Appliance repair Market Entry: A Sample Business Plan Template

Apex Appliance Solutions LLC, Texas LLC founded April 15, 2024, headquartered in Austin. Founder James Carter grew Mr. Appliance Austin to $1.2M revenue in 3 years (2019-2022). We provide same-day appliance repair at $125 diagnostic/$85 labor rate, targeting $415,000 Year 1 revenue with 58% gross margin. Document dated October 26, 2024.

1. Executive Summary

U.S. households waste $2.1B annually on premature appliance replacements (Consumer Reports 2023), with 68% opting for repairs due to inflation-driven price increases on new units (average $1,450 vs. $275 repair). Apex Appliance Solutions solves this through mobile-first service with 90-day warranty (vs. industry standard 30-60 days) and flat-rate pricing. We capture market share via $125 diagnostic fee (50% conversion to repair), $85/hour labor (capped at 2 hours), and 25% parts markup (vs. industry 30-40%).

Year 1 targets 1,200 service calls at $345 average revenue per job ($415,000 total). COGS at 42% ($174,300) yields 58% gross margin. Fixed operating expenses of $18,167/month require 92 jobs/month to break even (achieved Month 14). EBITDA positive by Month 18 with $22,700 net profit (5.5% margin).

We secured $50,000 founder equity and $75,000 SBA 7(a) loan (7.5% interest, 10-year term). Funds allocated: $68,000 vehicles (2 Ford Transit Connects), $15,000 parts inventory, $10,000 marketing launch. Milestones funded: 1,200 service calls (Year 1), 4.9+ Google rating, 5 property management contracts. Projected 18.9% net margin by Year 3 ($185,000 profit on $980,000 revenue).

2. Company Overview

Texas LLC formed April 15, 2024, chosen for liability protection and pass-through taxation. Austin location selected due to 22% population growth since 2018 (2.3M MSA) and $36M annual appliance repair market. Ownership: James Carter 60% (cash contribution $30,000), Maria Delgado 30% ($15,000), Robert Chen 10% ($5,000).

James Carter (CEO): Grew Mr. Appliance Austin from $420K to $1.2M revenue (2019-2022), 37% YoY growth. Maria Delgado (COO): ASE-certified technician with 8 years field experience, reduced repair callbacks by 28% at HVAC Solutions Austin (2020-2023).

Date	Milestone	Status	Next Steps
Apr 2024	LLC formation, SBA loan approval	Complete	Negotiate Parts Town wholesale terms
May 2024	Lease 1,200 sq. ft. workshop ($2,200/month)	Complete	Install Jobber software system
Jun 2024	Purchase 2 Ford Transit Connect vans ($34,000 each)	Complete	Stock $15,000 parts inventory
Jul 2024	Launch Google LSA campaign ($2,500/month)	Complete	Secure 3 property management contracts
Sep 2024	Reach 65 service calls/month	Target	Achieve 4.7 Google rating
Dec 2024	Hit 100 service calls/month	Target	Launch "Fix Club" loyalty program
Jun 2025	Break even (92 jobs/month)	Target	Add 2nd technician
Dec 2025	Secure 5 property management contracts	Target	Expand to Round Rock service area

3. Market Analysis

TAM: $10.2B U.S. appliance repair market (IBISWorld 2024). SAM: $480M Texas market (4.7% of TAM). SOM: $36M Austin metro (7.5% of SAM). Year 1 target: $415,000 (1.15% SOM) based on 1,200 service calls at $345/job against 116,000 households needing repairs annually (2.3M population x 65% homeownership x 7.8% annual repair rate).

Primary customers: Homeowners 30-65 with $75K-$120K income (58% of target market). 62% call within 24 hours of appliance failure (NADAP 2024). Willing to pay $350 for same-day service (vs. $275 standard). Secondary: Property managers controlling 220K rental units in Austin MSA, budgeting $180/repair.

Key trends: 1) 68% repair vs. replace due to inflation (Consumer Reports); 2) 42% of repairs for appliances under 5 years old (AHAM 2023); 3) Right-to-repair legislation (TX HB 4388) increasing DIY part access; 4) 22% Austin population growth driving 18% annual repair demand increase.

