Sample Business Plan to Help You Start a Tire Shop Venture

TITLE PAGE

TirePro Solutions LLC (LLC). Founded January 2024 in Austin, TX. Marcus Reynolds (CEO) scaled previous auto service chain to $4.2M revenue in 3 years with 22% EBITDA margin. We provide mobile and in-shop tire services at $24.99-$350 per transaction, targeting $620,000 Year 1 revenue. Plan dated October 2024.

SECTION 1: EXECUTIVE SUMMARY

Austin has 1.2M vehicles but only 18 tire shops with mobile service capability (Texas DMV 2023), causing 47-minute average wait times at competitors (J.D. Power). TirePro Solutions solves this with same-day mobile tire replacement within 20 miles of Austin at $75 service fee (waived for $600+ purchases). Our hybrid model captures customers who spend 32% more than walk-ins (Shopmonkey 2023 data) and targets 0.8% Austin MSA market share ($3.2M SOM) by Year 3.

We charge $120 average per tire (40% gross margin) and $85 average labor revenue per vehicle (75% margin). Year 1 revenue: $620,000 with 55% gross margin. Fixed costs of $25,000/month require 294 service events monthly to break even. We achieve profitability Month 14 by hitting 342 monthly service events (Year 1 average: 342).

We seek $250,000 SBA 7(a) loan at 7% over 10 years. $140,000 for equipment (31%), $75,000 for facility buildout (30%), $35,000 for mobile vans (14%). This funds 12-month runway to hit $55,000 monthly revenue. ROI: 22% IRR by Year 3 with $195,000 net profit.

SECTION 2: COMPANY OVERVIEW

Texas LLC formed January 2024. Leased 4,200 sq. ft. facility at 3800 S. Lamar Blvd (Austin's busiest auto corridor; 48,000 vehicles/day per TxDOT). $4,800/month rent (1.1% of projected Year 1 revenue). Ownership: Marcus Reynolds (60%), Elena Vasquez (30%), Jordan Lee (10%).

Marcus Reynolds (CEO): Grew Austin Auto Care from $0 to $4.2M revenue in 3 years (2019-2022), selling 85% of tire inventory within 45 days. Elena Vasquez (COO): Reduced labor costs 18% at Lone Star Auto by cross-training technicians (2020-2023). Jordan Lee (CMO): Drove 32% lower CAC for TireHub Austin via geo-fenced Facebook ads (2022).

Date	Milestone	Status	Next Steps
Jan 2024	TDLR license secured	Complete	Negotiate TireHub terms
Mar 2024	Lease signed	Complete	Begin buildout
May 2024	Equipment installed	Pending	Staff hiring
Jul 2024	Grand opening	Pending	Hit 120 service events/month
Sep 2024	Fleet contracts signed	Pending	Secure 3 fleet accounts
Dec 2024	Break even	Pending	Reach 294 service events/month

SECTION 3: MARKET ANALYSIS

TAM: $28.4B US tire service industry (IBISWorld 2023). SAM: $180M Texas metro markets (Austin/San Antonio/Round Rock; 0.63% of TAM). SOM: $3.2M Austin MSA (0.8% of SAM; calculated as 1,200 fleet vehicles x $1,200 avg annual spend + 18,500 consumers x $120 avg annual spend).

Primary customers: 18,500 Austin households earning $50,000-$120,000 (78% vehicle ownership; 42% SUV/truck owners). Secondary: 1,200 light commercial vehicles (logistics/property management). 62% prioritize online booking (J.D. Power); 47% pay 5% premium for eco-disposal (Consumer Reports).

Key trends: 3.1% annual industry growth (2019-2024), 85% independent shop market share, 22% SUV tire replacement growth (vs 12% sedans), 37% mobile service adoption increase (2022-2023).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Individual Consumers	2,220,000	2.8%	0.6%	Mobile service captures time-poor professionals
Fleets (5-20 vehicles)	980,000	5.1%	1.2%	Exclusive contracts with Greystar/Camden
Ride-Share Drivers	420,000	8.3%	3.0%	15% discount drives volume
Performance Tires	580,000	4.0%	0.9%	Partnership with Austin Track Club

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
US Market	28,400,000,000	-	-	IBISWorld 2023
Texas Metro	-	180,000,000	-	TxDOT vehicle counts x avg spend
Austin MSA	-	-	3,200,000	19,700 target customers x $162 avg spend

SECTION 4: COMPETITIVE ANALYSIS

Discount Tire dominates Austin with 12 locations ($120M local revenue est.) but has 0 mobile service. Pep Boys (3 locations) has 28% negative Yelp reviews for wait times. Local independents lack digital booking; 73% have no online scheduling (2024 Austin Auto Survey).

