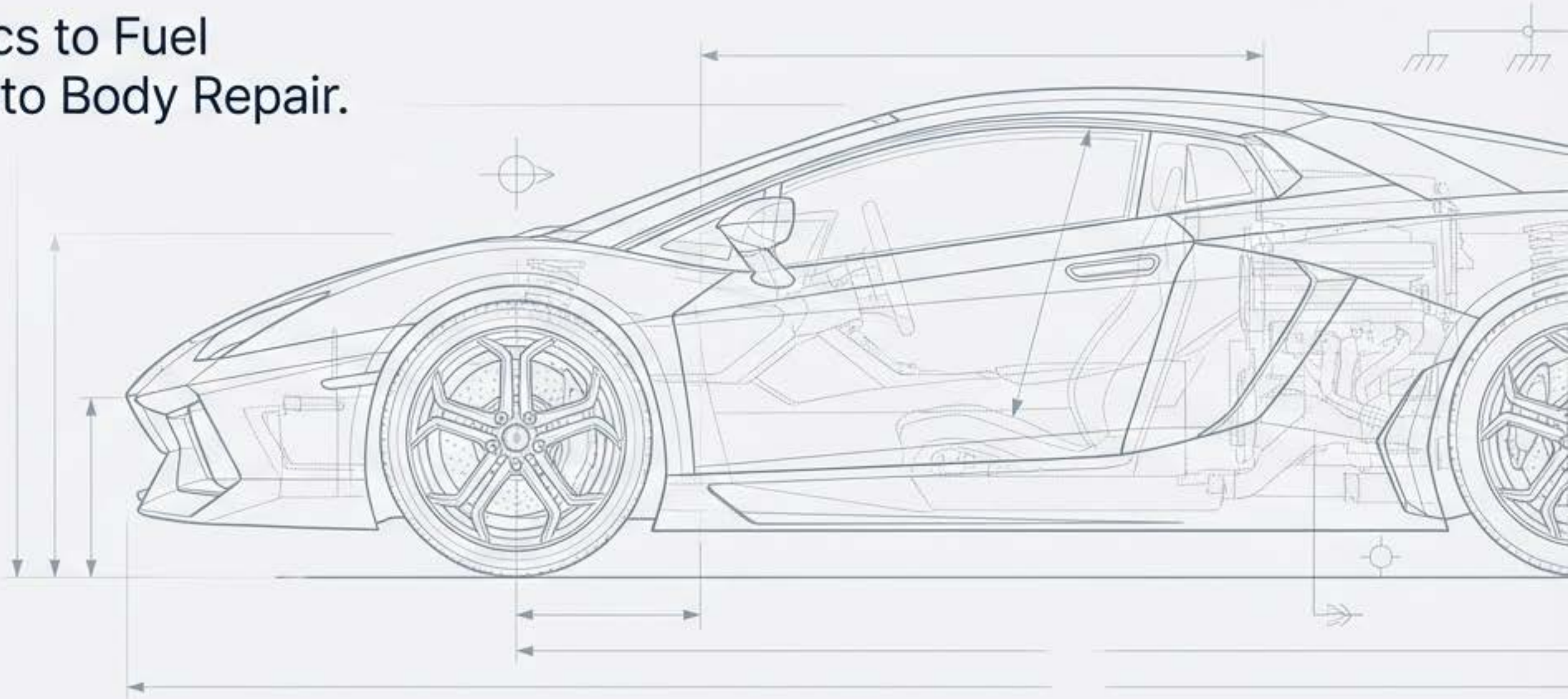


Operational Scaling Strategy: The Path to \$85M EBITDA (2030)

Optimizing Unit Economics to Fuel
Exponential Growth in Auto Body Repair.

