Sample Business Plan to Help You Start a Foreclosure cleanup Venture

---

HomeGuard Restoration & Property Solutions, LLC (NC LLC, formed March 15, 2024) provides foreclosure cleanup services to mortgage servicers at $1,750/job average revenue. Targeting $420,000 Year 1 revenue with 45% gross margins. James R. Thompson (ex-FirstGuard Field Ops Director, managed $8.2M/yr P&L) and Lisa M. Chen (ex-National Property Solutions, scaled 120+ field teams) founded the company.

1. EXECUTIVE SUMMARY

167,000 US foreclosure filings occurred in Q1 2024 (ATTOM), generating 20,040 cleanup jobs in the Charlotte metro (1.2 jobs per 100 homes). Incumbent vendors average 72-hour response times and 23% client churn due to inconsistent quality (MBA 2023 survey). HomeGuard delivers 48-hour dispatch using OSHA-certified technicians and real-time photo verification via FieldEdge mobile app, charging $1,750/job (vs. market avg $1,680) for 45% gross margins.

We contract exclusively with B2B clients: mortgage servicers (65% of revenue), REITs (25%), and property managers (10%). Year 1 revenue: $420,000 (240 jobs). Fixed costs: $17,167/month. Contribution margin: $787.50/job (45% of $1,750). Break-even at 22 jobs/month by Month 14. Net profit: ($17,000) in 2024, $120,700 in 2025.

Seeking $350,000: $250,000 SBA 7(a) loan (10-yr term, 7.5% interest, $2,850/month payment), $100,000 angel investment (convertible note, 5% equity at exit). Funds deploy to $209,370 startup costs (see Table 1), $60,000 staffing (3 technicians @ $45,600/yr each), $50,000 marketing. Enables 5 servicer contracts by Q3 2025 and $1.2M revenue by 2026. Projected 3-year ROI: 2.8x ($980,000 cumulative net profit vs. $350,000 invested).

2. COMPANY OVERVIEW

Formed as NC LLC (taxed as S-Corp) to limit liability while passing through profits. Charlotte location targets Mecklenburg County's 12,800 annual foreclosure filings (NC Judicial Branch 2023), 38% above Raleigh and 22% above Greensboro. Ownership: James R. Thompson (60%), Lisa M. Chen (30%), Robert D. Hayes (10% angel investor).

James R. Thompson managed $8.2M/yr field operations at FirstGuard (2012-2023), reducing job turnaround from 96 to 48 hours. Lisa M. Chen scaled National Property Solutions' Southeast operations to $4.1M revenue with 92% client retention. Angela Wu (Finance Officer) audited $220M REO portfolios at PwC.

Date	Milestone	Status	Next Steps
Mar 15, 2024	Company formation, EIN, DUNS	Complete	N/A
Apr 10, 2024	Secured $2,200/month warehouse lease	Complete	Build out office space
May 1, 2024	Obtained EPA Lead-Safe certification (NC #LS-2024-087)	Complete	Apply for Freddie Mac vendor status
Jun 15, 2024	FieldEdge software implementation	In progress	Integrate with Salesforce CRM
Sep 30, 2024	First 3 servicer contracts ($18,000 revenue)	Target	Onboard 2 field technicians
Dec 31, 2024	240 jobs completed ($420,000 revenue)	Target	Secure SBA loan closing
Jun 30, 2025	Break-even (22 jobs/month)	Target	Expand to Greensboro market
Dec 31, 2025	480 jobs ($864,000 revenue)	Target	Hire COO for SC operations

3. MARKET ANALYSIS

TAM: $2.8B (US foreclosure cleanup services, IBISWorld 2023). SAM: $620M (Southeast US: NC, SC, GA, TN based on 221,000 annual filings x $2,805 avg job value). SOM: $48M (Charlotte metro + 50-mile radius: 26,667 annual filings x 1.2 jobs/filing x $1,500 avg revenue). Calculation: Mecklenburg County had 12,800 filings (2023), projected 14,208 in 2024 (+11% YoY per ATTOM). 50-mile radius adds Union, Cabarrus, York (SC) counties totaling 26,667 filings.

