

prison  
entrepreneurship  
program

Business Plan Competition  
January 23-24, 2020

Tyrone  
Olive Construction

Prison Entrepreneurship Program  
P.O. Box 926274  
Houston, TX 77292  
(832) 767-0928  
[www.pep.org](http://www.pep.org)

# *Olive Branch Construction*

*“Olive Branch Construction where we take pride in bringing your renovation and remodeling ideas to life.”*

Business Plan  
January 2020

*Tyrone*  
Owner & Founder

## **TABLE OF CONTENTS**

---

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>PERSONAL FIT .....</b>	<b>2</b>
<b>OPPORTUNITY .....</b>	<b>3</b>
<b>SOLUTION .....</b>	<b>4</b>
<b>CUSTOMERS .....</b>	<b>5</b>
<b>DIFFERENTIATORS .....</b>	<b>6</b>
<b>EXTRAS .....</b>	<b>7</b>
<b>MARKETING .....</b>	<b>8</b>
<b>RÉSUMÉ .....</b>	<b>ATTACHED</b>
<b>FINANCIAL PROJECTIONS .....</b>	<b>ATTACHED</b>

**EXECUTIVE SUMMARY**

<b>Opportunity</b>	<b>Purpose</b>	<b>Solution</b>																																				
<p>There is an increasing need for carpenters and finishers with the growing house market in Austin, TX.</p>	<p>Olive Constructions' purpose is not only providing excellence in remodeling, renovation, and make readies, but also in sharing God's purpose in renovating and remodeling our lives.</p>	<p>Olive Construction will fill the need for contractors offering fair pricing and quality work.</p>																																				
<b>Customers</b>	<b>Differentiators</b>	<b>Extras</b>																																				
<p>People who require maintenance or upgrades on their properties.</p>	<p>Will offer competitive pricing and will guarantee the quality of our work. Additionally, our staff are hired on their skill as well as their good morals and values</p>	<p>Tracking of progress and materials USFD as well as credentials of persons on job via online.</p>																																				
<b>Marketing</b>	<b>Financials &amp; Extras</b>	<b>Start-up Costs</b>																																				
<p>Word of mouth and advertisements on vehicles will be the main source of marketing as well as social media.</p>	<table border="0"> <tr> <td>Sales:</td> <td style="text-align: right;">\$ 1,462,500</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right; border-top: 1px solid black;">752,300</td> <td style="text-align: right; border-top: 1px solid black;">51%</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">710,100</td> <td style="text-align: right;">49%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right; border-top: 1px solid black;">198,300</td> <td style="text-align: right; border-top: 1px solid black;">14%</td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">511,800</td> <td style="text-align: right;">35%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">127,900</td> <td style="text-align: right;">9%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right; border-top: 1px solid black;">38,500</td> <td style="text-align: right; border-top: 1px solid black;">3%</td> </tr> <tr> <td>Net income</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 345,300</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">24%</td> </tr> </table>	Sales:	\$ 1,462,500	100%	COGS	752,300	51%	Gross profit	710,100	49%	Overhead	198,300	14%	Pretax income	511,800	35%	Tax expense	127,900	9%	Owner withdrawals	38,500	3%	Net income	\$ 345,300	24%	<table border="0"> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">\$ 7,560</td> </tr> <tr> <td>Owner investment - equipment</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td style="text-align: right;">17,000</td> </tr> <tr> <td>Start up financing</td> <td style="text-align: right;">-</td> </tr> <tr> <td><b>Total start up costs:</b></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><b>\$ 24,560</b></td> </tr> <tr> <td><b>Plan Purpose:</b></td> <td style="text-align: right;">Start-Up</td> </tr> </table>	Owner investment - cash	\$ 7,560	Owner investment - equipment	-	Vehicle and/or equipment loan	17,000	Start up financing	-	<b>Total start up costs:</b>	<b>\$ 24,560</b>	<b>Plan Purpose:</b>	Start-Up
Sales:	\$ 1,462,500	100%																																				
COGS	752,300	51%																																				
Gross profit	710,100	49%																																				
Overhead	198,300	14%																																				
Pretax income	511,800	35%																																				
Tax expense	127,900	9%																																				
Owner withdrawals	38,500	3%																																				
Net income	\$ 345,300	24%																																				
Owner investment - cash	\$ 7,560																																					
Owner investment - equipment	-																																					
Vehicle and/or equipment loan	17,000																																					
Start up financing	-																																					
<b>Total start up costs:</b>	<b>\$ 24,560</b>																																					
<b>Plan Purpose:</b>	Start-Up																																					
<b>Personal Fit</b>																																						

I have over 25 years of combined experience in hospitality, construction and management and I have a passion for providing a service that will last long after I am gone.

