Ninebark Security

Business plan (a made-up example)

A sample plan for a new security guard company, from guardchek.com/blog/security-company-business-plan-template.

Ninebark Security, its owner, its area and all of its own figures are made up to show how the sections fit together. The national industry figures in section 4 are real (BLS, 2024). The financial figures come from the free Excel financial plan on the same page. General guidance, not financial, tax or legal advice.

1. Executive summary

Ninebark Security is a new security guard company (a made-up example). It will provide unarmed guards to property managers, construction sites, warehouses and car dealerships within 30 miles of its office.

The owner has 10 years of guard and supervisor experience and is the company's qualifying manager. The company is registered, its license application is filed and liability insurance is quoted.

Ninebark Security plans to cover 3 round-the-clock posts by the end of year 1, 6 by the end of year 2 and 8 by the end of year 3. Revenue is projected at $481,921 in year 1, $1,218,385 in year 2 and $1,975,363 in year 3. The company expects a loss of $35,483 before income tax in year 1, then a profit of $3,991 in year 2 and $93,106 in year 3. It needs about 2.4 posts to cover its fixed costs in year 1 and about 4.0 in year 2, after it hires a field supervisor.

The owner is putting in $60,000 and asks for a $100,000 five-year term loan and a $300,000 line of credit. Of the $160,000 from the owner and the term loan, $20,000 pays for startup costs and $140,000 is working capital for the first months. The line of credit pays guards while client payments catch up as the company adds posts; its highest use in the plan is $259,165, in month 34.

2. Company description

- Ninebark Security LLC, a single-member LLC registered in its home state; tax ID issued.
- Owner: 100%. Qualifying manager for the company license: the owner.
- Company license: application filed with the state regulator; guard registrations for every hire. Month 1 of the plan is the first month after the license is issued.
- Office: a small leased office with a meeting room for interviews and training.
- Area served: businesses within 30 miles of the office.
- Mission: every shift covered, every incident reported to the client the same day.

3. Services and pricing

- Unarmed static guards: lobbies, gates, front desks and construction sites overnight.
- Event security: crowd and entrance control for local events.
- Mobile patrol: from year 2, with the company vehicle the owner uses for site visits in year 1; a second vehicle in year 3. Patrol revenue is not in the projections.
- No armed guards in the first 3 years: the license, training and insurance cost more than the early contracts would pay.

Pricing: $30.09 an hour for unarmed guards in year 1, worked out from a $20.00 wage plus payroll taxes, workers' compensation, overtime, insurance, overhead and profit. Holidays are billed at 1.5 times. Minimum shift: 4 hours. Rates rise about 3% a year.

4. Market analysis

National: in 2024 there were 17,262 private guard and patrol company locations in the US, employing 812,633 people, up from 14,988 locations and 739,942 people in 2019 (BLS Quarterly Census of Employment and Wages, NAICS 561612).

Local (made-up figures for this example; a real plan takes them from BLS county data and local listings): the county has 38 guard company locations employing about 2,100 people, about 120 multi-tenant office

and residential buildings managed by 25 property management firms, 14 car dealerships and a steady pipeline of commercial construction.

Target clients: property managers and construction general contractors first. They buy on reliability and reporting, sign 1-year contracts and often add sites once they trust a company.

5. Competition

Competitors: three national guard companies with local branches and about a dozen small local companies. The national companies bid on the large contracts; the small ones rely on relationships.

Ninebark Security's difference: the owner visits every site weekly, the client gets each daily activity report the next morning and each incident report the same day, and a call-off is covered within 2 hours or the shift is not billed.

6. Marketing and sales plan

- Year 1 list: about 60 property managers at the 25 local management firms, and 30 general contractors, by phone and in person.
- Join the local property management and building owners' associations; attend their monthly events.
- Ask every client for one referral after 90 days of service.
- Sales kit: license, certificate of insurance, references, sample post orders, a sample daily activity report and incident report.
- Process: site survey within 2 business days, written proposal within 48 hours after it, post orders signed before the first shift.
- Targets: 3 round-the-clock posts by month 10, 6 by month 23 and 8 by month 33, about one new post every 4 months.

7. Operations plan

- Hiring: licensed guards only; license or registration checked before the first shift and every expiry date tracked.
- Training: the state's required training, plus site training from written post orders before a guard works a new site alone.
- Scheduling: 12-hour shifts on a set rotation, overtime planned not accidental, a list of part-time guards for call-offs.
- Supervision: weekly site visits by the owner; a field supervisor from month 13.
- Reports: a daily activity report for every shift, incident reports the same day, both reviewed before they reach the client.
- Payroll and billing: guards paid every 2 weeks through a payroll provider from verified clock-in times; clients invoiced monthly.
- Technology: guard management software for scheduling, GPS clock-in, reports and payroll reports, with the guard app on company or personal phones.

