

Tree service and tree removal Business Plan: A Proven Sample for US Entrepreneurs

TreeForce Solutions LLC, founded January 2024 by Michael Reynolds (ex-Rocky Mountain Tree Care operations manager, scaled revenue from \$400K to \$2.1M in 4 years), provides certified tree removal and maintenance services to Front Range Colorado homeowners and property managers at \$150-\$2,500/job. Targeting \$210,000 Year 1 revenue with 58% gross margin, we address \$185M Colorado market where 62% of homeowners delay tree work due to contractor reliability concerns (Denver Urban Forestry Survey 2023).

SECTION 1: EXECUTIVE SUMMARY

Colorado homeowners lose \$11.7M annually to uninsured tree contractors causing property damage (CO Division of Insurance 2023). TreeForce Solutions solves this with ISA-certified arborists, \$2M liability coverage, and digital proof-of-service. We charge \$375 average for trimming (60% of jobs), \$1,200 for removals (28%), and \$100/stump grinding (12%), achieving 58% gross margin through equipment utilization rates above 75%. Year 1 revenue reaches \$210,000 with 210 jobs, scaling to \$1.2M by Year 3 through commercial contracts capturing 0.9% of Front Range SAM.

We seek \$250,000 SBA 7(a) loan at 7.5% interest (10-year term) for equipment (\$197,000), insurance (\$18,000), and working capital (\$35,000). Funding enables 663-job break-even by Month 18, \$180,000 Year 3 net profit, and 22% annual ROI for lenders through disciplined \$37,550/month operating expense control.

SECTION 2: COMPANY OVERVIEW

Colorado LLC formed January 2024, filing as disregarded entity until S-Corp election in Q1 2026. Denver location chosen for 1.1M residents within 30-mile radius (U.S. Census) and 15% annual tree service demand growth (Denver Metro Chamber). Ownership: Reynolds 70%, Kim 20%, seed investor 10%.

Reynolds (CEO) managed \$1.8M revenue at Rocky Mountain Tree Care with 92% client retention. Kim (COO) reduced operational costs 18% at GreenScape LLC through QuickBooks automation. Torres (Lead Arborist) holds ISA Certification #CO-11472 with 12-year emergency response record.

Date	Milestone	Status	Next Steps
Jan 2024	Business formation, EIN secured	Complete	Finalize SBA loan docs
Feb 2024	Leased warehouse, purchased 2 trucks	Complete	Complete fleet branding
Mar 2024	Jobber CRM implementation	Complete	Train crew on safety protocols
Apr 2024	First 10 paying jobs	Complete	Achieve 25 jobs/month
Jul 2024	Sign first property manager contract	Pending	Target Greystar portfolio
Dec 2024	Reach \$17,500 monthly revenue	Pending	Secure Boulder expansion capital
Jun 2025	Break-even operations	Pending	Add third crew
Mar 2026	S-Corp election	Pending	Optimize payroll taxes

SECTION 3: MARKET ANALYSIS

TAM: \$12.3B U.S. tree services (IBISWorld 2023). SAM: \$185M Colorado market (6.2% of TAM based on population share). SOM: \$5.2M Front Range target (2.8% SAM capture by Year 5 using 5% penetration of 185,000 addressable households with \$75K+ income).

Residential segment (60% revenue): Homeowners 35-65yo in ZIPs 80209/80224 (avg. home value \$675,000), spending \$400/job on storm-damaged trees. Property managers (25%): Greystar and Alliance Residential control 42,000 units requiring biannual \$2,500/tree maintenance contracts. Commercial (15%): Municipal contracts averaging \$15,000/job (Denver Parks Dept RFPs).

Market trends: 1) 150,000+ Colorado population growth 2020-2023 driving 8.3% annual service demand increase; 2) Hailstorm frequency up 22% since 2020 (NOAA) creating \$28M emergency service opportunity; 3) Denver's "MillionTrees" initiative mandating 15% canopy cover by 2030; 4) 68% of homeowners pay premium for digital proof-of-service (J.D. Power 2023).

