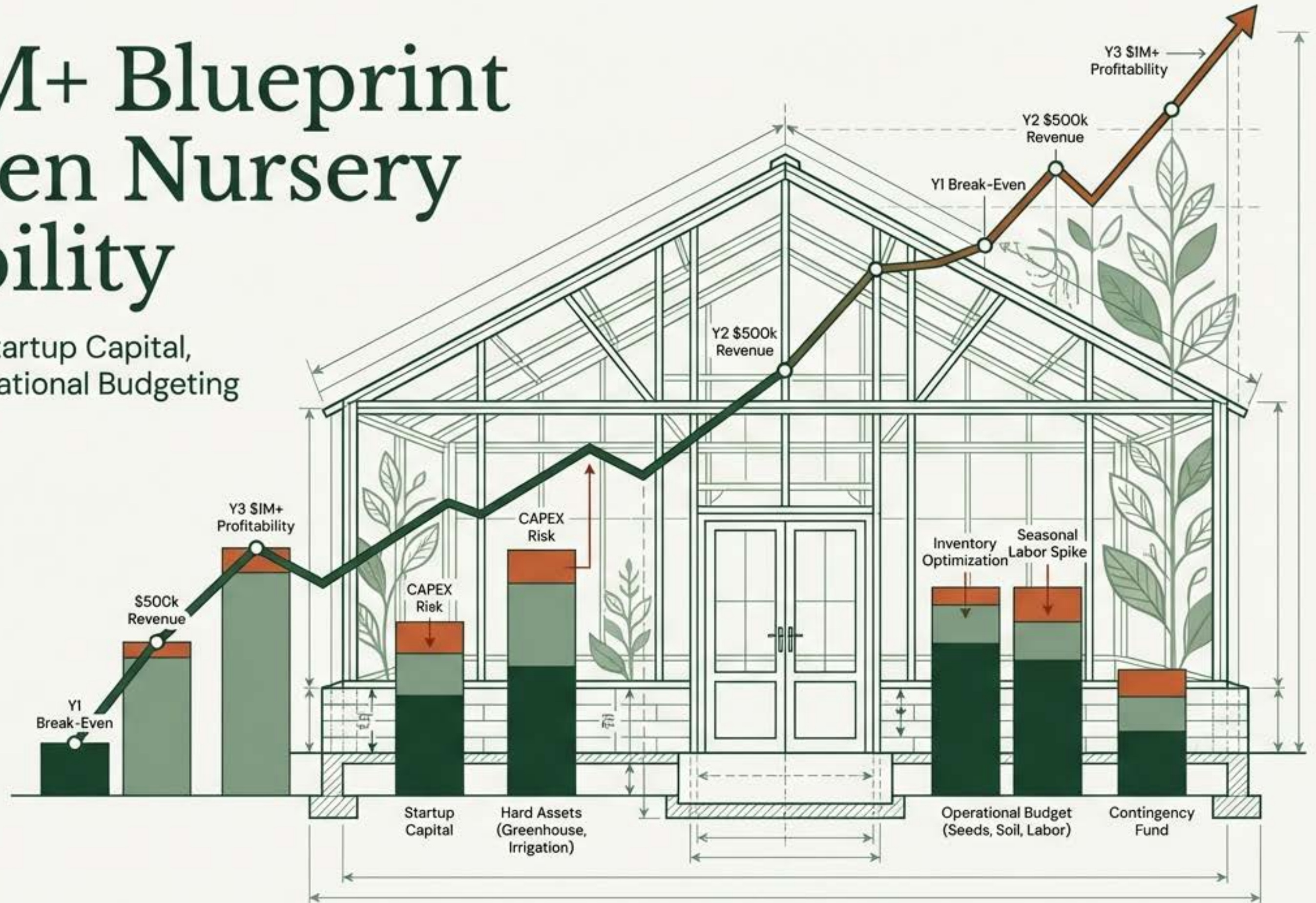


The \$1M+ Blueprint to Garden Nursery Profitability

A Strategic Guide to Startup Capital, Hard Assets, and Operational Budgeting