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Homeowners (single-family)	21.6M	18%	0.8%	70% of Year 1 marketing budget
Property Managers	10.8M	22%	1.2%	20% budget, 10% referral fee
Home Warranty Providers	3.6M	15%	0.5%	Bid-for-contract model

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
U.S. Market	$10.2B	N/A	N/A	IBISWorld 2024
Texas Market	N/A	$480M	N/A	TAM x 4.7% (TX population share)
Austin Market	N/A	N/A	$36M	SAM x 7.5% (Austin metro share of TX)
Apex Year 1	N/A	N/A	$415,000	1,200 jobs x $345 ARP

4. Competitive Analysis

Direct competitors: Mr. Appliance (ServiceMaster) - $1.8M Austin revenue (est.), $175 service fee; One Hour Appliance Repair - $950K revenue, 35% technician turnover; Geek Squad - $620K appliance segment revenue, $225 diagnostic fee. Indirect: DIY platforms (42% failure rate per iFixit), Big-box retailers (30% referral fee to RepairSmith).

Competitive advantages: 1) 90-day warranty (vs. 30-60 days industry standard) - reduces callbacks by 22% (AHAM); 2) $85/hour labor rate (vs. $100-$125 competitors) with 2-hour cap; 3) Same-day service guarantee (achieved 88% of time in pilot); 4) 25% parts markup (vs. 30-40% competitors) from Parts Town wholesale discount.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Mr. Appliance	$1.8M	$175 service fee	Brand recognition	Slow scheduling (48hr avg)	Same-day guarantee
One Hour Appliance	$950K	$150 service fee	Fast response	35% tech turnover	$28/hr wages (vs $22/hr)
Geek Squad	$620K	$225 diagnostic	Retail presence	Appliance = 15% of business	Specialized technicians
DIY Platforms	N/A	Free	Low cost	42% failure rate	90-day warranty

Strengths	Weaknesses	Opportunities	Threats
90-day warranty	Limited brand awareness	TX right-to-repair bill	Mr. Appliance price war
$28/hr technician wage	No emergency service (yet)	22% Austin growth	Parts supply chain disruption
Jobber software integration	Single workshop location	Property manager contracts	25% technician turnover industry avg
25% parts markup	$75K SBA debt	Home warranty partnerships	Recession reducing repair demand

5. Products & Services

We offer on-site repairs for refrigerators, washers, dryers, dishwashers, ovens, and microwaves. Process: 1) $125 diagnostic fee (credited to repair); 2) Technician arrives within 24 hours with real-time tracking; 3) Flat-rate quote using Jobber software; 4) Repair completed with 90-day warranty; 5) Digital invoice via Square. In-shop repairs for large units ($95 diagnostic) at our 1,200 sq. ft. workshop.

Pricing set at 15% below competitors based on Parts Town 30% wholesale discount and $85/hour labor rate (vs. $100 industry average). $395 refrigerator compressor replacement includes $225 parts (25% markup from $180 wholesale) and $170 labor (2 hours). Gross margin per job: $199 (58% of $345 ARP).

Tier	Price	Features	Target Customer	Expected % Revenue	Gross Margin
Standard Repair	$125 diagnostic + flat rate	90-day warranty, same-day service	Homeowners	75%	58%
Fix Club	$199/year	2 free diagnostics, 15% off repairs	Loyal homeowners	15%	72%
Emergency	$175 (standard + $50)	3-hour response, 24/7	Urgent cases	10%	65%

Metric	Value	Calculation/Notes
Price per job	$345	1,200 jobs / $415,000 revenue
COGS per job	$146	($85 labor x 1.2 hrs) + ($110 parts x 1.25 markup)
Gross Profit per job	$199	$345 - $146
Gross Margin %	58%	$199 / $345
CAC	$125	$30,000 marketing / 240 new customers
LTV	$863	($345 ARP x 2.5 jobs) x (1 / 10% churn)

LTV:CAC	6.9	$863 / $125
Payback Period	7.2 months	$125 CAC / ($199 GP x 35% monthly margin capture)

6. Marketing & Sales

Primary channel: Google Local Service Ads (LSA) at $2,500/month. Austin CPC: $18.20 (WordStream 2024), 137 clicks/month. 12% conversion to leads = 16 leads/month at $156 CAC. Secondary: Property manager referrals (10% fee) targeting 5 firms controlling 15,000 units. Estimated 120 referrals/year at $0 CAC.

Sales cycle: 1) Lead capture (LSA click-to-call); 2) 5-minute qualification call (65% conversion); 3) Booking via Calendly (80% same/next-day); 4) Technician dispatch (Jobber GPS tracking); 5) Payment (92% digital); 6) Review request (45% conversion to 5-star). Close rate: 78% (vs. industry 65%).

Retention: Fix Club ($199/year) targets 15% of customers. Churn reduction: 10% from loyalty program (industry avg 3.2% monthly). Expansion revenue: $52 from annual maintenance plans per active customer.

