

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Austin
Industrial Cleaning Solutions

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

Industrial Cleaning Solutions

“Where we make sure your tanks are clean to help the earth stay green”

Business Plan
January 2020

Austin
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Vacuum trucks tend to leave up to 15% of the run-off waste product there vacuuming out frac tanks.</p>	<p>Industrial Cleaning Solutions is focused on cleaning tanks to help maintain them to the prevent leakage that can harm the environment and cause extreme fines on the company.</p>	<p>We will manually clean tanks and make sure they are safe and clean in order to hold fresh water.</p>																																				
Customers	Differentiators	Extras																																				
<p>Frac companies in the Midland/Odessa area.</p>	<p>We will use bio-degradable chemicals that not only clean the tanks but are environmental friendly.</p>	<p>I grew up in Odessa and have friends and family in the frac business that are committed to doing business with my company.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>I will market through oil shows/ business cards/ word of mouth going to frac companies offering my business.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 1,665,000</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>48,000</td> <td>3%</td> </tr> <tr> <td>Gross profit</td> <td>1,616,900</td> <td>97%</td> </tr> <tr> <td>Overhead</td> <td>274,500</td> <td>16%</td> </tr> <tr> <td>Pretax income</td> <td>1,342,300</td> <td>81%</td> </tr> <tr> <td>Tax expense</td> <td>335,500</td> <td>20%</td> </tr> <tr> <td>Owner withdrawals</td> <td>49,200</td> <td>3%</td> </tr> <tr> <td>Net income</td> <td>\$ 957,400</td> <td>58%</td> </tr> </table>	Sales:	\$ 1,665,000	100%	COGS	48,000	3%	Gross profit	1,616,900	97%	Overhead	274,500	16%	Pretax income	1,342,300	81%	Tax expense	335,500	20%	Owner withdrawals	49,200	3%	Net income	\$ 957,400	58%	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 12,500</td> </tr> <tr> <td>Owner investment - equipment</td> <td>41,520</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>20,000</td> </tr> <tr> <td>Start up financing</td> <td>-</td> </tr> <tr> <td>Total start up costs:</td> <td>\$ 74,020</td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 12,500	Owner investment - equipment	41,520	Vehicle and/or equipment loan	20,000	Start up financing	-	Total start up costs:	\$ 74,020	Plan Purpose:	Start-Up
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Personal Fit																																						

I am a servant-leader at heart and that flows into all of my actions. Now that I have changed my thinking I will use my leadership skills to promote positive energy to society.

PERSONAL FIT

My name is Austin, I was born October 7th, 1998 in Odessa Texas. My mother and father got a divorce when I was 4 years old. My mother raised me and my older brother of two years by herself for the most part. I played sports in school and had fairly good grades until about my 10th grade year. I started skipping school and making bad decisions and barely graduated in 2017.

When I got into high school I started hanging with the wrong crowd that was not good for me. At that time I had no idea what I was getting myself into. When I was 17 I was giving a couple friends a ride home from school when one of them shot at somebody out of my truck and I was charged with the same crime. That is what landed me in prison serving a four year sentence.

Since I have been in prison my whole thinking process has changed. I have elevated from a boy to a man. I have a whole new perspective on what life is really about. I now live my life by the 10 driving values PEP has taught me and they have changed my behavior patterns tremendously. I know I can be trusted with anything, not just being an entrepreneur. I am a servant-leader at heart and that flows into all of my actions. Now that I have changed my thinking I will use my leadership skills to promote positive energy to society. I will show that I live out the values. Not only by my words but by my actions, showing that I can be trusted and reliable with investment capital. In conclusion I will be getting released to Dallas sometime in the middle of 2020 to pursue my goals.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - My experience being a tank technician and leadership skills proves I have what it takes.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - They will be satisfied with the quality work being done in a timely manner.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - I will start off with a crew of three with me being the supervisor.
- Is there growth potential to expand my business, or is this a dying market?
 - I plan on expanding towards New Mexico area.
- How soon can I get my business up and running?
 - I plan on opening up in the summer of 2021.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - The industry has a lot of capital to invest in good ideas.
- Is this something I would be proud to share with my family and parole officer?
 - I will be informing everyone about my business plan.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?

