial commitment.



Business model canvas for the proposed Madrid bookstore with planning assumptions disclosed

05 / STRATEGY

SWOT and longer term goals

Separate design strengths from unproven execution

S1 is a focused range with one stock and ordering workflow. S2 is a narrow food-free operating scope. W1 is no tested demand or contracted site; W2 is cash tied in unsold backlist and fixed payroll. O1 is the national publishing ecosystem, while O2 is the opportunity to serve recurrent local readers. These are context and hypotheses rather than claimed market advantages.

T1 is price-constrained competition and T2 is rising rent or weak conversion. The normal fixed book price regime limits most retail prices to 95–100 percent of publisher price, subject to statutory exclusions and exceptions. [E1] Three year goals are reliable stock turn, repeat relationships and debt service; a second shop needs separate evidence and is not built into this model.

Type	Finding	Action
S 1	Focused stock workflow	Track fulfilment and aged titles
W 1	Demand and site unverified	Validate before lease
W 2	Backlist absorbs cash	Limit reorder quantities
O 1	Active publishing ecosystem	Obtain distributor terms
T 1	Fixed prices and competition	Compete through service

06 / STRATEGY

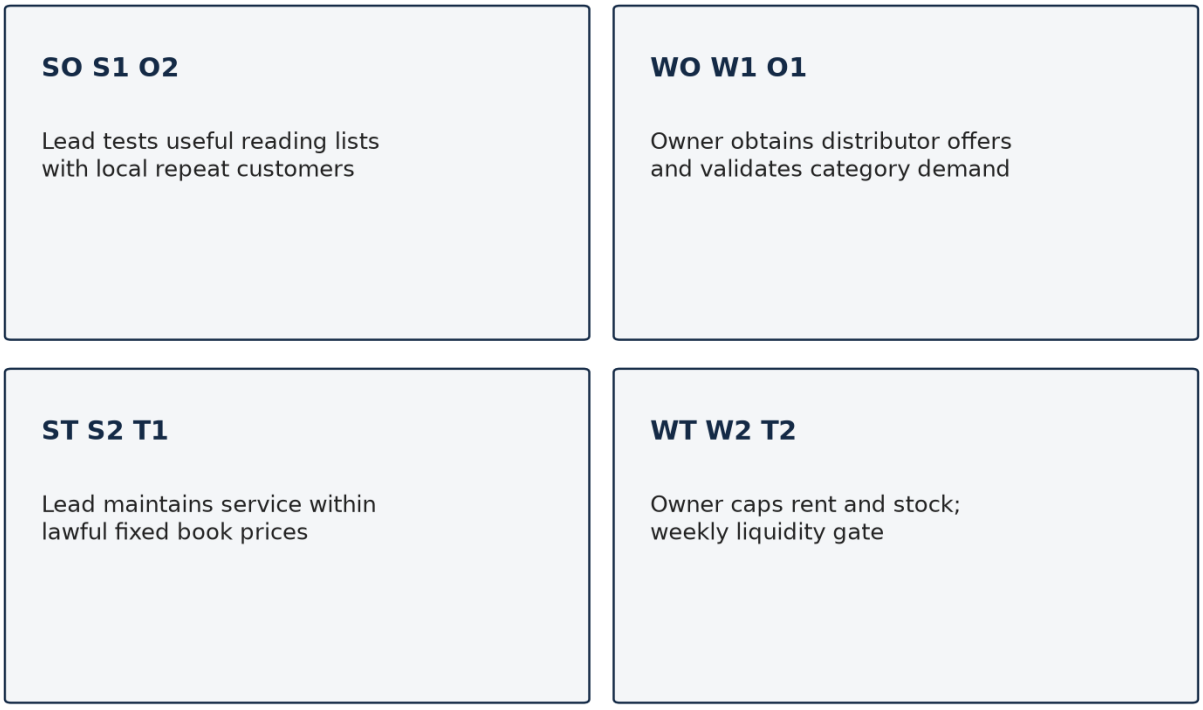
TOWS strategy matrix

Own the actions that follow from the SWOT

SO combines S1 with O2: curate monthly recommendations and test repeat purchase interest through opt-in customers. WO combines W1 with O1: use distributor catalogues and thirty interviews to test initial category selection before large stock orders. ST combines S2 with T1: focus service on compliant book selection and dependable collection, without financing a café or unauthorized discounts.

WT combines W2 with T2: cap rent and opening stock, review aged titles monthly and preserve a cash stop trigger. The owner owns rent and capital approval; the lead bookseller owns stock control and recommendation quality. Activities remain inside the launch setup and recurring marketing allowances. No extra strategy budget or unpaid specialist is implied.

Action	Owner	Gate
SO reading lists	Lead bookseller	Monthly existing marketing budget
WO category testing	Owner	Before opening stock
ST service standards	Lead bookseller	Before launch
WT cash and stock cap	Owner	Before lease and weekly review



TOWS strategy matrix for the proposed Madrid bookstore with planning assumptions disclosed

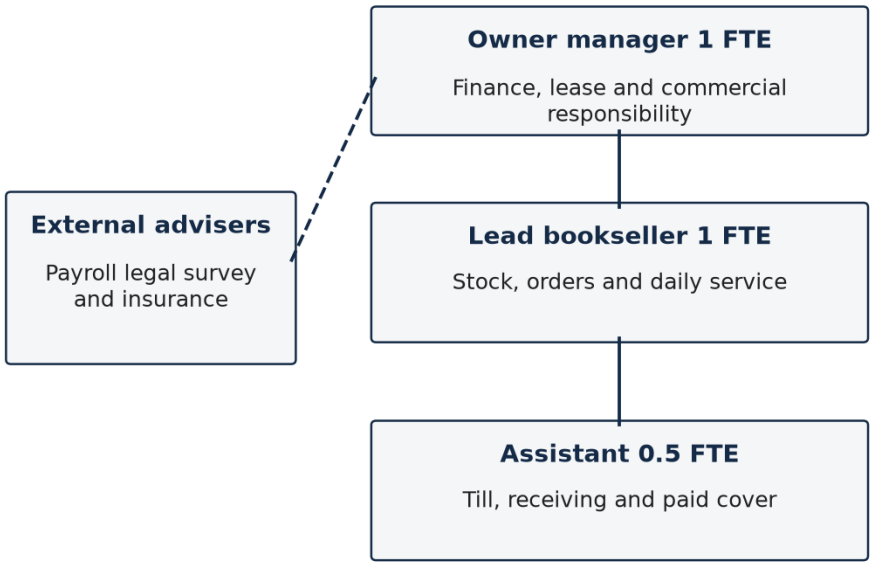
07 / STRATEGY

Owner and management

An owner manager and booksellers share the retail work

The proposed owner manager controls finance, lease, compliance, distributor negotiations and community relationships. A full time lead bookseller controls receiving, catalogue accuracy, stock ageing and customer service; a half time assistant supports busy retail periods and cover. All three roles are paid in the model. No actual founder competence or recruitment outcome is asserted.

External accounting, payroll, legal, premises survey and insurance support report to the owner as contracted advisers, not additional salaried managers. Solid organisation lines show the owner supervising the lead, who supervises the assistant and guides daily stock tasks; dashed lines distinguish external support. The owner must prove a workable roster with holidays and sickness cover.



Owner and management for the proposed Madrid bookstore with planning assumptions disclosed

08 / STRATEGY

Owner and key personnel profiles

Document selection requirements before a lender submission

The sponsor must provide verified identity, relevant retail experience, personal capital evidence, references and a realistic private survival budget. Experience gaps in buying or payroll should be addressed through recruitment or scoped advice. This plan names required capability rather than invented people or credentials.

The lead needs bookselling, receiving, stock reconciliation and customer ordering experience. The assistant needs till accuracy, receiving checks and accessible customer service skills. Gross wages and employer loading are budgeting allowances until actual contracts, applicable collective agreement, statutory contributions and working time obligations are checked. Unpaid owner labour is not a solution to weak margins.

Role	Required evidence	Status
Owner	Retail and financial competence	Not supplied
Lead bookseller	Buying and stock control history	To recruit
Half time assistant	Till and customer service capability	To recruit
Advisers	Scope, fee and registration	To appoint

09 / STRATEGY

Target customers

Local readers and families are the first validation segments

The primary segment is nearby adults seeking fiction and non-fiction, recommendations and convenient collection of special orders. The second is parents and carers buying children’s books. Selected stationery serves a smaller purchase occasion. Institutions and tourists may buy from the shop but no contracted school programme or tourism conversion is assumed.