Channel	Monthly Budget	Expected CAC	Expected Leads/Month	Conversion Rate	Expected Customers/Month	ROI
Google LSA	$2,500	$156	16	78%	12.5	4.3x
Property Managers	$0	$0	10	75%	7.5	12.1x
Facebook Ads	$800	$133	6	70%	4.2	2.8x
SEO	$500	$85	5.9	65%	3.8	5.1x
Total	$3,800	$125	37.9	71%	28	4.8x

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	1,500	500	300	0	200	2,500	22	15
2	2,000	600	400	0	200	3,200	29	21
3	2,500	800	500	0	200	4,000	38	27
4	2,500	800	500	500	200	4,500	41	29
5	2,500	800	500	500	200	4,500	41	29
6	2,500	800	500	500	200	4,500	41	29
7	2,500	800	500	500	200	4,500	41	29
8	2,500	800	500	500	200	4,500	41	29
9	2,500	800	500	500	200	4,500	41	29
10	2,500	800	500	500	200	4,500	41	29
11	2,500	800	500	500	200	4,500	41	29
12	2,500	800	500	500	200	4,500	41	29

7. Operations

Daily workflow: 7 AM dispatch meeting via Jobber (30 technicians max/day). Technicians receive jobs via mobile app with parts list and customer history. 2-hour repair time cap enforced; complex jobs moved to workshop. Real-time GPS tracking for customers. End-of-day parts restocking from $15,000 inventory (25 most common parts). 95% same-day parts availability target.

Key vendors: Parts Town (30% wholesale discount, net-45 terms), Jobber ($129/month/technician), Fleet Complete ($45/month/van). Technology stack chosen for API integration: Jobber syncs with Square payments and Google Calendar.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Parts Town	Appliance parts	$0 (wholesale)	Net-45 payment	Repair Clinic
Jobber	Field service software	$387	Month-to-month	Housecall Pro
Fleet Complete	Vehicle telematics	$90	12-month	Verizon Connect
Square	Payment processing	$29	Month-to-month	Stripe

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Jobber	Scheduling, invoicing	$387	4	Housecall Pro ($420)
SEMrush	SEO tracking	$120	1	Ahrefs ($119)
Mailchimp	Email marketing	$50	1	Constant Contact ($45)
QuickBooks Online	Accounting	$30	2	Xero ($32)

8. Management Team

Organizational structure: CEO (James Carter) oversees P&L, COO (Maria Delgado) manages technicians, Marketing Manager handles customer acquisition. Compensation: Technicians $28/hr base + $50/job bonus (target $55K/year), COO $65K base + 5% revenue bonus. No equity grants in Year 1.

Advisory board: Thomas Reed (ex-VP ServiceMaster) provides franchise operations guidance (0.5% equity), Lisa Chen (CPA) advises on SBA compliance (hourly rate).

Month	Role	Salary	Priority	Source	Onboarding Time
1	Lead Technician	$52,000	High	Indeed	4 weeks
3	Marketing Manager	$48,000	Medium	LinkedIn	6 weeks
10	Admin Assistant	$40,000	Low	Craigslist	3 weeks
14	2nd Technician	$52,000	High	Internal referral	2 weeks

9. Financial Plan

Key assumptions: 1) 28 new customers/month by Month 6 (vs. 15 in Month 1); 2) $345 average revenue per job; 3) 3.2% monthly customer churn; 4) COGS 42% of revenue (35% parts, 7% labor); 5) Marketing CAC $125; 6) Fixed OpEx $18,167/month. Conservative ramp: 40 jobs Month 1 to 110 jobs Month 12.

Revenue model: 75% standard repairs ($345/job), 15% Fix Club ($16.58/month revenue), 10% emergency ($420/job). Growth drivers: Property manager contracts (target 5 by Year 1, 120 referrals), LSA scaling (16 leads/month at $156 CAC).

Cost structure: 65% variable (COGS), 35% fixed (OpEx). Variable costs scale with jobs: $146/job COGS. Fixed costs: $11,000 salaries, $2,200 rent, $1,000 software, $890 loan payment. Economies of scale: Technician wage cost decreases from 22% to 18% of revenue by Year 3.

Funding: $125,000 total startup costs. $50,000 founder equity, $75,000 SBA loan. Runway: 8 months post-launch. Milestones funded: 1,200 service calls, 4.9+ Google rating, 5 property management contracts.

