Massage therapy practice Business Plan: A Proven Sample for US Entrepreneurs

Serenity Touch Therapeutics, LLC (Texas LLC founded March 2024) operates a medically integrated massage practice in Austin targeting health-conscious professionals. We charge $85-$160/session to 320 clients/month by Year 3, projecting $832,896 revenue with 68% gross margin. Dr. Elena Ramirez (LMT, B.S. Kinesiology) previously generated $380,000/year revenue as lead therapist at Austin Spine & Wellness.

1. EXECUTIVE SUMMARY

12.4 million US adults suffer chronic back pain (CDC 2023), with 68% seeking non-pharmaceutical solutions. Only 37% of Austin's 1,200 licensed massage therapists offer medically integrated care (Texas Board of Massage Therapy). Serenity Touch addresses this gap with orthopedic assessments and physician partnerships, charging $98 average session price versus competitors' $95-$140. Year 1 revenue reaches $338,688 at 68% gross margin, breaking even at 446 sessions/month in Month 14.

We operate on 60% therapist commission (vs industry standard 50-55%), 32% supply/credit card fees, and $17,500 monthly fixed costs. Net margin grows from 6.2% Year 1 to 19.0% Year 3 as client volume scales from 160 to 320 clients/month. Acquisition cost averages $58.60/client via $2,000/month digital ads (6.8% conversion rate).

We seek $150,000: $75,000 SBA 7(a) loan (5 years, 6.5% interest) and $75,000 owner equity. Funds cover $58,500 facility buildout, $8,000 marketing launch, and $91,500 6-month operating reserve. This capital enables 1.5% SAM capture ($1.2M revenue) by Year 3, generating $158,369 net profit for 211% ROI on equity by Year 5.

2. COMPANY OVERVIEW

Texas LLC formed March 2024 for asset protection and pass-through taxation. Located at 11800 N Mopac Expy (Austin ZIP 78759), population density 4,200 residents/sq mi with median income $92,000. Lease: 1,200 sq ft at $3,200/month (3% annual escalation), 60-month term. Ownership: Dr. Elena Ramirez (75%, $56,250 capital contribution), Marcus Chen (25%, $18,750).

Dr. Ramirez increased client retention 32% at Austin Spine & Wellness (2021-2023) via outcome tracking. Marcus Chen reduced operational costs 18% at Dallas Wellness Group (2019-2023) through vendor renegotiation. Bench Accounting handles bookkeeping ($300/month).

Date	Milestone	Status	Next Steps
Mar 2024	LLC formation, TDLR license	Complete	Negotiate insurance renewal
Apr 2024	Lease signing, $28k buildout	Complete	Finalize HVAC compliance
May 2024	Website launch, 6 provider partnerships	Complete	Add 3 chiropractor contracts
Jun 2024	Staff hiring, inventory purchase	Complete	Train contractors on protocols
Jul 2024	Soft launch (50 clients)	Complete	Optimize ad spend
Dec 2024	160 clients, $28,224 revenue	Target	Implement loyalty program
Jun 2025	Break-even at 446 sessions	Target	Secure 2 corporate contracts
Dec 2025	240 clients, $48,480 revenue	Target	Begin Round Rock expansion

3. MARKET ANALYSIS

US massage therapy market: $17.8B (IBISWorld 2024), 5.3% CAGR. Austin-Round Rock MSA SAM: $122M based on 980,000 population (2023 Census) spending $124/person annually (IBISWorld per capita). SOM calculation: 1.2% of 1,200 licensed therapists serve medically integrated niche (Texas Board data), 35% capture of that segment = $1.2M Year 3 revenue.

Target customer: 30-65yo professionals earning $60,000+. 45% are wellness seekers spending $75/session monthly; 30% medical clients referred by providers paying $95/session. Corporate clients budget $1,200/quarter for employee wellness (SHRM 2023).

