

Crafting Your Asphalt Paving Strategy: US Market Sample Business Plan

Asphalt Horizon LLC (TX LLC formed March 15, 2024). Founder Marcus Thompson managed \$45M Kiewit public works contracts. We provide commercial asphalt paving at \$3.50-\$5.00/sq.ft to developers and municipalities, targeting \$1.6M Year 1 revenue with 35% gross margin. Plan dated October 26, 2024.

SECTION 1: EXECUTIVE SUMMARY

US commercial developers lose \$420M annually from paving delays (AGC 2023), with 14-day industry average project completion. Asphalt Horizon delivers 7-day turnarounds using warm-mix asphalt (WMA) and GPS-tracked crews. We charge 7% premium (\$4.25/sq.ft avg) for 30% faster completion and 5-year warranty versus standard 2 years. Year 1 revenue: \$1,596,000 at 35% gross margin. Break-even at 7 projects/month (Month 14). Year 3 net margin: 11.5% (\$424,480).

We seek \$750,000 SBA 7(a) loan (8.5%, 10-year term) plus \$210,000 equity. Funds deploy: \$494,000 owned equipment, \$186,000 leased equipment, \$78,000 facility buildout. Milestones: \$1.6M Year 1 revenue, ISO 9001 certification by Q4 2025, 8% North Texas market share by 2027. ROI: 22% IRR by Year 5 exit.

SECTION 2: COMPANY OVERVIEW

TX LLC taxed as S-Corp (EIN 84-1234567). Chosen for liability protection and pass-through taxation. Fort Worth location selected for 12-mile radius to 78% target clients (Tarrant County commercial permits up 12% YoY). Ownership: Thompson 60%, Ramirez 30%, VC syndicate 10%.

Marcus Thompson (CEO): Licensed TX Contractor #12345678, managed \$45M Kiewit contracts with 99.2% on-time delivery. Elena Ramirez (COO): Led 200+ projects at Granite Construction, reduced rework by 22% via ISO processes.

Date	Milestone	Status	Next Steps
Mar 2024	LLC Formation	Complete	N/A
Apr 2024	TDLR Contractor License #12345678	Complete	N/A
May 2024	\$210k Equity Secured	Complete	N/A
Jun 2024	4800 E Loop 820 Lease Signed	Complete	Buildout completion by Aug 15
Aug 2024	Procore Implementation	In Progress	Staff training by Sep 1
Sep 2024	SBA Loan Application	Pending	Closing by Oct 30
Oct 2024	First Project: Tarrant County Parking Lot	Planned	\$42,000 revenue by Oct 28
Dec 2024	ISO 9001 Documentation Start	Planned	Submit to DNV by Jan 15

SECTION 3: MARKET ANALYSIS

TAM: \$18.6B (IBISWorld 2024). SAM: \$2.1B (South Central US: TX, OK, AR, LA - DOT spending data). SOM: \$126M (North Texas commercial paving: 2023 Tarrant/Dallas permit data x avg \$85k/project). Methodology: DOT project counts x avg contract value x 70% asphalt share.

Target customers: Commercial developers (55% revenue) spending \$40k-\$150k/project; municipalities (25%) with \$15k-\$200k RFPs; industrial clients (20%) requiring \$75k+ heavy-duty surfaces. 68% require completion in <10 days (2023 AGC survey). Budget authority: Property managers (up to \$50k), city engineers (\$100k+).

Trends: IJJA allocates \$110B for roads (2022-2026). 45% US urban roads "poor/mediocre" (TRIP 2023). Sustainable paving adoption: 38% contractors use RAP (NAPA 2023). Texas construction labor shortage: 68,000 unfilled jobs (ABC Texas 2023).

Segment	Size (\$)	Growth Rate	Our Share Target	Rationale
Commercial Developers	\$69.3M	5.1%	3.2%	78% within 12-mile radius; 12% YoY permit growth
Municipal Agencies	\$31.5M	4.8%	2.1%	Tarrant County pre-qualified vendor list secured
Industrial Facilities	\$25.2M	6.3%	1.8%	DFW industrial vacancy 3.8% (lowest in US - CBRE Q2 2024)
Residential (select)	\$0	0%	0%	No bonding capacity for residential

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Asphalt Paving	\$18.6B	\$2.1B	\$126M	IBISWorld 2024 x DOT regional spend x North Texas permit data

SECTION 4: COMPETITIVE ANALYSIS

Top 3 competitors: Texas Pave & Seal (\$8M revenue, 2001-founded, 14-day avg completion), LoneStar Asphalt (\$5.2M, 2010-founded, no ISO), DFW Paving (\$3.8M, 2015-founded, not bonded). All use hot-mix asphalt (HMA) only. Texas Pave holds 22% municipal share via legacy relationships but has 18% client churn (2023 Better Business Bureau data).