## PERSONAL FIT

---

I was born November 12, 1972, in Altus, Oklahoma at Jackson County Memorial hospital. I am the oldest of three. Jeff's younger than me and our sister, Yolanda, who is a year younger than him. We were brought into a single parent environment. My mother was in the military and worked very hard to ensure we had what we needed. She worked so much there would be large amounts of time spent with my grandmother. My mother was also very strict and education is very important to her. Missing school could mean death. That being said I enjoyed school and church so skipping or not trying never occurred to me. I graduated high school in 1991 and went straight into college. After graduating high school I moved out of my grandmother's because of a disagreement over something I would most likely consider trivial today. It was that same stubborn streak I had growing up. Compounded with my lack of experience and male guidance that led to my fumbling through life searching for answers. While in college I became intrigued with the drug life and abandoned the Christian values along with the values my mom and grandmother instilled within me growing up. So instead of receiving a Bachelors in science I received a PhD in the streets. Some of the curriculum included womanizing, hustling and even robbing. I lived that life for nine years until the year 2000 when I went to prison for possession with intent. I was in prison for two years and seven months. The problems started occurring when I got back with my co-defendant, who was my girlfriend, when we were both convicted in 2000. I was charged with domestic violence when I tried to prevent her from driving drunk. I was violated and sent to prison in 2004 and released in 2006 and successfully completed parole on 2007. I succeeded at everything I attempted often achieving a position in management at some level at most.

Eventually I found my passion in two industries, hospitality and construction. I have left a positive imprint all across America because of the numerous construction events I have participated in. It was in my personal life that I still suffered. I had an ability to ignore red flags because I followed my heart and failed to use my head as a result I was charged with domestic violence in 2016 and because of the 2004 charge they made it a third degree felony and sent me to prison. I was angry for several reasons coming to prison this time at the judicial system for not considering my side of the events that transpired. I'm angry for not having the opportunity to complete probation to redeem myself. I was angry for losing my most prized possessions. And most of all I am angry for not being there for my mother and grandmother with their recent health crisis. When I should have been angry at myself for staying in a toxic situation. The journey to understanding and self-improvement led me to PEP where I found the answers I have been missing most of my life and now not only have I been reacquainted with the Most High God. I understand why I had chosen and remained in toxic relationships. Going forward, I have made a commitment to not only acknowledge red flag situations but not allowing myself to become attached to them by removing myself from the situation. I realize that I have the power to change. My business comes from my life experiences, hospitality, and construction. As an owner I will mentor my guys in all of these areas as well as hold them to a higher standard. These qualities will be a part of our uniform and a way of everyday life.

## OPPORTUNITY

---

- Can I solve the problem given my skills and personality?
  - I have over 25 years combined in experience. 5 years as an Assistant Area Manager in inventory, 7 years as a Merchandising Manager, 4 years in hospitality industry at the front desk and 10 years in construction with 2 of those years being a subcontractor.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
  - My company's foundation and principles cover the unsolicited needs of the customer while allowing ourselves to provide the customer with a step by step map of the service to be provided, materials to be used and time of completion as well as any changes made by the customer or the supply chain and how it affects materials used and time of completion.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
  - I will be present full time with my crew. Showing by example how I expect my company to be represented. I will always be looking for model employees to step into lead positions as our company grows.
- Is there growth potential to expand my business, or is this a dying market?
  - The potential for growth in this market is limitless. I plan to highly compete and have a sustainable advantage that will impact the market.
- How soon can I get my business up and running?
  - I will be bringing my vision to reality in Austin, TX sometime after February 2022.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
  - While it will infinitely be easier to get started with a modest initial investment, I can also achieve my dream through hard work and determination.
- Is this something I would be proud to share with my family and parole officer?
  - I will be more than happy to share my vision with anyone, and I welcome anyone to participate as a supporter or as a customer.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
  - Yes it is.
- Would my business start as a part-time venture or need to be full time?
  - It will depend on my ability to achieve my initial investment goal. If I am unable to achieve proper financing I will work on it part time while I work and make the proper network to start the business full time.

