SoloScale

SoloScale Business Plan

AI-powered quoting for the trades industry

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Executive Summary

SoloScale is an AI-powered quoting engine designed specifically for small and mid-sized contractors in the HVAC, plumbing, and electrical trades. The platform addresses a critical inefficiency in the trades industry: manual quoting processes that consume valuable time, introduce costly errors, and result in unprofessional customer experiences. By leveraging artificial intelligence and purpose-built workflows, SoloScale enables contractors to generate accurate, professional quotes in minutes rather than hours, dramatically improving close rates and protecting profit margins.

The market opportunity is substantial. The United States trades industry represents over $500 billion in annual revenue, with approximately 350,000 small and mid-sized contracting businesses across HVAC, plumbing, and electrical sectors. Despite this massive market, 80% of contractors still rely on manual methods such as spreadsheets, Word documents, or pen-and-paper to create quotes. This inefficiency costs them both revenue and profitability: research indicates that 60% of jobs go to the contractor who responds first, and manual quoting errors result in 10-15% margin leakage on average.

TOTAL MARKET

$500B+

U.S. trades industry annual revenue

TARGET CUSTOMERS

350,000

Small/mid-sized contractors in U.S.

MARKET GAP

80%

Still use manual quoting methods

SoloScale's solution combines intelligent automation with trade-specific expertise. The platform guides contractors through a streamlined quoting workflow, using AI to suggest line items, generate professional scope-of-work descriptions, and enforce margin protection rules. The result is a branded, polished proposal that can be delivered to customers within minutes of completing a site visit. Early traction validates strong product-market fit: with over 50 beta customers, SoloScale has achieved a 30%+ lead conversion rate, 40+ Net Promoter Score, and 70%+ weekly active usage.

The business model is built on a Software-as-a-Service (SaaS) subscription with three pricing tiers ranging from $49 to $299 per month. Unit economics are exceptional, with a customer lifetime value of $5,400, customer acquisition cost of $150, and an LTV/CAC ratio of 36x. The company projects reaching $149,000 in Annual Recurring Revenue (ARR) by the end of Year 1 with 83 customers, scaling to $9 million ARR with 3,000 customers by Year 5. The path to profitability is clear: breakeven is projected for May 2027 at approximately 350 customers, with Year 3 generating $1.4 million in profit and Year 5 achieving an 82% net profit margin.

SoloScale's founding team brings over 50 combined years of experience in the trades industry. The six founders are not simply building software for contractors—they are contractors themselves, with deep understanding of the workflows, pain points, and business realities facing small trade businesses. This insider perspective, combined with capital-efficient execution and a laser focus on solving a specific, painful problem, positions SoloScale to become the category-defining quoting platform for the trades.

1. Problem Statement

1.1 The Quoting Crisis in Trades

Small and mid-sized contractors in the HVAC, plumbing, and electrical industries face a persistent and costly challenge: creating accurate, professional quotes is painfully slow and error-prone. The majority of trade businesses—an estimated 80%—still rely on manual methods such as spreadsheets, Word document templates, or even handwritten forms to generate customer quotes. This antiquated approach creates multiple cascading problems that directly impact revenue and profitability.

The most immediate consequence is speed. Manual quoting typically requires 2-4 hours per estimate, as contractors must gather pricing information, calculate materials and labor, write scope descriptions, and format a presentable document. In an industry where timing is critical, this delay is devastating. Research consistently shows that response time directly correlates with win rates: companies that respond to leads within the first hour are seven times more likely to qualify the lead than those who wait even 60 minutes longer. In the trades specifically, approximately 60% of jobs go to the contractor who provides a quote first, regardless of whether they offer the lowest price. When a homeowner calls three HVAC companies about a furnace replacement, the one who can deliver a professional quote the same day has an overwhelming advantage.

> *"Speed kills in the trades. If you can't get a quote out the same day, you've already lost the job to someone who can."*
>
> — HVAC Contractor, Texas

Beyond speed, manual quoting introduces significant accuracy problems. Contractors working from memory or outdated spreadsheets frequently omit line items, miscalculate quantities, or apply incorrect pricing. These errors are not trivial: industry data suggests that quoting mistakes result in 10-15% margin leakage on average. For contractors operating on already thin margins —the average HVAC business maintains only 2.5-5% net profit margins— underpricing even a handful of jobs can mean the difference between profitability and loss. A plumber who forgets to include permit fees and disposal costs on a repiping job may win the contract but lose money on execution.

Inconsistency compounds these challenges. When multiple people in an organization create quotes using different methods or templates, the business presents an unprofessional and confusing face to customers. Two salespeople from the same company might quote dramatically different prices for identical work, eroding customer trust and damaging the company's reputation. Homeowners and commercial clients increasingly expect polished, detailed proposals that clearly itemize costs and scope—expectations that manual methods struggle to meet.

1.2 The Hidden Costs

The true cost of inefficient quoting extends beyond individual lost deals. Contractors spend countless hours on quote follow-ups, revisions, and corrections—time that could be spent on higher-value activities such as customer relationship building or business development. For owner-operators who wear multiple hats, the administrative burden of quoting can consume 10-15 hours per week, preventing them from focusing on strategic growth.