Each segment maps to one transaction line in the workbook. A customer basket may contain multiple items; it is not a count of unique readers or individual book copies. Orders reserved for collection count as sales only when paid and collected in this planning model. Customer demand must be measured at the actual site rather than inferred from national publisher turnover.

Segment	Need	Driver
Adult reader	Discovery and reliable ordering	Paid adult book baskets
Parent or carer	Suitable children’s range	Paid children’s baskets
Stationery buyer	Convenient ordinary supplies	Paid stationery baskets

10 / STRATEGY

Segmentation targeting and positioning

A focused neighbourhood offer without invented competitor scores

Segmentation uses purchase purpose, proximity, category interest and ordering need. Adult readers and households are the primary targets; low value incidental stationery is complementary. No targeted discount programme for new books is assumed. Bookselling positioning must respect fixed publisher prices and qualify any lawful exception rather than importing promotion tactics from general retail. [E1]

For nearby readers seeking a useful local selection, Chamberí Reading Room proposes thoughtful recommendations and dependable collection within a focused catalogue. This is a design commitment to test through interviews and a controlled opening. It is not an assertion that existing stores lack these qualities. Customer retention will be measured from permission-based repeat relationships, not invented market survey ratings.



Segmentation targeting and positioning for the proposed Madrid bookstore with planning assumptions disclosed

11 / STRATEGY

Value proposition canvas

Link reader jobs to a specific service test

The selected reader wants to choose a satisfying book, obtain a particular title and buy an appropriate gift. Possible pains are overwhelming choice, unclear stock status and an inconvenient collection process. Proposed gains are a concise recommendation, honest availability and a reliable notice when an ordered book is ready. These are interview hypotheses, not quoted customer findings.

The offer supplies a curated range, searchable stock record, special order workflow and clear collection notice. The owner should test usefulness with thirty interviews and five sample recommendation sessions before opening. Record whether customers accept the publisher price and collection times; do not interpret polite interest as a paid order. Unavailable or late orders should be corrected through communication and cancellation rules.



Value proposition canvas for the proposed Madrid bookstore with planning assumptions disclosed

12 / STRATEGY

Market size and trends

National publishing data is context rather than a local retail market estimate

FGEE’s 2024 report records EUR 3037.5 million of domestic publisher turnover and EUR 1112.91 million through the independent bookstore channel. These are Spain-wide publisher-level figures in the report’s channel scope, not final consumer retail spending in Chamberí. The plan uses this dated report as context and does not claim it is a validated local TAM or the latest annual result. [E3]

TAM is the relevant Madrid retail market for the eligible book and stationery categories, currently unquantified. SAM is the customers reachable from the eventual Chamberí site, also unknown without a measured catchment and purchase survey. SOM is the proposed supply and sales scope: one shop, a mature Base assumption of 65 paid baskets a trading day and a provisional ceiling of 100. A forecast is not market share.



Market size and trends for the proposed Madrid bookstore with planning assumptions disclosed

13 / STRATEGY

Market research and evidence

Keep publisher context separate from site purchase behaviour

The research pack contains official fixed-price and VAT law, municipal activity requirements and the FGEE 2024 industry report. These sources explain constraints and broad context. They do not establish the proposed shop's conversion rate, stock margin, customer mix, rent or supplier return rights. No fieldwork results or commercial quotations have been provided.

The next evidence work is twelve counting sessions at each site, thirty customer interviews, three distributor offers and three premises comparisons. Record dates, weather, opening hours, pedestrian counts and competing uses. Test low, central and high paid transaction scenarios against observed conversion rather than using an optimistic single average. Store all signed evidence with the final investment file.

Research	Current evidence	Required test
Price	BOE fixed price law	Catalogue compliant prices
Tax	BOE VAT law	Adviser confirms category treatment
Demand	No local counts	Count and interview
Stock	No signed distributor terms	Credit returns and margin offers

EUR 1,112.91 million

2024 national publisher turnover through independent bookstores

FGEE channel measure E3; excludes stationery and is not local retail TAM

Site counts, conversion, supplier terms and paid demand remain unverified

Market research and evidence for the proposed Madrid bookstore with planning assumptions disclosed

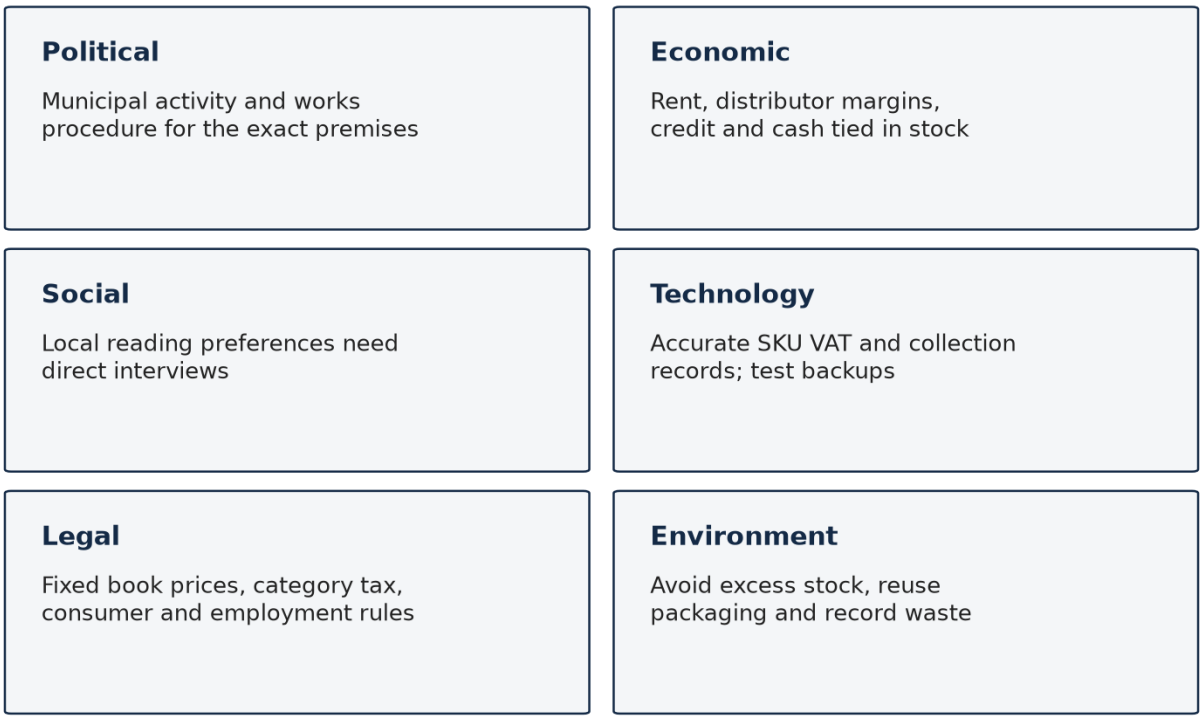
14 / STRATEGY

PESTLE analysis

Regulation, stock economics and local access shape the offer

Political conditions include municipal commercial policy and activity approval. Economic conditions include rent, wage costs, supplier margins and inventory holding. Social demand concerns local reading preferences and households; these need interviews. Technology supports accurate stock and collection notices, but a catalogue alone does not create a paid order.

Legal requirements include book pricing, VAT, employment, customer rights, data permissions and premises safety. Environmental priorities are sensible stock orders, packaging reuse and waste separation; no measured emissions reduction is claimed. Each PESTLE factor should lead to an owned control, with spending contained in the operational budget.



PESTLE analysis for the proposed Madrid bookstore with planning assumptions disclosed

15 / STRATEGY

Competitors and substitutes

Compare verified formats and terms rather than scoring quality

La Central’s official site is retained as a bookshop format reference; its current locations and service scope must be confirmed before a site-specific competition map is signed off. Chains, online book retailers, existing neighbourhood independents, libraries and second-hand exchanges are alternatives for readers. The store must test service usefulness against them without asserting superior selection or ratings. [E5]

Tipos Infames’ own current homepage announces the end of its operation. It is treated as a caution about local retail durability, not an active competitor copied from an older description. [E6] Customer interviews should ask where and why people currently buy, what delivery or collection terms they receive, and whether a new nearby shop would change paid behaviour. No competitor market shares are invented.