Market trends: 1) 22% Austin population growth since 2010 (Census) driving 18% annual therapist demand increase; 2) 34% of insurers now cover massage therapy (KFF 2023); 3) 61% of employers offer wellness stipends (Forrester).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Wellness Seekers	$54,900,000	4.8%	0.8%	45% of SAM; 10% loyalty program uptake
Medical/Rehab	$36,600,000	7.2%	1.5%	30% of SAM; 12 provider partnerships
Athletes	$18,300,000	9.1%	1.2%	15% of SAM; 3 CrossFit sponsorships
Corporate	$12,200,000	12.0%	0.5%	10% of SAM; $120/hr on-site rate

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Market	$17,800,000,000	N/A	N/A	IBISWorld 2024
Austin MSA	N/A	$122,000,000	$1,200,000	980,000 pop *$124* 1.2% therapist share

4. COMPETITIVE ANALYSIS

Direct competitors: Austin Therapeutic Massage ($1.1M revenue est.) dominates SEO but lacks medical integration; Urban Bodyworks charges $140/session but has 35% client churn (Google reviews). Indirect: Calm app generates $500M revenue but 0% conversion to in-person services (Sensor Tower).

Our advantages: 1) 12 physician partnerships drive 30% client volume at 10% referral cost vs $58.60 digital CAC; 2) Outcome tracking increases retention to 68% (vs industry 52%); 3) 60% therapist commission attracts top talent (industry avg 52%); 4) HIPAA-compliant records enable insurance billing.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Austin Therapeutic Massage	$1,100,000	$95 avg	3 locations	0 medical partnerships	12 referral agreements
Urban Bodyworks	$850,000	$125 avg	Luxury branding	35% client churn	68% retention rate
The Relief Spot	$620,000	$105 avg	Insurance billing	1 therapist per location	3-therapist capacity
Chiropractic Clinics	$2.4M avg	$80 avg	Existing patients	15-min sessions	60-90 min sessions
Cal/Headspace	$500,000,000	$70/yr	Scale	0 physical presence	In-person care

Strengths	Weaknesses	Opportunities	Threats
12 physician partnerships	Limited brand awareness	BCBS credentialing	New luxury spa opening Q3
68% client retention	Single location	Employer wellness contracts	TDLR regulation changes
60% therapist commission	$150k startup capital need	Telehealth assessments	Insurance reimbursement cuts
HIPAA-compliant records	Dependent on contractor staff	Round Rock expansion	Recession reducing discretionary spend

5. PRODUCTS & SERVICES

We deliver 60-90 minute sessions with pre-session posture assessment, intra-session technique documentation, and post-session mobility report. Medical clients receive physician progress summaries. All therapists complete 200-hour orthopedic training beyond state requirements.

Pricing set 10% below Urban Bodyworks ($125 vs $110 avg) to accelerate market share, yielding 68% gross margin (industry avg 60-70%). Introductory $68 session converts 6.8% of leads (vs 4.1% industry avg) based on Austin Wellness Marketing Group data.

Tier	Price	Features	Target Customer	Expected % Rev	Gross Margin
Therapeutic Deep Tissue	$95/60min	Posture assessment	Medical/Rehab (30%)	35%	70%
Swedish Relaxation	$85/60min	Aromatherapy option	Wellness Seekers (45%)	25%	65%
Sports Massage	$100/60min	Pre/post-event focus	Athletes (15%)	20%	72%
Corrective Care	$100 avg	3-session bundle	Medical/Rehab (30%)	15%	75%
Corporate On-Site	$120/hr	Mobile setup	Corporate (10%)	5%	80%

Metric	Value	Calculation/Notes
Price per session	$98	Weighted avg of all services
COGS per session	$31.36	60% therapist commission ($58.80) * 53.3% (contractor share) + $5.20 supplies
Gross profit/session	$66.64	$98 - $31.36
Gross margin	68%	$66.64 / $98
CAC	$58.60	$2,000 monthly ad spend / 34 new clients

LTV	$594	6 sessions * $99 avg revenue
LTV:CAC	10.1x	$594 / $58.60 (excellent)
Payback period	0.9 months	$58.60 CAC / $66.64 gross profit

6. MARKETING & SALES

Google Ads target "therapeutic massage Austin" (1,900 searches/mo, $2.40 CPC). Facebook targets 30-65yo in ZIPs 78757-78759 with $75k+ income (12,400 people). Direct mail targets 5,000 households at $0.40/unit. Physician referrals generate 30% clients at 10% commission ($9.80/client).

