

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Robert
ETB Lures

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

ETB Lures

“Put your design – On the line”

Business Plan
January 2020

Robert
Owner & Founder

TABLE OF CONTENTS

EXECUTIVE SUMMARY1

PERSONAL FIT2

OPPORTUNITY2

SOLUTION3

CUSTOMERS4

DIFFERENTIATORS6

EXTRAS7

MARKETING.....7

RÉSUMÉ ATTACHED

FINANCIAL PROJECTIONS ATTACHED

EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Anglers lack the convenience and opportunity to custom order personalized hard bait fishing lures at an affordable rate.</p>	<p>Our passion at ETB Lures is to serve and inspire anglers of the future in the Dallas, TX area and beyond to design their own high quality hard- bait fishing lures by offering a detailed personalization system via online webpage or mobile device.</p>	<p>We offer anglers high quality, affordable lures with trusted hook brands and hardware personalized to their specifications conveniently through our webpage and mobile application platforms.</p>																																				
Customers	Differentiators	Extras																																				
<p>Sport and recreational bass angling enthusiast and professionals.</p>	<p>ETB lures offers the custom order capability at the angler's highest convenience while maintaining ecological responsibilities.</p>	<p>Our purpose driven culture embraces C2B relations by promoting involvement through sponsorships, media content posts, hashtag giveaway contests and social events.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Online we will use a sales funnel of related content posts weekly, through our opt-in sites, E-newsletters, YouTube, links, media and written content while building brand name awareness with apparel and products at outdoor related social events and with sponsorships.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 527,000</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td><u>53,500</u></td> <td><u>10%</u></td> </tr> <tr> <td>Gross profit</td> <td>473,400</td> <td>90%</td> </tr> <tr> <td>Overhead</td> <td><u>14,000</u></td> <td><u>3%</u></td> </tr> <tr> <td>Pretax income</td> <td>459,400</td> <td>87%</td> </tr> <tr> <td>Tax expense</td> <td>114,800</td> <td>22%</td> </tr> <tr> <td>Owner withdrawals</td> <td><u>37,100</u></td> <td><u>7%</u></td> </tr> <tr> <td>Net income</td> <td><u>\$ 307,400</u></td> <td><u>58%</u></td> </tr> </table>	Sales:	\$ 527,000	100%	COGS	<u>53,500</u>	<u>10%</u>	Gross profit	473,400	90%	Overhead	<u>14,000</u>	<u>3%</u>	Pretax income	459,400	87%	Tax expense	114,800	22%	Owner withdrawals	<u>37,100</u>	<u>7%</u>	Net income	<u>\$ 307,400</u>	<u>58%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 3,373</td> </tr> <tr> <td>Owner investment - equipment</td> <td>5,000</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>-</td> </tr> <tr> <td>Start up financing</td> <td>-</td> </tr> <tr> <td>Total start up costs:</td> <td><u>\$ 8,373</u></td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 3,373	Owner investment - equipment	5,000	Vehicle and/or equipment loan	-	Start up financing	-	Total start up costs:	<u>\$ 8,373</u>	Plan Purpose:	Start-Up
Sales:	\$ 527,000	100%																																				
COGS	<u>53,500</u>	<u>10%</u>																																				
Gross profit	473,400	90%																																				
Overhead	<u>14,000</u>	<u>3%</u>																																				
Pretax income	459,400	87%																																				
Tax expense	114,800	22%																																				
Owner withdrawals	<u>37,100</u>	<u>7%</u>																																				
Net income	<u>\$ 307,400</u>	<u>58%</u>																																				
Owner investment - cash	\$ 3,373																																					
Owner investment - equipment	5,000																																					
Vehicle and/or equipment loan	-																																					
Start up financing	-																																					
Total start up costs:	<u>\$ 8,373</u>																																					
Plan Purpose:	Start-Up																																					
Personal Fit																																						

As founder, passionate artist and marketing strategist for ETB Lures I also dedicated my 24 years of experience as an avid Bass-Angling enthusiast to creatively and consistently creating new innovative designs, products and service to further the skills of fellow anglers.

