

prison  
entrepreneurship  
program

Business Plan Competition  
January 23-24, 2020

Samuel  
The Gentleman's Edge

Prison Entrepreneurship Program  
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# *The Gentleman's Edge*

*"A cut above"*

Business Plan  
January 2020

*Samuel*  
Owner & Founder

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**EXECUTIVE SUMMARY**

<b>Opportunity</b>	<b>Purpose</b>	<b>Solution</b>																																				
<p>A barber shop with a men’s club atmosphere specializing in instant hair enhancement products and applications.</p>	<p>Pursuing innovation in the barber industry, while building client relationships in an inviting atmosphere.</p>	<p>Creating an inviting and comfortable barbershop with amenities that meet the need for our valued customers.</p>																																				
<b>Customers</b>	<b>Differentiators</b>	<b>Extras</b>																																				
<p>I will provide necessary service to individuals in the Ft Worth area that needs an instant hair enhancement application.</p>	<p>Establishing personal relationships and applications of instant hair enhancement product.</p>	<p>I will be the first in my area.</p>																																				
<b>Marketing</b>	<b>Financials &amp; Extras</b>	<b>Start-up Costs</b>																																				
<p><b>Social Media/ business cards/ word of mouth.</b></p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 158,000</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td><u>2,700</u></td> <td><u>2%</u></td> </tr> <tr> <td>Gross profit</td> <td>155,300</td> <td>98%</td> </tr> <tr> <td>Overhead</td> <td><u>23,000</u></td> <td><u>15%</u></td> </tr> <tr> <td>Pretax income</td> <td>132,200</td> <td>84%</td> </tr> <tr> <td>Tax expense</td> <td>33,000</td> <td>21%</td> </tr> <tr> <td>Owner withdrawals</td> <td><u>55,000</u></td> <td><u>35%</u></td> </tr> <tr> <td>Net income</td> <td><u>\$ 44,100</u></td> <td><u>28%</u></td> </tr> </table>	Sales:	\$ 158,000	100%	COGS	<u>2,700</u>	<u>2%</u>	Gross profit	155,300	98%	Overhead	<u>23,000</u>	<u>15%</u>	Pretax income	132,200	84%	Tax expense	33,000	21%	Owner withdrawals	<u>55,000</u>	<u>35%</u>	Net income	<u>\$ 44,100</u>	<u>28%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 14,050</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><b>Total start up costs:</b></td> <td><b><u>\$ 14,050</u></b></td> </tr> <tr> <td><b>Plan Purpose:</b></td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 14,050	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	-	<b>Total start up costs:</b>	<b><u>\$ 14,050</u></b>	<b>Plan Purpose:</b>	Start-Up
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<b>Personal Fit</b>																																						

**As founder and operator of The Gentlemen’s Edge I will set the tone in cultivating personal relationships with our clients. With 20 years’ experience I will provide quality haircuts of all varieties. I want to help my customers experience a younger fuller look with instant hair enhancement products.**

## PERSONAL FIT

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In the letter to the Ephesians God is speaking through his servant to tell me I was chosen in Him before the foundation of the world. The book of Ecclesiastes speaks of a time for everything, one of those is a time to be born. I was born in Ft. Worth, Texas on November 12<sup>th</sup> 1985. I am the youngest of three boys, my brothers are ages 38 and 35, successful and have families of their own. I consider myself a momma's boy as my mom raised me. I describe my mom as loving, hardworking, and involved. She has been my support every step of the way. My father was very loving and spent time with us boys on the weekends, he passed in 2011. I considered myself to be a good student, well behaved and respectful. I made good grades and I was very responsible in certain areas growing up like punctuality, doing my chores and working.

I started my first job at 14 years old with one of my friend's parents, at 16 I sold newspaper subscriptions door to door for commission and at the age of 18 I started full time working in the warehouse industry until the time of my crime.

I grew up in two totally opposite environments, at home with my mom I was taught respect and discipline, but with my dad I was showed carelessness and contempt for the law. I can describe my illegal activities as minor things that started at around the age of 9. I can say that I really had no reason to do the things that I did, other than opportunity and excitement. These behaviors started a pattern that led to introductions of other elements of illegal activity. Due to these two environments I learned to present myself with politeness and manners because it is what was expected. Yet I had become a delinquent in action and thought. Cause of this I was able to get away with a lot, I have only a few minor arrests and one adult arrest on my record. In 2006 I was driving while intoxicated causing a car accident that took the life of someone. I was sentenced to 13 years and currently have over 11 served in consecutive years.

