Sample Business Plan: Scaling a Fence Installation in the American Market

American Fence Pro, LLC (TX LLC, est. 2020) provides residential/commercial fencing installation at $22-$60/linear foot to homeowners and developers in Texas. We target $1.45M Year 1 revenue with 44% gross margins. Founded by Marcus Delgado (ex-Texas HomeGuard Builders ops lead, $18M annual projects managed).

1. Executive Summary

U.S. homeowners spend $8.7B annually on fencing (IBISWorld 2023), but 68% report poor craftsmanship from local contractors (NAHB 2023). American Fence Pro solves this with in-house crews, 5-year warranties, and 98% on-time completion. We charge $32/lf average for vinyl fencing (44% gross margin) to homeowners earning $75K+ in DFW, Austin, and San Antonio. Year 1 revenue: $1.45M with $643K gross profit.

We require $750,000 funding: $500,000 SBA 7(a) loan (7.5% interest, 10-year term) and $250,000 equity. Funds deploy to 5 trucks ($175,000), trenchers ($65,000), and digital marketing ($41,600/year). This enables expansion to 6 metro areas, achieving $3.2M revenue by Year 3 with 18.5% net margins. Break-even at 18 projects/month (Month 18), delivering 28% IRR over 5 years.

2. Company Overview

LLC electing S-Corp taxation (IRS Form 2553 filed 2021). Headquartered in Fort Worth due to Texas' 42% fence permit growth since 2020 (TDLR). Ownership: Marcus Delgado 65% (rolled $120,000 equity), Jessica Tran 20%, Robert Kim 15%.

Delgado: Licensed TX Residential Builder (TREC #123456), managed 300+ fence projects at Texas HomeGuard. Tran: Reduced rework 37% at FenceMaster Southwest via digital QC system. Kim: Cut COGS 9% at Summit Contracting through supplier consolidation.

Date	Milestone	Status	Next Steps
Jan 2020	Company formation	Complete	N/A
Mar 2021	First $500K revenue year	Complete	Scale to 3 crews
Aug 2022	5-year warranty program launch	Complete	Expand to San Antonio
Dec 2023	$1.1M annual revenue	Complete	Secure $750K funding
Month 3	Deploy 2 new crews in Dallas	Planned	Hire 6 technicians
Month 6	Launch San Antonio warehouse	Planned	Sign $200K developer contract
Month 12	25 projects/month capacity	Planned	Break-even achieved
Month 18	Enter Oklahoma City market	Planned	Secure municipal bid

3. Market Analysis

TAM: $12.3B (U.S. fence installation, IBISWorld 2023). SAM: $4.1B (Southern/Central U.S., 33% of TAM). SOM: $185M (6 metro areas, 4.5% SAM capture by Year 5). Calculation: DFW $68M (2023 permits), Austin $32M, San Antonio $28M, Houston $41M, OKC $12M, Albuquerque $4M (Census Bureau + TDLR data).

Target: Homeowners aged 35-65 ($75K+ income) in suburbs. 68% install for privacy (NAHB). Average budget: $5,200 (2023 internal data). Commercial segment: Developers pay $40K-$150K/project for perimeter fencing (42% of projects).

Market trends: Vinyl/composite fencing growing at 7.1% CAGR (low maintenance); Texas fence permits up 42% since 2020; Remote work drives 31% YoY backyard privacy demand (Home Improvement Research Institute).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Homeowners	2.9B	5.2%	1.5%	DFW focus, 98% satisfaction rate
Developers	1.1B	6.8%	2.1%	Volume discounts for multi-home projects
Property Managers	120M	4.1%	3.0%	Recurring maintenance contracts
Municipal	85M	3.5%	1.2%	ADA-compliant gate specialization

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
Residential	8.7B	2.9B	43.5M	TAM x 33% SAM x 1.5% Year 5 target
Commercial	3.6B	1.2B	141.5M	TAM x 33% SAM x 11.8% Year 5 target

4. Competitive Analysis

Top 3 competitors: Texas Fence Co (25 crews, $4.2M revenue est.), Lone Star Fencing (aggressive pricing, 35% employee turnover), ABC Fence & Deck (strong SEO but limited to Houston). Texas Fence Co has 2.8 Google stars due to subcontractor quality issues; Lone Star loses 22% of contracts to warranty claims.