PERSONAL FIT

My name is Robert Paul Jr. and I was born on August 6th, 1991 in the small east Texas town called Shepherd, Texas. At that time I currently had one brother who was 1 ½ years older than me. I was raised by my mother and step dad as well as my grandparents due to my parents work schedules. My biological father walked out of our lives for whatever reason before I was old enough to remember. I grew up alongside my family in a very modest and country lifestyle. The woods, ponds, and Trinity River became my playground. Life consisted of school, little league sports, hunting, and fishing. At age 13 my mother and stepdad separated so my mother and now 2 brothers and I moved into town. So hanging out with friends became my new priority and it was not long after that I began smoking marijuana with friends. At age 17 I dropped out of high school and began doing work on a ranch full time to have more money and time to support my new habits of chasing friends and parties. Eventually I settled down with a great girl at 17 and by my 18th birthday we were staying together with a new truck and a decent job. Six months after my 19th birthday I started to believe I was growing up too fast and so I abandoned everything to return to my irresponsible lifestyle and began to burglarize vacant homes and sell the things I had stolen for petty money which later landed me in county jail with four felonies. I was sentenced to probation and spent the next six years battling my desire to live a double life and I eventually failed to fool the probation department and was sentenced to five years in prison.

Upon my incarceration I quickly began to realize what actions and behaviors led me here. I began to seek out any source of help because I realized I myself was my own worst enemy. Then a month into my time I lost my grandfather who was my whole world. If I wanted to make anyone in this world proud, it would have been him. So I began to see life for how short it could be, I began to seek out god and change. I have taken numerous classes such as Bridges to Life, Quest for Authentic Manhood, and PEP as well as acquiring my GED. I worked for the region in TDCJ as a heavy equipment operator. A skill I acquired before my incarceration. I have managed warehouses and small crews inside and outside of prison. I am actively seeking Gods plan for me and work towards establishing my future day by day with the gifts he has given me and have found a way to align my skills and knowledge with my passion and creating a business and future with it. I am 100% dedicated to change in every aspect. Also with my vision for my company I will go above and beyond to regain and maintain my life. I want to share my passion and knowledge with the world and contribute to my community as well as my family and friends. With the positive characteristics I have obtained during this major correctional phase of my life, and continue to do so forever more. I will be released to the Dallas, Texas PEP transitional house in the month of February 2020.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - My creative artistic abilities and 24 years of experience will deliver innovative personalized lures.

- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - ETB Lures provides anglers with high quality and tested products with proven visual results from a large inventory.
- 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 the main principal and as sales increase then I will look to hire help.
- Is there growth potential to expand my business, or is this a dying market?
 - Manufacturing our own materials are the goals for future expansion.
- How soon can I get my business up and running?
 - I plan to open up my venture 3 months after my release.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - This venture will be a low startup cost.
- Is this something I would be proud to share with my family and parole officer?
 - Yes I will be eager to share with my family.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
 - Yes.
- Would my business start as a part-time venture or need to be full time?
 - My business will start as a part-time venture.

SOLUTION

- Is what I am offering filling the customer's real need?
 - I will allow anglers to efficiently define their bait to attract bigger fish in any scenario increasing the chance for a more notable catch.
- What are the benefits (not features) that I am providing?
 - I will be offering personalized high quality lures.
- Why can I do this better than another business (competitor)?
 - I will involve anglers within our purpose driven culture and share my 24 years of passion and knowledge.
- How will I deliver this better idea to my customers?
 - I will focus my market strategy specifically on bass angling enthusiast.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - I will guaranty orders to be delivered within 7 business days upon order.
- Is my solution consistent with my passion for selling?
 - The culture and marketing strategy is offered directly from my own 24 years of experience and passion for bass fishing.
- Is the price of my solution equal to or less than the customer's pain?
 - It will be less than my customer's pain.

- Is the approximate cost of my solution lower than the price?
 - My cost will be a small fraction of the overall cost of the product.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - I will already have a fixed location.
- Do I offer a guaranty or return policy?
 - I will offer 100% customer satisfaction.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - My product will be more appealing to men.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My ideal customer will be between the ages 18-49 years old.
- Does my customer need to be married, single or does it matter?
 - Does not matter.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - Does not apply.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - My customers will be outdoors, recreational and sport fishing enthusiast.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - I will be affordable to all income classes.
- Does my customer need to own specific assets (car, house, boat)?
 - This will not be a factor.

