

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

MetroTile Pro, LLC (Texas LLC, founded March 15, 2021) provides tile installation to \$100K+ Austin homeowners and commercial clients at \$4,500-\$50,000/project. Generated \$480,000 revenue in 2023 with 42% gross margin. Targets \$720,000 revenue in 2024. Date: October 26, 2023.

SECTION 1: EXECUTIVE SUMMARY

U.S. homeowners spent \$428 billion on renovations in 2023 (IBISWorld), with 68% including tile work (HomeAdvisor). Fragmented tile installation market suffers from 81% contractor labor shortages (ABC, 2023), causing 22-day average project delays. MetroTile Pro solves this with certified in-house crews and proprietary project tracking, achieving 98% on-time completion. We charge \$4,500-\$50,000/project with 42% gross margin through fixed-price contracts and 15% bulk material discounts.

Revenue model: 70% residential (\$6,500 avg project), 30% commercial (\$12,000 avg). 2024 revenue target: \$720,000 from 120 projects. Gross margin: 42% (\$302,400). Operating expenses: \$574,600. Break-even at 57 projects/year (achieved at 107 projects in 2023). Net profit: \$145,400 (20.2% margin).

Seeking \$250,000 at 15% equity (post-money valuation \$1.67M). Use of funds: \$120,000 (48%) for 2 new crews, \$76,000 (30.4%) for vans, \$30,000 (12%) marketing, \$10,000 (4%) tech, \$14,000 (5.6%) working capital. Funds enable expansion to San Antonio/Dallas by Q2 2025, reaching \$1.8M revenue by 2026 with 21.3% net margin.

SECTION 2: COMPANY OVERVIEW

Formed as Texas LLC for liability protection and pass-through taxation. Austin location chosen for 42% 5-year homeowner remodel rate (NRS, 2023) and \$94,000 median household income (Census 2022). Founder owns 100% equity. Leased 1,200 sq. ft. warehouse at \$2,200/month.

James Reynolds (CEO): 25-year construction veteran. Built prior contracting firm to \$3.2M revenue before 2019 sale. TDLR license #12345678. Maria Lopez (Operations): Reduced project callbacks by 37% at prior employer through 3-phase QC process. David Chen (Sales): Generated 220 leads/month at \$42 CAC for home services franchise.

Date	Milestone	Status	Next Steps
Mar 2021	Company formation	Complete	N/A
Jun 2021	First profitable quarter	Complete	N/A
Jan 2022	100+ Google reviews (4.8 avg)	Complete	N/A
Q3 2022	Positive cash flow	Complete	N/A
Dec 2023	\$720,000 revenue	In progress	Hire 2 crews by Month 4
Jun 2024	San Antonio satellite launch	Planned	Secure \$250K funding by Month 1
Dec 2024	1,200 sq. ft. Dallas warehouse lease	Planned	Complete 180 projects
Mar 2025	20-person workforce	Planned	Implement new CRM by Month 2

SECTION 3: MARKET ANALYSIS

TAM: \$12.4B U.S. tile installation (IBISWorld 2023). SAM: \$980M Texas market (TAM x 7.9% state population share). SOM: \$110M Austin metro (SAM x 11.2% regional concentration). Methodology: TAM from IBISWorld report code 238352; SAM calculated using Texas population (29.5M) vs U.S. (332M); SOM based on Austin metro construction permits (2023: 12,850 residential, 1,200 commercial).

Primary segment: Homeowners (\$100K+ income) in Travis/Williamson/Hays counties. 214,000 households meet criteria (Census 2022). Budget: \$5,000-\$25,000/project. Commercial segment: Boutique hotels/medical offices. 327 qualified businesses in Austin (Dun & Bradstreet). Budget: \$15,000-\$50,000/project. 48% close rate from 14-day sales cycle.

Market trends: 1) Large-format tile demand +12% YoY (Grand View Research); 2) Heated flooring installations growing at 9.3% CAGR; 3) 61% of homeowners prioritize "certified installers" post-pandemic (NAHB); 4) Digital project tracking adoption up 34% since 2021 (HomeAdvisor).

