

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Jose
Prime Choice Meats

Prison Entrepreneurship Program
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Prime Choice Meats

“Fresh quality meats, for your daily needs”

Business Plan
January 2020

Jose
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>People crave good quality fresh Meats.</p>	<p>There are no limits to the quality and freshness of the meats we offer, but just to see the customer 100% satisfied is a goal we strive for every day.</p>	<p>We want people to feel like they are at home. We thrive to provide product and service to the New Braunfels area that is pleasurable and unforgettable.</p>																																				
Customers	Differentiators	Extras																																				
<p>Anyone that wants fresh quality meat instead of old or frozen meat.</p>	<p>Provide grass fed quality beef and other meats.</p>	<p>We have our own spice blends. Different cultural flavored meats</p>																																				
Marketing	Start-up Costs	Financials & Extras																																				
<p>I will market through social media, fliers and word of mouth.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 136,400</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td><u>56,100</u></td> <td><u>41%</u></td> </tr> <tr> <td>Gross profit</td> <td>80,200</td> <td>59%</td> </tr> <tr> <td>Overhead</td> <td><u>27,000</u></td> <td><u>20%</u></td> </tr> <tr> <td>Pretax income</td> <td>53,200</td> <td>39%</td> </tr> <tr> <td>Tax expense</td> <td>13,300</td> <td>10%</td> </tr> <tr> <td>Owner withdrawals</td> <td>-</td> <td>0%</td> </tr> <tr> <td>Net income</td> <td><u>\$ 39,900</u></td> <td><u>29%</u></td> </tr> </table>	Sales:	\$ 136,400	100%	COGS	<u>56,100</u>	<u>41%</u>	Gross profit	80,200	59%	Overhead	<u>27,000</u>	<u>20%</u>	Pretax income	53,200	39%	Tax expense	13,300	10%	Owner withdrawals	-	0%	Net income	<u>\$ 39,900</u>	<u>29%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 54,900</td> </tr> <tr> <td>Owner investment - equipment</td> <td>-</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>10,000</td> </tr> <tr> <td>Start up financing</td> <td>-</td> </tr> <tr> <td>Total start up costs:</td> <td><u>\$ 64,900</u></td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 54,900	Owner investment - equipment	-	Vehicle and/or equipment loan	10,000	Start up financing	-	Total start up costs:	<u>\$ 64,900</u>	Plan Purpose:	Start-Up
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	Personal Fit																																					

I was born August 30th in El Paso, Texas. I am one of two children who loves and has a passion for the food industry.

PERSONAL FIT

My name is Jose Luis; born August 30, 1979, in El Paso, TX. I was brought up in a single parent home, raised solely by my mother. I hardly ever had any contact with my father; my mom pretty much played both roles, being the best mom in the world and always being kind but, firm with discipline.

I managed to make it to the ninth grade before dropping out of school completely. I was heavily influenced by a group of older friends I hung out with, who were involved in criminal activity to make money, coupled with doing drugs. They paid attention to me for all the wrong reasons but, I liked it none the less; looking up to them as I would have my father. I was able to land a job (paying under the table) at the age of 14, working at a comic, cards, and collectibles store. Which was an awesome job for me because I love collecting sport cards and comic books.

Once I became 19 years old, I was offered a job at a local meat market doing customer service. I was able to make decent money by helping the butchers in any way I possibly could; so when they were tipped, I would receive a share of it as well. At this time some close friends of mine had an apartment, so I decided to move in. I had freedom to bring my girlfriend over anytime, I could smoke marijuana whenever I wanted, and I thought I was on top of the world; boy was I wrong.

I was drug tested on the job and fired for testing positive for marijuana. I was 21 years old at this time and fortunate to find another job at a different meat market still making good money. I was able to move into an apartment of my own with my wife and our two beautiful girls. All was well until I hung out with my friends; we did lots of drugs together, and to support my habit I became innovative criminally. I would dress as a mechanic and load a shopping cart up with car batteries and, walk out of Wal-Mart.