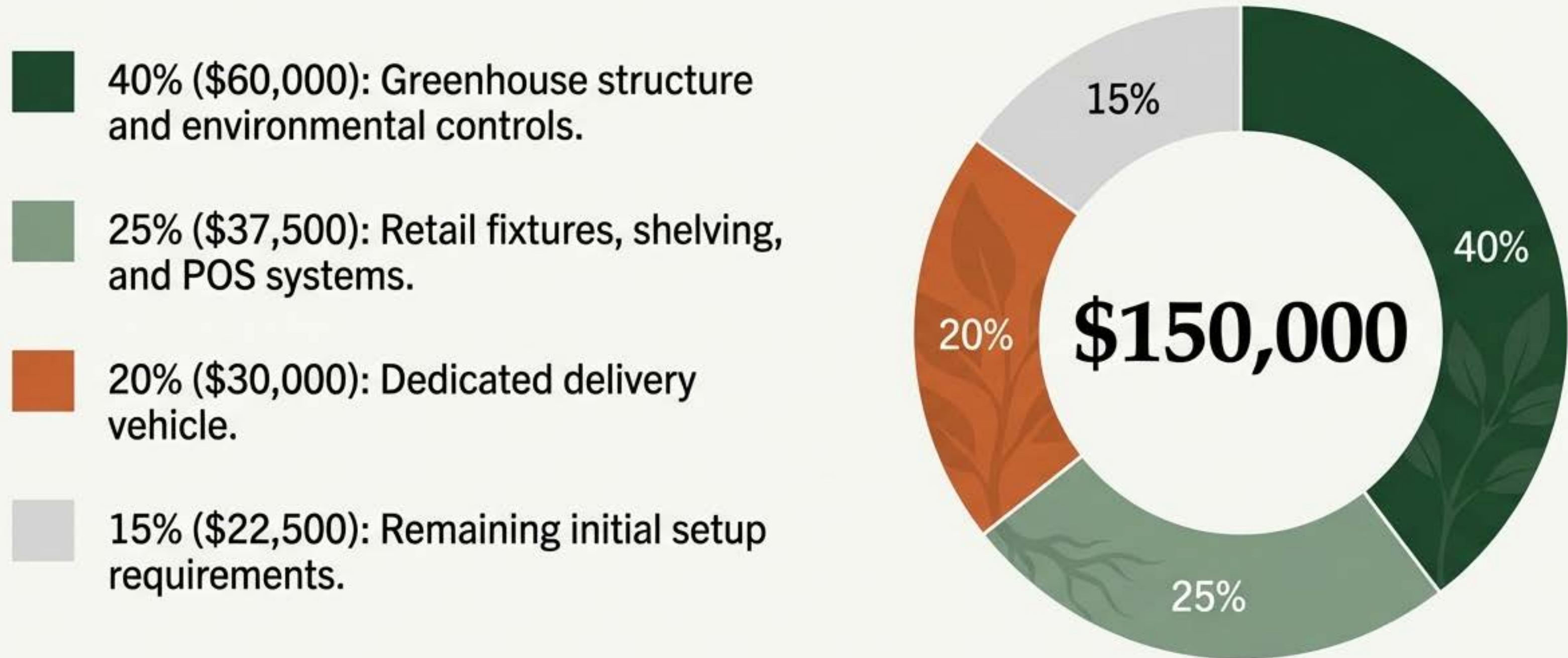


Securing the Year One Liquidity Target



Key Takeaway: Do not set your seed round target without securing this absolute minimum liquidity.

