

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Ike
Crystal Clean Pool Services

Prison Entrepreneurship Program
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Crystal Clean Pool Services

“Turn that green into Crystal Clean”

Business Plan
January 2020

Ike
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Swimming pool techs have limited experience in the industry. Whereas I have personal experience in all areas of pool maintenance.</p>	<p>At Crystal Clean Pool Service our soul mission is to give our customers a clean pool experience at a competitive price. Our goal is to make our customers pools crystal clean.</p>	<p>I will provide necessary employee training required to successfully perform the job duties.</p>																																				
Customers	Differentiators	Extras																																				
<p>Will be anyone with a mid to high class income and own a swimming pool.</p>	<p>We have four years' experience plus specialized knowledge with services provided.</p>	<p>We have good relationships with customers resulting in customer growth.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>We will market through social media and word of mouth.</p>	<table border="0"> <tr> <td>Sales:</td> <td style="text-align: right;">\$ 51,200</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right; border-bottom: 1px solid black;">14,300</td> <td style="text-align: right; border-bottom: 1px solid black;">28%</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">36,800</td> <td style="text-align: right;">72%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right; border-bottom: 1px solid black;">16,300</td> <td style="text-align: right; border-bottom: 1px solid black;">32%</td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">20,500</td> <td style="text-align: right;">40%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">5,100</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right; border-bottom: 1px solid black;">8,500</td> <td style="text-align: right; border-bottom: 1px solid black;">17%</td> </tr> <tr> <td>Net income</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 6,800</td> <td style="text-align: right; border-bottom: 3px double black;">13%</td> </tr> </table>	Sales:	\$ 51,200	100%	COGS	14,300	28%	Gross profit	36,800	72%	Overhead	16,300	32%	Pretax income	20,500	40%	Tax expense	5,100	10%	Owner withdrawals	8,500	17%	Net income	\$ 6,800	13%	<table border="0"> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">\$ 13,300</td> </tr> <tr> <td>Owner investment - equipment</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>Start up financing</td> <td style="text-align: right; border-bottom: 1px solid black;">1,000</td> </tr> <tr> <td>Total start up costs:</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 20,300</td> </tr> <tr> <td>Plan Purpose:</td> <td style="text-align: right;">Startup</td> </tr> </table>	Owner investment - cash	\$ 13,300	Owner investment - equipment	3,000	Vehicle and/or equipment loan	3,000	Start up financing	1,000	Total start up costs:	\$ 20,300	Plan Purpose:	Startup
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Personal Fit																																						

As founder of Crystal Clean Pool Service i have a true passion for the pool cleaning industry. I enjoy the opportunity to communicate and work with every customer. We will provide highly trained technicians to perform quality services to our customers.

PERSONAL FIT

My name is Ike . I was born on June 4, 1978 in Dallas, Texas. My parents were married until around 1989. From that point on my mother raised me and my brother herself. My father was rarely involved in me and my brothers' lives. In school I was not a good student. At 18 I left home due to being incarcerated.

I started getting into trouble at the age of 15. I do not really know why I started getting into trouble. At 18 I started selling drugs. Through the years I always wanted to learn a legitimate skill but was never willing to start at the bottom and work my way up. At the age of 31 I did start at the bottom and as a result I learned a skill in the Swimming Pool Industry.

Since coming to prison I have grown as a person in many ways. I have been able to become honest with myself and this has been a very humbling experience. I have made the commitment to change by working on my faults and surrounding myself with like-minded people. My biggest commitment to making a change is being a part of PEP. The reason I want to change is because I really want a better life for myself.

What will make me a successful entrepreneur is the fact that I was raised to be honest, have integrity, and never take from others. One of my best qualities as an entrepreneur is that I will care for every customer as if they are family. I want to start my business within six months of being released. The reason I want to own a business is simple, I want to live the American Dream.

