

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Jonathan
Phat Daddy's Smoke House

Prison Entrepreneurship Program
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Phat Daddy's Smoke House

"Pretty hot and tasty"

Business Plan
January 2020

Jonathan
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Frozen foods or foods that may be reheated. Slow service and long lives plus high prices.</p>	<p>Phat Daddy's Smoke house is dedicated to putting smiles on our customers' faces by providing great service and producing exquisite smoked BBQ.</p>	<p>I will be providing fresh foods daily with fast services plus great services.</p>																																				
Customers	Differentiators	Extras																																				
<p>I will be servicing my product to an age group that will vary. I will also be providing service to travelers and worksites during lunch break hours.</p>	<p>I will be providing great product for a perfect price. Great quality food and a welcoming service.</p>	<p>I will also be connecting with others in the food truck industry to expand and create friendships.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>I will be marketing through social media with business cards and flyers. I will also be marketing by word of mouth.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 45,800</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>8,100</td> <td>18%</td> </tr> <tr> <td>Gross profit</td> <td>37,700</td> <td>82%</td> </tr> <tr> <td>Overhead</td> <td>25,700</td> <td>56%</td> </tr> <tr> <td>Pretax income</td> <td>11,900</td> <td>26%</td> </tr> <tr> <td>Tax expense</td> <td>2,900</td> <td>6%</td> </tr> <tr> <td>Owner withdrawals</td> <td>-</td> <td>0%</td> </tr> <tr> <td>Net income</td> <td>\$ 8,900</td> <td>19%</td> </tr> </table>	Sales:	\$ 45,800	100%	COGS	8,100	18%	Gross profit	37,700	82%	Overhead	25,700	56%	Pretax income	11,900	26%	Tax expense	2,900	6%	Owner withdrawals	-	0%	Net income	\$ 8,900	19%	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 10,122</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><u>\$ 10,122</u></td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 10,122	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	-	Total start up costs:	<u>\$ 10,122</u>	Plan Purpose:	Start-Up
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Personal Fit																																						

My goal is to provide a heartwarming welcoming with my customers and services will be made to their every expectation. I want my customer to see Phat Daddy's Smoke House as more than a money seeking business.

PERSONAL FIT

My name is Jonathan; born February 6, 1988, and raised in San Antonio, Texas. I have two blessed parents that have been married for 35 years. I am happily married with two boys who mean the world to me. I graduated high school in the year of 2006; but I had trouble with my behavior.

During elementary I loved being the class clown. I would do silly things to make the kids laugh; but to the teachers I was just distracting the class, and that was a problem. So I ended up in the principal's office from time to time. By the time I made it to middle school things were different. I began to hang out with a group of teens who were a big influence on how I would chose to live my life.

At the age of 13 I was introduced to marijuana and gangs. It did not take long for me to become committed to this life style and land myself in big trouble. I was incarcerated a number of times for possession of marijuana, trespassing, evading arrest, and possession of controlled substances.

I am a strong believer in change; when you start to mature in life and make better choices. Sometimes we have to learn from our mistakes the hard way. Since serving time in prison I have noticed a significant change in the people that I choose to hang out with. If they are always negative or glorifying what they did in past, I avoid socializing with them.

I am in search of the crowd that is hungry for living a successful life; through hard work and patience. If there is anything that can come between me reuniting with my family; you can be guaranteed that I will avoid it by any means necessary. I know now what it is to stay on the path towards success; it is freedom, joy, happiness and peace-my family. I reflect on my past and realize how much time has been wasted; especially opportunities.

I see how life flies by so fast and know that if I did not snap back to reality life would have just passed me by; alone and old with nothing to show of my life. I am a sociable person and realize that instead of helping people fall into a hole filled with evil, I can help show them a way out towards peace and happiness with positive energy; because I know what it is like to fail and be at rock bottom.

I want to own my own business in the food industry because my passion has always been in culinary arts. The change in my attitude shows the people around me my worth in trust worthiness. I will be fully prepared to launch my business within two years upon my release. The 10 Driving Values have helped me to better myself as a man. Taking classes like Credit Seminar have also helped me, as I have learned to be financially responsible. I will be released to Austin, Texas, on the day of July 10, 2020.