Change has come in so many phases for me, the crime I committed caused me to start and set the foundation into what would come. This change for me was a rational change, a change that would merit the loss i caused. I participated in activities that would reflect change and disciplined my behaviors. In 2015 I was diagnosed with thyroid cancer and went through a time of despair and loneliness. During this time I called on the name of Jesus and grew to know God as not only my savior but my Lord. The change that was taking place in my life at that time was an inner change. As of today I had the revelation of a conscious decision that i have used to tie the changes together in application to express love and equality.

As an aspiring entrepreneur I believe obstacles are necessary for success. Victory comes after many struggles and countless defeats. I have not succumb to despair and I know failure will never over take me as long as my desire to succeed is stronger. I will cease and cherish opportunity even when it is disguised as misfortune. I have developed integrity to do what is right and honest in the promotion of the positive. With a refined character I will be grateful and open to all investments and business opportunities.

In conclusion I will pursue continuing developments to forge my character into the successful business owner I have envisioned. I will be released to Ft. Worth, Texas in July of 2021.

## **OPPORTUNITY**

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- Can I solve the problem given my skills and personality?
  - My 20 years' experience and target market of men's haircuts will meet quality expectations.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
  - In the barber industry, these three complaints are the focus of our customer service and we are willing to fill niches where available and use practicality to expound.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
  - I will lead the business, setting the quality and expectations for the customers. I will also require two other employees with the talent and character to ensure my vision.
- Is there growth potential to expand my business, or is this a dying market?
  - There is room for growth in the barber industry with new visions as trends and environments change.
- How soon can I get my business up and running?
  - I can be in business in 12 to 18 months as a personal service.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
  - Initially a very small startup cost for equipment and license. To open a brick and mortar it will take significant financial needs, but not impossible.
- Is this something I would be proud to share with my family and parole officer?
  - Yes, as it assures my hard work, dedication and commitment to succeed.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
  - Yes, as of today.
- Would my business start as a part-time venture or need to be full time?
  - Both, part time as I build capital and financial backing to gather equipment and loans. Full time when I reach the point of takeoff and open my brick and mortar location.

## **SOLUTION**

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- Is what I am offering filling the customer's real need?
  - My services meet the need for grooming, the added look our hair enhancement gives and an inviting facility that creates camaraderie.

- What are the benefits (not features) that I am providing?
  - A competitive edge in our men's club atmosphere created by our facility and personalization with customers that incorporates familiarity.
- Why can I do this better than another business (competitor)?
  - I can bring an inviting, comfortable and exciting environment of familiarity as well as quality services and personal relationships as the owner due to the fact that is not a paycheck it is my passion.
- How will I deliver this better idea to my customers?
  - I will capitalize on my current clientele that I have built personal relationships with, so that they can promote my services and facilitate into their relationships.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
  - I believe in the Gentleman's Edges capabilities to meet the needs of our potential customers for their business.
- Is my solution consistent with my passion for selling?
  - The Gentleman's Edge is priced just right to appeal to our targeted customers and draw their business.
- Is the price of my solution equal to or less than the customer's pain?
  - Time is our base cost of operations with experience, personal relationships and clubhouse feel of the facility as value points.
- Is the approximate cost of my solution lower than the price?
  - With the quality of my service, I believe that the cost of my services are lower than the cost of the solution.
- Do I need a fixed location (Storefront) or is this a mobile business?
  - The Gentleman's Edge is a service that can be performed as a mobile business in the years leading up to our fixed location.
- Do I offer a guaranty or return policy?
  - Yes on both accounts.

## **CUSTOMERS**

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### **Demographics:**

- Will my service have different appeal to men versus women?
  - My services will appeal to men.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
  - The ideal age of this particular customer will be between the ages of 30 thru 60.
- Does my customer need to be married, single or does it matter?
  - The marital status will not matter.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
  - Ethnicity will not be a factor, and we will be equipped to handle English and Spanish customers.

- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
  - The Gentleman's Edge appeals to their personal image and their convenience and recreational bundle.

### **Income:**

- Does my customer need a certain income (rich, middle class, poor)?
  - The target customer will need an income that categorizes them from middle class to the rich.
- Does my customer need to own specific assets (car, house, boat)?
  - The assets of the customer 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 sell my services to my target customers at my facility with contact through social media and good ole' word of mouth.
- Do I go to my customer (home service) or does my customer come to me?
  - My customers will come to my location.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
  - My ideal customer will live in middle to upper class communities.
- 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 a 20 minute drive from my location.
- How easily can I find this customer (one at a time or they will provide referrals)?
  - These customers will easily come available one at a time and by referrals.

### **Other:**

- Can I reach these individuals as a group or do I need to find and sell to them individually?
  - The target customer can be found individually.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
  - The likelihood of repeat business is excellent. On average an appointment will be scheduled bi-monthly if not weekly.

**DIFFERENTIATORS**

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<b>My Competitors</b>	<b>Direct or Indirect</b>	<b>Promotion</b>	<b>Price</b>	<b>Their Advantages</b>	<b>Their Disadvantages</b>	<b>My Differentiators</b>
The Boardroom	Direct	TV/ Radio word of mouth	High \$50+	Alcohol first mover advantage personal relationship	Uppity atmosphere/ they serve alcohol/location	Cost effectiveness/location/first mover advantage/personal relations and hair enhancement
Great Clips	Direct	TV/radio/word of mouth	Average moderate \$20+	Multiple locations	Cookie cut franchise Impersonal quality/wait	Personal relations Facility Hair enhancements
Sports Clip	Direct	TV/radio/word of mouth	High \$30+	Sports theme Women Majority	Quality Wait Cookie cut franchise	Personal relations Facility Hair enhancements
Honns Salon	Direct	word of mouth	Average Moderate Low \$15+	Local Established clientele	Targets women Impersonal Wait time	Personal relations Facility Hair enhancements
Casinos Barbershop	Direct	word of mouth	Average Low \$15+	Local History Established clientele	Old school Out dated	Personal relations Facility Hair enhancements

## **MARKETING**

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### **Message:**

- What are three things your company name (with no other information provided) says about your company?
  - That we are professional, respectable and upscale.
- What is your tagline?
  - “Put us to the test, we’re a cut above the rest.”
- How does your name and tagline make you different than your competitors?
  - My tag line depicts excellence, confidence and uniqueness.
- Can your message be effectively conveyed through multiple types of media?
  - Yes.
- Is your message effective across different demographics?
  - Yes, our pricings are competitive to outdo the competition.
- Is your pricing consistent with the market for similar offerings?
  - I feel the pricing is below the quality, facility and personal commitment that goes into the scheme of our services.
- Is your pricing consistent with the degree of personalization?
  - Yes.

### **Media:**

- What are three types of media you will use to reach your customers?
  - Word of mouth (referrals), social media and business cards.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
  - I will be looking to reach a minimum of a 200 people a month.
- Once you’ve reached your typical customer, how many will actually buy from you?
  - I will be looking to receive business from at least 75 of the 200 reached.
- For each of the three, what do you think the estimated cost will be?
  - Word of mouth-Free, Referrals -\$100 a month and Business cards -\$15 dollars a month.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
  - It will be a monthly recurring fee of \$115 a month.
- How will you collect customer reviews?
  - If I do customer reviews, it will be the simplest way possible, such as a quick rate review of our services, rating it from a 1-10.

## RESUME

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### **Samuel**

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

### **Experience**

**Communications Technician** *February 2007-June 2008*  
Collecting payments for service and inquires on current service.

**International & Domestic Shipping Clerk** *April 2006-December 2007*  
Pick/Pull orders, packaging and staging for shipment.

