

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Alejandro
D-Stress

Prison Entrepreneurship Program
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D-Stress

“D-Stress, where you break the stress & don’t pick up the mess”

Business Plan
January 2020

Alejandro
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>A less stressful environment for clients/ no positive way to communicate.</p>	<p>D-Stress is focused on offering a safe, fun and therapeutic environment where you can release and manage your emotions.</p>	<p>Solution for uncontrollable emotions/ relieving stress physically in a positive way/ have a secure place for personal belongings.</p>																																				
Customers	Differentiators	Extras																																				
<p>Business owners/ moms and dads/ people with uncontrollable emotions.</p>	<p>We offer different options of venting/ have human punching bags/ paint with boxing gloves.</p>	<p>My concept is a cutting edge in my opinion it has very little exposure that I hope I can expose through adversity.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Social media/ Word of Mouth.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 122,400</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>-</td> <td>0%</td> </tr> <tr> <td>Gross profit</td> <td>122,400</td> <td>100%</td> </tr> <tr> <td>Overhead</td> <td>24,000</td> <td>20%</td> </tr> <tr> <td>Pretax income</td> <td>98,300</td> <td>80%</td> </tr> <tr> <td>Tax expense</td> <td>24,500</td> <td>20%</td> </tr> <tr> <td>Owner withdrawals</td> <td>46,000</td> <td>38%</td> </tr> <tr> <td>Net income</td> <td>\$ 27,700</td> <td>23%</td> </tr> </table>	Sales:	\$ 122,400	100%	COGS	-	0%	Gross profit	122,400	100%	Overhead	24,000	20%	Pretax income	98,300	80%	Tax expense	24,500	20%	Owner withdrawals	46,000	38%	Net income	\$ 27,700	23%	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 8,100</td> </tr> <tr> <td>Owner investment - equipment</td> <td>-</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>2,800</td> </tr> <tr> <td>Start up financing</td> <td>2,500</td> </tr> <tr> <td>Total start up costs:</td> <td>\$ 13,400</td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 8,100	Owner investment - equipment	-	Vehicle and/or equipment loan	2,800	Start up financing	2,500	Total start up costs:	\$ 13,400	Plan Purpose:	Start-Up
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Personal Fit																																						

I have no prior experience besides of trapped emotions in search of physical venting with no negative backlash. I have a passion to help those in need of a safe environment to help them with the emotional stress.

PERSONAL FIT

My name is Alejandro. I was born on October 2, 1987 in Dallas, Texas. I am a first generation Mexican-American, both my parents are immigrants from Mexico. They settled in a neighborhood called Oak Cliff where they raised my half-brother, myself, and a younger sibling. My parents remain married till this day. I was raised to be humble, respectful, and hardworking due to the fact that we are poor. While attending school I was in talented and gifted (TAG) classes despite my language barrier. My grades started to change around 8th grade when I started hanging around a different crowd and eventually was only able to complete the 9th grade.

At the age of about 10 or 11 years old I started to act out in school and progressed to selling drugs at school or from home. I felt like being humble and working hard would never pay enough. I was tired of being poor and going without. I hated seeing my mother cry because no matter how hard she worked she could not afford what we wanted. So I justified my actions to be accepted because I was doing well. My success was short lived I started to use cocaine and started slipping. This caused me to eventually get caught at school. I was charged with Felony possession and got kicked out of school and put on probation until my 18th birthday. I tried my best to do well, I cleaned up and got my GED. Soon, again I started to back track into my old habits of drinking, partying, and womanizing. By the age of 21 I was out of control shooting at people and eventually caught a murder case. It was later dropped to manslaughter and I now have served 10 ½ years out of my 13 year sentence.

Coming to prison has not only given me time to reflect on my mistakes but to rehabilitate myself. At first it was a huge struggle to let go of my previous lifestyle and learn a correct way of living. Signing up for Bridges to Life has opened my eyes and made me realize my choices do not only impact me but so many others. I am no longer clouded by my anger, impatience, and selfishness. I have found peace with help of the Lord. I have made a commitment to my mother I will live by the morals I was taught and never return to prison. I will no longer let the possessions of the world control me or my actions. I had to make this change not only for myself but for my new family. I got married July, 2018 and have three kids and a wife who inspire me to become the man they see in me. I no longer can be selfish when making choices because I don't want my kids to ever know the lifestyle I have lived.