Alternative	Comparison needed	Response
Independent shop	Range and ordering terms	Focus useful catalogue
Chain	Availability and collection	Honest special order timing
Online retailer	Convenience and delivery	Local pickup workflow
Library or exchange	Borrowing and access	Serve purchase occasions

16 / STRATEGY

Porter five forces

Supplier terms and customer alternatives constrain contribution

Supplier power is significant because publisher prices and distributor discounts determine new-book contribution, while stock and return terms determine cash risk. Buyer power arises from numerous purchasing and borrowing alternatives. Rivalry centres on trust, range and convenience under a regulated pricing regime. Substitutes include libraries, digital reading and used-book exchanges.

Entry needs retail competence, compliant premises and enough shelf capital. The response is to obtain multiple distributor offers, restrict stock commitments and validate repeat local purchase occasions. No plan can remove rivalry merely through a free event calendar; events use paid staff and marketing capacity.

Force	Evidence basis	Response
Supplier	Fixed price law; terms unagreed	Compare distributor contracts
Buyer	Many available formats	Interview current purchase habits
Rivalry	Existing shops and online	Test service usefulness
Substitution	Borrowing and used books	Focus purchase occasions
Entry	Stock and premises capital	Validate before commitment



Porter five forces for the proposed Madrid bookstore with planning assumptions disclosed

17 / STRATEGY

Strategy canvas

Compare design commitments without invented performance ratings

The canvas compares the proposed local shop with a broad chain format and online retail across curated recommendations, local collection, catalogue breadth and immediate delivery. The proposal commits to recommendations and collection; breadth is deliberately selective and delivery is excluded at launch. Competitor features remain unverified unless established from their own current service pages.

This is a comparison of design choices and evidence status, not a numerical superiority claim. The owner should collect three actual comparison orders before choosing service promises. If the proposed catalogue and collection process do not matter to local readers, change the range or reconsider the site rather than adding unsupported marketing claims.

	Advice	Collection	Breadth	Delivery
Proposed local shop	Planned	Planned	Selective	Excluded
Broad chain format	Unverified	Unverified	Unverified	Unverified
Online retailer	Unverified	Unverified	Unverified	Unverified

Design commitments only; no measured competitor performance ratings

Strategy canvas for the proposed Madrid bookstore with planning assumptions disclosed

18 / OPERATIONS

Location and premises

A proposed 120 square metre shop needs a measured site

Chamberí is the working Madrid district, but no address or signed lease is selected. The 120 square metre floor area and EUR 3200 monthly rent are assumptions for model testing. The eventual layout must allow accessible circulation, shelving, till and collection space, a receiving and stock area, toilets where required and a small controlled gathering area.

Madrid's activity and works procedure depends on the exact use and works under municipal rules; a declaration is not proof that any shortlisted shop complies. [E4] Obtain a survey and permitted-use review before deposit and capital orders. Free events need an approved occupancy and noise approach. The conceptual diagram is not an architectural drawing or a fire capacity certificate.



Location and premises for the proposed Madrid bookstore with planning assumptions disclosed

19 / OPERATIONS

Equipment and systems

Shelves and reliable stock records carry the operating investment

The capital allowance is EUR 30000 fit out, EUR 18000 shelving, EUR 6000 POS and hardware, and EUR 6000 safety and accessibility work, all net of applicable VAT. These are unquoted classes with editable sixty month useful lives. They do not include stock, which is a separate working capital asset. Actual premises survey and installer quotations may change the requirement.

The POS must maintain ISBN or SKU, cost, category VAT, location, receiving, shrinkage and sale records. A special order log tracks customer permission, distributor availability and collection. The owner reconciles till totals and bank settlements, while the lead reconciles physical stock. Backups, access permissions and exported records need tests before launch.

Class	Net allowance EUR	Treatment
Fit out	30000	Capital
Shelves	18000	Capital
POS hardware	6000	Capital
Safety access	6000	Capital
Opening inventory	50000	Separate stock asset

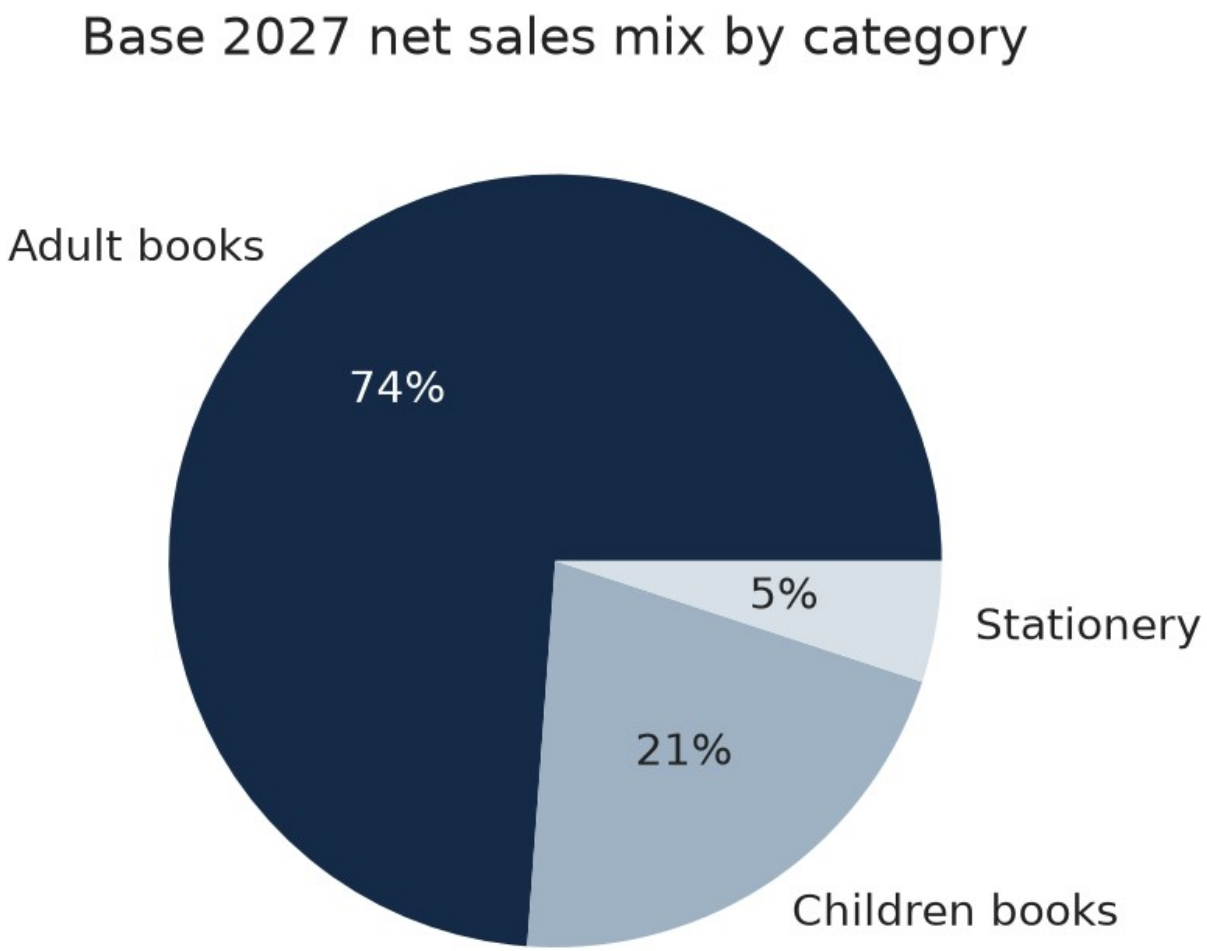
20 / OPERATIONS

Products and services

Three basket segments keep the revenue build transparent

The proposed mix is seventy percent adult new-book transactions, twenty percent children’s book transactions and ten percent stationery transactions. Base average book basket is EUR 25 net of four percent VAT, and stationery basket EUR 12 net of twenty one percent VAT. These are catalogue-mix assumptions, not observed basket values or permissions to choose a publisher price.

Book purchase gross margin is a proposed thirty six percent before staffing, write-downs and card costs; stationery margin is fifty percent. Distributor invoices must validate this assumption category by category. Orders collected at the shop remain part of their original segment. Free events and recommendations have no separate forecast service revenue; no coffee sales, memberships or school contracts are invented.