It eventually caught up to me and I was arrested, and sentenced to seven years and six months TDC; I have currently served six years so far. I lost my mother and father during my incarceration. I entered prison this time around at 34 years old and is now 40; I have had a lot of time to reflect on my past and future. I never knew who Father God was until I met Him confined in these prison walls; my life has completely changed since meeting Him. Even though I have been receiving denials for parole over the last six years, I am at peace, knowing that God will allow me to be released when I am ready.

I have had a lifelong passion for cutting meat and have even had jobs while incarcerated, butchering meat. I am a hard worker and very easy to get along with; always thanking God and willing to help anyone in need. I know I have the necessary skill to cut meat but, PEP will help me put the business aspect of it in perspective, so I may be successful at operating my own butchering business.

I am always leading by example with humility; which is the number one must have quality characteristic as a business owner. I have 20years meat cutting experience and I am certified. I am also certified in culinary arts. I can be trusted and will prove it by my actions. I will show everyone around me that work can be fun and is an important part of life. I will be released no later than 2021.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - I am a certified meat cutter with 20yrs experience with 15yrs experience culinary and have excellent customer service.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - Customer service satisfaction is the main focus and of course the freshness of the meat.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - This being a full time venture I will be the principal and will find employees qualified in this industry.
- Is there growth potential to expand my business, or is this a dying market?
 - Meat cutting is my passion and I will definitely want to expand.
- How soon can I get my business up and running?
 - I plan to get this venture started 2 yrs. after being released.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - Startup costs will be steep as is to any new venture.
- Is this something I would be proud to share with my family and parole officer?
 - I would love to share with family and anybody wanting to learn this industry.
- 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

- Is what I am offering filling the customer's real need?
 - Customers' needs are always first and most important.
- What are the benefits (not features) that I am providing?
 - Continuous raises for employees as well as paid vacations along with (401) K plans. You will even be available to shares of Prime Meat Choice.
- Why can I do this better than another business (competitor)?
 - The passion that I have for meat cutting plus the knowledge is destined for positive things to happen.
- How will I deliver this better idea to my customers?
 - Social media is a main source as well as going to local churches and events.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - A physical location is my plan. Will take orders through phone or internet.

- Is my solution consistent with my passion for selling?
 - My sustainable advantage and 20yrs meat cutting experience is a consistent solution.
- Is the price of my solution equal to or less than the customer's pain?
 - Our price is equivalent to our competitors but quality is better.
- Is the approximate cost of my solution lower than the price?
 - Will provide above average economic returns.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - This will be a fixed location.
- Do I offer a guaranty or return policy?
 - Customer satisfaction is a must and a guarantee on the product.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - It will not be different to either men or women.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - The ideal age is 18-75 yrs. of age.
- Does my customer need to be married, single or does it matter?
 - Families will have a great impact and will be a sustainable competitive advantage.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - There will be no language barriers I am bilingual experienced.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - My ideal customer will consist of family parties, office parties and weddings.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - There is no certain income class.
- Does my customer need to own specific assets (car, house, boat)?
 - No specific assets need to be owned.

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 from my storefront.
- Do I go to my customer (home service) or does my customer come to me?
 - My customers will come to me.

- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - The neighborhood does not apply.
- 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 live around 15-20 mile radius.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - I will find customers by dropping off flyers at houses and organizations.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - I will go to local churches, youth groups and special events.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - Having a sustainable advantage will attract customers and we will have free gift certificates for new customers.

