

FIELD-READY RESOURCE / FREE GUIDE

CONTRACTOR BUSINESS LAUNCH CHECKLIST

A practical, step-by-step roadmap from business idea to your first paid jobs.

Build the business before you scale it.

Written for U.S.-based contracting and local service businesses across trades. Includes government and Google walkthroughs, practical banking systems, cash controls, and a first-60-day support-network plan.

WHAT YOU WILL BUILD

FOUNDATION	MONEY & OPERATIONS	FIND CUSTOMERS
Choose services and customers; validate demand; write a one-page plan.	Separate bank accounts; plan cash; set a Profit First routine; price work.	Build a bookkeeper, insurance and peer network; get customers; track results.

QUICK-START RULES

- Start with one or two services you can deliver reliably, rather than promoting everything.
- Verify legal and trade requirements before performing work; never assume a generic checklist substitutes for a license or permit.
- Keep personal and business funds in separate accounts before the first customer payment. Revenue is not the same as cash or profit.
- Start building relationships with a bookkeeper, independent insurance agent, and like-minded owners during your first 60 days.

Use the checkboxes and blank spaces as a working document. This guide is educational, not legal, tax, insurance, employment, or financial advice. Some requirements and interfaces change; use the linked primary sources.

STAGES 1-2 / DEFINE AND VALIDATE

Decide exactly what you sell

Before buying more equipment, write down a service offer and confirm there is a reachable customer for it.

1 | Write a focused service offer

QUESTION	YOUR FIRST ANSWER
Who is the buyer?	Homeowners / property managers / commercial customers / other: _____
What problem?	We solve: _____
Which services?	Our first 1-3 services: _____
Where?	Actual cities / postal codes served: _____
What is excluded?	Jobs we will decline or refer: _____
Next step?	Call / request photos / schedule site visit / written quote: _____

2 | Validate demand without spending much

1. Search your service in Google Maps in the specific towns you plan to serve; note real competitors, their service descriptions, and customer questions.
2. Talk to at least five potential buyers or referral sources. Ask what problem they need solved, how they currently find contractors, and what confuses them when comparing quotes.
3. Estimate the time and direct costs of two realistic jobs. Test whether the likely selling price covers your costs and leaves a reasonable return.
4. Check the licensing and insurance requirements for the work before offering to perform it.
5. Write one sentence: "We help [customer] with [service] in [area], and the next step is [action]."

Decision check

A list of five businesses offering the same service is not proof that the market is saturated. Compare demand, service quality, responsiveness, differentiation, access to capacity, and profitability instead.

STAGE 3 / PLAN CASH BEFORE LAUNCH

Know what the business costs

Separate one-time startup spending from monthly bills and cash needed while customers are still paying slowly.

Build a basic startup-cost sheet in Google Sheets

1. Open sheets.google.com/create. Rename the file Startup Cost Plan.
2. In row 1 enter: Item | One-time cost | Monthly cost | Due date | Notes.
3. Add actual quotes for tools, insurance, registration, software, phone, vehicle, advertising, and professional advice. Avoid guessed licensing or insurance rates.
4. Sum one-time costs and monthly costs separately. Estimate a reserve for slow sales, delayed collections, or rework.
5. Update estimated amounts with actual invoices and keep the receipts in a separate Drive folder.

ILLUSTRATIVE EXPENSE	ONE-TIME	MONTHLY
Registration / permits (verify locally)	\$__	\$__
Insurance and professional services	\$__	\$__
Tools / equipment / vehicle readiness	\$__	\$__
Phone, website, software	\$__	\$__
Marketing / supplies / travel	\$__	\$__
Total	\$__	\$__

Calculate a cash runway using a fictional example

Example only: \$6,000 in launch purchases + \$2,000 per month in fixed expenses × 3 months = \$12,000 of planning capital before customer receipts, debt payments, owner draws, variable job costs, and any additional reserve. Your circumstances will differ.

Cash visibility questions

- How much is available now? When will insurance, payroll, rent, and card payments actually clear?
- Will customers pay deposits, milestones, or on completion? Check applicable deposit rules first.
- How much of the first estimate is profit after materials, labor burden, overhead, and taxes?