Dominating the Initial Capital Allocation

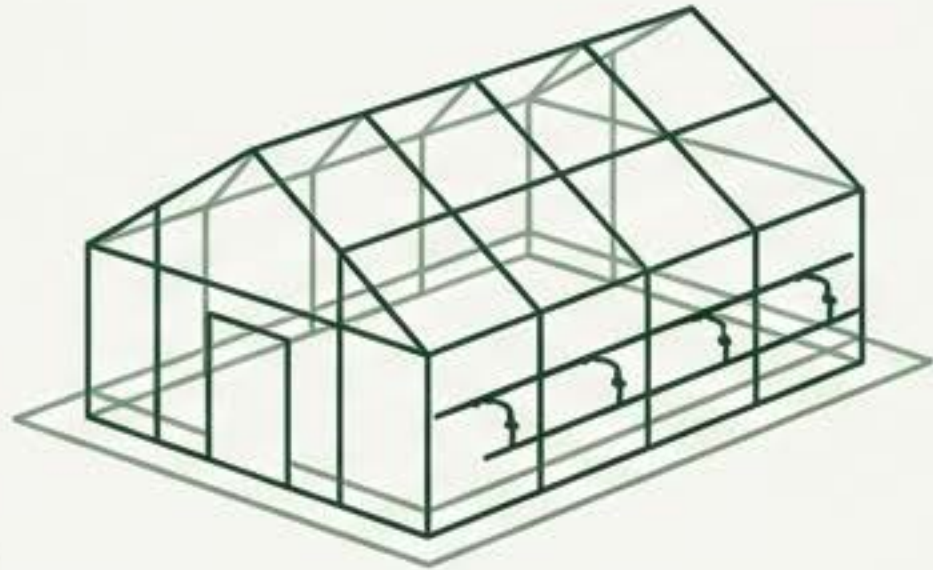


Physical space and infrastructure consume over 60% of startup capital before the first sale is made. Controlling these upfront costs strictly dictates the length of your remaining operational runway.

Securing the Primary Asset: Greenhouse & Irrigation

\$65,000

Total Infrastructure CapEx



- \$50,000 physical Greenhouse Structure
- \$15,000 Irrigation System

Context: This anchors operational capacity and must be secured before planting the first batch of acclimated stock.



Optimization & Risk

- **Start Lean:** Do not overbuild based on future projections. Build only the minimum viable growing footprint to support the initial \$25,000 inventory stock.
- **Delay Upgrades:** Wait on installing advanced, automated climate controls to prevent early scope creep. Benchmark firmly against local supplier quotes and zoning rules.

Balancing Visual Appeal with Transaction Integrity

\$35,000

Setup Capital Need



- \$30,000 retail fixtures and product presentation displays
- \$5,000 Point-of-Sale (POS) hardware and scanners

Context: Necessary for accurate revenue recognition and inventory tracking of perishable items to prevent stockouts and write-offs.



Optimization & Risk

- **Refurbished Savings:** Source used commercial-grade tables and closing retailer racks instead of custom shelving.
- **Hardware Strategy:** Save up to 25% by utilizing refurbished commercial hardware. Focus purely on function over flash; avoid over-buying POS peripherals before peak transaction loads are understood.

Funding Logistics and the Delivery Vehicle

\$40,000

Fixed Asset Budget



Context: Essential asset for moving bulk supplies (soil, large stock) and fulfilling local landscape deliveries, enabling a crucial secondary revenue stream.



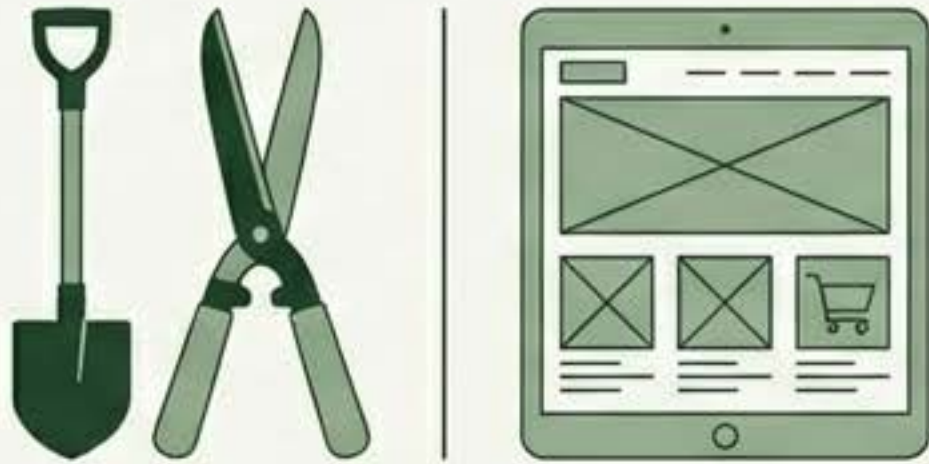
Optimization & Risk

- **Uncover Hidden Costs:** The \$40k budget only covers the purchase. Working capital must absorb initial insurance, registration fees, and 6 months of projected maintenance.
- **Smart Sourcing:** Evaluate certified pre-owned options to save capital. If financing, rigorously check terms to ensure the monthly payment fits within the initial operating cash flow.