Sales cycle: 1) Lead source (68% digital, 32% referral); 2) 15-min consultation (6.8% conversion to booking); 3) First session (75% conversion to recurring); 4) Loyalty program (10% off every 10th session). Average cycle: 14 days.

Retention: Automated post-session survey (92% response rate), birthday discount ($25), quarterly wellness calls. Target churn: 2.8%/month (industry avg 4.2%). Expansion revenue: 22% clients add services annually.

Channel	Monthly Budget	Expected CAC	Expected Leads/Mo	Conversion Rate	Expected Customers/Mo	ROI
Google Ads	$1,200	$48.00	500	6.8%	34	139%
Facebook/Instagram	$800	$66.67	240	5.0%	12	89%
Physician Referrals	$980	$9.80	100	30.0%	30	576%
Direct Mail	$333	$41.63	160	5.0%	8	160%
Community Events	$187	$37.40	50	10.0%	5	247%

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	1,200	800	500	0	500	3,000	950	65
2	1,200	800	500	200	300	3,000	950	65
3	1,200	800	500	300	200	3,000	950	65
4	1,200	800	500	400	100	3,000	950	65
5	1,200	800	500	500	0	3,000	950	65
6	1,200	800	500	500	0	3,000	950	65
7	1,200	800	500	500	0	3,000	950	65
8	1,200	800	500	500	0	3,000	950	65
9	1,200	800	500	500	0	3,000	950	65
10	1,200	800	500	500	0	3,000	950	65
11	1,200	800	500	500	0	3,000	950	65
12	1,200	800	500	500	0	3,000	950	65

7. OPERATIONS

Daily operations: 9am-7pm Mon-Sat. Acuity Scheduling manages bookings (15-min buffer between sessions). Digital intake via JotForm (HIPAA-compliant). Therapists document sessions in real-time using standardized mobility metrics. Linen turnover: 3 sets per room, washed by Austin Linen Service ($220/week).

Key vendors: EcoWell Naturals (massage oil at $18/liter, 30-day terms), Handspring Supply (tables at $1,600/unit). Technology: Acuity ($45/month), QuickBooks Online ($30/month), Mailchimp ($150/month).

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
EcoWell Naturals	Organic oils/linens	$420	Net 30, 5% discount >$5k	Nature's Touch Supply
Austin Linen Service	Laundry	$880	Month-to-month	Spotless Linens
ProInsurance Agency	Liability insurance	$150	Annual policy	TherapyInsure
Bench Accounting	Bookkeeping	$300	Month-to-month	QuickBooks Live

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Acuity Scheduling	Booking/payments	$45	4	SimplePractice ($65)
QuickBooks Online	Accounting	$30	2	Xero ($25)
Mailchimp	Email marketing	$150	1	Klaviyo ($200)
Google Workspace	Email/storage	$18	3	Microsoft 365 ($20)

8. MANAGEMENT TEAM

Organizational structure: Dr. Ramirez (CEO) oversees clinical operations ($85,000 salary Year 2). Marcus Chen (COO) manages marketing/finance ($75,000 salary Year 2). Front desk coordinator ($18/hr, 20 hrs/week). Compensation: Therapists earn 60% commission (vs industry 50-55%), increasing retention.

Advisory board: Dr. Linda Torres (PT, 20 years orthopedics) provides clinical guidance. James Wu (ex-CFO of Texas Wellness Group) advises on scaling. Both receive $500/month retainer.

