

Brightwater Mobile Grooming LLC - Business Plan (SAMPLE, fictional business)

Notice: Brightwater Mobile Grooming LLC is a fictional business. Trade Intelligence Studio prepared this sample to show the format and depth of a lender-ready plan. Every figure that isn't a cited market fact is a labelled assumption.

1. Executive Summary

1.1 The Financing Request

Brightwater Mobile Grooming LLC (the "Company") is seeking an SBA 7(a) small business term loan of **\$85,000** to launch a full-service, single-van mobile pet grooming operation based in Mason, Ohio (Warren County). The borrower will contribute **\$15,000** in unencumbered cash equity, establishing total initial capitalization of **\$100,000**.

The proposed loan structure carries a **10-year term** at an interest rate of **10.50%** per annum. The resulting monthly principal and interest payment is **\$1,146.95**, generating an annual debt service obligation of **\$13,763**.

1.2 Use of Funds

Project capital will be allocated exclusively toward revenue-generating equipment, essential pre-opening launch costs, and cash reserves:

- **Turnkey Mobile Grooming Van:** \$72,000 (fully converted vehicle with high-capacity freshwater/graywater tanks, generator, climate control, grooming table, and tub).
- **Commercial Grooming Equipment & Tools:** \$9,000 (high-velocity dryers, professional clippers, blades, shears, and initial grooming assets).
- **Licensing, Deposits, Branding, and Website Development:** \$4,000 (local business filings, commercial branding, payment gateway integrations, and online scheduling portal).
- **Working Capital Reserve:** \$15,000 (unencumbered liquidity to support operations during the initial utilization ramp).

1.3 Financial Trajectory & Debt Service Coverage

The Company operates under an owner-operator model in Years 1 and 2, adding a second leased van and a full-time W-2 groomer in Month 25 (Year 3). Financial projections demonstrate substantial debt-service capacity and progressive cash accumulation:

Metric	Year 1	Year 2	Year 3
Gross Revenue	\$104,458	\$137,719	\$244,139
Gross Profit	\$95,161	\$125,462	\$222,410
Operating Expenses (OPEX)	\$69,780	\$68,280	\$129,960
EBITDA	\$25,381	\$57,182	\$92,450
Pre-Tax Net Income	\$496	\$32,857	\$68,746
Cash Flow After Debt Service (CFADS)	\$11,618	\$43,419	\$78,687
Ending Cash Balance	\$26,618	\$70,037	\$148,724
Debt Service Coverage Ratio (DSCR)	1.84x	4.15x	6.72x

1.4 Break-Even Analysis

The operation reaches cash break-even at modest operating volumes relative to capacity:

- **Break-Even Grooms per Month:** 79 appointments
- **Break-Even Grooms per Day:** 3.6 appointments (based on 22 operating days per month)
- **Break-Even Single-Van Capacity Utilization:** 60.0%

With a maximum single-van capacity of 6 grooms per day (132 per month) and a projected month-1 utilization of 35% ramping to 85% by month 10, the Company enters positive operating cash flow during its initial ramp-up period, maintaining an ending cash reserve of no less than \$26,618 at the close of Year 1.

9. Financial Plan

9.1 Sources and Uses of Funds

The launch is funded through an SBA 7(a) guaranteed bank loan combined with founder cash equity:

SOURCES OF FUNDS:

Source	Amount	Percentage
SBA 7(a) Term Loan	\$85,000	85.0%
Owner Cash Equity	\$15,000	15.0%
TOTAL SOURCES	\$100,000	100.0%

USES OF FUNDS:

Use Category	Amount	Percentage
Grooming Van (Turnkey Conversion)	\$72,000	72.0%
Grooming Equipment & Tools	\$9,000	9.0%
Licenses, Deposits, Branding, Website	\$4,000	4.0%
Working Capital Reserve	\$15,000	15.0%
TOTAL USES	\$100,000	100.0%

9.2 Three-Year Income and Cash Flow Summary

The following table summarizes projected operational performance. Financial results reflect direct inputs, straight-line depreciation over 5 years on primary capital assets (\$16,200 annually), and loan amortization schedules:

