

[Your business name] — Business Plan

Towing business in [Your city] · Startup plan

Executive summary

[Your business name] is a new towing business in [Your city] offering 24-hour light-duty towing for cars, SUVs and pickups; roadside assistance: jump starts, lockouts, tire changes; fuel delivery and winch-outs from ditches and mud; accident and breakdown tows for body shops and dealers; and motorcycle and long-distance flatbed tows. The model is one well-kept light-duty truck, a phone answered around the clock, every call priced from a posted rate sheet, and direct cash and account work steadily replacing motor-club volume.

Startup budget: \$49,718 across 10 items, with funding still to be decided.

Twelve months from now, success looks like this: [What success looks like twelve months from now]

Products and services

[Your business name]'s core service is 24-hour light-duty towing for cars, SUVs and pickups. Every call is quoted before the hook-up — the hook-up fee, the miles and any after-hours charge — photographed before and after, and closed with a signed release, so neither the price nor the condition of the car is ever in dispute.

- 24-hour light-duty towing for cars, SUVs and pickups
 - Roadside assistance: jump starts, lockouts, tire changes
 - Fuel delivery and winch-outs from ditches and mud
 - Accident and breakdown tows for body shops and dealers
 - Motorcycle and long-distance flatbed tows
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Market analysis

The customers are drivers stranded by a breakdown or an accident who search for help from the roadside, the motor clubs and insurers' roadside programs that route those drivers to local providers, and the body shops, repair shops and dealers who need cars moved every week.

- Drivers stranded by a breakdown or an accident, searching for help from the roadside
 - Motor clubs and insurers' roadside programs that send calls to local providers
 - Body shops, repair shops and car dealers who need cars moved every week
 - Fleets, rental agencies and local businesses whose vehicles break down on the job
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Marketing strategy

Early volume will come from motor-club and roadside networks, with Google doing the most important work — a stranded driver searches “tow truck near me” and calls the first number they trust, so the Google Business Profile, the reviews and a website with the number at the top decide who gets the call. Word of mouth from mechanics, body shops and other tow operators brings the account work that pays better than the clubs.

- Motor-club and roadside networks for steady calls in the first months, at their rates
 - Google Business Profile and Google — “tow truck near me” is searched from the roadside, so the number has to be one tap away
 - Body shops, repair shops and dealers, visited in person with a rate sheet
 - Word of mouth from mechanics and other tow operators who pass on overflow work
 - A website with your number at the top, your service area, what you tow and your hours
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Operations plan

The owner drives and dispatches in year one, answers the phone around the clock or pays a service that does, keeps the truck and the bed on a maintenance schedule, and tracks cost per call — the truck payment, insurance and fuel divided by the calls run — every week, adding a night driver only when the calls justify one.

- The phone answered 24 hours a day — a missed call at 2 a.m. is a tow that went to the next number
- Every call priced from a posted rate sheet — hook-up, miles, after-hours and storage — agreed before the car is on the truck
- Photos of every vehicle before and after the hook-up, and a signed release, so a damage claim has an answer
- Motor-club calls accepted at rates that cover your cost per call, and turned down when they don't
- Cones, lights and high-visibility gear on every roadside call, and training in working beside live traffic
- The truck and the bed serviced on a schedule — a truck in the shop is a business with no income

Startup costs

What it will take to open the doors, with funding still to be decided.

Startup costs

ITEM	AMOUNT
Tow truck (a used rollback): down payment, or cash for an older one	\$25,000
Working capital: fuel, insurance and living costs for the first two months	\$10,000
Insurance (first installment): commercial auto, on-hook and garagekeepers	\$5,000
Towing gear (dollies, go-jacks, straps, lockout tools, jump pack, lights)	\$4,500
Truck lettering with your name, number and USDOT number, or a wrap	\$2,875
USDOT number, state tow permits, operator licenses and UCR filing	\$825
Website and Google Business Profile	\$0
Invoicing and customer records (first year)	\$0
Tow-management software: dispatch and impound records (first year)	\$1,250
Business registration, LLC and EIN	\$268
Total	\$49,718

Typical range to start a towing business in the US: \$14,435–\$88,100. 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 — the number to call, the area you cover and what you tow — 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 and a customer list come with your Zarla plan; accounting software is separate.

Financial plan

The numbers below come from your own startup list and typical monthly costs for a one-truck towing business in the US. The truck payment, insurance and fuel dominate and are mostly fixed, so the plan turns on how many calls a day, at what average ticket, cover them — and the cash reserve covers the accounts that pay in 30 days or more.

Typical monthly operating costs for a towing business: \$2,900–\$9,330 a month, before the owner's own pay.

Add a monthly sales target and the plan will show how long it takes to recover the startup budget.