Our advantages: 1) 7-day completion (vs 14-day industry avg) via 3 dedicated crews - verified by 2024 pilot projects. 2) WMA reduces fuel costs by 20% (NAPA 2023), lowering COGS \$0.18/sq.ft. 3) Online portal cuts sales cycle by 33% (48 vs 72 hours quote turnaround). 4) 5-year warranty reduces client acquisition cost by 15% (2023 loyalty program test).

Competitor	Revenue Est.	Pricing (\$/sq.ft)	Key Strength	Key Weakness	Our Differentiation
Texas Pave & Seal	\$8.0M	3.80-4.50	Municipal contracts	14-day avg completion	7-day completion + WMA
LoneStar Asphalt	\$5.2M	3.90-4.60	Google ranking	No ISO certification	ISO 9001 + portal tracking
DFW Paving	\$3.8M	3.70-4.30	Low overhead	Not bonded	\$1.5M bonding capacity
Skanska (indirect)	\$4.2B	5.00+	Full-site capability	Slow decision-making	Focused paving expertise

Strengths	Weaknesses	Opportunities	Threats
WMA/RAP tech (20% lower emissions)	Limited equipment (3 crews)	IIJA \$110B road funding	Asphalt price volatility (+18% 2023)
7-day project completion	New brand (no reviews)	Texas industrial growth (6.3% CAGR)	Rain delays (12.7 rainy days/mo Apr)
ISO 9001 roadmap	Owner-dependent sales	68k TX labor shortage = pricing power	Municipal budget cuts
\$1.5M bonding capacity	No residential capability	DFW permit growth (12% YoY)	Equipment theft risk

SECTION 5: PRODUCTS & SERVICES

We deliver: 1) New paving (2"-4" HMA/WMA, \$3.50-\$5.00/sq.ft), 2) Repair/resurfacing (\$4.00-\$6.50/sq.ft), 3) Sealcoating (\$0.18-\$0.25/sq.ft), 4) Crack sealing (\$1.50-\$2.50/lf), 5) Site grading (\$8-\$12/sq.ft). All include compaction testing, core sampling for jobs >50k sq.ft, and online progress tracking. 5-year warranty on paving (industry standard: 1-3 years).

Pricing: 7% premium over competitors justified by speed (7 vs 14 days) and warranty (5 vs 2 years). Tiered discounts: 5% for \$100k+ annual contracts. Avg project size: \$38k Year 1, rising to \$44k Year 3 via upselling maintenance plans.

Tier	Price	Features	Target Customer	% Revenue	Gross Margin
Standard Paving	\$4.25/sq.ft	3-yr warranty, 10-day completion	New clients	65%	34%
Premium Paving	\$4.50/sq.ft	5-yr warranty, 7-day completion, RAP/WMA	Repeat clients	25%	38%
Maintenance Plan	\$499/yr	Annual crack sealing + 15% off sealcoating	Property managers	10%	62%

Metric	Value	Calculation/Notes
Price per project	\$38,000	Year 1 avg based on 55% commercial (\$85k) x 40% mix
COGS per project	\$24,700	$\$38,000 \times 65\% = \$24,700$ (materials 52%, labor 13%)
Gross Profit per project	\$13,300	$\$38,000 - \$24,700$
Gross Margin %	35%	$\$13,300 / \$38,000$
CAC	\$2,850	$(\$3,000 \text{ Google Ads} + \$1,500 \text{ sales}) / 1.58 \text{ leads/project (4.1\% conversion)}$

LTV	\$57,000	$\$38,000 \times 1.5$ (avg 1.5 projects/client) $\times (1 / 0.33 \text{ churn})$
LTV:CAC	20.0	$\$57,000 / \$2,850$
Payback Period	2.1 months	$\$2,850 \text{ CAC} / (\$13,300 \text{ GP/project} / 1.5 \text{ projects/mo})$

SECTION 6: MARKETING & SALES

Primary channel: Google Ads targeting "asphalt paving Fort Worth" (1,900 searches/mo, \$2.40 CPC). Budget: \$3,000/mo yielding 1,250 clicks, 51 leads (4.1% conversion). Secondary: Direct sales to property managers (200 targets via CRE directories), 8% conversion rate. Tertiary: Municipal pre-qualification (Tarrant County vendor list).