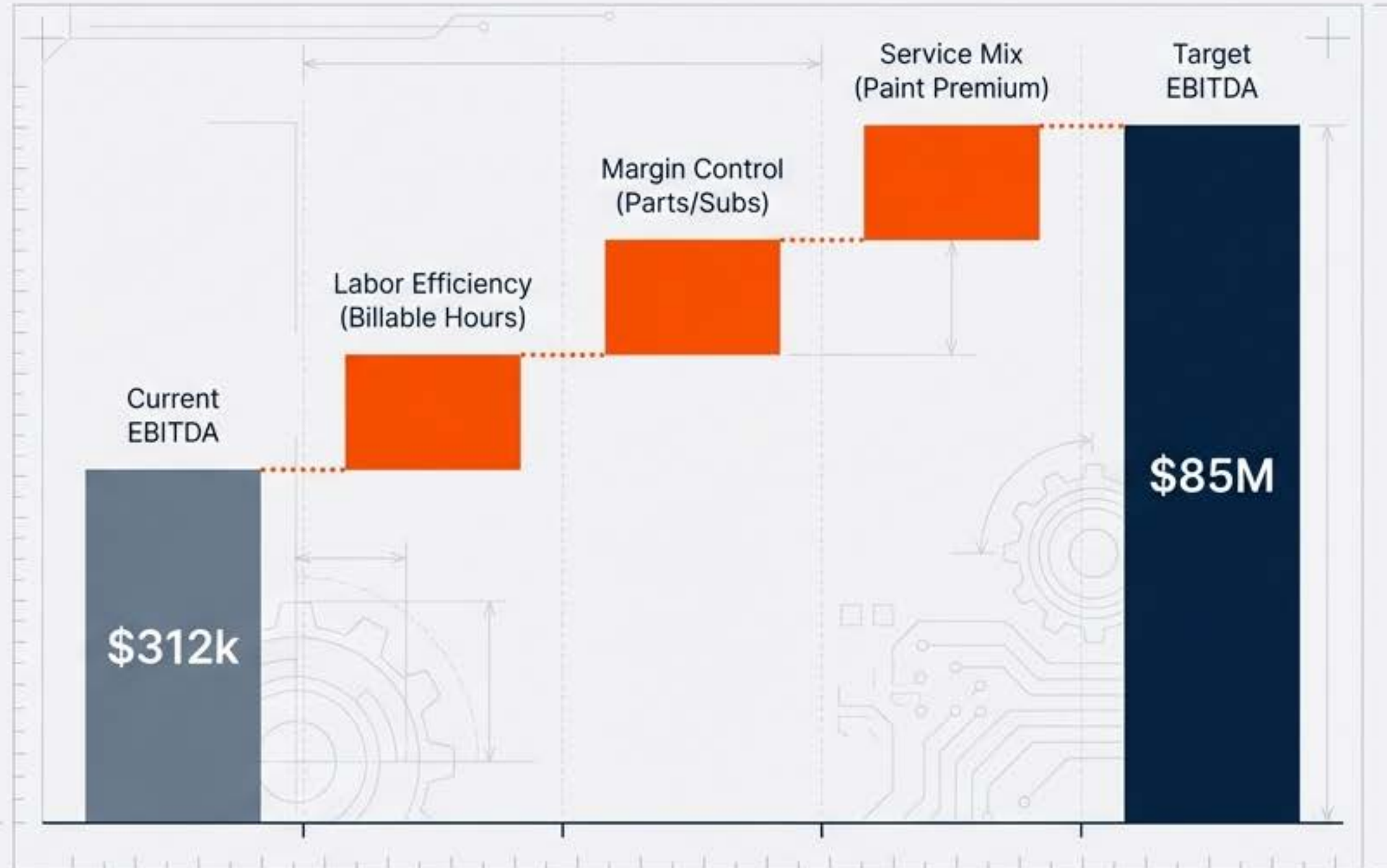


Prepared for Company Stakeholders
Strategic Review

From Local Optimization to Market Dominance

We are moving from a focus on survival (\$312k EBITDA) to a focus on scale (\$85M EBITDA). This requires a fundamental shift in how we manage labor, space, and supply chain.

The core metric is productivity per technician. We cannot just add headcount and hope revenue catches up.



Diagnostic: Efficiency Leaks in the Current Model

Current metrics indicate we are leaving money on the table through workflow inefficiency and cost leakage. Capacity is not the constraint.