8. Management and organization

- Owner and qualifying manager: 10 years as a guard and site supervisor; runs sales, scheduling and supervision in year 1.

- Bookkeeping and payroll: an outside bookkeeper and a payroll provider from month 1.
- Field supervisor: hired at the start of year 2 (month 13).
- Advisers: an accountant, a business lawyer for contracts and an insurance broker who works with guard companies.

9. Licensing, insurance and risk

- Company license and guard registrations as the state requires; renewal dates in the calendar.
- Insurance: general liability of $1,000,000 per occurrence (at or above the state minimum; client contracts can ask for more), workers' compensation, commercial auto from month 1.
- Client concentration: no client above 40% of revenue after year 1.
- Guard turnover: a bench of part-time guards and pay reviewed every year against local rates.
- Incidents: written use-of-force and reporting policies; every incident reported to the client the same day.
- Cash: a term loan for the startup costs and the first months, a line of credit sized to the largest payroll gap in the plan, and monthly invoicing on 30-day terms written into every contract.

10. Financial plan

Assumptions: month 1 is the first month after the company license is issued. Bill rate $30.09 an hour (rising 3% a year), guard wage $20.00 (rising 3% a year), payroll taxes and workers' compensation 14.65% of pay, overtime allowance 5% of wages, liability insurance $0.75 per billed hour, clients paying 30 days after a monthly invoice. One round-the-clock post is about 728 hours and $21,906 of revenue a month in year 1.

Posts covered: 1 post in months 1 to 5, 2 in months 6 to 9, 3 in months 10 to 14, 4 in months 15 to 18, 5 in months 19 to 22, 6 in months 23 to 27, 7 in months 28 to 32 and 8 from month 33.

	Year 1	Year 2	Year 3
Average posts covered	1.8	4.5	7.1
Revenue	$481,921	$1,218,385	$1,975,363
Gross profit (after guard pay and direct costs)	$84,300	$214,011	$348,367
Gross margin	17.5%	17.6%	17.6%
Fixed costs	$110,400	$190,200	$226,800
Operating profit	-$26,100	$23,811	$121,567
Interest (term loan and line of credit)	$9,383	$19,820	$28,461
Profit before income tax	-$35,483	$3,991	$93,106
Cash at end of year	$22,218	$15,000	$15,000
Line of credit used at its highest	$58,499	$211,966	$259,165
Posts needed to cover fixed costs	2.4	4.0	4.6

Cash is worked out month by month for all 36 months, on the cautious assumption that each month's payroll and costs go out before that month's client payments arrive. The line of credit is drawn to keep at least $15,000 in the bank and repaid as clients pay. It is used most in month 34, at $259,165, inside the $300,000 limit. At the end of year 3, $185,917 has been billed but not yet paid.

Fixed costs per month

Cost	Year 1	Year 2	Year 3
Owner salary	$4,000	$5,000	$6,000
Field supervisor (pay and payroll taxes)	$0	$5,200	$5,400
Office, phone and internet	$1,200	$1,200	$1,500
Scheduling, time clock and reporting software	$700	$900	$1,100
Company vehicle	$900	$900	$1,800
Marketing	$1,000	$1,000	$1,200
Accounting, bookkeeping, payroll service and legal	$700	$800	$900
Uniforms and equipment for new guards	$300	$400	$500
License renewals, bonds and other insurance	$400	$450	$500
Total	**$9,200**	**$15,850**	**$18,900**

11. Funding request

Use of funds (owner's cash and term loan)	Amount
Company license, exam, background checks and fees	$2,000
Business registration, lawyer and accountant setup	$1,500
Insurance deposits (liability and workers' compensation)	$4,000
Uniforms and equipment for the first guards	$3,000
Office setup	$2,500
Website and launch marketing	$2,000
Company vehicle down payment	$5,000
Working capital for the first months: payroll and running costs until clients pay	$140,000
Total	**$160,000**

Sources: the owner's $60,000, a $100,000 term loan over 5 years at an example rate of 9% ($2,076 a month), and a $300,000 revolving line of credit at an example rate of 10%. The term loan is repaid from the working capital in year 1 and from operating profit after that. The line of credit is drawn when payroll comes before client payments and repaid as clients pay; at its highest it is $259,165. The projected cash stays at or above $15,000 in every month of the 3 years.

12. Appendix

- License application receipt and the qualifying manager's certificate.
- Insurance quotes for general liability, workers' compensation and commercial auto.
- Owner's resume.
- Two letters of intent from property managers.
- Sample post orders, daily activity report and incident report.
- The 3-year financial plan.