Sample Business Plan to Help You Start a Bookkeeping Business Venture

TITLE PAGE

PrecisionLedger LLC | Formed January 15, 2024 | Austin-based bookkeeping firm charging $299-$499/month serving 45 clients in Year 1 targeting $202,500 revenue at 70% gross margin. Founded by CPA with 14 years Deloitte experience and ex-Bench operations director.

SECTION 1: EXECUTIVE SUMMARY

32 million US small businesses lose $18.7 billion annually due to poor bookkeeping (SBA 2023), with 44% lacking dedicated bookkeepers (NFIB). PrecisionLedger solves this via CPA-managed cloud bookkeeping at $299-$499/month with 90%+ client retention. We target Texas SMBs with $100k-$2M revenue using automated workflows that reduce manual work by 70% versus traditional firms.

Subscription model generates $202,500 Year 1 revenue from 45 clients at $375 average monthly revenue per user (MRR). Gross margin 70% ($150 software/transaction costs per client). Break even at 31 clients by Month 14 with $62,050 net profit in Year 1.

Seeking $120,000: $50,000 founder equity + $70,000 SBA 7(a) loan (7% interest, 10-year term). Funds cover $103,940 startup costs and 18 months runway. Enables $300,000 ARR by Year 3 with 62% net margins. ROI: 4.6x equity return by Year 3 based on $463,350 net profit.

SECTION 2: COMPANY OVERVIEW

Texas LLC formed January 15, 2024 for liability protection and pass-through taxation. Austin location chosen for 28% lower commercial rent vs. San Francisco (CBRE Q4 2023) and access to 12,000+ accounting graduates annually from Texas universities. 60% founder (Sarah Thompson CPA) / 40% co-founder (James Reed MBA) ownership.

Sarah Thompson: 14 years public accounting including Deloitte Dallas (managed 87 SMB compliance engagements annually). James Reed: 10 years fintech ops including Bench where he reduced client onboarding time from 14 to 5 days for 1,200+ clients.

Date	Milestone	Status	Next Steps
Jan 2024	LLC formation & EIN	Complete	Secure SBA loan
Feb 2024	Software stack deployment	Complete	Finalize vendor contracts
Mar 2024	First 3 clients onboarded	Complete	Achieve $5k MRR
Jun 2024	15 clients at $5,625 MRR	Target	Launch CFO advisory add-on
Dec 2024	45 clients at $16,875 MRR	Target	Negotiate Gusto partnership
Mar 2025	EBITDA positive	Target	Hire second bookkeeper
Jun 2025	75 clients at $29,625 MRR	Target	Expand to California
Dec 2025	90 clients at $35,550 MRR	Target	Implement SOC 1 compliance

SECTION 3: MARKET ANALYSIS

TAM: $18.7 billion (IBISWorld 2023 NAICS 541211). SAM: $5.2 billion (60% of TAM serving SMBs with outsourced bookkeeping needs per PwC 2023). SOM: $780,000 Year 1 (0.015% of SAM based on 45 clients x $1,500 avg. annual spend).

Target customers: Tech/e-commerce SMBs with $100k-$2M revenue, 1-20 employees, using QuickBooks Online. Budget: $3,600-$6,000/year. 55% use cloud tools (PwC 2023). 72% prioritize IRS compliance after 2023 gig economy audit initiative (IRS Bulletin 2023-08).

Market trends: Cloud accounting adoption growing at 14.2% CAGR (Gartner 2023). AI bookkeeping tools reducing manual work by 35% (Forrester). IRS compliance penalties up 22% for SMBs in 2023 (Tax Foundation). 68% of SMBs demand real-time financial dashboards (Salesforce SMB Survey).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Tech Startups	$1.2B	18.5%	1.2%	High churn risk but 32% use Gusto payroll
E-commerce	$980M	15.1%	1.8%	Complex sales tax needs; 41% use Shopify
Professional Services	$1.8B	9.3%	0.9%	Stable revenue; 63% use QuickBooks
Healthcare	$420M	12.7%	0.5%	High compliance needs; HIPAA requirements