	Metric	Current Performance	Target/Insight
	Space Utilization	\$40 / sq ft	\$50–\$65 / sq ft Low figures signal wasted bay space or slow cycle times.
	Technician Output	\$50k / month	> \$50k If <\$45k, investigate parts availability or diagnostic time.
	Cost Structure	Parts: 180% of Rev Consumables: 60% of COGS	Parts: 160% Waste: -10% 1.8x revenue spent on parts is unsustainable.

Revenue Optimization: Maximizing Billable Hours

Revenue is a function of utilization. Increasing billable capture is the most critical financial lever for boosting revenue against fixed labor costs.



Goal: Increase billable hours from 150 to 160 per job by 2027. This represents a 67% increase in revenue per job based on current rates.

Standardizing Process to Capture Lost Value

Hitting 160 hours demands rigid process mapping. Standardization captures lost billable hours and prevents unbilled work.



Time Studies

- ✓ **Action:** Conduct studies per repair type.
- ✓ **Goal:** Establish baseline accuracy.



Training Investment

- ✓ **Action:** Budget tech time for documentation standards.
- ✓ **Note:** An investment in labor accuracy, not a cash outlay.



Weekly Auditing

- ✓ **Action:** Audit 5 random jobs weekly.
- ✓ **Control:** Tie documentation completion to final payment to ensure 100% capture.