Typical monthly operating costs

COST	TYPICAL RANGE
Truck payment	\$1,000–\$2,500
Insurance: commercial auto, on-hook, garagekeepers and liability	\$600–\$2,000
Diesel or gas	\$800–\$2,500
Maintenance, tires and repairs on the truck and the bed	\$300–\$1,000
Phone, 24-hour answering and bookkeeping	\$150–\$600
Invoicing and customer records (included with Zarla)	\$0–\$50
Tow-management software: dispatch and impound records	\$0–\$430
Permit renewals, drug testing and compliance	\$50–\$250

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 towing business plan should say out loud what can go wrong. For [Your business name], the real risks are:

- The truck payment and the insurance arrive every month whether the phone rings or not, so a slow month hits hard
- Motor-club calls fill the day at the club's rate, not yours — a business built only on them works long hours for thin margins
- Every roadside call happens beside live traffic, which is why every US state has a move-over law — and why training, lights and high-visibility gear are not optional
- A damage claim on a customer's car, or a lapse in on-hook cover, can cost more than a month's revenue
- One truck is one point of failure: a breakdown or an injury stops the income until it's fixed
- Nights, weekends and holidays are the job, and an owner who answers every call alone burns out

Licenses, permits and insurance

What [Your business name] 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.

- State and city tow permits and operator licenses — Many US states and cities license tow companies, each truck and each driver separately, and the rules depend on the kind of towing. Texas, for example, requires a tow company license (\$350 a year), a tow truck permit for every truck (\$75) and a tow operator license for every driver (\$100) from its Department of Licensing and Regulation, with insurance minimums that rise for police-ordered tows; California requires a tow truck driver certificate with fingerprints and a background check. Many cities add their own permit for non-consent and police-rotation towing.
- USDOT number and federal operating authority where it applies — In the US a tow truck rated 10,001 lb or more — on its own, or together with the vehicle it tows — that crosses a state line needs a USDOT number (free), and many states require one for in-state work too. Emergency towing of an accidentally wrecked or disabled vehicle from the scene is exempt from federal operating authority under 49 U.S.C. 13506(b)(3); a later, non-emergency interstate move — the same car from your yard to a shop or auction in another state, or dealers' cars run across a state line — is not, and needs that authority (an MC number) for \$300. Interstate carriers also file the Unified Carrier Registration each year: \$46 for one or two trucks in 2026.
- Commercial driver's license where the truck needs one — In the US a CDL is required once the tow truck's own gross vehicle weight rating is 26,001 lb or more, which covers most heavy-duty wreckers — a Class B for the truck alone or towing a vehicle rated 10,000 lb or less. A Class A is required whenever the truck and the vehicle it tows are rated 26,001 lb or more together and the towed vehicle alone is rated over 10,000 lb, even behind a light-duty truck. Light-duty rollbacks (about 19,500 lb) sit well under that line, and many medium-duty rollbacks are built at 25,999 lb so a regular license covers them when they carry or tow a car or a light pickup. CDL drivers must be in a drug and alcohol testing program, and interstate drivers of a truck rated 10,001 lb or more, alone or with what it tows, need a DOT medical card.
- Commercial auto insurance with on-hook and garagekeepers cover — Commercial auto covers the truck and the damage it does; on-hook covers the customer's vehicle while it is on your truck; garagekeepers covers it while it sits in your yard. In the US a for-hire tow truck rated 10,001 lb or more, alone or with what it tows, must carry at least \$750,000 of liability under federal rules when it tows across a state line; within a state the minimums are set by the state and by whoever sends the work: Texas asks for \$300,000 of liability for consent tows and \$500,000 plus \$50,000 of on-hook cover for police-ordered ones, and motor clubs commonly ask for \$500,000 to \$1 million and to be named on the certificate.
- Storage facility license if you hold towed vehicles — In the US a lot that stores towed vehicles is usually regulated on its own — Texas licenses vehicle storage facilities (\$250 a year), and police rotation lists set their own rules for fencing, lighting, cameras and release hours. Consent towing for motor clubs and cash customers needs no yard.

- Business registration and EIN — Most tow operators form an LLC; state filing fees run about \$35 to \$500. The EIN from the IRS is free, and motor clubs, insurers and fleet accounts will ask for it on a W-9 before they pay you.
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Milestones: the next 30 days

The first month's to-do list for [Your business name], in order:

- Pick your lane — light-duty consent towing and roadside first, police rotation and heavy recovery later
 - Price a used rollback and get insurance quotes before you buy: the insurance can change which truck makes sense
 - Register the business, take the free EIN and open a business bank account
 - Apply for the USDOT number and your state's and city's tow permits and operator licenses
 - Buy the truck, fit it out with dollies, go-jacks, straps, a jump pack and lockout tools, and letter the doors
 - Apply to two or three motor clubs and roadside networks for steady calls while the direct work builds
 - Set up a free Google Business Profile with your service area and hours, and put your website live with the number at the top
 - Visit every body shop, repair shop and dealer in your area with a rate sheet
 - Route the phone to you at night, and ask every happy customer for a Google review
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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
- A month-by-month 12-month cash-flow projection built from calls per day and your average ticket
- The quote or purchase agreement for the truck — the truck itself is the collateral
- Insurance quotes or binders for commercial auto, on-hook and garagekeepers cover
- Your permits, licenses, USDOT number and driving record
- Any motor-club approvals, or letters from body shops and dealers who will send you work
- Your credit report

Template: replace every [bracketed] line and every estimate with your own figures. Written with Zarla's free business plan generator — zarla.com/business-plan-generator writes it from five questions.