Owning my own business will help secure my families future. I wish to also inspire people with similar background to know while still having a strike on their back it is not the end. My drive to make money has always been high, just misused. My father always tells me I was not made to be broke. I intend to use that drive to become successful. After my release and once I have been settled in for a minimum of two years I intend to make my dream a reality. As I wrap up I would like to thank you for taking time out of your day to read my personal statement. I will be released on April 9th, 2022 and will be living in the Dallas area.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - My business is providing solutions to their problems and my personality is the topping to the solution.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - My company's focus is to develop a quality service while still dealing with their initial feeling will leave with a smile.
- 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 person in the business and will do most of the work but will hire up to two others to run the shop or clean after while I'm looking or they are looking for new items.
- Is there growth potential to expand my business, or is this a dying market?
 - There is room for growth we will expand to other locations possibly a mobile room in the future.
- How soon can I get my business up and running?
 - I believe I can start 12 to 18 months from my release.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - I will try to operate with little income most items will be donated. We will just need to pay for building rental.
- Is this something I would be proud to share with my family and parole officer?
 - Yes, I will show the ethics thought and supply the same to my business. I believe because of this we will have strong support from our customers/friends.
- 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?
 - We will be full time during the weekend. During the week we will only operate in the afternoon until we are established.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes.
- What are the benefits (not features) that I am providing?
 - We offer stability and longevity of employment.
- Why can I do this better than another business (competitor)?
 - Due to my understanding of industry I have knowledge of the solution, I can raise the bar by thinking outside of the box finding new fresh ways.

- How will I deliver this better idea to my customers?
 - I will deliver this idea better to my customer by having surveys and one on ones with to my customers' voice of opinion.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Yes, it is consistent with the service I provide.
- Is my solution consistent with my passion for selling?
 - No, my solution comes from my passion for helping others.
- Is the price of my solution equal to or less than the customer's pain?
 - Our price for the solution is small compared to what our customer can experience.
- Is the approximate cost of my solution lower than the price?
 - Our main cost will be finding the product at a very low rate or free compared to the price of the solution.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - We will need a storefront at the beginning of the business.
- Do I offer a guaranty or return policy?
 - We will offer a money back guarantee because we value our customers.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - No, we will appeal to both genders the same.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - The ideal age of our customers is 21 to 60 years of age.
- Does my customer need to be married, single or does it matter?
 - Our customer's marital status does not matter.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - Language or ethnicity will make no difference in my business.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - My service will appeal to the everyday average Joe or Jane.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - The target customer will need an income that would be considered from middle class to rich.
- Does my customer need to own specific assets (car, house, boat)?
 - The assets of the customer will have no effect.

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 sell to my customers at my store.
- Do I go to my customer (home service) or does my customer come to me?
 - My customers will have to come to me.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - My ideal customer lives in a middle to upper class community.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My target customers will ideally live within 30 to 40 mile radius.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - These customers will come one at a time as well as by referrals.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - I can sell to a group or individuals.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - I believe our customers will be repeat customers due to our unique business.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
The Break Room	Direct	Web page	\$25-\$100	Family Oriented	Small market	Cost effective, Personal

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - I have no connections with any supplier in my industry.
- Do you have access to a favorable location for your business?
 - I will prefer a location near downtown Dallas, Texas.
- 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. Due to the small market of competitors we will prevail.

Internal Extras:

- Do you have a new or cutting edge concept?
 - My concept is unique and has little exposure which I will bring out through extensive advertising.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - I will offer specialized packages that my competition is not offering.
- Are you an especially charming or personable person?
 - I am a caring person always trying to find solutions for people's problems.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - We offer a way to un-stress. We are a therapeutic solution, we offer a new way to vent.
- What is your tagline?
 - Help you manage and release your unhealthy emotions.
- How does your name and tagline make you different than your competitors?
 - My tagline states our purpose and mission to make a difference with our customers.
- Can your message be effectively conveyed through multiple types of media?
 - My message can be effectively conveyed through all media.
- Is your message effective across different demographics?
 - No, but we will work on it with our advertising.
- Is your pricing consistent with the market for similar offerings?
 - Yes, and we offer competitive prices to outdo our competitors.
- Is your pricing consistent with the degree of personalization?
 - Yes, and I believe it is fair to both the business and customers.

Media:

- What are three types of media you will use to reach your customers?
 - I will advertise my business through all social media outlets.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I will possibly reach a minimum of 200 people a month through my advertising methods.
- Once you've reached your typical customer, how many will actually buy from you?
 - We will possibly do business with about 75 to 100 customers a month.
- For each of the three, what do you think the estimated cost will be?
 - Estimated cost on social media will be free.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - No cost.
- How will you collect customer reviews?
 - I will take surveys from customers and have online reviews through Facebook market.