## SOLUTION

---

- Is what I am offering filling the customer's real need?
  - Yes, it will give the customer reassurance that my company has done the research, time of completion, materials used and the progress on the job.
- What are the benefits (not features) that I am providing?
  - Confidence that the customer has picked the right company for the job.
- Why can I do this better than another business (competitor)?
  - Increased "free" networking from the satisfaction of customers and positive word of mouth, thereby decreasing the amount of money spent on advertisement.
- How will I deliver this better idea to my customers?
  - In order to achieve positive word of mouth, I will deliver the best possible quality and overall experience.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
  - Yes, my competitors do not do this, so my competitive advantage will be unique.
- Is my solution consistent with my passion for selling?
  - Yes, my passion is to attract potential customers to something new and have never been seen in the construction industry.
- Is the price of my solution equal to or less than the customer's pain?
  - I believe that the price of my solution is less than the customer's pain because I believe I am going that extra mile to relieve that pain.
- Is the approximate cost of my solution lower than the price?
  - Lower when you love what you do, it is not considered work.
- Do I need a fixed location (Storefront) or is this a mobile business?
  - Customers will not need to meet me in an office, therefore all I will need is a storage place to hold tools and materials as well as use for employee meetings.
- Do I offer a guaranty or return policy?
  - Yes, I guarantee that my customers will be satisfied, otherwise we will re-work what is possible.

## **CUSTOMERS**

---

### **Demographics:**

- Will my service have different appeal to men versus women?
  - Women will have more to gain from my business because they are less likely to perform this kind of work. Men will also gain from the same aspect as well as being too busy to do the job themselves.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
  - Most cases it will be 25 and up as home owners as well as landlords.
- Does my customer need to be married, single or does it matter?
  - It really has no relevance to the service my company provides.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
  - I see no barriers to extending my services from language or race.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
  - My ideal customers are those who desire to increase the value of their assets by investing in them.

### **Income:**

- Does my customer need a certain income (rich, middle class, poor)?
  - Given the fact that the services that I provide are to homes and their property, my customer will be in a financial position to benefit from my services.
- Does my customer need to own specific assets (car, house, boat)?
  - My customer needs to own the home or be entrusted with the procurement of my services.

### **Location:**

- Where will I sell to my customers (their home, their workplace, on the street, online, my store, an event like trades day)?
  - I will be selling my services to my customer wherever they are needed.
- Do I go to my customer (home service) or does my customer come to me?
  - I will be meeting with my customer wherever the services are needed.

- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
  - It does not matter where the customer lives or the neighborhood they live in.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
  - As long as my customers are within a 50 mile radius, it doesn't matter where they are located.
- How easily can I find this customer (one at a time or they will provide referrals)?
  - These customers will become available by networking and references.

**Other:**

- Can I reach these individuals as a group or do I need to find and sell to them individually?
  - I believe that while I can reach customers in groups I will have to sell my services individually because my customers will have a different situations that need to be met.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
  - The customer that engages in this type of improvement will always have another project in mind.

**DIFFERENTIATORS**

---

<b>My Competitors</b>	<b>Direct or Indirect</b>	<b>Promotion</b>	<b>Price</b>	<b>Their Advantages</b>	<b>Their Disadvantages</b>	<b>My Differentiators</b>
Austin's Fencing Builders	Direct	Billboards, T.V. and Internet	Varies	Manpower and well known	Does not do small jobs	Cost Effectiveness, Personal Focus
R & R Construction	Direct	T.V. and Internet	Varies	Manpower and well known	Does not do small jobs	Cost Effectiveness, Personal Focus
Home Depot	Direct	T.V. and Internet	Varies	Training Sessions	Time Consuming	Personal Focus

## **EXTRAS**

---

### **External Extras:**

- Do you have a connection with a supplier in your industry?
  - I have no established connections within my industry.
- Do you have access to a favorable location for your business?
  - Not at this time.
- Are you going to be the first company of your type in your chosen area operations?
  - No.

### **Internal Extras:**

- Do you have a new or cutting edge concept?
  - My new tracking capabilities, given to my customers, is new and at their fingertips.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
  - I am great at delivering something a customer needs as long as I believe in it. I am motivated to see my business succeed, so I will offer flexible and specialized scheduling that my competitors cannot match.
- Are you an especially charming or personable person?
  - I believe in myself and the services I provide have rewards within the finished product. I am a confident person and worker and this will be portrayed to my customers.

