

prison  
entrepreneurship  
program

Business Plan Competition  
January 23-24, 2020

Daniel  
D.A.M. Bait Shop

Prison Entrepreneurship Program  
P.O. Box 926274  
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[www.pep.org](http://www.pep.org)

# *D.A.M. Bait Shop*

*“Welcome to the D.A.M. Bait Shop, where we guarantee the D.A.M. best bait at the D.A.M. best price”*

Business Plan  
January 2020

*Daniel*  
Owner & Founder

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**EXECUTIVE SUMMARY**

<b>Opportunity</b>	<b>Purpose</b>	<b>Solution</b>																																				
<p>With the D.A.M Bait Shop customers are currently at the mercy of the competition and can only hope they will be available when in need for supply.</p>	<p>The D.A.M Bait Shop is focused on maintaining a great product and service to all the fishermen and fisherwomen. We will bring new life and family memories at the D.A.M Bait Shop, cause that's what we do at the D.A.M Bait Shop.</p>	<p>We will deliver a better service experience competitive pricing and customer appreciation rewards.</p>																																				
<b>Customers</b>	<b>Differentiators</b>	<b>Extras</b>																																				
<p>My customers will be fishermen from the ages 12-45 years</p>	<p>The D.A.M Bait Shop will provide specialized customer service. We will offer 24/7 service with a drive through window.</p>	<p>I have spent many years with my target customers and understand their needs.</p>																																				
<b>Marketing</b>	<b>Financials &amp; Extras</b>	<b>Start-up Costs</b>																																				
<p>I will advertise through newspapers/ business cards/ word of mouth.</p>	<table border="0"> <tr> <td>Sales:</td> <td style="text-align: right;">\$ 138,300</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right;">47,300</td> <td style="text-align: right;">34%</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">91,000</td> <td style="text-align: right;">66%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right;">13,700</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">77,200</td> <td style="text-align: right;">56%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">19,300</td> <td style="text-align: right;">14%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right;">15,000</td> <td style="text-align: right;">11%</td> </tr> <tr> <td>Net income</td> <td style="text-align: right;">\$ 42,900</td> <td style="text-align: right;">31%</td> </tr> </table>	Sales:	\$ 138,300	100%	COGS	47,300	34%	Gross profit	91,000	66%	Overhead	13,700	10%	Pretax income	77,200	56%	Tax expense	19,300	14%	Owner withdrawals	15,000	11%	Net income	\$ 42,900	31%	<table border="0"> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">\$ 23,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td style="text-align: right;">20,850</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Start up financing</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td><b>Total start up costs:</b></td> <td style="text-align: right;"><b><u>\$ 44,850</u></b></td> </tr> <tr> <td><b>Plan Purpose:</b></td> <td style="text-align: right;">Start-Up</td> </tr> </table>	Owner investment - cash	\$ 23,000	Owner investment - equipment	20,850	Vehicle and/or equipment loan	-	Start up financing	1,000	<b>Total start up costs:</b>	<b><u>\$ 44,850</u></b>	<b>Plan Purpose:</b>	Start-Up
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<b>Personal Fit</b>																																						

**Being in prison has really opened my eyes I now realize that I have to do something different to get different results. I cannot keep living the same way I used to I need to be there for my family and teach them how to live a good life.**

## **PERSONAL FIT**

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My name is Daniel Andres, I was born in Beaumont, TX on Oct.10, 1983. Growing up I did not know my mom or dad my family raised me and my brothers and sister. Yes I have 5 brothers and 1 sister, my grandma and grandpa were mostly there for us. I have 4 kids 1 son by another marriage and the other 3 from this marriage. Now my grandma and grandpa raised us great taught me how to become a man and do what was right. I graduated high school then my grandpa sent me to Grey Job Crops. I did it for four years for Culinary Arts. Before I went to Grey Job Crops I started working at the age of 16 because my grandparents needed help with some bills. When I was 18 I left the house went to Grey Job Corps to further my schooling.

At the age of 21 I started causing trouble drinking, doing drugs and fighting because I was always thinking about why my mom and dad never wanted us. That was one of the reasons I did things. I have been to county jail for child support. One drug charge and stealing a bike. This is my first time in prison. I have lost the thing I love the most because I have been incarcerated. I do not want to repeat doing what is wrong so I told myself things have to change. So I been taking classes to help me get ready for the moment I am released. The commitment that I have made for myself is to stop doing bad things and my commitment to PEP is to start listening to people and stop getting mad over little things. I have completed my GED while incarcerated.

I have made three commitments such as not to do drugs, be a better father and take some family classes. Why do have to change? Frankly because I need to do it for myself and for my family. The qualities I have are good business management and good leadership skills. I am a hard worker, also I am a good friend and helper because I like to see people happy. I am a fisherman and fishing makings people happy. I will start my business about 2 years after I am released because everyone deserves a second chance in life. Also because when I get out people will see the new me and not the old me, also because I can be trusted by paying them back. I will be released to a PEP transitional house my parole date is Feb. 1, 2020.

