

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Ricard
Rich Flo's Chow Rollin'

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

Rich Flo's Chow Rollin'

"Rolling tasty tacos ur way"

Business Plan
January 2020

Richard
Owner & Founder

TABLE OF CONTENTS

EXECUTIVE SUMMARY1

PERSONAL FIT2

OPPORTUNITY3

SOLUTION3

CUSTOMERS4

DIFFERENTIATORS6

EXTRAS7

MARKETING.....7

RÉSUMÉ ATTACHED

FINANCIAL PROJECTIONS ATTACHED

EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Healthier food/ fast service/ better nutrition and high quality.</p>	<p>Rich Flo’s Chow Rollin is always thinking of the customers all the time. Everything revolves around time. Fast, fresh food and friendly service is an integral part of our business. Our mission is a food truck with integrity, passion and commitment.</p>	<p>Healthier food/ fast service/ better nutrition and high quality.</p>																																				
Customers	Differentiators	Extras																																				
<p>Festivals/ flea markets/ school facilities and country clubs.</p>	<p>Philanthropy/ open after hours Thursday-Sunday/ delivery.</p>	<p>Accommodate special request/ keep condiments well stocked/ offer easy payment choices.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Facebook/ Instagram/ fliers and word of mouth.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 31,900</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>3,100</td> <td>10%</td> </tr> <tr> <td>Gross profit</td> <td>28,700</td> <td>90%</td> </tr> <tr> <td>Overhead</td> <td>14,000</td> <td>44%</td> </tr> <tr> <td>Pretax income</td> <td>14,700</td> <td>46%</td> </tr> <tr> <td>Tax expense</td> <td>3,600</td> <td>11%</td> </tr> <tr> <td>Owner withdrawals</td> <td>-</td> <td>0%</td> </tr> <tr> <td>Net income</td> <td>\$ 11,000</td> <td>34%</td> </tr> </table>	Sales:	\$ 31,900	100%	COGS	3,100	10%	Gross profit	28,700	90%	Overhead	14,000	44%	Pretax income	14,700	46%	Tax expense	3,600	11%	Owner withdrawals	-	0%	Net income	\$ 11,000	34%	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 11,850</td> </tr> <tr> <td>Owner investment - equipment</td> <td>-</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>\$ 11,850</td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 11,850	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	-	Total start up costs:	\$ 11,850	Plan Purpose:	Start-Up
Sales:	\$ 31,900	100%																																				
COGS	3,100	10%																																				
Gross profit	28,700	90%																																				
Overhead	14,000	44%																																				
Pretax income	14,700	46%																																				
Tax expense	3,600	11%																																				
Owner withdrawals	-	0%																																				
Net income	\$ 11,000	34%																																				
Owner investment - cash	\$ 11,850																																					
Owner investment - equipment	-																																					
Vehicle and/or equipment loan	-																																					
Start up financing	-																																					
Total start up costs:	\$ 11,850																																					
Plan Purpose:	Start-Up																																					
Personal Fit																																						

Everything revolves around time. That’s why I will think of my customers all the time. A customer wait time can lead to negative feelings toward the food truck. This is why I will offer customers fast fresh food and friendly service with the availability of great authentic home cooked meals.