- Yes I believe so.
- Would my business start as a part-time venture or need to be full time?
 - I will be a full time venture.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Frac companies need their tanks cleaned. Yes!
- What are the benefits (not features) that I am providing?
 - Making sure all tanks are cleaned on time and in an environmentally friendly way.
- Why can I do this better than another business (competitor)?
 - Clean the tanks manually rather than a vacuum truck while maintaining safety for all employees.
- How will I deliver this better idea to my customers?
 - Remind them that vacuum trucks leave 10% of the waste in the tanks.
- 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 be mobile in the Midland/Odessa area.
- Is my solution consistent with my passion for selling?
 - I enjoy seeing customers satisfied.
- Is the price of my solution equal to or less than the customer's pain?
 - My solution is more cost effective than fines from governmental regulators.
- Is the approximate cost of my solution lower than the price?
 - Prices will vary on the tank size and project.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - I am a mobile business.
- Do I offer a guaranty or return policy?
 - Guaranteed satisfaction on all work being done.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - Mostly men in the oilfield.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - Anyone working in the oilfield that needs frac tanks cleaned.
- Does my customer need to be married, single or does it matter?
 - Marital status does not matter.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - This type of service will not be affected by language.

- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - Company men wanting their frac tanks cleaned properly.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - Income will not be an issue for a customer of this type.
- Does my customer need to own specific assets (car, house, boat)?
 - My customer will have to be involved with a business that owns frac tanks.

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 my service to customers at their workplace or oilfield location.
- Do I go to my customer (home service) or does my customer come to me?
 - I will be mobile so I will travel to them.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - Neighborhood does not matter.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My customers will be located in the Permian Basin. I will be more flexible as I attempt to establish a consumer base.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - The industry has a good ole boy network. I will attempt to establish a reputation that is honorable and honest, which will lead to more customers.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - I need to find them individually to a contracts one at a time.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - I will have a contract with them and be seeking to gain more customers.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Green Industrial Cleaning	Direct	Oilfield Shows	\$2,500-\$5000	Name well known	Laziness, don't clean to quality standards	Manual cleaning with biodegradable chemicals
Mulholland Energy Service	Indirect	Business cards/ Oil shows	\$3000+	Name well known	Has a lot of contracts/ does not meet quality standards	Use biodegradable chemicals/ meet the quality standard
Vactone	Indirect	Internet	\$3000+	Name well known/ Big company	Not good customer service being a big company	Biodegradable chemicals, customer relationship

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - I have relationships with individuals in the frac business.
- Do you have access to a favorable location for your business?
 - I will make sure all tanks meet quality standards.
- Are you going to be the first company of your type in your chosen area operations?
 - I am a very sociable person and have a great personality.

Internal Extras:

- Do you have a new or cutting edge concept?
 - No.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Yes.
- Are you an especially charming or personable person?
 - Yes.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - We are an industrial cleaning service and we are the solution to your tank cleaning problems.
- What is your tagline?
 - We make sure your tanks stay clean and help the earth stay green.
- How does your name and tagline make you different than your competitors?
 - We do not just clean your tanks we also will not contaminate the environment.
- Can your message be effectively conveyed through multiple types of media?
 - Most definitely.
- Is your message effective across different demographics?
 - Yes people care about earth.
- Is your pricing consistent with the market for similar offerings?
 - Yes with competitive prices.
- Is your pricing consistent with the degree of personalization?
 - Yes the project will determine the price.

Media:

- What are three types of media you will use to reach your customers?
 - Business cards, oil shows and word of mouth.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - Will seek to reach 50 customers.
- Once you've reached your typical customer, how many will actually buy from you?
 - I will be targeting one contract at a time.
- For each of the three, what do you think the estimated cost will be?
 - Business cards \$20, oil shows \$100.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Every three months for business cards, once a year for oil shows.
- How will you collect customer reviews?
 - With online reviews.

RESUME

Austin

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

Experience

Tank Technician 2017-2018
Clean acid and frac tanks

Shop Hand 2016-2017
Keep shop and inventory organized

Lifeguard 2014-2015
Make sure everyone is safe in and around the pool area

Skills

- **Communication skills**
- **Work well with others**
- **Certified in confined space**
- **Certified in hazmat and H2S**
- **Detail oriented**
- **Good learner**
- **General knowledge with tools**
- **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.

Permian High School 2017
Diploma

Owner's name	Austin
Company name	Industrial Cleaning Solutions
NAICS Business Classification	
Sector (general classification)	21_Mining_Quarrying_and_Oil_and_Gas_Extraction
Sub-sector (more specific classification)	213: Support Activities for Mining

**Start-up Costs
Year 1**

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	20
cell phone purchase	
car/truck down payment, if leased	5,000
permits	2,500
supplies, office & misc.	
Safety/General Use Equipment	4,980
Rental Equipment	3,600
Fuel	2,000
Employee Payroll (4 months)	17,920
Cash needed for start-up expenses	36,020

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van		20,000	20,000
company trailer	12,500		-
computer, printer, fax			-
Equipment/pumps,totes etc.	5,500		5,500
			-
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
Cash needed for start-up assets	18,000	20,000	25,500
			<u>60 assumed life (months)</u>
			<u>425 monthly depreciation</u>