Base 2027 verified net sales mix by category

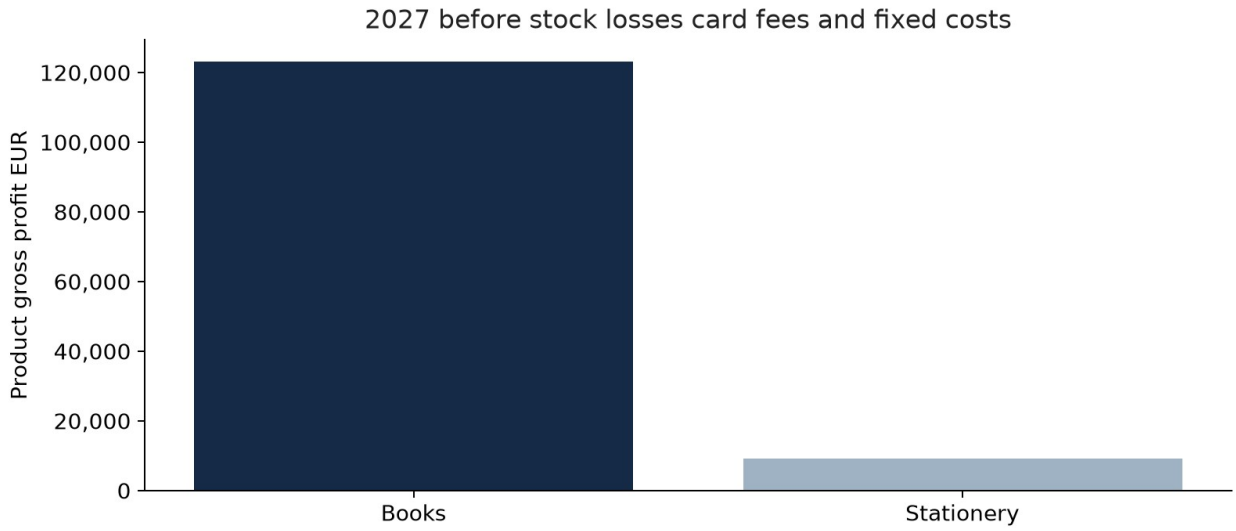
21 / OPERATIONS

Pricing and unit economics

Publisher prices constrain promotions and contribution

Qualifying new books generally sell at 95–100 percent of the publisher-fixed retail price under Spanish law. Specific exceptions need classification and records; the forecast assumes no special discount event. Standard stationery may use its own price policy, but ordinary retailer product pricing cannot be applied indiscriminately to new books. [E1]

Contribution comes from a negotiated distributor discount, catalogue mix and stock discipline. The model includes product cost and recurring inventory write-downs before operating profit. A basket increase means different catalogue prices or contents, not a blanket new-book markup. Assess customer affordability using actual gross retail prices including VAT before finalising the opening range.



Base 2027 product gross profit before stock losses card fees and fixed costs EUR

22 / OPERATIONS

Sales channels and fulfilment

Count one paid sale once across discovery and collection

The launch channel is the physical shop, supported by telephone or email availability enquiries and a simple catalogue or reading list. A customer may reserve a special order for collection; the plan counts the sale when paid at collection and does not add a second online-order uplift. Shipping and courier delivery are excluded until their cost and return processes are modelled.

Staff confirm supplier availability and realistic collection dates before accepting a promise. Uncollected reserved stock should be reviewed weekly. Any later online payments or gift cards create different liability, refund and settlement requirements and need a refreshed model. The plan does not treat future website traffic, newsletter sign-ups or event attendance as revenue.

23 / OPERATIONS

Brand and customer experience

Useful recommendations and clear availability make the promise

The working identity is descriptive and requires trademark and domain checks before public use. The customer journey is discovery, recommendation or title request, availability confirmation, purchase or collection, and after-sale support. Each handover should state the total price, fulfilment timing and customer options if the promised title is unavailable.

The lead owns recommendation quality and stock accuracy. The owner owns complaints, refunds and privacy controls. Opening service targets should be a correct stock record and documented order status, then measured through real transactions. No observed satisfaction score or competitor rating is asserted. Recommendation quality should be evaluated through repeat use and customer feedback, not invented testimonials.



Brand and customer experience for the proposed Madrid bookstore with planning assumptions disclosed

24 / OPERATIONS

Marketing plan

Use small tests inside the verified marketing budget

The launch allowance is EUR 1500 within setup, with EUR 450 recurring monthly marketing in Base. Proposed activities are a local opening notice, small printed reading lists, permission-based email and free author conversations where permitted. No paid event fee, celebrity endorsement, automatic publisher subsidy or guaranteed advertising return is assumed.

Measure each activity by traceable paid purchases and repeat relationships rather than impressions alone. Small tests should stop if contribution does not cover spending. Staff preparation and event cover use existing paid hours, so the owner must plan capacity before adding events. If demand misses the model ramp, revisit site, range and opening hours before increasing advertising commitments.

25 / OPERATIONS

Sales process and customer acquisition

Convert interest into paid baskets with an auditable handover

A browsing customer receives a short needs question and a small suitable selection. A special order enquiry receives a supplier check and written collection estimate. At checkout, the till records category, gross price and VAT correctly. Only paid transactions enter sales; interviews, email subscribers and reserved titles are separate operational evidence.

The owner reviews baskets by category, returns, uncollected orders and marketing source weekly. Base mature demand is a hypothesis of sixty five baskets per trading day across twenty six days, ramping from half that level over twelve months. The shop should compare actual paid sales and cash with the verified forecast and EBITDA break even threshold. Footfall alone does not produce contribution.

26 / OPERATIONS

Retention and ongoing sales

Earn repeat visits without assuming a membership revenue line

Retention relies on honest recommendations, dependable orders and suitable changes to the selection. Customers may opt into reading lists and collection notices; consents and unsubscribe requests must be recorded. No paid membership, loyalty discount beyond legal limits or independent retention-rate driver appears in the launch forecast.

The lead reviews repeated requests and aged stock together. The owner reviews whether repeat purchases justify the buying range and fixed opening hours. Free conversations can build relationships but must not hide cost. If repeat demand remains weak, reduce exposure to slow stock and renegotiate feasible occupancy costs before unrestricted cash falls below the decision threshold.

27 / OPERATIONS

Daily operations and suppliers

Receiving and stock control determine whether contribution becomes cash

Before opening, staff check tills, collection orders and reserved titles. Deliveries are matched to purchase orders and invoices by SKU, quantity, condition, net cost and VAT category. The lead records stock location and discrepancies promptly; the owner authorises supplier payments and unusual stock adjustments. Closing reconciles sales, cash and card settlement.

Opening stock is owned inventory, not assumed consignment. Distributor credit and sale-or-return rights are unagreed. The forecast purchases stock to replenish cost sold and write-downs, while retaining a backlist minimum; it never assumes a cash refund for returning slow titles. Multiple suppliers reduce reliance on one fulfilment route, but every actual contract needs credit, freight, returns and damaged-goods terms.

28 / OPERATIONS

Sustainability practices

Reduce avoidable stock waste without inventing carbon savings

Order quantities should reflect demonstrated sell-through and available returns rights rather than the desire to fill every shelf. Reuse clean delivery packaging where suitable and separate paper, card and other waste under local requirements. Consolidating supplier orders may reduce handling effort, but no measured emissions saving is claimed.

Monthly stock ageing highlights poor selections and damage. The write-down allowance is a financial recognition of inventory loss, not a cash reserve or an approved disposal channel. Unsold owned stock remains capital at risk. Donation, returns and recycling must be recorded with their actual costs and permissions; no forecast recovery proceeds are assumed.