RESUME

Alejandro

1100 Hwy 1807

Venus, TX 76084

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

Experience

Account Resolution Specialist

2007-2009

Collect on overdue payments on credit cards

Machine Operator

2006-2007

Keep machine in working status producing product

Skills

- **Machine operator**
- **Telephone skills**
- **Computer skills**
- **Leadership**

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.

Windham School District

2011-2012

Construction and Carpentry Certificate

Owner's name Alejandro
 Company name D-Stress

NAICS Business Classification

Sector (general classification) 55_Management_of_Companies_and_Enterprises
 Sub-sector (more specific classification) 551: Management of Companies and Enterprises

**Start-up Costs
 Year 1**

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	
cell phone purchase	400
car/truck down payment, if leased	-
permits	100
supplies, office & misc.	
Destruction Weapons	400
Safety Equipment	400
Cash needed for start-up expenses	<u>1,300</u>

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	-		-
company trailer	1,000	2,000	
computer, printer, fax	200	800	1,000
Go Pro Camera	900		900
			-
			-
building/office deposit	2,200	N/A	N/A
beginning cash balance	5,000	N/A	N/A
Cash needed for start-up assets	<u>9,300</u>	<u>2,800</u>	<u>1,900</u>
			60 assumed life (months)
			<u>32 monthly depreciation</u>

Total start up cost 13,400

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	8,100	60%
Vehicle loan and other equipment debt (see note 7 for financing)	2,800	21%
Startup financing, if applicable (for example Kiva loan)	2,500	19%
Outside equity investment, if applicable		0%
Total start up cost, total sources	<u><u>13,400</u></u>	100%

Alejandro dba D-Stress
EOU, Financing, and Payroll Assumptions
Year 1

Assumption 6 - Revenue Model (Economics of One Unit)

	Product 1				Product 2				Product 3			
Product name	Can't Catch A Break				Serenity				Bust It Down			
Product description	Break 1 Item With Weapon for 5 Minutes				Break 5 Items With Any Weapon for 10 Minutes				Couples Break Any Item With Any Weapon for 15 Minutes			
Price per unit	25.00		100%		45.00		100%		75.00		100%	
Cost of one unit	hours	rate			hours	rate			hours	rate		
Non-owner payroll exp.			-	0%			-	0%			-	0%
Non-owner payroll tax	9.0%		-	0%			-	0%			-	0%
cost 1 description				0%				0%				0%
cost 2 description				0%				0%				0%
cost 3 description				0%				0%				0%
cost 4 description				0%				0%				0%
Total variable costs			-	0%			-	0%			-	0%
Gross profit per unit - what you see on income statement			25.00	100%			45.00	100%			75.00	100%

	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	Total Year
Can't Catch A Break sold		60	65	70	75	80	85	90	95	100	107	110	937
Serenity sold		50	55	60	65	70	75	80	85	90	95	100	825
Bust It Down sold		50	55	60	65	70	75	80	85	90	95	100	825
total revenue		\$ 7,500	\$ 8,225	\$ 8,950	\$ 9,675	\$ 10,400	\$ 11,125	\$ 11,850	\$ 12,575	\$ 13,300	\$ 14,075	\$ 14,750	\$ 122,425
total cost of sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
total income statement gross profit (excludes owner labor)		\$ 7,500	\$ 8,225	\$ 8,950	\$ 9,675	\$ 10,400	\$ 11,125	\$ 11,850	\$ 12,575	\$ 13,300	\$ 14,075	\$ 14,750	\$ 122,425

Assumption 7 - Financing

	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year	
Equipment financing, see Start-up Costs sheet	amortization schedule												
Amount borrowed	\$ 2,800	principal, beginning	2,800	2,692	2,583	2,474	2,364	2,253	2,141	2,029	1,916	1,802	1,687
Interest rate (example 8%)	8.0%	interest expense	19	18	17	16	16	15	14	14	13	12	11
Loan term (# of months)	24	principal payment	(108)	(109)	(109)	(110)	(111)	(112)	(112)	(113)	(114)	(115)	(115)
Monthly payment	127	principal, ending	2,692	2,583	2,474	2,364	2,253	2,141	2,029	1,916	1,802	1,687	1,572
Start-up financing, see Start-up Costs sheet													
Amount borrowed	\$ 2,500	principal, beginning	2,500	2,500	2,500	2,404	2,307	2,209	2,111	2,012	1,912	1,812	1,711
Interest rate (example 8%)	8.0%	interest expense	-	-	17	16	15	15	14	13	13	12	11
Payback period (# of months)	24	principal payment	-	-	(96)	(97)	(98)	(98)	(99)	(100)	(100)	(101)	(102)
Grace period (months pay delay)	3	principal, ending	2,500	2,500	2,404	2,307	2,209	2,111	2,012	1,912	1,812	1,711	1,609
Monthly payment	\$ 113												