Total start up cost **74,020**

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	12,500	17%
Vehicle loan and other equipment debt (see note 7 for financing)	20,000	27%
Startup financing, if applicable (for example Kiva loan)		0%
Outside equity investment, if applicable	41,520	56%
Total start up cost, total sources	74,020	100%

Austin dba Industrial Cleaning Solutions
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														
One Frac Tank line not used	6	-	112,500	123,750	135,000	142,500	150,000	15,000	172,500	180,000	198,750	210,000	225,000	1,665,000	100%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total revenue		-	112,500	123,750	135,000	142,500	150,000	15,000	172,500	180,000	198,750	210,000	225,000	1,665,000	100%
Cost of Goods Sold	2														
One Frac Tank line not used	6	-	3,249	3,574	3,899	4,115	4,332	433	4,982	5,198	5,740	6,065	6,498	48,085	3%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total COGS		-	3,249	3,574	3,899	4,115	4,332	433	4,982	5,198	5,740	6,065	6,498	48,085	3%
Gross profit		-	109,251	120,176	131,101	138,385	145,668	14,567	167,518	174,802	193,010	203,935	218,502	1,616,915	97%
Expenses	2														
Auto or truck lease		5,000	450	450	450	450	450	450	450	450	450	450	450	9,950	1%
Depreciation	3	-	425	425	425	425	425	425	425	425	425	425	425	4,675	0%
Gasoline & fuels	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000	1%
Insurance - bonding	-	-	300	300	300	300	300	300	300	300	300	300	300	3,300	0%
Insurance - vehicle	-	-	150	150	150	150	150	150	150	150	150	150	150	1,650	0%
Interest - equip & start up	7	-	133	131	129	126	124	121	119	116	114	111	109	1,334	0%
Marketing	20	-	20	20	20	20	20	20	20	20	20	20	20	240	0%
Office - rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Office - insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Office - telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Office - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll - not owner and not in COGS	8	-	11,520	11,520	11,520	11,520	11,520	12,960	12,960	12,960	12,960	12,960	12,960	135,360	8%
Payroll taxes (9%)	6 & 8	-	1,037	1,037	1,037	1,037	1,037	1,166	1,166	1,166	1,166	1,166	1,166	12,182	1%
Permits	2,500	-	-	-	-	-	-	-	-	-	-	-	-	2,500	0%
Supplies	-	-	950	1,000	950	1,000	1,550	1,000	950	1,000	950	1,000	1,550	11,900	1%
Tax service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Telephone - cellular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Start-up expenses	28,500	-	-	-	-	-	-	-	-	-	-	-	-	28,500	2%
Rental Equipment	-	-	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	39,600	2%
Water/Fruit	-	-	125	125	125	125	125	125	125	125	125	125	125	1,375	0%
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total expenses		36,020	20,710	20,758	20,705	20,753	21,301	22,318	22,265	22,313	22,260	22,308	22,855	274,566	16%
Taxable profit (loss)	1	(36,020)	88,541	99,418	110,396	117,632	124,367	(7,751)	145,253	152,489	170,750	181,627	195,647	1,342,349	81%
Tax (expense) benefit	1	-		(37,985)			(88,099)			(72,498)			(137,006)	(335,587)	-20%
Owner's withdrawals	1	-	(4,480)	(4,480)	(4,480)	(4,480)	(4,480)	(4,480)	(4,480)	(4,480)	(4,480)	(4,480)	(4,480)	(49,280)	-3%
Net profit (loss)		(36,020)	84,061	56,954	105,916	113,152	31,789	(12,231)	140,773	75,511	166,270	177,147	54,161	957,481	58%
Depreciation	3	-	425	425	425	425	425	425	425	425	425	425	425	4,675	
Equipment purchases	3	(38,000)	-	-	-	-	-	-	-	-	-	-	-	(38,000)	
Principle, equipment loan	7	20,000	(355)	(357)	(360)	(362)	(364)	(367)	(369)	(372)	(374)	(377)	(379)	15,963	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	12,500	-	-	-	-	-	-	-	-	-	-	-	12,500	
Equity investor	3	41,520	-	-	-	-	-	-	-	-	-	-	-	41,520	
Net cash flow		-	84,131	57,021	105,981	113,215	31,849	(12,173)	140,829	75,564	166,320	177,196	54,206	994,139	
Cash, period start	-	-	-	84,131	141,152	247,133	360,348	392,197	380,024	520,853	596,417	762,737	939,933	-	
Cash, period end		-	84,131	141,152	247,133	360,348	392,197	380,024	520,853	596,417	762,737	939,933	994,139	994,139	