

# Plumbing Business Plan Kit

The Startup Playbook

PDF + DOCX  
+ XLSX workbook

This guide is the playbook that sits next to your business plan template and financial workbook. It is written for the working plumber who can run a service call in their sleep but has never had to pull a contractor license, build a flat-rate price book, or explain a cash reserve to a lender. Read it once start to finish, then keep it open while you fill in the DOCX template and the Excel workbook.

Important: this is a planning and education resource, not legal, tax, licensing, insurance, or financial advice. Nothing here guarantees funding, loan approval, regulatory or license approval, insurance acceptance, tax results, or that you will win customers. Plumbing rules change sharply from state to state and city to city. Verify every requirement with your own state board and local authority, and work with a licensed accountant, insurance agent, and attorney before you commit money or sign anything. Dollar figures in this guide are modeled planning estimates to show you the shape of the math, not quotes. Get real quotes for your own market.

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## 1. Who this is for and how to use the kit

You are most likely a licensed journeyman or master plumber who is tired of building someone else's company and wants your own truck, your own name on the invoice, and the margin that comes with ownership. Or you are close to that point and want to see the whole picture before you jump. Either way, the goal of this kit is to turn a vague idea into a plan you can actually act on and, if you need money to launch, a plan a lender or partner will take seriously.

## The three pieces and the order to use them

- **The workbook (Excel) is the engine.** Start here. Open the Assumptions tab and put in your real average ticket, how many jobs a week you can realistically run, and your monthly overhead. Every other tab feeds off those numbers. If the story in your plan and the numbers in your workbook disagree, the workbook wins and you fix the story.
- **The template (Word) is the story.** Nine sections, each with a worked example you can adapt, then a prompt, then a blank for your details. Do not start from a blank page. Read the example, see what good looks like, then write yours.
- **This guide is the coach.** It explains the why behind each decision: how the license ladder works, what insurance you actually need, how to price so you do not go broke, and how to land your first ten customers.

Work in that order and the pieces stay consistent. When you are done, export your Word plan to PDF, attach the workbook, and you have a packet you can hand to a lender, the SBA, a partner, or just keep as your own operating roadmap.

## Before you quit the day job: an honest reality check

The hardest question is not on the workbook, it is personal: can you afford the gap before the business pays you a steady wage? A new shop's first year is highly variable and depends mostly on lead flow, pricing discipline, and how much of your time goes to selling versus wrenching. Plan for that honestly. Two common paths reduce the risk: start nights and weekends while you still hold a paycheck to prove the demand and bank early reviews, or keep enough personal savings to cover your own household bills for several months on top of the business cash reserve. The owner-draw figure in the workbook is a planning target, not a promise; early on you may take less while the reserve carries you. Going in with eyes open here is what separates a calculated jump from a panicked one.

## 2. Get legal to operate: the license ladder

Plumbing is one of the most heavily licensed trades in the country, and the rules are set state by state, not nationally. There is no single answer that fits all fifty states, so treat this section as the map and your state plumbing board as the final word. The pattern almost everywhere is a ladder: apprentice, then journeyman, then master or contractor.

### The ladder, rung by rung

- **Apprentice.** You work under a licensed plumber while you learn. Most states want roughly 4,000 to 10,000 supervised hours plus 144 to 216 classroom hours per year, which usually works out to about four to five years.
- **Journeyman.** After your documented apprenticeship (commonly two to five years of logged work), you sit a state journeyman exam. Many states also make you pass a separate business and law exam before you can do contractor work.
- **Master / contractor.** Usually one to four more years as a journeyman, then a master exam and proof of insurance and bonding. In many states the master license is what lets you pull permits and operate under your own company name.

## Who can pull permits, and the qualifying-agent rule

This is the part new owners miss. In some states you personally must hold a master plumber license to own and operate the business under your own name. In others, a journeyman can run the company as long as a master plumber serves as the *qualifying agent* on the contractor license. If you are a journeyman, knowing whether your state requires a master as qualifying agent changes who you have to hire or partner with on day one. The permit usually has to be pulled by, or under, the licensed person, so confirm exactly who in your setup is allowed to pull permits before you bid work.

### State rules vary sharply: two real examples

- **California** requires a C-36 plumbing contractor license for any plumbing project over \$1,000 in combined labor and materials. Below that threshold the rules differ, but most real jobs clear \$1,000 fast, so in practice you need the C-36.
- **Arkansas** requires a licensed master plumber affiliated with the company, plus a separate contractor license for larger projects. Same trade, completely different paperwork.

Do not copy another state's requirements. Search your own state plumbing board plus your city and county. The two examples above show how far the rules swing; yours will have its own thresholds, exams, and fees.

### Scope-specific certifications (only if your work needs them)

Some credentials are not universal plumbing requirements; they attach to specific work. If you service refrigeration or air-conditioning equipment you will typically need an EPA Section 608 certification. If you do backflow prevention or medical-gas systems, those usually require their own local certifications. If your scope is standard residential repair and install, you may not need these at all. The lesson: match your certifications to the work you actually plan to take, and confirm what your specific jobs require locally rather than chasing every credential.

### Business setup is separate from your trade license

Being a licensed plumber is not the same as being a licensed business. You almost always need both. Even after you personally hold the trade license, you typically need to form the business (most pick an LLC), get a federal EIN, and register for a city or county business license or contractor registration. The next section covers the business side.

## 3. Pick your business structure

Before you take your first paid job, you have to decide what the business legally is. The three common starting points are sole proprietor, LLC, and S-corp, and for most new one- or two-person plumbing shops the answer lands on LLC. Here is the plain-English version.

- **Sole proprietor.** The simplest and cheapest. You are the business. The problem is liability: if a job goes wrong and you get sued, your personal house and savings are exposed because there is no legal wall between you and the company. In a trade where a missed fitting can flood a house, that exposure matters.
- **LLC (limited liability company).** Creates a legal wall between business debts and your personal assets. Formation paperwork is commonly \$50 to \$300 depending on your state, and it is usually the structure new plumbing owners pick because it limits personal liability without the heavier rules of a corporation. (Modeled range; check your state filing fee.)