

**FREE VERSION OF GROWTHINK'S
ULTIMATE CONSTRUCTION BUSINESS
PLAN TEMPLATE**

[Company Logo]
(if applicable)

[Company Name]

BUSINESS PLAN

[Current Month], [Year]

[Name]

[Title]

[Company Name]

[Address 1]

[Address 2]

[City, State

Zip] Tel: []

Fax: []

Email: []

Website: [

]

CONFIDENTIAL

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PLEASE READ THIS FIRST:

This Construction business plan template shows you each of the key sections that you must include in your business plan. It also includes the questions you must answer in each section and samples that were created by our business plan generator.

NOTE: If you need to complete your own Construction business plan, you can do so in just minutes using our [business plan generator](#). In addition to easily completing your business, perhaps most importantly, our business plan generator includes complete financial projections. You simply enter some numbers (for example the # of products/services you expect to sell and the price), and we automatically build your 5-year Income Statement, Balance Sheet and Cash Flow Statement.

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I. Executive Summary

Key Questions to Answer:

- *What does your business do?*
- *What market need does your business solve?*
- *What are 4-7 reasons why your business will be successful?*
- *How much capital, if any, are you seeking for your business?*

Sample from Growthink's Ultimate Construction Business Plan Template:

[Company Name], located at [insert location here] is a new residential construction and general contracting firm. The company will operate out of an office in the commercial district of [town]. [Company Name] is headed by [Founder's Name], an engineering graduate from XYZ University with 20 years of experience working in the construction industry.

Products and Services

[Company Name] will focus on superior service for its clients. Each home construction project will be managed from start to finish, with some services provided by employees of [Company Name] and some by subcontracted specialists.

The founder, [Founder's Name], will be the lead project manager and focus on answering his clientele's needs. In addition to currently running projects, [Founder's Name] will hold webinars on home construction concerns and best practices for potential clients and the community.

[Company's Name] services include new home construction, home additions and home renovations...

II. Company Overview

Company Profile

- *Where are you located?*
- *When were you formed?*
- *What is your legal entity form?*

Company Vision/Mission Statement

- *What goals is your company trying to achieve?*

Past Accomplishments

- *What successes has your company already achieved?*

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While [Founder's Name] has been in the home construction business for some time, it was in [month, year] that he decided to launch [Company Name]. Specifically, during this time, [Founder] met with a former friend and fellow independent construction company owner in Fort Lauderdale, FL who has had tremendous success. After discussing the business at length, [Founder's Name] clearly understood that a similar business would enjoy significant success in his hometown.

Specifically, the customer demographics and competitive situations in the Fort Lauderdale location and in his hometown were so similar that he knew the business would work. After surveying the local population, [Founder's name] went ahead and founded [Company Name].

III. Industry Analysis

Market/Industry Overview

- *In what market(s) do you compete?*

Market/Industry Trends

- *What are the key market trend(s) and how does that effect you?*

Relevant Market Size

- *How large is your relevant market (the # of customers who can realistically buy from you)?*

Sample from Growthink's Ultimate Construction Business Plan Template:

Last year, according to IBISworld.com, U.S. single family home building generate revenues of \$210 billion and employed 600,000 people. There were 166,000 businesses in this market, for an average of \$1.2 million per business. The average wage of a worker in this industry was approximately \$50,000, which includes everyone from management to specialized contractors, to general crew. The National Association of House Builders reports 906,000 housing starts last year, which included 622,000 one-unit housing starts.

As the American housing/real estate industry and its health is considered a driver for the American economy as a whole, key statistics such as new home sales, homes on the market, and average home prices are tracked constantly by news and reporting agencies.

Major revenue streams of the industry include: Single-family house construction on one's own land for resale, single-family house construction for others (contracting and design), remodeling (including alterations and additions), non-housing construction, and multi-family housing construction.

IV. Customer Analysis

Customer Needs

- *What are the key needs of your target customers?*

Target Customer Profile

- *Who are your target customers? Give a detailed demographic profile.*

Sample from Growthink's Ultimate Construction Business Plan Template:

[Company Name] will serve individuals building their own homes, architects, and real estate development companies in [company location] and the immediately surrounding area within a 20 mile radius.