Sales cycle: 24-hour response (100% target) -> 48-hour digital quote (95% on-time) -> e-sign contract (72-hour close rate: 62%) -> 5-day avg scheduling. Conversion rates: Inquiry to quote (85%), quote to contract (62%), contract to project (95%). Avg cycle: 11 days.

Retention: Automated 6-month inspection reminder (73% open rate). Maintenance plans at \$499/yr (\$310 COGS). Target churn: 33% annual (vs industry 50%) via loyalty program. Expansion revenue: 41% of clients order 2+ projects (2024 pilot data).

Channel	Monthly Budget	CAC	Leads/Mo	Conversion Rate	Customers/Mo	ROI
Google Ads	\$3,000	\$58.60	51	4.1%	1.58	227%
Direct Sales	\$1,500	\$187.50	8	8%	0.64	142%
Municipal RFPs	\$0	\$0	3	12%	0.36	N/A
Referrals	\$0	\$0	2	100%	2.00	100%

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Leads	Customers
1	3000	500	1000	0	0	4500	32	1.3
2	3000	500	1000	0	0	4500	32	1.3
3	3000	500	1000	0	0	4500	32	1.3
4	3000	500	1000	0	0	4500	32	1.3
5	3000	500	1000	0	0	4500	32	1.3
6	3000	500	1000	0	0	4500	32	1.3
7	3000	500	1000	1500	0	6000	40	1.7
8	3000	500	1000	1500	0	6000	40	1.7
9	3000	500	1000	1500	0	6000	40	1.7
10	3000	500	1000	1500	0	6000	40	1.7
11	3000	500	1000	1500	0	6000	40	1.7
12	3000	500	1000	1500	0	6000	40	1.7

SECTION 7: OPERATIONS

Daily workflow: 6 AM crew dispatch via ServiceTitan -> GPS-tracked material delivery (Martin Industries JIT) -> Procore documentation -> 4 PM daily client updates -> 5 PM equipment maintenance. Capacity: 3 crews complete 1.2 projects/day (avg 32,000 sq.ft). Max annual projects: 156 (3 crews x 52 weeks x 1 project/week).

Suppliers: Martin Industries (asphalt, 12-mile radius, \$0.08/sq.ft WMA premium). Technology: Procore (\$1,200/mo), ServiceTitan (\$350/mo), Fleetio (\$99/mo). All tools selected for construction-specific workflows and API integration.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Martin Industries	Asphalt supply	\$0	Per-project billing	Granite Construction (22 miles)
United Rentals	Backup equipment	\$0	On-demand	N/A
Ferguson Ent.	Drainage materials	\$1,200	Net 30	HD Supply
Grainger	Safety gear	\$850	Net 30	Fastenal

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Procore	Project management	1200	5	Autodesk BIM360 (\$1,800/mo)
ServiceTitan	CRM/dispatch	350	3	Jobber (\$299/mo)
Fleetio	Equipment tracking	99	2	GPS Insight (\$125/mo)
QuickBooks Online	Accounting	80	2	Xero (\$30/mo)

SECTION 8: MANAGEMENT TEAM

Lean structure: CEO (sales/strategy), COO (operations), part-time CFO (\$150/hr). Salaries: CEO \$120k, COO \$110k, Field Superintendent \$85k. No bonuses until Year 2 profitability. Advisory board: TX DOT retired engineer (free), NAPA technical advisor (\$1,500/mo).

Month	Role	Salary	Priority	Source	Onboarding Time
1	Field Superintendent	85000	High	Trade show	30 days
3	Project Manager	75000	Med	Indeed	45 days
6	Accountant (PT)	45000	Low	CFO referral	30 days
9	Sales Rep	65000	Med	LinkedIn	60 days

SECTION 9: FINANCIAL PLAN

Key assumptions: 1.58 customers/month Month 1-6 rising to 3.06 by Month 12. Avg revenue per project: \$38k Year 1, \$41k Year 2, \$44k Year 3. Monthly churn: 2.75% (33% annual). COGS: 65% Year 1 improving to 62% Year 3 via RAP/WMA. Fixed costs: \$89k/month. Seasonality: Q1=10%, Q2=35%, Q3=35%, Q4=20% of annual revenue.

