

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Bradley
Herculean Nutri-Shop

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

Herculean Nutri-Shop

“Abdominal definition is our ambition”

Business Plan
January 2020

Bradley
Owner & Founder

TABLE OF CONTENTS

EXECUTIVE SUMMARY1

PERSONAL FIT2

OPPORTUNITY2

SOLUTION3

CUSTOMERS4

DIFFERENTIATORS6

EXTRAS7

MARKETING.....7

RÉSUMÉ ATTACHED

FINANCIAL PROJECTIONS ATTACHED

EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Fitness enthusiasts are constantly in search of the healthiest products at the best price.</p>	<p>At Herculean Nutri Shop our mission is to help you achieve the physique of a Greek God with our high quality products.</p>	<p>We sell organic health products at an affordable cost from the comfort of your home.</p>																																				
Customers	Differentiators	Extras																																				
<p>Fitness enthusiasts between the ages of 20-50 years old.</p>	<p>I have six years' experience in dieting and will only sell top quality products with the convenience of making online purchases.</p>	<p>I have a large network of fitness enthusiasts and body builders to help build customer base.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Fitness enthusiasts between the ages of 20-50 years old.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 133,700</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>47,300</td> <td>35%</td> </tr> <tr> <td>Gross profit</td> <td>86,400</td> <td>65%</td> </tr> <tr> <td>Overhead</td> <td>35,300</td> <td>26%</td> </tr> <tr> <td>Pretax income</td> <td>51,100</td> <td>38%</td> </tr> <tr> <td>Tax expense</td> <td>12,700</td> <td>9%</td> </tr> <tr> <td>Owner withdrawals</td> <td>20,500</td> <td>15%</td> </tr> <tr> <td>Net income</td> <td>\$ 17,800</td> <td>13%</td> </tr> </table>	Sales:	\$ 133,700	100%	COGS	47,300	35%	Gross profit	86,400	65%	Overhead	35,300	26%	Pretax income	51,100	38%	Tax expense	12,700	9%	Owner withdrawals	20,500	15%	Net income	\$ 17,800	13%	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 10,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td>12,150</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>\$ 22,150</td> </tr> <tr> <td>Plan Purpose:</td> <td>Startup</td> </tr> </table>	Owner investment - cash	\$ 10,000	Owner investment - equipment	12,150	Vehicle and/or equipment loan	-	Start up financing	-	Total start up costs:	\$ 22,150	Plan Purpose:	Startup
Sales:	\$ 133,700	100%																																				
COGS	47,300	35%																																				
Gross profit	86,400	65%																																				
Overhead	35,300	26%																																				
Pretax income	51,100	38%																																				
Tax expense	12,700	9%																																				
Owner withdrawals	20,500	15%																																				
Net income	\$ 17,800	13%																																				
Owner investment - cash	\$ 10,000																																					
Owner investment - equipment	12,150																																					
Vehicle and/or equipment loan	-																																					
Start up financing	-																																					
Total start up costs:	\$ 22,150																																					
Plan Purpose:	Startup																																					
	Personal Fit																																					

As founder of Herculean Nutri-shop and having over six years' experience in fitness and dieting I believe I can help others achieve their goals with my products. I lost 50 pounds in 2014 and found my passion in dieting and exercise and helping others achieve their goals by directing them to high quality products.

PERSONAL FIT

I was born November 3, 1989 in Mexia, Texas. I moved around quite a bit when I was a kid. My parents divorced when I was around five years old. My dad went to prison when I was nine and I had to live at my grandparent's house. My dad came home when I was 11 and he bought us a place to live away from my grandparents, but my grandparents' house had already had a negative impact on me. I quit high school a few months into it and started my first job in construction.

I started breaking into houses and cars when I was 15. I was influenced by the music I listened to and the people I chose to hang around. I spent two and a half years in prison. I was doing very well after being released after two years of incarceration. I finished my parole and got married in 2013 and when I moved from the house I was living in, the landlord did not want to give back the deposit even after leaving the house spotless. At the time I thought it would be a good idea to redeem the money that was owed to me by breaking into the landlord's house and collecting it myself. I had let the prison mentality from the previous incarceration take over. I was charged, convicted, and sentenced to 15 years in prison in 2015. Coming back to prison is probably the best thing that has happened to me.

After my first year in prison I was introduced to Jesus. I have never taken church serious before so I figured it was worth a shot. I also took the time to work on my people skills. After four years of incarceration and four different set-offs I see that I have no more room for error in my life. When I came to prison my oldest daughter was two years old. Now she is seven years old. I cannot afford to miss any more of her life due to my ignorance and pride. I know I needed much more change than I have already made but I did not know where to start. After being accepted into PEP I did not know what to expect. After the first three months of PEP I realized I needed way more change than I thought I did. Men's Fraternity gave me the last little bit of push I needed. I am committed to accountability and excellence and I intend to raise my kids with the same commitment.