Target clients: Mortgage servicers (78% of REO properties outsourced per National Housing Law Project) with $1,800-$2,200/job budgets. Top 5 servicers process 4.2M loans (MBA), requiring 50,400 annual cleanups (1.2% foreclosure rate x 4.2M). REITs like Invitation Homes hold 83,000 single-family rentals (Q1 2024), generating 996 annual cleanups (1.2% foreclosure rate).

Trends: Foreclosure filings up 38% YoY (Q1 2024 vs Q1 2023, ATTOM). 72-hour dispatch requirement standard per Fannie Mae guidelines. EPA fines for lead paint violations average $15,000/job (EPA 2023 enforcement data). Technician wages rising 5.2% annually (BLS).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
National Servicers (Wells Fargo, Ocwen)	$310M	12% YoY	1.5% by 2026	5 contracts @ $1.2M revenue; requires Freddie Mac vendor status
REITs (Invitation Homes, AMH)	$155M	9% YoY	2.0% by 2026	10 contracts @ $310K revenue; 6-month sales cycle
Regional Banks (NC, SC)	$93M	7% YoY	3.0% by 2026	15 contracts @ $279K revenue; shorter sales cycle (45 days)
Property Managers	$62M	5% YoY	4.0% by 2026	20 contracts @ $248K revenue; higher churn (25% vs 15% for servicers)

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Foreclosure Cleanups	$2.8B	$620M	$48M	IBISWorld 561720 revenue x 78% outsourced rate (NHL Project)
Jobs/Year	1.0M	221,000	32,000	ATTOM filings x 1.2 jobs/filing

Avg. Revenue/Job	$2,800	$2,805	$1,500	Industry survey of 8 vendors; discount for competitive market

4. COMPETITIVE ANALYSIS

Top 3 competitors: Property Preservation Solutions (Raleigh, $3.2M revenue, 12% regional share), Southern Asset Care (Atlanta, $5.1M revenue, 18% share), ForeSite Restoration (Jacksonville, $1.8M revenue, 6% share). All charge $1,600-$1,700/job but have 23% client churn (MBA survey) due to inconsistent quality and 72-hour response times. Property Preservation Solutions lost 3 servicer contracts in 2023 for missed EPA deadlines.

HomeGuard's advantages: 48-hour dispatch (verified by GPS timestamps), 100% EPA/Fannie Mae compliance documentation, and 15% lower technician turnover via $21/hr avg wage ($3/hr above market). FieldEdge app reduces rework by 31% (per pilot data) through real-time photo verification. Servicer contracts require $2M liability insurance; we carry $3M policy at $18,000/yr (vs industry avg $15,500).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Property Preservation Solns	$3.2M	$1,650/job	Freddie Mac vendor	72-hr avg dispatch	48-hr dispatch + digital docs
Southern Asset Care	$5.1M	$1,600/job	24/7 dispatch	23% client churn	15% churn target via quality control
ForeSite Restoration	$1.8M	$1,700/job	EPA compliance	No NC presence	Local technicians + Spanish fluency
Jan-Pro Cleaning	$420M	$1,400/job	Brand recognition	No REO expertise	REO-specific training
Mr. Handyman	$280M	$1,550/job	Franchise network	No compliance docs	Fully compliant reporting

Strengths	Weaknesses	Opportunities	Threats
OSHA-certified leadership (2 staff)	Limited capital for rapid scaling	Foreclosure filings +38% YoY	REITs bringing work in-house
Proprietary FieldEdge workflow	No existing servicer contracts	72-hr dispatch mandate	EPA fines up 22% (2023)
$21/hr wages (vs $18 market)	Dependent on 2 founders	REIT portfolio growth (+9% YoY)	Gas prices +15% (2024)

100% digital documentation	Unproven in SC market	Regional bank consolidation	Technician wage inflation +5.2%

5. PRODUCTS & SERVICES

Core service: Turnkey property restoration for REO assets. Standard job includes interior deep cleaning (floors/walls), debris removal (avg 1.2 tons), yard restoration (0.25 acre), and EPA/Fannie Mae documentation. Jobs completed in 6-8 hours by 2-technician crews using GPS-tracked vans. All technicians complete OSHA 10-Hour training; supervisors hold IICRC certifications.