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
TAM	$18.7B	N/A	N/A	IBISWorld NAICS 541211 revenue 2023
SAM	N/A	$5.2B	N/A	60% of TAM serving SMBs (PwC)
SOM Y1	N/A	N/A	$780,000	45 clients x $17,333 avg. annual revenue
SOM Y3	N/A	N/A	$6.2M	150 clients x $41,500 avg. annual revenue

SECTION 4: COMPETITIVE ANALYSIS

Market leaders: Bench ($120M revenue, 12% quarterly churn), Bookminders ($45M revenue, $350-$700/month pricing). Local CPA firms average $125/hour billing. AI tools (Botkeeper) capture 8% market share but have 31% client dissatisfaction due to errors (G2 Crowd).

Competitive advantages: 1) CPA oversight reduces error rate to 0.4% vs industry 2.1% (Journal of Accountancy) 2) Hybrid model cuts costs 22% vs Bench ($299 vs $375 for comparable tier) 3) Monthly KPI dashboards increase retention to 90% vs industry 78% (TSIA) 4) SOC 1 compliance by Year 2 meets enterprise requirements.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Bench	$120M	$299-$599	Brand recognition	12% quarterly churn	CPA oversight; 90% retention target
Bookminders	$45M	$350-$700	Audit support	Limited scalability	Cloud-native workflow; 70% faster onboarding
Local CPAs	$500k-$5M	$75-$150/hr	Personal relationships	Inconsistent availability	Fixed-fee subscriptions; 24-hr response SLA
QuickBooks Self-Employed	$85M	$15/mo	Low cost	No human support	CPA-reviewed financials
Botkeeper	$22M	$250-$400	AI automation	31% error rate	Human review of all AI outputs

Strengths	Weaknesses	Opportunities	Threats
CPA-owned (14-yr experience)	Limited brand recognition	IRS compliance initiative drives demand	AI tools reduce entry costs
70% lower ops cost vs Bench	No payroll integration Y1	Gusto partnership opportunity	CPA firms adding subscriptions
90% client retention target	2-person founding team	Expand to CA/FL by Y2	IRS penalty reductions

SOC 1 compliance roadmap	$120k funding dependency	Acquisition by fintech platform	Economic downturn reduces SMB spend

SECTION 5: PRODUCTS & SERVICES

Basic Package ($299/month): 5 accounts reconciled, 200 transactions, P&L/Balance Sheet/Cash Flow reports, QuickBooks portal access, 1-hour monthly call. Advanced Package ($499/month): 600 transactions, payroll integration (Gusto/ADP), sales tax reporting, inventory tracking, 2-hour CPA advisory call. CFO Add-On ($300/month): cash flow forecasting, KPI dashboards, lender-ready statements.

Pricing set 22% below Bench's $375 entry tier to capture price-sensitive SMBs while maintaining 70% gross margin. $75 COGS covers $30 QuickBooks + $29 Dext + $16 transaction processing. $500+ competitors (local CPAs) have 45% lower retention (TSIA).

Tier	Price	Features	Target Customer	% Revenue	Gross Margin
Basic	$299	200 transactions, financial reports	Solopreneurs, $100k-$500k revenue	55%	72%
Advanced	$499	600 transactions, payroll, sales tax	1-10 employee SMBs, $500k-$2M revenue	40%	68%
CFO Add-On	$300	Cash flow forecasting, KPI dashboards	Growth-stage clients	5%	85%

Metric	Value	Calculation/Notes
Price per unit	$375	Weighted avg: (55% x $299) + (40% x $499) + (5% x $300)
COGS per unit	$112.50	$375 x 30% (software + transaction fees)
Gross Profit	$262.50	$375 - $112.50
Gross Margin	70%	$262.50 / $375
CAC	$58.60	$2,000 Google Ads spend / 34 leads (8% conversion x 65% close rate)

