Hoarder cleanup Startup: A Real-World Sample Business Plan

CleanPath Solutions LLC, Colorado LLC founded March 2024, Denver-based. Founder Sarah Thompson scaled biohazard remediation firm to $8.2M revenue in 5 years (2019-2023). We provide trauma-informed hoarder cleanup at $3,800 average job price, targeting $240,000 Year 1 revenue. Document dated October 2024.

SECTION 1: EXECUTIVE SUMMARY

2.1 million US households with severe hoarding disorder generate $1.8B annual cleanup market (IBISWorld 2023), but 78% of sufferers delay help >6 months due to stigma (International OCD Foundation 2023). CleanPath solves this with licensed mental health-integrated cleanup: 48-hour response time (vs. industry 7-day average), OSHA-compliant biohazard remediation, and clinical partnerships. We capture 8% of Denver's serviceable market (600 annual jobs) at $3,800 average revenue per job.

Revenue model: 85% one-time cleanups ($2,500-$8,000/jobs), 15% maintenance contracts ($199/month). Gross margin 58% from $1,680 variable cost per job (2 crew @ $25/hr x 16 hrs + $420 disposal). Year 1: $240,000 revenue, -$102,000 net loss. Break-even at 9 jobs/month (Month 18). Year 3: $1.2M revenue, 32% net margin.

Seeking $350,000: $150,000 SBA 504 loan (truck/facility), $150,000 angel (10% equity), $50,000 founder cash. Funds drive 48 to 250 annual jobs by Year 3. Milestones: 10% Denver market share (Q4 2025), 3 municipal contracts (Q2 2026), franchise model validation (Q4 2026). Projected 5.2x ROI by 2027 exit.

SECTION 2: COMPANY OVERVIEW

Colorado LLC formed March 2024 for liability protection and pass-through taxation. Denver location targets Front Range's 1.8M population with 120,000 hoarding-affected individuals (0.5% prevalence x 24M Colorado adults). Ownership: Thompson 60%, Reed 30%, angel 10%.

Sarah Thompson (CEO): Grew prior remediation firm from $500K to $8.2M revenue (2019-2023), securing $2.1M SBA loans. Marcus Reed (COO): Managed 347 wildfire cleanup jobs at $4,100 average revenue (2020-2022), reducing crew injury rate to 1.2/200k hrs (vs. industry 3.8).

Date	Milestone	Status	Next Steps
Mar 2024	LLC formation, HAZWOPER certification	Complete	Secure warehouse lease
May 2024	Warehouse lease signed (3,200 sq ft @ $1,200/month)	Complete	Purchase Ford F-450 truck
Jul 2024	First 3 jobs ($11,400 revenue)	Complete	Hire 2 technicians
Oct 2024	SBA loan application submitted	In Progress	Close $150k angel round
Q1 2025	5% Denver market share (25 jobs)	Target	Launch Google Ads campaign
Q3 2025	Break-even (9 jobs/month)	Target	Negotiate 1st property manager contract

SECTION 3: MARKET ANALYSIS

TAM: $40.5B (9M US hoarding sufferers x $4,500 avg job value). SAM: $1.8B (IBISWorld 2023 hoarder cleanup industry revenue). SOM: $2.28M Colorado market (120,000 sufferers x 0.5% annual seek help x $3,800 avg revenue). CleanPath targets 3.5% SOM ($80k) in Year 1, growing to 15% ($342k) by Year 3.

Primary customers: Property managers (45% of jobs, $5,200 avg revenue), families (35%, $3,500), individuals (20%, $2,800). Budgets: Property managers pay from $3k-$10k cleanup reserves; families use payment plans (68% take 3-month terms at 9.99% APR via Affirm).

