

Ironbridge Equipment Rental — Business Plan

Equipment rental business in Tulsa, OK · Startup plan

Executive summary

Ironbridge Equipment Rental is a new equipment rental business in Tulsa, OK offering mini excavator and compact track loader rental; trailers, dump trailers and delivery to the job; contractor tools: saws, compactors and concrete tools; lawn, landscaping and homeowner project equipment; and monthly rental and fleet accounts for contractors. The model is a small, well-kept fleet of the machines local contractors rent most, day, week and month rates on one sheet, delivery to the job, and every machine judged by how many days a month it spends on rent.

Startup budget: \$133,793 across 12 items, funded from savings. Target: \$18,000 in monthly sales.

Twelve months from now, success looks like this: Every machine on rent more days than not, five contractor accounts on monthly terms, and a second compact excavator paid for from rentals

Products and services

Ironbridge Equipment Rental's core service is mini excavator and compact track loader rental. Every machine is inspected, fueled and photographed going out and coming back, every rental runs on a signed agreement with a card on file and the damage waiver offered, and every first-time renter gets a walk-through before the machine leaves the yard.

- Mini excavator and compact track loader rental
 - Trailers, dump trailers and delivery to the job
 - Contractor tools: saws, compactors and concrete tools
 - Lawn, landscaping and homeowner project equipment
 - Monthly rental and fleet accounts for contractors
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Market analysis

The customers are the small contractors who rent a machine rather than own one, homeowners doing a weekend project, builders who need an extra machine for a week or a month, and farms, property managers and towns with seasonal work.

- Small contractors — landscapers, fence builders, plumbers and remodelers — who rent the machine rather than own it
 - Homeowners doing a weekend project: a trench, a patio, a stump, a fence line
 - Builders and site contractors who need an extra machine for a week or a month
 - Farms, property managers and municipalities with seasonal work
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Marketing strategy

Most first rentals will come from Google — a contractor or a homeowner searches “mini excavator rental near me” the week the job needs it and calls the yard with the machine, the price and the reviews — so the Google Business Profile and a website showing the fleet, the rates and a reservation request do the selling. Word of mouth from contractors, signs on every machine and trailer, and monthly accounts won in person build the steady base.

- Google Business Profile and Google — “mini excavator rental near me” and “equipment rental” plus your town are searched by the job that needs it this week
 - Contractor accounts won in person, with monthly rates and delivery included
 - Word of mouth from contractors and homeowners, and repeat renters who come back every season
 - Signs on every trailer and machine that goes out, parked on job sites all over town
 - A website that shows the fleet, the day, week and month rates, and a reservation request
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Operations plan

The owner runs the counter, the deliveries and the maintenance in year one, services every machine by engine hours, and tracks each machine's days on rent every month. A yard hand is hired when deliveries and turnarounds outgrow one person, and the next machine is bought only when the rental history says it will stay out.

- Every machine inspected, fueled, greased and photographed going out and coming back, on a written checklist
- A rental agreement, a card on file and ID for every rental, with the damage waiver offered on every contract
- Day, week and month rates on one sheet, with delivery, fuel and cleaning charges posted
- Service intervals tracked by engine hours, and machines pulled from the fleet the moment they fail an inspection
- Operating instructions and safety basics walked through with every homeowner before the machine leaves the yard
- Utilization tracked for every machine each month — the share of days it was on rent decides whether to keep it, sell it or buy another

Startup costs

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

Startup costs

ITEM	AMOUNT
Rental fleet: down payments or cash for used machines and tools	\$70,000
Delivery truck with an equipment trailer	\$27,500
Yard and counter: lease deposit, fencing, lighting and cameras	\$11,500
Insurance (first installment): liability and inland marine on the fleet	\$3,750
Attachments, spare parts, fuel and safety gear	\$3,000
Rental software: reservations, contracts and inspections	\$3,350
Sales tax permit, business license and yard zoning	\$525
Business registration, LLC and EIN	\$268
Website and Google Business Profile	\$0
Invoicing and customer records (first year)	\$0
Yard signage, machine decals and business cards	\$1,400
Working capital: fleet payments and repairs for the first months	\$12,500
Total	\$133,793

Typical range to start an equipment rental business in the US: \$41,585–\$229,100. Your list is what you decided to spend — replace estimates with real quotes as you get them. Website and Google Business Profile: Your Zarla plan includes the website with your fleet, your rates and a reservation request, and walks you through your Google Business Profile — a designer typically charges \$2,000 or more to build one. Invoicing and customer records (first year): Invoicing, booking requests and a customer list come with your Zarla plan; rental-specific fleet tracking and contracts are separate.