Revenue drivers: Municipal RFP wins (target 8/year), property manager contracts (12 clients by Year 1 end), referral program (15% of revenue). Cost structure: 65% COGS (materials 52%, labor 13%), 30% OpEx (salaries 45%, equipment 23%, marketing 7%). Fixed costs: \$89k/month (75% of OpEx), variable: 25%.

Funding: \$960k total startup costs. \$750k SBA loan (8.5%, 10 years, \$9,333/mo payment), \$210k equity. Runway: 18 months to profitability. Milestones funded: \$1.6M Year 1 revenue, ISO certification, 3-crew capacity.

Category	Item	Cost	Notes
Equipment	Cat	325000 AP1055D Paver	Financed 80%
Equipment	Volvo	45000 DD110 Compactor (owned)	
Equipment	Road	110000 RX-700 Milling (leased)	Lease deposit
Equipment	Ford	204000 F-550 Trucks (3)	
Equipment	Infra	84000 Units (2)	
Facility	Lease	8400 deposit	2 months rent
Facility	Build	60000	Drainage compliance

Technology	Software setup	15000	Procure/
Marketing	Brand launch	25000	Website, uniforms
Insurance	Annual premiums	20000	\$2M liability
Legal	Formation/permits	10000	TDLR license
Working Capital	6 months ops	120000	\$20k/month buffer
Professional Fees	Accounting setup	6000	CFO consulta
Contingency	10% buffer	96000	Unplanned costs
Equipment	Lease first year	36000	Compaction + milling
TOTAL		960000	

Category	Monthly Cost	Annual Cost	Notes
Rent	Fixed 4200	50400	10,000 sq.ft yard
Salaries	Fixed 31667	380000	CEO/COO
Payroll Taxes	Fixed 6333	76000	15% of salaries
Insurance	Fixed 2667	32000	

Other OpEx	2250	2250	2250	2250	2250	2250	3000	3000	3000	3000	3000	3000	29400
Total OpEx	46933	46933	46933	47033	47033	47033	49283	49283	49283	49283	49283	49283	585188
EBITDA	-46933	-46933	-46933	-33733	-20433	-7133	43817	70417	83717	43817	3917	-22683	-26588
Depreciation	4083	4083	4083	4083	4083	4083	4083	4083	4083	4083	4083	4083	48996
EBIT	-51016	-51016	-51016	-37816	-24516	-11216	39734	66334	79634	39734	-166	-26766	-75584
Interest	6375	6375	6375	6375	6375	6375	6375	6375	6375	6375	6375	6375	76500
Taxes	0	0	0	0	0	0	0	14977	18322	8322	0	0	37621
Net Income	-57391	-57391	-57391	-44191	-30891	-17591	33359	46980	54937	27084	-6541	-33141	-128805

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	210000	152609	95218	37827	0	0	0	33359	80339	135276	162360	155819
Cash In	0	0	0	38000	76000	114000	266000	342000	380000	266000	152000	76000
Total Cash In	0	0	0	38000	76000	114000	266000	342000	380000	266000	152000	76000
Cash Out	57391	57391	57391	82191	76000	96591	232641	295020	325063	238916	158541	109141
Total Cash Out	57391	57391	57391	82191	76000	96591	232641	295020	325063	238916	158541	109141
Net Cash Flow	-57391	-57391	-57391	-44191	0	17409	33359	46980	54937	27084	-6541	-33141
Ending Cash	152609	95218	37827	0	0	17409	33359	80339	135276	162360	155819	122678

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	1596000	790500	931000	931000	790500	976800	1108800	1108800	976800	3696000
COGS	1037400	505920	595840	595840	505920	615384	698544	698544	615384	2291520
Gross Profit	558600	284580	335160	335160	284580	361416	410256	410256	361416	1404480
OpEx	585188	146297	146297	146297	146297	127500	127500	127500	127500	510000
EBITDA	-26588	138283	188863	188863	138283	233916	282756	282756	233916	894344
Net Income	-128805	75050	100000	100000	75000	104480	129480	129480	104480	424480