Our advantages: 1) Mobile service reduces customer downtime by 2.1 hours per visit (Shopmonkey data) 2) Digital booking converts 38% of website visitors vs 22% industry average 3) Eco-disposal attracts 47% of environmentally conscious customers 4) Fleet program reduces client downtime 15% via scheduled maintenance.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Discount Tire	120,000,000	$110 avg tire	Brand recognition	No mobile service	Same-day mobile installation
Pep Boys	18,000,000	$105 avg tire	Low prices	28% negative reviews	12-month workmanship guarantee
Big O Tires	9,500,000	$115 avg tire	Franchise support	Inconsistent quality	ASE-certified technicians only
Austin Tire & Auto	2,100,000	$125 avg tire	Local reputation	No online booking	Digital service tracking
TireSavvy (mobile)	1,200,000	$130 avg tire	Convenience	No physical location	Hybrid model for complex repairs

Strengths	Weaknesses	Opportunities	Threats
Mobile service capability	Unproven brand	Uber/Lyft driver partnerships	TireHub price increases
12 ASE-certified staff	Limited initial inventory	City fleet contracts	Recession reducing miles driven
Zero wait-time model	High startup costs	EV tire demand growth (18% CAGR)	New Discount Tire location
Eco-disposal certification	No 24/7 service	TPMS sensor upgrades (72% failure rate)	Commercial tire margin compression

SECTION 5: PRODUCTS & SERVICES

We sell 50 top-selling tire SKUs (Michelin/Goodyear/Bridgestone) with 24-48 hour special order fulfillment. In-shop services include computerized alignment (Hunter HawkEye Elite) and TPMS reset. Mobile vans perform tire replacements/repairs onsite using LiftMaster 5,000-lb lifts. Fleet program includes GPS-tracked maintenance reporting.

Tire pricing averages $120 (40% gross margin) vs Discount Tire's $110 (35% margin). Labor services priced at $24.99 rotation (75% margin) vs Pep Boys' $22.99 (70% margin). Mobile fee ($75) waived for $600+ purchases drives 68% attachment rate. Senior/military discount capped at 10% to protect margins.

Tier	Price	Features	Target Customer	Expected % Rev	Gross Margin
Economy Tires	80-110	Basic all-season	Budget-conscious	25%	38%
Premium Tires	120-220	All-weather, longer tread	SUV/Truck owners	40%	42%
Mobile Service	75 fee	Onsite replacement	Fleets/Ride-share	18%	65%
Fleet Program	10-15% off	Volume pricing, reporting	5+ vehicle fleets	17%	50%

Metric	Value	Calculation/Notes
Price per service event	151.22	620,000 revenue / 4,100 events
COGS per event	68.05	279,000 COGS / 4,100 events
Gross profit per event	83.17	151.22 - 68.05
Gross margin	55%	341,000 / 620,000
CAC	87.80	36,000 marketing / 410 customers
LTV	604.30	151.22 avg rev x 1.3 visits/year x 3.1 years / 10% churn
LTV:CAC	6.88	604.30 / 87.80

Payback period	7 months	87.80 CAC / (83.17 GP x 1.3 visits)

SECTION 6: MARKETING & SALES

Google Ads target "tire shop Austin" (1,900 monthly searches; $2.40 CPC). $8,500/month budget yields 3,542 clicks at 3.2% CTR. 4.1% conversion rate = 145 customers/month at $58.62 CAC. Facebook ads target ZIP codes 78704/78745 (28,000 SUV owners) with $1,200/month budget generating 48 leads at $25 CAC.

Sales cycle: 1) Digital ad click (32% conversion to site) 2) Online booking (38% conversion) 3) Technician consultation (85% close rate). Average cycle: 2.1 days. Mobile service converts 22% higher than in-shop (Shopmonkey benchmark).

Automated SMS rotation reminders at 6,000 miles drive 31% repeat rate. Loyalty program (10% off 5th visit) increases frequency to 1.3 visits/year vs 0.9 industry average. Target churn: 8.3% monthly (vs 10% industry).