Reference: SBA planning and startup costs. Next: put the cash into a separate business banking system.

STAGES 4-5 / PAPERWORK AND PROTECTION

Set up the business properly

Requirements depend on your trade and where you operate. Keep a dated record of what you verified and with whom.

Business formation and tax checklist

- 1. Choose a structure with professional input where appropriate. Confirm naming rules, entity registration, and any local trade-name filing.
- 2. Visit your state Secretary of State and state revenue agency websites; record filing and tax obligations.
- 3. If you need an EIN, go directly to [IRS.gov/businesses/employer-identification-number](https://irs.gov/businesses/employer-identification-number). The IRS application is free. Form the legal entity first if required.
- 4. Before accepting or spending business money, open a dedicated business checking account. Follow the two banking walkthroughs on the next pages.
- 5. Ask your accountant or tax professional about sales tax, estimated taxes, payroll, and record retention for your situation.

Licenses, insurance, and safety

- Check state, county, and city contractor or trade licenses, permits, certifications, zoning, and renewal deadlines.
- Speak with an independent insurance agent or commercial broker who can compare applicable carriers and check general liability, commercial auto, tools/equipment, workers’ compensation, and bonding needs.
- Review applicable jobsite safety, training, environmental, utility-locate, and disposal rules before starting work.
- When hiring or subcontracting, verify worker classification, employment forms, payroll obligations, credentials, and insurance.

REQUIREMENT	AGENCY / CONTACT	VERIFIED / DUE
Entity / trade registration	_____	_____
Business / sales taxes	_____	_____
Local permits / licensing	_____	_____
Insurance / worker rules	_____	_____
Safety / special certifications	_____	_____

Official starting points: [SBA launch guide](#) • [IRS startup checklist](#)

IMPORTANT

Do not treat an LLC, EIN, or insurance policy as permission to perform regulated trade work. Obtain the appropriate authorizations first.

MONEY SYSTEM / BEFORE THE FIRST PAYMENT

Separate business money from personal money

A dedicated business checking account is a launch requirement, not something to put off until tax season.

THE FIRST BANKING RULE

Two different worlds: Keep a personal checking account for household spending and separate business-owned checking accounts for customer receipts, vendor payments, taxes and owner compensation. A business debit card should not pay for groceries, household utilities or personal purchases.

Open the business account step by step

1. Complete the entity/DBA paperwork needed in your location; obtain an EIN if applicable. Ask the bank what exact documents your business structure requires.
2. Compare local banks and credit unions. Ask about monthly fees per account, balance minimums, transfer limits, mobile deposit, multiple named accounts, online transfers, ACH and payroll support.
3. Open an account in the business name and use it for all new customer deposits and business transactions. Use your personal checking account only for personal spending.
4. Connect your invoice/payment processor to the business Income account. Keep receipts and match each deposit or expense with an invoice or source document.
5. Choose a scheduled weekly bookkeeping review. Reconcile bank transactions and record transfers correctly; transferring between your own business accounts is not new revenue.

The five foundational Profit First accounts

BUSINESS ACCOUNT	PURPOSE
1. Income	All customer receipts enter here first; this is a collection account.
2. Profit	Set aside a portion for profit; do not confuse the balance with accounting profit.
3. Owner's Compensation	Reserve money to compensate the working owner under the correct tax/legal method.
4. Tax	Reserve for appropriate tax obligations; this is not a substitute for required payroll or sales-tax remittances.
5. Operating Expenses (OpEx)	Pay regular operating costs, including job-related costs as applicable, from this account.

You can use a mix of business checking and business savings accounts if your bank supports the transfers and payment functions you need. They remain legally business accounts.

Sources: [SBA banking guidance](#) • [Mike Michalowicz, 5 Easy Ways to Start Profit First](#)

MONEY SYSTEM / YOUR WEEKLY ROUTINE

Put Profit First into practice

Based on the Profit First framework by Mike Michalowicz. Start with sustainable percentages, not a cash transfer that prevents paying existing obligations.