The problem is particularly acute for businesses in growth mode. As a contractor adds technicians and expands their service area, the quoting bottleneck becomes more severe. Without standardized processes and tools, quality control deteriorates, pricing becomes inconsistent, and the owner loses visibility into the sales pipeline. Many promising small contractors hit a growth ceiling not because they lack technical skill or customer demand, but because their manual quoting process cannot scale.

Customer expectations have also evolved rapidly. Today's homeowners research contractors online, read reviews, and expect rapid, professional communication. A contractor who takes three days to deliver a quote via email with a scanned handwritten estimate will lose to a competitor who sends a branded PDF proposal with detailed line items within hours. The gap between customer expectations and contractor capabilities has never been wider.

1.3 Why Existing Solutions Fall Short

While some contractors have attempted to address these problems with general-purpose software, existing solutions often miss the mark. All-in-one field service management platforms like ServiceTitan and Housecall Pro offer quoting capabilities, but they come with significant drawbacks. These platforms are expensive (typically $150-300 per month per user), complex to implement (requiring weeks of setup and training), and designed primarily for larger businesses with dedicated administrative staff. For a five-person plumbing company, the cost and complexity are prohibitive.

Generic sales tools and Configure-Price-Quote (CPQ) software designed for other industries lack the trade-specific intelligence that contractors need. They do not understand HVAC system sizing, electrical load calculations, or plumbing fixture compatibility. Contractors are forced to heavily customize these tools or work around their limitations, negating much of the efficiency benefit.

The result is a massive underserved market: hundreds of thousands of small and mid-sized trade contractors who desperately need better quoting tools but have no viable options. They continue to struggle with spreadsheets and Word documents not because they prefer manual methods, but because no solution has been purpose-built for their specific needs, budget constraints, and technical sophistication. This gap represents both a significant market opportunity and a clear mandate for innovation.

2. Market Opportunity

2.1 Market Size and Segmentation

The market opportunity for SoloScale is substantial, driven by the massive scale of the U.S. trades industry and the widespread need for quoting efficiency improvements. The Total Addressable Market (TAM) encompasses the entire residential and light commercial trades sector, which generates over $500 billion in annual revenue across HVAC, plumbing, electrical, and related services.

Within this broad market, SoloScale's Serviceable Addressable Market (SAM) focuses on small and mid-sized contracting businesses—those with 1 to 50 employees and annual revenues between $200,000 and $5 million. This segment represents approximately $50 billion in annual revenue and includes the vast majority of trade contractors in the United States. These businesses are large enough to generate quotes regularly (daily or weekly) but small enough that enterprise software solutions are economically unfeasible.

MARKET BREAKDOWN BY TRADE

Trade Sector	Number of Businesses	Market Size	Average Quote Frequency
Plumbing	132,000+	$158B by 2029	3-5 quotes/week
HVAC	145,000+	$150B+ annual	5-10 quotes/week
Electrical	70,000+	$255B+ annual	3-7 quotes/week
Total	**347,000+**	**$500B+**	—

Source: U.S. Census Bureau, IBISWorld, Grand View Research (2024)

The Serviceable Obtainable Market (SOM) for SoloScale's current product offering is estimated at $5 billion, representing the subset of small and mid-sized contractors who actively seek quotes for project-based work (as opposed to purely service/repair businesses with fixed pricing). This translates to approximately 350,000 potential customers across the three primary verticals.

2.2 Market Dynamics and Growth Drivers

Several powerful trends are converging to create an exceptionally favorable environment for SoloScale's market entry and growth:

Digital Transformation in Trades: Historically, the trades have lagged other industries in technology adoption. However, this is changing rapidly. Contractors are increasingly embracing digital tools for scheduling, invoicing, customer relationship management, and communication. The COVID-19 pandemic accelerated this shift, as contactless operations and remote

communication became necessities. Quoting remains one of the last major workflows still dominated by manual processes, making it ripe for disruption. Industry analysts project that the global HVAC estimating software market alone will grow from $1.26 billion in 2024 to $3.12 billion by 2033, representing a compound annual growth rate (CAGR) of 10.5%.

Rise of AI and Automation: The introduction of large language models and AI-assisted tools has opened new possibilities for automating knowledge work. In the trades context, AI can analyze job descriptions, suggest appropriate materials and labor, generate professional text, and identify pricing optimization opportunities. SoloScale's AI-first approach represents a genuine technological leap over traditional quoting methods. Companies using Configure-Price-Quote (CPQ) systems with AI capabilities have reported 28% reductions in quote generation time and significant improvements in accuracy, benefits that translate directly to the trades sector.

SMB Software Adoption: Small and medium-sized businesses across all industries are increasingly comfortable with cloud-based subscription software. The proliferation of affordable SaaS tools has normalized monthly software expenses and reduced implementation barriers. Trade contractors who might have been hesitant to adopt software five years ago now routinely use tools like QuickBooks Online, Jobber, and various mobile apps. This cultural shift creates a receptive market for specialized solutions like SoloScale.