Our advantages: 1) 100% in-house crews (vs. 80% industry subcontracting) reducing rework by 37%; 2) 5-year craftsmanship warranty (vs. 1-2 years standard); 3) 3D visualizer cutting sales cycle to 4.2 days (vs. industry 7.5 days); 4) $0.75/sq ft staining add-on (41% attach rate).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Texas Fence Co	4.2M	$28/lf vinyl	Brand recognition	2.8 Google stars	Higher quality, 5-year warranty
Lone Star	3.1M	$25/lf vinyl	Low upfront cost	35% crew turnover	In-house crews, 98% on-time rate
ABC Fence	2.8M	$30/lf vinyl	Strong SEO	Limited to Houston	Multi-city expansion
Home Depot DIY	N/A	$18/lf materials	Low material cost	61% need pro help	Full-service installation

Strengths	Weaknesses	Opportunities	Threats
In-house QC system	Limited to TX currently	OKC/ABQ expansion	Material cost spikes
5-year warranty	No manufacturing	Municipal contracts	Unlicensed contractors
98% on-time rate	Small marketing budget	Gate automation upsell	Economic downturn
3D visualizer	Dependent on crew growth	HOA maintenance contracts	Permit delays

5. Products & Services

We install wood ($22-$35/lf), vinyl ($30-$45/lf), aluminum ($38-$55/lf), chain-link ($12-$18/lf), and composite ($40-$60/lf). Commercial projects include 8-ft security fencing ($15K-$120K) with ADA gates. All projects include 3-stage inspections (post-excavation, mid-install, final) and digital photo logs via GoCanvas.

Pricing based on material cost + labor + 44% margin. Example: Vinyl fence at $35/lf costs $19.60/lf (materials $14.00, labor $5.60), yielding $15.40 gross profit. Competitors average 38% margins due to subcontractor markups. Gate automation adds $1,200-$3,500 at 62% margin.

Tier	Price	Features	Target Customer	% Revenue	Gross Margin
Basic Chain-Link	$12-$18/lf	4-ft height, steel posts	Landlords	18%	48%
Standard Wood	$22-$35/lf	6-ft cedar, concrete footings	Homeowners	42%	42%
Premium Vinyl	$30-$45/lf	8-ft, reinforced posts	Developers	31%	46%
Commercial	$15K-$120K	Perimeter security, ADA gates	Municipal	9%	40%

Metric	Value	Calculation/Notes
Avg. Price/Project	$6,200	2023 data: 186 projects
COGS/Project	$3,472	Materials $2,480 (40%), Labor $992 (16%)
Gross Profit/Project	$2,728	$6,200 x 44% margin
CAC	$58.60	$41,600 annual marketing / 710 leads
LTV	$1,860	$6,200 x 30% repeat rate x 1.0
LTV:CAC	31.7	$1,860 / $58.60

Payback Period	0.8 months	$58.60 / ($2,728 x 0.03 monthly churn)

6. Marketing & Sales

Digital channels generate 70% of leads: Google Ads targeting "fence installation near me" (CPC $2.40, CTR 3.2%, conversion rate 4.1%). SEO content targets "vinyl fence cost Texas" (520 monthly searches, 15% conversion). Referral program: $150 bonus drives 20% of leads (2.1x higher retention).

Sales cycle: 4.2 days average. Lead-to-proposal: 24 hours (95% rate). Proposal-to-close: 68% conversion. 30% deposit required to schedule. Digital DocuSign contracts cut admin time 40% vs. paper.

Retention: 12-month check-in (73% participation), $50 gate automation discount for second project (31% uptake), gift card drawing for reviews (42% submission rate). Target churn: 3% monthly.

Channel	Monthly Budget	CAC		L Conv. Rate	Customers/Mo	ROI	
Google Ads	1,500	52.17		294.1%	1.2	52x	
Facebook/Instagram	1,000	66.67		15	3.3%	0.5	41x
SEO/Content	667	0		125.0%	0.6	Infinite	
Referrals	250	125		2 100%	2.0	29.6x	
HomeAdvisor	333	83.25		4 2.5%	0.1	32.8x	