Trends: 6.2% annual market growth (IBISWorld), 1,200+ Denver hoarding citations issued in 2023 (22% YoY increase), 41% of insurers now cover hoarder cleanup (NAIC 2023 vs. 29% in 2021).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Property Managers	$1.03M	8.1%	12%	Exclusive contracts with 3 largest Denver firms (7,200 units)
Families	$798k	5.3%	8%	Partnerships with 12 senior care agencies
Individuals	$456k	4.0%	3%	Slower conversion due to payment constraints
Municipal	$96k	12.0%	0%	Targeting RFPs in Year 2

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Market	$40.5B	$1.8B	N/A	9M sufferers x $4,500 x 100% (IBISWorld)
Colorado	N/A	$2.28M	$80k	120k sufferers x 0.5% x $3,800 x 3.5%

SECTION 4: COMPETITIVE ANALYSIS

Direct competitors: Clutter Vanish (Denver, $750k revenue est., $2,500-$5,000/jobs), PureSpace Restoration (Boulder, $1.2M revenue est., insurance-focused), Rapid Relief (Fort Collins franchise, $6,000+/job). No Colorado competitor has mental health partnerships; industry average response time 7 days.

Competitive advantages: 1) 48-hour response (vs. 7 days) via 24/7 scheduling software (Jobber), proven in 3 pilot jobs; 2) 22% lower pricing than franchises ($3,800 vs $4,900 avg) from lean crew model; 3) 92% client retention for maintenance plans (vs. industry 65%) from clinical advisor integration; 4) Exclusive referral deal with Mental Health America of Colorado (500+ therapist network).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Clutter Vanish	$750k	$2,500-$5k	Low price	No biohazard license	OSHA compliance + mental health support
PureSpace	$1.2M	$4,500-$7k	Insurance billing	7-day wait time	48-hour response + compassion training
Rapid Relief	$900k	$6k+	National brand	High pricing	22% lower cost, local ownership
1-800-GOT-JUNK?	$350M	$150/hr	Brand recognition	No hoarder specialization	Clinical protocols for trauma cases

Strengths	Weaknesses	Opportunities	Threats
HAZWOPER-certified crews	Limited brand awareness	Denver's 22% YoY citation growth	New franchise entry (20% probability)
Clinical advisor partnership	High initial CAC ($320)	41% insurer coverage growth	OSHA violation (30% probability)
Lean cost structure	No municipal contracts yet	Aging population (10k turn 65 daily)	Payment defaults (15% probability)
Exclusive therapist network	Single-truck capacity	Telehealth referral integration	Economic downturn (10% probability)

SECTION 5: PRODUCTS & SERVICES

Core service: Level 1-5 hoarder cleanup (1-5 day jobs). Process: Virtual assessment -> sorting protocol (Keep/Donate/Recycle/Dispose) -> biohazard remediation (EPA-registered solutions) -> odor neutralization -> client walkthrough. Includes 30-day maintenance check-in. 87% of jobs require biohazard handling (rodent waste/mold).

Pricing based on square footage and clutter level: 1-bed/Level 3 = $3,500 (3 days, 2 crew), 3-bed/Level 4 + biohazard = $6,800 (5 days, 4 crew). $199/month maintenance contracts include 4 hrs sorting/prevention coaching. Prices 18% below Rapid Relief's $4,150 avg for equivalent jobs, validated by 12 competitor price checks.

Tier	Price	Features	Target Customer	Expected % Revenue	Gross Margin
Basic Cleanup	$2,500-$4,500	1-3 beds, Level 1-3	Individuals	45%	55%
Premium Cleanup	$4,501-$8,000	3+ beds, biohazard, Level 4-5	Property managers	40%	62%
Maintenance	$199/mo	4 hrs/month, therapy alignment	Families	15%	78%

Metric	Value	Calculation/Notes
Price per job	$3,800	Weighted avg of 85% cleanups + 15% contracts
COGS per job	$1,680	2 crew x $25/hr x 16 hrs = $800; disposal $420; supplies $460
Gross Profit	$2,120	$3,800 - $1,680
Gross Margin	55.8%	$2,120 / $3,800
CAC	$320	$20k annual marketing / 62 customers
LTV	$5,700	$3,800 x (1 + 0.15 repeat rate) / 0.12 churn

LTV:CAC	17.8x	$5,700 / $320 (vs. 3x benchmark)
Payback Period	1.8 months	CAC / (Gross Profit x repeat rate)

SECTION 6: MARKETING & SALES

Go-to-market: Digital channels (65% of leads) + B2B partnerships (35%). Google Ads targeting "hoarder cleanup Denver" CPC $3.10 (SEMrush data), CTR 4.2%, conversion 5.1%. Partner channels: Mental Health America referrals (50+ therapists), property manager contracts (3 firms representing 7,200 units).

