

prison  
entrepreneurship  
program

Business Plan Competition  
January 23-24, 2020

Jordan  
Texas Well Water

Prison Entrepreneurship Program  
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# *Texas Well Water*

*“As Natural as Nature”*

Business Plan  
January 2020

*Jordan*  
Owner & Founder

## **TABLE OF CONTENTS**

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<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>PERSONAL FIT .....</b>	<b>2</b>
<b>OPPORTUNITY .....</b>	<b>2</b>
<b>SOLUTION .....</b>	<b>3</b>
<b>CUSTOMERS .....</b>	<b>4</b>
<b>DIFFERENTIATORS .....</b>	<b>6</b>
<b>MARKETING.....</b>	<b>7</b>
<b>RÉSUMÉ .....</b>	<b>ATTACHED</b>
<b>FINANCIAL PROJECTIONS .....</b>	<b>ATTACHED</b>

**EXECUTIVE SUMMARY**

<b>Opportunity</b>	<b>Purpose</b>	<b>Solution</b>																																				
<p>Water bottling companies are expected to make clean tasty water available and convenient.</p>	<p>Texas Well Water and Emergency Water Source would like to see that everyone can enjoy the taste of all natural country well water and that no one goes thirsty.</p>	<p>Texas well water provides not only clean water but natural well water as a healthier alternative.</p>																																				
<b>Customers</b>	<b>Differentiators</b>	<b>Extras</b>																																				
<p>The local and larger companies.</p>	<p>We are dedicated to long term quality service and commitment to customers and community. We offer the type of water that most companies do not.</p>	<p>We have numerous people who have knowledge in the area and who would like to see the company and community do well.</p>																																				
<b>Marketing</b>	<b>Financials &amp; Extras</b>	<b>Start-up Costs</b>																																				
<p>We will teach our values to our employees through training and our customers through service.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 271,200</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td><u>55,500</u></td> <td><u>20%</u></td> </tr> <tr> <td>Gross profit</td> <td>215,600</td> <td>79%</td> </tr> <tr> <td>Overhead</td> <td><u>31,500</u></td> <td><u>12%</u></td> </tr> <tr> <td>Pretax income</td> <td>184,000</td> <td>68%</td> </tr> <tr> <td>Tax expense</td> <td>46,000</td> <td>17%</td> </tr> <tr> <td>Owner withdrawals</td> <td><u>72,000</u></td> <td><u>27%</u></td> </tr> <tr> <td>Net income</td> <td><u>\$ 66,000</u></td> <td><u>24%</u></td> </tr> </table>	Sales:	\$ 271,200	100%	COGS	<u>55,500</u>	<u>20%</u>	Gross profit	215,600	79%	Overhead	<u>31,500</u>	<u>12%</u>	Pretax income	184,000	68%	Tax expense	46,000	17%	Owner withdrawals	<u>72,000</u>	<u>27%</u>	Net income	<u>\$ 66,000</u>	<u>24%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 20,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td>81,400</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>\$101,400</u></b></td> </tr> <tr> <td><b>Plan Purpose:</b></td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 20,000	Owner investment - equipment	81,400	Vehicle and/or equipment loan	-	Start up financing	-	<b>Total start up costs:</b>	<b><u>\$101,400</u></b>	<b>Plan Purpose:</b>	Start-Up
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<b>Personal Fit</b>																																						

As founder owner and operator of Texas Well Water. I will be on the front line of the sales force and the production lines of our product. I am passionate about clean water and aim for customer satisfaction.

## **PERSONAL FIT**

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I was born in Longview, Texas in 1981 and raised in Carthage, Texas. Which is where I have lived most of my life. My parents are Melvin and Clair. I have a brother and sister named Garrett and Jennifer, I am the youngest. I have been married once and divorced and have a 13 year old son named Brayden. I had no real hardships as a child in fact I had a very happy childhood. I had a lot of friends and a loving family. I was mostly an A student and well behaved in and out of school until Junior High. I began hanging out with a different network of friends and doing typical teenage things. It was not long before I became involved with marijuana and tobacco. By High School I was taking prescription pills and alcohol. I dropped out of school in the 11<sup>th</sup> grade and started working at Dairy Queen. I soon decided to give college a shot but due to excessive drugs and alcohol use I gave it up after a few semesters.

My 20's were mostly a big long party with the annoyance of sobriety and work. I found myself in jail often for various reasons such as assault, public intoxication, prohibited weapon and criminal mischief. At 26 my son was born and I got married. I attempted to settle into the family life but things did not work out.