Assumption 8 - Payroll, nondirect

	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year
# of employees												
avg hours each employee(s) worked per month, not in EOU above												
average per hour wage												
salary expense, excluding payroll taxes	-	-	-	-	-	-	-	-	-	-	-	-

Assumption 9 - Equipment Purchases, after start-up

Description	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year
Destruction Weapons			400			400	400		400			
Safety Equipment			400						400			

Alejandro dba D-Stress
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															
Can't Catch A Break	6	-	1,500	1,625	1,750	1,875	2,000	2,125	2,250	2,375	2,500	2,675	2,750	23,425	19%	
Serenity	6	-	2,250	2,475	2,700	2,925	3,150	3,375	3,600	3,825	4,050	4,275	4,500	37,125	30%	
Bust It Down	6	-	3,750	4,125	4,500	4,875	5,250	5,625	6,000	6,375	6,750	7,125	7,500	61,875	51%	
Total revenue		-	7,500	8,225	8,950	9,675	10,400	11,125	11,850	12,575	13,300	14,075	14,750	122,425	100%	
Cost of Goods Sold	2															
Can't Catch A Break	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Serenity	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Bust It Down	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Total COGS		-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Gross profit		-	7,500	8,225	8,950	9,675	10,400	11,125	11,850	12,575	13,300	14,075	14,750	122,425	100%	
Expenses	2															
Auto or truck lease	-														-	0%
Depreciation	3	-	32	32	45	45	45	52	58	58	72	72	72	582	0%	
Gasoline & fuels	-		100	100	100	100	100	100	100	100	100	100	100	1,100	1%	
Insurance - bonding	-		200	200	200	200	200	200	200	200	200	200	200	2,200	2%	
Insurance - vehicle	-		50	50	50	50	50	50	50	50	50	50	50	550	0%	
Interest - equip & start up	7	-	19	18	34	33	31	30	28	27	26	24	23	291	0%	
Marketing	-														-	0%
Office - rent	-		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	13,200	11%	
Office - insurance	-		100	100	100	100	100	100	100	100	100	100	100	1,100	1%	
Office - telephone	-														-	0%
Office - utilities	-		250	250	250	250	250	250	250	250	250	250	250	2,750	2%	
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Permits	100			100			100				100			400	0%	
Supplies	-														-	0%
Tax service	-														-	0%
Telephone - cellular	400		60	60	60	60	60	60	60	60	60	60	60	1,060	1%	
Start-up expenses	800		-	-	-	-	-	-	-	-	-	-	-	800	1%	
															-	0%
															-	0%
															-	0%
															-	0%
															-	0%
															-	0%
															-	0%
Total expenses		1,300	2,010	2,010	2,139	2,038	2,036	2,141	2,047	2,045	2,157	2,056	2,054	24,033	20%	
Taxable profit (loss)	1	(1,300)	5,490	6,215	6,811	7,637	8,364	8,984	9,803	10,530	11,143	12,019	12,696	98,392	80%	
Tax (expense) benefit	1			(2,601)			(5,703)			(7,329)			(8,964)	(24,598)	-20%	
Owner's withdrawals	1	-	(3,000)	(3,000)	(3,000)	(4,000)	(4,000)	(4,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(46,000)	-38%	
Net profit (loss)		(1,300)	2,490	614	3,811	3,637	(1,339)	4,984	4,803	(1,799)	6,143	7,019	(1,269)	27,794	23%	
Depreciation	3	-	32	32	45	45	45	52	58	58	72	72	72	582		
Equipment purchases	3	(7,100)	-	-	(800)	-	-	(400)	(400)	-	(800)	-	-	(9,500)		
Principle, equipment loan	7	2,800	(108)	(109)	(109)	(110)	(111)	(112)	(112)	(113)	(114)	(115)	(115)	1,572		
Repay debt financing	7	2,500	-	-	(96)	(97)	(98)	(98)	(99)	(100)	(100)	(101)	(102)	1,609		
Owner contribution	3	8,100	-	-	-	-	-	-	-	-	-	-	-	8,100		
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net cash flow		5,000	2,413	537	2,850	3,475	(1,503)	4,425	4,250	(1,954)	5,200	6,875	(1,414)	30,156		
Cash, period start		-	5,000	7,413	7,950	10,801	14,276	12,773	17,199	21,449	19,495	24,695	31,571	-		
Cash, period end		5,000	7,413	7,950	10,801	14,276	12,773	17,199	21,449	19,495	24,695	31,571	30,156	30,156		