Month	Google	Social	SEO	Events	Other	Total	Leads	Customers
1	1,500	1,000	667	0	250	3,417	45	2.4
2	1,500	1,000	667	0	250	3,417	45	2.4
3	1,500	1,000	667	500	250	3,917	52	2.8
4	1,500	1,000	667	500	250	3,917	52	2.8
5	1,500	1,000	667	0	250	3,417	45	2.4
6	1,500	1,000	667	500	250	3,917	52	2.8
7	1,500	1,000	667	0	250	3,417	45	2.4
8	1,500	1,000	667	0	250	3,417	45	2.4
9	1,500	1,000	667	500	250	3,917	52	2.8
10	1,500	1,000	667	500	250	3,917	52	2.8
11	1,500	1,000	667	0	250	3,417	45	2.4
12	1,500	1,000	667	0	250	3,417	45	2.4

7. Operations

Daily workflow: 6:30 AM crew dispatch from warehouse; 7:00 AM-4:00 PM installations (2 crews/technician); 4:30 PM digital inspection reports via GoCanvas; 5:00 PM inventory restocking. Capacity: 25 projects/month (6 crews, 4.2 projects/crew). Quality control: 100% post-install inspection, 5-year warranty.

Suppliers within 50 miles: ABC Supply (vinyl, $14.00/lf, 30-day terms), Texas Lumber ($8.50/lf cedar), Ferguson ($220/gate hardware). Technology: Buildertrend ($99/user/month) for scheduling, Samsara GPS ($35/vehicle/month) for fleet tracking.

Vendor	Service	Monthly Cost	Contract Terms	Backup Option
ABC Supply	Vinyl materials	22,000	Net 30, 2% discount	Georgia-Pacific
Texas Lumber	Wood materials	15,000	Net 15	Boise Cascade
Ferguson	Hardware	3,500	Net 30	HD Supply
Harbor Casualty	Liability insurance	1,500	Annual policy	Travelers

Tool	Purpose	Monthly Cost	Users	Alternatives
Salesforce	CRM	300	3	HubSpot
Buildertrend	Project mgmt	297	7	CoConstruct
QuickBooks	Accounting	80	2	Xero
Samsara	Fleet tracking	175	5	Verizon Connect

8. Management Team

Core team: CEO ($110K salary), COO ($95K), CFO ($90K). Field technicians: $22-$28/hour + $500 completion bonus. No advisory board; Kim consults with Summit Contracting CFO ($200/hour, 10 hrs/month).

Month	Role	Salary	Priority	Source	Onboarding
1	Marketing Manager	65,000	High	LinkedIn	30 days
1	Office Manager	48,000	High	Craigslist	14 days
3	Field Supervisor	62,000	Med	Indeed	21 days
3	Technician (x3)	55,000	High	Trade schools	21 days
6	Field Supervisor	62,000	Med	Indeed	21 days
6	Technician (x3)	55,000	High	Trade schools	21 days

9. Financial Plan

Assumptions: 15 projects/month Month 1-3 (growing to 25 by Month 12). Avg. revenue/project: $6,200. Monthly churn: 3%. COGS: 56% of revenue (materials 40%, labor 16%). Fixed costs: $48,000/month. CAC: $58.60. LTV: $1,860.

Revenue model: 70% residential ($5,200 avg), 30% commercial ($8,500 avg). Growth drivers: Crew expansion (3 to 6 crews), digital lead volume (45 to 52 leads/month), conversion rate lift (16% to 18% by Year 2).

Cost structure: 56% COGS (variable), 32.4% OpEx (70% fixed). Fixed costs: $33,600 (salaries $24,500, rent $3,500, software $1,200, insurance $1,500, other $2,900). Variable costs: Materials (40%), labor (16%), marketing (2.9%).

Funding: $750,000 total. $285,000 equipment (trucks $175,000, trenchers $65,000, tools $45,000), $65,000 warehouse, $41,600 marketing, $18,000 software, $160,400 working capital (3 months OpEx). Runway: 18 months.

Ca	Item	Cost	Notes
Equipment	5 Ford F-250 trucks	175,000	Leased $1,200/m each
Equipment	3 Ditch Witch trenchers	65,000	New units
Equipment	Tools & safety gear	45,000	Post-hol diggers, mixers
Facility	Warehouse buildout	45,000	San Antonio satellite
Facility	Lease deposit (3 mo)	20,000	$6,667/m x 3
Marketing	Google/FB Ads (Year 1)	30,000	$2,500/m
Marketing	SEO/content	8,000	Backlink blog
Marketing	HomeAdvisor premium	3,600	$300/mo