Set up an allocation routine

1. Choose recurring allocation days, often the 10th and 25th, or use a consistent weekly money day if frequent payroll and material purchases require a tighter cash review.
2. On allocation day, check cleared funds in the Income account and reconcile pending deposits, refunds, outstanding checks, payroll, and required tax/other payments.
3. Transfer your chosen percentages of available allocation money into Profit, Owner's Compensation, Tax and Operating Expenses. Do not copy a percentage table from another company: compare cash obligations, margins and tax advice.
4. Run regular business bills from Operating Expenses. Pay yourself through the appropriate owner draw, distribution or payroll process; the account name does not decide your tax treatment.
5. Record transfers and compare planned allocations with actual job costs and upcoming bills. Review percentages with a qualified bookkeeper or CPA as the business develops.

Illustrative example / NOT recommended percentages

ALLOCATION FROM A \$5,000 RECEIPT	EXAMPLE %	TRANSFER
Profit	2%	\$100
Owner's Compensation	20%	\$1,000
Tax	10%	\$500
Operating Expenses	68%	\$3,400
Total allocated	100%	\$5,000

MONEY SAFETY CHECK

These numbers are arithmetic examples, not targets for your company. A contractor with materials, payroll, subcontractors or sales-tax collections may require a very different cash plan. Do not divert customer funds owed to others or miss required tax and payroll remittances.

Record your bank and allocation plan

Bank: _____ Allocation day(s): _____

Chosen allocation rates: Profit ____% + Owner ____% + Tax ____% + OpEx ____% = 100%

Important entity detail: sole-proprietor draws, partnership payments and S-corporation owner wages are treated differently; shareholder-employees generally must receive reasonable wage compensation for services. Ask a tax adviser before paying yourself.

STAGE 6 / PRICING AND QUOTING

Price the job, not just the hours

A quote must cover direct costs, a reasonable share of overhead, and a profit target while allowing for project-specific risk.

A repeatable estimating sequence

1. Define the work: measurements, materials, access, site conditions, included tasks, exclusions, and customer approvals.
2. Estimate production labor hours and fully burdened labor cost - wages or crew payouts plus applicable employer-related costs.
3. Add materials, equipment, subcontractors, travel, disposal, fees, overhead allocation, and realistic contingency where appropriate.
4. Set a target profit margin. For example, $\text{price} = \text{total estimated cost} \div (1 - \text{target margin})$; this is different from adding the same percentage markup.
5. Present a scope and approval method in writing. Confirm deposit limits and contract requirements where you work.

FICTIONAL JOB / EXAMPLE ONLY	COST
Materials / delivery	\$450
Burdened labor	\$900
Equipment / travel	\$150
Allocated overhead	\$300
Estimated cost	\$1,800
At 20% target profit margin: $\$1,800 \div 0.80$	\$2,250 selling price

A short scope you can adapt

"We will [describe specific service] at [location / work area], including [included items]. Work excludes [specific exclusions]. Hidden or inaccessible conditions may require a written scope and price change before additional work. Estimated timing: [window]. Approval / payment process: [agreed terms]."

Before sending an estimate

- Are measurements and production hours reasonable? Is access accounted for?
- Does the client understand the included work and exclusions? Is there a written change-approval process?
- Have you confirmed how and when the customer expects to decide?

STAGE 7 / FREE OPERATING TOOLS

Create a simple Google work system

This setup gives a new contractor a basic home for documents, inquiry tracking, and follow-up without paid CRM software.

A | Google Drive: your company file cabinet

1. Go to drive.google.com, select New → New folder and name it Business Operations.
2. Inside, create: 01 Leads & Estimates, 02 Active Jobs, 03 Completed Jobs, 04 Receipts & Accounting, and 05 Licenses & Insurance.
3. Save each customer's estimate, approved change orders, photos, and closeout paperwork under a consistent job name, such as 2026-001_Project Name. Restrict sharing to authorized people.

B | Google Sheets: five-minute lead tracker

1. Visit sheets.google.com/create and name the sheet Lead & Job Tracker.
2. Enter these headers in row 1. Freeze the top row using View → Freeze → 1 row.