Sales cycle: 3.2-day average (vs. industry 14 days). Inquiry -> virtual assessment (48% conversion) -> quote (72% acceptance) -> deposit (25% required). Close rate 34.6% (127 inquiries -> 44 jobs in pilot).

Retention: 10% discount on next service, free first maintenance month. Target 12% monthly churn (vs. industry 25%). Expansion revenue: 15% of clients add maintenance after first job.

Channel	Monthly Budget	Expected CAC		E L Conversion Rate	Expected Customers/Month	ROI	
Google Ads	$5,000	$280		165.1%	8.2	6.8x	
Facebook Ads	$2,000	$350		57	4.2%	2.4	5.2x
Therapist Referrals	$0	$0		2568%	17.0	N/A	
Property Managers	$0	$0		1585%	12.8	N/A	

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	3000	1000	500	0	500	5000	95	3.2
2	3500	1200	700	0	600	6000	114	3.9
3	4000	1500	1000	0	500	7000	135	4.7
4	4500	1800	1200	500	500	8500	162	5.5
5	5000	2000	1500	1000	500	10000	190	6.5
6	5000	2000	1500	1500	500	10500	200	6.8
7	5000	2000	1500	2000	500	11000	210	7.1
8	5000	2000	1500	2500	500	11500	219	7.5
9	5000	2000	1500	3000	500	12000	229	7.8
10	5000	2000	1500	3500	500	12500	238	8.1
11	5000	2000	1500	4000	500	13000	248	8.4
12	5000	2000	1500	4500	500	13500	257	8.7

SECTION 7: OPERATIONS

Daily workflow: 7:00 AM crew briefing (PPE check) -> 8:00 AM job site -> 8:30-17:00 work (2-4 crew) -> 17:30 equipment cleaning -> 18:00 CRM updates. Capacity: 1 truck handles 12 jobs/month (48 crew hours/week x 4 weeks / 16 hrs/job). Decontamination bay processes 3 jobs/day.

Key vendors: Waste Management ($420/job disposal), Grainger ($1,200/month PPE), Goodwill (free donation logistics). Technology: Jobber ($199/month for scheduling/GPS), HubSpot ($800/month CRM), QuickBooks ($50/month).

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Waste Management	Debris disposal	$1,050	Month-to-month	Denver Recycles ($1,120)
Grainger	PPE/tools	1,200	Net 30	Uline ($1,350)
Goodwill	Donation logistics	0	Per-job fee	Salvation Army
Jobber	Field management	199	Annual	Housecall Pro ($229)

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Jobber	Scheduling, invoicing, GPS	199	7	Housecall Pro (rejected: $229, no mental health templates)
HubSpot	CRM, email automation	800	3	Zendesk (rejected: $1,100, weaker sales pipeline)
QuickBooks	Accounting, payroll	50	2	Xero (rejected: $30, no SBA loan integration)
TitanFile	HIPAA-compliant storage	75	3	Dropbox (rejected: non-HIPAA)

SECTION 8: MANAGEMENT TEAM

7-person team by Year 1 end. Salaries: CEO $75,000, COO $65,000, technicians $45,000 ($21.63/hr). Payroll taxes 15.3% of wages. No bonuses until Year 2 profitability.

Advisory board: Dr. Elena Ramirez (clinical psychologist, 10 hrs/month @ $150/hr), James Wu (CFO, 20 hrs/month @ $125/hr). Compensation: $1,500 and $2,500 monthly.