LTV	$6,585	$262.50 GP x 25 months (2.08-yr avg. retention)
LTV:CAC	112:1	$6,585 / $58.60
Payback Period	2.2 months	$58.60 CAC / $262.50 monthly GP

SECTION 6: MARKETING & SALES

Primary channel: Google Ads targeting "outsourced bookkeeping [city]" keywords ($2.40 CPC, 3.2% CTR). Secondary: CPA referral program (10% commission on first-year revenue). Tertiary: LinkedIn outreach to founders (5% connection-to-lead rate). Projected 145 leads/month at $58.60 CAC.

Sales cycle: 7 days. Steps: 1) Website inquiry (8% conversion) 2) 30-min consultation (65% close rate) 3) 5-day onboarding. Average deal size: $375 MRR. Churn target: 0.83% monthly (90% annual retention).

Retention: Monthly financial health reports (15% reduction in churn), quarterly business reviews (QBRs increase expansion revenue by 22%), 95% NPS target. Expansion revenue: 18% of clients add CFO add-on by Year 2.

Channel	Monthly Budget	CAC	Leads/Mo	Conversion Rate	Customers/Mo	ROI
Google Ads	$2,000	$58.60	34	4.1%	2.2	112:1
CPA Referrals	$500	$45.50	11	5.0%	0.55	145:1
LinkedIn Outreach	$300	$72.00	4	3.0%	0.12	92:1
Content Marketing	$200	$83.30	2	2.5%	0.05	79:1
Total	$3,000	$58.60	51	4.1%	2.92	112:1

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Leads	Customers
1	$2,000	$0	$200	$0	$0	$2,200	36	1.5
2	$2,000	$0	$200	$0	$0	$2,200	36	1.8
3	$2,000	$0	$200	$500	$0	$2,700	42	2.2
4	$2,000	$300	$200	$0	$0	$2,500	45	2.5
5	$2,000	$300	$200	$0	$0	$2,500	45	2.7
6	$2,000	$300	$200	$500	$0	$3,000	51	2.9
7	$2,000	$300	$200	$0	$200	$2,700	48	3.1
8	$2,000	$300	$200	$0	$200	$2,700	48	3.3
9	$2,000	$300	$200	$500	$200	$3,200	54	3.5
10	$2,000	$300	$200	$0	$200	$2,700	48	3.7
11	$2,000	$300	$200	$0	$200	$2,700	48	3.9
12	$2,000	$300	$200	$500	$200	$3,200	54	4.1

SECTION 7: OPERATIONS

Daily: Automated transaction imports via Dext (70% auto-categorization), manual review of exceptions (30%), client portal updates. Weekly: Reconciliation completion, exception reporting. Monthly: Financial statement generation, client calls. Quarterly: Sales tax filing verification. Onboarding: 5-day process with 24-hour SLA for data migration.

Team capacity: Senior bookkeeper handles 30 clients (10 hrs/client/month). Founders manage sales (20 hrs/week) and quality control (5 hrs/client/month). Monthly throughput: 45 clients at 15 hrs/client = 675 hrs. Team capacity: 840 hrs (2 FTE x 160 hrs + 40 part-time).

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Intuit	QuickBooks Online	$30/client	Month-to-month	Xero ($25/client)
Gusto	Payroll integration	$39-$140/client	Annual contract	ADP ($45-$150)
Dext	Receipt processing	$29	Month-to-month	Receipt Bank ($25)
HubSpot	CRM	$45	Annual billing	Zendesk ($39)
AWS	Data storage	$15	Pay-as-you-go	Google Cloud ($18)

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
QuickBooks Online	Core accounting	$30/client	2	Xero (rejected: limited US payroll)
Dext	Automated data entry	$29	2	Zapier ($20 but 40% less accurate)
HubSpot	CRM & marketing	$45	2	ActiveCampaign ($37 but no free tier)
Bitdefender	Cybersecurity	$12	2	Malwarebytes ($10 but no endpoint)
ShareFile	Secure document exchange	$20	2	Box ($15 but no HIPAA)

SECTION 8: MANAGEMENT TEAM

Flat structure: Founders handle client delivery and operations. Compensation: Founders take 70% market rate ($8,000/month combined) until profitability, then 90%. Performance bonuses: 15% of salary for >90% retention. No equity grants for first 18 months.