Category	Ite	Cost	Notes
Legal/Formation	Texas LLC filing	$300	State fee
Licenses/Permits	Contractor license	$250	Austin city permit
Equipment	Diagnostic tools	$12,000	Multimet refrigera gauges
Equipment	2 Ford Transit Connects	68,000	$34,000 each
Technology	Jobber setup	$500	Initial configura
Initial Inventory	Parts stock	15,000	Start capacito control boards

Marketing Launch		Google Ads deposit	5,000	2 months prepaid
Marketing Launch		Website development	5,000	WordPre + SEO
Working Capital		3 months OpEx	54,500	$18,167 x 3
Insurance		General liability (annual)	8,000	$1M coverage
Professional Fees		Accounting setup	1,500	QuickBo configura
Office/Facility		Lease deposit	4,400	2 months rent
Branding		Van wraps	3,000	Full vehicle branding
Training		EPA 608 certification	600	2 technicia
Contingency		10% buffer	12,500	10% of total
Total			125,000	

Category	T	Monthly Cost	Annual Cost	Notes
Rent	Fixed	2,200	26,400	1,200 sq. ft. workshop

Salaries	Fixed	9,167	110,000	CEO 50%, COO 30%, Tech 20%
Benefits	Fixed	1,833	22,000	20% of payroll
Insurance	Fixed	667	8,000	General liability
Software	Fixed	597	7,160	Jobber, SEMrush, Mailchimp
Utilities	Fixed	300	3,600	Electricity, internet
Marketing	Fixed	3,800	45,600	Google Ads, Facebook
Loan Payment	Fixed	890	10,680	SBA 7(a) at 7.5%
Fuel/Maintenance	Variable	600	7,200	$0.12/mile @ 5,000 miles/month
Parts Inventory	Variable	6,100	73,200	14.7% of $415,000 revenue
Technician Wages	Variable	4,800	57,600	$28/hr x 171 hours/month
Total		30,154	361,840	Fixed: $18,167, Variable: $11,987

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Year 1
Revenue	13,800	17,250	20,700	24,150	27,600	31,050	34,500	37,950	41,400	44,850	48,300	51,750	373,200
COGS	5,796	7,245	8,694	10,143	11,592	13,041	14,490	15,939	17,388	18,837	20,286	21,735	156,744
Gross Profit	8,004	10,005	12,006	14,007	16,008	18,009	20,010	22,011	24,012	26,013	28,014	30,015	216,456
Marketing	2,500	3,200	4,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	49,200
Salaries	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	110,000
Rent	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
Software	597	597	597	597	597	597	597	597	597	597	597	597	7,164
Insurance	667	667	667	667	667	667	667	667	667	667	667	667	8,004
Other OpEx	3,036	2,535	2,034	1,533	1,032	531	30	0	0	0	0	0	10,731
Total OpEx	17,167	18,366	18,665	18,164	17,663	17,162	16,661	16,160	16,161	16,161	16,161	16,161	201,500

EBITDA	-9,163	-8,361	-6,659	-4,157	-1,655	847	3,349	5,851	7,851	9,852	11,853	13,854	14,956
Depreciation	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	13,600
EBIT	-10,296	-9,494	-7,792	-5,290	-2,788	-286	2,216	4,718	6,718	8,719	10,720	12,721	1,356
Interest	469	465	461	457	453	449	445	441	437	433	429	425	5,454
Taxes	0	0	0	0	0	0	443	1,069	1,570	2,071	2,572	3,073	10,952
Net Income	-10,765	-9,959	-8,253	-5,747	-3,241	-735	1,328	3,208	4,711	6,215	7,719	9,223	-14,050

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	70,500	59,735	49,776	41,523	35,776	32,535	31,800	33,128	36,336	41,047	47,262	54,981
Cash In	13,800	17,250	20,700	24,150	27,600	31,050	34,500	37,950	41,400	44,850	48,300	51,750
Total Cash In	13,800	17,250	20,700	24,150	27,600	31,050	34,500	37,950	41,400	44,850	48,300	51,750
Cash Out	24,565	27,209	28,953	29,900	30,841	31,785	33,172	34,742	36,689	38,635	40,581	42,527
Total Cash Out	24,565	27,209	28,953	29,900	30,841	31,785	33,172	34,742	36,689	38,635	40,581	42,527
Net Cash Flow	-10,765	-9,959	-8,253	-5,750	-3,241	-735	1,328	3,208	4,711	6,215	7,719	9,223
Ending Cash	59,735	49,776	41,523	35,776	32,535	31,800	33,128	36,336	41,047	47,262	54,981	64,204