Month	Role	Salary	Priority	Source	Onboarding Time
1	Office Manager	35,000	High	Craigslist	2 weeks
3	Technician 1	45,000	High	Indeed	3 weeks
4	Technician 2	45,000	High	Indeed	3 weeks
6	Foreman	52,000	Medium	Employee referral	4 weeks
9	Technician 3	45,000	Medium	Indeed	3 weeks

SECTION 9: FINANCIAL PLAN

Key assumptions: 3 jobs Month 1 -> 8.7 jobs Month 12 (3.2% weekly growth). Avg revenue/job $3,800. Monthly churn 12%. COGS 44.2% of revenue ($1,680/job). Sales cycle 3.2 days. CAC $320. Fixed costs $19,700/month.

Revenue growth drivers: Google Ads scaling (5.1% conversion), therapist referrals (68% close rate), property manager contracts (85% close rate). 15% of clients add $199/month maintenance within 90 days.

Cost structure: 55.8% gross margin. Fixed costs 78% of OpEx ($19,700/month: salaries $15,167, rent $1,200, software $1,124, insurance $1,500). Variable costs 22% of OpEx ($5,200/month: disposal $4,200, fuel $1,000).

$350,000 funding: $150k SBA loan (truck/facility), $150k angel (operations/marketing), $50k founder (working capital). Funds 18 months runway. Milestones: 9 jobs/month break-even (Month 18), 3 city contracts (Month 24).

Category	Ite	Cost	Notes
Legal/Formation	LLC filing, contracts	2,500	Colorado $500 + attorney $2,000
Licenses/Permits	Denver business license	1,200	Annual fee
Equipment	Ford F-450 + trailer	98,000	SBA 504 collatera
Equipment	PPE, tools, supplies	22,000	Grainger initial order
Facility Setup	Warehouse buildout	35,000	Decon bay, shelving, office
Technology	Software setup	5,000	Jobber/H impleme

Marketing Launch	Website, SEO, ads	25,000	3 months runway
Working Capital	3 months operating buffer	40,000	$19,700 x 2.03 months
Insurance	First-year premiums	18,000	$2M liability, workers' comp
Professional Fees	Accounting setup	3,000	QuickBo configura
Training	HAZWOPER certification	4,800	6 staff x $800
Contingency	10% buffer	25,050	10% of total
Total		250,550	

Category	T	Monthly Cost	Annual Cost	Notes
Rent	Fixed	1,200	14,400	3,200 sq ft warehous
Salaries	Fixed	15,167	182,000	7 staff avg $26k; payroll tax 15.3%
Benefits	Fixed	2,321	27,850	15.3% of payroll

Insurance	Fixed	1,500	18,000	Liability, workers' comp, auto
Software	Fixed	1,124	13,488	Jobber, HubSpot, QuickBoo
Utilities	Fixed	400	4,800	Electric, water, internet
Marketing	Fixed	8,500	102,000	Google/F ads
Professional Services	Fixed	4,000	48,000	CFO, clinical advisor
Disposal Fees	Variable	4,200	50,400	6 jobs x $700/job
Fuel & Maintenance	Variable	1,000	12,000	1,500 miles/mo @ $0.67/mil
Supplies	Variable	1,200	14,400	Cleaning agents, gloves
Loan Payment	Fixed	1,333	16,000	SBA 504 @ 4.5% 10-yr
Fixed Total		25,215	302,580	
Variable Total		6,400	76,800	
Combined Total		31,615	379,380	

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Year 1
Revenue	11,400	15,200	19,000	22,800	26,600	30,400	34,200	38,000	41,800	45,600	49,400	53,200	342,000
COGS	5,040	6,720	8,400	10,080	11,760	13,440	15,120	16,800	18,480	20,160	21,840	23,520	151,200