Pricing: $1,750/job average (vs market $1,680) due to compliance premium. Volume discounts: 5% off for 10+ jobs/month. Net-30 terms with 1.5% monthly late fee. Biohazard jobs subcontracted to IICRC-certified partners at $2,000-$7,500/job (25% gross margin vs 45% standard).

Tier	Price	Features	Target Customer	% Revenue	Gross Margin
Standard Cleanup	$1,800	3-bed home, moderate condition	Servicers (65%)	70%	45%
Premium Restoration	$3,200	4+ beds, hoarding/biohazard	REITs (25%)	20%	38%
Emergency Board-Up	$950	Window/door repair, tarping	Banks (10%)	10%	52%

Metric	Value	Calculation/Notes
Price per job	$1,750	Weighted avg: (70% x $1,800) + (20% x $3,200) + (10% x $950)
COGS per job	$962.50	Labor $700 (2 techs x 7 hrs x $21/hr), Supplies $180, Disposal $82.50 ($185/ton x 0.45 tons)
Gross Profit/job	$787.50	$1,750 - $962.50
Gross Margin	45%	$787.50 / $1,750
CAC	$833	$50,000 marketing / 60 new clients (Year 1)
LTV	$5,250	$1,750 x 3 jobs/client x 1/(1-0.15 churn)

LTV:CAC	6.3x	$5,250 / $833
Payback Period	7.1 months	CAC / (Gross Profit/job x jobs/client/month) = $833 / ($787.50 x 0.25)

6. MARKETING & SALES

Primary channel: Direct sales to servicer REO departments. Salesforce CRM tracks 120 target accounts. Email sequences yield 8.2% reply rate (Mailchimp benchmark); phone follow-ups convert 22% of replies to meetings. Secondary channel: SitusAMC and Property Preservation Network portals; requires $2M insurance and OSHA certification. Digital ads target "foreclosure cleanup Charlotte" (1,300 monthly searches, $4.20 CPC).

Sales cycle: 45 days avg. Lead qualification (7 days): Verify portfolio size (min 500 REO assets). Proposal (10 days): Custom scope with photo examples. Contract execution (14 days): MSA negotiation. Job execution (14 days): First assignment post-signing. Conversion rate: 35% of qualified leads become clients.

Retention: Monthly performance reports showing 99.2% on-time completion. 10% discount on 6th consecutive job. Dedicated client manager for accounts >$10K/month. Target churn: 15% (vs industry 23%). Expansion revenue: 28% from upselling biohazard services.

Channel	Monthly Budget	CAC	Leads/Mo	Conv. Rate	Cust/Mo	ROI
Direct Sales	$3,500	$700	15	20%	3	5.6x
PPN Portal Bids	$1,200	$400	10	30%	3	8.2x
Google Ads	$2,500	$850	15	10%	1.5	3.1x
LinkedIn Ads	$1,000	$1,000	8	8%	0.6	2.6x
Trade Shows	$833	$1,250	5	12%	0.6	2.1x

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Leads	Cust
1-3	$7,500	$0	$2,000	$2,500	$1,000	$13,000	120	12
4-6	$7,500	$3,000	$3,000	$2,500	$1,000	$17,000	150	18
7-9	$7,500	$3,000	$3,000	$0	$1,000	$14,500	135	15
10-12	$7,500	$3,000	$3,000	$0	$1,000	$14,500	135	15
Year 1	$30,000	$9,000	$11,000	$5,000	$4,000	$59,000	540	60

7. OPERATIONS

Daily workflow: 6:30 AM dispatch meeting (3 crews assigned via FieldEdge). 7:00 AM van departure (GPS-tracked). 8:00 AM-4:00 PM job execution with photo uploads at 4 checkpoints. 4:30 PM digital report submission. 5:00 PM invoicing in QuickBooks. Capacity: 12 jobs/day (4 per crew). Vans carry $8,500 inventory (cleaning supplies, PPE, boarding materials). Disposal: Waste Management contract at $185/ton (avg 0.45 tons/job).

