



10 Low risk businesses that are almost guaranteed to succeed

Description

Answering the *“What business has a 90% success rate?”* question, we list 10 low risk business ventures that are proven to succeed, that have high success rates, from *“boring”* asset-based businesses (like laundromats) to high-profit digital services.

Introduction: The 90% failure myth

You’ve heard the terrifying statistic: *“90% of startups fail.”*

But here’s the secret: that statistic is misleading. It almost exclusively refers to high-growth, venture-capital-backed tech startups trying to become the next Google. It has almost nothing to do with *“Main Street”* businesses. The truth is, some business models are *designed* to be durable.

Before we start, we must **define “success.”** When we talk about a *“high success rate,”* we are not talking about a 90% chance of becoming a millionaire. For this article, we are using the most honest, data-backed metric: the **5-year business survival rate**, as tracked by government bodies like the U.S. Small Business Administration (SBA).

This article is a guide to the business models that have the highest proven success rates. As you’ll see, the path to a high-success venture isn’t about a radical new idea; it’s about providing a clear service for a proven demand.

The businesses that rarely fail: The data on success rates

When you look at the data, a clear pattern emerges: the most durable businesses provide essential, hard-to-disrupt services. The SBA’s *“Frequently Asked Questions About Small Business”* report, which uses official data from the Bureau of Labor Statistics, shows the 5-year success rate for new businesses by industry.

The industries with the **highest** 5-year success rates are:

- **Health Care and Social Assistance:** 58.0%
- **Real Estate and Rental/Leasing:** 55.4%
- **Agriculture, Forestry, Fishing, Hunting:** 55.3%
- **Mining, Quarrying, Oil & Gas Extraction:** 55.0%
- **Construction:** 53.0%
- **Utilities:** 53.0%
- **Manufacturing:** 52.8%
- **Professional, Scientific, & Technical Services:** 50.7%
- **Wholesale Trade:** 50.1%

In stark contrast, high-risk, high-competition industries like **Accommodation and Food Services (restaurants)** have a 5-year success rate of only **35.6%**.

10 Low Risk Businesses with High Success Rates

So how does a founder use this information? You choose a specific, "boring" business model that fits into one of those high-success industries.

Your business risk is dramatically reduced by operating a "tried and tested" business model that has a proven history of success. Here are 10 such business ideas, inspired by the data and experts like **Cody Sanchez (Contrarian Thinking)**.



1. Self-Storage

- **Industry:** Real Estate, Rental, and Leasing (55.4% success rate)

- **Why it Works:** A high-margin real estate play. The “product” is an empty room, meaning very low operating costs, low labor, and predictable, recurring monthly revenue.
- **Unit Economics (Range):** CAPEX: \$2M – \$7M+ (high). Profit Margins: 40-50%.
- **Key Risks:** High initial capital, the risk of local oversupply (too much competition), and a slow fill-up rate.

2. Senior Care (Non-Medical)

- **Industry:** Health Care and Social Assistance (58.0% success rate)
- **Why it Works:** An essential service with a massive, growing customer base (the aging population). Non-medical home care has lower startup costs than a full facility.
- **Unit Economics (Range):** CAPEX: \$80k – \$150k.
- **Key Risks:** This is a complex business. It requires **strict licensing and regulation**, high staffing costs, and significant liability/insurance.

3. Laundromats

- **Industry:** “Other Services” (48.4% success rate, but a proven model)
- **Why it Works:** An essential, recession-proof service. It requires minimal labor and generates predictable cash flow. It’s a classic system-based business, as described in **Michael E. Gerber’s *The E-Myth Revisited***.
- **Unit Economics (Range):** CAPEX: \$200k – \$500k. Profit Margins: 25-35%. Payback (est): 5-7 years. (Source: IBISWorld, industry data).
- **Key Risks:** High utility costs (water, gas), rent on a good location, and machine maintenance.

4. Rental Properties

- **Industry:** Real Estate, Rental, and Leasing (55.4% success rate)
- **Why it Works:** You are acquiring a hard asset that appreciates in value while generating monthly cash flow from tenants.
- **Key Risks:** Requires significant capital for a down payment, risk of bad tenants, and unexpected, high-cost repairs (e.g., new roof, new plumbing).