Segment	Size (\$)	Growth Rate	Our Share Target	Rationale
Austin residential	\$88M	5.2%	1.8%	Current 0.4% share; 4.5x growth via digital marketing
San Antonio residential	\$42M	4.8%	0.5%	Q2 2024 entry; 220 qualified leads/month target
Dallas residential	\$75M	5.5%	0.3%	Q4 2024 entry; 15% lower CAC than Austin
Commercial (Austin)	\$22M	7.1%	3.0%	12 contractor partnerships; \$12K avg project value

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
U.S. tile install	\$12.4B	\$980M	\$110M	IBISWorld x state/metro population
Residential	\$9.1B	\$720M	\$88M	68% of TAM (HomeAdvisor)
Commercial	\$3.3B	\$260M	\$22M	32% of TAM

SECTION 4: COMPETITIVE ANALYSIS

Market fragmented with 85% of competitors operating 5-person teams (IBISWorld). Austin Tile Masters (15 employees) generates ~\$1.1M revenue at 3.2 Yelp rating. Lone Star Tile & Stone targets commercial (\$2.3M revenue) but turns away 40% of residential leads. Home Depot Pro Services captures 18% of DIY-adjacent market but uses subcontractors with 29% callback rate (J.D. Power).

Competitive advantages: 1) 5-year workmanship warranty (vs industry 1-2 years) reduced callbacks by 37% in 2023; 2) Proprietary client portal increased NPS to 72 (vs local avg 45); 3) In-house crews cut project delays to 2% (vs industry 22%); 4) Strategic supplier discounts lowered COGS to 58% (vs competitor avg 65%).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Austin Tile Masters	\$1.1M	15% below market	Google Ads dominance	3.2 Yelp rating; 33% callback rate	Higher quality; 5-year warranty
Lone Star Tile	\$2.3M	20% above market	Commercial relationships	Turns away 40% residential leads	Dedicated residential focus
Home Depot Pro	\$480M	Material cost + 35%	Brand recognition	29% callback rate; no direct crews	Certified in-house installers
Local handymen	\$50K-\$200K	30% below market	Low pricing	Unlicensed; 68% failure rate on ANSI standards	TDLR license; ANSI compliance
General contractors	N/A	Project cost + 12%	Full-service capability	Lack tile specialization; 45% rework rate	Tile-only mastery

Strengths	Weaknesses	Opportunities	Threats
98% on-time completion	Limited geographic coverage	San Antonio/Dallas expansion	Economic downturn reducing remodels
42% gross margin	Dependent on 2 key suppliers	Commercial sector growth (+7.1% CAGR)	8% annual material cost inflation
48% close rate	No financing options	Heated flooring demand (+9.3% CAGR)	OSHA compliance risks

107 projects in 2023	5-person team capacity limit	Digital project tracking adoption	Labor shortage (81% industry hiring difficulty)
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SECTION 5: PRODUCTS & SERVICES

Core service: Tile installation for residential (kitchens, bathrooms, outdoor) and commercial (hotels, medical offices).
Process: 1) Site assessment with laser measurement; 2) Digital 3D rendering; 3) ANSI A108-compliant installation; 4) 3-phase QC inspection; 5) Client walkthrough with 5-year warranty documentation. Average project duration: 6.2 days.

Pricing: Tiered based on complexity. Basic (ceramic tile): \$8.50/sq. ft. Premium (porcelain slabs): \$14.50/sq. ft. Luxury (mosaic/heated): \$22.50/sq. ft. Commercial: \$16.00/sq. ft. flat rate. Prices set at 12% below Lone Star Tile but 8% above handymen, yielding 42% gross margin vs industry avg 35%.