I believe I have the qualities necessary to be a successful entrepreneur because with persistence and determination I opened my own business fifteen months after my last release. I want to open a long running business that I can pass on to my kids. I would like to have my business started within two years of my release. I believe my high standard of accountability makes me trustworthy. I have a strong mind and a good heart that keeps me on the right track every day. I love helping others and I want to raise my kids to understand that there is no short cut to the American Dream.

I will be released to my dad's house in Tyler, Texas in the month of March 2021.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - I have over 5 yrs. in diet and health not only do I offer my products but I offer my experience.

- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - Our main focus is to provide high quality products the industry has to offer.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - I will be the main principal in my venture.
- Is there growth potential to expand my business, or is this a dying market?
 - Once my business is up and running I believe it will grow tremendously.
- How soon can I get my business up and running?
 - I will have this venture up and running 1 yr. from being released.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - My startup cost will be high for this venture.
- Is this something I would be proud to share with my family and parole officer?
 - I have no problem sharing with my family and friends we are all in need of great health.
- 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?
 - This will be a full time venture.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Health and fitness are very important and having organic products will benefit all customers in the long run.
- What are the benefits (not features) that I am providing?
 - I am providing long term health solutions.
- Why can I do this better than another business (competitor)?
 - I have spent 5 years studying and gaining knowledge on how the body functions.
- How will I deliver this better idea to my customers?
 - I will personal hand out business cards and give personal testimony with before and after pictures.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - My customers will have a same day shipping option through Amazon.
- Is my solution consistent with my passion for selling?
 - The solution is on customer's passion to change their health.
- Is the price of my solution equal to or less than the customer's pain?
 - The price is fair but a longer life span is priceless.
- Is the approximate cost of my solution lower than the price?
 - We aim to price our products similar to competitors.

- Do I need a fixed location (Storefront) or is this a mobile business?
 - We will be an internet based business.
- Do I offer a guaranty or return policy?
 - We will offer money back guaranty if not satisfied with product.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - The majority of my customers will be men.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My Ideal customers will range from 20-50 years of age.
- Does my customer need to be married, single or does it matter?
 - Does not matter.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - Does not apply.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - My product will be purchased by health conscious people.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - No.
- 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)?
 - I will be selling to customers online.
- Do I go to my customer (home service) or does my customer come to me?
 - Does not apply.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - Any neighborhood can purchase my product.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - As long as they have internet service they will be able to purchase my product.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - My customer will be able to find me one at a time or by referral on the internet.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - I will reach them individually and by groups on the internet to sell my product.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - Once they try my product they will most likely be a repeat customer.

If Doing Business to Business Operations (Optional):

- Am I selling to a wholesaler, retailer or does it matter?
 - Does not apply.
- What industry is my customer in?
 - Does not apply.
- What size customer do I want to serve (large/small, single/multiple locations)?
 - Does not apply.
- Will my customer require special insurance (construction bonding, liability insurance)?
 - No.
- Does my customer require 24/7 service?
 - N/A.
- 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.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Nutri-Shop	Direct	Fitness magazines	\$25-\$100	Brand well known	Location	Shop online from home/ organic products
Vita-Shop	Direct	Television commercials	\$25-\$100	Brand well known/ has loyal customers	Location	Shop online from home/ organic products
Wal-Mart	Indirect	Television commercials	\$25-\$100	Online sales	Non organic products	Shop online from home/ organic products

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - No.
- Do you have access to a favorable location for your business?
 - I will be providing business through the internet.
- Are you going to be the first company of your type in your chosen area operations?
 - No.

Internal Extras:

- Do you have a new or cutting edge concept?
 - Organic products are not new but rising in the industry.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - You can purchase products anytime of the day all year long.
- Are you an especially charming or personable person?
 - I have a great passion for this industry.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - Physically fit Nutri-shop, helps restore healthy lives.
- What is your tagline?
 - Abdominal definition is our ambition.
- How does your name and tagline make you different than your competitors?
 - The name and tagline relate directly to the ultimate goal of having a healthy body.
- Can your message be effectively conveyed through multiple types of media?
 - Yes.
- Is your message effective across different demographics?
 - Yes everyone will hear Herculean Nutri-Shop and know what our business is about.
- 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?
 - Facebook, business cards and word of mouth.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - My goal is to reach at least 1600 customers.
- Once you've reached your typical customer, how many will actually buy from you?
 - I hope to have at least 500 loyal customers.
- For each of the three, what do you think the estimated cost will be?
 - Facebook (free), word or mouth (free) and business cards (\$50).
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - This will be a recurring monthly charge.
- How will you collect customer reviews?
 - I will stay updated with customer reviews through Amazon.

RESUME

Bradley

1100 Hwy 1807

Venus, TX 76084

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

Experience

Metal stud framer

Apr. 2010-Apr.2012

Framing wall and installing sheetrock.

Smoke Shop Manager

Apr. 2012-Jul. 2013

Kept track of inventory and managed wholesale ordering.