Month	Role	Salary	Priority	Source	Onboarding Time
1	Front Desk Coordinator	$1,440	High	Craigslist	2 weeks
3	Part-Time Therapist #1	Commission	High	Massage School	4 weeks
6	Part-Time Therapist #2	Commission	Medium	Indeed	3 weeks
9	Marketing Specialist	$3,750	Low	Agency	6 weeks

9. FINANCIAL PLAN

Key assumptions: Client acquisition grows from 50 to 160/month by Month 12. Avg sessions/client: 1.8 Year 1, 2.1 Year 3. Churn: 2.8%/month. COGS: 32% of revenue (60% therapist commission + 5.3% supplies + 4.7% credit card fees). Fixed costs: $17,500/month (rent $3,200, marketing $2,000, software $243, insurance $150, payroll $8,400, admin $3,507).

Revenue model: 70% from recurring clients (avg 6 sessions), 30% from new clients. Growth drivers: Physician referrals (30% of clients), corporate contracts (targeting 5 clients @ $1,200/quarter). Price increases: 3% annually starting Year 2.

Cost structure: 62% fixed costs ($17,500), 38% variable (therapist commission, supplies). Scaling: Fixed costs grow 8% Year 2 (rent increase), 5% Year 3 (marketing expansion). Variable costs remain 32% of revenue.

Funding: $150,000 total. $58,500 facility/equipment, $8,000 marketing launch, $83,500 operating reserve. Provides 14 months runway at $17,500/month burn. Funds Year 1 operations and 80% of Year 2 growth.

Ca	Item	Cost	Notes
Legal Formation	LLC filing, operating agreement	1,200	Attorney fees
Licenses/Permits	TDLR, City of Austin business license	850	Annual renewals
Equipment	2 massage tables	3,200	Handspr Supply
Equipment	Heated tables, bolsters	4,500	Custom order
Equipment	Reception furniture	2,800	Office Depot
Technology Setup	Website development	2,500	WordPre + Elemento
Technology Setup	Acuity setup	600	Integratio fees
Initial Inventory	Linens (50 sets)	1,200	EcoWell Naturals

Initial Inventory	Oils/lotions (6 months)	1,200	Wholesa pricing
Marketing Launch	Google/FB ads	5,000	3-month campaig
Marketing Launch	Direct mail	2,000	5,000 househo
Marketing Launch	Branding	1,000	Logo, signage
Working Capital	6 months operating expenses	91,500	$17,500 * 6 - $8,000 marketin
Insurance	Liability policy	1,800	Annual premium
Professional Fees	Bookkeeping setup	300	Bench Accounti
Contingency	10% buffer	15,000	Unplann expense
	Total	**150,000**	

C	Type	Monthly Cost	Annual Cost	Notes
Rent	Fixed	3,200	38,400	3% annual escalatio
Salaries	Fixed	8,400	100,800	Front desk + owner draws

Benefits	Fixed	1,050	12,600	12.5% of payroll
Insurance	Fixed	150	1,800	Liability coverage
Software	Fixed	243	2,916	Acuity, QuickBoo Mailchim
Utilities	Fixed	450	5,400	Electricity internet
Marketing	Fixed	2,000	24,000	Digital ads, mailers
Therapist Commission	Variable	17,640	211,680	60% of revenue
Supplies	Variable	2,957	35,484	Linens, oils, credit card fees
Professional Services	Fixed	300	3,600	Bookkeep
Travel	Fixed	100	1,200	Commun events
Loan Payment	Fixed	1,457	17,484	SBA 7(a) $75k @ 6.5%, 5 years
	Fixed Total	**15,943**	**191,316**	
	Variable Total	**20,597**	**247,164**	
	Combined Total	**36,540**	**438,480**	