Gross Profit	6,360	8,480	10,600	12,720	14,840	16,960	19,080	21,200	23,320	25,440	27,560	29,680	190,800
Marketing	5,000	6,000	7,000	8,500	10,000	10,500	11,000	11,500	12,000	12,500	13,000	13,500	129,500
Salaries	10,000	12,000	14,000	15,167	15,167	15,167	15,167	15,167	15,167	15,167	15,167	15,167	172,000
Rent	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
Software	200	300	500	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	10,200
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	1,760	2,320	2,880	3,440	4,000	4,560	5,120	5,680	6,240	6,800	7,360	7,920	51,840
Total OpEx	19,660	23,320	27,080	30,531	33,091	33,951	35,111	36,271	37,231	38,291	39,351	40,411	405,940
EBITDA	-13,300	-14,840	-16,480	-17,811	-18,251	-16,991	-16,031	-15,071	-13,911	-12,851	-11,791	-10,731	-215,140
Depreciation	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000
EBIT	-15,383	-16,923	-18,563	-19,894	-20,334	-19,074	-18,114	-17,154	-15,994	-14,934	-13,874	-12,814	-240,140
Interest	563	563	563	563	563	563	563	563	563	563	563	563	6,750
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-15,946	-17,486	-19,126	-20,457	-20,897	-19,637	-18,677	-17,717	-16,557	-15,497	-14,437	-13,377	-246,890

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	350,000	307,254	261,768	212,642	160,185	107,288	86,011	66,334	47,617	30,060	13,563	0
Cash In	2,850	7,600	14,250	20,520	25,270	28,880	32,490	36,100	39,710	43,320	46,930	50,540
Total Cash In	2,850	7,600	14,250	20,520	25,270	28,880	32,490	36,100	39,710	43,320	46,930	50,540
Cash Out	45,600	50,600	54,376	52,977	53,327	30,527	31,067	31,607	32,147	32,687	33,227	33,767
Total Cash Out	45,600	50,600	54,376	52,977	53,327	30,527	31,067	31,607	32,147	32,687	33,227	33,767
Net Cash Flow	-42,750	-43,000	-40,126	-32,457	-28,057	-1,647	1,423	4,493	7,563	10,633	13,703	16,773
Ending Cash	307,254	261,768	212,642	160,185	107,288	86,011	66,334	47,617	30,060	13,563	0	16,773

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	342,000	126,000	168,00td>	210,000	252,000	336,000	420,000	504,000	588,000	1,200,000

COGS	151,200	55,440	73,920	92,400	110,880	147,840	184,800	221,760	258,720	528,000
Gross Profit	190,800	70,560	94,080	117,600	141,120	188,160	235,200	282,240	329,280	672,000
OpEx	405,940	101,485	101,485	101,485	101,485	135,313	135,313	135,313	135,313	541,252
EBITDA	-215,140	-30,925	-7,405	16,115	39,635	52,847	99,887	146,927	193,967	130,748
Net Income	-246,890	-35,563	-8,516	14,732	36,242	48,289	91,308	134,166	177,024	118,495
Ending Cash	16,773	-18,787	-27,293	-12,561	27,081	75,370	166,678	300,844	477,868	477,868

Metric	Value	Calculation
Monthly Fixed Costs	25,215	Salaries $15,167 + Rent $1,200 + Software $1,124 + Insurance $1,500 + Utilities $400 + Loan $1,333 + Marketing $4,491
Variable Cost per Job	1,680	Disposal $700 + Labor $800 + Supplies $180
Price per Job	3,800	Weighted average
Contribution Margin	2,120	$3,800 - $1,680
Contribution Margin %	55.8%	$2,120 / $3,800
Break-Even Units	11.9	$25,215 / $2,120
Break-Even Revenue	45,217	11.9 x $3,800
Expected Break-Even Month	18	Per cash flow projection
Safety Margin	23.8%	(15 jobs - 11.9) / 15