Advisory board: Michael Chen (ex-Intuit director) provides quarterly product feedback. Compensation: $1,500/quarter + 0.5% equity vesting after Year 2. Dr. Lisa Rodriguez (UT Austin accounting professor) advises on compliance. Compensation: $100/hour.

Month	Role	Salary	Priority	Source	Onboarding Time
6	Freelance Tax Specialist	$50/hr	High	Upwork	2 weeks
10	Second Bookkeeper	$55,000	High	LinkedIn	4 weeks
14	Marketing Manager	$65,000	Medium	Indeed	6 weeks
18	IT Security Lead	$85,000	Low	Robert Half	8 weeks

SECTION 9: FINANCIAL PLAN

Key assumptions: 2.92 new clients/month (Year 1), 4.5/month (Year 2). $375-$415 MRR growth. 0.83% monthly churn (90% annual retention). COGS 30% of revenue. Sales cycle 7 days. CAC $58.60. Fixed costs $9,204/month Year 1.

Revenue model: Tiered subscriptions with 55% Basic / 40% Advanced / 5% Add-On mix. Growth driven by Google Ads (65% of new clients) and referral program. Expansion revenue: 18% of clients add CFO add-on by Year 2.

Cost structure: 65% variable costs (software per client), 35% fixed (salaries, marketing, overhead). Variable costs scale at 0.8x revenue growth. Fixed costs grow 15% annually for staffing.

Funding: $120,000 covers $103,940 startup costs + $16,060 operating buffer. Provides 18 months runway to Month 18 at $11,700 monthly burn. Funds client acquisition to 45 clients and EBITDA positivity by Month 14.

Category	Ite	Cost	Notes
Legal/Formation	LLC filing	$300	Texas state fee
Legal/Formation	Operating agreement	$1,200	Attorney fees
Technology	QuickBooks setup	$1,200	12 months @ $100/mo
Technology	Dext subscription	$348	12 months @ $29/mo
Technology	HubSpot setup	$540	12 months @ $45/mo
Marketing	Website development	$5,000	WordPre + SEO

Marketing		Google Ads	$12,000		$1,000/m for 12 months
Equipment		Laptops + software	$2,000		2 Dell XPS @ $950
Insurance		E&O coverage	$3,600		$300/mo for $1M policy
Insurance		Cyber liability	$1,200		$100/mo for $500K policy
Salaries		Founder draws	$60,000		6 months @ $10,000/
Professional Fees		Accounting setup	$1,500		CPA for entity structure
Office		Virtual office	$1,200		Regus mail handling @ $100/mo
Contingency		15% buffer	$13,500		15% of subtotal
Total			$103,940		

Category	Type	Monthly Cost	Annual Cost	Notes
Salaries	Fixed	$8,000	$96,000	Founders at 70% market rate
Software	Variable	$150	$1,800	$30/client x 5 clients
Marketing	Fixed	$1,500	$18,000	Google Ads + content
Insurance	Fixed	$400	$4,800	E&O + cyber liability
Professional Fees	Fixed	$250	$3,000	Legal/accounting support
Office	Fixed	$200	$2,400	Virtual office + utilities
Travel	Fixed	$100	$1,200	Client meetings
Loan Payment	Fixed	$671	$8,050	SBA 7(a) payment
Fixed Total		$10,521	$126,250	
Variable Total		$150	$1,800	Per 5 clients
Combined Total		$10,671	$128,050	At 5 clients

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Year 1
Revenue	$1,125	$2,625	$4,425	$6,375	$8,475	$10,875	$13,425	$16,125	$19,125	$22,275	$25,575	$29,025	$169,050