> *"The contractors who embrace technology today will dominate their markets tomorrow. The gap between tech-forward and tech-resistant businesses is widening every year."*

Customer Experience Expectations: End customers—homeowners, property managers, and commercial clients—have elevated expectations for contractor professionalism and responsiveness. They expect rapid responses to inquiries, detailed written proposals, and transparent pricing. A contractor who can deliver a polished, branded quote within hours of a site visit differentiates themselves significantly from competitors still using handwritten estimates. This customer-driven pressure is forcing contractors to modernize their quoting processes.

Labor Shortage and Efficiency Imperative: The trades face a well-documented labor shortage, with an estimated 650,000 unfilled positions across construction and trades sectors. This shortage places a premium on productivity: contractors must accomplish more with fewer people. Tools that reduce administrative burden and allow skilled technicians to focus on billable work rather than paperwork become essential rather than optional. SoloScale directly addresses this imperative by reducing quoting time from hours to minutes.

2.3 Market Validation and Competitive Gaps

Market research and early customer feedback validate both the pain point and the opportunity. In surveys of small trade contractors, 73% identify "creating accurate quotes quickly" as a top-three operational challenge. Yet only 15% report using specialized quoting software, with the remainder relying on spreadsheets (52%), Word documents (18%), or handwritten forms (15%). This gap between recognized need and solution adoption indicates a market failure: existing tools have not adequately addressed the specific requirements of small trade businesses.

The competitive landscape further validates the opportunity. While all-in-one platforms like ServiceTitan and Housecall Pro include quoting modules, they are positioned for larger contractors with $5+ million in revenue and dedicated office staff. Their pricing (often $200-400 per month per user) and complexity (requiring extensive setup and training) make them impractical for smaller businesses. Generic CPQ tools lack trade-specific features and require significant customization. Legacy estimating software is often desktop-based, not mobile-friendly, and lacks modern AI capabilities. This leaves a massive underserved segment: the 80% of trade contractors who need better quoting tools but cannot justify enterprise solutions.

SoloScale's market opportunity is further amplified by network effects and expansion potential. Once established as the quoting standard for small contractors, the platform can expand into adjacent workflows such as invoicing, scheduling, and customer relationship management. The vision is to evolve from a quoting tool into a comprehensive operating system for small trade businesses, capturing increasing wallet share as customers grow and their needs expand.

3. Product Vision and Solution

3.1 Product Vision

SoloScale's vision is to become the essential quoting engine for trade service companies—a digital estimator and sales assistant that seamlessly integrates into contractors' daily workflows. The platform is designed to make quote creation as simple as answering a few prompts, with an accurate, branded

proposal ready to send within minutes. By harnessing artificial intelligence to eliminate tedious calculations and enforce pricing best practices, SoloScale enables even a five-person HVAC company to issue quotes with the speed and polish of a much larger organization.

The product philosophy centers on three core principles:

Speed: Every design decision prioritizes reducing time-to-quote. The interface is optimized for mobile use in the field, with smart defaults, dropdown menus for common tasks, and minimal typing required. Contractors can create and send quotes on-site immediately after diagnosing a job, eliminating the need to return to the office for paperwork.

Accuracy: Built-in intelligence prevents costly errors. The platform maintains customizable pricebooks with current material costs and labor rates, automatically calculates totals, and enforces margin thresholds. If a user attempts to discount too heavily or omits a standard charge, the system flags the issue before the quote is sent.

Professionalism: SoloScale generates polished, branded proposals that elevate the contractor's image. Every quote includes the company logo, detailed line items, professional scope descriptions, terms and conditions, and consistent formatting. Even the smallest contractor can present enterprise-quality documents that build customer confidence.

3.2 Core Features and Capabilities

AI-Assisted Quote Builder: The heart of SoloScale is an intelligent quoting workflow that guides users through quote creation while leveraging AI to reduce manual work. After inputting basic job information (customer name, property address, job type), the system prompts for key details specific to the trade. For an HVAC furnace replacement, this might include square footage, existing system type, and customer preferences for efficiency level.

Based on these inputs, the AI suggests appropriate line items, quantities, and materials. For example, a water heater replacement quote might automatically

include the unit itself, expansion tank, new supply lines, code-required upgrades, labor hours, and disposal fees—items that contractors might otherwise forget. The AI also generates professional scope-of-work descriptions, transforming brief inputs like "replace 50-gallon water heater" into polished text: "Remove and properly dispose of existing 50-gallon natural gas water heater. Install new Bradford White 50-gallon high-efficiency water heater with 6-year warranty. Includes new expansion tank, code-compliant supply lines, and all necessary fittings. Work performed to current plumbing code standards."

Intelligent Pricebook and Margin Protection: SoloScale maintains a comprehensive pricebook of parts, materials, and services that can be customized for each business or integrated with supplier pricing feeds. Each item includes both cost and selling price, allowing the system to calculate profit margins in real-time. Users can set minimum margin thresholds (e.g., "never quote below 30% gross margin"), and the system will alert them if a quote violates these rules.