Technology	Salesforce setup	5,000	Custom pipeline
Technology	Buildertrend setup	3,000	Integratio
Working Capital	3 months OpEx	160,400	$53,467 x 3
Professional Fees	SBA loan fees	15,000	3% of $500k loan
Professional Fees	Legal/accounting	10,000	Entity structurin
Insurance	Annual premium	18,000	$1,500 x 12
Contingency	10% buffer	75,000	$750,00 x 10%
	Total	**750,000**	

C	Type	Monthly Cost	Annual Cost	Notes
Salaries	Fixed	24,500	294,000	CEO/CO + staff
Rent	Fixed	3,500	42,000	3,200 sq ft warehous
Software	Fixed	1,200	14,400	Salesforc Buildertre

Insurance	Fixed	1,500	18,000	Liability, workers' comp
Utilities	Fixed	900	10,800	Electricity internet
Marketing	Variable	3,467	41,600	70% of OpEx
Vehicle Lease	Fixed	6,000	72,000	5 trucks @ $1,200
Fuel/Maintenance	Variable	2,500	30,000	$0.50/mil x 5,000 mi
Loan Payment	Fixed	5,075	60,900	SBA 7(a), 7.5%, 10-yr
Office Supplies	Variable	300	3,600	
Professional Fees	Fixed	1,667	20,000	Accountin legal
Other	Variable	1,400	16,800	Permits, training
	Fixed Total	**42,772**	**513,264**	
	Variable Total	**11,367**	**136,404**	
	Combined Total	**54,139**	**649,668**	

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1
Revenue	85,000	85,000	95,000	95,000	105,000	115,000	105,000	105,000	115,000	115,000	105,000	105,000	1,215,000
COGS	47,600	47,600	53,200	53,200	58,800	64,400	58,800	58,800	64,400	64,400	58,800	58,800	680,400
Gross Profit	37,400	37,400	41,800	41,800	46,200	50,600	46,200	46,200	50,600	50,600	46,200	46,200	534,600
Marketing	3,417	3,417	3,917	3,917	3,417	3,917	3,417	3,417	3,917	3,917	3,417	3,417	44,000

Salaries	24,500	24,500	24,500	26,000	26,000	27,500	27,500	27,500	29,000	29,000	29,000	29,000	323,500
Rent	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Software	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Other OpEx	11,367	11,367	11,367	12,867	12,867	13,867	12,867	12,867	13,867	13,867	12,867	12,867	152,768
Total OpEx	45,484	45,484	46,984	48,984	48,484	51,484	49,984	49,984	52,984	52,984	51,484	51,484	594,668
EBITDA	-8,084	-8,084	-5,184	-7,184	-2,284	-884	-3,784	-3,784	-2,384	-2,384	-5,284	-5,284	-60,068
Depreciation	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	28,500
EBIT	-10,459	-10,459	-7,559	-9,559	-4,659	-3,259	-6,159	-6,159	-4,759	-4,759	-7,659	-7,659	-88,568
Interest	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	37,500
Taxes (25%)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-13,584	-13,584	-10,684	-12,684	-7,784	-6,384	-9,284	-9,284	-7,884	-7,884	-10,784	-10,784	-126,068

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	160,400	125,816	91,232	69,864	48,496	32,912	19,528	7,244	-5,040	-12,924	-20,808	-31,592
Cash In	42,500	42,500	47,500	47,500	52,500	57,500	52,500	52,500	57,500	57,500	52,500	52,500
Cash Out	73,000	73,000	58,184	58,184	61,184	64,184	60,184	60,184	63,184	63,184	61,184	61,184
Net Cash Flow	-30,500	-30,500	-10,684	-10,684	-8,684	-6,684	-7,684	-7,684	-5,684	-5,684	-8,684	-8,684
Ending Cash	125,816	91,232	69,864	48,496	32,912	19,528	7,244	-5,040	-12,924	-20,808	-31,592	-42,376

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	1,215,000	850,000	920,000	1,000,000	1,050,000	950,000	1,050,000	1,100,000	1,150,000	4,250,000
COGS	680,400	476,000	515,200	560,000	588,000	532,000	588,000	616,000	644,000	2,380,000
Gross Profit	534,600	374,000	404,800	440,000	462,000	418,000	462,000	484,000	506,000	1,870,000
OpEx	594,668	400,000	410,000	420,000	430,000	380,000	390,000	400,000	410,000	1,580,000
EBITDA	-60,068	-26,000	-5,200	20,000	32,000	38,000	72,000	84,000	96,000	290,000
Net Income	-126,068	-45,000	-15,000	5,000	25,000	30,000	60,000	75,000	85,000	250,000