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 product online, trade shows and fishing tournaments.
- Do I go to my customer (home service) or does my customer come to me?
 - My customer will contact me online or face to face at events.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - The neighborhood will need to be 25-50 miles from major fishing locations or waterways.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My customers will spread all over the State of Texas and the United States.

- How easily can I find this customer (one at a time or they will provide referrals)?
 - I will find customers through customer referrals, marketing strategy and influential presences.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - Customers will be reached individually except at events.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - Customer retention is a key factor in my marketing strategy and service so the likelihood of returns and should be favorable.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Strike King	Direct	Sponsors/ Network/ Ads	\$8	Brand well known	Custom order capability/ culture	Personalized lures/ culture
Rapala	Direct	TV/ Magazine ads/ Network	\$10	Brand well known	Quality painted lures/ culture	Detailed quality personalized lured/ culture
Mystery Tackle Box	Direct	Online Media	Varies	Target customer beginner fishermen	Individual personal lures	Personalized lures/ packaged deals/ culture

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - Not yet established.
- Do you have access to a favorable location for your business?
 - My product will be offered online at my webpage.
- Are you going to be the first company of your type in your chosen area operations?
 - I am not the first company of my type in the industry.

Internal Extras:

- Do you have a new or cutting edge concept?
 - I will offer a custom order capability that is provided more conveniently and affordable.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - My products are personalized to the customers need and can be purchased 24/7.
- Are you an especially charming or personable person?
 - My passion, knowledge and professionalism will be my selling point.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - Artificial fishing lures, personal customization with proven quality results.
- What is your tagline?
 - Put your design on the line.
- How does your name and tagline make you different than your competitors?
 - ETB is an acronym for East Texas Bass which is an area that is known worldwide for producing trophy bass.
- Can your message be effectively conveyed through multiple types of media?
 - Yes 100%.
- Is your message effective across different demographics?
 - Yes.
- Is your pricing consistent with the market for similar offerings?
 - Yes I will outdo my competitors.
- Is your pricing consistent with the degree of personalization?
 - Yes pricing will vary due to purchasing single lures or in package deals.

Media:

- What are three types of media you will use to reach your customers?
 - Social media, E-newsletters and brand advertisement.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I hope to reach 800-1200 customers.
- Once you've reached your typical customer, how many will actually buy from you?
 - I want to sell to at least 400-600 customers.
- For each of the three, what do you think the estimated cost will be?
 - Social media (\$300) and brand advertisement (\$350-\$500) monthly.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - These charges will be recurring charges monthly.
- How will you collect customer reviews?
 - I will gather customer referrals through surveys.

RESUME

Robert

1100 Hwy 1807
Venus, TX 76084
Cell 999-999-999, myaccount@gmail.com

Experience

Texas ICO Supply *2015-2016*
Forklift operator and warehouse management

Moore Furniture *2014-2015*
Warehouse manager, Delivery truck driver and forklift operator

Flow Products Intl *2012-2014*
Hydraulic Technician and forklift driver

Belknap Plumbing *2010-2011*
Plumber helper, installer and equipment operator

Skills

- **Heavy equipment operator**
- **Forklift operator**
- **Warehouse management**
- **Logistics management**
- **Customer service**
- **Fast learning skills**
- **Troubleshooting**
- **Construction worker**

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.