The pricebook is trade-specific, with pre-populated catalogs for common HVAC equipment, plumbing fixtures, electrical components, and labor categories. This eliminates the need for contractors to build pricing databases from scratch. As users work, the system learns their preferences and frequently used items, making quote creation progressively faster.

Professional Proposal Generation: With a single click, SoloScale generates a formatted, branded proposal ready for customer delivery. The proposal includes company branding (logo, colors, contact information), a detailed breakdown of line items with descriptions and prices, subtotals and totals, applicable taxes, payment terms, and warranty information. Users can choose from multiple professional templates and customize them to match their brand identity.

Proposals can be delivered via email as PDF attachments or as web links that customers can view in their browser. The web-based version includes interactive elements: customers can review the quote, ask questions via built-in messaging, and accept the proposal with a simple click. This creates a

seamless, modern customer experience that differentiates contractors from competitors still using static documents.

> **Mobile-First Design**
>
> SoloScale is built as a responsive web application optimized for smartphones and tablets. Field technicians can create quotes on-site using their phone, eliminating delays and enabling same-day quote delivery. The interface adapts to small screens with large touch targets, simplified navigation, and voice input options for hands-free operation.

Quote Tracking and Analytics: A centralized dashboard provides visibility into the entire quote pipeline. Users can see all quotes organized by status (draft, sent, accepted, rejected, expired), filter by date range or customer, and track key metrics. The analytics module reveals patterns: conversion rates by lead source, average quote value, time-to-close, and win rates by technician or job type.

These insights enable data-driven improvements. A contractor might discover that quotes delivered within 24 hours convert at 50% while those taking 3+ days convert at only 30%, reinforcing the value of speed. Or they might identify that certain team members consistently underprice jobs, indicating a need for additional training or oversight.

3.3 Differentiation and Competitive Advantages

SoloScale's competitive positioning is built on several key differentiators:

AI-First Approach: SoloScale is the only quoting platform purpose-built around AI assistance for trade contractors. While competitors may add AI features as afterthoughts, SoloScale's entire workflow is designed to leverage

AI for maximum efficiency. This technological advantage compounds over time as the system learns from more quotes and improves its suggestions.

Trade-Specific Intelligence: Unlike generic CPQ tools, SoloScale understands the nuances of HVAC, plumbing, and electrical work. The system knows that a furnace replacement typically requires ductwork assessment, that water heater installations need expansion tanks in certain jurisdictions, and that electrical panel upgrades often trigger code-required arc-fault breakers. This domain expertise is embedded in the product, making it immediately useful without extensive customization.

Affordability and Simplicity: At $49-299 per month, SoloScale is 50-70% less expensive than all-in-one platforms while delivering superior quoting capabilities. The focused scope means faster implementation (hours rather than weeks) and a gentler learning curve. Contractors can be productive on day one rather than struggling through months of setup and training.

Margin Protection Focus: While other tools focus on speed or presentation, SoloScale uniquely emphasizes protecting and improving profit margins. The built-in margin analysis and alerts help contractors avoid the underpricing mistakes that erode profitability. This focus on financial outcomes rather than just operational efficiency resonates strongly with business owners.

4. Business Model and Unit Economics

4.1 Revenue Model

SoloScale operates on a Software-as-a-Service (SaaS) subscription model with three pricing tiers designed to accommodate contractors at different business stages:

PRICING TIERS

Tier	Price	Users	Quotes/ Month	Key Features
Starter	$49/ month	1	50	Basic pricebook, standard templates, email support
Professional	$149/ month	5	Unlimited	Advanced pricebook, AI upsells, integrations, analytics
Enterprise	$299/ month	Unlimited	Unlimited	All features, dedicated support, API access, workflows

The **Starter tier** at $49/month targets sole proprietors and very small businesses just beginning to formalize their quoting process. It represents a minimal financial commitment while delivering immediate value through faster, more professional quotes.

The **Professional tier** at $149/month is designed for established small businesses with multiple technicians or salespeople. It represents the sweet spot for SoloScale's target market: contractors generating $500,000 to $2 million in annual revenue who need team collaboration and more sophisticated features.

The **Enterprise tier** at $299/month serves larger contractors (20-50 employees) who need advanced features, integrations, and support. While this segment represents a smaller portion of the target market, it generates higher revenue per customer and typically exhibits strong retention due to deeper product integration into business operations.

4.2 Unit Economics

SoloScale's unit economics demonstrate the fundamental strength and scalability of the business model:

CUSTOMER ACQUISITION COST

$150

Blended across all channels

AVERAGE REVENUE PER USER

$150/mo

$1,800 annually

CUSTOMER LIFETIME VALUE

$5,400

36-month average lifetime

LTV/CAC RATIO

36:1

Exceptional unit economics

GROSS MARGIN

85%

Industry-standard SaaS margins

PAYBACK PERIOD

Customer Acquisition Cost (CAC): $150 — The blended CAC of $150 reflects a multi-channel acquisition strategy weighted toward lower-cost channels. Trade association partnerships and content marketing generate leads at $50-100 per customer, while paid advertising costs $200-300 per customer. The weighted average across all channels yields a $150 CAC. This figure includes all sales and marketing expenses: advertising spend, content creation, trade show attendance, partnership commissions, and sales team compensation.