## **OPPORTUNITY**

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- Can I solve the problem given my skills and personality?
  - I will make sure that I will have fresh bait all the time and good customer service.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
  - I will have lower price and better quality.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
  - Although I will hire people, I will maintain quality by establishing metrics.
- Is there growth potential to expand my business, or is this a dying market?
  - Yes, I will expand.
- How soon can I get my business up and running?
  - I plan to have my business up and running 1 yr. after my release.

- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
  - No, I do not believe it will take a lot of cash to get started.
- Is this something I would be proud to share with my family and parole officer?
  - Yes, I would be proud to share it with my family and parole officer.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
  - Yes, I believe it is.
- Would my business start as a part-time venture or need to be full time?
  - Part-time.

## **SOLUTION**

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- Is what I am offering filling the customer's real need?
  - Yes, because I am offering something that is in constant need.
- What are the benefits (not features) that I am providing?
  - I have 30 yrs. Training in this industry.
- Why can I do this better than another business (competitor)?
  - Due to my experience.
- How will I deliver this better idea to my customers?
  - With radio, TV, flyers, signs and newspaper ads.
- 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?
  - I believe it to be less than.
- Is the approximate cost of my solution lower than the price?
  - The price will be just right for my customers.
- Do I need a fixed location (Storefront) or is this a mobile business?
  - Yes.
- 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?
  - It will not make a difference.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
  - From the age 13 to 65 years old.
- 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?
  - No I speak two languages and will do my best to help my customers.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
  - Outdoor person who likes to go fishing.

### **Income:**

- Does my customer need a certain income (rich, middle class, poor)?
  - Any income will work.
- Does my customer need to own specific assets (car, house, boat)?
  - A boat will be a plus.

### **Location:**

- Where will I sell to my customers (their home, their workplace, on the street, online, my store, an event like trades day)?
  - Online and at my store.
- Do I go to my customer (home service) or does my customer come to me?
  - They will come to the shop.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
  - Any neighborhood around my store and the water.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
  - Within 20 miles from the store and around the water.
- How easily can I find this customer (one at a time or they will provide referrals)?
  - Whoever willing to come to the shop.

### **Other:**

- Can I reach these individuals as a group or do I need to find and sell to them individually?
  - Both.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
  - Highly likely.

**DIFFERENTIATORS**

<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>
Wal-Mart	Direct	Signs, TV, and radio	\$2.50 a box of worms	Buys in bulk and works with Sam's	Not open 24hr and no drive thru window	Family business, drive thru window, and 24hr service
Academy	Direct	Signs, TV, and radio	\$3.50 a box of worms/ \$2.50 box of shrimp	More fishing product	Not open 24hr and no drive thru window	Family business, drive thru window, and 24hr service
Big Bass Pro shop	Indirect	Signs, TV, and radio	\$1.50 box of worms/ and \$4.50 for minnows	Bigger store and a lot more product	Close early and high cost	Family business, drive thru window, and 24hr service

## **EXTRAS**

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### **External Extras:**

- Do you have a connection with a supplier in your industry?
  - Yes.
- Do you have access to a favorable location for your business?
  - Yes.
- Are you going to be the first company of your type in your chosen area operations?
  - Yes will be the first bait shop in the area.

### **Internal Extras:**

- Do you have a new or cutting edge concept?
  - My shop name.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
  - Yes I will.
- Are you an especially charming or personable person?
  - I am an outgoing gentlemen.

## **MARKETING**

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### **Message:**

- What are three things your company name (with no other information provided) says about your company?
  - Our name, our product, and who we are.
- What is your tagline?
  - # 1 bait shop.
- How does your name and tagline make you different than your competitors?
  - I will have the only name in my area.
- 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 we will offer better prices than our competitors.
- Is your pricing consistent with the degree of personalization?
  - Size don't matter will not affect the quality.

### **Media:**

- What are three types of media you will use to reach your customers?
  - Facebook, radio, newspapers and business cards.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
  - I will seek around 200 customers.
- Once you've reached your typical customer, how many will actually buy from you?
  - Around 100-150 customers.
- For each of the three, what do you think the estimated cost will be?
  - Around \$300.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
  - A monthly charge.
- How will you collect customer reviews?
  - Surveys with returning customers and online.