Key vendors: Grainger for industrial supplies ($1,200/month, 12% discount at $15k/yr spend). U-Haul backup vehicle agreement ($85/day). FieldEdge software ($299/month for 5 users) chosen over ServiceTitan for REO-specific templates.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Grainger	Industrial supplies	$1,200	Open account	Uline ($1,500/month)
Waste Management	Debris disposal	$1,500	Month-to-month	Republic Services ($1,650)
SafetyMax	PPE/uniforms	$350	12 months	Workwear Outfitters ($400)
FieldEdge	Job management	$299	12 months	ServiceTitan ($450)
QuickBooks Online	Accounting	$50	Monthly	Xero ($40)

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
FieldEdge	Dispatch, photo docs	$299	5	ServiceTitan (rejected: $450, no REO templates)
Salesforce	CRM, lead tracking	$150	2	HubSpot (rejected: $120 but no servicer pipeline views)
Garmin Fleet	Van GPS tracking	$75	3	Verizon Connect ($110)
QuickBooks Online	Accounting, payroll	$50	2	QuickBooks Desktop ($30 but no mobile access)
Google Workspace	Email, docs	$18	4	Microsoft 365 ($20)

8. MANAGEMENT TEAM

Flat structure: CEO (Thompson), COO (Chen), Finance Officer (Wu), 3 Field Supervisors. Salaries: Supervisors $45,600/yr ($21.93/hr), Admin $42,000/yr. Bonuses: 5% of net profit for leadership team. No equity grants until Year 2.

Advisory board: Robert Hayes (real estate investor, 10% ownership) provides REO market insights. Dr. Alan Torres (UNC Charlotte Real Estate Dept) advises on regulatory compliance. Both unpaid.

Month	Role	Salary	Priority	Source	Onboarding
1	Field Supervisor	$45,600	High	Craiglist, Indeed	2 weeks
2	Field Technician	$38,400	High	Local trade schools	1 week
3	Admin Assistant	$42,000	Med	Referral bonus	3 weeks
6	Field Technician	$38,400	Med	Employee referral	1 week
9	Field Supervisor	$45,600	Low	Industry contacts	2 weeks
12	Field Technician	$38,400	Low	Job fairs	1 week

9. FINANCIAL PLAN

Key assumptions: 20 jobs Month 1, +2 jobs/month growth. Avg revenue/job: $1,750 (Year 1), $1,800 (Year 2), $1,850 (Year 3). Monthly churn: 15% (servicers), 25% (property managers). COGS: 55% of revenue (Year 1), 53.1% (Year 2), 53.1% (Year 3). Fixed OpEx: $17,167/month (Year 1).

Revenue drivers: 3 new servicer contracts by Q3 2024 (50 jobs/quarter), REIT contracts at 20 jobs/quarter. Premium jobs grow from 15% to 25% of mix by Year 3. Volume discounts reduce revenue/job by $15 but increase job volume 12%.

Cost structure: 60% variable (labor, supplies, disposal), 40% fixed (salaries, lease, insurance). Labor scales at 0.8 techs per 10 jobs. Disposal costs rise 4% annually with landfill fees.

Funding: $350,000 covers $209,370 startup costs (Table 1), $60,000 staffing (3 techs @ $15,200/quarter), $50,000 marketing. Provides 14 months runway to breakeven (Month 14).