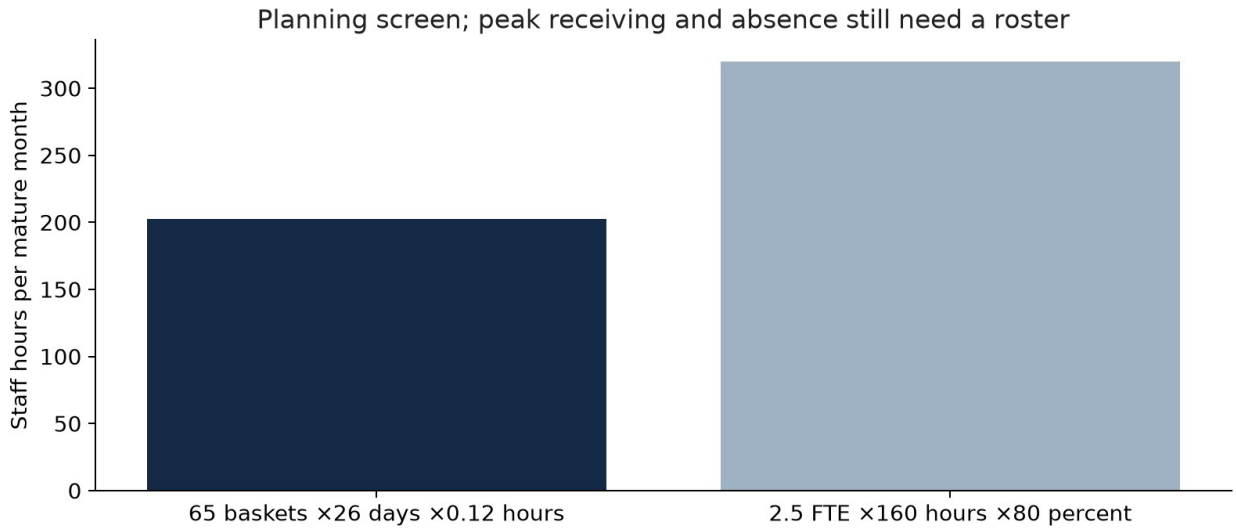
29 / OPERATIONS

Staffing and training

Paid labour must cover the shop and stock work

Base staffing is one full time owner manager, one full time lead bookseller and a half time assistant. Gross monthly pay is EUR 2500, EUR 2200 and EUR 900 respectively, with a thirty two percent employer cost allowance and three percent annual wage growth. This allowance is not a verified statutory payroll calculation. The same core team remains paid in Downside.

Capacity uses 160 paid monthly hours per full time equivalent less twenty percent for absence, administration and receiving, with a provisional 0.12 staff hours per transaction. This average screen does not prove a safe forty eight hour weekly shop roster. The owner must show breaks, holidays, concurrent receiving and peak coverage before promising hours. Payroll is not cut automatically to manufacture profitability.



Mature Base basket workload and available paid hours with roster caveat

30 / OPERATIONS

Staff skills and fair work

Recruit for customer service and accurate inventory records

Training covers category VAT, fixed book price rules, receiving, cash reconciliation, order status, customer rights, accessible service and data permissions. Practical observation and recorded checks matter more than course attendance. The lead should demonstrate how to correct a stock mismatch and an unavailable customer order.

Employment contracts, applicable collective agreement, working time, statutory contributions and personal tax need local confirmation. The owner must arrange paid absence cover and fair scheduling; informal unpaid labour is not included. Workload indicators are a planning tool, and a growth case reaching capacity must add paid cover or restrict transactions before service promises exceed staff availability.

31 / OPERATIONS

Legal and insurance requirements

Review the exact premises and trading categories before launch

Before trading, confirm incorporation, tax registrations, municipal activity and works procedure, accessibility, fire and occupancy requirements, customer pricing and returns information, data permissions and employment obligations. Madrid’s licence or declaration route depends on the actual premises and activity, so no automatic permit approval is implied. [E4]

Book prices and category VAT must follow their applicable rules. The proposed SL uses general VAT treatment; it is not an individual trader automatically assumed to be under the retail equivalence surcharge regime. An adviser must confirm entity and tax details. Insurance quotations should cover owned stock, premises liability, employees and disruption within the actual exclusions. No insurance policy or commercial quote has been supplied.

32 / OPERATIONS

Opening roadmap

January 2027 is conditional on evidence and readiness

October 2026 is for site counts, interviews, distributor offers and sponsor evidence. November is for conditional lease terms, premises review, financial verification and actual funding terms. December is for authorised fit out, systems, initial buying and training only if the earlier gates pass. January 2027 is the provisional launch, with demand still to be proved.

Base preopening cost includes two rent and interest months. Downside includes a longer cost stress but uses the same nominal operating horizon for comparison; this is not a claim that approvals or trading start on schedule. If the opening date changes, refresh the editable start input, staffing, capital payment and tax schedules together before relying on the investment decision.

33 / OPERATIONS

Risks and management actions

Stock and fixed commitments need explicit stop triggers

The largest risks are weak paid conversion, an unaffordable lease, insufficient distributor margin and unsold stock. Price regulation limits discount-led responses, while paid staff and rent continue when baskets are weak. No automatic owner cash injection or new borrowing is assumed to repair a bad operating case.

The owner reviews cash weekly and stock ageing monthly. Below the EUR 30000 target, stop nonessential stock commitments and seek feasible cost reductions. Base minimum cash is EUR 59,069, while Downside needs EUR 281,059 additional cash merely to stay above zero. The fixed staff team remains paid in all cases. Cancellation before commitments or a validated redesign is preferable to accepting this uncovered operating path.

34 / EVIDENCE

Research and evidence

Official rules are established while local demand is not

The retained primary sources cover the Spanish fixed book price law, qualifying book VAT, Madrid activity and works procedure, national publishing context and current bookshop format information. Evidence gaps include the exact site, footfall, conversion, catalogue basket, supplier credit and returns, personal qualifications and finance. Source dates and scope matter.

The 2024 FGEE report provides a dated publisher turnover context. It is not an estimate of 2027 consumer purchases or this neighbourhood's market. The municipal 2025 city population is context only and will not be multiplied by an invented purchase rate. All commercial terms remain allowances until signed evidence is available.

E1 Fixed book pricing law: normal retail range 95–100% of publisher price; exceptions require qualification
https://www.boe.es/buscar/act.php?id=BOE-A-2007-12351

E2 VAT law: qualifying books 4%; ordinary stationery and eligible capital/overhead 21%
https://www.boe.es/buscar/act.php?id=BOE-A-1992-28740

E3 FGEE 2024 domestic publisher sales context; not local retail market size
https://federacioneditores.org/wp-content/uploads/2025/10/Comercio-Interior-2024_Interior.pdf

E4 Madrid activity and works procedure: route depends on exact premises and scope
https://sede.madrid.es/portal/site/tramites/menuitem.62876cb64654a55e2dbd7003a8a409a0/?vgnextchannel=04e8a38813180210VgnVCM100000c90da8c0RCRD&vgnextfmt=default&vgnextoid=0e615339c8bf8310VgnVCM2000000c205a0aRCRD

E5 La Central: current bookseller format reference; confirm local competitive details
https://www.lacentral.com/web/librerias/Callao/

E6 Tipos Infames: homepage announces closure; not assumed to be an active competitor
https://www.tiposinfames.com/

E7 Madrid 2025 registered population 3,527,924: city context, not catchment demand
https://diario.madrid.es/blog/notas-de-prensa/madrid-consolida-su-crecimiento-economico-y-de-creacion-de-empleo-durante-el-ano-2025/

35 / EVIDENCE

Quotes and assumptions

Replace commercial allowances with dated written offers

The plan needs premises rent and survey quotes, distributor category margins and freight, payment days, stock return rights, fit out, shelving, POS, insurance and payroll proposals. A purchase margin in a reference workbook is not an agreed wholesale discount. No supplier quotation or lease award is presented as already obtained.

Retain dates, validity, scope, VAT, exclusions, timing and cancellation rights for each actual offer. A local adviser must verify the proposed SL’s VAT, payroll and corporate tax treatment; conservative tax budgeting will not imply statutory relief eligibility. Any material assumption change requires the model, narrative and charts to be refreshed together.

36 / EVIDENCE

Model guide and completion

One verified 36 month model feeds all financial figures

The final workbook is version 1.0 in EUR with thirty six monthly periods January 2027 to December 2029 and three operating year summaries. Sales, inventory and goods VAT, paid staffing, capital lives and debt feed linked statements, annual results and Dashboard. All periods link to the active operating start date.

Cases are evaluated snapshots with a weighted input fingerprint. After editing a source driver or capital cost or life, rerun retained build_model.mjs --refresh-current to load the edited workbook and refresh snapshots and JSON, then rebuild Word and charts. Meaningful basket and useful life changes, zero demand and blank price boundaries are tested. Independent stock, cash and balance sheet checks and native-engine all-case recalculation accompany the output. The reference was rebuilt, not imported.