After my divorce I began using crystal meth. I soon got involved with some bad people that put me in a bad situation. I was charged with manslaughter which later became 2<sup>nd</sup> degree murder. Ten months later I received a second charge of Intoxicated Assault with a Vehicle. I was then placed on house arrest for one year before being sentenced to prison. While on house arrest I began to see how my life was in shambles and how I had hurt so many people including the ones I love the most. I knew I had to change my life dramatically. I did the only thing I knew to do. I began reading the bible and praying. I asked God to help me overcome my addictions and change my life. I have continued this from 2011 until now watching as God worked in my life. Teaching me to be a better man and opening doors that only he can. Not only did he deliver me from my addictions, I now resent all addictive substances. I see that drugs are tools of the devil and are destroyers of lives. I have made a commitment to God, my family and myself that I will never take another sip or abuse another drug again. I have missed out on so much of my families' lives; I do not want to miss another day. They deserve to have a good dad, son, brother, and grandson that is going to be there for them.

I believe that God has plans for me out there. That I will be able to help a lot of people in many different ways. I believe he will guide me to success, to prosperity and to his will. My personal goals are to operate a successful business and to provide for my son and pay my family back for all the help they have given me over the years.

## **OPPORTUNITY**

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- 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 will need to hire help.
- Is there growth potential to expand my business, or is this a dying market?
  - There is definitely growth potential in this business.
- How soon can I get my business up and running?
  - I can get this business up and running within 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?
  - It will take at least 100k to get this business up and running.
- 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.
- Would my business start as a part-time venture or need to be full time?
  - This will be a full time venture.

## **SOLUTION**

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- Is what I am offering filling the customer's real need?
  - Yes.
- What are the benefits (not features) that I am providing?
  - Steady long term employment for myself and others.
- Why can I do this better than another business (competitor)?
  - Not better although I will give them another option.
- How will I deliver this better idea to my customers?
  - By making it available.
- 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?
  - Yes.
- 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?
  - I will need a fixed location.

- Do I offer a guaranty or return policy?
  - Yes.

## **CUSTOMERS**

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### **Demographics:**

- Will my service have different appeal to men versus women?
  - No.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
  - All ages.
- 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?
  - No.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
  - I will appeal to everyone that is thirsty the same.

### **Income:**

- Does my customer need a certain income (rich, middle class, poor)?
  - Statistics show that all incomes buy bottled water.
- Does my customer need to own specific assets (car, house, boat)?
  - No.

### **Location:**

- Where will I sell to my customers (their home, their workplace, on the street, online, my store, an event like trades day)?
  - Random purchase at vending machines and sale to retail businesses.
- Do I go to my customer (home service) or does my customer come to me?
  - My customers will come to me and the businesses will get their water delivered.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
  - Neighborhoods of all kinds.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
  - My customers are geographically located throughout the United States.
- How easily can I find this customer (one at a time or they will provide referrals)?
  - It will be easy to find this customer.

**Other:**

- Can I reach these individuals as a group or do I need to find and sell to them individually?
  - I will be able to reach this customer in groups and individually.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
  - They will definitely buy from me again.

***If Doing Business to Business Operations (Optional):***

- Am I selling to a wholesaler, retailer or does it matter?
  - Does not matter.
- What industry is my customer in?
  - Food and beverage.
- What size customer do I want to serve (large/small, single/multiple locations)?
  - Multiple locations.
- Will my customer require special insurance (construction bonding, liability insurance)?
  - No.
- Does my customer require 24/7 service?
  - No.
- Do I have the capacity to meet the customer's demands?
  - Yes.
- Will the size of a customer allow me to develop other clients or will I be hostage to one company?
  - Yes. I will be able to develop other clients.

**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>
Dasani	Indirect	TV/ billboard/ newspaper	89 cents	Large organization/ mass production	Small containers only	Many size containers/ personal
Fiji	Indirect	TV/ billboard/ newspaper	\$1.50	Large organization/ mass production	Small containers only	Many size containers/ personal
Ozarka	Indirect	Newspaper ads	79 cents	Large organization/ mass production	Small containers only	Many size containers/ personal
Deja Blue	Indirect	TV/ billboard/ newspaper	85 cents	Large organization/ mass production	Small containers only	Many size containers/ personal

## **MARKETING**

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### **Message:**

- What are three things your company name (with no other information provided) says about your company?
  - We sell water, what kind of water we sell, where the water is mostly sold.
- What is your tagline?
  - Water when you need it.
- How does your name and tagline make you different than your competitors?
  - Not sure.
- Can your message be effectively conveyed through multiple types of media?
  - Yes.
- Is your message effective across different demographics?
  - Yes.
- Is your pricing consistent with the market for similar offerings?
  - Yes.
- Is your pricing consistent with the degree of personalization?
  - Yes.

### **Media:**

- What are three types of media you will use to reach your customers?
  - Newspaper, social media, radio and word of mouth.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
  - Dozens maybe hundreds.
- Once you've reached your typical customer, how many will actually buy from you?
  - Maybe half of the customers I reach.
- For each of the three, what do you think the estimated cost will be?
  - A few hundred dollars.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
  - Monthly.
- How will you collect customer reviews?
  - On line comments.

