

Cost of Doing Business - Improv

Slides courtesy of:
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Concession Business Model

Sales

Cost of Goods

Wages

Other Costs

Rent

Total Costs

Operating Profit

Debt Service

Cash Flow

Concession Business Model – Revenue

Sales

Cost of Goods

Wages

Other Costs

Rent

Total Costs

Operating Profit

Debt Service

Cash Flow

- Passenger Volume
- Dwell Time
- Discretionary Time
- Merchandising
- Airline Schedules

Concession Business Model – Costs

Sales

Cost of Goods

Wages

Other Costs

Rent

Total Costs

Operating Profit

Debt Service

Cash Flow

- Merchandising
- Storage
- Delivery Restrictions

Concession Business Model – Costs

Sales

Cost of Goods

Wages

Other Costs

Rent

Total Costs

Operating Profit

Debt Service

Cash Flow

- Labor Availability
- Wage Rates
- Transportation
- Badging
- Background Checks
- Staffing for Peaks

Concession Business Model – Costs

Sales

Cost of Goods

Wages

Other Costs

Rent

Total Costs

Operating Profit

Debt Service

Cash Flow

- Utilities
- Maintenance
- Insurance
- CAM Costs
- Marketing Costs

Concession Business Model – Investment

Sales

Cost of Goods

Wages

Other Costs

Rent

Total Costs

Operating Profit

Debt Service

Cash Flow

- Facility and Design Requirements
- Security: Higher Construction Costs
- Construction Requirements
- Interest Rates
- Availability of Capital

Sharing What's Left

Sales

Cost of Goods

Wages

Other Costs

Rent

Total Costs

Operating Profit

Debt Service

Cash Flow

- Lower Rent
- Lower Profits
- Longer Term
- Higher Prices