PERSONAL FIT

Hello, my name is Richard Anthony. I was born at Fort Sam Houston, Texas in a military hospital. I am the oldest of three children. I have a younger sister and brother. My parents were divorced when I was four years old and for the next five years after that I was raised by a single mother. Being the oldest I assumed the role of my mother's helper. Which included being a babysitter, housekeeper, yard keeper and things of that nature. This put a lot of responsibility on me. But I accepted the challenge. So I quickly understood what was going on in the adult world. I knew my mother was struggling with a lot of things. I was a reliable kid. They would give me money to go to the store to buy food for a family of four. In doing this I became a comparison shopper very early on. I realized quickly that there were name brands, grocery store brands, and generic brands. But I learned to budget the money and get the best value for my dollar. All this experience helped me in school. I took pride in being on the honor roll and having perfect attendance. I graduated high school and went on to complete a year and a half of community college. Just short of my associate's degree. I went to work at the place I had fallen in love with. The grocery store. Since I was there so much as a kid I knew a lot through observation. I quickly became an excellent employee. I started from the bottom up. I swept floors, bagged groceries, cashier, stocker, clerk, general merchandise clerk, customer service, bookkeeping, and was even the assistant manager. I loved being around people and helping out. I got married and became the father of a one year old girl. My daughter and I are very close. My son was born twelve years later. I was married twenty two years. In between these years I had a cocaine problem. I have always worked to finance my bad habit. I took care of my family to give them what they needed. But never having enough to get them what they wanted. It was a tremendous balancing act. One that eventually cost me losing my family. One day I came home from work and everything was gone. The only thing left in the house was my bed. I was very irresponsible. The lack of empathy led me to get in trouble in 1985 with a Criminal Mischief case in which I broke someone's car window. An Assault on an Officer with a Deadly Weapon in 1998. A Possession of Marijuana charge in 1995. A D.W.I and Burglary of a Habitation with the intent to commit assault in 2007. All these included probation sentences which I successfully completed. Then in a moment of anger and stupidity I got an Aggravated Assault with a Deadly Weapon in 2013. My life has changed to this point. I had stopped using cocaine in 2011. But my personality disorder had not been addressed. PEP has changed my life. It has given me a different outlook in life. The people who are part of this program really show you respect and believe that you can change if you want to. I must focus on the things that matter. The things that move us forward in life. I have the ability to change. I am in control of my mind. I want the change and put the thought in my mind. Now my heart will start to believe. To know the world in each of its parts a seeker must shut out the unnecessary senses and focus on the target. I have learned so much over the years but perhaps the greatest lesson was the simplest and that was cherish and take care of the things you value. Happiness can be fragile. I appreciate every moment and do everything to protect it. I will be a man of integrity. I am a man of faith. I will be released to San Antonio, Texas in the month of April 2022.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - Yes.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - Yes.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - I can hire others and maintain the quality.
- Is there growth potential to expand my business, or is this a dying market?
 - Yes, there is potential to expand my business.
- How soon can I get my business up and running?
 - I can get my business up and running by the summer of 2022.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - It will take a lot of cash to start this business.
- Is this something I would be proud to share with my family and parole officer?
 - Yes.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
 - Yes, I will complete parole April 28, 2022.
- Would my business start as a part-time venture or need to be full time?
 - It will be a full-time venture.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes.
- What are the benefits (not features) that I am providing?
 - I will have fast, friendly service not to mention my food will be fresh to serve.
- Why can I do this better than another business (competitor)?
 - My level of commitment to my customer will be above the rest.
- How will I deliver this better idea to my customers?
 - Social media, business cards and my mobility.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Yes.
- Is my solution consistent with my passion for selling?
 - Yes.
- Is the price of my solution equal to or less than the customer's pain?
 - Equal.
- Is the approximate cost of my solution lower than the price?
 - Yes.

- Do I need a fixed location (Storefront) or is this a mobile business?
 - This is a mobile business.
- Do I offer a guaranty or return policy?
 - Yes I will offer a customer satisfaction guarantee.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - My business will appeal to men and women alike.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My ideal customer will be from 10-85 years of age.
- Does my customer need to be married, single or does it matter?
 - Married or single it doesn't matter. A family will bring more customers though.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - I am fluent in three languages so I feel that this will improve my communication and this will expand my ideal customer.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - Hopefully my food will appeal to all taco and Spanish food eaters. I will also offer some vegan dishes.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - Mainly middle class but I will offer some items that will accommodate any income.
- Does my customer need to own specific assets (car, house, boat)?
 - Assets 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 traveling to flea markets and be a part of annual fiesta events. With a set location on an access road in the city.
- Do I go to my customer (home service) or does my customer come to me?
 - I will be at a set location, but I will be using Uber Eats.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - I will be based on the south side of the city.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.

- Very close.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - I will be able to find this customer easily using social media and word of mouth.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - These customers will be found as a group. I will send out emails and flyers to church groups and various clubs.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - I will have a great chance that the customers will buy from me again.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Taco Cabana	Direct	T.V, Radio Ads & Newspaper	\$7-\$12	Branding Well Known	Well Established	Advertising Marketing
Oscar Taco House	Direct	Ads	\$5-\$8	Branding Brick And Mortar	Limited Parking Area	Food Items
Local Food Trucks	Direct	Word Of Mouth	\$5-\$10	Sort Wait Time	Small Business Market	Food Items Marketing

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - Yes.
- Do you have access to a favorable location for your business?
 - Yes.
- 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?
 - Yes. My concept will consist of 94% lean beef and boneless chicken breast.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Yes, I will be available after midnight on Thursday thru Sunday.
- Are you an especially charming or personable person?
 - Yes I have integrity, passion and commitment.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - I sell tacos. You can get your tacos your way. You can also tell that I am mobile.
- What is your tagline?
 - Rich Flo's Chow Rollin' "Rollin' Tasty Tacos Ur Way".
- How does your name and tagline make you different than your competitors?
 - It identifies me as having tasty tacos your way.
- Can your message be effectively conveyed through multiple types of media?
 - Yes.
- Is your message effective across different demographics?
 - Yes, anyone who likes tacos will love us.
- Is your pricing consistent with the market for similar offerings?
 - Yes.
- Is your pricing consistent with the degree of personalization?
 - Yes, my customers will love the food and pricing.

Media:

- What are three types of media you will use to reach your customers?
 - I will be advertising my food truck on Facebook, Twitter, and Uber Eats.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I will be looking to attract 100 to 150 people a month.
- Once you've reached your typical customer, how many will actually buy from you?
 - I will do business with at least 75 to 100 customers a month.
- For each of the three, what do you think the estimated cost will be?
 - Facebook ads (\$200), Twitter ads (\$150) and fliers with Uber Eats (\$300).
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Monthly cost.
- How will you collect customer reviews?
 - I will have online reviews and a drop off box at the food truck to monitor how the food truck is doing.