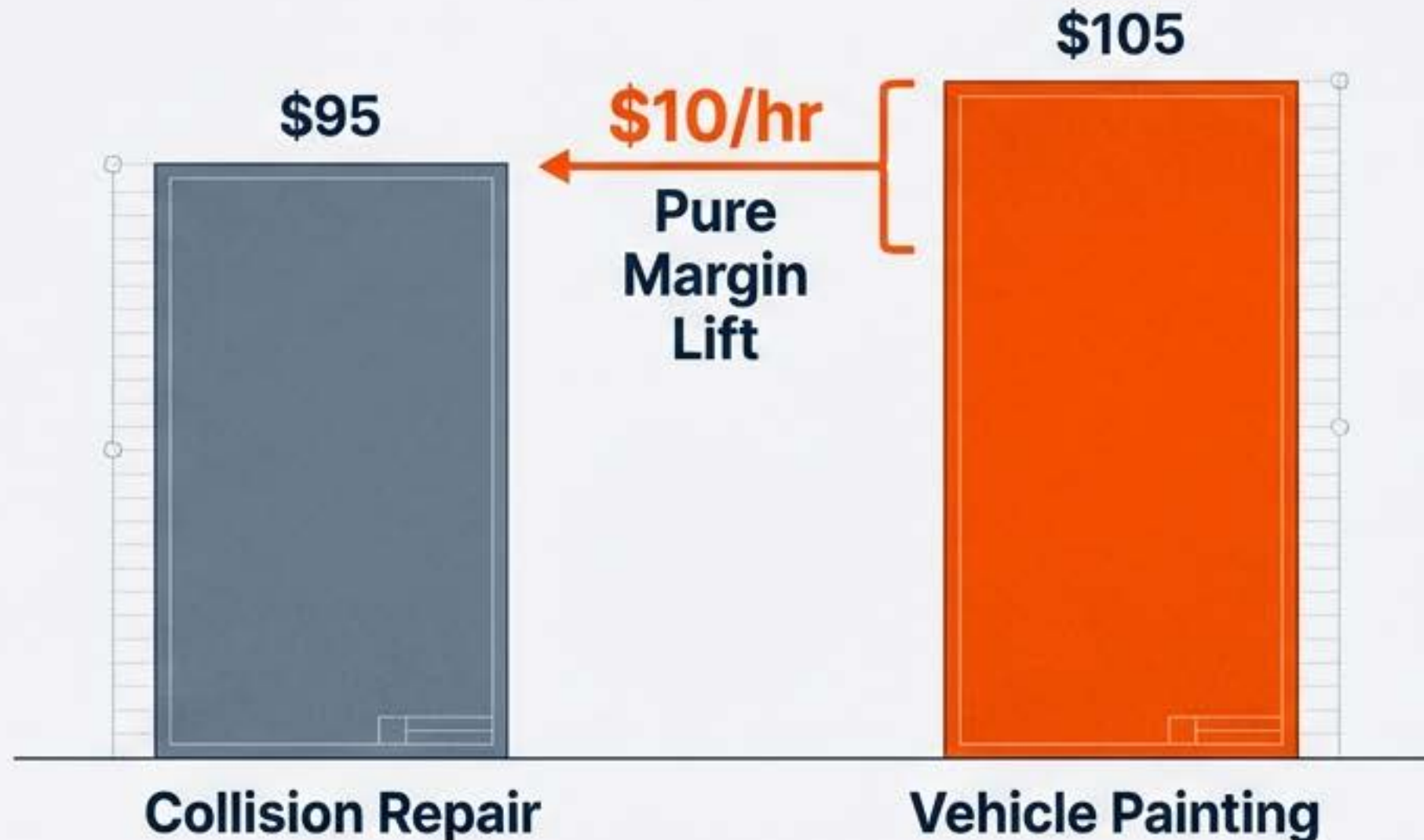


Risk Mitigation: Do not let standardization turn into unbilled work. Every minute documented must be invoiced.

Strategic Mix Shift: The “Paint” Premium

We are shifting focus to high-margin Vehicle Painting to maximize the blended hourly rate.

Gross Profit Impact per Hour



Target: Increase Painting allocation from 400% to 500% by 2030.



Impact: Prioritizing the higher rate adds \$1,000 gross profit per 100 billable hours.