5. Car Washes

- **Industry:** “Other Services” (48.4% success rate)
- **Why it Works:** A simple, system-based business with high-profit margins. It can be semi-automated (like self-serve bays) and has a clear, repeatable process.
- **Key Risks:** High upfront cost for equipment and location, high water/utility bills, and local competition.

6. Transportation & Logistics (Local)

- **Industry:** Transportation & Warehousing (48.9% success rate)
- **Why it Works:** The essential “plumbing” of the economy. As long as people buy things online, there will be a need to move packages. This can be scaled from a single “last mile” delivery van.
- **Key Risks:** High fuel and insurance costs, driver shortages, and high competition on rates.

7. B2B IT Support (Consulting)

- **Industry:** Professional, Scientific, & Technical Services (50.7% success rate)
- **Why it Works:** This is the “low-risk” version of a modern service. Instead of chasing individual consumers, you provide an essential, high-margin service to other businesses on a monthly retainer.
- **Unit Economics:** Startup Cost: <\$5,000. Profit Margins: 50%+.
- **Key Risks:** High competition and the “feast or famine” cycle of finding B2B clients.

8. Landscaping / Glass Cleaning

- **Industry:** Administrative & Support Services (47.1% success rate)
- **Why it Works:** A low-cost “tried and tested” model. You can start with minimal equipment (a lawnmower, a squeegee) and build a roster of recurring clients (homes, businesses).
- **Unit Economics:** Startup Cost: <\$5,000.
- **Key Risks:** Labor-intensive (hard to scale past yourself), seasonal, and sensitive to local competition.

9. Vending Machine Routes

- **Industry:** Retail Trade (41.7% success rate)
- **Why it Works:** While “retail” is lower, this is a *niche* model. It’s a scalable, low-cost asset business. You aren’t paying for a full storefront, just the machine.
- **Unit Economics (Range):** CAPEX: \$3k – \$5k per machine.
- **Key Risks:** Finding good, high-traffic locations is difficult. It’s a low-margin, high-volume game.

10. Home Repair / Handyman Services

- **Industry:** Construction (53.0% success rate)
- **Why it Works:** This model, from *The \$100 Startup* playbook, monetizes a skill you already have. It has almost no startup cost and high, immediate demand.
- **Unit Economics:** Startup Cost: <\$1,000 (for tools you own).
- **Key Risks:** You are trading time for money. It’s difficult to scale past your own two hands without facing the challenges of hiring.

“The path to wealth is paved with boring businesses.” • **Cody Sanchez**

Final thoughts

The path to a high-success business isn't a Silicon Valley moonshot. It's not a high-risk tech idea. It's about choosing the *right* model from the start.

The data shows that success isn't about a radical, new-to-the-world invention. It's about choosing a durable, essential, “tried and tested” model, often in a “boring” industry, and executing it well.

Of course, no business is a 100% guarantee. All success depends on your management, your location, your financing, and your due diligence.

Ready to model your new business idea? Download our complete [Business Plan Template](#) and [Financial Plan Template](#) to map out your costs and path to profit.

Frequently asked questions (FAQ)

- **What business has a 90% success rate?**
While that 90-95% number is often quoted for businesses like laundromats or self-storage, it's not a verifiable government statistic. The most reliable, data-backed number is the 5-year survival rate from the SBA, which is the most honest measure of a high success rate.
- **What business has the highest success rate?**
According to 2024 SBA data, Health Care and Social Assistance (58.0%) and Real Estate and Rental/Leasing (55.4%) have the highest 5-year success rates (survival rates) of all major industries.
- **What are the most profitable low-cost businesses?**
As highlighted by Shopify, the most profitable businesses with low startup costs are skill-based services. This includes online consulting, tutoring, selling online courses, content creation, affiliate marketing, and event planning.
- **Why do “boring businesses” like laundromats rarely fail?**
Their high success rate is built on three things: they provide an essential, low-cost service that people need even in a recession; they generate predictable cash flow; and they are simple systems (as described in The E-Myth) that do not depend on a “genius” founder to operate.
- **What industries have the lowest success rate?**
According to 2024 SBA data, Accommodation and Food Services (restaurants) has one of the lowest 5-year success rates (35.6%), due to high overhead, intense competition, and low-profit margins.

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