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?
 - My company's goal is to provide the perfect experience every time all the time. Proving to the customer that their time is not wasted and money as well.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - I need to be the one running the show because my name and brand are representing the product I'm producing.
- Is there growth potential to expand my business, or is this a dying market?
 - There is always growth in the food truck industry. Some don't last but it's all due to being able to provide something new and different.
- How soon can I get my business up and running?
 - My plan of action to launch my business venture will be within a two year range of my re-entry.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - It will be a good start due to my menu and truck size, I don't want to go overboard so I will be going by the model easy does it.
- Is this something I would be proud to share with my family and parole officer?
 - Yes, because I am not ashamed to speak my goals/dreams into existence. There's nothing wrong with wanting to venture out and being a young entrepreneur.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
 - Yes, I'm sure it is but upon my release I will be going over every aspect with my parole officer to make sure there are no infractions.
- Would my business start as a part-time venture or need to be full time?
 - I will be starting my business venture as a part time hobby while I continue working full time to invest and save money.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes, the purpose behind my business is to put customers' needs as our top priority. The customer is always right.
- What are the benefits (not features) that I am providing?
 - I will be providing a great product of service for the lowest cost possible without effecting my business profits. It's not about the money it's about service, time and satisfaction.
- Why can I do this better than another business (competitor)?
 - Because of the driving innovation I maintain when it comes to being creative when creating a new cuisine.

- How will I deliver this better idea to my customers?
 - I will be depending on word of mouth and my previous employer as well.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Yes, I will be local and make sure my customers are always update on menu changes and relocation in advance.
- Is my solution consistent with my passion for selling?
 - Yes, I've always thrived on pleasing any person I've ever cooked for friend, family guest or the customer. My passion is the backbone behind my drive.
- Is the price of my solution equal to or less than the customer's pain?
 - It's less than the customer's pain because I'm not trying to get rich, all I need is my brand to be represented by my product and service and with a satisfied customer the rest will fall into motion.
- Is the approximate cost of my solution lower than the price?
 - Yes, the cost of my solution will be lower than my prices due to the network I already have available.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - This business will be mobile, but I have an idea of locations that are perfect when not mobile.
- Do I offer a guaranty or return policy?
 - Yes, if the customer is not satisfied then we will be providing your money back with a fresh order of your choice.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - No, it will be equal for men and women.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - Ages will be a range between 18 and 55 years of age.
- Does my customer need to be married, single or does it matter?
 - We will serve you if you're married, single or separated. But we do look forward to groups of family's to experience what we have to offer.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - Being able to speak more than one language is a plus, ethnicity is not a problem.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - I will dealing with people who are able to eat meat pork, sausage and turkey and roasted corn.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - My target customer will range from poor to rich. We will not be discriminating.
- Does my customer need to own specific assets (car, house, boat)?
 - No, assets will not be a factor in serving my customers.

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 in various locations throughout the city, and I will be targeting big industries when mobile.
- Do I go to my customer (home service) or does my customer come to me?
 - The customer will be coming to my location unless I am mobile.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - My customers will be in the Southside of San Antonio. When mobile location will vary but most likely be outside of the city.
- 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 spread out through the city. It's known for people to travel for good eats.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - It will be relatively easy because my food will speak for itself.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - The customer base will vary from groups to individuals.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - The customer will not only buy from me again and become a regular customer on a constant basis but will help spread the word.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Local BBQ Bill Millers	Direct/Indirect	T.V, Radio, Newspaper	\$10-\$15	Brand very well known	Small market	Cost effectiveness, Personal, Food items
Local BBQ BNB Smoke House	Direct/Indirect	Ads, Radio	\$15-\$20	Brand very well known	Small market	Cost effectiveness, Personal, Food items
Local Taco Trucks	Direct	Self-Promotion Local word of mouth	\$5-\$8	Shop while waiting family oriented	Small market	Personal, Food items, Marketing, Catering, Welcoming

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - Yes, I have a connection with a supplier in my industry through my previous employer.
- Do you have access to a favorable location for your business?
 - Yes, outside of bars, clubs, worksites, schools etc.
- Are you going to be the first company of your type in your chosen area operations?
 - Yes, my truck will be the first to provide the items I have chosen.

Internal Extras:

- Do you have a new or cutting edge concept?
 - My concept is not new but my menu choice and innovation will play a big factor in making it semi new.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Yes, I will be trying new things ranging from time, service, foods and marketing.
- Are you an especially charming or personable person?
 - I am sociable when it comes to being around new people. I am my business so I have to sell myself to sell my product.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - Pretty, hot and tasty. Turkey, sausage and brisket.
- What is your tagline?
 - Providing fiesta like eats in the streets of the city.
- How does your name and tagline make you different than your competitors?
 - Absolutely it's a fact that everyone loves pretty hot and tasty BBQ.
- Can your message be effectively conveyed through multiple types of media?
 - Yes, indeed. Phat daddy's smoke house on wheels where the food is always pretty, hot and tasty.
- Is your message effective across different demographics?
 - Yes, the only difference is we will be providing lower prices then what a fiesta festival and other barbecue restaurants will be offering.
- Is your pricing consistent with the market for similar offerings?
 - Yes, the type of food, size, quality and passion in the cooking will be supreme.
- Is your pricing consistent with the degree of personalization?
 - Yes.