Category	Ite	Cost	Notes
Legal/Formation	NC LLC filing	$300	State fee
Licenses/Permits	EPA Lead-Safe cert	$500	NC license #LS-202
Equipment	2 cargo vans	$78,000	Chevrole Express 3500, $39k each
Equipment	Pressure washers	$5,000	2x Simpson 3200 PSI
Equipment	Industrial vacuums	$3,000	2x Vacmast 12-gallor
Equipment	Lawn equipment	$8,000	2 mowers, trimmers blowers

Technology	FieldEdge setup	$2,500	Onboard fee
Technology	Salesforce setup	$1,700	Custom pipeline build
Initial Inventory	Cleaning supplies	$5,000	Uline bulk order
Initial Inventory	PPE kits	$3,500	50 kits @ $70
Marketing	Website development	$4,500	WordPre + SEO
Marketing	Branding	$3,000	Logo, uniforms van wrap
Insurance	General liability ($2M)	$12,000	Annual premium
Insurance	Workers comp	$6,000	Annual premium
Working Capital	3 months expenses	$45,570	$15,190 x 3 months
Contingency (10%)		$20,937	10% of $209,370
Total		**$209,370**	

Category	Ty	Monthly Cost	Annual Cost	Notes
Rent	Fixed	$2,850	$34,200	Charlotte warehous ($2,200) + Greensbo storage ($650)
Salaries/Payroll	Variable	$8,167	$98,000	CEO $5,000, Admin $3,500, Techs $1,167 (Month 1)
Benefits	Fixed	$1,225	$14,700	15% of payroll
Insurance	Fixed	**$1,500**	**$18,000**	General liability + workers' comp
Software	Fixed	$592	$7,100	FieldEdg $299, Salesforc $150, QuickBoo $50, Garmin $75, Google $18
Utilities	Fixed	$400	$4,800	Electricit internet, phone
Marketing	Fixed	$4,167	$50,000	Google Ads $2,500, LinkedIn $1,000, Events $667
Professional Services	Fixed	$500	$6,000	Accountin legal

Supplies	Variable	$1,500	$18,000	$7.50/job x 20 jobs
Vehicle Maintenance	Variable	$1,167	$14,000	$0.15/mil x 2,000 miles + $200 maintena
Disposal Fees	Variable	$1,500	$18,000	$185/ton x 0.45 tons x 20 jobs
Loan Payments	Fixed	$2,850	$34,200	SBA 7(a) amortized
Total Fixed		**$11,724**	**$140,688**	
Total Variable		**$5,434**	**$65,208**	
Combined Total		**$17,158**	**$205,896**	

Line Item	**M1**	**M2**	**M3**	**M4**	**M5**	**M6**	**M7**	**M8**	**M9**	**M10**	**M11**	**M12**	**Y1 Total**
Revenue	$17,500	$19,250	$21,000	$22,750	$24,500	$26,250	$28,000	$29,750	$31,500	$33,250	$35,000	$36,750	$304,500
COGS	$9,625	$10,588	$11,550	$12,513	$13,475	$14,438	$15,400	$16,363	$17,325	$18,288	$19,250	$20,213	$167,475
Gross Profit	$7,875	$8,663	$9,450	$10,238	$11,025	$11,813	$12,600	$13,388	$14,175	$14,963	$15,750	$16,538	$137,025
Marketing	$4,167	$4,167	$4,167	$4,167	$4,167	$4,167	$4,167	$4,167	$4,167	$4,167	$4,167	$4,167	$50,000
Salaries	$8,167	$8,500	$8,833	$9,167	$9,500	$9,833	$10,167	$10,500	$10,833	$11,167	$11,500	$11,833	$114,000
Rent	$2,850	$2,850	$2,850	$2,850	$2,850	$2,850	$2,850	$2,850	$2,850	$2,850	$2,850	$2,850	$34,200
Software	$592	$592	$592	$592	$592	$592	$592	$592	$592	$592	$592	$592	$7,100
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	$2,500	$2,600	$2,700	$2,800	$2,900	$3,000	$3,100	$3,200	$3,300	$3,400	$3,500	$3,600	$35,100
Total OpEx	$19,776	$20,209	$20,642	$21,075	$21,508	$21,941	$22,374	$22,807	$23,240	$23,673	$24,106	$24,539	$268,400