Tier	Price	Features	Target Customer	Expected % Revenue	Gross Margin
Basic	\$8.50/sq. ft.	Ceramic; standard grout	Budget remodelers	35%	48%
Premium	\$14.50/sq. ft.	Porcelain; custom grout	\$100K+ homeowners	50%	42%
Luxury	\$22.50/sq. ft.	Mosaic; heated floors	Luxury builders	15%	35%

Metric	Value	Calculation/Notes
Price per unit	\$7,200	Avg of 120 projects (\$720K/120)
COGS per unit	\$4,176	Materials (\$3,096) + Labor (\$1,080)
Gross Profit per unit	\$3,024	\$7,200 - \$4,176
Gross Margin %	42%	\$3,024/\$7,200
CAC	\$263	\$31,600 annual marketing / 120 customers
LTV	\$1,800	\$7,200 x 25% repeat rate x 1.0 (avg projects)
LTV:CAC	6.8x	\$1,800/\$263 (vs industry 3x)

Payback Period	1.1 months	$CAC / (Gross\ Profit \times Repeat\ Rate)$
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SECTION 6: MARKETING & SALES

Go-to-market: Digital channels (70% leads) targeting \$100K+ homeowners within 25-mile radius. Google LSA generates leads at \$45 CAC (vs \$65 industry avg) due to #1 ranking for "tile installer Austin". Facebook ads target users who visited Houzz/Home Depot sites (CPC \$1.85). Houzz Pro delivers 15 leads/month at \$22 CAC.

Sales process: 1) Lead -> 2) Consultation (92% show rate) -> 3) Quote (delivered in 24 hrs) -> 4) Contract (48% close rate). Average cycle: 14 days. 35% of leads from referrals (10% discount incentive). Digital tools: Salesforce CRM (\$75/user), Jobber quoting (\$149/month).

Retention: Post-project email sequence (4 emails over 90 days). 10% discount for next service within 18 months. Grout sealing reminder program (32% uptake). Target churn: 8% annually (vs industry 15%). Expansion revenue: \$1,200 avg from repairs/restoration.

Channel	Monthly Budget	Expected CAC	E Conversion L Rate	Expected Customers/Month	ROI	
Google LSA	\$1,200	\$45	2748%	13	5.3x	
Facebook/Instagram	\$900	\$38	24	48%	11	6.1x
Houzz Pro	\$33	\$22	1.25%	0.6	13.6x	
Referrals	\$0	\$0	1548%	7.2	N/A	
Total	\$2,133	\$263	6748%	31.8	6.8x	

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	1,200	900	500	0	0	2,600	59	28
2	1,200	900	500	0	0	2,600	59	28
3	1,200	900	500	0	0	2,600	59	28
4	1,500	1,200	500	0	0	3,200	74	35
5	1,500	1,200	500	0	0	3,200	74	35
6	1,500	1,200	500	0	0	3,200	74	35
7	1,800	1,500	500	0	0	3,800	89	42
8	1,800	1,500	500	0	0	3,800	89	42
9	1,800	1,500	500	0	0	3,800	89	42
10	2,000	1,700	500	0	0	4,200	98	47
11	2,000	1,700	500	0	0	4,200	98	47
12	2,000	1,700	500	0	0	4,200	98	47
Year Total	19,000	15,900	6,000	0	399	41,299	970	462

SECTION 7: OPERATIONS

Daily workflow: 8:00 AM crew dispatch -> 8:30 AM site prep -> 9:00 AM installation -> 4:00 PM daily photo updates via client portal -> 5:00 PM tool maintenance. Capacity: 2 crews (6 personnel) handle 8 projects/week. Project duration: 3 days (bathroom) to 10 days (500 sq. ft. patio). Material lead time: 3-5 days from order. Quality control: Installer self-check -> Operations manager inspection -> Client sign-off.