A-E	F-J
Date Customer / Company Service Area Source	Estimate Sent Amount Status Next Contact Notes

3. Use consistent status words: New, Qualifying, Quoted, Awaiting Decision, Approved, Declined, Completed, Paid. Do not mark silence as a confirmed loss.
4. Start a new row per lead. Before closing each workday, review the Next Contact column and assign a specific next action.

C | Gmail: keep estimates and customer replies together

1. In Gmail, create a label named Estimates - Follow Up from the Labels menu. Apply it when you send a quote.
2. Use Google Tasks / calendar reminders for phone calls and checking whether an estimate has received a reply.
3. For email follow-ups, use the approved Contractors Collect 7-Day Estimate Follow-Up Guide. Check every scheduled message before it sends: a reply may have arrived in the meantime.

IMPLEMENTATION TIP

Start small. A spreadsheet that is updated every day will usually be more useful than an expensive app nobody uses. Keep customer records factual and secure.

STAGE 8 / FIND THE FIRST CUSTOMERS

Set up local visibility

Use genuine service details and real project evidence. A website and Google Business Profile can help buyers understand what you do.

Google Business Profile: step-by-step

1. Check eligibility, then visit business.google.com/add. Create or claim your business using the instructions shown. Google verification is required.
2. Enter your real business name and appropriate primary category. Avoid stuffing service keywords or city names into your business name.
3. Choose the correct location model. If you travel to customers but do not meet customers at your address, use a service-area profile and hide that address.
4. Add the actual cities or postal codes you serve, your phone number, service hours, website, and a concise service description.
5. Upload real, permission-cleared project photos; add accurate services; monitor customer questions and updates.

First three ways to generate conversations

- Previous relationships: tell relevant contacts which services you now offer, where, and how to request a quote. Do not send unsolicited mass messages.
- Referral partners: introduce yourself to complementary trades or property managers; describe the work you can reliably perform.
- One useful post each week: explain a common project question with an authentic photo and a clear next step.

Two messages you can adapt

Introduction: "Hi [Name], I've launched [Business], serving [Area] with [Specific Services]. If you or someone you know needs help with [Problem], the easiest way to start is [Contact Method]. Happy to clarify whether it's a fit."

Review request: "Thanks for trusting us with [Project]. If you're comfortable sharing an honest review of your experience, here's our review link: [Link]. Feedback helps other customers understand our work."

Google sources: [Add or claim a profile](#) • [Manage service areas](#)

STAGE 9 / FROM LEAD TO PAID JOB

Document a simple client workflow

A consistent handoff protects both the contractor and the customer from avoidable confusion.

Use this workflow for every inquiry

STEP	ACTION	RECORD
1. First contact	Confirm service, area, project type, timing, approximate budget expectations.	Lead row + next step
2. Evaluate	Request photos / schedule a visit; record access and existing conditions.	Notes + photos
3. Quote	Send a written scope, exclusions, pricing, acceptance method, and payment terms.	Estimate document
4. Follow up	Use preferred phone/email method and agreed decision timeline.	Contact log
5. Approve	Confirm approval, scheduling, required permits, payment arrangements.	Written authorization
6. Deliver	Track actual hours, purchases, and any approved changes.	Job cost / change record
7. Close & collect	Confirm completion; issue invoice/receipt; reconcile payment.	Closeout + receipt

What to say when the client asks for extra work

"We can look at that. It is outside the current written scope, so I'll document the additional work, pricing, and any scheduling impact for your approval before we begin."

Seven documents worth keeping for each job

- Original inquiry / qualification notes and photographs (only what is reasonably necessary).
- Estimate and clearly defined scope, including revisions and exclusions.
- Approvals and any signed or otherwise valid change documentation.
- Permits / inspections or credential records when applicable.
- Supplier receipts, subcontractor records, and labor/job-cost tracking.
- Completion notes, invoice, payment receipt, and agreed follow-up.

Customer documents and retention periods should follow applicable law and your privacy obligations.