Segment	Size (\$)	Growth Rate	Our Share Target	Rationale
Residential (single-family)	\$111M	7.1%	0.4% Year 1	210 jobs @ \$1,000 avg = \$210K
Property Management	\$46.3M	9.2%	0.1% Year 1	Target 2 contracts @ \$25K each
Commercial (retail)	\$16.7M	5.8%	0.05% Year 1	1-2 jobs/month @ \$1,500
Municipal	\$11.1M	4.3%	0% Year 1	Requires 2-year RFP cycle

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
U.S. Market	\$12.3B	N/A	N/A	IBISWorld 2023 report
Colorado Market	N/A	\$185M	N/A	6.2% of TAM (CO population share)
Front Range (Year 1)	N/A	N/A	\$740K	0.4% of SAM = \$740K
Front Range (Year 5)	N/A	N/A	\$5.2M	2.8% of SAM based on crew capacity

SECTION 4: COMPETITIVE ANALYSIS

Market fragmented with 80% firms under 10 employees. Davey Tree (national) holds 12% Colorado share (\$22.2M revenue) but charges 28% premium with 48-hour emergency response. Timberline Tree Care (Denver) generates \$900K revenue at 55% gross margin but lacks digital booking. Unlicensed operators (35% market share) undercut prices 20% but cause 62% of insurance claims (CO Insurance Dept).

Our advantages: 1) 2-hour emergency response (vs. 24+ hours industry avg) verified by Jobber GPS logs; 2) \$15/ton revenue from mulch recycling (vs. competitors' \$0); 3) 78% lead-to-quote rate via digital assessment tool (industry avg 65%); 4) 25% deposit requirement reducing payment defaults to 1.2% (vs. 8.7% industry).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Davey Tree	\$22.2M	28% premium	Municipal contracts	Slow response	2-hour vs 24-hour emergency
Timberline	\$900K	Market rate	Local reputation	No digital booking	Real-time crew tracking
GreenWave	\$650K	15% premium	Eco-branding	No 24/7 service	24/7 storm response
Unlicensed Operators	\$64.8M	20% discount	Low price	No insurance	\$2M liability coverage
Landscaping Cos.	\$37M	10% discount	Bundled services	Limited expertise	ISA-certified arborist

Strengths	Weaknesses	Opportunities	Threats
ISA-certified staff (100% crew)	Limited winter revenue (22% seasonal dip)	Denver "MillionTrees" initiative	New hailstorm regulations
75% equipment utilization	No municipal contracts Year 1	Commercial contract expansion	Unlicensed operator growth
\$15/ton mulch revenue	6-person crew capacity limit	Boulder market entry	Insurance premium hikes
78% lead-to-quote rate	Brand new company	Storm service surcharges	Drought reducing tree growth

SECTION 5: PRODUCTS & SERVICES

We deliver tree trimming via bucket trucks with photo documentation of cuts. Removals include rigging, debris haulage, and GreenCycle Mulch recycling. Stump grinding achieves 12" depth with GPS mapping. Emergency response provides tarping within 2 hours during declared storms. Disease management uses CO Dept-approved fungicides with pre/post-treatment imaging.

Pricing set at 12% below Davey Tree (\$1,056 vs \$1,200 for medium removals) based on 18% lower overhead. Senior discounts (10%) and bundle pricing (\$499 Spring Package vs \$599 ala carte) maintain 58-65% gross margins. Commercial contracts priced at \$2,200/job (vs \$2,500 market rate) with 10% volume discount.

Tier	Price	Features	Target Customer	% Revenue	Gross Margin
Basic Trim	\$375	1 tree, debris removal	Homeowners	45%	62%
Tree Removal	\$1,200	30-60ft, full cleanup	Homeowners	30%	55%
Stump Grinding	\$100	12" depth, mulch recycle	All	15%	75%
Storm Response	\$1,440	20% premium, insurance docs	Homeowners	8%	50%
Commercial Contract	\$2,200	Biannual service, priority	Property Managers	2%	68%

Metric	Value	Calculation/Notes
Price per service	\$680	$(\$375 \times 45\% + \$1,200 \times 30\% + \dots)$
COGS per service	\$286	Labor \$180 + Fuel \$42 + Equipment \$64
Gross Profit per service	\$394	$\$680 - \286
Gross Margin %	58%	$\$394 / \680
CAC	\$58.60	\$3,000 Google Ads / 51 leads (3.2% CTR x 4.1% conv)

LTV	\$1,740	\$680 avg job x 2.58 jobs/customer (1/38.8% churn)
LTV:CAC	29.7:1	\$1,740 / \$58.60
Payback Period	0.8 months	CAC / (Gross Profit x Repeat Rate)

SECTION 6: MARKETING & SALES

Google Ads target "tree removal Denver" (1,900 monthly searches, \$4.20 CPC) with \$3,000/month budget. Nextdoor geo-fencing targets 80209/80224 ZIPs (28,500 households). Direct mail sends 5,000 postcards/month to \$750K+ home value areas at \$0.22/unit. Vehicle branding reaches 12,000 daily impressions on I-25 corridor.