Primary supplier: Texas Tile Distributors (15% discount on orders >\$5,000). Secondary: Floor & Decor (NASDAQ: FND). Technology: Jobber for scheduling (\$149/month), Salesforce CRM (\$225/month for 3 users), QuickBooks Online (\$80/month). All field staff OSHA 10-certified.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Texas Tile Distributors	Tile/stone supply	\$15,000	Net 30; 15% discount >\$5K	Floor & Decor
Custom Building Products	Thin-set/grout	\$1,200	Prepaid; 10% volume discount	Laticrete
Home Depot Pro	Tools/safety gear	\$800	Cash on delivery	Local tool rental
State Farm	Liability insurance	\$350	Annual policy	Travelers
Enterprise	Van leases	\$1,950	36-month lease	Local fleet leasing

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Jobber	Field management	\$149	5	Housecall Pro (rejected: \$229/month)
Salesforce	CRM	\$225	3	HubSpot (rejected: \$800/month)
QuickBooks Online	Accounting	\$80	2	QuickBooks Desktop (\$300 one-time)
Calendly	Scheduling	\$12	3	Google Calendar (free)
Twilio	Client SMS	\$45	1	TextMagic (\$39/month)

SECTION 8: MANAGEMENT TEAM

Flat structure: CEO oversees all functions. Operations Manager (\$65,000 salary) manages crews. Sales Director (\$60,000 + 5% commission) leads marketing. Admin (\$45,000) handles scheduling. Compensation: Base salaries at 10% below Austin construction management median (BLS 2023) with 15% profit-sharing bonus.

Advisory board: Robert Chen (ex-CFO Floor & Decor) - quarterly strategy reviews. Maria Garcia (OSHA compliance specialist) - safety audits. Both compensated at \$150/hour.

Month	Role	Salary	Priority	Source	Onboarding Time
1	Installer (2)	\$52,000	High	ACC trade program	30 days
1	Assistant (2)	\$42,000	High	ACC trade program	30 days
4	Project Lead (1)	\$60,000	Medium	Internal promotion	14 days
7	Installer (2)	\$52,000	High	ACC trade program	30 days
7	Assistant (2)	\$42,000	High	ACC trade program	30 days
10	Operations Manager (SA)	\$65,000	Medium	Local hire	60 days

SECTION 9: FINANCIAL PLAN

Key assumptions: 1) 10 new customers/month in Q1 2024 growing to 39/month by Q4; 2) Avg revenue per project: \$7,200; 3) Monthly churn: 0.67% (8% annual); 4) COGS: 58% of revenue; 5) Marketing CAC: \$263; 6) Labor costs: 40% of revenue; 7) 50% deposit upfront, 50% on completion.

Revenue drivers: 1) Google LSA scaling to \$2,000/month budget (98 leads/month); 2) San Antonio launch (Month 6) adding 15 projects/month; 3) Commercial partnerships growing to 25% of revenue. Growth path: \$60K Month 1 revenue -> \$140K Month 12.

Cost structure: 65% variable (materials, labor), 35% fixed (rent, software, insurance). Labor scales at 0.5 personnel per \$100K revenue. Materials scale at 43% of revenue. Fixed costs grow 3% annually for inflation.

Funding: \$250,000 for 15% equity. Provides 14 months runway. Milestones: Month 1 - Hire 2 crews; Month 4 - San Antonio launch; Month 7 - Dallas warehouse lease; Month 12 - \$1.2M ARR.

Category	Item	Cost	Notes
Legal/Formation	LLC	300 filing	Texas SOS fee
Licenses/Permits	TDLR	200 license	Biennial renewal
Equipment	Wet	8,500 saws/grinders	2 units @ \$4,250
Equipment	Laser	200 levels	4 units @ \$300
Equipment	Tool	600 levels	Tool kit
Technology	Web	3,200 development	WordPress + CRM integration

Technology	Software setup	2,000	Jobber/S configur
Initial Inventory	Tiles/reserves	7,500	First purchase
Marketing Launch	Google Ads	2,000	Initial campaign
Working Capital	3-month buffer	45,000	Based on \$15K monthly burn
Insurance	Liability policy	1,200	Annual premium
Professional Fees	Accounting setup	500	Bookkeeper system
Office/Facility	Warehouse deposit	4,400	2 months rent @ \$2,200
Branding	Van wraps	3,600	2 vans @ \$1,800
Training	OSHA certification	1,500	5 staff @ \$300
Contingency	10% buffer	8,400	Of total costs
Total		84,000	

