

TESTING THE HYPOTHESIS

- I timed it! 75 seconds per car!
- 90 minutes of GOOD commute time
- 70 customers at peak demand
- \$2.50 per car x 70 = \$175/day
- Open 5-6 hours with 1.5 people (\$80/day)
- Ground lease \$1200/month (\$60/day)
- \$30,000 into booth
- Both closed several months later . . .

WHAT WAS THEIR BREAKEVEN?

Fixed costs:

- \$1200 ground lease
- \$1600 labor (\$80/day x 20)
- \$ 200 other (power, licenses, etc)
- \$4,000/month (minimum)

Variable Contribution:

- \$2.50 per car 80% gross profit margin = \$2.00 per car

Breakeven:

- 2,000 cars per month or 100/day over 90 minutes
good commute time = 1.1 cars per minute or one every 54 seconds!