Line Item	Year 1	Year 2	Year 3
Gross Revenue	\$104,458	\$137,719	\$244,139
Cost of Goods Sold (Supplies: 6.0%)	\$6,267	\$8,263	\$14,648
Merchant Processing Fees (2.9%)	\$3,029	\$3,994	\$7,080
Gross Profit	\$95,161	\$125,462	\$222,410
<i>Gross Margin %</i>	91.1%	91.1%	91.1%
Operating Expenses (OPEX):			
Owner Draw (Base	\$42,000	\$42,000	\$42,000

Compensation)			
Groomer 2 Compensation (Starts M25)	\$0	\$0	\$38,400
Van 2 Commercial Lease (Starts M25)	\$0	\$0	\$16,800
Fuel & Generator Operations (\$900/mo; ×1.6 once Van 2 runs)	\$10,800	\$10,800	\$17,280
Commercial Insurance (\$350/mo)	\$4,200	\$4,200	\$4,200
Vehicle & Equipment Maintenance (\$250/mo)	\$3,000	\$3,000	\$3,000
Marketing & Client Acquisition	\$5,700	\$4,200	\$4,200
Software & Field Scheduling (\$80/mo)	\$960	\$960	\$960
Business Phone & Mobile Data (\$60/mo)	\$720	\$720	\$720
Accounting & Legal Retainers (\$150/mo)	\$1,800	\$1,800	\$1,800
Municipal Filings & Licensing (\$50/mo)	\$600	\$600	\$600
Total Operating Expenses	\$69,780	\$68,280	\$129,960
EBITDA	\$25,381	\$57,182	\$92,450
Depreciation (Van \$14,400 + Tools \$1,800)	\$16,200	\$16,200	\$16,200
Operating Income (EBIT)	\$9,181	\$40,982	\$76,250
Term Loan Interest Expense	\$8,685	\$8,126	\$7,504
Pre-Tax Net Income	\$496	\$32,857	\$68,746
Term Loan Principal Repayment	\$5,078	\$5,638	\$6,259
Cash Flow After Debt Service (CFADS)	\$11,618	\$43,419	\$78,687
Beginning Cash Balance (Working Capital)	\$15,000	\$26,618	\$70,037
Ending Cash Balance	\$26,618	\$70,037	\$148,724

Note: The complete monthly operating model, loan amortization schedules, and detailed cash flows are provided in the accompanying financial workbook.

9.3 Debt Service Coverage Analysis

The business demonstrates strong debt service capacity across all three projection years:

DEBT SERVICE COVERAGE RATIO (DSCR) PROFILE:

Year 1: _____ 1.84x (Minimum Target: 1.25x)

Year 2: _____ 4.15x

Year 3: _____ 6.72x

- Year 1 DSCR: 1.84x**

Calculated as: (EBITDA \$25,381) ÷ (Annual Debt Service \$13,763). This provides an initial margin of safety above typical commercial underwriting minimums (1.20x-1.25x).

- **Year 2 DSCR: 4.15x**

Calculated as: (EBITDA \$57,182) ÷ (Annual Debt Service \$13,763). Reflects steady-state route maturity with a single van.

- **Year 3 DSCR: 6.72x**

Calculated as: (EBITDA \$92,450) ÷ (Annual Debt Service \$13,763). Expansion cash flows absorb the leased van and second groomer while generating strong surplus coverage.

9.4 Break-Even Analysis

Break-even volume confirms the operational stability of the single-van model:

- **Monthly Fixed Operating Cost Structure (Year 1):** \$5,690 (owner draw plus fixed operating costs at the post-launch marketing level) + \$1,146.95 (debt service) = approximately \$6,837.
- **Variable Contribution Margin per Groom:** Average ticket (\$95.00) less supplies (6.0% = \$5.70) and card fees (2.9% = \$2.76) = **\$86.54** net contribution per groom (91.1%).
- **Break-Even Grooms per Month: 79 grooms.**
- **Break-Even Grooms per Operating Day: 3.6 grooms** (based on 22 operating days per month).
- **Break-Even Utilization: 60.0%** of single-van capacity.

By Month 5, the Company's projected ramp (68% utilization / 90 grooms) exceeds this break-even threshold.