Kwik Kar Mechanic

Sept. 2013-Feb. 2014

Oil changing, fixed and diagnosed vehicles.

Skills

- **Sheetrock Framing**
- **Business management**
- **Automotive Mechanic**

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

Feb. 2009-Aug. 2009

GED

Owner's name	Bradley
Company name	Herculean Nutri-Shop
NAICS Business Classification	
Sector (general classification)	44_45_Retail_Trade
Sub-sector (more specific classification)	446: Health and Personal Care Stores

**Start-up Costs
Year 1**

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1		
marketing, business cards, fliers	50		
cell phone purchase	200		
car/truck down payment, if leased			
permits	1,500		
supplies, office & misc.			
Inventory	20,000		
Cash needed for start-up expenses	21,750		

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	400		400
			-
			-
			-
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
Cash needed for start-up assets	400	-	400
			60 assumed life (months)
			7 monthly depreciation

Total start up cost	22,150		
----------------------------	---------------	--	--

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	10,000	45%
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	12,150	55%
Total start up cost, total sources	22,150	100%

Bradley dba Herculean Nutri-Shop
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														
Whey Protein	6	-	1,500	2,250	3,000	3,750	4,500	5,250	6,000	6,750	7,500	8,250	9,000	57,750	43%
Diet Pills	6	-	2,000	2,960	4,000	4,960	6,000	6,560	8,000	8,960	10,000	10,560	12,000	76,000	57%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total revenue		-	3,500	5,210	7,000	8,710	10,500	11,810	14,000	15,710	17,500	18,810	21,000	133,750	100%
Cost of Goods Sold	2														
Whey Protein	6	-	550	825	1,100	1,375	1,650	1,925	2,200	2,475	2,750	3,025	3,300	21,175	16%
Diet Pills	6	-	688	1,018	1,375	1,705	2,063	2,255	2,750	3,080	3,438	3,630	4,125	26,125	20%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total COGS		-	1,238	1,843	2,475	3,080	3,713	4,180	4,950	5,555	6,188	6,655	7,425	47,300	35%
Gross profit		-	2,263	3,368	4,525	5,630	6,788	7,630	9,050	10,155	11,313	12,155	13,575	86,450	65%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	7	7	7	7	7	7	7	7	7	7	7	73	0%
Gasoline & fuels	-		50	50	50	50	50	50	50	50	50	50	50	550	0%
Insurance - bonding	-		100	100	100	100	100	100	100	100	100	100	100	1,100	1%
Insurance - vehicle	-		75											75	0%
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Marketing	50		50	50	50	50	50	50	50	50	50	50	50	600	0%
Office - rent	-		300	300	300	300	300	300	300	300	300	300	300	3,300	2%
Office - insurance	-		50	50	50	50	50	50	50	50	50	50	50	550	0%
Office - telephone	-		60	60	60	60	60	60	60	60	60	60	60	660	0%
Office - utilities	-		250	250	250	250	250	250	250	250	250	250	250	2,750	2%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits	1,500		50	50	50	50	50	50	50	50	50	50	50	2,050	2%
Supplies	-		50	50	50	50	50	50	50	50	50	50	50	550	0%
Tax service	-		100	100	100	100	100	100	100	100	100	100	100	1,100	1%
Telephone - cellular	200		60	60	60	60	60	60	60	60	60	60	60	860	1%
Start-up expenses	20,000		-	-	-	-	-	-	-	-	-	-	-	20,000	15%
Storage Unit			100	100	100	100	100	100	100	100	100	100	100	1,100	1%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
Total expenses		21,750	1,302	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	35,318	26%
Taxable profit (loss)	1	(21,750)	961	2,141	3,298	4,403	5,561	6,403	7,823	8,928	10,086	10,928	12,348	51,132	38%
Tax (expense) benefit	1									(4,442)			(8,341)	(12,783)	-10%
Owner's withdrawals	1		(1,000)	(1,500)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(20,500)	-15%
Net profit (loss)		(21,750)	(39)	641	1,298	2,403	3,561	4,403	5,823	2,486	8,086	8,928	2,008	17,849	13%
Depreciation	3	-	7	7	7	7	7	7	7	7	7	7	7	73	
Equipment purchases	3	(400)	-	-	-	-	-	-	-	-	-	-	-	(400)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	10,000	-	-	-	-	-	-	-	-	-	-	-	10,000	
Equity investor	3	12,150	-	-	-	-	-	-	-	-	-	-	-	12,150	
Net cash flow		-	(32)	648	1,305	2,410	3,568	4,410	5,830	2,493	8,093	8,935	2,014	39,672	
Cash, period start		-	-	(32)	615	1,920	4,330	7,898	12,308	18,138	20,630	28,723	37,658	-	
Cash, period end		-	(32)	615	1,920	4,330	7,898	12,308	18,138	20,630	28,723	37,658	39,672	39,672	