Category	Type	Monthly Cost	Annual Cost	Notes
Rent	Fixed	\$2,200	26,400	Warehouse lease
Salaries	Variable	\$24,000	288,000	5 staff; 40% of revenue
Benefits	Variable	\$3,600	43,200	15% of payroll
Insurance	Fixed	\$1,058	12,700	Liability + workers' comp
Software	Fixed	\$75	4,500	Salesforce + Jobber + QuickBooks
Utilities	Fixed	\$600	3,600	Electricity
Marketing	Variable	\$263	31,600	\$263 CAC x 10 customers
Professional Services	Fixed	\$300	3,000	Accounting
Supplies	Variable	\$1,500	18,000	Materials for repairs
Vehicle & Fuel	Variable	\$1,950	23,400	3 vans @ \$650 each
Loan Payments	Fixed	\$875	8,100	SBA 7(a) loan

Revenue Collections	300,000	400,000	400,000	500,000	500,000	600,000	600,000	600,000	600,000	600,000	6,000,000
Funding	250,000	0	0	0	0	0	0	0	0	0	0
Total Cash In	280,000	400,000	400,000	500,000	500,000	600,000	600,000	600,000	600,000	600,000	6,000,000
Cash Out											
COGS Payments	174,160	222,200	223,200	292,800	301,300	390,800	390,800	390,800	390,800	390,800	3,908,000
OpEx Payments	273,384	140,735	162,500	181,350	200,200	219,050	237,900	256,750	275,600	294,949	2,141,384
CapEx	0	0	380,000	380,000	0	0	0	0	0	0	760,000
Debt Service	67,675	67,675	67,675	67,675	67,675	67,675	67,675	67,675	67,675	67,675	676,750
Total Cash Out	455,219	530,605	623,675	742,825	789,375	878,125	906,375	945,225	967,075	963,424	9,663,424
Net Cash Flow	234,781	-130,605	-223,675	-242,825	-289,375	-319,050	-306,375	-345,225	-367,075	-363,424	-3,663,424
Ending Cash	699,781	569,176	345,501	102,676	183,301	254,251	325,201	396,151	467,101	538,051	3,699,041

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	720,000	240,000	300,000	360,000	420,000	480,000	540,000	600,000	660,000	1,800,000
COGS	417,600	139,200	174,000	208,800	243,600	278,400	313,200	348,000	382,800	1,044,000
Gross Profit	302,400	100,800	126,000	151,200	176,400	201,600	226,800	252,000	277,200	756,000
OpEx	574,600	143,650	162,500	181,350	200,200	219,050	237,900	256,750	275,600	1,416,200
EBITDA	-272,200	-42,850	-36,500	-30,150	-23,800	-17,450	-11,100	-4,750	1,600	-660,200
Net Income	-145,400	-22,930	-19,100	-15,270	-11,440	-7,610	-3,780	1,050	5,880	383,800
Ending Cash	230,904	150,000	180,000	210,000	240,000	270,000	300,000	330,000	360,000	360,000

Metric	Value	Calculation
Monthly Fixed Costs	18,300	Rent (\$2,200) + Software (\$375) + Insurance (\$1,058) + Loan (\$675) + Depreciation (\$1,500) + Admin (\$12,567)
Variable Cost per Unit	4,176	COGS per project
Price per Unit	7,200	Avg revenue per project

Contribution Margin per Unit	3,024	\$7,200 - \$4,176
Contribution Margin %	42%	\$3,024/\$7,200
Break-Even Units per Month	6.05	\$18,300/\$3,024
Break-Even Revenue per Month	43,560	6.05 units x \$7,200
Expected Break-Even Month	Month 1	Projected 8.3 projects/month
Safety Margin	31.5%	(10 projects - 6.05)/10 projects

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	42%	42%	42%	35-40% (IBISWorld)
Operating Margin %	-20.2%	-19.1%	21.3%	12-18%
Net Profit Margin %	-20.2%	-19.1%	21.3%	10-15%
Current Ratio	1.8	2.1	2.5	1.5
Quick Ratio	1.5	1.8	2.2	1.0
CAC Payback Period	1.1 months	1.0 months	0.9 months	6-18 months
LTV:CAC Ratio	6.8x	7.1x	7.5x	3x
Monthly Burn Rate	12,117	0	0	N/A
Runway (months)	19.0	Unlimited	Unlimited	6-12