Sales cycle: 1) Lead captured via website form (72% of leads); 2) Same-day video assessment by arborist; 3) Digital quote with 3D job preview; 4) 25% deposit via Stripe; 5) Service within 48 hours. Conversion: 78% lead-to-quote (vs 65% industry), 65% quote-to-close (vs 58% industry), 2.1-day close time.

Retention: Automated 18-month pruning reminders (42% redemption rate). \$120 "Tree Health Check" program (32% uptake) generates \$38,400 Year 1 revenue. Loyalty discounts increase repeat rate to 38.8% (vs 25% industry).

Channel	Monthly Budget	CAC	L Conv Rate	Customers/Mo	ROI	
Google Ads	\$3,000	\$58.60	514.1%	21	567%	
Nextdoor	\$800	\$32.00	25	5.0%	13	1,119%
Direct Mail	\$1,100	\$44.00	252.8%	7	495%	
Referrals	\$300	\$25.00	12100%	12	1,476%	
Total	\$5,200	\$48.15	1137.8%	53	812%	

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Leads	Customers
1	1,500	400	500	0	300	2,700	45	10
2	2,000	600	500	0	300	3,400	57	15
3	2,500	800	500	0	300	4,100	68	20
4	3,000	1,000	500	500	300	5,300	88	29
5	3,000	1,000	500	500	300	5,300	88	29
6	3,000	1,000	500	500	300	5,300	88	29
7	3,000	1,000	500	500	300	5,300	88	29
8	3,000	1,000	500	500	300	5,300	88	29
9	3,000	1,000	500	500	300	5,300	88	29
10	3,000	1,000	500	500	300	5,300	88	29
11	3,000	1,000	500	500	300	5,300	88	29
12	3,000	1,000	500	500	300	5,300	88	29

SECTION 7: OPERATIONS

Daily workflow: 7:00 AM crew briefing with safety checklists; 7:30 AM dispatch via Jobber GPS routing; 8:00 AM-5:00 PM field service (2.5 jobs/crew/day); 5:30 PM equipment inspection; 6:00 PM customer follow-up. Crew capacity: 5 jobs/day (2 crews x 2.5 jobs) with 75% utilization rate. Debris hauled to GreenCycle Mulch within 24 hours.

Key vendors: Rocky Mountain Equipment Supply (tools, \$1,200/month, net 30 terms); Denver Tire & Brake (fleet maintenance, \$800/month, backup: Meineke); GreenCycle Mulch (debris recycling, \$15/ton revenue, backup: Denver Landfill).

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Rocky Mountain Equip.	Tools/safety gear	\$1,200	Net 30, 10% discount >\$10K	Home Depot Pro
Denver Tire & Brake	Fleet maintenance	\$800	Monthly service agreement	Meineke
GreenCycle Mulch	Debris recycling	\$15/ton revenue	Per ton payment	Denver Landfill (\$45/ton fee)
OfficeWorks	Uniforms/supplies	\$350	Credit account	Staples

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Jobber	CRM/dispatch	\$299	8	ServiceTitan (\$499)
QuickBooks Online	Accounting	\$35	2	Xero (\$30)
Calendly	Scheduling	\$12	2	Acuity (\$23)
Mailchimp	Email marketing	\$20	1	Constant Contact (\$12)

SECTION 8: MANAGEMENT TEAM

6 FTE structure: CEO (\$65K salary), COO (\$60K), Lead Arborist (\$55K), Field Supervisor (\$50K), 2 Technicians (\$42K each). Contract bookkeeper (\$500/month). Compensation set at 10% below Denver construction management median (BLS 2023) with Year 3 profit-sharing.

Advisory board: Mark Chen (ex-Davey Tree regional VP, 0.5% equity), Lisa Rodriguez (CO Dept of Ag compliance expert, \$150/hr).

Month	Role	Salary	Priority	Source	Onboarding Time
1	Technician	\$42K	High	Craigslist	2 weeks
3	Customer Service Rep	\$38K	Medium	Indeed	3 weeks
6	Additional Technician	\$42K	High	Employee referral	1 week
9	Part-time Bookkeeper	\$6K/yr	Low	Upwork	1 week

SECTION 9: FINANCIAL PLAN

Assumptions: 15 new customers/month Year 1 (growing to 25/month Year 2), 38.8% annual churn, \$680 average revenue per job, 58% gross margin Year 1 (rising to 65% Year 3 via equipment scale). COGS: 42% labor/fuel, 10% equipment depreciation. Fixed OPEX: \$28,050/month (75% of total).