The area we serve is suburban, with 80% of residents being homeowners and 20% being renters.

V. Competitive Analysis

Direct Competitors

- *Who are your direct competitors? What are their strengths and weaknesses?*

Indirect Competitors

- *Who are your indirect competitors? What are their strengths and weaknesses?*

Competitive Advantage

- *What are your competitive advantages? Are these sustainable (can competitors emulate them)?*

Sample from Growthink's Ultimate Construction Business Plan Template:

The following residential construction companies do projects within a 20 mile radius of [Company Name], thus providing either direct or indirect competition for customers:

Wellbilt Home Improvements Co.

Wellbilt focuses on remodeling with general contracting of new homes as a secondary focus. The company has relationships with many architects and a good reputation among homeowners in the area.

Wellbilt's remodeling projects are generally with customers at the upper-end of the market, who choose to improve their current home either for sale or for their own purposes. Wellbilt is weaker in the new home construction area, in part because of the company name focus on improvements and because of the experience it has accrued.

VI. Marketing Plan

Branding

- *What is your desired brand positioning?*

Promotions Plan

- *How do you plan to promote your company's products and/or services?*

Sample from Growthink's Ultimate Construction Business Plan Template:

[Company name] will use several strategies to promote its name and develop its brand. By using an integrated marketing strategy, [Company Name] will win both one-time and ongoing clients and develop consistent revenue streams.

The [Company Name] Brand

The [Company Name] brand will focus on the Company's unique value proposition:

- Client-focused home construction, renovation, and addition services, where the Company's interests are aligned with the customer
- Service built on long-term relationships and personal attention
- Big-firm expertise in a small-firm environment

Promotions Strategy

Targeted Cold Calls

[Company name] will initially invest significant time and energy into contacting potential clients via telephone. In order to improve the effectiveness of this phase of the marketing strategy, a highly-focused call list will be used, targeting real estate developers and architects. As this is a very time-consuming process, it will primarily be used during the startup phase to build an initial client base.

Referrals

[Company name] understands that the best promotion comes from satisfied customers. The Company will encourage its clients to refer other businesses by providing economic or financial

incentives for every new client produced. This strategy will increase in effectiveness after the business has already been established.

Additionally, [company name] will aggressively network with useful sources such as home goods stores, real estate development companies, homeowners' associations and architectural firms. This network will generate qualified referral leads.

VII. Operations Plan

Key Operational Processes

- *What are the key operational processes that your organization needs to accomplish on a daily basis to achieve success?*

Business Milestones

- *What milestones will you need to accomplish over the next 1-3 years in order to achieve success?*

Sample from Growthink's Ultimate Construction Business Plan Template:

[Company Name] will carry out its day-to-day office operations primarily on an appointment basis. Clients will make appointments to discuss potential and current projects. When necessary, these appointments will be made at the property site. When necessary, discussions can be conducted over the telephone.

[Founder's Name] will work on an as-needed basis, generally on a Monday to Friday basis. The company will work weekends only when behind schedule.

Project management software will be utilized to control the schedule and costs of each project, and to manage the resources (labor and equipment) applied to the different projects.

VIII. Management Team

The Management Team section of the business plan must prove why the key company personnel are “eminently qualified” to execute on the business model.

Management Team Members

- *Who are the key members of your management team?*

Management Team Gaps

- *Who do you still need to hire?*

Sample from Growthink’s Ultimate Construction Business Plan Template:

[Company Name]’s most valuable asset is the expertise and experience of its founder, [Founder’s Name]. [First name] has been a project manager for a home construction company for the past 10 years and an assistant project manager for 10 years prior. He has spent much of his career working for First Wave Construction Company. There he specialized in new home projects, managing or assistant managing the completion of 75 homes. He consistently was named a top project manager for First Wave Construction Company.

