The Numbers Behind a Residential Plumbing Business

A free field guide from Bytell Press. The figures come from our example financial model for a one-truck residential plumbing company with the owner in the truck. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

A one-truck plumbing company can look profitable on paper and still leave the owner short every month. The difference is whether the owner's pay was counted. This guide works the numbers both ways.

1. How the work is priced

The example model uses **flat-rate menu pricing**, quoted on site before work begins. Each job starts with a diagnostic fee of $150–$250. The model uses these lines:

Service line	Model price	Model gross margin
Maintenance membership	$150–$300 per year	70–80%
Emergency calls	Premium priced	60–70%
Repair and service	$150–$350	60–65%
Drain and sewer	$250–$800	50–65%
Installation and replacement	$1,200–$5,600	50–60%
Blended across the mix	**About $450 per job**	**About 58%**

Memberships and emergency work pull the margin up; installations pull it down. Read the 58% with care. It holds only because the owner's own field labor is not in the cost of the job. The model pays the owner separately, as a draw.

2. What it costs to open

The example model opens on about **$62,000**. The owner puts in about $17,000 and borrows $45,000, which is spent this way:

Use of funds	Amount
Service van and outfit	$20,000
Tools and equipment	$8,000
Fees and first-year insurance	$5,000
Software, branding and website	$4,000
Initial marketing	$5,000
Working-capital reserve	$3,000

Use of funds	Amount
Total borrowed	**$45,000**

With the owner's money, the model starts with roughly $20,000 of opening cash. The loan payment is about $759 a month.

3. What it costs to stay open

The model carries these fixed costs every month:

Monthly fixed cost	Amount
Rent or storage, insurance, software, phone, vehicle upkeep	$3,200
Part-time dispatcher	$1,500
Depreciation on the van and equipment	$333
Loan interest	$360
Total	**$5,393**

Two things are not in that total: the owner's draw of $5,000 a month, and loan principal of roughly $395 a month.

4. The break-even: the one number to know

Break-even revenue = monthly fixed costs ÷ gross margin.

Card fees and marketing rise with every job, so the model takes them off the margin first: 58% – 1.3% card fees – 6% marketing = 50.7%. Then $5,393 ÷ 0.507 = about **$10,640 a month**. At $450 a job, that is **about 24 jobs a month**.

That figure pays the owner nothing. Add the $5,000 draw and it becomes $10,393 ÷ 0.507 = about **$20,500 a month**, or **about 46 jobs**. The model's steady month is $21,000, roughly 47 jobs. One owner near full capacity just covers the costs and the draw.

5. The risk the numbers show: the first year

The model does not open at $21,000 a month. It opens at $14,000 and takes about nine months to get there, while the owner takes the full draw from the start.

Month type	Model revenue	Against $20,500 with the draw
Opening month	$14,000	Below
Steady month	$21,000	Just above
Spring trough, at 0.80 of steady	About $16,800	Below

The gap comes out of the opening cash. In the model, the roughly $20,000 reserve falls to a low of about $3,967 in month ten, then recovers to $7,617 by the end of the first year. The reserve is what carries the

owner's pay through the ramp.

6. Your numbers

Fill this in with your own prices and costs before you sign for the van.

Question	Model	Yours
Average job ticket	$450	_____
Gross margin before your own labor	58%	_____
Monthly fixed costs	$5,393	_____
Monthly pay you need to take out	$5,000	_____
Break-even revenue with your pay (÷ margin)	$20,500	_____
Jobs a month to break even with your pay	About 46	_____

If your break-even needs more jobs than one truck can run, fix the plan before you borrow: raise the ticket, sell more memberships, cut a fixed cost, or start with a smaller draw.

This guide is general business information, not legal, tax, accounting or investment advice. The figures are illustrative assumptions from an example model and are not a forecast or a promise of results. Licensing and insurance requirements vary by state and are not covered here; check yours with the state agency.

Bytell Press publishes the full business plan, the editable financial model behind these numbers, and the operating playbooks for a residential plumbing company.

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