SECTION 10: RISK ANALYSIS

Top risks: 1) Labor shortage (probability 4/5, impact 5/5) - 81% industry hiring difficulty could delay projects. 2) Material cost inflation (prob 4/5, impact 4/5) - 8% annual tile price increases squeeze margins. 3) Economic downturn (prob 3/5, impact 5/5) - 2008 data shows 22% remodel decline in recession. 4) OSHA violation (prob 2/5, impact 5/5) - \$15,000 fines per incident.

Mitigation: 1) \$2,000 signing bonus + ACC trade program partnership reduced vacancy period from 60 to 30 days in 2023 pilot. 2) Fixed-price contracts with 50% cost escalation clauses; 6-month supplier contracts locked at current rates. 3) Commercial segment diversification (target 30% revenue by 2025); 0% financing via partner lender. 4) Quarterly OSHA audits; mandatory safety training.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Labor shortage	4	5	20	\$2K signing bonus; ACC trade program	Temp labor agency contract	Lopez
Material inflation	4	4	16	6-month supplier contracts; 50% cost pass-through	Switch to secondary supplier	Reynolds
Economic downturn	3	5	15	Commercial segment growth; financing options	Reduce marketing spend 25%	Chen
OSHA violation	2	5	10	Quarterly safety audits; mandatory training	Immediate crew retraining	Lopez
Client non-payment	2	3	6	50% deposit; credit checks >\$10K projects	Legal collection process	Tran
Vehicle accident	3	4	12	\$2M liability insurance; driver training	Rental vehicle agreement	Reynolds
Google algorithm change	3	3	9	Diversify to Houzz/Facebook; SEO optimization	Double referral program	Chen
Key person loss	2	4	8	Cross-training; \$500K key man insurance	Advisory board activation	Reynolds

SECTION 11: IMPLEMENTATION TIMELINE

Critical path: Month 1 funding close -> Month 1 crew hiring -> Month 4 San Antonio launch. Dependencies: Warehouse lease requires \$4,400 deposit; van leases require \$7,600 down payment. Key priority: Maintain 98% on-time completion during scaling. Failure point: Hiring delays beyond 30 days would push San Antonio launch to Month 8.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Funding close	\$250,000 deposited	Investor agreements	Wire confirmation	Reynolds
1	Crew hiring	4 installers hired	\$8,000 signing bonuses	2 crews operational	Lopez
2	Van acquisition	2 new Ford Transits	\$76,000 capital	VINs documented	Reynolds
3	Marketing expansion	Google Ads at \$1,800/mo	\$5,400 budget	74 leads/month	Chen
4	San Antonio launch	First SA project	Local marketing campaign	\$20,000 revenue	Reynolds
5	CRM upgrade	Salesforce customization	\$5,000 dev cost	10% lead conversion increase	Chen
6	Commercial partnerships	3 new GC agreements	Sales outreach	25% revenue from commercial	Chen
7	Dallas warehouse lease	1,200 sq. ft. signed	\$4,400 deposit	Lease agreement	Reynolds
8	Second crew hiring	4 additional installers	\$8,000 signing bonuses	4 crews operational	Lopez
9	Grout sealing program	32% client enrollment	Email campaign	\$1,200 avg repair revenue	Tran
10	20-person team	All roles filled	Hiring pipeline	20 W-2 employees	Lopez
12	\$1.2M ARR	120 projects completed	Sales execution	\$100,000 monthly revenue	Chen

SECTION 12: APPENDIX

Available documentation: 1) 2021-2023 tax returns; 2) TDLR license #12345678; 3) Supplier discount agreements; 4) Customer satisfaction survey data (94% 5-star rate); 5) Detailed market sizing methodology. All financial assumptions validated against IBISWorld code 238352 and NAHB remodeling reports.