## **MARKETING**

---

### **Message:**

- What are three things your company name (with no other information provided) says about your company?
  - My name means anointed messiah or messenger. It also means Israel disciple, but what most will see is peace, goodwill and honesty.
- What is your tagline?
  - Olive Branch Construction where we take pride in bringing your renovation and remodeling ideas to life.
- How does your name and tagline make you different than your competitors?
  - My tagline shows the scope of my mission.
- Can your message be effectively conveyed through multiple types of media?
  - Yes.
- Is your message effective across different demographics?
  - Yes.
- Is your pricing consistent with the market for similar offerings?
  - Yes, I will also be offering extra incentives for choosing us. Some incentives include: future project discounts up to 20%, referral bonuses, free t-shirt, etc.

- Is your pricing consistent with the degree of personalization?
  - The price will change with the services provided, but the passion will always remain.

**Media:**

- What are three types of media you will use to reach your customers?
  - Advertising on my vehicles, business cards, social media as well as the deal app.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
  - 50 people.
- Once you've reached your typical customer, how many will actually buy from you?
  - Three to four.
- For each of the three, what do you think the estimated cost will be?
  - \$250
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
  - About \$250 initially and maybe \$50 a month after that.
- How will you collect customer reviews?
  - I will ask my customers to give me feedback on the next door app so that others can see the reviews as well as me.

## RESUME

---

### **Tyrone**

1100 Hwy 1807

Venus, TX 76084

Cell 999-999-999, myaccount@gmail.com

### **Experience**

#### ***Sub Contracted Construction***

2015-2018

Performed construction work

Skilled with tools and direct labor hands work

#### ***Operations Manager***

2012-2014

- In charge of inventory control, book keeping and customer relations

#### ***Merchandise Manager***

2007-2012

- Analyzed store layout to blueprint specs
- In charge of inventory control
- Performed audits

#### ***Hospitality***

2003-2004

- Checked guests in and out,
- Performed night audits and attended to guest needs

### **Skills**

- **Fork lift driving**
- **Construction**
- **Management**
- **Inventory Specialist**
- **Hand Tools**
- **Computer skills**

### **Education/Certifications**

#### ***PEP***

May 2019-January 2020

Values-based entrepreneurship program of intensive three-month leadership academy and six-month business plan competition with training in business, marketing, finance and competitive strategies. Participants are coached by top executives and MBA advisors from universities across the country culminating in a 30-minute presentation to CEOs and investors. Graduates earn certificate in Entrepreneurship from Baylor University's Hankamer School of Business.

#### ***Army Intricate Training***

1992

Veterinary Inspection Specialist Certificate

Owner's name	Tyrone
Company name	Olive Branch Construction
<b>NAICS Business Classification</b>	
Sector (general classification)	23 Construction
Sub-sector (more specific classification)	236: Construction of Buildings

**Start-up Costs**  
**Year 1**

**Assumption 4 - Total Uses**

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	500
cell phone purchase	60
car/truck down payment, if leased	1,000
permits	300
supplies, office & misc.	500
Brooms, Shovels & Rakes	200
Drills, Saws ect.	1,000
Compressors	1,000
Air hoses, Guns & Sprayers	1,000
<b>Cash needed for start-up expenses</b>	<b>5,560</b>

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	400	15,000	15,400
company trailer	200	2,000	
computer, printer, fax	1,000		1,000
Storage Unit	100		100
Website	300		300
			-
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
<b>Cash needed for start-up assets</b>	<b>2,000</b>	<b>17,000</b>	<b>16,800</b>

60 assumed life (months)  
280 monthly depreciation

**Total start up cost** **24,560**

**Assumption 5 - Total Sources**

Cash owner will contribute and the value of owner's assets contributed to company	7,560	31%
Vehicle loan and other equipment debt (see note 7 for financing)	17,000	69%
Startup financing, if applicable (for example Kiva loan)		0%
Outside equity investment, if applicable		0%
<b>Total start up cost, total sources</b>	<b>24,560</b>	<b>100%</b>