Equipping the Operation and the Digital Storefront

\$ 15,000

Tools & Digital Setup



- \$8,000 for durable, commercial-grade operational tools
- \$7,000 for a robust, e-commerce capable website



Optimization & Risk

- **Digital MVP:** Scope the website as a Minimum Viable Product. Integrate existing scheduling modules for workshops instead of building custom software.
- **Timeline Risk:** A delayed website launch kills pre-launch marketing momentum and immediate workshop booking revenue. Do not let the digital launch slip past opening day.

Sourcing Opening Day Inventory Stock

\$25,000

Initial Stock Budget



Context: Funds the first physical live goods (houseplants, perennials, natives) and essential supplies (soil, fertilizer) to establish visual appeal and hit immediate seasonal demand.



Optimization & Risk

- **Stagger Deliveries:** Do not spend the full \$25k at once. Negotiate staggered deliveries with growers to protect cash flow.
- **Strategic Selection:** Avoid overbuying slow-moving or generic material. Map unit counts against shelf space, prioritizing high-margin, climate-acclimated local varieties that match your unique value proposition.

Capitalizing Pre-Opening Payroll Needs

KPI: \$11,667+

Minimum Pre-Opening Wage Allocation



- Covers 2 months of the Nursery Manager's salary prior to opening (\$70,000 annual / \$5,833 monthly).

Context: Requires an additional ~20% cash outlay to cover employer payroll taxes and benefit contributions.



Optimization & Risk

- **Phase the Ramp-Up:** Never pay full salaries for non-essential setup tasks. Align hiring strictly with physical facility readiness.
- **Avoid the Trap:** A common mistake is paying the full team for three months when physical build-out only takes six weeks. Cap training durations to maximize capital efficiency.

Securing the Retail Space: Lease Deposits and Rent

\$18,000+

Initial Lease Cash Outlay



- First month's rent (\$6,000)
- Security deposit equal to two to three months of rent (\$12,000 - \$18,000)

Context: Landlords view new retail nurseries as high risk; failing to secure this exact cash risks losing preferred locations.

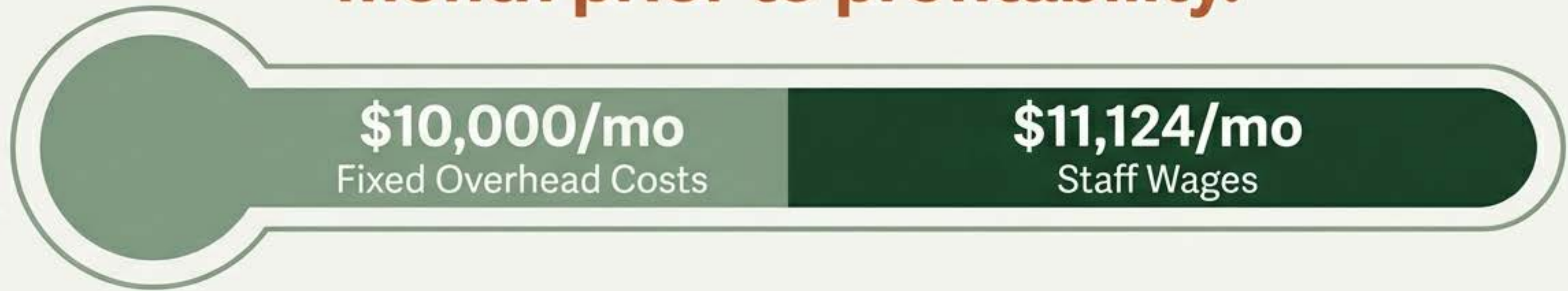


Optimization & Risk

- **Negotiation Levers:** Trade lease length for deposit size. Offer a 3-year commitment instead of a 2-year commitment in exchange for a 1-month deposit.
- **Tenant Improvements:** Aggressively push physical build-out costs and property improvements back onto the landlord's ledger.

Bridging the Gap: The Operational Cash Drain

Total Burn: \$21,124 drained every month prior to profitability.



The Stakes:

If sales projections are overly optimistic in the first six months, this burn compounds rapidly. The **12-month runway (\$253,488)** is **non-negotiable** to survive horticultural slow seasons.

Funding the Engine: SBA Debt vs. External Equity

SBA 7(a) Loans

- Requires 20% to 30% owner equity contribution.
- Highly effective for covering long-term working capital needs.

Constraint: Providers focus heavily on collateral, historical repayment capacity, and clear projections of when inventory turns will cover debt service.