COGS	$338	$788	$1,328	$1,913	$2,543	$3,263	$4,028	$4,838	$5,738	$6,683	$7,673	$8,708	$50,715
Gross Profit	$788	$1,838	$3,098	$4,463	$5,933	$7,613	$9,398	$11,288	$13,388	$15,593	$17,903	$20,318	$118,335
Marketing	$2,200	$2,200	$2,700	$2,500	$2,500	$3,000	$2,700	$2,700	$3,200	$2,700	$2,700	$3,200	$31,500
Salaries	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$96,000
Software	$30	$60	$90	$120	$150	$180	$210	$240	$270	$300	$330	$360	$1,980
Insurance	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$400	$4,800
Other OpEx	$371	$371	$371	$371	$371	$371	$371	$371	$371	$371	$371	$371	$4,452
Total OpEx	$11,001	$11,031	$11,561	$11,391	$11,421	$11,951	$11,681	$11,711	$12,241	$11,771	$11,801	$12,331	$138,732
EBITDA	-$10,214	-$9,194	-$8,464	-$6,929	-$5,489	-$4,339	-$2,284	-$424	$1,147	$3,822	$6,102	$7,987	-$20,397
Net Income	-$10,214	-$9,194	-$8,464	-$6,929	-$5,489	-$4,339	-$2,284	-$424	$1,147	$3,822	$6,102	$7,987	-$20,397

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	$60,000	$49,786	$40,592	$32,128	$25,199	$19,710	$15,371	$13,087	$12,663	$13,810	$17,632	$23,734
Cash In	$1,125	$2,625	$4,425	$6,375	$8,475	$10,875	$13,425	$16,125	$19,125	$22,275	$25,575	$29,025
Total Cash In	$1,125	$2,625	$4,425	$6,375	$8,475	$10,875	$13,425	$16,125	$19,125	$22,275	$25,575	$29,025
Cash Out	$11,339	$11,031	$11,561	$11,391	$11,421	$11,951	$11,681	$11,711	$12,241	$11,771	$11,801	$12,331
Total Cash Out	$11,339	$11,031	$11,561	$11,391	$11,421	$11,951	$11,681	$11,711	$12,241	$11,771	$11,801	$12,331
Net Cash Flow	-$10,214	-$8,406	-$7,136	-$5,016	-$2,946	-$1,076	$1,744	$4,414	$6,884	$10,504	$13,774	$16,694
Ending Cash	$49,786	$40,592	$32,128	$25,199	$19,710	$15,371	$13,087	$12,663	$13,810	$17,632	$23,734	$30,428

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	$202,500	$113,850	$127,650	$141,450	$155,250	$191,250	$215,250	$239,250	$253,250	$900,000
COGS	$60,750	$34,155	$38,295	$42,435	$46,575	$57,375	$64,575	$71,775	$75,975	$270,000
Gross Profit	$141,750	$79,695	$89,355	$99,015	$108,675	$133,875	$150,675	$167,475	$177,275	$630,000
OpEx	$140,450	$55,125	$55,125	$55,125	$55,125	$70,125	$70,125	$70,125	$70,125	$280,500

EBITDA	$1,300	$24,570	$34,230	$43,890	$53,550	$63,750	$80,550	$97,350	$107,150	$349,500
Net Income	$62,050	$19,770	$29,430	$39,090	$48,750	$58,950	$75,750	$92,550	$102,350	$330,600
Ending Cash	$28,000	$55,000	$85,000	$118,000	$154,000	$200,000	$250,000	$305,000	$365,000	$365,000

Metric	Value	Calculation
Monthly Fixed Costs	$9,204	OpEx minus variable costs ($140,450 - $39,700)/12
Variable Cost per Unit	$112.50	$375 x 30%
Price per Unit	$375	Weighted average MRR
Contribution Margin	$262.50	$375 - $112.50
Contribution Margin %	70%	$262.50 / $375
Break-Even Units	35.1	$9,204 / $262.50
Break-Even Revenue	$13,163	35.1 x $375
Expected Break-Even	Month 10	Client count reaches 35 in Month 10
Safety Margin	22%	(45 clients - 35) / 45

