

Redbud Motor Co. — Business Plan

Car dealership in Tulsa, OK · Startup plan

Executive summary

Redbud Motor Co. is a new car dealership in Tulsa, OK offering used cars under \$15,000, inspected and reconditioned; trade-ins and cash purchases of cars from the public; financing arranged through banks and credit unions; a history report and a written Buyers Guide on every car; title and registration handled at the desk; and locating a specific car at auction for a buyer. The model is an independent used-car lot: ten inspected, reconditioned cars under \$15,000 bought at dealer auction, eight sold a month at about \$12,000 each, a floor plan line funding the inventory, and the owner as the buyer, the salesperson and the title desk.

Startup budget: \$132,210 across 10 items, funded from savings. Target: \$96,000 in monthly sales.

Twelve months from now, success looks like this: About \$96,000 a month in sales by the end of the first year — eight cars a month at an average \$12,000 off a ten-car lot, each turning in about 45 days — with \$1,800 to \$3,000 of gross profit on each and a second dealer plate for a part-time salesperson

Products and services

Redbud Motor Co.'s core service is used cars under \$15,000, inspected and reconditioned. Every car is bought on a written budget with the history report pulled first, reconditioned and detailed before it is listed, posted with the FTC's Buyers Guide before anyone sees it, and priced the same on the windshield and online — with financing arranged through banks and credit unions rather than carried on the books.

- Used cars under \$15,000, inspected and reconditioned
 - Trade-ins and cash purchases of cars from the public
 - Financing arranged through banks and credit unions
 - A history report and a written Buyers Guide on every car
 - Title and registration handled at the desk
 - Locating a specific car at auction for a buyer
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Market analysis

The customers are working families who need a reliable car under \$15,000 and can't find one at the franchise store, first-time buyers who want a history report rather than a private seller's word, credit-

union members pre-approved for a used-car loan, people with a car to sell or trade, and small businesses buying a work vehicle.

- Working families who need a reliable car under \$15,000 and can't find one at the franchise store
- First-time buyers and students with a co-signer who want a car with a history report, not a private seller's word
- Credit-union members pre-approved for a used-car loan who want a lot that works with their lender
- People selling or trading a car who want a fair cash offer without listing it themselves
- Small businesses buying a work sedan or a van

Marketing strategy

Most buyers will find Redbud Motor Co. online — on the marketplaces where used-car shopping starts and on Google, “used cars” plus the city — and by word of mouth from last quarter's buyers and the credit unions that refer pre-approved members; the lot itself, a clean row of cars on a corner with traffic, is the third channel, so the Google Business Profile, a website with a page per car and the free listings posted the day each car is detailed decide how fast the lot turns.

- Online listings — the marketplaces where used-car shoppers start, the free ones first
- Google Business Profile and Google — “used cars” and “car dealership near me” plus your city
- The lot itself: a corner with traffic, a clean row of cars, a sign with six-inch letters and prices on the windshields
- Credit unions and banks that refer pre-approved members to lots they trust
- Last quarter's buyers and the referral reward for the one they send
- A website with a page for every car — photos, price, history report — and a financing inquiry form

Operations plan

The owner is the buyer, the salesperson, the title clerk and the compliance officer in year one: auction days on a budget, every car reconditioned and inspected before it's shown, the deal jacket complete before delivery, the floor plan paid down the day each car sells, and a written process for cash over \$10,000 and for every financing application.

- Buy at dealer auction on a written budget per car, with the history report pulled before the bid
- Every car reconditioned, inspected and detailed before it's listed; the Buyers Guide posted before anyone sees it
- The deal jacket complete before delivery: title, odometer statement, Buyers Guide, bill of sale, tax and registration
- Inventory turned in 45 days or repriced; the floor plan paid down the day each car sells
- A written process for cash over \$10,000 (Form 8300) and for every financing application (the Safeguards Rule)
- Prices on the windshields and online the same, and the history report handed over before the test drive

Startup costs

What it will take to open the doors, funded from savings.