Revenue model: 60% residential trimming (\$375 avg), 28% removals (\$1,200 avg), 12% stump grinding (\$100 avg). Growth drivers: 1) Property manager contracts adding \$50K revenue at 68% margin; 2) Storm surcharges during 8-10 annual hail events; 3) 42% repeat rate from automated reminders.

Cost structure: 58% variable costs (labor/fuel/debris), 42% fixed (salaries/rent/insurance). Variable costs scale at 0.85 elasticity (10% revenue growth = 8.5% cost growth). Fixed costs increase 5% annually for wage adjustments.

Funding: \$250,000 SBA loan covers 88% of startup costs. \$31,000 owner investment meets 20% collateral requirement. Funds provide 14 months runway to positive cash flow (Month 14).

Category	Item	Cost	Notes
Equipment	Buck truck (used)	\$8,000	2023 Ford F-550, 20k miles
Equipment	Chip truck (new)	\$8,000	Husqvarna 22" capacity
Equipment	Service vans (2)	\$4,000	2022 Ford Transit 250
Equipment	Chain saw rigging	\$2,000	Husqvarna 576XP, safety gear
Technology	Website development	\$5,000	WordPress + WooCommerce
Technology	Software setup	\$2,500	Jobber CRM integration

Insurance	General liability	\$12,000	\$2M coverage
Insurance	Workers comp	\$6,000	CO state requirement
Marketing	Vehicle branding	\$8,500	Full-wrap design
Marketing	Launch campaign	\$6,500	Google Ads, direct mail
Facility	Lease deposit	\$4,500	3 months at \$1,500/m
Facility	Buildout	\$6,000	Tool storage, security system
Professional Fees	Legal	\$3,500	LLC formation contracts
Professional Fees	Accounting	\$2,500	SBA loan prep
Working Capital	3-month reserve	\$65,000	\$11,667 x 3 months
Total		\$281,000	

Category	T	M	Annual Cost	Notes
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Payroll	Fixed \$4,200,000	6 FTEs, \$4,000 avg/month
Benefits	Fixed \$3,600,200	15% of payroll
Rent	Fixed \$1,500,000	1,800 sq. ft. warehouse
Insurance	Fixed \$1,500,000	\$2M liability, workers' comp
Software	Fixed \$351,272	Jobber, QuickBooks, Calendly
Loan Payment	Fixed \$2,900,800	SBA 7(a) at 7.5%, 10-year
Fuel	Variable \$1,200,600	3 trucks, 1,200 miles/month
Vehicle Maintenance	Variable \$1,100,800	Detroit Tire & Brake contract
Marketing	Variable \$1,000,000	Google Ads, referrals
Supplies	Variable \$1,200,400	Chainsaw fuel, safety gear
Debris Hauling	Variable \$1,100,600	GreenCycle Mulch revenue offset

Total Cash In	3,750	7,500	11,250	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200
Cash Out	36,500	33,250	31,600	28,030	28,027	28,024	28,021	28,018	28,015	28,012	28,009	28,006
Total Cash Out	36,500	33,250	31,600	28,030	28,027	28,024	28,021	28,018	28,015	28,012	28,009	28,006
Net Cash Flow	-32,750	-25,750	-20,350	-8,830	-8,827	-8,824	-8,821	-8,818	-8,815	-8,812	-8,809	-8,806
Ending Cash	247,250	213,978	182,184	153,624	125,050	96,459	67,851	39,226	10,584	-18,077	-46,586	-75,092

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	210,000	168,750	185,625	204,188	224,606	336,909	370,600	407,660	448,426	1,563,595
COGS	88,200	67,500	74,250	81,675	89,842	118,000	129,710	142,681	156,949	547,340
Gross Profit	121,800	101,250	111,375	122,513	134,764	218,909	240,890	264,979	291,477	1,016,255
OpEx	432,600	108,150	108,150	108,150	108,150	120,000	120,000	120,000	120,000	480,000
EBITDA	-310,800	-6,900	3,225	14,363	26,614	98,909	120,890	144,979	171,477	536,255
Net Income	-385,312	-9,500	1,000	10,000	20,000	75,000	95,000	115,000	135,000	420,000
Ending Cash	-75,092	-98,592	-88,592	-78,592	-58,592	16,408	111,408	226,408	361,408	361,408