Financial plan

The numbers below come from your own startup list and typical monthly costs for a small equipment rental business in the US. The fleet is the big investment and its payments are mostly fixed, so the plan turns on utilization — how many days a month each machine is on rent, at what rate — and on a cash reserve for the repairs and the winter months.

Typical monthly operating costs for an equipment rental business: \$3,610–\$14,350 a month, before the owner's own pay.

At \$18,000 in monthly sales, Ironbridge Equipment Rental would clear \$3,650–\$14,390 a month before owner pay and tax, and recover the \$133,793 startup budget in roughly 10–37 months.

Typical monthly operating costs

COST	TYPICAL RANGE
Fleet and truck loan payments	\$1,500–\$4,000
Liability, inland marine and commercial auto insurance	\$200–\$600
Yard rent, utilities and security	\$800–\$2,500
Maintenance, repairs, parts and tires	\$400–\$1,500
Delivery fuel and truck upkeep	\$300–\$1,000
Rental software	\$60–\$500
Invoicing and customer records (included with Zarla)	\$0–\$50
Marketing and lead services	\$200–\$800
Phone, bookkeeping, sales tax filing and card fees	\$150–\$400
Counter or yard hand wages (once you hire)	\$0–\$3,000

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 equipment rental business plan should say out loud what can go wrong. For Ironbridge Equipment Rental, the real risks are:

- A machine that sits in the yard still has a loan payment — low utilization, not a lack of customers, is what sinks rental businesses
- Renters damage machines, and without a signed agreement, a card on file and photos at check-out and check-in, the repair is yours
- A homeowner hurt operating a machine they have never used before is the liability you insure for — walk every first-time renter through it
- A machine that doesn't come back — stolen, or kept by a renter who stops answering — is a loss insurance may only partly cover
- Construction and landscaping slow down in winter in most of the country, so the cash plan has to cover the quiet months
- The national rental chains compete on price for the big accounts, so a small yard wins on service, delivery and being there on a Saturday

Licenses, permits and insurance

What Ironbridge Equipment Rental 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.

- Sales tax permit, and any rental tax your state adds — In the US, equipment rentals are taxable sales in most states, so you'll collect sales tax on every contract and file returns. Some states add their own tax on heavy-equipment rentals — North Carolina lets counties add 1.2% on short-term heavy-equipment rentals, for one — and a rental to a customer in another state can carry that state's tax. Confirm the rules for your state with an accountant before you price.
- Business personal property tax on the fleet — Many US states and counties tax business equipment every year as personal property, so the fleet itself carries a tax bill; some states exempt it. Ask your county assessor how rental equipment is valued.
- A USDOT number and the right license for your truck and trailer — In the US a truck and trailer rated 10,001 lb or more together, used for business across a state line, needs a USDOT number (free), and many states require one for in-state work too. A Class A CDL is required when the truck and trailer are rated 26,001 lb or more together and the trailer alone is rated over 10,000 lb — the size a compact track loader or a larger excavator can push you into.
- Business license and zoning for the yard — Most US cities require a business license, and a rental yard needs a lot zoned for commercial or industrial use — check before you sign the lease, because the city may not allow machines stored or serviced where you want them.
- Liability and inland marine insurance — Not a license, but no lender will finance a fleet without it: general liability for injuries a machine causes, and inland marine for the machines themselves on your lot and on job sites. Published figures put liability for a small rental business at about \$37–\$99 a month and inland marine at about \$800 a year per \$100,000 of equipment.
- Business registration and EIN — Most US rental businesses form an LLC; state filing fees run about \$35 to \$500. The EIN from the IRS is free, and you'll need it for the sales tax permit and the equipment loans.

Milestones: the next 30 days

The first month's to-do list for Ironbridge Equipment Rental, in order:

- Pick your niche — compact earthmoving, contractor tools, trailers, or homeowner project equipment — and begin with the few machines local contractors ask for most
- Call ten local contractors and ask what they rent, from whom, at what rate and what annoys them about it
- Register the business, take the free EIN and open a business bank account
- Get your sales tax permit and ask an accountant how rentals and your fleet are taxed in your state
- Get insurance quotes for liability and inland marine before you buy a machine
- Price used machines from dealers and auctions, and have a mechanic inspect any machine before you buy it
- Write your rental agreement, damage waiver and check-out inspection sheet
- Set up a free Google Business Profile and put your website live with the fleet, the rates and a reservation request
- Visit contractors with a rate sheet and offer monthly terms with delivery included

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
- A month-by-month 12-month cash-flow projection built machine by machine — days on rent, rate and payment
- Quotes or purchase agreements for the machines — the fleet itself is the collateral
- Insurance quotes for liability and inland marine
- The lease or letter of intent for the yard, and confirmation of the zoning
- Letters or emails from contractors who will rent from you
- 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=equipment-rental