37 / FINANCE

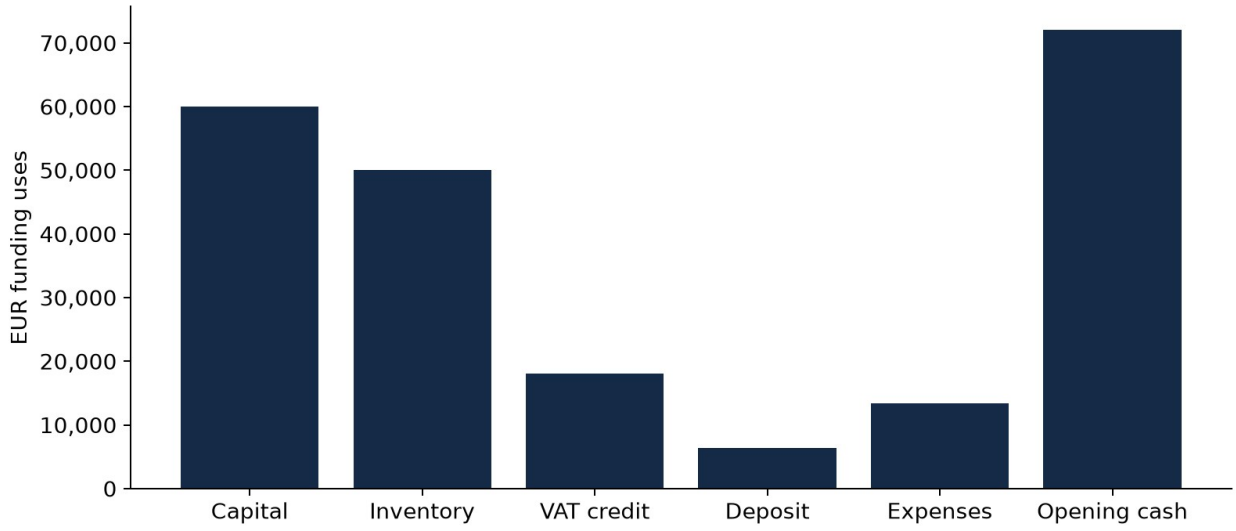
Startup costs and funding

Proposed capital is not secured

Startup funding covers capital, owned opening inventory, recoverable VAT, refundable lease deposit and preopening expenses. The reserve target is a funding use, not an additional expense. The owner proposes EUR 180000 equity and EUR 40000 debt; neither source is approved or committed.

Base spends EUR 147,887 before operations and retains EUR 72,113 cash from the proposed EUR 220000 sources. Including a EUR 30000 reserve target, initial funding need is EUR 177,887. Actual lease, supplier and capital quotations must replace the allowances before commitment. Downside uses the same proposed sources and reports additional needs rather than filling them automatically.

Funding and uses	EUR
Preopening spending	147,887
Initial funding requirement	177,887
Equity proposed	180,000
Loan proposed	40,000
Opening cash	**72,113**



Base startup uses and retained opening cash EUR

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

38 / FINANCE

Itemized startup costs

Keep owned stock separate from capital and expense

Initial capital is EUR 60000 net: fit out 30000, shelving 18000, POS 6000 and safety access 6000. Useful lives are editable and set at sixty months for Base. Owned opening books cost EUR 45000 net and stationery EUR 5000; these are inventory assets, not immediate product expenses. They are paid before launch.

The refundable deposit is EUR 6400. Setup includes EUR 1500 launch marketing. Recoverable VAT on books uses four percent, while stationery and eligible capital, setup and rent use twenty one percent. Initial stock is owned rather than assumed consignment. No supplier return credits or VAT refund cash are assumed. Preopening expenses create retained and tax losses.

Use	Net EUR	Basis
Fit out	30,000	Capital
Shelves	18,000	Capital
POS hardware	6,000	Capital
Safety access	6,000	Capital
Opening books	45,000	Owned inventory
Opening stationery	5,000	Owned inventory
Lease deposit	6,400	Refundable asset
Setup training	6,000	Expense
Preopening rent	6,400	Expense
Preopening interest	433	Expense
Loan fee	600	Expense
Recoverable VAT	18,054	Tax asset
Cash spending	**147,887**	**Preopening total**

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

39 / FINANCE

Owner personal survival budget

An illustrative private budget links to paid owner compensation

The model pays the owner EUR 2500 monthly gross plus the same employer allowance as staff. Eighty percent illustrative personal net retention implies EUR 2000 before actual payroll and tax circumstances are checked. This is a planning estimate rather than a payslip calculation.

The illustrative private monthly spending budget is EUR 2000 with no reliable other income. Housing 900, food 350, transport 180, health insurance 170, dependants or debt 250 and contingency 150 total that amount. It must be replaced with actual circumstances before a guarantee or personal commitment. No dividends are forecast and the shop does not pay private household costs directly.

Personal item	Monthly EUR
Housing utilities	900
Food household	350
Transport	180
Health insurance	170
Dependants debt	250
Contingency	150
Total net budget	2000
Gross owner pay	2500
Estimated net at 80 percent	2000

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

40 / FINANCE

Financing terms and security

Equal principal over thirty six operating months

The proposed EUR 40000 loan has a fixed annual 6.5 percent Base rate with thirty six equal principal payments and no grace. Interest applies to opening monthly debt. The 1.5 percent arrangement fee is EUR 600 and preopening interest covers two Base months. None of these terms is approved by a bank.

Collateral, guarantee, lender covenants and actual loan availability remain unknown. Owned stock is not automatically collateral at retail value, and book returns are not certain cash. Negative Downside cash is an unfunded need, not an approved overdraft. The sponsor must demonstrate liquidity and an exit approach before taking fixed obligations.

Term	Proposed value
Opening loan	EUR 40000
Annual interest	6.5 percent allowance
Amortisation	36 equal principal payments
Grace	None
Fee	EUR 600
Approval and security	Not supplied

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

41 / FINANCE

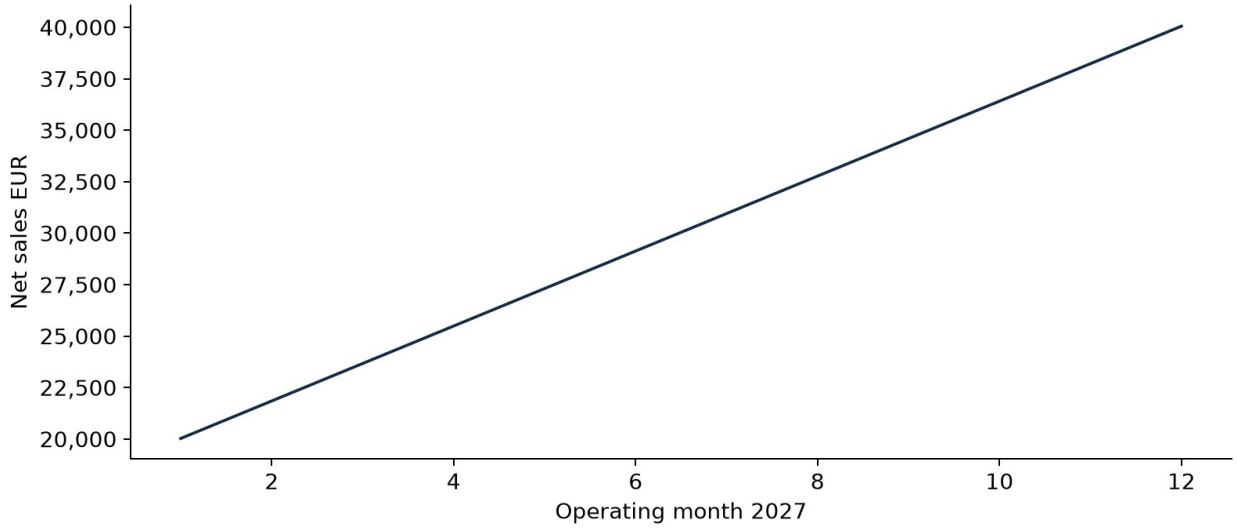
Revenue forecast and capacity

Paid baskets and catalogue mix drive sales within capacity

Base mature demand is sixty five baskets daily across twenty six trading days, opening at half that level and reaching maturity over twelve months. The mix is seventy percent adult books, twenty percent children books and ten percent stationery. Net basket is EUR 25 for books and EUR 12 for stationery; prices refer to lawful catalogue contents, not a retailer markup.

Year two and three volume grows three percent annually and catalogue basket mix two percent. Daily baskets are capped at the lower of one hundred and available paid workload hours. Special orders count once in their category. No seasonal footfall pattern, paid event income, delivery revenue or observed conversions are invented.