I will be released to Houston in the month of September in the year 2020 to the PEP transitional house. At that time I will be taking proper steps to execute my goal of starting my own business. Once the business is running I will do everything I can to make it a success. As a result I will pass my legacy on to the next generation.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - With all my prior experience I am able to solve all problems pool owners will face.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - Our focus is to deliver high quality and timely results as well as developing a personal understanding with each client's specific desires.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - Initially I believe I will be able to do the work myself.
- Is there growth potential to expand my business, or is this a dying market?
 - This is a rapidly growing industry.
- How soon can I get my business up and running?
 - I believe I can start this venture within 24 months of my release.

- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - The total start-up is low and the only hurdle will be putting in the time and effort to run and operate the business.
- Is this something I would be proud to share with my family and parole officer?
 - I will proudly share this with my family and parole officer.
- 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?
 - My business will be a full time business.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Cleaning and chemical balancing are essential to the overall health of the pool or spa; as well as properly functioning pump and filtration system.
- What are the benefits (not features) that I am providing?
 - With my experience I believe I can be a powerful competitor to other pool service companies.
- Why can I do this better than another business (competitor)?
 - I am servicing on a daily basis due to the geographical range of my clients.
- How will I deliver this better idea to my customers?
 - I will rely on my personal contacts I have made in the industry along with specific marketing and advertising strategies as well as contacts through the Prison Entrepreneurship Program.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Yes, maintaining a pool to its full potential is a passion I have.
- Is my solution consistent with my passion for selling?
 - Yes, I have four years with selling my service.
- Is the price of my solution equal to or less than the customer's pain?
 - Less, our prices are within the moderate range.
- Is the approximate cost of my solution lower than the price?
 - Time and education are the main cost while labor is a value cost.
- 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?
 - If the customer is not satisfied we will come to a reasonable solution for both parties.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - My business services will appeal to both men and women.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - The ideal age will be a pool owner between the ages of 18 and 80.
- Does my customer need to be married, single or does it matter?
 - Marital status will not matter.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - The services being offered will not be affected by these barriers.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - The services being offered will appeal to those who have a passion for having top quality up keep on their pool and yard.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - The target customer will need an income ranging from middle class to wealthy.
- Does my customer need to own specific assets (car, house, boat)?
 - The customer will need to own a swimming pool or a spa to be needing the services offered.

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 services online, by mail, word of mouth and fliers.
- Do I go to my customer (home service) or does my customer come to me?
 - I will be going to my customer's home to perform my services.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - My ideal customer will range from single to a two income family with or without children that live in a middle to upper class neighborhood with an average resident of two to five years.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My customers for a single route will live in the same neighborhood or within a 10-15 minute drive of each other.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - I will have the choice of buying a route with multiple pre-existing customers or I will service them one by one via marketing and advertising methods.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - My target customers can be found both individually or in groups.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - There is an 85-95 percent chance they will buy the service from me through either a contract agreement or a weekly basis.

If Doing Business to Business Operations (Optional):

- Am I selling to a wholesaler, retailer or does it matter?
 - I will be offering my services to real estate owners who have pools or spas.
- What industry is my customer in?
 - My commercial customers will be in the Real Estate and Home Warranty Company Industry.
- What size customer do I want to serve (large/small, single/multiple locations)?
 - I plan to offer services to multiple business locations.
- Will my customer require special insurance (construction bonding, liability insurance)?
 - Special insurance is not required.
- Does my customer require 24/7 service?
 - Emergency services will be offered for clients with locked in contracts.
- Do I have the capacity to meet the customer's demands?
 - I am fully equipped to meet the demands of my customers.
- Will the size of a customer allow me to develop other clients or will I be hostage to one company?
 - One commercial client will not bind me.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Swim Tech	Direct	Web, Word of Mouth	\$150-\$200 Monthly	Fully Established	Limited qualified technicians	Offer fully qualified technicians for service offered
Porter Pool Service	Direct	Web, Word of Mouth	\$175 Monthly	Fully Established	Limited qualified technicians	Offer fully qualified technicians for service offered
Tadpole Pool Service	Direct	Web, Word of Mouth	\$185 Monthly	Fully Established	Limited qualified technicians	Offer fully qualified technicians for service offered
Aqua Bright Pool Service	Direct	Web, Word of Mouth	\$180 Monthly	Fully Established	Limited qualified technicians	Offer fully qualified technicians for service offered