Average Revenue Per User (ARPU): $150/month — Based on the tiered pricing structure and expected customer distribution (30% Starter, 50% Professional, 20% Enterprise), the blended ARPU is $150 per month or $1,800 annually. This figure accounts for the fact that most customers will choose the Professional tier, with smaller numbers in Starter and Enterprise.

Customer Lifetime Value (LTV): $5,400 — LTV is calculated based on a 36-month average customer lifetime, which is conservative for business software in this category. At $150 ARPU and 85% gross margin, the calculation is: $150/month × 36 months × 85% = $5,400. This assumes a monthly churn rate of approximately 2.8%, which is achievable given the high switching costs and clear ROI that SoloScale delivers.

LTV/CAC Ratio: 36x — The LTV/CAC ratio of 36:1 ($5,400 / $150) is exceptionally strong, well above the 3:1 threshold typically considered healthy for SaaS businesses. This ratio indicates that SoloScale can afford to invest aggressively in customer acquisition while maintaining strong profitability. Even if actual CAC proves higher than projected or LTV lower, the business model has substantial margin for error.

4.3 Revenue Projections and Assumptions

The five-year financial projections are built on conservative assumptions validated by early traction and industry benchmarks:

FIVE-YEAR FINANCIAL PROJECTIONS

Year	Customers	Monthly Churn	ARR	YoY Growth	Gross Margin
1	83	3.0%	$149,000	—	85%
2	367	2.8%	$1,100,000	7.4x	85%
3	833	2.5%	$2,500,000	2.3x	85%
4	1,600	2.5%	$4,800,000	1.9x	85%
5	3,000	2.0%	$9,000,000	1.9x	85%

4.4 Path to Profitability

SoloScale's financial model demonstrates a clear path to profitability and strong long-term margins:

PROFITABILITY TRAJECTORY

Year	Revenue	Operating Expenses	EBITDA	Net Margin
1	$149,000	$484,000	-$335,000	-225%
2	$1,100,000	$1,373,000	-$273,000	-25%
3	$2,500,000	$1,100,000	+$1,400,000	+56%
4	$4,800,000	$1,920,000	+$2,880,000	+60%
5	$9,000,000	$1,620,000	+$7,380,000	+82%

Breakeven Milestone

Date: May 2027 (Month 18)
Customers: ~350
MRR: $63,000
Runway: 24 months with $1M seed capital (6-month buffer)

Year 1 (Burn Phase): The first year focuses on product development and initial customer acquisition. Operating expenses of $484,000 include product development costs, initial marketing spend, and core team salaries. The -$335,000 EBITDA represents planned investment in building the foundation for growth.

Year 2 (Scaling Phase): Year 2 maintains negative EBITDA of -$273,000 as the company invests heavily in customer acquisition and team expansion. However, the burn rate is declining as revenue scales faster than expenses, demonstrating improving unit economics.

Year 3 (Breakeven and Profitability): By Year 3, SoloScale reaches breakeven in May 2027 at approximately 350 customers and $210,000 in monthly recurring revenue. The full year generates $1.4 million in EBITDA on $2.5 million in revenue, a 56% net margin. This milestone is achievable because the business model requires minimal incremental investment once product-market fit is established.

Years 4-5 (High-Margin Growth): Years 4 and 5 demonstrate the power of SaaS economics at scale. Operating expenses grow modestly (primarily sales and customer success headcount) while revenue scales rapidly, driving net margins to 60% and 82% respectively. By Year 5, SoloScale generates $7.4 million in profit on $9 million in revenue.

5. Go-to-Market Strategy

5.1 Customer Acquisition Channels

SoloScale's go-to-market strategy leverages a diversified mix of acquisition channels optimized for reaching small and mid-sized trade contractors:

CUSTOMER ACQUISITION CHANNEL MIX

Channel	% of Leads	CAC	Primary Tactics
Trade Associations	30%	$100	Partnerships, conferences, member programs
Content Marketing & SEO	25%	$75	Blog, YouTube, guides, organic search
Supplier Partnerships	25%	$125	Co-marketing, bundled offerings, referrals
Paid Advertising	20%	$250	Google Ads, Facebook, LinkedIn, retargeting

Trade Association Partnerships (30% of leads, $100 CAC): Trade associations represent the highest-leverage channel for reaching target customers at scale. Organizations like the National Electrical Contractors Association (NECA), Plumbing-Heating-Cooling Contractors Association

(PHCC), and National Association of Home Builders (NAHB) have established trust with contractors and provide direct access to highly qualified audiences. The association channel is particularly effective because contractors view these organizations as trusted advisors rather than vendors.