RESUME

Richard A.

1100 Hwy. 1807

Venus, TX. 76084

Cell (999-999-9999, myaccount@gmail.com)

Experience

Assistant Manager of HEB Grocery

September 1987-April 1994

Company

Responsible for rotating cash drawers, giving lunch breaks to employees, and customer service.

Assistant Manager of Target

February 1996-March 1998

Responsible for setting up weekly ads, training new employees and managed jewelry counter.

Supervisor of Try Green Landscape

May 1999-July 2001

General maintenance duties, cut & trimmed grass and hedge trimmed.

Cook

May 2013-June 2018

Prepared meals for 300 to 1500 people a day.

Skills

- **Grocery/Retail**
- **Food Industry**
- **Communication skills**
- **Customer service**
- **Detail oriented**
- **Leadership skills**
- **Time management**
- **Problem solver**

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.

Burbank High School

Class of 1988

High School Diploma

Southern Careers Institute

2005-2006

Pharmacy Technician Graduate

Owner's name	Richard
Company name	Rich Flo's Chow Rollin
NAICS Business Classification	
Sector (general classification)	72 Accommodation and Food Services
Sub-sector (more specific classification)	722: Food Services and Drinking Places

Start-up Costs
Year 1

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	200
cell phone purchase	300
car/truck down payment, if leased	
permits	1,000
supplies, office & misc.	
Starting Inventory	1,000
Packaging	800
Cash needed for start-up expenses	3,300

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	5,000		5,000
company trailer	1,000		
computer, printer, fax	250		250
Kitchen Appliance	2,300		2,300
			-
			-
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
Cash needed for start-up assets	8,550	-	7,550

60 assumed life (months)
126 monthly depreciation

Total start up cost **11,850**

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	11,850	100%
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		0%
Total start up cost, total sources	11,850	100%

Richard dba Rich Flo's Chow Rollin
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														
3 Tacos/Chicken	6	-	1,125	1,800	1,440	1,800	1,935	2,250	2,700	1,620	1,305	1,170	1,125	18,270	57%
3 Tacos/ Beef	6	-	1,400	1,080	1,080	1,200	1,840	1,600	2,200	1,160	800	600	720	13,680	43%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total revenue		-	2,525	2,880	2,520	3,000	3,775	3,850	4,900	2,780	2,105	1,770	1,845	31,950	100%
Cost of Goods Sold	2														
3 Tacos/Chicken	6	-	115	184	147	184	198	230	276	166	133	120	115	1,868	6%
3 Tacos/ Beef	6	-	133	103	103	114	175	152	209	110	76	57	68	1,300	4%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total COGS		-	248	287	250	298	373	382	485	276	209	177	183	3,167	10%
Gross profit		-	2,277	2,593	2,270	2,702	3,402	3,468	4,415	2,504	1,896	1,593	1,662	28,783	90%
Expenses	2														
Auto or truck lease	-													-	0%
Depreciation	3	-	126	126	126	126	126	126	126	126	126	126	126	1,384	4%
Gasoline & fuels	-	-	150	150	150	150	150	150	150	150	150	150	150	1,650	5%
Insurance - bonding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Insurance - vehicle	-	-	150	150	150	150	150	150	150	150	150	150	150	1,650	5%
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Marketing	200													200	1%
Office - rent	-													-	0%
Office - insurance	-													-	0%
Office - telephone	-													-	0%
Office - utilities	-													-	0%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits	1,000													1,000	3%
Supplies	-	-	750		750			750			750			3,000	9%
Tax service	-													-	0%
Telephone - cellular	300		80	80	80	80	80	80	80	80	80	80	80	1,180	4%
Start-up expenses	1,800		-	-	-	-	-	-	-	-	-	-	-	1,800	6%
Maintenance & Repair			200	200	200	200	200	200	200	200	200	200	200	2,200	7%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
Total expenses		3,300	1,456	706	1,456	706	706	1,456	706	706	1,456	706	706	14,064	44%
Taxable profit (loss)	1	(3,300)	821	1,888	814	1,996	2,697	2,012	3,709	1,798	440	888	956	14,719	46%
Tax (expense) benefit	1			-			(1,229)			(1,880)			(571)	(3,680)	-12%
Owner's withdrawals	1													-	0%
Net profit (loss)		(3,300)	821	1,888	814	1,996	1,468	2,012	3,709	(82)	440	888	385	11,039	35%
Depreciation	3	-	126	126	126	126	126	126	126	126	126	126	126	1,384	
Equipment purchases	3	(8,550)	-	-	-	-	-	-	-	-	-	-	-	(8,550)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	11,850	-	-	-	-	-	-	-	-	-	-	-	11,850	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		-	947	2,013	940	2,122	1,593	2,138	3,835	44	566	1,013	511	15,723	
Cash, period start		-	-	947	2,960	3,901	6,023	7,616	9,754	13,589	13,633	14,199	15,212	-	
Cash, period end		-	947	2,960	3,901	6,023	7,616	9,754	13,589	13,633	14,199	15,212	15,723	15,723	