Channel	Monthly Budget	Expected CAC	Expected Leads/Mo	Conversion Rate	Expected Customers/Mo	ROI
Google Ads	8,500	58.62	145	4.1%	145	5.2x
Facebook/Instagram	1,200	25.00	48	4.5%	48	8.1x
Referral Program	500	18.75	27	100%	27	12.3x
Local Partnerships	300	10.00	30	100%	30	15.0x
Total	10,500	42.00	250	16.4%	250	7.1x

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	5,000	800	1,000	2,000	200	9,000	180	118
2	6,000	900	1,200	1,500	200	9,800	205	135
3	7,000	1,000	1,500	1,000	200	10,700	225	148
4	8,000	1,100	1,800	500	200	11,600	245	161
5	8,500	1,200	2,000	300	200	12,200	255	168
6	8,500	1,200	2,000	300	200	12,200	255	168
7	8,500	1,200	2,000	300	200	12,200	255	168
8	8,500	1,200	2,000	300	200	12,200	255	168
9	8,500	1,200	2,000	300	200	12,200	255	168
10	8,500	1,200	2,000	300	200	12,200	255	168
11	8,500	1,200	2,000	300	200	12,200	255	168
12	8,500	1,200	2,000	300	200	12,200	255	168

SECTION 7: OPERATIONS

Daily capacity: 20 in-shop vehicles (7 AM-6 PM) using 6 bays with Hunter alignment rack. Mobile fleet (2 Sprinter vans) handles 8 onsite visits/day (7 AM-7 PM). Workflow: 1) Online booking via Bookafy 2) Pre-arrival estimate 3) Digital inspection 4) Service completion 5) POS payment 6) 24-hour follow-up. Average turnaround: 47 minutes per vehicle (vs 72 minutes industry avg).

TireHub provides 30-day net terms for top 50 SKUs. O'Reilly Auto Parts supplies TPMS sensors at 42% margin. Texas Rubber Recycling charges $8/tire disposal (vs $10 customer fee). Shopmonkey software integrates scheduling, POS, and fleet tracking.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
TireHub	Tire distribution	0	Net 30	America's Tire Distributors
Texas Rubber Recycling	Tire disposal	640	Month-to-month	Liberty Tire Recycling
O'Reilly Auto Parts	TPMS sensors	1,200	Net 15	AutoZone
Geotab	Fleet tracking	85	12-month	Verizon Connect

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Shopmonkey	Shop management	299	6	RO Writer
Bookafy	Online booking	79	2	Fullbay
Salesforce Service Cloud	CRM	125	3	HubSpot
QuickBooks Online	Accounting	50	2	Xero

SECTION 8: MANAGEMENT TEAM

6 FTEs: Service Manager ($55,000), Lead Technician ($52,000), 3 Technicians ($48,000 avg), Fleet Coordinator ($45,000). Salaries set at 90th percentile for Austin auto shops (BLS 2023). 10% performance bonus for technicians hitting 95% customer satisfaction.

Advisory board: Sarah Chen (ex-Director of Operations, Big O Tires; 0.5% equity), David Miller (TireHub Regional VP; consulting fee $150/hr).

Month	Role	Salary	Priority	Source	Onboarding Time
1	Lead Technician	52,000	1	ASE Job Board	30 days
1	Service Manager	55,000	1	Internal referral	30 days
2	Technician 1	48,000	2	Craigslist	45 days
3	Technician 2	48,000	2	Craigslist	45 days
4	Fleet Coordinator	45,000	3	LinkedIn	60 days
5	Technician 3	48,000	3	Craigslist	45 days

SECTION 9: FINANCIAL PLAN

Key assumptions: 120 customers Month 1 growing to 250 by Month 12. 1.3 service events per customer annually. $151.22 average revenue per event. 8.3% monthly churn. COGS: 45% of revenue (tires 60% of rev at 40% margin; labor 40% of rev at 75% margin). Fixed costs: $25,000/month.

Revenue growth driven by: 1) Fleet contracts adding 15 vehicles/month (Year 1 target: 180 vehicles) 2) Mobile service capturing 22% of ride-share drivers 3) Digital marketing scaling to 250 customers/month by Year 1 end.

Cost structure: 68% fixed costs ($25,000/month rent/salaries), 32% variable (COGS, marketing). Salaries scale at 0.5 FTE per $100,000 revenue increase. Marketing capped at 6% of revenue after Month 6.

$250,000 SBA loan covers equipment ($120,000), buildout ($85,000), vans ($45,000). $200,000 equity covers inventory ($60,000), tech ($25,000), working capital ($115,000). Funds 14-month runway to profitability.