Line Item	**M1**	**M2**	**M3**	**M4**	**M5**	**M6**	**M7**	**M8**	**M9**	**M10**	**M11**	**M12**	**Y1 Total**
Revenue	14,112	16,934	19,757	22,579	25,402	28,224	28,224	28,224	28,224	28,224	28,224	28,224	270,954

COGS	4,516	5,419	6,322	7,225	8,129	9,032	9,032	9,032	9,032	9,032	9,032	9,032	86,705
Gross Profit	9,596	11,515	13,435	15,354	17,273	19,192	19,192	19,192	19,192	19,192	19,192	19,192	184,249
Marketing	3,000	3,000	3,000	3,000	3,000	3,000	2,000	2,000	2,000	2,000	2,000	2,000	30,000
Salaries	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	100,800
Rent	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	38,400
Software	243	243	243	243	243	243	243	243	243	243	243	243	2,916
Insurance	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Other OpEx	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	43,800
Total OpEx	18,643	18,643	18,643	18,643	18,643	18,643	17,643	17,643	17,643	17,643	17,643	17,643	210,716
EBITDA	-9,047	-7,128	-5,208	-3,289	-1,370	549	1,549	1,549	1,549	1,549	1,549	1,549	-26,467
Depreciation	483	483	483	483	483	483	483	483	483	483	483	483	5,796
EBIT	-9,530	-7,611	-5,691	-3,772	-1,853	66	1,066	1,066	1,066	1,066	1,066	1,066	-32,263
Interest	406	399	392	385	378	371	364	357	350	343	336	329	4,450
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-9,936	-8,010	-6,083	-4,157	-2,231	-305	702	709	716	723	730	737	-36,713

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	91,500	81,564	73,554	67,471	63,314	61,083	60,778	61,480	62,189	62,905	63,628	64,358
Cash In	14,112	16,934	19,757	22,579	25,402	28,224	28,224	28,224	28,224	28,224	28,224	28,224
Funding	75,000	0	0	0	0	0	0	0	0	0	0	0
Total Cash In	89,112	16,934	19,757	22,579	25,402	28,224	28,224	28,224	28,224	28,224	28,224	28,224
Cash Out	99,048	24,944	25,840	25,836	25,833	28,529	27,527	27,515	27,508	27,501	27,494	27,487
Net Cash Flow	-9,936	-8,010	-6,083	-3,257	-431	-305	697	709	716	723	730	737
Ending Cash	81,564	73,554	67,471	63,314	61,083	60,778	61,480	62,189	62,905	63,628	64,358	65,095

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	338,688	145,440	149,803	154,397	159,129	163,903	168,820	173,885	179,101	832,896

COGS	108,380	46,541	47,937	49,417	50,931	52,469	54,042	55,654	57,307	264,527
Gross Profit	230,308	98,899	101,866	104,980	108,198	111,434	114,778	118,231	121,794	568,369
OpEx	210,000	78,000	79,560	81,151	82,774	84,429	86,118	87,840	89,597	410,000
EBITDA	20,308	20,899	22,306	23,829	25,424	27,005	28,660	30,391	32,197	158,369
Net Income	21,068	18,500	20,000	21,500	23,000	24,500	26,000	27,500	29,000	158,369
Ending Cash	65,095	83,595	103,595	125,095	148,095	172,595	198,595	226,095	255,095	255,095

Metric	Value	Calculation
Monthly Fixed Costs	17,500	Rent $3,200 + Salaries $8,400 + Marketing $2,000 + Software $243 + Insurance $150 + Admin $3,507
Variable Cost per Session	31.36	COGS per session
Price per Session	98.00	Average revenue
Contribution Margin per Unit	66.64	$98 - $31.36
Contribution Margin %	68%	$66.64 / $98
Break-Even Units per Month	263	$17,500 / $66.64
Break-Even Revenue per Month	25,772	263 units * $98
Expected Break-Even Month	6	Month 6 revenue $28,224 > $25,772
Safety Margin	9%	($28,224 - $25,772) / $28,224

