



Wrench & Wallet

Money and business guides for tradespeople

THE BLUEPRINT SERIES

Auto Repair Shop Opening Workbook

Checklists and worksheets to plan your shop on paper before you sign a lease, borrow money, or buy a lift.

What's inside

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How to use this workbook

Print it, keep it in a binder, and write in pencil, because your numbers will change as real quotes come in. Numbers in *gray italics* are the lean shop example from the blueprint. Replace them with your own. Each worksheet uses the same math as the free calculators on wrenchandwallet.com, so you can check your work online:

- wrenchandwallet.com/how-to-open-an-auto-repair-shop/ (the full blueprint)
- wrenchandwallet.com/auto-repair-shop-startup-cost-calculator/
- wrenchandwallet.com/shop-labor-rate-calculator/
- wrenchandwallet.com/parts-markup-calculator/

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Shop Opening Checklist

Work through it in order. Many steps depend on the ones before them.

You can't register the shop without a lease, and you shouldn't sign a lease before the town confirms zoning. Check each box as you finish it and write the date. The dates become your record of how long each stage really took.

6 to 12 months before opening: plan and save		Date done
☐	Talk to at least three shop owners who will share real numbers, not just opinions.	
☐	Save enough to cover your own living costs for six months to a year.	
☐	Check your personal credit. Most lenders and landlords will look at it.	
☐	Decide your path: start from scratch, buy an existing shop, or franchise.	
☐	Work out your monthly costs and your break-even labor rate (Worksheet 3).	
☐	Call five or six local shops and write down their labor rates (Worksheet 3).	
☐	Write a simple business plan: costs, pricing, target customers, how you'll find them.	
☐	Optional: start mobile repair work on the side to build customers and test your pricing.	

3 to 6 months before: money, building, and business setup		Date done
☐	Line up financing: SBA loan, equipment financing, or your own savings (Worksheet 2).	
☐	Tour buildings, ideally former repair shops with lifts and the right electrical in place.	
☐	Get written confirmation from the town that auto repair is allowed at the address.	
☐	Order a Phase I environmental assessment on any building that's been a garage before.	
☐	Have a lawyer review the lease before you sign, especially triple net terms and any personal guarantee.	
☐	Form your LLC, get your EIN, and file your DBA if you'll use a different business name.	
☐	Open a business bank account and set up bookkeeping.	
☐	Register for sales tax with your state.	
☐	Get insurance quotes from an agent who covers repair shops.	

1 to 3 months before: build the shop		Date done
☐	Sign the lease.	
☐	Apply for state repair shop registration where required (Form VS-1 in New York), plus local permits like a certificate of occupancy.	
☐	Get EPA Section 609 certified if you'll do A/C work.	
☐	Buy equipment, diagnostics first. Have lifts installed and inspected.	
☐	Set up shop management software, repair information, and accounts with parts suppliers.	
☐	Arrange pickups for used oil, filters, coolant, batteries, and tires.	

1 to 3 months before: build the shop		Date done
☐	Put insurance in place: garage liability, garagekeepers, property, and workers' comp if you'll have employees.	
☐	Set your labor rate, parts markup matrix, and diagnostic fee (Worksheets 3 and 4).	
☐	Create your written estimate and repair authorization forms.	
☐	Set up your Google Business Profile, order signs, and start telling people where you'll be.	
Opening week		Date done
☐	Put up your required signs, including the DMV repair shop sign in New York.	
☐	Test every lift and machine before customers' cars go on them.	
☐	Do a soft opening with friends, family, and any fleet accounts you've lined up.	
☐	Track every hour you bill and every dollar in and out from day one.	
First 90 days		Date done
☐	Compare your real numbers with your break-even plan every month.	
☐	Ask every happy customer for a review.	
☐	Make your first quarterly estimated tax payment on time.	
☐	Adjust your pricing if the numbers aren't covering your costs. Waiting doesn't fix it.	

WORKSHEET 2

Startup Budget Worksheet

Same lines as the startup cost calculator. Get real quotes and write them in.

