

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Adan
Arlington Rebuilding Solutions

Prison Entrepreneurship Program
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Arlington Rebuilding Solutions

“Provide excellence by working with only the best of the best”

Business Plan
January 2020

Adan
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>A lack of excellence when providing custom building and remodeling services to home owners.</p>	<p>At Arlington Rebuilding Solutions we strive to work with the best of the best to bring excellence to our customers.</p>	<p>Provide excellence by working with only the best of the best when building or remodeling homes.</p>																																				
Customers	Differentiators	Extras																																				
<p>Middle class home owners and new home builders.</p>	<p>We will utilize the new retro-fit smart devices and appliances as well as implement a specific bidding process. Our extensive experience is what will also set us apart from the competition.</p>	<p>We go the extra mile to provide excellence by doing extra work e.g.: clean windows, mow the yard, power wash face of home, which will not only satisfy our customers but also bring about an excellent experience.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Search engine optimization/ F.B, twitter and Instagram/ Fliers and Word of mouth.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 493,000</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td><u>118,500</u></td> <td><u>24%</u></td> </tr> <tr> <td>Gross profit</td> <td>374,500</td> <td>76%</td> </tr> <tr> <td>Overhead</td> <td><u>150,900</u></td> <td><u>31%</u></td> </tr> <tr> <td>Pretax income</td> <td>223,500</td> <td>45%</td> </tr> <tr> <td>Tax expense</td> <td>55,800</td> <td>11%</td> </tr> <tr> <td>Owner withdrawals</td> <td><u>40,000</u></td> <td><u>8%</u></td> </tr> <tr> <td>Net income</td> <td><u>\$ 127,600</u></td> <td><u>26%</u></td> </tr> </table>	Sales:	\$ 493,000	100%	COGS	<u>118,500</u>	<u>24%</u>	Gross profit	374,500	76%	Overhead	<u>150,900</u>	<u>31%</u>	Pretax income	223,500	45%	Tax expense	55,800	11%	Owner withdrawals	<u>40,000</u>	<u>8%</u>	Net income	<u>\$ 127,600</u>	<u>26%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 22,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td>-</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>2,000</td> </tr> <tr> <td>Start up financing</td> <td><u>5,000</u></td> </tr> <tr> <td>Total start up costs:</td> <td><u>\$ 29,000</u></td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 22,000	Owner investment - equipment	-	Vehicle and/or equipment loan	2,000	Start up financing	<u>5,000</u>	Total start up costs:	<u>\$ 29,000</u>	Plan Purpose:	Start-Up
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Personal Fit																																						

As founder and owner I am about providing a level of excellence to every single customer. My 21 year experience gives me absolute confidence when choosing the right people to work with, after subjecting them to a rigorous trial process. Our number one goal is to provide excellence in the service that we provide and make our customers happy, which will give them peace of mind. My customer's happiness and peace of mind when building and remodeling their home empowers me and gives me encouragement to work harder.

PERSONAL FIT

My name is Adan Noel and I was born in Dallas, Texas. I am the youngest of five boys that my father Jorge Simon had. I was raised with only two of my real whole brothers. My dad had a couple more before meeting my beautiful mother Noelia. She had a son in another marriage when she met my father. My parents had a violent relationship that ended when I was about fifteen years old. I was raised in a violent home and there was just too much anger. My dad was hard on us and my mother. It made me hard growing up. I was a decent kid in school and passed up until seventh grade. I was drinking and smoking weed full time and started hanging around the wrong crowd. I completed the eighth grade then decided to drop out. I left home early due to the environment. I was happier on the streets. I started working at about twelve years old. My criminal days started at about twelve years old also. I was smoking and would also steal. I was ashamed of not having things that other kids had. So I stole a bike then I started stealing clothes. I noticed that when I started wearing nicer clothes other kids that never talked to me would then start talking to me. I not only liked the attention but I needed it. So it naturally made me feel good that's why I kept doing it. I now realize it was love that I was in search of. I have been to prison two times and have a total of about twelve to about fourteen years incarcerated in and out of prison. I have five years done on a six year sentence. I have a robbery conviction, felon possession of a firearm, DWI, and child endangerment. I have been arrested for numerous charges from the time I was fifteen until now. I had a problem with alcohol and guns. I had an even bigger problems with myself. I have now acquired the tools to help me deal with the pain from my past. I would have never been able to live with a dirty person years ago, now I can look past it. I have learned to forgive myself. I am done with drugs, guns and the alcohol. I love not only my family more now but myself as well. PEP showed me that I am a good person and that I deserve good things in life. I have made a commitment to never again jeopardize my freedom or family for any reason. I have made this commitment for me and most importantly because it is asked of me from God. God touched my heart this time. I am a new man. I believe my persistence and refusal to quit will elevate me to new heights. I was great at making deals. I believe that quality will help me as an entrepreneur. I have always wanted to own my own business so I could make a difference. I have not only changed my behavior but also my thought process and that is what makes me trust worthy. I practice great wise stewardship and can be depended upon to execute. I plan on starting my business within six to ten months after my release. An investor can trust me with capital because I refuse to lose any deal and also because I have integrity and will not let them down. That will help me start my business. I plan on being released by October of 2019 to Tarrant County where I will base my company.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - Absolutely. My experience allows me to be completely confident.
- 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 initially do the work myself and will train others to provide the level of excellence that I require.
- Is there growth potential to expand my business, or is this a dying market?
 - There is definitely growth potential.
- How soon can I get my business up and running?
 - It will take me anywhere from 12 months to 18 months.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - I will need significant start up finances however my established relationships with key suppliers will be beneficial.
- Is this something I would be proud to share with my family and parole officer?
 - I would be more than proud to share this with my family.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
 - Absolutely.
- Would my business start as a part-time venture or need to be full time?
 - We will be a full-time business.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes we will more than "fill" the needs and wants of customers
- What are the benefits (not features) that I am providing?
 - We will provide a sense of comfort and also peace of mind when building + or remodeling homes due our excellence.
- Why can I do this better than another business (competitor)?
 - My existing relationships with industry contacts and key suppliers will definitely set me apart from others.
- How will I deliver this better idea to my customers?
 - The level of experience I have allows me the luxury of executing with little to no errors thus providing excellence.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Yes we will have multiple years that have been subjected to an intense screening process.
- Is my solution consistent with my passion for selling?
 - Our desire to provide excellence and guaranteed satisfaction is a value that won't be compromised.
- Is the price of my solution equal to or less than the customer's pain?
 - The quality that we provide will be worth every penny we charge.