Content Marketing and SEO (25% of leads, $75 CAC): Content marketing targets contractors actively searching for quoting solutions and best practices. The strategy focuses on creating high-value educational content that ranks well in search engines and establishes SoloScale as an industry authority. SEO efforts target high-intent keywords such as "HVAC quoting software," "plumbing estimating app," and "contractor proposal software." With relatively low competition for these specific terms, SoloScale can achieve strong organic rankings within 6-12 months.

Supplier and Distributor Partnerships (25% of leads, $125 CAC): HVAC equipment manufacturers, plumbing supply houses, and electrical distributors have direct relationships with thousands of contractors who visit their locations regularly. These partners are motivated to help their customers improve operational efficiency, as more successful contractors buy more products. Major targets include Ferguson Enterprises, Winsupply, Johnstone Supply, and Graybar.

Paid Advertising (20% of leads, $250 CAC): Paid advertising provides predictable, scalable lead generation to supplement organic channels. The strategy focuses on high-intent search and social advertising through Google Search Ads, Facebook and Instagram Ads, LinkedIn Ads, and YouTube pre-roll ads. Paid advertising is the highest-CAC channel but provides immediate results and valuable data for optimizing messaging.

5.2 Sales Process and Conversion Funnel

SoloScale employs a product-led growth model with low-touch sales for most customers and high-touch sales for Enterprise tier prospects:

Awareness → Interest (Top of Funnel): Contractors discover SoloScale through content, ads, partnerships, or referrals. The goal is to drive traffic to

the website where compelling messaging and social proof (customer testimonials, case studies, demo videos) build interest.

Interest → Trial (Middle of Funnel): Interested contractors sign up for a 14-day free trial requiring only email and company name—no credit card needed. The trial provides full access to Professional tier features, allowing users to experience the product's value firsthand. Automated onboarding emails guide users through key features and encourage them to create their first quote.

Trial → Paid Conversion (Bottom of Funnel): During the trial period, users receive educational emails, in-app tips, and optional live onboarding calls with the customer success team. The goal is to ensure users create at least 3-5 quotes during the trial, as this usage threshold strongly correlates with conversion. Current conversion rates from trial to paid are approximately 30%, with room for improvement through enhanced onboarding.

> *"The free trial sold itself. After creating three quotes in SoloScale versus my old spreadsheet method, there was no going back. The time savings alone justified the cost."*
>
> — Plumbing Contractor, Florida

5.3 Customer Success and Retention

Retention is critical to SoloScale's economics, making customer success a core strategic priority:

Onboarding Excellence: New customers receive structured onboarding including welcome emails, video tutorials, and optional live training calls. The

goal is to achieve "time to first value" within 24 hours—ideally, customers create and send their first professional quote on day one. Early product engagement strongly predicts long-term retention.

Proactive Support: The customer success team monitors usage patterns and proactively reaches out to customers showing signs of disengagement (e.g., no quotes created in 14 days). These interventions often identify simple issues (confusion about a feature, need for additional training) that can be quickly resolved to prevent churn.

Continuous Education: Regular webinars, email newsletters, and in-app tips help customers get more value from the platform over time. Topics include advanced features, pricing strategies, and business growth best practices. Customers who engage with educational content exhibit 40% higher retention than those who don't.

Community Building: SoloScale is building a user community where contractors can share best practices, ask questions, and provide product feedback. This community creates network effects and increases switching costs—customers become invested not just in the software but in the relationships and knowledge within the community.

6. Team and Organization

6.1 Founding Team

SoloScale's founding team brings a unique combination of deep trades industry expertise and technology execution capability. The six founders collectively have over 50 years of experience in HVAC, plumbing, and electrical contracting, providing insider understanding of the workflows, pain points, and business realities facing small trade businesses.

The team combines trades expertise with technical capability, ensuring both authentic understanding of customer needs and ability to execute on product vision. This balance is rare and valuable in the trades technology space, where most solutions are built by outsiders who lack firsthand experience with contractor workflows.

6.2 Why This Team Will Win

Insider Perspective: The founders are not outsiders trying to solve contractors' problems—they are contractors themselves. This insider perspective enables authentic understanding of customer needs, credible marketing messaging, and rapid product iteration based on firsthand experience. When SoloScale's founders speak at trade shows or in marketing content, they speak as peers rather than vendors.

Customer Empathy: Having personally experienced the frustration of manual quoting, the founders are deeply motivated to solve this problem. This emotional connection drives the commitment and persistence required to build a successful company in the face of inevitable challenges.

Network and Credibility: The founders' existing relationships within trade associations, supplier networks, and contractor communities provide immediate access to customers and partners. Their credibility within the industry opens doors that would be closed to outsiders.

Capital Efficiency: The team's practical, contractor mindset translates to capital-efficient execution. The founders understand that trade businesses operate on thin margins and value pragmatic solutions over unnecessary complexity. This philosophy extends to how they build and operate SoloScale: lean, focused, and ROI-driven.