Metric	Y1	Y2	Y3	Industry Benchmark

Gross Margin %	55.8%	56.0%	56.0%	50-70% (services)
Operating Margin %	-59.1%	-1.5%	10.5%	5-15% (mature)
Net Profit Margin %	-72.2%	-1.7%	9.9%	5-10%
Current Ratio	1.1	1.8	3.2	1.5+
CAC Payback	N/A	5.2 months	3.8 months	6-18 months
LTV:CAC Ratio	17.8x	15.3x	18.1x	3x+
Monthly Burn Rate	20,574	8,500	N/A	N/A
Runway (months)	17.0	10.2	N/A	12+

SECTION 10: RISK ANALYSIS

Top risks: 1) OSHA violation (Probability 3/5, Impact 4/5): $50k fines from improper biohazard handling. 2) Payment default (Probability 2/5, Impact 3/5): 15% of individuals unable to pay balance. 3) Crew injury (Probability 3/5, Impact 4/5): 2.1 injuries/200k hrs (vs. industry 3.8). 4) Slow municipal contracting (Probability 4/5, Impact 2/5): 6-12 month RFP cycles delay $96k SOM.

Mitigation: 1) Mandatory HAZWOPER recertification (cost: $800/staff/year), safety audits ($200/month). 2) 25% deposit requirement, Affirm payment plans (15% take rate). 3) Ergonomic training ($1,500 initial), $5M liability insurance. 4) Dedicated sales rep targeting Denver Housing Authority RFPs.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
OSHA violation	3	4	12	Monthly safety audits, HAZWOPER recert	Hire safety consultant ($150/hr)	COO
Payment default	2	3	6	25% deposit, Affirm integration	Write-off reserve (3% revenue)	CFO
Crew injury	3	4	12	Ergonomic training, PPE compliance	Temporary staffing contract	COO
Slow municipal sales	4	2	8	Dedicated sales rep (Q2 2025)	Focus on property managers first	CEO
Reputation damage	2	5	10	Client consent for before/after photos	Crisis PR retainer ($2,500/month)	CEO
Truck breakdown	3	3	9	Preventive maintenance ($500/month)	Rental agreement with U-Haul	COO
Competitor price war	1	4	4	Value-based pricing, clinical partnerships	Target commercial clients (less price-sensitive)	CEO
Staff burnout	4	3	12	Mental health days, counseling stipend	Rotate crews between jobs	COO

SECTION 11: IMPLEMENTATION TIMELINE

Year 1 priorities: Achieve 9 jobs/month break-even, secure 3 property manager contracts, validate unit economics. Critical path: SBA loan approval (Month 2), therapist referral pipeline (Month 4), Google Ads optimization (Month 6). Dependencies: Clinical advisor contract (Month 1), warehouse buildout completion (Month 2).

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Clinical advisor contract	10-hr/month agreement	$1,500 budget	Training completed	CEO
2	SBA loan approval	$150k secured	Financial docs	Truck delivery	CFO
3	First property manager contract	Greystar agreement	Sales deck	$5,200 job	CEO
4	Therapist referral pipeline	50+ therapist list	Mental Health America MOU	10 referrals/month	COO
5	Google Ads launch	Campaign live	$5k budget	8.2 customers/month	Marketing
6	Break-even analysis	9 jobs/month target	Financial model	CAC < $350	CFO
7	Technician hiring	2 new hires	$90k budget	12 jobs capacity	COO
8	HubSpot CRM migration	Full implementation	$800/month	100% lead tracking	CFO
9	Maintenance plan launch	Subscription service	Contract templates	15% attach rate	CEO
10	Denver Housing Authority RFP	Bid submission	Proposal team	1 contract win	CEO
11	Franchise model draft	Operations manual	$5k legal	Validated unit economics	COO
12	Year 1 financial close	Audit-ready books	Accountant	342k revenue achieved	CFO

SECTION 12: APPENDIX

Supporting documents: 12-month cash flow model, SBA loan term sheet, therapist referral agreement, disposal contracts. All assumptions documented in financial model tabs (e.g., 5.1% Google Ads conversion from 2023 industry benchmarks). Source: IBISWorld W11211a (2023), NAIC Property/Casualty Insurance Report (2023), International OCD Foundation Hoarding Survey (2023).