- Is the approximate cost of my solution lower than the price?
 - Yes our profit margin will be suffice to keep the company thriving and not inconvenient our customers.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - We will not need a “store front “but we will need a shop for material tools, and equipment.
- Do I offer a guaranty or return policy?
 - We will offer a “satisfaction guaranteed “policy, which will have customer centered values in the Claus.

CUSTOMERS

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)?
 - Young adults to mature adults.
- Does my customer need to be married, single or does it matter?
 - Doesn’t 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.)?
 - Our services are for any person that desires a level of excellent when building or remodeling their home.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - Middle to upper class.
- Does my customer need to own specific assets (car, house, boat)?
 - Home owner or new home builders.

Location:

- Where will I sell to my customers (their home, their workplace, on the street, online, my store, an event like trades day)?
 - We will offer our services to the public at their residence.
- Do I go to my customer (home service) or does my customer come to me?
 - I will be performing our services at the3 customers home.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - Any neighborhood.

- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - Within a 75 mile radius from Arlington TX.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - Our marketing /advertising will be sufficient to attract them.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - Either what will work.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - There is a high likelihood that they'll use us again.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Affordable maintenance	Direct	Word of mouth	varies	Established customers	Outdated techniques	New service + techniques
Hardy many	indirect	Flyers radio	varies	Several teams	Sheep quality	Excellence in quality delivered

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - Yes I have multiple connections with large suppliers.
- Do you have access to a favorable location for your business?
 - Yes Arlington is a fast growing city.
- Are you going to be the first company of your type in your chosen area operations?
 - No but we will be providing new services (i.e. Smart devices).

Internal Extras:

- Do you have a new or cutting edge concept?
 - I do the smart devices we will be utilizing a new thing in the industry in my target location.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Yes I will be on call myself initially.
- Are you an especially charming or personable person?
 - I am somewhat of a clearer when it's called for.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - Location, service we provide, problem answers.
- What is your tagline?
 - Provide excellence, guaranteed.
- How does your name and tagline make you different than your competitors?
 - It brings about sense of comfort & peace of mind.
- Can your message be effectively conveyed through multiple types of media?
 - Absolutely.
- Is your message effective across different demographics?
 - Yes. Everyone (adults) can take advantage of our services!
- Is your pricing consistent with the market for similar offerings?
 - Yes. We will employ a special bidding technique though.
- Is your pricing consistent with the degree of personalization?
 - The prices will vary depending on the complexity of the job but we aim to satisfy customer.

Media:

- What are three types of media you will use to reach your customers?
 - Social media, word of mouth and search engine optimization.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - \$25 a month.
- Once you've reached your typical customer, how many will actually buy from you?
 - 30%.
- For each of the three, what do you think the estimated cost will be?
 - \$100, social media free, \$2500.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - One time initially, then we'll re-evaluate.
- How will you collect customer reviews?
 - We will have a web-site for ratings.

RESUME

Adan

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

Experience

Laborer 1996-2014
Measure, Cut and Clean Wood and Metal Framer

Journeyman/ Master Installer 2002-2014
Read Blueprints and supervise Employees

Foreman 2009-2014
Payroll, Project Management and Bid Jobs

Skills

- **Framer**
- **Electrical Installation**
- **Plumber**
- **Flooring Specialist**
- **Sheet Rock Hanger**
- **Concrete Foundation**
- **Master Finisher**
-

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.