## RESUME

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### **Jordan**

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

### **Experience**

***Insulation Specialist*** *2001-2003*  
Laborer and insulation installer

***Lawn Care Specialist*** *2003-2005*  
Mowed Lawns and planted flowers

***Dry Cleaning Manager*** *2005-2009*  
Manage Employees and maintained the workplace

***Factory Worker*** *2013-2019*  
Line manager and fork lift operator

### **Skills**

- **Chemical handler**
- **Management skills**
- **Machine operator**
- **Computer skills**
- **Logistics**
- **Fork lift operator**

### **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.

***Panola/Clarendon College*** *2016-2018*  
Associates Degree

***Windham School District*** *2012-2013*  
Landscape and Nursery

Owner's name	Jordan
Company name	Texas Well Water
<b>NAICS Business Classification</b>	
Sector (general classification)	_42_Wholesale_Trade
Sub-sector (more specific classification)	423: Merchant Wholesalers, Durable Goods

**Start-up Costs  
Year 1**

**Assumption 4 - Total Uses**

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	150
cell phone purchase	150
car/truck down payment, if leased	
permits	
supplies, office & misc.	
Bottles	3,600
Packaging	500
<b>Cash needed for start-up expenses</b>	<b>4,400</b>

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	2,000		2,000
Bottling Machine	50,000		50,000
Delivery Truck	15,000		15,000
Metal Building 30' x 40'	30,000		30,000
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
<b>Cash needed for start-up assets</b>	<b>97,000</b>	<b>-</b>	<b>97,000</b>

60 assumed life (months)  
1,617 monthly depreciation

**Total start up cost** 101,400

**Assumption 5 - Total Sources**

Cash owner will contribute and the value of owner's assets contributed to company	20,000	20%
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	81,400	80%
<b>Total start up cost, total sources</b>	<b>101,400</b>	<b>100%</b>



**Jordan dba Texas Well Water**  
**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 Case	6	-	20,000	20,400	21,200	22,000	22,800	23,600	24,800	26,400	28,000	30,000	32,000	271,200	100%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
<b>Total revenue</b>		-	20,000	20,400	21,200	22,000	22,800	23,600	24,800	26,400	28,000	30,000	32,000	271,200	100%
Cost of Goods Sold	2														
One Case	6	-	4,100	4,182	4,346	4,510	4,674	4,838	5,084	5,412	5,740	6,150	6,560	55,596	21%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
<b>Total COGS</b>		-	4,100	4,182	4,346	4,510	4,674	4,838	5,084	5,412	5,740	6,150	6,560	55,596	21%
<b>Gross profit</b>		-	15,900	16,218	16,854	17,490	18,126	18,762	19,716	20,988	22,260	23,850	25,440	215,604	80%
Expenses	2														
Auto or truck lease		-													0%
Depreciation	3	-	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	17,783	7%
Gasoline & fuels		-	400	400	400	400	400	400	400	400	400	400	400	4,400	2%
Insurance - bonding		-												-	0%
Insurance - vehicle		-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Marketing	150													150	0%
Office - rent		-												-	0%
Office - insurance		-												-	0%
Office - telephone		-												-	0%
Office - utilities		-	350	350	350	350	350	350	350	350	350	350	350	3,850	1%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits		-												-	0%
Supplies		-												-	0%
Tax service		-												-	0%
Telephone - cellular	150													150	0%
Start-up expenses	4,100													4,100	2%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
<b>Total expenses</b>		4,400	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	31,533	12%
<b>Taxable profit (loss)</b>	1	(4,400)	13,433	13,751	14,387	15,023	15,659	16,295	17,249	18,521	19,793	21,383	22,973	184,071	68%
Tax (expense) benefit	1			(5,696)			(11,268)			(13,017)			(16,038)	(46,018)	-17%
Owner's withdrawals	1	-	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(7,500)	(7,500)	(7,500)	(7,500)	(72,000)	-27%
<b>Net profit (loss)</b>		(4,400)	7,433	2,055	8,387	9,023	(1,608)	10,295	11,249	(1,995)	12,293	13,883	(564)	66,053	24%
Depreciation	3	-	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	17,783	
Equipment purchases	3	(97,000)	-	-	-	-	-	-	-	-	-	-	-	(97,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000	
Equity investor	3	81,400	-	-	-	-	-	-	-	-	-	-	-	81,400	
<b>Net cash flow</b>		-	9,050	3,672	10,004	10,640	9	11,912	12,866	(378)	13,910	15,500	1,052	88,236	
Cash, period start		-	-	9,050	12,722	22,726	33,366	33,374	45,286	58,152	57,774	71,684	87,184	-	
<b>Cash, period end</b>		-	9,050	12,722	22,726	33,366	33,374	45,286	58,152	57,774	71,684	87,184	88,236	88,236	