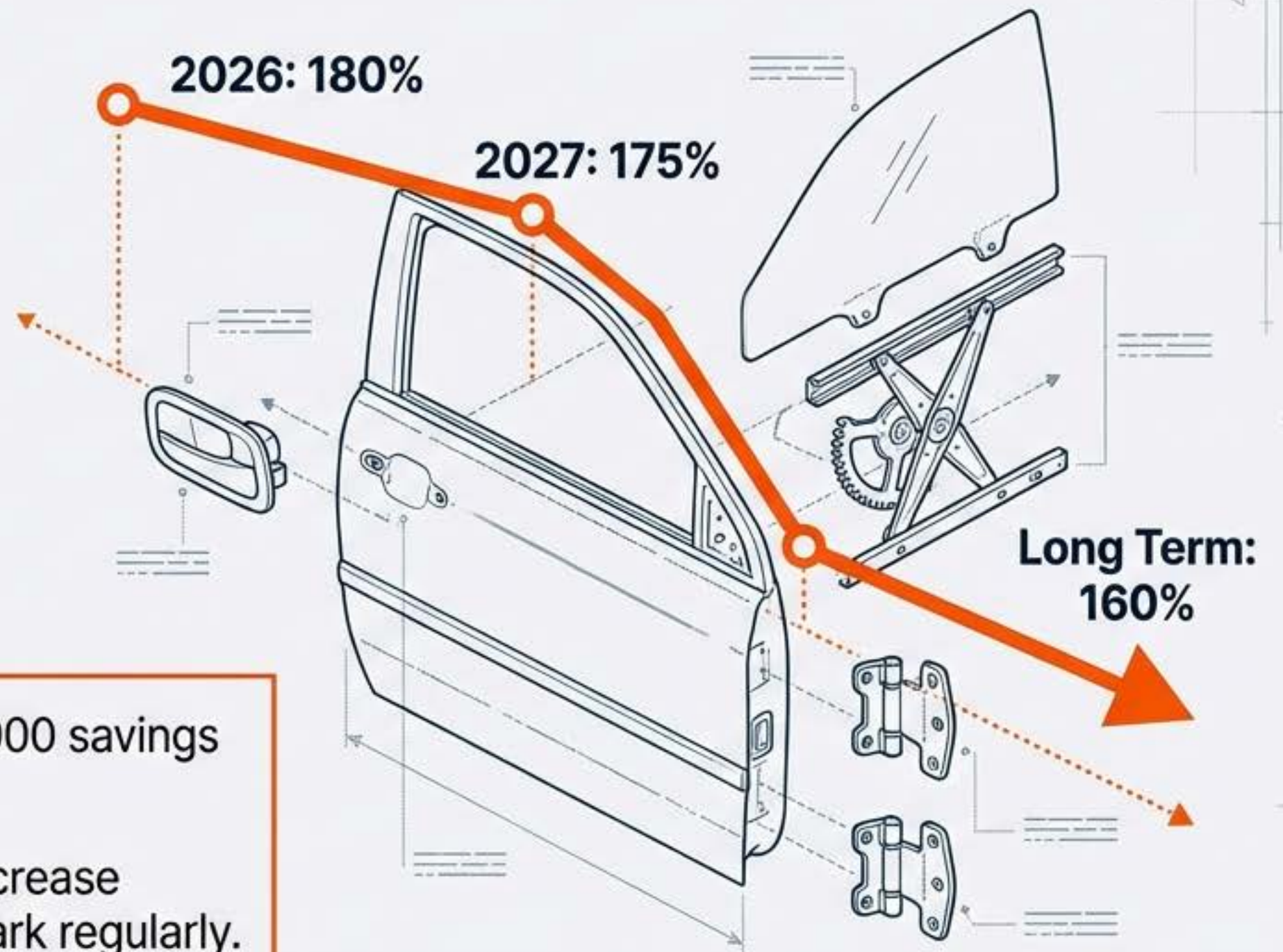


Strategy: If 70% of hours are at the lower \$95 rate, the blended rate suffers. Marketing must drive Paint volume.

Rationalizing the Supply Chain (Parts)

→ Our biggest expense is largely variable. Aggressive vendor management is the fastest path to margin expansion.

→ **Current Reality:** Parts Cost is 180% of revenue.



Financial Impact: A 5% reduction = \$50,000 savings per \$1M revenue.

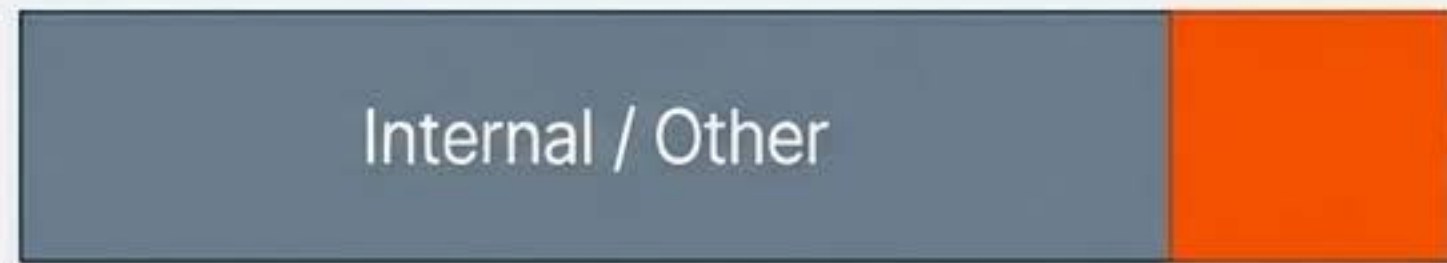
Action Items: Negotiate tiered pricing, increase order size for volume discounts, benchmark regularly.

Labor Strategy: Internalize to Monetize

Subcontracting specialized labor bleeds margin. We will invest in training to keep that profit in-house.

Revenue Allocation

2026 Current State



Subcontracted Labor
15% of Revenue

2030 Future State



Subcontracted Labor
8% of Revenue

Capture 7% Margin Difference



Shift cost from variable (Subcontractor) to fixed (Payroll).



Execution: Audit specialized tasks (frame work, paint matching) and develop internal training paths immediately.

Marketing Efficiency & Acquisition Costs

CAC Target

\$115 ↓ 

Down from \$120.
Lower cost to acquire
high-value jobs.

Budget Efficiency

\$25,000 

Marketing spend must
support the \$1.388M
EBITDA milestone.