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	68%	68%	68%	60-70%

Operating Margin %	6.2%	13.2%	19.0%	N/A
Net Profit Margin %	6.2%	13.2%	19.0%	10-15%
Current Ratio	1.8	2.5	3.1	1.5+
CAC Payback Period	0.9	0.8	0.7	6-18 months
LTV:CAC Ratio	10.1	10.8	11.5	3:1+
Monthly Burn Rate	8,200	0	0	N/A
Runway (months)	11.1	Infinite	Infinite	6+

10. RISK ANALYSIS

Top risks: 1) Therapist turnover (Probability 4/5, Impact 5/5) - industry average 35% annual attrition; 2) Regulatory non-compliance (Probability 3/5, Impact 5/5) - TDLR fines average $2,500/citation; 3) Cash flow shortfall (Probability 4/5, Impact 4/5) - 62% fixed costs require consistent volume.

Mitigation: 1) 60% commission rate (vs 52% industry avg) reduces turnover risk by 22% based on Massage Magazine 2023 survey; 2) Monthly compliance audits with $150/hr legal retainer; 3) $91,500 operating reserve covers 5.2 months at $17,500 burn rate.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Therapist turnover	4	5	20	60% commission rate, quarterly bonuses	Cross-train front desk staff	Ramirez
Regulatory non-compliance	3	5	15	Monthly internal audits, legal retainer	Halt services until compliant	Chen
Cash flow shortfall	4	4	16	$91,500 reserve, SBA loan cushion	Reduce marketing spend 50%	Chen
Negative online reviews	3	3	9	Post-session surveys, 24-hr response protocol	Offer complimentary session	Ramirez
Insurance reimbursement cuts	2	4	8	Diversify to FSA/HSA clients (75% of revenue)	Negotiate direct-pay rates	Chen
New competitor entry	3	3	9	Physician referral agreements (12 signed)	Launch loyalty program	Ramirez
Client injury claim	1	5	5	$1M liability insurance, screening forms	Activate insurance immediately	Chen
Recession impact	2	3	6	Target corporate wellness contracts (recession-resilient)	Introduce $65 express sessions	Chen

11. IMPLEMENTATION TIMELINE

Critical path: Physician partnership signings (Months 1-3) and client acquisition (Months 4-6). Dependencies: TDLR license renewal before Month 3 marketing launch. Key priority: Achieve 100 clients by Month 5 to validate unit economics.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Staff hiring	2 therapist contracts signed	$5k recruitment budget	100% staffing	Ramirez
1	Marketing launch	Google/FB campaigns live	$3k ad spend	50 leads	Chen
2	Physician partnerships	3 referral agreements	10 outreach calls/day	10% client volume	Ramirez
3	TDLR compliance	Audit report signed off	$500 legal retainer	Zero citations	Chen
4	Client acquisition	100 clients onboarded	$2k direct mail	10% conversion rate	Chen
5	Process optimization	Acuity workflow finalized	Staff training	15-min booking time	Ramirez
6	Break-even	Positive EBITDA	263 sessions	$549 net profit	Chen
7	Loyalty program	10% off 10th session live	Mailchimp setup	25% program uptake	Chen
8	Corporate contracts	2 employer agreements	HR outreach	$2,400 quarterly revenue	Ramirez
9	Insurance credentialing	Cigna application submitted	Documentation	Application accepted	Chen
10	Staff expansion	Marketing specialist hired	$45k salary	20% CAC reduction	Chen
12	Year 1 review	Financial/operational report	QuickBooks data	$21,068 net profit	Chen

12. APPENDIX

Supporting documents: TDLR license #MT123456, 60-month lease agreement, 12 physician referral contracts, EcoWell Naturals supply agreement, SBA loan term sheet. All financial assumptions documented with IBISWorld, Texas Board of Massage Therapy, and Austin Wellness Marketing Group sources.