EBITDA	($11,901)	($11,546)	($11,192)	($10,837)	($10,483)	($10,128)	($9,774)	($9,420)	($9,065)	($8,711)	($8,356)	($8,001)	($131,375)
Depreciation	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$15,600
EBIT	($13,201)	($12,846)	($12,492)	($12,137)	($11,783)	($11,428)	($11,074)	($10,720)	($10,365)	($10,011)	($9,656)	($9,301)	($146,975)
Interest	$1,771	$1,751	$1,730	$1,709	$1,688	$1,667	$1,646	$1,625	$1,604	$1,583	$1,562	$1,541	$19,992
Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Income	($14,972)	($14,597)	($14,222)	($13,846)	($13,471)	($13,095)	($12,720)	($12,345)	($11,970)	($11,594)	($11,218)	($10,842)	($166,967)

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	$350,000	$205,028	$60,431	($83,791)	($227,637)	($371,108)	($514,203)	($656,923)	($799,268)	($941,238)	($1,082,832)	($1,224,050)
Cash In	$0	$17,500	$19,250	$21,000	$22,750	$24,500	$26,250	$28,000	$29,750	$31,500	$33,250	$35,000
Funding	$350,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Cash In	$350,000	$17,500	$19,250	$21,000	$22,750	$24,500	$26,250	$28,000	$29,750	$31,500	$33,250	$35,000
Cash Out	$144,972	$159,597	$158,972	$157,846	$156,371	$154,605	$152,470	$150,045	$147,320	$144,294	$141,018	$137,442
Total Cash Out	$144,972	$159,597	$158,972	$157,846	$156,371	$154,605	$152,470	$150,045	$147,320	$144,294	$141,018	$137,442
Net Cash Flow	$205,028	($144,597)	($139,722)	($136,846)	($133,621)	($130,105)	($126,220)	($122,045)	($117,570)	($112,794)	($107,768)	($102,442)
Ending Cash	$205,028	$60,431	($79,291)	($216,137)	($349,758)	($479,863)	($606,083)	($728,128)	($845,698)	($958,492)	($1,066,260)	($1,168,702)

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	$420,000	$216,000	$237,600	$259,200	$270,000	$306,000	$336,600	$367,200	$403,950	$1,239,50
COGS	$231,000	$114,300	$125,730	$137,160	$143,100	$162,180	$178,398	$194,616	$214,079	$657,000
Gross Profit	$189,000	$101,700	$111,870	$122,040	$126,900	$143,820	$158,202	$172,584	$189,871	$582,500
OpEx	$206,000	$71,075	$71,075	$71,075	$71,075	$90,625	$90,625	$90,625	$90,625	$362,500
EBITDA	($17,000)	$30,625	$40,795	$50,965	$55,825	$53,195	$67,577	$81,959	$99,246	$220,000
Net Income	($17,000)	$22,000	$29,000	$36,000	$39,000	$37,000	$47,000	$57,000	$69,000	$220,000
Ending Cash	($1,168,702)	($858,702)	($529,702)	($175,702)	$14,298	$224,298	$477,298	$764,298	$1,093,298	

Metric	Value	Calculation
Monthly Fixed Costs	$17,167	OpEx $206,000 / 12
Variable Cost per Job	$962.50	COGS $231,000 / 240 jobs
Price per Job	$1,750	Revenue $420,000 / 240 jobs
Contribution Margin/job	$787.50	$1,750 - $962.50
Contribution Margin %	45%	$787.50 / $1,750
Break-Even Units	22	$17,167 / $787.50
Break-Even Revenue	$38,500	22 jobs x $1,750
Expected Break-Even Month	14	June 2025 (22 jobs projected)
Safety Margin	8%	(30 jobs - 22) / 30 jobs Month 12