Metric	2027	2028	2029
Net revenue	360,477	504,956	530,507
EBITDA	**(18,155)**	**29,293**	**34,178**
Net profit	**(32,357)**	**15,956**	**21,708**



Base net monthly sales January to December 2027 EUR excluding VAT

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

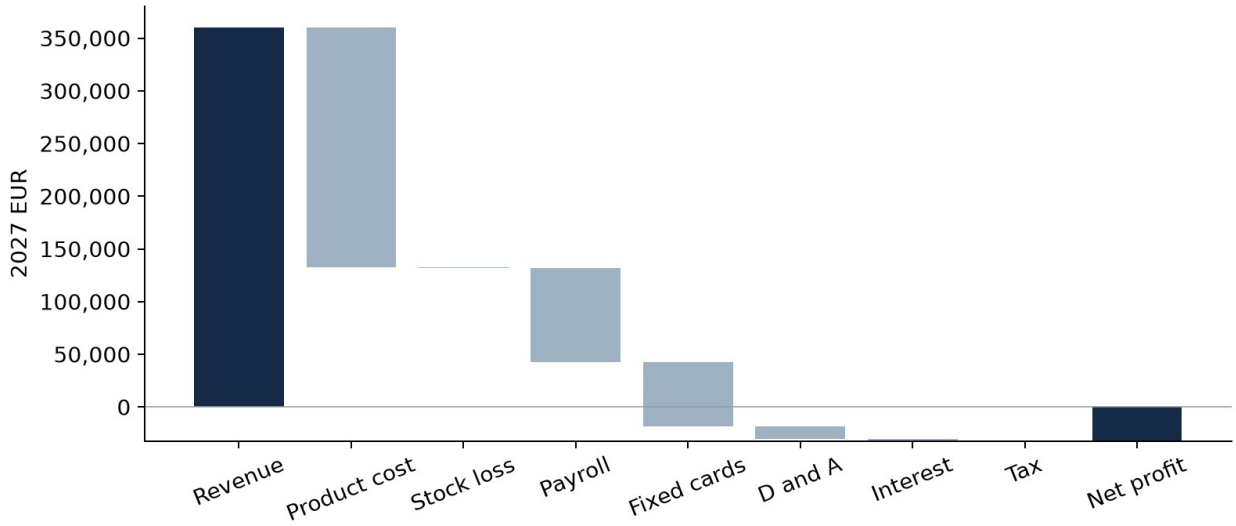
42 / FINANCE

Costs and projected profit

Product margin and stock losses precede fixed labour and rent

Book cost sold is sixty four percent of book net revenue in Base; stationery cost is fifty percent. Inventory write-downs are two percent annually on opening owned stock, applied monthly. Cash buys replacement goods, which can differ from cost sold as the opening backlist unwinds. No uncertain return refund is used to create contribution.

Owner, lead and half time assistant pay with employer load are fixed operating costs. Rent and other overhead are explicit monthly allowances rather than a percentage of sales. Card expense uses gross customer sales. Insurance has no input VAT assumed; eligible overhead uses twenty one percent. The profit bridge includes all of these costs from the same statement results.



Base 2027 revenue to net profit EUR from linked monthly results

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

43 / FINANCE

Profit and loss forecast

Three operating years follow the same monthly model

Sales are net of VAT. Product cost, stock write-downs and card charges respond to operating drivers; paid staffing and occupancy remain in Downside. Capital depreciation follows the useful life of each asset class. Equal principal reduces interest through the horizon, while debt principal and inventory purchases remain cash items.

Preopening setup, rent, interest and fees create retained losses and tax loss carryforward at opening; they are not charged twice in operating profit. A conservative twenty five percent monthly tax provision follows loss utilisation, with quarterly budget cash settlement. Actual statutory eligibility and payment dates need local review. The plan claims no startup tax relief.

EUR net VAT	2027	2028	2029
Net revenue	360,477	504,956	530,507
Product cost sold	228,150	319,593	335,764
Stock write-downs	794	1,061	1,115
Contribution	131,533	184,303	193,628
Payroll	88,704	91,365	94,106
Fixed expenses and cards	60,984	63,645	65,345
EBITDA	**(18,155)**	**29,293**	**34,178**
Depreciation	12,000	12,000	12,000
Operating profit	(30,155)	17,293	22,178
Interest	2,203	1,336	469
Pretax profit	(32,357)	15,956	21,708
Income tax	0	0	0
Net profit	**(32,357)**	**15,956**	**21,708**

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

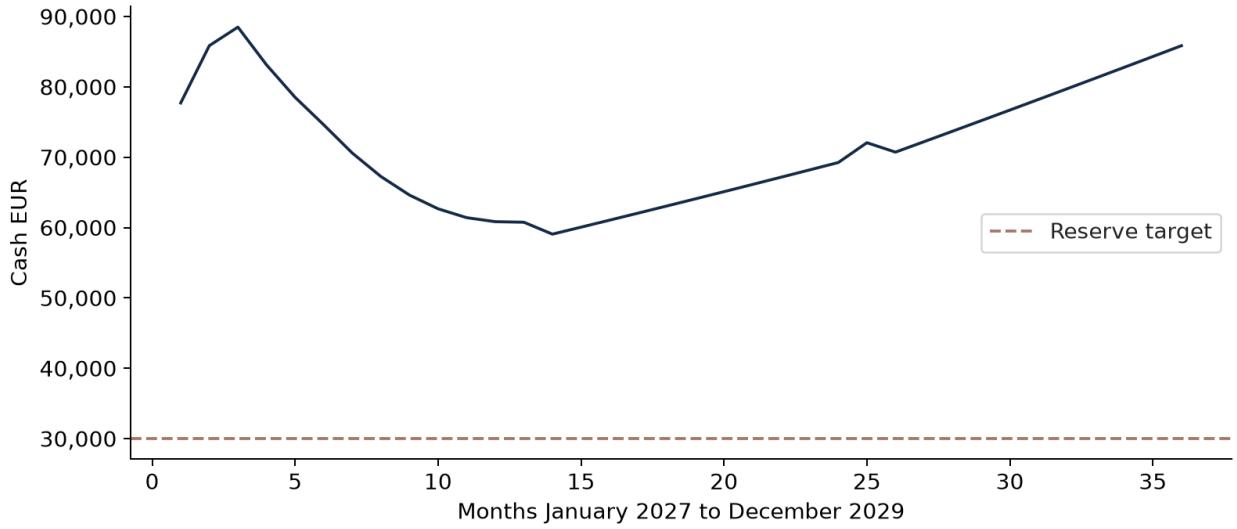
Cash flow and financial position

Cash reflects owned stock and gross tax payments

Customer cash is gross sales adjusted by the assumed one day settlement balance. Supplier cash is gross purchases plus opening less closing supplier payable. Goods purchases replenish cost sold and losses, with nonnegative purchasing and minimum backlist stock targets. Initial stock is paid before opening, so no opening trade payable is invented.

Base minimum cash is EUR 59,069, above the EUR 30000 planning target throughout the horizon. Year end 2029 cash is EUR 85,854. This is a forecast conditional on demand and supplier terms, not secured liquidity. Downside reaches an unmet EUR 281,059 deficit; it must be avoided or restructured before obligations are undertaken. No balancing plug or automatic refinancing is assumed.

Base cash measure	EUR
Opening cash	**72,113**
Minimum cash	59,069
December 2029 cash	85,854
Unmet funding below zero	0
Extra cash for reserve floor	0



Base monthly cash January 2027 to December 2029 EUR

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

45 / FINANCE

Cash flow forecast months one to six

January to June 2027 signed gross cash amounts

Opening cash is proposed funding less preopening cash uses. Receipts include category VAT and settlement timing. Supplier payments buy stock and include goods VAT; they need not match product expense. Negative amounts are outflows, while closing cash is a period end stock and must not be summed.

The early months are sensitive to opening volume, slow titles and actual supplier credit. Review bank cash weekly alongside owned inventory and overdue collection orders. A profitable sale does not release cash until collected; an inventory purchase is not an immediate expense. The extract uses the same thirty six month statements as annual and scenario results.