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	70%	72%	70%	65-75% (NAICS 541211)
Net Profit Margin %	30.6%	53.0%	62.0%	15-25% (SBA)
CAC Payback	2.2 months	1.8 months	1.5 months	6-18 months

LTV:CAC	112:1	135:1	150:1	3:1 minimum
Monthly Burn	$11,700	$0	$0	N/A
Runway	18 months	N/A	N/A	12-18 months

SECTION 10: RISK ANALYSIS

Top risks: 1) Client churn >12% annually (probability 4/5, impact $50k revenue loss). 2) Data breach causing $250k liability (probability 2/5, impact severe). 3) Underpricing leading to <65% gross margin (probability 3/5, impact $30k profit loss). 4) Key person dependency on CPA founder (probability 3/5, impact 6-month revenue halt).

Mitigation: 1) Implement QBRs to maintain 90% retention (proven 15% churn reduction). 2) Cyber insurance + SOC 1 compliance by Year 2. 3) Annual pricing reviews using gross margin tracking. 4) Cross-train senior bookkeeper on CPA tasks within 12 months.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Client churn >12%	4	4	16	Monthly KPI reports; QBRs	Offer 10% discount for annual prepay	Reed
Data breach	2	5	10	SOC 1 compliance by Y2; $500k cyber insurance	Activate breach response protocol; notify clients in 24h	Chen
Revenue underperformance	3	3	9	Track CAC payback weekly; adjust ad spend	Reduce marketing spend by 30% if >6 months CAC payback	Thompson
IRS compliance error	3	5	15	CPA review of all tax filings; E&O insurance	Use E&O coverage for client restitution	Thompson
Key person risk	3	4	12	Cross-train Lopez on CPA tasks	Engage backup CPA at $150/hr	Thompson
Software disruption	2	3	6	Multi-vendor strategy (QuickBooks + Xero)	Migrate clients to Xero in 72h	Reed
Economic downturn	3	4	12	Offer 3-month payment plans	Reduce founder draws to 50% market rate	Thompson
Competitor price war	2	3	6	Emphasize CPA oversight (22% cost advantage)	Introduce $249 basic tier for 6 months	Reed

SECTION 11: IMPLEMENTATION TIMELINE

Critical path: Secure SBA loan by Month 2 to fund client acquisition. Achieve 15 clients by Month 6 to validate unit economics. Implement SOC 1 compliance by Month 18 to enable enterprise contracts. Dependencies: Gusto integration requires 90-day lead time; must initiate by Month 3.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	SBA loan approval	Executed loan docs	$70k funding	Loan funded by Day 30	Thompson
2	First 3 clients onboarded	Completed data migration	CRM setup	$900 MRR achieved	Reed
3	Google Ads live	15 leads generated	$2k ad budget	CAC < $65	Reed
4	10 clients active	Financial reports delivered	Process documentation	95% on-time delivery	Lopez
5	CPA referral program launch	5 signed agreements	Commission structure	10% of new clients	Thompson
6	15 clients at $5,625 MRR	QBRs completed	Reporting templates	Net promoter score >50	Reed
7	Marketing budget optimization	CAC < $55	Ad spend analysis	1.5x ROI on ads	Reed
8	Second bookkeeper hired	30 clients supported	$55k salary budget	Zero client disruption	Thompson
9	Gusto integration initiated	Technical requirements doc	API access request	90-day implementation plan	Reed
10	35 clients (breakeven)	Positive EBITDA	Financial dashboard	$1,300 net profit	Thompson
11	SOC 1 compliance planning	Gap assessment report	$5k consultant budget	Remediation roadmap	Chen
12	45 clients at $16,875 MRR	Year-end close completed	Tax prep coordination	100% on-time delivery	Lopez