Metric	Y1		Y	Y	Industry Benchma
Gross Margin %	45.0%		46.[illegible]	[illegible]	[illegible]-50% (IBISWor
Operating Margin %	-4.0%		14.[illegible]	[illegible]	[illegible]15% (S&P)
Net Profit Margin %	-4.0%		14.[illegible]	[illegible]	[illegible]12% (S&P)
Current Ratio	0.8		1.9	2.5	1.5-2.0
CAC Payback	7.1 months		5.8 months	5.2 months	6-18 months
LTV:CAC	6.3x		7.2x	8.1x	3x+

Monthly Burn Rate	$13,914			
Runway (Months)	14			

10. RISK ANALYSIS

Top risks: Regulatory non-compliance (Probability 3, Impact 5), foreclosure volume decline (P 4, I 4), technician turnover (P 4, I 3). EPA fines average $15,000/job for lead violations; a single incident could cost $45,000 (3 jobs). Foreclosure filings dropped 22% in 2020 but rebounded 38% in 2024. Technician turnover costs $5,000/replacement (recruiting, training).

Mitigation: Monthly $500 compliance training reduces EPA risk by 70%. Diversify to REITs (30% of revenue by Year 2) to offset foreclosure volatility. $21/hr wages (17% above market) cut turnover from 30% to 15%. GPS tracking prevents job delays; backup subcontractors cover 20% of peak demand.

Risk	Probability (1-5)	Impact (1-5)	Risk Score	Mitigation Strategy	Contingency Plan	Owner
EPA non-compliance	3	5	15	Monthly $500 training; digital docs	Set aside $50k compliance reserve	Chen
Foreclosure volume drop	4	4	16	Diversify to REITs (30% rev by Y2)	Offer light rehab services	Thompson
Technician turnover	4	3	12	$21/hr wages + $1k retention bonus	Pre-vetted subcontractor network	Chen
Client payment delays	3	4	12	Net-30 terms + 1.5% late fee	Factoring line with Fundbox	Wu
Vehicle breakdown	2	4	8	Preventive maintenance; U-Haul backup	Rent replacement van ($85/day)	Chen
Gas price spike	3	3	9	Fuel surcharge (0.5% per $0.10/gal)	Optimize routes via Garmin	Thompson
Competitor price war	2	3	6	Emphasize compliance documentation	Target REITs (less price-sensitive)	Thompson
REO policy changes	3	4	12	Monitor Fannie Mae bulletins weekly	Adjust workflows within 48 hours	Chen

11. IMPLEMENTATION TIMELINE

Critical path: Secure servicer contracts by Q3 2024. Dependencies: EPA certification (Month 1), FieldEdge implementation (Month 2), first 3 tech hires (Month 3). Key priority: Achieve 20 jobs/month by Month 6 to extend runway. Delayed servicer contracts would require $50k contingency draw.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	EPA/FHA compliance	Certification #LS-2024-087	$500 fee, 40 training hours	Documented approval	Chen
2	Software integration	FieldEdge + Salesforce sync	$4,200 setup, IT consultant	100% job docs uploaded	Wu
3	First servicer contract	MSA with regional bank	Sales materials, legal review	$15,000 Q3 revenue	Thompson
4	Field team launch	3 technicians hired	$15,200 payroll, van assignment	15 jobs completed	Chen
5	PPN portal access	Vendor status approved	$1,200 portal fee, insurance proof	First portal job awarded	Wu
6	20 jobs/month capacity	2 crews operational	2nd van wrap, GPS tracking	$35,000 revenue	Thompson
7	First REIT contract	MSA with regional REIT	Portfolio analysis, pricing deck	$20,000 Q3 revenue	Thompson
8	Marketing optimization	Google Ads CAC < $800	$2,500 ad spend, analytics	1.5 new clients/month	Wu
9	SBA loan closing	$250k disbursement	Financials, collateral docs	Loan docs signed	Wu
10	48-hour dispatch rate	95% on-time completion	Route optimization software	99.2% client satisfaction	Chen
11	Second servicer contract	MSA with national servicer	Freddie Mac vendor status	$50,000 Q4 revenue	Thompson
12	Break-even planning	22 jobs/month projection	Financial model update	Positive cash flow by M14	Wu