Startup costs

ITEM	AMOUNT
State dealer license, the pre-licensing course and two dealer plates	\$744
The dealer surety bond, first year (\$25,000 to \$50,000 of cover)	\$875
Deposit and the first two months on a small zoned lot with an office	\$8,000
Sign, office furniture, lot lighting, a key cabinet and the title desk	\$5,000
Opening inventory: ten auction cars with fees, transport and reconditioning	\$96,125
Detailing kit and lot tools: pressure washer, vacuum, buffer, code reader	\$1,500
Garage liability and dealer's open lot insurance, first year	\$4,870
Business registration: an LLC or corporation, the EIN and the sales tax permit	\$170
Website with a page per car, a financing form and Google Business Profile	\$0
Working capital: two months of running costs other than the cars	\$14,926
Total	\$132,210

Typical range to start a car dealership in the US: \$94,259–\$172,161. Your list is what you decided to spend — replace estimates with real quotes as you get them. Website with a page per car, a financing form and Google Business Profile: Your Zarla plan includes the website — a page for every car with photos, price and the history report, a contact and

financing-inquiry form, your hours and map — and walks you through your Google Business Profile. Having one built typically costs \$1,000 to \$2,000 from a freelancer.

Financial plan

The numbers below come from your own startup list and typical monthly costs for a ten-car independent lot in the US. Startup is the inventory, the lot and the license; the monthly lines are the cars you replace, the rent, the floor plan, insurance and the ads; and the gross per car and the days each one sits decide what is left — a lot sells cars, but it earns on the turn.

Typical monthly operating costs for a car dealership: \$75,090–\$93,797 a month, before the owner's own pay.

At \$96,000 in monthly sales, Redbud Motor Co. would clear \$2,203–\$20,910 a month before owner pay and tax, and recover the \$132,210 startup budget in roughly 7 months if costs stay near the low end of the typical range — far longer at the high end, where the margin is thin, so pin your real monthly costs down first.

Typical monthly operating costs

COST	TYPICAL RANGE
The eight cars sold this month — what they cost at auction with fees, transport and reconditioning (about 75% to 85% of the sale price)	\$72,000–\$81,600
Lot and office lease	\$2,000–\$4,000
Floor plan fees on the ten units, or nothing if you buy with cash	\$0–\$1,800
Garage liability and open lot insurance, by the month	\$145–\$667
Dealer management software and vehicle history reports (included with Zarla)	\$40–\$199
Listings and ads (the marketplaces are free; the dealer portals quote by lot)	\$300–\$1,500
Bond premium and the license renewal, by the month	\$21–\$142
Phone, internet, electricity and lot lighting	\$200–\$500
A part-time porter or detailer	\$0–\$2,500
Driving to auctions and the title office: 400 to 800 miles a month	\$304–\$608
Card fees (on about \$8,000 of deposits and down payments across eight sales)	\$80–\$281

US ranges for a small operation; replace with your own figures as you learn them. Lines marked (included with Zarla) are what those tools cost separately — with Zarla they are part of one monthly plan.

Risks and honest downsides

Every car dealership plan should say out loud what can go wrong. For Redbud Motor Co., the real risks are:

- Inventory is cash on wheels: a car that sits 90 days eats its own gross in floor plan fees and depreciation
 - The recon surprise — a \$900 estimate that becomes \$2,500 after the car is yours — is where lots lose money
 - Wholesale prices move monthly (the Manheim index fell 1.1% in September 2026 alone); a lot bought at the top sells at the bottom
 - A title problem or an odometer mistake is a federal matter, not a customer complaint
 - One bad financing deal — a forged application, a lender charge-back — can cost a month's gross
 - The franchise store down the road has the service bay, the F&I office and the ad budget; you have the price, the inspection and the honest Buyers Guide
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Licenses, permits and insurance

What Redbud Motor Co. needs before it can legally trade in the US. Rules vary by state and city — confirm each item with your local licensing office and an accountant.