> *"We're not building software for contractors. We're contractors building software for ourselves—and sharing it with our peers who face the same challenges we do."*
>
> — SoloScale Founding Team

6.3 Organizational Structure and Hiring Plan

TEAM GROWTH PLAN

Year	Total Headcount	Key Hires
Year 1	8	6 Founders, 1 Customer Success Manager, 1 Marketing Manager
Year 2	15	+2 Engineers, +2 CS Specialists, +1 Sales Rep, +1 Content Marketer
Year 3	25	+3 Engineers, +3 CS Specialists, +2 Sales Reps, +1 Partnership Manager
Year 4-5	40	+5 Engineers, +5 CS Specialists, +3 Sales Reps, +1 Product Manager

The hiring plan prioritizes customer-facing roles (customer success, sales) to support growth while maintaining lean engineering and operations teams. The founders remain deeply involved in product, customer, and strategic decisions throughout this growth phase.

7. Financial Projections and Capital Requirements

7.1 Key Milestones and Metrics

GROWTH MILESTONES

Milestone	Timing	Customers	MRR	Key Achievements
Month 6	Q2 2026	50-100	$10K	Product-market fit validation, marketing channels established
Month 12	Q4 2026	200+	$40K	Proven acquisition playbook, churn below 3%
Year 2	2027	500+	$90K	Team expansion, major partnerships, improving economics
Year 3 (Breakeven)	May 2027	1,000+	$210K	Breakeven achieved, positive cash flow, product expansion
Year 5	2030	3,500+	$750K	Market leadership, 82% net margin, platform expansion

7.2 Use of Funds

SoloScale is raising a $1 million seed round to fund operations through breakeven. The capital will be allocated as follows:

PRODUCT DEVELOPMENT

40%

$400K for engineering, AI development, mobile apps, integrations

SALES & MARKETING

40%

$400K for partnerships, content, paid ads, trade shows

OPERATIONS & CUSTOMER SUCCESS

15%

$150K for CS team, onboarding, support infrastructure

GENERAL & ADMINISTRATIVE

5%

$50K for legal, accounting, insurance, recruiting

7.3 Valuation and Investment Terms

Seed Round Terms

Amount: $1,000,000

Valuation: $10,000,000 post-money

Equity: 10%

Instrument: Priced equity round (preferred stock)

Valuation Justification: The $10 million post-money valuation is supported by several factors:

Strong Unit Economics: The 36x LTV/CAC ratio and rapid payback period demonstrate exceptional business model efficiency. Comparable SaaS companies with similar unit economics typically command 8-12x ARR valuations.

Large Market Opportunity: The $500 billion TAM and 350,000 potential customers provide substantial room for growth. Even capturing 1% market share would generate $90 million in ARR.

Proven Traction: With 50+ beta customers, 30%+ conversion rates, and 40+ NPS, SoloScale has demonstrated product-market fit earlier than most seed-stage companies.

Experienced Team: The founding team's domain expertise and execution capability reduce risk and increase probability of success.

Clear Path to Profitability: The 24-month timeline to breakeven and strong projected margins make SoloScale attractive to investors seeking capital-efficient growth.

Comparable companies in the field service software space (ServiceTitan, Housecall Pro, Jobber) have achieved valuations of $1-9 billion, demonstrating

the substantial exit potential in this market. While SoloScale is earlier-stage and more focused, the valuation reflects realistic potential to become a significant player in this large, growing market.

8. Risk Analysis and Mitigation

8.1 Market Adoption Risk

Risk: Small contractors may be slow to adopt new software, preferring familiar manual methods despite their inefficiencies. The trades industry has historically lagged in technology adoption, and overcoming inertia could prove more difficult than projected.

Mitigation Strategies:

Target tech-forward contractors who already use some business software (QuickBooks, scheduling apps) and are therefore more receptive to new tools. Leverage trade associations for credibility and reduced perceived risk. Offer a 14-day free trial with no credit card required to lower the barrier to trying SoloScale. Demonstrate clear ROI through marketing materials that emphasize concrete, quantifiable benefits. Build community and social proof through customer testimonials and case studies.

8.2 AI Accuracy Risk

Risk: AI-generated quote suggestions or descriptions may be inaccurate, leading to customer dissatisfaction, underpriced jobs, or loss of trust in the platform.

Mitigation Strategies:

Position AI as an assistant, not a replacement for contractor expertise. All AI suggestions are clearly labeled as recommendations that contractors must review and approve. Implement continuous improvement through machine learning algorithms that identify patterns in successful quotes. Use trade-specific training data validated by experienced contractors. Display confidence scores for AI suggestions. Create feedback loops where contractors can rate suggestions and report errors. Err on the side of including more items or suggesting higher prices when uncertainty exists.

8.3 Competition Risk

Risk: Larger, better-funded competitors like ServiceTitan, Housecall Pro, or Jobber could add AI-powered quoting features to their platforms, leveraging their existing customer bases and resources.

Mitigation Strategies:

Move fast with singular focus on quoting, enabling faster iteration and deeper functionality than all-in-one platforms. Build deep customer relationships through trade associations and distribution partners. Accumulate proprietary data on pricing, materials, and quote structures that becomes increasingly valuable for AI training. Position as the specialist quoting solution for small contractors, differentiating from all-in-one platforms for larger businesses. Maintain technological leadership through ongoing AI improvements. Develop partnership ecosystem with integrations that allow coexistence with other software.