Category	Ite	Cost	Notes
Legal/Formation	Texas LLC filing	300	State fee
Licenses/Permits	TDLR Automotive license	1,200	Biennial fee
Equipment	6-post lift system	45,000	Hunter Engineer
Equipment	Tire changers (x2)	18,000	
Equipment	Alignment rack	35,000	Hunter HawkEy
Equipment	TPMS tools	6,000	
Equipment	Mobile van equipment	16,000	Per van

Technology	Shopmonkey setup	2,500	
Technology	Website development	8,000	WordPre
Initial Inventory	Tire stock (top 50 SKUs)	60,000	45 days supply
Marketing	Grand opening campaign	15,000	Radio, flyers, promos
Marketing	Digital launch	15,000	SEO, ads, content
Working Capital	3 months OpEx	115,000	25,000 x 3 + 40,000 buffer
Insurance	General liability (annual)	7,200	$600/mo
Professional Fees	Accounting setup	3,000	
Total		450,000	

Category	T	Monthly Cost	Annual Cost	Notes
Rent	Fixed	4,800	57,600	4,200 sq ft @ $1.14/sq ft

Salaries		Fixed	15,000	180,000		6 FTEs avg $2,500/m
Benefits		Fixed	2,250	27,000		15% of payroll
Insurance		Fixed	600	7,200		General liability
Software		Fixed	553	6,636		Shopmon Bookafy, Salesforc
Utilities		Fixed	1,200	14,400		Electricity water, internet
Marketing		Variable	3,000	36,000		6% of Year 1 revenue
Loan Payment		Fixed	2,983	35,800		SBA 7(a) $250k @ 7% 10-yr
Mobile Fleet		Variable	1,000	12,000		Fuel, maintena
Supplies		Variable	1,250	15,000		Shop consuma
Disposal Fees		Variable	640	7,680		80 tires/mon @ $8
Total			33,026	396,316		
Fixed Total			25,203	302,436		
Variable Total			7,823	93,880		

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1 Total

Revenue	38,767	46,520	56,950	65,493	71,387	71,387	71,387	71,387	71,387	71,387	71,387	71,387	743,426
COGS	17,445	20,934	25,628	29,472	32,124	32,124	32,124	32,124	32,124	32,124	32,124	32,124	334,542
Gross Profit	21,322	25,586	31,322	36,021	39,263	39,263	39,263	39,263	39,263	39,263	39,263	39,263	408,884
Marketing	9,000	9,800	10,700	11,600	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	138,700
Salaries	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Rent	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Software	553	553	553	553	553	553	553	553	553	553	553	553	6,636
Insurance	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Other OpEx	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
Total OpEx	34,203	35,003	35,903	36,803	37,403	37,403	37,403	37,403	37,403	37,403	37,403	37,403	440,136
EBITDA	-12,881	-9,417	-4,581	-782	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	-31,252
Depreciation	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
EBIT	-17,048	-13,584	-8,748	-4,949	-2,307	-2,307	-2,307	-2,307	-2,307	-2,307	-2,307	-2,307	-81,252
Interest	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	17,500
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-18,506	-15,042	-10,206	-6,407	-3,765	-3,765	-3,765	-3,765	-3,765	-3,765	-3,765	-3,765	-98,752

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	115,000	96,494	81,452	71,246	64,839	61,074	57,309	53,544	49,779	46,014	42,249	38,484
Cash In	38,767	46,520	56,950	65,493	71,387	71,387	71,387	71,387	71,387	71,387	71,387	71,387
Total Cash In	38,767	46,520	56,950	65,493	71,387	71,387	71,387	71,387	71,387	71,387	71,387	71,387
Cash Out	57,273	61,562	67,156	71,900	75,152	75,152	75,152	75,152	75,152	75,152	75,152	75,152
Total Cash Out	57,273	61,562	67,156	71,900	75,152	75,152	75,152	75,152	75,152	75,152	75,152	75,152
Net Cash Flow	-18,506	-15,042	-10,206	-6,407	-3,765	-3,765	-3,765	-3,765	-3,765	-3,765	-3,765	-3,765
Ending Cash	96,494	81,452	71,246	64,839	61,074	57,309	53,544	49,779	46,014	42,249	38,484	34,719

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	620,000	225,000	235,000	245,000	245,000	260,000	270,000	280,000	290,000	1,100,000
COGS	279,000	101,250	105,750	110,250	110,250	117,000	121,500	126,000	130,500	495,000
Gross Profit	341,000	123,750	129,250	134,750	134,750	143,000	148,500	154,000	159,500	605,000
OpEx	348,350	87,500	89,000	90,500	92,000	93,500	95,000	96,500	98,000	372,000
EBITDA	-7,350	36,250	40,250	44,250	42,750	49,500	53,500	57,500	61,500	233,000
Net Income	-7,350	24,500	27,250	29,900	28,900	33,500	36,250	39,000	41,750	195,000
Ending Cash	34,719	62,000	95,000	130,000	160,000	200,000	240,000	280,000	320,000	320,000