Targeting

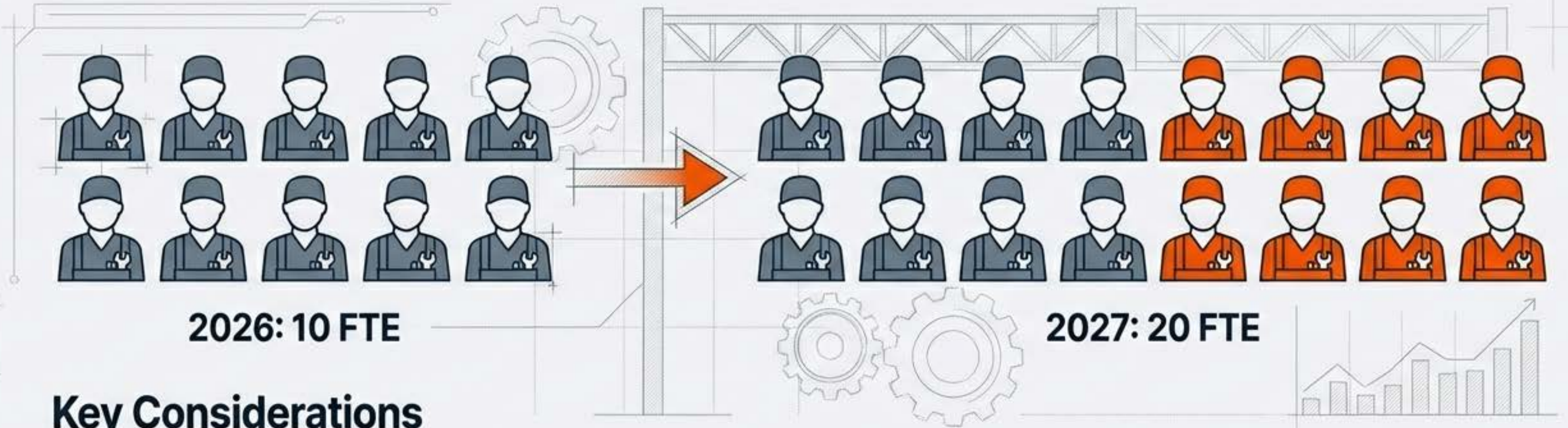
500% → 

Focus spend on Paint
Allocation jobs. Avoid broad
ads for low-margin repair.

To feed increased capacity, we need to lower the cost of acquisition while increasing the quality of the lead.

The Scaling Plan: Doubling the Workforce

Once unit economics are stabilized (2026), we aggressively scale capacity in 2027.



Key Considerations



Cost Reality: Must budget for 'fully loaded' costs (Salary + 35% for benefits/taxes).



Ramp-Up Warning: Hiring too fast drops utilization. Hiring too slow misses billable hours. Timing is critical to prevent margin compression.

Capital Expenditure & Cash Management

CapEx Requirements

Total Initial CapEx:
\$185,000



- Paint Booth: \$75,000



- Frame Machine: \$60,000

- Tooling & Setup: \$50,000

Cash Runway Strategy

\$714,000

Minimum Cash Reserve (Feb 2026)

Critical buffer to cover startup costs and operating deficits.

Feb 2026

Financing Strategy: Lease major assets (like the Frame Machine) to defer \$50k of immediate spend. Preserve the runway.

Consolidated Strategic Roadmap (2026–2030)



⚙️ - Process Documentation

⚙️ - Vendor Negotiation
(Parts -> **175%**)

🔧 - Consumable Waste (-10%)

⚙️ - Double Headcount
(10 -> **20** FTE)

⚙️ - CAC Optimization (**\$115**)

🔧 - Billable Hours -> **160**

⚙️ - **\$85M** EBITDA Target

⚙️ - **500%** Paint Allocation

🔧 - **8%** Subcontracting

“Operational discipline today creates the exponential growth of tomorrow.”

Summary of Financial Impact

Metric	Current State	Future State (Target)
EBITDA	\$312k	\$85M
Billable Hours/Job	150	160
Parts Cost	180%	160%
Subcontracting	15%	8%
Revenue/Sq Ft	\$40	\$50-\$65
Service Mix (Paint)	400%	500%



Break-even within five months
(Assuming strategic cost management execution)