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - I do have an established connection with a wholesale pool parts supplier along with connections with pool contractors and other pool companies.
- Do you have access to a favorable location for your business?
 - No storefront operation is required.
- Are you going to be the first company of your type in your chosen area operations?
 - I will not be the first pool service business in my location.

Internal Extras:

- Do you have a new or cutting edge concept?
 - I believe my knowledge and expertise in working with realtors and home warranty companies will be cutting edge.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - I will offer specialized scheduling to customers with locked in contracts.
- Are you an especially charming or personable person?
 - I believe I do have the personality and people skills to service my customers.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - We are a pool service company that is certified and insured to care for pools and spas delivering crystal clean results.
- What is your tagline?
 - Turn that green crystal clean.
- How does your name and tagline make you different than your competitors?
 - The tagline describes what a crystal clean is supposed to look like.
- Can your message be effectively conveyed through multiple types of media?
 - Yes, it can be conveyed through all types of media.
- Is your message effective across different demographics?
 - Commercial and residential customers will know what services my business offer just by the name alone.
- Is your pricing consistent with the market for similar offerings?
 - Yes, our prices are consistent with the current market.
- Is your pricing consistent with the degree of personalization?
 - Yes, the price will vary depending on the size of the pool or spa.

Media:

- What are three types of media you will use to reach your customers?
 - I will be advertising my business through social media, business cards, word of mouth and the company website.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I will be seeking to reach a minimum of 100 customers per month via my advertising methods.
- Once you've reached your typical customer, how many will actually buy from you?
 - I expect to do business with 60-70 customers monthly.
- For each of the three, what do you think the estimated cost will be?
 - Social media-\$100 or less, business cards-\$50, company website-\$100, word of mouth-priceless.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Social media will be a possible monthly fee, business cards will be purchased on an as needed basis, company website will be a one-time fee, and word of mouth referrals may receive a finder's fee.

RESUME

Ike

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

Experience

Swim Tech Pool Service

September 2017-December 2017

Clean and balance chemicals for swimming pool

Tad Pole Pool Service

August 2011-August 2012

Clean and balance chemicals for swimming pool

Porter Pool Service

March 2009-July 2011

Repair equipment/ clean and balance chemicals for swimming pool

Skills

- **Effective Communicator**
- **Knowledge in filter cleaning**
- **Knowledge in plumbing**
- **Knowledge in pool safety**
- **Knowledge in acid washes**

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.

Clark High School

September 1992-December 1996

High School Diploma

Owner's name	Ike
Company name	Crystal Clean Pool Services
NAICS Business Classification	
Sector (general classification)	54 Professional, Scientific, and Technical Services
Sub-sector (more specific classification)	541: Professional, Scientific, and Technical Services

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	300
car/truck down payment, if leased	
permits	300
supplies, office & misc.	
Liability Insurance	500
Bonding Insurance	3,000
Cash needed for start-up expenses	4,600

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	2,000	3,000	5,000
company trailer			
computer, printer, fax			-
Pool Cleaning Equipment	400		400
Chemicals	300		300
			-
building/office deposit		N/A	N/A
beginning cash balance	10,000	N/A	N/A
Cash needed for start-up assets	12,700	3,000	5,700

60 assumed life (months)
95 monthly depreciation

Total start up cost **20,300**

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	13,300	66%
Vehicle loan and other equipment debt (see note 7 for financing)	3,000	15%
Startup financing, if applicable (for example Kiva loan)	1,000	5%
Outside equity investment, if applicable	3,000	15%
Total start up cost, total sources	20,300	100%