Metric	Value	Calculation
Monthly Fixed Costs	25,000	Rent, salaries, software, insurance
Variable Cost per Unit	68.05	COGS per service event
Price per Unit	151.22	Average revenue per service event
Contribution Margin per Unit	83.17	151.22 - 68.05
Contribution Margin %	55%	83.17 / 151.22
Break-Even Units per Month	300	25,000 / 83.17
Break-Even Revenue per Month	45,366	300 x 151.22
Expected Break-Even Month	5	Month 5 revenue: $71,387
Safety Margin	33%	(71,387 - 45,366) / 71,387

Metric	Y1	Y2	Y3	Industry Benchmark

Gross Margin %	55%	55%	55%	50-60% (auto service)
Operating Margin %	-1.2%	10.3%	17.7%	8-15%
Net Profit Margin %	-1.2%	10.3%	17.7%	5-12%
Current Ratio	1.8	2.1	2.5	1.5+
CAC Payback	7 months	6 months	5 months	6-18 months
LTV:CAC	6.88	7.2	7.5	3.0+
Monthly Burn Rate	8,229	-	-	-
Runway	14 months	-	-	-

SECTION 10: RISK ANALYSIS

Top risks: 1) TireHub supply disruption (Probability 3/5, Impact 4/5) - could halt 70% of tire sales. 2) Technician turnover (Probability 4/5, Impact 4/5) - Austin auto shops average 35% annual turnover (BLS). 3) SBA loan denial (Probability 2/5, Impact 5/5) - would delay opening 60+ days. 4) Recession (Probability 3/5, Impact 3/5) - could reduce consumer tire spend 12% (IBISWorld).

Mitigation: 1) Multi-sourcing with America's Tire Distributors (30-day trial terms secured) 2) $1,500/year retention bonus after 12 months 3) Pre-approval letter from Texas Capital Bank 4) Fleet contracts (30% of revenue by Year 2) insulate against consumer downturns.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Tire supply disruption	3	4	12	Multi-distributor agreements	Shift to 2nd-tier brands (Cooper)	COO
Technician turnover	4	4	16	$1,500 retention bonus	Cross-train service manager	CEO
SBA loan denial	2	5	10	Pre-approval from Texas Capital Bank	Owner equity increase to $175,000	CEO
Recession	3	3	9	Fleet contracts (30% revenue target)	Introduce $99 tire packages	CMO
Mobile van accident	2	4	8	$1M liability insurance	Rental van agreement with Enterprise	COO
Online reputation damage	3	3	9	24-hour review response protocol	PR firm retainer ($2,500/month)	CMO
Tire disposal regulation	2	5	10	Quarterly TCEQ audits ($1,200 each)	Backup disposal partner secured	COO
Competitor price war	3	3	9	Value-added mobile service	Temporarily waive mobile fee	CMO

SECTION 11: IMPLEMENTATION TIMELINE

Critical path: 1) Secure SBA loan by May 15 (Month 3) 2) Complete facility buildout by June 30 (Month 4) 3) Achieve 120 service events by August (Month 6). Dependencies: Loan approval required before equipment orders; technician hiring requires completed facility.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Finalize SBA loan	Approved term sheet	$5,000 legal fees	Loan commitment letter	CEO
2	Facility buildout	6 bays operational	$85,000 budget	OSHA inspection passed	COO
3	Equipment installation	Lifts/alignment rack live	Tech vendor support	10 test alignments completed	COO
4	Staff hiring	6 FTEs onboarded	$15,000 recruitment	90% training completion	CEO
5	Grand opening	200 booked appointments	$15,000 marketing	120 service events	CMO
6	Digital system live	Bookafy/Shopmonkey integrated	$2,500 setup	85% online booking rate	COO
7	Fleet contract #1	Greystar agreement signed	CMO time allocation	20-vehicle contract	CMO
8	Break even	Positive EBITDA	Cost control	$45,366 monthly revenue	CEO
9	Mobile van #2 operational	2nd van equipped	$45,000 capital	16 mobile visits/day	COO
10	Loyalty program launch	500 enrolled customers	$2,000 CRM setup	31% repeat rate	CMO
11	Year 1 review	Financial audit complete	$5,000 accounting	98% revenue accuracy	CEO
12	Year 2 planning	3 new fleet contracts	CMO time allocation	180 fleet vehicles	CMO

SECTION 12: APPENDIX

Supporting documents: 1) SBA loan pre-approval letter 2) TireHub distributor agreement 3) Facility lease terms 4) Technician resumes 5) Detailed market research methodology. All financial assumptions documented in Excel model available upon request.