EUR gross cash	01/27	02/27	03/27	04/27	05/27	06/27
Opening cash	**72,113**	**77,718**	**85,860**	**88,497**	**83,136**	**78,521**
Collections	20,300	22,845	24,754	26,664	28,573	30,482
Supplier payments	0	0	(7,405)	(17,302)	(18,457)	(19,645)
Payroll	(7,392)	(7,392)	(7,392)	(7,392)	(7,392)	(7,392)
Gross overhead cards	(5,974)	(5,990)	(6,005)	(6,020)	(6,036)	(6,051)
Interest	(217)	(211)	(205)	(199)	(193)	(187)
VAT	0	0	0	0	0	0
Income tax	0	0	0	0	0	0
Operating cash	6,717	9,253	3,748	(4,250)	(3,504)	(2,793)
Debt principal	(1,111)	(1,111)	(1,111)	(1,111)	(1,111)	(1,111)
Net change	5,606	8,142	2,637	(5,361)	(4,615)	(3,904)
Closing total cash	**77,718**	**85,860**	**88,497**	**83,136**	**78,521**	**74,617**

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

46 / FINANCE

Cash flow forecast months seven to twelve

July to December 2027 continues the cash roll forward

Month seven opens with month six closing cash. The VAT schedule carries credits against later output tax, with no refund cash assumed, and pays positive balances on a quarterly budget convention. Income tax settlement is similarly a planning convention rather than a completed statutory return.

The full model continues through December 2029 and repays the initial loan over thirty six months. There is no terminal shop sale, stock liquidation, deposit release assumed. Ending owned inventory and deposits remain assets subject to real recovery and contract terms, not automatically distributable cash.

EUR gross cash	07/27	08/27	09/27	10/27	11/27	12/27
Opening cash	**74,617**	**70,596**	**67,265**	**64,624**	**62,673**	**61,412**
Collections	32,391	34,300	36,209	38,118	40,027	41,936
Supplier payments	(21,662)	(22,872)	(24,082)	(25,292)	(26,502)	(27,712)
Payroll	(7,392)	(7,392)	(7,392)	(7,392)	(7,392)	(7,392)
Gross overhead cards	(6,066)	(6,081)	(6,097)	(6,112)	(6,127)	(6,142)
Interest	(181)	(175)	(169)	(163)	(156)	(150)
VAT	0	0	0	0	0	0
Income tax	0	0	0	0	0	0
Operating cash	(2,909)	(2,220)	(1,530)	(840)	(150)	540
Debt principal	(1,111)	(1,111)	(1,111)	(1,111)	(1,111)	(1,111)
Net change	(4,021)	(3,331)	(2,641)	(1,951)	(1,261)	(572)
Closing total cash	**70,596**	**67,265**	**64,624**	**62,673**	**61,412**	**60,840**

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

47 / FINANCE

Financial position summary

Year end stocks reconcile to tax debt and retained results

Assets include cash, customer settlement receivables, owned inventory, any recoverable VAT, refundable deposit and depreciated capital. Liabilities include gross supplier payables, payable VAT and tax and remaining debt. Equity is proposed paid capital plus opening and subsequent retained results.

Monthly balance sheet and cash identities are checked for every case. Negative Downside cash is displayed transparently as an unmet funding requirement, not an authorised asset or borrowing facility. Unsold inventory is not stated at retail value. No balancing plug, external valuation or secured financing is implied.

EUR year end	2027	2028	2029
Cash	60,840	69,250	85,854
Receivables	1,400	1,471	1,545
Owned inventory	50,700	53,265	55,961
VAT credit	22,491	25,084	27,501
Lease deposit	6,400	6,400	6,400
Net capital	48,000	36,000	24,000
Assets	**189,832**	**191,471**	**201,261**
Suppliers	28,956	27,972	29,387
VAT payable	0	0	0
Income tax payable	0	0	0
Debt	26,667	13,333	0
Liabilities	**55,622**	**41,305**	**29,387**
Paid equity	180,000	180,000	180,000
Retained earnings	(45,791)	(29,834)	(8,126)
Total equity	**134,209**	**150,166**	**171,874**
Liabilities and equity	**189,832**	**191,471**	**201,261**

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.

48 / FINANCE

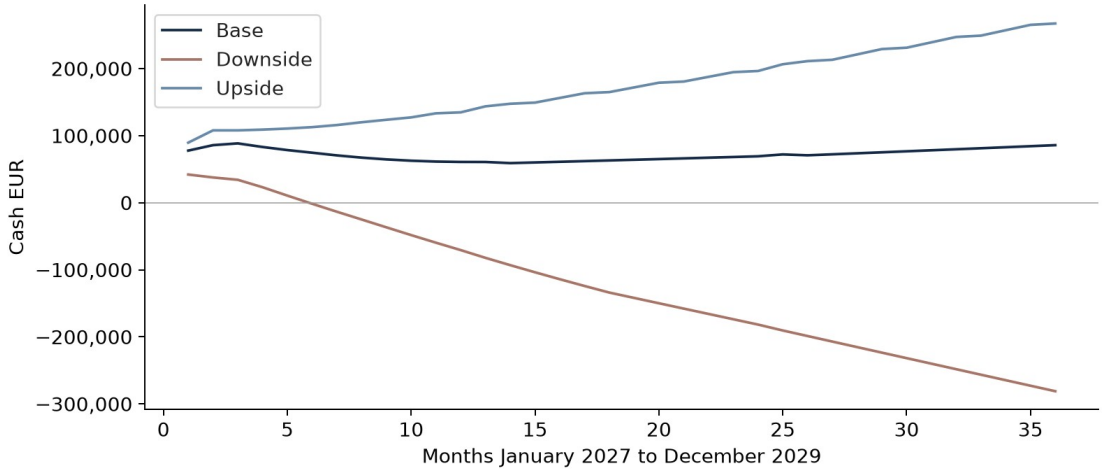
Break even and scenarios

Weak volume and supplier margin need commercial redesign

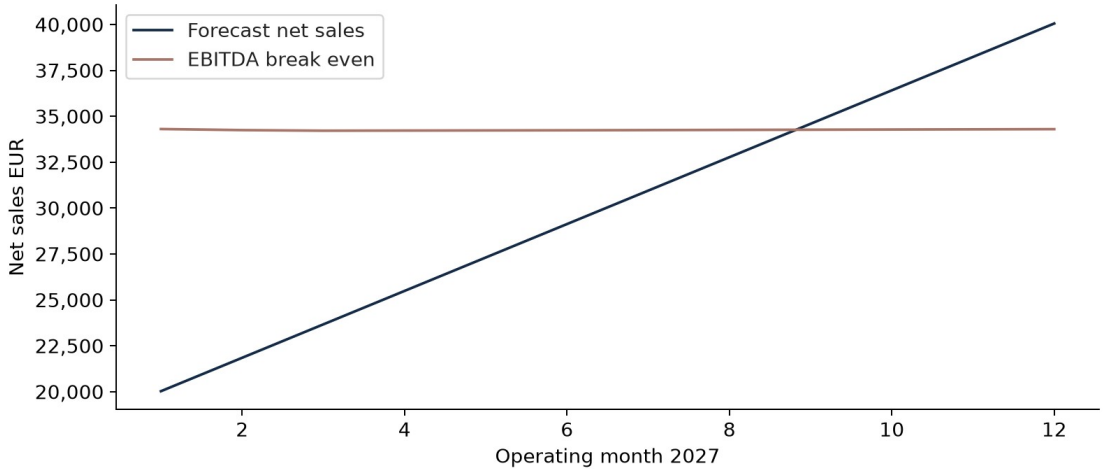
EBITDA break even uses paid payroll, fixed overhead and inventory write-downs divided by realised contribution after product and card costs. It is a blended sales threshold rather than a count of unique readers. Debt principal, capital and inventory build can require cash beyond this operating measure.

The same input-driven workbook evaluates Base, Downside and Upside. Downside reduces volume and book margin, extends startup costs, increases stock holding and removes supplier credit. Its EUR 281,059 cash gap is not covered by planned sources. Snapshots flag edited inputs as stale. The sponsor should cancel or redesign rather than treating additional debt as an automatic solution.

Case snapshot	2027 net profit EUR	Minimum cash EUR
Base	(32,357)	59,069
Downside	(118,837)	(281,059)
Upside	31,729	89,583



Evaluated case cash January 2027 to December 2029 EUR



Base 2027 blended EBITDA break even net revenue EUR excludes principal capex and taxes

Financial source verified model v1.0 Base EUR January 2027 to December 2029. Figures rounded to whole euros.