Arlington High 2000
Diploma

Owner's name	Adan
Company name	Arlington Rebuilding Service
NAICS Business Classification	
Sector (general classification)	23_Construction
Sub-sector (more specific classification)	238: Specialty Trade Contractors

Start-up Costs
Year 1

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	400
cell phone purchase	150
car/truck down payment, if leased	2,500
permits	
supplies, office & misc.	
Hand and Power Tools	750
Insurance	200

Cash needed for start-up expenses 4,000

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	20,000	1,800	21,800
company trailer	2,500	200	
computer, printer, fax	500		500
			-
			-
			-
building/office deposit		N/A	N/A
beginning cash balance		N/A	N/A
Cash needed for start-up assets	<u>23,000</u>	<u>2,000</u>	<u>22,300</u>

60 assumed life (months)
372 monthly depreciation

Total start up cost 29,000

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	22,000	76%
Vehicle loan and other equipment debt (see note 7 for financing)	2,000	7%
Startup financing, if applicable (for example Kiva loan)	5,000	17%
Outside equity investment, if applicable		0%
Total start up cost, total sources	<u><u>29,000</u></u>	100%

Adan dba Arlington Rebuilding Service
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														
Single Remodel	6	-	8,000	8,000	12,000	12,000	18,000	20,000	20,000	20,000	30,000	30,000	30,000	208,000	42%
Specific Remodel	6	-	15,000	15,000	15,000	15,000	15,000	30,000	30,000	30,000	30,000	45,000	45,000	285,000	58%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total revenue		-	23,000	23,000	27,000	27,000	33,000	50,000	50,000	50,000	60,000	75,000	75,000	493,000	100%
Cost of Goods Sold	2														
Single Remodel	6	-	2,000	2,000	3,000	3,000	4,500	5,000	5,000	5,000	7,500	7,500	7,500	52,000	11%
Specific Remodel	6	-	3,500	3,500	3,500	3,500	3,500	7,000	7,000	7,000	7,000	10,500	10,500	66,500	13%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total COGS		-	5,500	5,500	6,500	6,500	8,000	12,000	12,000	12,000	14,500	18,000	18,000	118,500	24%
Gross profit		-	17,500	17,500	20,500	20,500	25,000	38,000	38,000	38,000	45,500	57,000	57,000	374,500	76%
Expenses	2														
Auto or truck lease		2,500	400	400	400	400	400	400	400	400	400	400	400	6,900	1%
Depreciation	3	-	372	372	372	372	372	372	372	372	372	372	372	4,088	1%
Gasoline & fuels		-	400	400	400	400	400	400	400	400	400	400	400	4,400	1%
Insurance - bonding		-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Insurance - vehicle		-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Interest - equip & start up	7	-	13	12	45	42	40	37	35	33	30	28	25	340	0%
Marketing		400												400	0%
Office - rent		-												-	0%
Office - insurance		-												-	0%
Office - telephone		-												-	0%
Office - utilities		-												-	0%
Payroll - not owner and not in COGS	8	-	5,440	5,440	8,160	8,160	10,880	13,600	13,600	13,600	13,600	13,600	13,600	119,680	24%
Payroll taxes (9%)	6 & 8	-	490	490	734	734	979	1,224	1,224	1,224	1,224	1,224	1,224	10,771	2%
Permits		-												-	0%
Supplies		-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Tax service		-												-	0%
Telephone - cellular		150	100	100	100	100	100	100	100	100	100	100	100	1,250	0%
Start-up expenses		950	-	-	-	-	-	-	-	-	-	-	-	950	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
Total expenses		4,000	7,415	7,414	10,411	10,408	13,371	16,333	16,331	16,328	16,326	16,323	16,321	150,979	31%
Taxable profit (loss)	1	(4,000)	10,085	10,086	10,089	10,092	11,629	21,667	21,669	21,672	29,174	40,677	40,679	223,521	45%
Tax (expense) benefit	1			(4,043)			(7,953)			(16,252)			(27,633)	(55,880)	-11%
Owner's withdrawals	1	-	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(40,000)	-8%
Net profit (loss)		(4,000)	8,085	4,044	8,089	8,092	1,677	16,667	16,669	420	24,174	35,677	8,047	127,641	26%
Depreciation	3	-	372	372	372	372	372	372	372	372	372	372	372	4,088	
Equipment purchases	3	(25,000)	-	-	-	-	-	-	-	-	-	-	-	(25,000)	
Principle, equipment loan	7	2,000	(161)	(162)	(163)	(164)	(165)	(166)	(167)	(168)	(169)	(171)	(172)	173	
Repay debt financing	7	5,000	-	-	(193)	(194)	(195)	(197)	(198)	(199)	(201)	(202)	(203)	3,218	
Owner contribution	3	22,000	-	-	-	-	-	-	-	-	-	-	-	22,000	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		-	8,296	4,253	8,105	8,105	1,688	16,676	16,676	424	24,176	35,676	8,043	132,120	
Cash, period start		-	-	8,296	12,550	20,655	28,761	30,449	47,125	63,801	64,225	88,400	124,076	-	
Cash, period end		-	8,296	12,550	20,655	28,761	30,449	47,125	63,801	64,225	88,400	124,076	132,120	132,120	