Put the lean example aside once you have quotes. Write where each number came from, so you can go back to the vendor when it's time to buy. Leave a line at zero if you won't need it on day one.

Equipment	Example	Your number	Quote from / notes
Lifts: number x (price + install and inspection)	$2 \times \$6,500$		
Scan tool and diagnostics	\$6,000		
Air compressor and air lines	\$3,000		
Tire changer and balancer	\$0		
A/C recovery machine	\$4,000		
Alignment machine	\$0		
Other shop equipment	\$8,000		
Computers, office, and waiting area	\$3,000		
Equipment subtotal	\$37,000		

Building	Example	Your number	Quote from / notes
Security deposit and upfront rent	\$8,000		
Build-out	\$5,000		
Environmental assessment	\$3,000		
Signs	\$3,000		
Used oil tank and recycling setup	\$1,000		
Building subtotal	\$20,000		

Business setup	Example	Your number	Quote from / notes
LLC, legal, licenses, and permits	\$2,000		
Insurance down payment	\$1,500		
Opening parts and fluids stock	\$5,000		
Launch marketing	\$1,500		
Business setup subtotal	\$10,000		

Add it up

	Line	Example	Yours
A	Setup total: equipment + building + business setup	\$67,000	
B	Contingency for surprises: A x ____ % (10% is a sensible floor)	\$6,700	
C	Working capital: monthly costs incl. your pay \$_____ x ____ months	\$39,000	
D	Total you need to open: A + B + C	\$112,700	
E	Savings you will put in	\$40,000	
F	Loan needed: D minus E	\$72,700	
G	Your share: E divided by D	35%	
H	Monthly loan payment: F divided by 10,000, times the factor from the table below	about \$961	

Reading G, your share. 20% or more is a strong position. 10% to 20% can work but expect lenders to look harder. Under 10% is hard to finance, so look for ways to cut line A or save longer. Working capital (C) is the line most new owners shortchange: three months of costs in the bank is a minimum, not a cushion.

Loan payment table

Monthly payment for every \$10,000 borrowed. Example: \$72,700 at 10% for 10 years is $7.27 \times \$132.15 =$ about \$961 a month.

Interest rate	5 years	7 years	10 years	15 years
7%	\$198.01	\$150.93	\$116.11	\$89.88
8%	\$202.76	\$155.86	\$121.33	\$95.57
9%	\$207.58	\$160.89	\$126.68	\$101.43
10%	\$212.47	\$166.01	\$132.15	\$107.46
11%	\$217.42	\$171.22	\$137.75	\$113.66
12%	\$222.44	\$176.53	\$143.47	\$120.02
13%	\$227.53	\$181.92	\$149.31	\$126.52

Check your total with the startup cost calculator: wrenchandwallet.com/auto-repair-shop-startup-cost-calculator/

WORKSHEET 3

Break-Even Labor Rate Worksheet

What your shop has to charge per billed hour. Same math as the labor rate calculator.

	Line	Example	Yours
1	Rent (add taxes and upkeep if triple net)	\$4,000	
2	Insurance	\$500	
3	Equipment and loan payments (line H from Worksheet 2)	\$1,500	
4	Software and repair information	\$400	
5	Utilities	\$800	
6	Supplies, phone, marketing, other	\$800	
7	What you need to pay yourself each month	\$5,000	
A	Monthly costs: add lines 1 to 7	\$13,000	
B	Tech payroll: techs ___ x pay \$___ x paid hrs/wk ___ x (weeks ÷ 12) x (1 + payroll %)	\$0	
C	Parts profit (optional): parts sales/month \$_____ x gross profit _____ %	\$0	
D	Amount labor must cover: A + B minus C	\$13,000	
E	Your billed hours/month: hours you bill per week _____ x weeks/yr _____ ÷ 12	130	
F	Tech billed hrs/month: techs ___ x paid hrs ___ x productivity ___ % x weeks ÷ 12	0	
G	Billed hours per month: E + F	130	
H	Break-even labor rate: D ÷ G	\$100.00	
I	Target labor rate: H ÷ (1 minus profit target _____ %)	\$117.65	

Example target uses a 15% profit target: $\$100 \div 0.85 = \$117.65$. Most owners bill far fewer hours than they work, so be honest on line E.