Ike dba Crystal Clean Pool Services
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														
Weekly Service	6	-	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	28,600	56%
Bi-Weekly	6	-	450	450	900	900	900	900	1,350	1,350	1,350	1,800	1,800	12,150	24%
Chems. Only	6	-	475	475	475	475	950	950	950	1,425	1,425	1,425	1,425	10,450	20%
Total revenue		-	3,525	3,525	3,975	3,975	4,450	4,450	4,900	5,375	5,375	5,825	5,825	51,200	100%
Cost of Goods Sold	2														
Weekly Service	6	-	800	800	800	800	800	800	800	800	800	800	800	8,800	17%
Bi-Weekly	6	-	125	125	250	250	250	250	375	375	375	500	500	3,375	7%
Chems. Only	6	-	100	100	100	100	200	200	200	300	300	300	300	2,200	4%
Total COGS		-	1,025	1,025	1,150	1,150	1,250	1,250	1,375	1,475	1,475	1,600	1,600	14,375	28%
Gross profit		-	2,500	2,500	2,825	2,825	3,200	3,200	3,525	3,900	3,900	4,225	4,225	36,825	72%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	95	95	95	95	95	95	95	95	95	95	95	1,045	2%
Gasoline & fuels	-		250	250	300	300	350	450	450	450	500	500	500	4,300	8%
Insurance - bonding	-		200	200	200	200	200	200	200	200	200	200	200	2,200	4%
Insurance - vehicle	-		100	100	100	100	100	100	100	100	100	100	100	1,100	2%
Interest - equip & start up	7	-	20	18	23	21	19	17	15	12	10	8	6	170	0%
Marketing	500													500	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	300		25		25		25		25		25		25	450	1%
Supplies	-		200	200	200	200	200	200	200	200	200	200	200	2,200	4%
Tax service	-													-	0%
Telephone - cellular	300		50	50	50	50	50	50	50	50	50	50	50	850	2%
Start-up expenses	3,500		-	-	-	-	-	-	-	-	-	-	-	3,500	7%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
Total expenses		4,600	940	913	993	966	1,039	1,112	1,135	1,107	1,180	1,153	1,176	16,315	32%
Taxable profit (loss)	1	(4,600)	1,560	1,587	1,832	1,859	2,161	2,088	2,390	2,793	2,720	3,072	3,049	20,510	40%
Tax (expense) benefit	1						(1,099)			(1,818)			(2,210)	(5,127)	-10%
Owner's withdrawals	1		(500)	(500)	(600)	(600)	(650)	(700)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(8,550)	-17%
Net profit (loss)		(4,600)	1,060	1,087	1,232	1,259	411	1,388	1,390	(25)	1,720	2,072	(161)	6,832	13%
Depreciation	3	-	95	95	95	95	95	95	95	95	95	95	95	1,045	
Equipment purchases	3	(5,700)	-	-	-	-	-	-	-	-	-	-	-	(5,700)	
Principle, equipment loan	7	3,000	(241)	(243)	(244)	(246)	(247)	(249)	(251)	(252)	(254)	(256)	(258)	259	
Repay debt financing	7	1,000	-	-	(80)	(81)	(81)	(82)	(82)	(83)	(84)	(84)	(85)	258	
Owner contribution	3	13,300	-	-	-	-	-	-	-	-	-	-	-	13,300	
Equity investor	3	3,000	-	-	-	-	-	-	-	-	-	-	-	3,000	
Net cash flow		10,000	914	939	1,002	1,027	178	1,152	1,152	(266)	1,477	1,827	(408)	18,994	
Cash, period start		-	10,000	10,914	11,853	12,855	13,882	14,060	15,212	16,364	16,098	17,575	19,402	-	
Cash, period end		10,000	10,914	11,853	12,855	13,882	14,060	15,212	16,364	16,098	17,575	19,402	18,994	18,994	