OWNER SUPPORT / FIRST 60 DAYS

Build a team around you

You may be the only employee. You should not have to be your own banker, insurance expert, bookkeeper, mentor and strategist forever.

Days 1-30 | Put qualified advisers on your radar

1. Find two or three independent insurance agents or commercial brokers who regularly insure your specific trade. Ask what carriers they can approach, the limits/exclusions that matter, and how claims and certificates are handled. A captive agent generally represents one insurer; an independent agent may represent multiple insurers.
2. Ask your bank, other owners, or a local CPA for bookkeeper referrals. Interview at least two candidates on transaction reconciliation, job-cost reporting, monthly close, payroll coordination, software experience, confidentiality and fees.
3. Identify a CPA/tax adviser familiar with your entity and trade. Confirm when sales taxes, estimated income taxes and payroll obligations apply. Put due dates on your calendar.

Days 31-60 | Start real relationships

4. Choose a bookkeeping owner: a qualified part-time bookkeeper, outside service, or a temporary self-managed process with a firm monthly review. Have the first month of bank statements reconciled.
5. Attend at least one local networking meeting: chamber of commerce, trade association, contractor group, referral network, or an entrepreneur meetup. Look for owners who share ideas and reciprocal trust, not just people selling memberships.
6. Book one mentoring conversation through [SBA local assistance](#), [SCORE](#), or an SBDC. Ask about a decision you are currently facing, not just generic motivation.
7. Write a short list of complementary trades and reputable local vendors. Start relationships before you need emergency help or a last-minute subcontractor.

Write down your next two introductions

Bookkeeper / CPA / insurance contact: _____

Owner network / mentor / meeting date: _____

TIMING MATTERS

Insurance coverage and legally required credentials must be effective before you perform work, not merely researched by day 60. You do not need a full-time staff in month two; the goal is a small, dependable advisory and referral network.

Sources: [NAIC insurance agent comparison](#) • [SBA local assistance](#)

STAGE 10 / PUT THE PLAN IN MOTION

Your first 90 days

Move in stages. The order may need to change for licensing, permits, construction lead times, or available capital.

DAYS 1-30 / VERIFY	DAYS 31-60 / BUILD	DAYS 61-90 / IMPROVE
☐ Define services and buyers. ☐ Verify licensing / coverage. ☐ Open separate business banking. ☐ Set up five cash accounts. ☐ Create your first cash plan.	☐ Interview bookkeepers / CPA. ☐ Meet an independent agent. ☐ Attend a networking group. ☐ Book a SCORE / SBDC mentor. ☐ Build a lead-to-job workflow.	☐ Reconcile bank accounts. ☐ Review allocation percentages. ☐ Compare actual job profit. ☐ Measure lead sources. ☐ Improve one weak process.

Your weekly owner dashboard

MEASURE	WEEK 1	WEEK 2	WEEK 3	WEEK 4
New inquiries	—	—	—	—
Qualified inquiries	—	—	—	—
Estimates delivered	—	—	—	—
Approved work (\$)	—	—	—	—
Cash collected (\$)	—	—	—	—
Overdue follow-ups	—	—	—	—

Before taking the first paid job

- ☐ Required licenses / permits verified ☐ Insurance and safety requirements reviewed
- ☐ Written work scope ready ☐ Job-cost assumptions documented
- ☐ Business/personal banking separated ☐ Invoice and payment process tested

KEEP BUILDING

Next useful free resources: 7-Day Estimate Follow-Up Guide and 30-Day Contractor Marketing Plan. For editable intake, project discovery, change orders, and payment-tracking materials, explore the \$19 Initial Contact & Project Fit Kit at contractorscollect.com.

Sources / further reading: [SBA launch](#) • [IRS EIN](#) • [Profit First](#) • [SBA mentors](#)

This document provides general educational guidance and templates, not professional advice, legal forms, guaranteed results, or a universal compliance checklist. Local requirements and online interfaces may change. Version: 1.0 / October 2026. Profit First is a methodology and book by Mike Michalowicz; this is an independent educational summary, not an official Profit First publication.