Ending Cash	122678	250000	400000	550000	700000	850000	1000000	1150000	1300000	1300000
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Metric	Value	Calculation
Monthly Fixed Costs	75449	From OpEx table
Variable Cost per Project	24700	$\$38,000 \times 65\% = \$24,700$
Price per Project	38000	Year 1 avg
Contribution Margin per Project	13300	$\$38,000 - \$24,700$
Contribution Margin %	35%	$\$13,300 / \$38,000$
Break-Even Units per Month	5.67	$\$75,449 / \$13,300 = 5.67$ projects
Break-Even Revenue per Month	215460	$5.67 \times \$38,000$
Expected Break-Even Month	14	Q2 Year 2 per cash flow
Safety Margin	23.5%	$(7 \text{ projects} - 5.67) / 7 = 23.5\%$

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	35.0%	36.5%	38.0%	33-37% (AGC)
Operating Margin %	-3.7%	6.6%	11.5%	5-8% (IBISWorld)
Net Profit Margin %	-8.1%	6.6%	11.5%	3-7% (CMAA)
Current Ratio	1.2	2.1	3.0	1.5+ (healthy)
CAC Payback	2.1 mo	1.8 mo	1.5 mo	6-18 mo (SaaS)
LTV:CAC	20.0	23.0	26.0	3.0+ (healthy)

Monthly Burn Rate	10734	0	0	N/A
Runway (months)	18	N/A	N/A	12+ (target)

SECTION 10: RISK ANALYSIS

Top risks: 1) Asphalt price volatility (probability 4/5, impact 5/5) - Martin Industries contract caps 15% annual increase. 2) Rain delays (probability 5/5, impact 4/5) - 12.7 rainy days/mo April (NWS Fort Worth), mitigated by indoor prep work. 3) Labor shortage (probability 5/5, impact 4/5) - 68k TX unfilled jobs (ABC), countered by \$5/hr premium. 4) Municipal budget cuts (probability 3/5, impact 4/5) - offset by commercial diversification (55% revenue).

Mitigation: Asphalt price cap via supplier contract. Weather contingency: \$180k emergency fund (6 months ops). Labor: Tarrant County College apprenticeship program (20 trainees/year). Budget cuts: Target IJJA-funded projects (100% of municipal bids).

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Asphalt price spike	4	5	20	Martin Industries 15% annual cap	Switch to 30% RAP mix (-\$.18/sq.ft)	COO
Rain delays	5	4	20	Indoor prep work during downtime	Reschedule non-weather-dependent tasks	Superintendent
Labor shortage	5	4	20	\$5/hr premium + apprenticeships	Lease crews from United Rentals (\$250/hr)	COO
Municipal budget cuts	3	4	12	Target IJJA-funded projects	Shift focus to commercial (55% revenue)	CEO
Equipment theft	2	5	10	GPS trackers + yard security	United Rentals backup agreement	Superintendent
Client non-payment	3	3	9	30% deposit + credit checks	File mechanic's lien within 30 days	CFO
EPA enforcement	2	4	8	WMA (30% lower emissions)	SWPPP compliance audit	COO
Competitor price war	3	3	9	Emphasize 5-year warranty	Cost-cutting via RAP/WMA	CEO

SECTION 11: IMPLEMENTATION TIMELINE

Priority 1: Achieve \$42k first project by Oct 28 (Tarrant County contract). Priority 2: Secure SBA loan by Oct 30. Priority 3: Hit 7-project/month break-even by Month 14. Critical path: Equipment delivery (delay risks 30-day window), municipal pre-qualification (required for 25% revenue).

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Facility Buildout	Stormwater-compliant yard	\$69,600 budget	TCEQ inspection pass	COO
2	Equipment Delivery	Cat paver, 2 Ford trucks	SBA loan funds	Operational by Day 1	Superintendent
3	First Municipal Bid	Tarrant County proposal	Pre-qualification docs	\$42k contract win	CEO
4	Google Ads Launch	51 leads/month	\$3k budget	CAC < \$60	Sales Rep
5	ISO 9001 Documentation	Quality manual draft	NAPA standards	DNV submission	COO
6	Break-Even Path	5 projects completed	3 crews operational	75% capacity utilization	Superintendent
7	Maintenance Plan Launch	12 property manager signups	\$499 pricing	\$6k MRR	CEO
8	First Profit Month	\$46,980 net income	7 projects completed	Positive EBITDA	CFO
9	ISO 9001 Certification	Certificate issuance	DNV audit	Pass first attempt	COO
10	Year 1 Revenue Target	\$1.596M revenue	42 projects	100% of goal	CEO
11	Equipment ROI Review	Cat paver utilization report	Fleetio data	85% utilization	Superintendent
12	Year 2 Forecast Lock	\$2.665M revenue plan	65 projects	15% growth rate	CFO