8.4 Churn Risk

Risk: Contractors may try SoloScale but fail to adopt it consistently, leading to high churn rates that undermine unit economics and growth projections.

Mitigation Strategies:

Deliver obvious ROI through $500-1,000 per month in time savings and margin protection. Provide exceptional onboarding to ensure customers create their first quote within 24 hours. Monitor usage patterns and proactively reach out to disengaged customers. Offer continuous education through webinars, newsletters, and in-app guidance. Build user community that creates social bonds and increases switching costs. Continuously improve product based on customer feedback.

9. Strategic Vision and Future Roadmap

9.1 Three-Phase Growth Strategy

SoloScale's long-term vision extends beyond quoting to become the comprehensive operating system for small trade businesses. This vision unfolds across three strategic phases:

Phase 1: Quoting Dominance (Years 1-2) — The initial phase focuses exclusively on becoming the category-defining quoting platform for small contractors. Success metrics include 5,000+ customers, $5 million+ ARR, market leadership in trades quoting, strong brand recognition, and proven

scalable acquisition channels. During this phase, all product development and marketing efforts center on quoting excellence.

Phase 2: Platform Expansion (Years 2-3) — With quoting dominance established, Phase 2 expands the platform into adjacent workflows: invoicing (convert quotes to invoices with one click), scheduling (schedule jobs from accepted quotes), payment processing (enable online customer payments), and basic CRM (track customer history and follow-ups). These features increase customer lifetime value and retention. Phase 2 targets 10,000+ customers, $15 million+ ARR, and 40% of customers using 2+ platform features.

Phase 3: Operating System (Years 3-5) — The final phase transforms SoloScale into a comprehensive operating system offering advanced CRM and marketing, analytics and business intelligence, native mobile apps with offline functionality, marketplace and integrations ecosystem, and AI business assistant with proactive recommendations. Phase 3 targets 20,000+ customers, $50 million+ ARR, and category leadership as the operating system for small trades.

9.2 Market Expansion Opportunities

Beyond feature expansion, SoloScale has significant geographic and vertical expansion opportunities:

Geographic Expansion: Canada (50,000 potential customers), United Kingdom and Ireland (80,000 potential customers), and Australia and New Zealand (40,000 potential customers) represent English-speaking markets with similar trades industry structures.

Vertical Expansion: Roofing contractors (100,000 U.S. businesses), landscaping and lawn care (500,000 businesses), general contractors and remodelers (200,000 businesses), and specialty trades like flooring, painting, and drywall (50,000-100,000 each) all have similar quoting needs.

9.3 Exit Strategy and Investor Returns

SoloScale's growth trajectory and market positioning create multiple potential exit opportunities:

Strategic Acquisition: Field service management platforms or construction software companies may acquire SoloScale to add AI-powered quoting capabilities. Comparable acquisitions have occurred at 8-12x ARR multiples.

Private Equity: At scale (3,000-5,000 customers, $10-15 million ARR), SoloScale becomes attractive to PE firms focused on vertical SaaS businesses.

EXIT SCENARIOS

Scenario	Timing	ARR	Valuation Multiple	Exit Value	Investor Return
Year 3 Exit	2028	$2.5M	10x	$25M	2.5x
Year 5 Exit	2030	$9M	10-12x	$90-108M	9-11x

These exit scenarios demonstrate substantial return potential for early investors while maintaining realistic assumptions about market conditions and valuation multiples.

10. Conclusion

SoloScale addresses a critical, underserved need in the massive U.S. trades industry: enabling small and mid-sized contractors to create accurate, professional quotes quickly and efficiently. The market opportunity is substantial, with 350,000 potential customers representing $5 billion in addressable revenue. Despite this large market, 80% of contractors still rely on manual methods that cost them time, money, and deals.

SoloScale's AI-powered solution delivers transformative value: reducing quote creation time from hours to minutes, protecting profit margins through intelligent pricing guidance, and elevating contractor professionalism through polished proposals. Early traction validates strong product-market fit, with 50+ beta customers, 30%+ conversion rates, 40+ NPS, and 70%+ weekly active usage.

The business model demonstrates exceptional unit economics with a 36x LTV/CAC ratio, 85% gross margins, and a clear path to profitability within 24 months. Financial projections show growth from $149,000 ARR in Year 1 to $9 million ARR in Year 5, with 82% net margins at scale. The founding team's 50+ years of combined trades experience provides authentic understanding of customer needs and credibility within the industry.

The Opportunity

For investors seeking exposure to the rapidly digitizing trades industry with a capital-efficient, high-growth SaaS business led by an experienced founding team, SoloScale represents a compelling opportunity. The convergence of digital transformation in trades, AI technology maturation, and contractor demand for better tools creates an exceptional market entry window.

SoloScale is positioned to become the category-defining quoting platform for small trade contractors, with a clear path to evolving into a comprehensive operating system for this large, underserved market. The company is raising a $1 million seed round at a $10 million post-money valuation to accelerate product development, scale customer acquisition, and expand the team toward profitability and market leadership.

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