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	373,200	98,325	115,950	133,575	151,200	177,825	203,250	228,675	254,100	863,850
COGS	156,744	41,297	48,700	56,102	63,504	74,687	85,365	96,043	106,722	362,817
Gross Profit	216,456	57,028	67,250	77,473	87,696	103,138	117,885	132,632	147,378	501,033
OpEx	201,500	48,000	48,000	48,000	48,000	52,000	52,000	52,000	52,000	208,000
EBITDA	14,956	9,028	19,250	29,473	39,696	51,138	65,885	80,632	95,378	293,033
Net Income	-14,050	-5,000	12,000	22,000	32,000	45,000	60,000	75,000	90,000	272,000
Ending Cash	64,204	59,204	71,204	93,204	125,204	170,204	230,204	305,204	395,204	395,204

Metric	Value	Calculation
Monthly Fixed Costs	18,167	OpEx less variable costs
Variable Cost per Job	146	COGS per job
Price per Job	345	Revenue / jobs
Contribution Margin per Job	199	345 - 146
Contribution Margin %	58%	199 / 345
Break-Even Units per Month	92	18,167 / 199
Break-Even Revenue per Month	31,740	92 x 345
Expected Break-Even Month	7	Month 7 (34,500 revenue)
Safety Margin	19.5%	(110 jobs - 92) / 110

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	58%	59%	58%	50-55%
Operating Margin %	-3.8%	15.1%	24.0%	8-12%
Net Profit Margin %	-3.8%	14.9%	18.9%	5-10%
Current Ratio	1.8	2.5	3.1	1.5
CAC Payback	7.2 months	5.8 months	4.3 months	6-18 months
LTV:CAC	6.9	8.2	9.1	3:1
Monthly Burn Rate	11,708	N/A	N/A	N/A

Runway (months)	8	12+	12+	6-12

10. Risk Analysis

Top risks: 1) Technician turnover (25% industry probability, 4 impact) - causes service delays and quality issues; 2) Parts supply chain disruption (20% probability, 5 impact) - extends repair time by 48+ hours; 3) Competitor price war (15% probability, 4 impact) - reduces ARP by 10%; 4) Economic downturn (10% probability, 3 impact) - decreases repair demand by 15%.

Mitigation: 1) Pay $28/hr (vs. $22 market) with $50/job bonus; 2) Stock 25 critical parts ($15,000 inventory); 3) Lock in 90-day warranty as differentiator; 4) Diversify with property manager contracts (recurring revenue). Contingency: If revenue lags 20%, reduce marketing spend by 25% and delay hiring.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Technician turnover	4	4	16	$28/hr wage + $50/job bonus	Hire apprentices at $20/hr	COO
Parts shortage	3	5	15	Stock 25 critical parts	Use Repair Clinic drop-ship	CEO
Price war	3	4	12	Emphasize 90-day warranty	Reduce diagnostic fee to $95	CEO
Recession	2	3	6	Target property managers	Cut marketing to $2,500/month	CEO
SBA loan default	1	5	5	Maintain $20K cash reserve	Refinance with local bank	CFO

11. Implementation Timeline

Critical path: Google LSA launch (Month 1), property manager contracts (Months 3-6), break-even achievement (Month 7). Dependencies: Jobber software integration must precede technician onboarding; Parts Town account approval required for inventory stocking.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Launch operations	2 vans, 1,200 sq. ft. workshop	$68,000 vehicles, $15,000 parts	40 service calls	CEO
2	Google LSA optimization	CPC < $18.50, CTR > 8%	$3,200 marketing spend	21 new customers	Marketing Mgr
3	First property manager contract	Signed agreement with Greystar	10% referral fee commitment	20 referral jobs	CEO
4	Implement Jobber workflows	100% digital scheduling/invoicing	4 technician logins	85% on-time arrival	COO
5	Achieve 4.7 Google rating	50+ reviews, 90% 5-star	Automated review requests	45% review conversion	Marketing Mgr
6	Second property manager contract	Signed with CIM Group	10% referral fee	30 referral jobs	CEO
7	Break even	92+ jobs, positive EBITDA	110 service calls	$1,328 net profit	CEO
8	Launch Fix Club	$199/year loyalty program	Mailchimp automation	15% customer uptake	Marketing Mgr
9	Reach 4.9 Google rating	100+ reviews	Review management system	92% positive sentiment	Marketing Mgr
10	Hire admin assistant	Full-time role filled	$40,000 salary	Free up 15 COO hours/week	CEO
11	Third property manager contract	Signed with Lincoln Property	10% referral fee	40 referral jobs	CEO
12	Year 1 review	1,200 service calls achieved	Financial audit	$22,700 net profit	CEO