



Creating a Business Plan for Your HVAC Business

Want to start an HVAC business or revamp your current plan? The first step is to create a business plan. Here, you are going to learn how to create a successful business plan.

The following sections of a business plan are covered:

- Cover page
- Executive summary
- Business overview
- Define your services
- Sales and marketing plan
- Market analysis
- Financial plan
- Summary

If you are thinking of starting an HVAC or home services business, or making improvements to the one you already have, the first step is to start fresh and create a comprehensive business plan. A business plan is necessary for the efficient and smooth running of the business. It can also help you get funds from financing institutions. It will also give your business focus and reduce risks. Here are the critical sections of an effective business plan.



1. Cover page

The cover page includes all the vital information concerning a business. It should have business name, contact, address, logo, the proprietors' name, and their roles.



2. Executive summary

Just as the name suggests, the executive summary summarizes what's contained in the business plan. Its contents include your business partner(s), competitive advantage, and a statement whether you need funding.



3. Business overview

Under the business overview, you should cover your business purpose, mission, and vision statements. Other issues to include here are:

- ▶ The problems you intend to solve
- ▶ The legal and administrative structure of the business: corporation, partnership, or sole proprietorship.
- ▶ Your trade and legal name
- ▶ Your short term and long term goals
- ▶ The location of your business.



4. Define your HVAC services

When writing down your services, you have to be honest about what services you offer. State why your services are unique, the type of equipment you have, and your technicians' level of training. In essence, state all the factors that can make customers choose your services over those of your competitors.

Some services you may consider are:

- ▶ Tankless water heater repair & installation
- ▶ Air conditioning repair & installation
- ▶ Furnace repair
- ▶ Air conditioning tune-up and maintenance
- ▶ Furnace tune-up and maintenance
- ▶ Air conditioning installation & repair
- ▶ Furnace installation

5. Sales and marketing plan

Sales and marketing is a core area in your business. For this reason, this part needs to be detailed. Since you are just beginning, limit the number of your sales and marketing strategies lest you get overwhelmed.

State how each strategy will help you get conversions. Also, state your target audience and the channels you'll use to reach them.

Make a statement as to how your intended customers will be able to sustain your business. If you feel that you aren't in a position to run a successful sales and marketing campaign, then state that you'll leave this duty to a marketing agency.

Remember that your sales and marketing strategies will help expose your business to potential customers.

6. Market analysis

Since you'll be entering a market that already has some service providers, your business plan must have a market analysis section where you evaluate your competitors. Research your competitors, what they offer, and state how you can do a better job than them.

Your business plan should answer the following questions.

- ▶ Who are your ideal customers (demographics)?
- ▶ What are your target customers' needs and wants, and how do you intend to satisfy the needs and wants?
- ▶ What is the size of your target audience?
- ▶ Are there competitors in your locality? Are they well established? Who are they?
- ▶ What HVAC services do your competitors offer? What are the sizes of their companies?
- ▶ What do your competitors charge for their services?
- ▶ Why would a customer choose your services over your competitors'?

It would help if you summarized these answers for ease of reference.



7. Financial plan

The financial plan section is crucial if you are looking for funding. This section is where most investors are interested. Your financial plan should include:

- ▶ **Sales forecast** - Here, you'll have to forecast the sales for the 1st, 2nd, and 3rd years of your business. You need to research and seek guidance from those experienced in this industry to help you come up with this forecast.
- ▶ **Personnel costs** - This section covers the cost of hiring employees and subcontractors. Here, you must state how many employees you intend to have and how much you'll pay them.
- ▶ **Other expenses** - A business must have overhead expenses. It would be best if you covered all these in your business plan. Other expenses may include power bills, transport, office supplies, etc.

It would be best to project all these costs into the future (1, 2, or 3 years). Further to this, you can come up with the cost of all the tools and equipment you'll need, as well as projected profit and loss accounts and balance sheets. Good business software can help you generate these documents.



8. Summary

The final summary isn't the same as the executive summary. Here, you now tie everything together. You'll have a lot to summarize, but you need to keep it short and sweet.

You can emphasize your funding requirement and pitch to potential investors. Finally, thank the reader for going through your business plan and considering funding it or partner with you.

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We are experts in the HVAC industry, having served contractors for over three decades. We've helped thousands of startups right from their incubation stage. We know how vital an HVAC business plan is for your business.

Once you are 100% sure that you have a polished business plan, the next step is to look for HVAC software to push your business to greater heights. Call us today so we can start this journey together.