External Investors

- Less focus on physical collateral.
- Map owner income streams and dilution impacts carefully before committing to external equity.

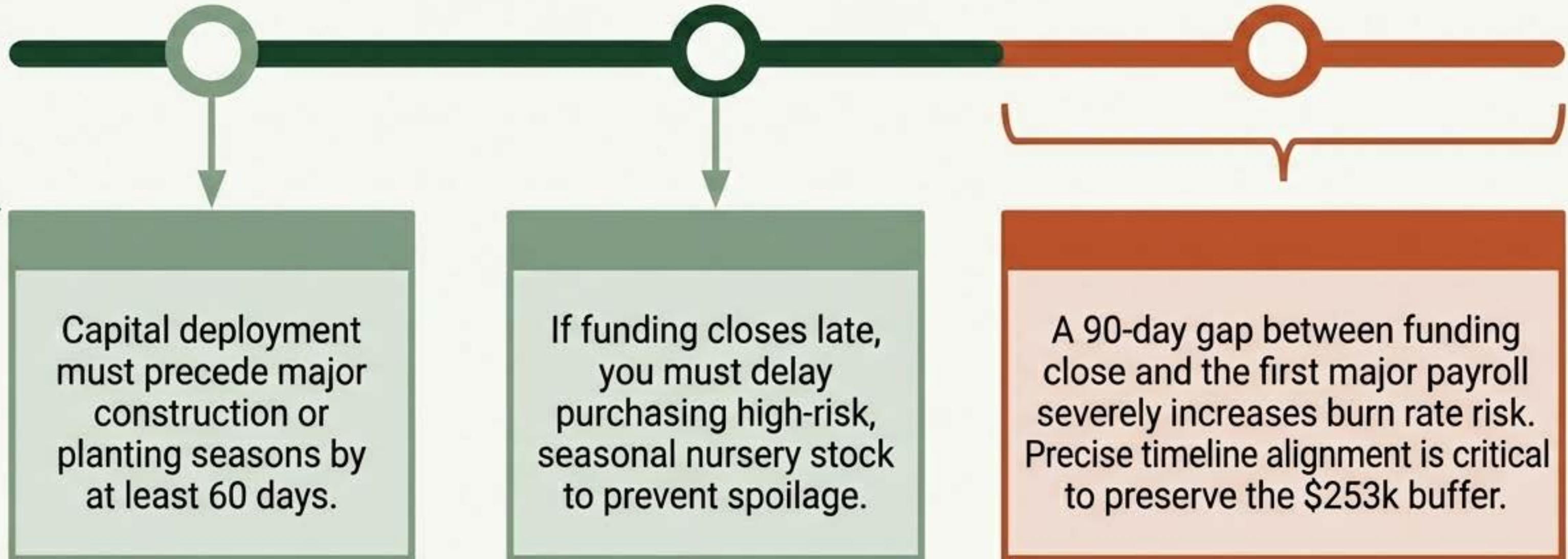
Constraint: Demands significantly faster scaling timelines than debt allows.

Aligning the CapEx Deployment Timeline

-60 Days

Funding
Delays

The 90-Day
Danger Zone



The Financial Payoff: Year One Projections

The Investment

\$1,094,488

Total Initial Liquidity Required.

- \$180,000+ dominated by major initial CapEx (Greenhouse, Vehicle, Setup).

The Reward

Rapid Breakeven

Projected to reach operational breakeven quickly in Month 2.

\$480,000

Year 1 Revenue in projected top-line sales.

\$110,000

Year 1 EBITDA in projected earnings.

Conclusion:

High startup costs shield the business with strong operational capacity, directly enabling robust Year 1 cash flow.

The Founder's Execution Checklist

1

Secure the Total Target

Do not launch without the fully verified **\$1,094,488** liquidity target, including all hard assets and working capital.

2

Control the 60% Upfront

Strictly manage the **\$180,000** allocated to infrastructure and vehicles; utilize refurbished sourcing and minimal viable footprints.

3

Protect the 12-Month Buffer

Defend the **\$253,488** operational runway at all costs; negotiate lease deposits and phase pre-opening payroll to construction milestones.

4

Phase to Seasonal Demand

Do not dump the **\$25k** inventory budget on generic stock; stagger deliveries and prioritize high-margin, climate-acclimated local species.