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 industry.
- What size customer do I want to serve (large/small, single/multiple locations)?
 - The size will range from large/small.
- 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?
 - My expertise separates me from my competition working on a 7-6 basis.
- Will the size of a customer allow me to develop other clients or will I be hostage to one company?
 - All customers will be treated equal no matter the size bought of business.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Local meat market	Direct	Radio	Low-moderate	Fast paced service	Lack of interaction with customers	Close interaction and relationship with customer
Albertsons	Direct	Radio/TV	High	Good quality meat	Prices are high	Sell packages of meat at a low price "freezer packs"
Wal-Mart	Indirect	Radio/TV	Moderate	Has many locations	Too many customers/poor customer service	High quality fresh meat
Costco's	Direct	Radio/TV	High	Variety of meats	Long lines with slow service	Appointment availability for special customer service
H.E.B	Direct	Radio/TV	High	Well established service	no fresh meat it comes pre packed	Trimmed an lean cuts to your liking

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - I have established special relationships with key suppliers.
- Do you have access to a favorable location for your business?
 - I will be seeking a location in New Braunfels, TX.
- Are you going to be the first company of your type in your chosen area operations?
 - I will be the first in my geographic radius area.

Internal Extras:

- Do you have a new or cutting edge concept?
 - My steak marinade and brisket rub will have a cutting edge.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Specialized training will always be offered.
- Are you an especially charming or personable person?
 - My passion as well as my attraction desire to see customer satisfaction is the key.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - We are certified meat cutters, culinary cooks and have excellent customer service skills.
- What is your tagline?
 - Fresh quality meats for your daily needs.
- How does your name and tagline make you different than your competitors?
 - Not only is the meat the freshest but the quality is the best.
- Can your message be effectively conveyed through multiple types of media?
 - Most definitely.
- Is your message effective across different demographics?
 - Yes population's statistics love to grill and Prime Choice is the best quality meat.
- Is your pricing consistent with the market for similar offerings?
 - Yes although the steak marinade and brisket rub will give a competitive advantage.
- Is your pricing consistent with the degree of personalization?
 - The price for a steak at regular price comes with steak marinade for free.

Media:

- What are three types of media you will use to reach your customers?
 - Flyers, social media and free samples at events.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - We should reach at least 50 customers.
- Once you've reached your typical customer, how many will actually buy from you?
 - Once we serve brisket and steaks and customers get a taste we should build a good customer base.
- For each of the three, what do you think the estimated cost will be?
 - Flyers (\$100), business cards (\$20) and word of mouth (free).
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Flyers and business cards are a bi-monthly charge and free sampling is a one-time expense.
- How will you collect customer reviews?
 - Surveys from customers by placing suggestions and comments in boxes at our storefront.

RESUME

Jose

1100 Hwy 1807

Venus, TX 76084

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

Experience

Meat Cutter

June2005-June2014

Meat cutter and customer service

Meat Wrapper

Oct1999-June2005

Meat package wrapping and customer service

Warehouse Forklift Driver

Aug1998-Feb2001

Load and unload trucks, stock inventory and help palletize.

Skills

- **Meat Cutter**
- **Culinary Art Cook**
- **Forklift operator**
- **Team player**
- **Management experience**
- **Retail sales experience**
- **Hard worker**
- **Fast learner**

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 2006

High school diploma

Windham School District

Feb 2006

Meat Cutter

Owner's name	Jose
Company name	Prime Choice Meats

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	500
cell phone purchase	500
car/truck down payment, if leased	
permits	100
supplies, office & misc.	
Starting Inventory	500
Business Insurance	500
Uniform	100
Packaging	200
Cash needed for start-up expenses	2,400

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	500		500
Kitchen Appliance		10,000	10,000
			-
			-
building/office deposit	2,000	N/A	N/A
beginning cash balance	50,000	N/A	N/A
Cash needed for start-up assets	52,500	10,000	10,500

60 assumed life (months)
175 monthly depreciation

Total start up cost 64,900

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	54,900	85%
Vehicle loan and other equipment debt (see note 7 for financing)	10,000	15%
Startup financing, if applicable (for example Kiva loan)		0%
Outside equity investment, if applicable		0%
Total start up cost, total sources	<u><u>64,900</u></u>	100%