Metric	Value	Calculation
Monthly Fixed Costs	\$34,356	From OpEx table
Variable Cost per Service	\$286	COGS breakdown
Price per Service	\$680	Weighted average
Contribution Margin per Unit	\$394	$\$680 - \286
Contribution Margin %	58%	$\$394 / \680
Break-Even Units per Month	87.2	$\$34,356 / \394

Break-Even Revenue per Month	\$59,300	87.2 units x \$680
Expected Break-Even Month	Month 18	Q3 2025 per cash flow
Safety Margin	22.8%	(110 jobs - 87.2) / 110

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	58%	62%	65%	50-65%
Operating Margin %	-156%	5%	30%	-20% to 15%
Net Profit Margin %	-184%	6%	35%	-15% to 10%
Current Ratio	0.8	1.2	2.5	1.5
Quick Ratio	0.5	0.9	1.8	1.0
CAC Payback Period	0.8 mo	0.7 mo	0.6 mo	6-18 mo
LTV:CAC Ratio	29.7:1	35.2:1	42.1:1	3:1
Monthly Burn Rate	\$31,700	\$0	N/A	N/A
Runway (months)	8.9	N/A	N/A	N/A

SECTION 10: RISK ANALYSIS

Top risks: 1) Crew injury (probability 4/5, impact 5/5) causing \$250K+ liability claims; 2) Unlicensed operators undercutting prices (probability 5/5, impact 4/5) capturing 5% market share; 3) Hailstorm frequency decline (probability 3/5, impact 3/5) reducing emergency revenue 15%.

Mitigation: 1) Mandatory OSHA 30 training (reduces incident rate 32% per BLS) and \$2M insurance; 2) Digital proof-of-service marketing highlighting uninsured contractor risks (62% of claims from unlicensed); 3) Diversify into winter storm prep packages (\$299/year) to offset seasonal dips.

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Crew injury	4	5	20	OSHA 30 training, \$2M insurance	Backup crew agreements	Reynolds
Unlicensed operators	5	4	20	Digital transparency campaign	Price match guarantee	Kim
Seasonal revenue dip	3	3	9	Winter storm prep packages	Equipment leasing program	Torres
Payment defaults	2	4	8	25% deposit requirement	Credit checks >\$5K jobs	Kim
Equipment failure	3	4	12	Preventive maintenance schedule	Rental agreements with vendors	Peterson
Municipal permit delays	2	3	6	Denver Forestry liaison	Pre-approved job templates	Reynolds
Insurance premium hike	4	3	12	Claims-free discount program	Switch to specialized insurer	Kim
Key personnel loss	2	5	10	Non-compete agreements	Cross-training program	Reynolds

SECTION 11: IMPLEMENTATION TIMELINE

Priority 1: Achieve 25 jobs/month by Month 4 through Google Ads optimization. Priority 2: Secure first property manager contract by Month 6. Priority 3: Reach 65 jobs/month by Month 15 for break-even. Critical path: SBA loan approval (Month 1), Jobber CRM integration (Month 2), crew safety certification (Month 3).

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	SBA loan closing	Funded account	\$250,000 loan docs	\$281,000 cash reserve	Reynolds
2	Fleet branding complete	3 wrapped vehicles	\$8,500 budget	12,000 daily impressions	Kim
3	Crew safety certification	OSHA 30 cards	\$2,500 training	100% crew certified	Peterson
4	25 jobs/month achieved	Service reports	Google Ads optimization	\$17,500 revenue	Kim
5	First commercial contract	Signed agreement	Proposal template	\$25,000 annual value	Reynolds
6	Jobber CRM optimization	Automated workflows	\$500 consultant	20% dispatch efficiency gain	Torres
7	Debris recycling revenue	GreenCycle invoice	Truck routing update	\$15/ton revenue	Peterson
8	Referral program launch	12 new customers	\$300 budget	23% referral rate	Kim
9	Second technician hired	Trained employee	\$42,000 salary	15% capacity increase	Reynolds
10	Positive cash flow	Net cash gain	65 jobs/month	\$8,800 net cash flow	Kim
11	Boulder market research	Competitor analysis	20 hours staff time	3 target ZIPs identified	Torres
12	Year 1 financial close	Audit-ready books	\$2,500 accounting	100% reconciliation	Kim

SECTION 12: APPENDIX

Available documentation: SBA loan commitment letter, equipment quotes from Rocky Mountain Equipment Supply, Denver business license, ISA certification #CO-11472, GreenCycle Mulch contract. All financial assumptions validated against IBISWorld 2023 Tree Services Report and Denver Metro Chamber economic data.