Owner's name	Robert
Company name	ETB Lures
NAICS Business Classification	
Sector (general classification)	_11_Agriculture_Forestry_Fishing_and_Hunting
Sub-sector (more specific classification)	114: Fishing, Hunting and Trapping

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			
car/truck down payment, if leased			
permits	225		
supplies, office & misc.	250		
Product Inventory	1,866		
Packaging	140		
Webpage	800		
Paint/Clear Coat	375		
Shipping Cost	695		
Cash needed for start-up expenses	4,851		
Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van			-
company trailer			
computer, printer, fax	2,000		2,000
Camera/SD Cards	1,350		1,350
Equipment/Compressor Airbrush Kit	172		172
			-
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
Cash needed for start-up assets	3,522	-	3,522
			60 assumed life (months)
			59 monthly depreciation
Total start up cost	8,373		

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	3,373	40%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)		0%
Outside equity investment, if applicable	5,000	60%
Total start up cost, total sources	8,373	100%

Robert dba ETB Lures
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														
Swimbait Kit	6	-	10,000	12,000	13,000	15,000	16,000	17,000	18,000	18,000	19,000	20,000	20,000	178,000	34%
Chug Kit	6	-	3,750	4,500	4,875	5,625	6,000	6,000	6,375	6,750	7,125	7,500	7,500	66,000	13%
Single Lure	6	-	12,000	16,000	18,000	19,000	24,000	26,000	26,000	30,000	34,000	38,000	40,000	283,000	54%
Total revenue		-	25,750	32,500	35,875	39,625	46,000	49,000	50,375	54,750	60,125	65,500	67,500	527,000	100%
Cost of Goods Sold	2														
Swimbait Kit	6	-	971	1,165	1,262	1,457	1,554	1,651	1,748	1,748	1,845	1,942	1,942	17,284	3%
Chug Kit	6	-	758	909	985	1,136	1,212	1,212	1,288	1,364	1,439	1,515	1,515	13,332	3%
Single Lure	6	-	972	1,296	1,458	1,539	1,944	2,106	2,106	2,430	2,754	3,078	3,240	22,923	4%
Total COGS		-	2,701	3,370	3,705	4,132	4,710	4,969	5,142	5,541	6,038	6,535	6,697	53,539	10%
Gross profit		-	23,050	29,130	32,170	35,493	41,290	44,031	45,233	49,209	54,087	58,965	60,803	473,461	90%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	59	59	59	59	59	59	59	59	59	59	59	646	0%
Gasoline & fuels	-	-	250	250	250	250	250	250	250	250	250	250	250	2,750	1%
Insurance - bonding	-													-	0%
Insurance - vehicle	-													-	0%
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Marketing	500	-	550			550			550			550		2,700	1%
Office - rent	-													-	0%
Office - insurance	-													-	0%
Office - telephone	-													-	0%
Office - utilities	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits	225	-												225	0%
Supplies	250	-	175	160	160	160	165	165	165	175	175	175	175	2,100	0%
Tax service	-													-	0%
Telephone - cellular	-													-	0%
Start-up expenses	3,876	-	-	-	-	-	-	-	-	-	-	-	-	3,876	1%
Test Market Lures				162				162					162	648	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
Total expenses		4,851	1,134	731	569	1,119	736	574	1,124	746	584	1,134	746	14,045	3%
Taxable profit (loss)	1	(4,851)	21,916	28,399	31,601	34,375	40,555	43,458	44,110	48,463	53,503	57,831	60,057	459,417	87%
Tax (expense) benefit	1			(11,366)			(26,633)			(34,008)			(42,848)	(114,854)	-22%
Owner's withdrawals	1	-	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,520)	(3,520)	(3,520)	(3,520)	(3,520)	(3,520)	(37,120)	-7%
Net profit (loss)		(4,851)	18,716	13,833	28,401	31,175	10,722	39,938	40,590	10,935	49,983	54,311	13,689	307,442	58%
Depreciation	3	-	59	59	59	59	59	59	59	59	59	59	59	646	
Equipment purchases	3	(3,522)	-	-	-	-	-	-	-	-	-	-	-	(3,522)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	3,373	-	-	-	-	-	-	-	-	-	-	-	3,373	
Equity investor	3	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000	
Net cash flow		-	18,775	13,892	28,460	31,233	10,781	39,996	40,648	10,994	50,042	54,370	13,748	312,939	
Cash, period start		-	-	18,775	32,666	61,126	92,360	103,140	143,137	183,785	194,779	244,821	299,191	-	
Cash, period end		-	18,775	32,666	61,126	92,360	103,140	143,137	183,785	194,779	244,821	299,191	312,939	312,939	