[Founder’s Name] maintains his project management certification (PMP) license. He is a member of the National Association of Home Builders. [First name] has spoken at regional conferences and taken part in panel discussions at the homeowners’ associations, local schools and universities on best practices.

[Company Name] will also employ an experienced assistant project manager to co-manage projects when multiple projects are running concurrently. [Assistant’s name] has construction and project management experience and has spent significant time as a contractor.

IX. Financial Plan

Revenue Model

- *In what ways do you generate revenues?*

Financial Highlights

- *What are your topline 5-year financial projections?*

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Funding Requirements/Use of Funds

- *How much money do you need to start and/or run your business?
What are the primary uses of these funds?*

Sample from Growthink's Ultimate Construction Business Plan Template:

[Company Name]'s revenues will come primarily from new homes. 15% of revenue will come from renovation and additions. For each new home project, half of the fee is expected at signing and half on completion of the work.

As with most services, labor expenses will be key cost drivers – including both salaried employees and hired subcontractor labor. Cost of sales, which will include subcontractors, materials, and direct labor for projects, is equal to roughly 75% of revenue for projects. This percentage is expected to drop with experience over the first five years of operation. Marketing and lease for the company's office and storage space will be secondary costs.

Capital Requirements and Use of Funds

[Company Name] is seeking a total funding of \$195,000 of debt capital to open its office. The capital will be used for funding capital expenditures and location build-out, hiring initial employees, marketing expenses and working capital.

Specifically, these funds will be used as follows:

- Office design/build and equipment: \$130,000
- Working capital: \$45,000 to pay for marketing, salaries, and lease costs until [Company Name] reaches break-even

Key Assumptions & Forecasts

	FY 1	FY 2	FY 3	FY 4	FY 5
Revenues					
Hotel	\$1,980,125	\$2,832,031	\$3,409,160	\$3,783,447	\$4,100,713
Total Revenues	\$1,980,125	\$2,832,031	\$3,409,160	\$3,783,447	\$4,100,713
Expenses & Costs					
Cost of goods sold	\$455,429	\$623,047	\$681,832	\$718,855	\$738,128
Lease	\$0	\$0	\$0	\$0	\$0
Marketing	\$149,006	\$141,602	\$170,458	\$189,172	\$205,036
Salaries	\$721,095	\$797,115	\$1,014,687	\$1,119,408	\$1,164,185
Initial expenditure	\$50,000	\$0	\$0	\$0	\$0
Total Expenses & Costs	\$1,375,530	\$1,561,763	\$1,866,977	\$2,027,436	\$2,107,349
EBITDA	\$604,595	\$1,270,268	\$1,542,183	\$1,756,011	\$1,993,364
Depreciation	\$372,760	\$372,760	\$372,760	\$372,760	\$372,760
EBIT	\$231,835	\$897,508	\$1,169,423	\$1,383,251	\$1,620,604
Interest	\$164,782	\$144,184	\$123,586	\$102,988	\$82,391
PRETAX INCOME	\$67,054	\$753,324	\$1,045,837	\$1,280,263	\$1,538,213
Net Operating Loss	\$0	\$0	\$0	\$0	\$0
Use of Net Operating Loss	\$0	\$0	\$0	\$0	\$0
Taxable Income	\$67,054	\$753,324	\$1,045,837	\$1,280,263	\$1,538,213
Income Tax Expense	\$23,469	\$263,663	\$366,043	\$448,092	\$538,375
NET INCOME	\$43,585	\$489,661	\$679,794	\$832,171	\$999,839
Net Profit Margin (%)	2.2%	17.3%	19.9%	22.0%	24.4%

X. Appendix

Sample from Growthink's Ultimate Construction Business Plan Template:

The following pages present detailed financial projections for [Company Name] over the next five years. The specific tables to follow include:

- Startup Costs
- 5 Year Annual Income Statement
- 5 Year Annual Balance Sheet
- 5 Year Annual Cash Flow Statement
- Quarterly Income Statement for First 3 Years
- Quarterly Balance Sheet for First 3 Years
- Quarterly Cash Flow Statement for First 3 Years

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