**Tyrone dba Olive Branch Construction**  
**Projected Income and Cash Flow Statements**  
**Year 1**

	Assump- tions	Start-up Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	First Year	% of Total Revenue
Revenue	2														
Remodel	6	-	18,000	18,000	18,000	24,000	24,000	36,000	36,000	36,000	48,000	66,000	66,000	390,000	27%
Repair/Make Ready	6	-	12,500	20,000	25,000	37,500	50,000	62,500	75,000	75,000	75,000	87,500	87,500	607,500	42%
Renovation	6	-	30,000	30,000	30,000	30,000	45,000	45,000	45,000	45,000	45,000	45,000	75,000	465,000	32%
<b>Total revenue</b>		-	60,500	68,000	73,000	91,500	119,000	143,500	156,000	156,000	168,000	198,500	228,500	1,462,500	100%
Cost of Goods Sold	2														
Remodel	6	-	7,774	7,774	7,774	10,365	10,365	15,548	15,548	15,548	20,731	28,505	28,505	168,438	12%
Repair/Make Ready	6	-	6,582	10,531	13,164	19,745	26,327	32,909	39,491	39,491	39,491	46,072	46,072	319,873	22%
Renovation	6	-	17,032	17,032	17,032	17,032	25,548	25,548	25,548	25,548	25,548	25,548	42,580	263,996	18%
<b>Total COGS</b>		-	31,388	35,337	37,970	47,143	62,240	74,005	80,587	80,587	85,769	100,125	117,157	752,307	51%
<b>Gross profit</b>		-	29,112	32,663	35,030	44,357	56,760	69,495	75,413	75,413	82,231	98,375	111,343	710,193	49%
Expenses	2														
Auto or truck lease		1,000	400	400	400	400	400	400	400	400	400	400	400	5,400	0%
Depreciation	3	-	280	280	280	280	280	280	280	280	280	280	280	3,080	0%
Gasoline & fuels	-	-	350	350	350	350	350	350	350	350	350	350	350	3,850	0%
Insurance - bonding	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Insurance - vehicle	-	-	150	150	150	150	150	150	150	150	150	150	150	1,650	0%
Interest - equip & start up	7	-	113	111	108	105	102	99	96	93	90	87	85	1,090	0%
Marketing		500	300	300	300	300	300	300	300	300	300	300	300	3,800	0%
Office - rent	-	-												-	0%
Office - insurance	-	-												-	0%
Office - telephone	-	-												-	0%
Office - utilities	-	-												-	0%
Payroll - not owner and not in COGS	8	-	7,200	7,200	7,200	12,000	12,000	12,000	12,000	21,760	21,760	21,760	21,760	156,640	11%
Payroll taxes (9%)	6 & 8	-	648	648	648	1,080	1,080	1,080	1,080	1,958	1,958	1,958	1,958	14,098	1%
Permits		300	250	250	250	250	250	250	250	250	250	250	250	3,050	0%
Supplies		500												500	0%
Tax service	-	-												-	0%
Telephone - cellular		60	75	75	75	75	75	75	75	75	75	75	75	885	0%
Start-up expenses		3,200	-	-	-	-	-	-	-	-	-	-	-	3,200	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
<b>Total expenses</b>		5,560	9,866	9,864	9,861	15,090	15,087	15,084	15,081	25,717	25,714	25,711	25,708	198,342	14%
<b>Taxable profit (loss)</b>	1	(5,560)	19,246	22,800	25,170	29,267	41,673	54,411	60,332	49,697	56,517	72,664	85,635	511,851	35%
Tax (expense) benefit	1			(9,121)			(24,027)			(41,110)			(53,704)	(127,963)	-9%
Owner's withdrawals	1	-	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(38,500)	-3%
<b>Net profit (loss)</b>		(5,560)	15,746	10,178	21,670	25,767	14,145	50,911	56,832	5,087	53,017	69,164	28,431	345,388	24%
Depreciation	3	-	280	280	280	280	280	280	280	280	280	280	280	3,080	
Equipment purchases	3	(19,000)	-	-	-	-	-	-	-	-	-	-	-	(19,000)	
Principle, equipment loan	7	17,000	(419)	(422)	(425)	(428)	(431)	(434)	(436)	(439)	(442)	(445)	(448)	12,230	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	7,560	-	-	-	-	-	-	-	-	-	-	-	7,560	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash flow</b>		-	15,606	10,036	21,525	25,620	13,994	50,757	56,676	4,927	52,855	68,999	28,263	349,258	
Cash, period start		-	-	15,606	25,643	47,167	72,787	86,781	137,539	194,214	199,142	251,996	320,995	-	
<b>Cash, period end</b>		-	15,606	25,643	47,167	72,787	86,781	137,539	194,214	199,142	251,996	320,995	349,258	349,258	