Media:

- What are three types of media you will use to reach your customers?
 - Social media, ads, flyers and business cards.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - Between \$250 and \$500.
- Once you've reached your typical customer, how many will actually buy from you?
 - After word gets out I would say 75 to 85%.
- For each of the three, what do you think the estimated cost will be?
 - No idea but it will vary due to resources.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Onetime.
- How will you collect customer reviews?
 - Online reviews and on social media as well.

RESUME

Jonathan

1100 Hwy 1807

Venus, TX 76084

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

Experience

Cook/Prep

2014-2017

Head cook and prepared food

Fork Lift Operator

2013-2014

Load and unload 18 wheelers

Assembler Furniture

2013

Furniture display assembler

Car/Truck Detailer

2009-2010

Vacuuming vehicles and detailing

Skills

- **Forklift Operator**
- **Cook/Prep**
- **Assembler**
- **Detailer**

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.

St Phillips College

2014

Food handling/ prep and sanitation certified

Windham School District

2018

Fiber Optics and Telecommunication handler

Owner's name	Jonathan
Company name	Phat Daddys Smoke House
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	160
cell phone purchase	50
car/truck down payment, if leased	
permits	250
supplies, office & misc.	
Soda	107
Chips	140
Cash needed for start-up expenses	707

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	3,300		3,300
company trailer	6,000		-
computer, printer, fax			-
Receipt Printer	115		115
			-
			-
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
Cash needed for start-up assets	9,415	-	3,415

60 assumed life (months)
57 monthly depreciation

Total start up cost 10,122

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	10,122	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	10,122	100%

Jonathan dba Phat Daddys Smoke House
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														
Turkey Leg	6	-	1,539	1,649	1,649	1,649	2,473	2,748	3,572	3,572	1,099	1,099	1,099	22,145	48%
Brisket	6	-	799	799	799	799	1,998	2,197	2,397	2,397	479	479	479	13,623	30%
Sausage	6	-	629	629	629	629	1,223	1,398	1,748	1,748	489	489	489	10,101	22%
Total revenue		-	2,967	3,077	3,077	3,077	5,694	6,343	7,716	7,716	2,068	2,068	2,068	45,868	100%
Cost of Goods Sold	2														
Turkey Leg	6	-	336	360	360	360	540	600	780	780	240	240	240	4,836	11%
Brisket	6	-	105	105	105	105	263	289	315	315	63	63	63	1,790	4%
Sausage	6	-	95	95	95	95	184	210	263	263	74	74	74	1,517	3%
Total COGS		-	536	560	560	560	986	1,099	1,358	1,358	377	377	377	8,144	18%
Gross profit		-	2,431	2,517	2,517	2,517	4,707	5,244	6,359	6,359	1,691	1,691	1,691	37,725	82%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	57	57	57	57	57	57	57	57	57	57	57	626	1%
Gasoline & fuels	-	-	250	250	250	250	250	250	250	250	250	250	250	2,750	6%
Insurance - bonding	-														0%
Insurance - vehicle	-	-	300	300	300	300	300	300	300	300	300	300	300	3,300	7%
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Marketing	160	-	160			160			160			160		800	2%
Office - rent	-														0%
Office - insurance	-	-	300	300	300	300	300	300	300	300	300	300	300	3,300	7%
Office - telephone	-														0%
Office - utilities	-														0%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits	250	-	250	250	250	250	250	250	250	250	250	250	250	3,000	7%
Supplies	-	-	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	11,165	24%
Tax service	-														0%
Telephone - cellular	50	-	50	50	50	50	50	50	50	50	50	50	50	600	1%
Start-up expenses	247	-	-	-	-	-	-	-	-	-	-	-	-	247	1%
															0%
															0%
															0%
															0%
															0%
															0%
Total expenses		707	2,382	2,222	2,222	2,382	2,222	2,222	2,382	2,222	2,222	2,382	2,222	25,788	56%
Taxable profit (loss)	1	(707)	49	295	295	135	2,485	3,022	3,977	4,137	(531)	(691)	(531)	11,937	26%
Tax (expense) benefit	1						(638)			(2,784)			438	(2,984)	-7%
Owner's withdrawals	1	-													0%
Net profit (loss)		(707)	49	295	295	135	1,847	3,022	3,977	1,353	(531)	(691)	(93)	8,953	20%
Depreciation	3	-	57	57	57	57	57	57	57	57	57	57	57	626	
Equipment purchases	3	(9,415)	-	-	-	-	-	-	-	-	-	-	-	(9,415)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	10,122	-	-	-	-	-	-	-	-	-	-	-	10,122	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		-	106	352	352	192	1,904	3,079	4,034	1,410	(474)	(634)	(36)	10,286	
Cash, period start		-	-	106	458	810	1,003	2,906	5,985	10,019	11,429	10,955	10,321	-	
Cash, period end		-	106	458	810	1,003	2,906	5,985	10,019	11,429	10,955	10,321	10,286	10,286	