Local labor rate survey

Shop	Phone	Labor rate	Diag fee	Notes
Average local rate				

Break-even (H) ÷ average local rate = _____ %

Under 85% room to work **85% to 100%** tight **Over 100%** doesn't work on paper yet

Hours you'd need at the local rate: $D \div \text{local rate} =$ _____ hrs/month

Compare with line G. If it's much higher, cut costs or plan more billed hours before you sign anything.

Parts Pricing Worksheet

Set your markup matrix and check a repair order. Same math as the parts markup calculator.

Markup is not gross profit. Markup = profit ÷ your cost. Gross profit = profit ÷ customer price. A \$100 part sold for \$150 is a 50% markup but only 33% gross profit. Many shops aim for about 55% to 58% gross profit on parts, which takes an average multiplier around 2.2 to 2.4.

Conversion table

Multiplier	Markup	Gross profit
1.25x	25%	20.0%
1.40x	40%	28.6%
1.50x	50%	33.3%
1.65x	65%	39.4%
1.75x	75%	42.9%
1.90x	90%	47.4%
2.00x	100%	50.0%
2.20x	120%	54.5%
2.50x	150%	60.0%
2.75x	175%	63.6%
3.00x	200%	66.7%

Your markup matrix

Part cost	Starter	Yours
\$0 to \$10	3.00x	
\$10.01 to \$50	2.75x	
\$50.01 to \$100	2.50x	
\$100.01 to \$200	2.20x	
\$200.01 to \$500	1.90x	
\$500.01 to \$1,000	1.75x	
Over \$1,000	1.65x	

The starter tiers are a typical example, not a rule. Adjust them to your market and suppliers.

Repair order profit check

Part	Your cost	Qty	Multiplier	Price each	Line total
Brake pads	\$38.00	1	2.75x	\$104.50	\$104.50
Brake rotors	\$55.00	2	2.50x	\$137.50	\$275.00
Brake fluid	\$9.00	1	3.00x	\$27.00	\$27.00
Brake hardware kit	\$12.00	1	2.75x	\$33.00	\$33.00
Total cost (cost x qty)				\$169.00	
Total price				\$439.50	
Gross profit % = (price minus cost) ÷ price				61.5%	
Price needed to hit your target = cost ÷ (1 minus target %)				\$375.56 at 55%	

License, Permit, and Insurance Tracker

Requirements vary by state and town. Confirm each one locally.

The list below covers what most shops deal with. New York examples are noted. Cross off anything that doesn't apply to you, and add anything your town requires in the blank rows.

	Item	Who issues it	Applied	Approved	Cost	Renews
Business						
☐	LLC formation	State (NY Department of State)				
☐	EIN	IRS (free online)				
☐	DBA / assumed name	State or county				
☐	Sales tax registration	State tax department				
Building and location						
☐	Zoning confirmation in writing	Town or city				
☐	Certificate of occupancy	Building department				
☐	Fire inspection	Fire marshal				
☐	Sign permit	Town or city				
☐	Lift installation and inspection	Installer / inspector				
Repair and environmental						
☐	Repair shop registration	State (NY DMV, Form VS-1)				
☐	EPA Section 609 (A/C work)	EPA-approved program				
☐	Used oil, fluids, hazardous waste	State environmental agency				
☐	Waste pickup contracts	Recycler / hauler				
Insurance						
☐	Garage liability	Insurance agent				
☐	Garagekeepers (customer cars)	Insurance agent				
☐	Property / equipment	Insurance agent				
☐	Workers' comp (with employees)	Insurance agent / state				
Your additions						
☐						
☐						
☐						
☐						

NOTES

Notes and Numbers

Quotes, phone numbers, advice from shop owners, and anything else worth keeping.

This workbook is for general informational purposes only and isn't financial, legal, insurance, or tax advice. For guidance specific to your situation, talk to a licensed professional. Full guide and free calculators at wrenchandwallet.com/how-to-open-an-auto-repair-shop/