Jose dba Prime Choice Meats
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														
Beef Pack	6	-	1,500	1,500	1,500	2,000	2,000	2,000	2,000	2,000	2,500	2,500	2,500	22,000	16%
Beef & Pork Pack	6	-	3,600	3,600	3,600	6,000	6,000	6,000	6,000	6,000	7,200	7,200	7,200	62,400	46%
Beef, Pork & Chicken Pack	6	-	3,000	3,000	3,000	5,000	5,000	5,000	5,000	5,000	6,000	6,000	6,000	52,000	38%
Total revenue		-	8,100	8,100	8,100	13,000	13,000	13,000	13,000	13,000	15,700	15,700	15,700	136,400	100%
Cost of Goods Sold	2														
Beef Pack	6	-	600	600	600	800	800	800	800	800	1,000	1,000	1,000	8,800	6%
Beef & Pork Pack	6	-	1,500	1,500	1,500	2,500	2,500	2,500	2,500	2,500	3,000	3,000	3,000	26,000	19%
Beef, Pork & Chicken Pack	6	-	1,230	1,230	1,230	2,050	2,050	2,050	2,050	2,050	2,460	2,460	2,460	21,320	16%
Total COGS		-	3,330	3,330	3,330	5,350	5,350	5,350	5,350	5,350	6,460	6,460	6,460	56,120	41%
Gross profit		-	4,770	4,770	4,770	7,650	7,650	7,650	7,650	7,650	9,240	9,240	9,240	80,280	59%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	175	175	175	175	175	175	175	175	175	175	175	1,925	1%
Gasoline & fuels	-														0%
Insurance - bonding	-														0%
Insurance - vehicle	-														0%
Interest - equip & start up	7	-	67	65	64	63	62	61	59	58	57	56	54	667	0%
Marketing	500		100	300	100	100	300	100	100	300	100	100	300	2,400	2%
Office - rent	-		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	8%
Office - insurance	-		150	150	150	150	150	150	150	150	150	150	150	1,650	1%
Office - telephone	-		60	60	60	60	60	60	60	60	60	60	60	660	0%
Office - utilities	-		400	400	400	400	400	400	400	400	400	400	400	4,400	3%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits	100		75	75	75	75	75	75	75	75	75	75	75	925	1%
Supplies	-														0%
Tax service	-														0%
Telephone - cellular	500		150	150	150	150	150	150	150	150	150	150	150	2,150	2%
Start-up expenses	1,300		-	-	-	-	-	-	-	-	-	-	-	1,300	1%
															0%
															0%
															0%
															0%
															0%
															0%
															0%
Total expenses		2,400	2,177	2,375	2,174	2,173	2,372	2,171	2,169	2,368	2,167	2,166	2,364	27,077	20%
Taxable profit (loss)	1	(2,400)	2,593	2,395	2,596	5,477	5,278	5,479	5,481	5,282	7,073	7,074	6,876	53,203	39%
Tax (expense) benefit	1			(647)			(3,338)			(4,060)			(5,256)	(13,301)	-10%
Owner's withdrawals	1	-													0%
Net profit (loss)		(2,400)	2,593	1,748	2,596	5,477	1,940	5,479	5,481	1,221	7,073	7,074	1,620	39,902	29%
Depreciation	3	-	175	175	175	175	175	175	175	175	175	175	175	1,925	
Equipment purchases	3	(12,500)	-	-	-	-	-	-	-	-	-	-	-	(12,500)	
Principle, equipment loan	7	10,000	(177)	(179)	(180)	(181)	(182)	(183)	(185)	(186)	(187)	(188)	(190)	7,982	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	54,900	-	-	-	-	-	-	-	-	-	-	-	54,900	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		50,000	2,591	1,744	2,591	5,471	1,933	5,471	5,471	1,210	7,061	7,061	1,605	92,209	
Cash, period start		-	50,000	52,591	54,335	56,926	62,397	64,330	69,801	75,271	76,482	83,543	90,604	-	
Cash, period end		50,000	52,591	54,335	56,926	62,397	64,330	69,801	75,271	76,482	83,543	90,604	92,209	92,209	