- A state dealer license, the surety bond, the lot and the plates — In the US anyone who sells more than a handful of cars a year needs a dealer license from the state — the Texas independent GDN is \$700 for two years (renewal \$400), with a \$50,000 surety bond, a six-hour online course capped at \$150, \$90 dealer plates and a licensed location that holds at least five vehicles, a permanent sign with six-inch letters, an office with a desk and two chairs, a landline and internet; Florida's is \$300 plus \$6, a 16-hour pre-licensing course, a \$25,000 bond, garage liability of at least \$25,000 combined single limit plus \$10,000 PIP, fingerprints and two hours of continuing education every two years; California's is \$175, a six-hour dealer education course, the DMV's used-dealer test (\$16 to retake), Live Scan fingerprints, a \$50,000 bond, \$92 dealer plates and a \$125 renewal with continuing education every two years. Your state's motor vehicle department publishes the checklist — read it before you sign a lease, because the lot is inspected.
- The FTC's Buyers Guide on every car — In the US a dealer who sells or offers more than five used vehicles in twelve months must post the FTC's Buyers Guide on each car before it is displayed — whether it is sold as is or with a warranty, what share of repairs the dealer pays, the major systems and their common problems, and the advice to get an independent inspection and the vehicle history — in every state except Maine and Wisconsin, which have their own forms; the penalty is up to \$53,088 a violation. The Guide becomes part of the sale contract; your state dealer association sells the forms and will tell you what else your state adds.
- Titles, the odometer statement, sales tax and cash — In the US the seller discloses the odometer mileage in writing on the title at every transfer under federal law (49 U.S.C. 32705), the dealer handles the title and registration, and in many states the dealer collects the motor vehicle sales tax — in Texas 6.25% of the price less the trade-in, remitted to the county with the title application — while in others, Oklahoma among them, the buyer pays it at the tag agency when the car is titled; set up the tax account before the first sale and check how your state handles it. Cash of more than \$10,000 in one or related payments means IRS Form 8300 within 15 days.
- Financing, the Safeguards Rule and state warranty laws — In the US a dealer who arranges or carries financing is a financial institution under the FTC's Safeguards Rule — a written information security program, a named person in charge, a risk assessment — with lighter duties under 5,000 customers; carrying the notes yourself (buy here, pay here) also needs a state finance license. Most states let a dealer sell as is with the Buyers Guide, but Massachusetts inverts it: a dealer must give a written warranty on any car sold for \$700 or more with under 125,000 miles — 90 days or 3,750 miles under 40,000 miles, 60 days or 2,500 miles from 40,000 to 79,999, 30 days or 1,250 miles from 80,000 to 124,999. Ask a dealer-law attorney in your state what your contract has to say.
- Insurance — In the US garage liability (about \$1,740 a year on average) covers the test drive and the lot, dealer's open lot cover insures the inventory against hail, theft and the car that rolls into the fence, and the whole small-lot package runs \$5,000 to \$8,000 a year (1-800-Insurance, August 2025);

Florida writes its minimums into the license, and the floor plan lender will want to be named on the inventory policy.

Milestones: the next 30 days

The first month's to-do list for Redbud Motor Co., in order:

- Read your state's dealer-license checklist and find a zoned lot that meets it before you sign anything
 - Form the LLC, take the free EIN, open the bank account and apply for the sales tax permit
 - Take the dealer course, buy the bond, bind garage liability and dealer's open lot cover, and file the license application
 - Open accounts with two dealer auctions and a floor plan lender, and set a written budget per car
 - Set up the dealer management software, the history-report account and the Buyers Guide forms
 - Buy the first ten cars, recondition and detail them, and post the Buyers Guide on each before it's shown
 - Put the website live with a page per car and the financing inquiry form; claim your Google Business Profile
 - List every car on the free marketplaces the same day it's detailed
 - Introduce the lot to two credit unions and a bank that finance used cars
 - Write the Form 8300 and Safeguards Rule procedures before the first cash buyer walks in
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Appendix: what a lender will ask for

This plan tells the story and shows the numbers. If you take it to a bank, expect to be asked for these documents as well:

- Two years of personal tax returns and a personal financial statement
- The dealer license, the bond and the certificate of insurance
- The inventory list with purchase price, recon cost and days on lot for every car
- The floor plan agreement and its current balance
- The lot lease and the zoning approval
- Sales to date by month with gross per unit, and your credit report

Sample plan for a fictional business, written by Zarla's free business plan generator. Every figure is a typical US range or calculated from the sample's own numbers — nothing is a market projection. Make it yours in five questions:

zarla.com/business-plan-generator?industry=car-dealership