Ending Cash	-42,376	50,000	150,000	250,000	350,000	450,000	550,000	650,000	750,000	750,000

Metric	Value	Calculation
Monthly Fixed Costs	42,772	From OpEx table
Variable Cost/Project	2,294	COGS $3,472 x 66% variable
Price/Project	6,200	2023 average
Contribution Margin/Project	3,906	$6,200 - $2,294
Contribution Margin %	63%	$3,906 / $6,200
Break-Even Projects/Mo	11	$42,772 / $3,906
Break-Even Revenue/Mo	68,200	11 x $6,200
Expected Break-Even Month	10	Per cash flow projection
Safety Margin	44%	(25 projects - 11) / 25

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	44.0%	44.0%	44.0%	40-45%
Operating Margin %	-9.8%	3.5%	16.7%	N/A
Net Profit Margin %	-10.4%	0.8%	18.5%	10-15%
Current Ratio	0.8	1.5	2.1	1.5
CAC Payback	0.8 mo	0.7 mo	0.6 mo	6-18 mo
LTV:CAC	31.7	35.2	38.1	3:1

Monthly Burn	10,506	-1,250	N/A	N/A
Runway	15.3 mo	Infinite	N/A	N/A

10. Risk Analysis

Top risks: 1) Material cost inflation (40% probability, 3/5 impact) - vinyl prices rose 18% in 2023; 2) Crew turnover (30% probability, 4/5 impact) - industry average 35%; 3) Permit delays (25% probability, 2/5 impact) - Fort Worth requires 14-day notice; 4) Economic downturn (20% probability, 5/5 impact) - housing starts down 12% in 2022.

Mitigation: 1) Lock 12-month supply contracts with ABC Supply (2% discount for volume); 2) $500 completion bonuses reduced turnover to 12% in 2023; 3) Dedicated permit coordinator cut approval time to 7 days; 4) Commercial contracts now 31% of pipeline (vs. 22% in 2022) for stability.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Material inflation	4	3	12	12-mo supply contracts	Pass-through clauses in contracts	Kim
Crew turnover	3	4	12	Bonuses + apprenticeship	Pre-vetted subcontractors	Tran
Permit delays	2	2	4	Digital submission system	Buffer days in scheduling	Tran
Economic downturn	2	5	10	Commercial contract focus	Reduce marketing spend 20%	Delgado
Unlicensed competition	3	3	9	Emphasize licensing in ads	Price match guarantee	Delgado
OSHA violations	1	5	5	Bi-weekly safety training	Stop-work authority for crews	Tran
Reputation damage	2	4	8	5-year warranty + rapid response	Review deletion protocol	Kim
Loan default	1	5	5	Maintain $50K reserve	Equity call option	Kim

11. Implementation Timeline

Critical path: Crew hiring (Month 1-3), San Antonio warehouse launch (Month 6), SBA loan closing (Month 2). Dependencies: Marketing spend requires loan approval; Crew expansion requires warehouse space.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	SBA loan closing	Funds disbursed	$750k funding	Loan docs signed	Kim
1	Hire marketing manager	Job posted	$65k salary budget	Candidate offer	Delgado
2	Deploy 2 new crews	Crews operational	3 technicians, 1 supervisor	10 projects completed	Tran
3	Dallas market entry	First Dallas project	Local permits	$15k revenue	Delgado
4	Launch referral program	System live	$250/mo budget	20% leads from referrals	Kim
5	Implement GoCanvas	Digital inspections	$299/mo software	100% crew adoption	Tran
6	San Antonio warehouse	Lease signed	$20k deposit	1,500 sq ft secured	Delgado
7	First municipal contract	Bid awarded	TexMark registration	$50k project value	Delgado
8	Break-even achieved	Positive EBITDA	25 projects/month	$32k EBITDA	Kim
9	Gate automation launch	First sale	$1,200 inventory	15% attach rate	Tran
10	HOA partnership	Contract signed	Proposal template	$20k annual value	Delgado
12	Year 1 revenue target	$1.215M hit	25 projects/month	100% of goal	Kim

12. Appendix

Supporting documents: TDLR license #12987, Harbor Casualty insurance certificate, ABC Supply volume discount agreement, 2023 tax returns. Full financial assumptions documented in QuickBooks file. Market data sources: IBISWorld Report OD4447 (2023), NAHB Remodeling Survey (Q4 2023), TDLR permit database.