**International Shipping Clerk** *January 2004-April 2006*  
Parts inspector, packaging and staging for shipment.

**Independent Sales Contractor** *March 2002-January 2004*  
Door to door salesman of Ft. Worth Star Telegram.

### **Skills**

- **Machine Operator**
- **Forklift Operator**
- **Pallet Jack Operator**
- **Communications**
- **Personal Relations**
- **Consistent/Committed**

### **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** *March 2009-April 2009*  
Certificate: GED

**St. Augustine Catholic H.S.** *Class of '03*

## 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	150
supplies, office & misc.	200
Barber Suite Rent	400

Cash needed for start-up expenses 1,250

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van			-
company trailer			-
computer, printer, fax			-
Barber Chair x 5	6,000		6,000
			-
			-
building/office deposit	2,000	N/A	N/A
beginning cash balance	5,000	N/A	N/A
Cash needed for start-up assets	<u>13,000</u>	<u>-</u>	<u>6,000</u>

60 assumed life (months)  
100 monthly depreciation

**Total start up cost** 14,250

#### Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	14,250	100%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)		0%



**Samuel dba The Gentlemans Edge**  
**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														
Haircut	6	-	2,100	2,275	2,450	2,625	2,800	2,800	2,975	2,975	3,150	3,150	3,325	30,625	19%
Hair Enhancement	6	-	1,200	1,400	1,600	1,800	2,000	2,000	2,200	2,200	2,400	2,400	2,600	21,800	14%
Barber Chair Rental	6	-	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	105,600	67%
<b>Total revenue</b>		-	12,900	13,275	13,650	14,025	14,400	14,400	14,775	14,775	15,150	15,150	15,525	158,025	100%
Cost of Goods Sold	2														
Haircut	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Hair Enhancement	6	-	150	175	200	225	250	250	275	275	300	300	325	2,725	2%
Barber Chair Rental	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
<b>Total COGS</b>		-	150	175	200	225	250	250	275	275	300	300	325	2,725	2%
<b>Gross profit</b>		-	12,750	13,100	13,450	13,800	14,150	14,150	14,500	14,500	14,850	14,850	15,200	155,300	98%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	100	100	100	100	100	100	100	100	100	100	100	1,100	1%
Gasoline & fuels	-														0%
Insurance - bonding	-														0%
Insurance - vehicle	-														0%
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Marketing	200	50	50	50	50	50	50	50	50	50	50	50	50	500	0%
Office - rent	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	16,500	10%
Office - insurance	-	50	50	50	50	50	50	50	50	50	50	50	50	550	0%
Office - telephone	-														0%
Office - utilities	-	100	100	100	100	100	100	100	100	100	100	100	100	1,100	1%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits	150													150	0%
Supplies	200	100	115	125	135	145	155	165	175	185	195	200		1,895	1%
Tax service	-														0%
Telephone - cellular	300	50	50	50	50	50	50	50	50	50	50	50	50	850	1%
Start-up expenses	400													400	0%
															0%
															0%
															0%
															0%
															0%
															0%
<b>Total expenses</b>		1,250	1,950	1,915	1,975	1,935	1,995	1,955	2,015	1,975	2,035	1,995	2,050	23,045	15%
<b>Taxable profit (loss)</b>	1	(1,250)	10,800	11,185	11,475	11,865	12,155	12,195	12,485	12,525	12,815	12,855	13,150	132,255	84%
Tax (expense) benefit	1			(5,184)			(8,874)			(9,301)			(9,705)	(33,064)	-21%
Owner's withdrawals	1		(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(55,000)	-35%
<b>Net profit (loss)</b>		(1,250)	5,800	1,001	6,475	6,865	(1,719)	7,195	7,485	(1,776)	7,815	7,855	(1,555)	44,191	28%
Depreciation	3	-	100	100	100	100	100	100	100	100	100	100	100	1,100	
Equipment purchases	3	(8,000)	-	-	-	-	-	-	-	-	-	-	-	(8,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	14,250	-	-	-	-	-	-	-	-	-	-	-	14,250	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash flow</b>		5,000	5,900	1,101	6,575	6,965	(1,619)	7,295	7,585	(1,676)	7,915	7,955	(1,455)	51,541	
Cash, period start		-	5,000	10,900	12,001	18,576	25,541	23,923	31,218	38,803	37,126	45,041	52,996	-	
<b>Cash, period end</b>		5,000	10,900	12,001	18,576	25,541	23,923	31,218	38,803	37,126	45,041	52,996	51,541	51,541	