## RESUME

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### **Daniel Andres**

1100 Hwy 1807

Venus, TX 76084

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

### **Experience**

#### ***Goodies Lawn Services***

*Feb2014-Feb2018*

Cut grass, edge lawns, picked up leaves and planted flowers

#### ***TSCO***

*Aug2002-May2008*

Tong operator, derrick man and ran the lay down truck to lay down tubing

#### ***Premier Inc.***

*June1998-Aug2002*

Water truck driver I moved both fresh and salt water from rig to rig

### **Skills**

- **Forklift operator**
- **Chemical technician**
- **OSHA certified**
- **Serve-Safe certified**

### **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.

#### ***West Brook High School***

*2000*

High School Diploma

#### ***Job Corps***

*1997*

Culinary Arts certificate

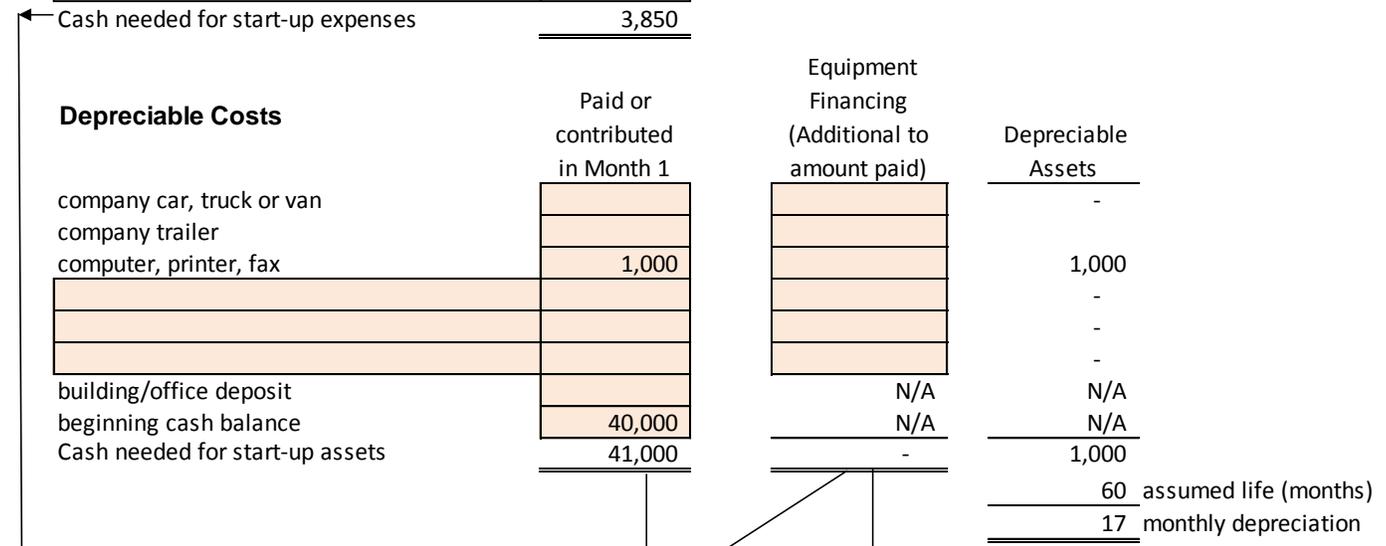
Owner's name	Daniel
Company name	The D.A.M. Bait Shop
<b>NAICS Business Classification</b>	
Sector (general classification)	_11_Agriculture_Forestry_Fishing_and_Hunting
Sub-sector (more specific classification)	114: Fishing, Hunting and Trapping

**Start-up Costs**  
**Year 1**

**Assumption 4 - Total Uses**

<b>Non-Depreciable Costs</b>	Paid or contributed in Month 1
marketing, business cards, fliers	500
cell phone purchase	1,000
car/truck down payment, if leased	
permits	250
supplies, office & misc.	1,000
Cartons, Buckets & Bags	500
Live Well	600
<b>Cash needed for start-up expenses</b>	<b>3,850</b>

<b>Depreciable Costs</b>	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van			-
company trailer			
computer, printer, fax	1,000		1,000
			-
			-
			-
building/office deposit		N/A	N/A
beginning cash balance	40,000	N/A	N/A
<b>Cash needed for start-up assets</b>	<b>41,000</b>	<b>-</b>	<b>1,000</b>



**Total start up cost** **44,850**

**Assumption 5 - Total Sources**

Cash owner will contribute and the value of owner's assets contributed to company	23,000	51%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	1,000	2%
Outside equity investment, if applicable	20,850	46%
<b>Total start up cost, total sources</b>	<b>44,850</b>	<b>100%</b>



**Daniel dba The D.A.M. Bait 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														
Worms	6	-	450	480	540	600	600	750	750	900	900	1,050	1,200	8,220	6%
Minnows	6	-	650	715	975	1,138	1,235	1,365	1,463	1,625	1,788	1,950	2,275	15,178	11%
Shrimp	6	-	7,500	8,000	9,000	9,000	10,000	10,000	12,500	12,000	12,000	12,500	12,500	115,000	83%
<b>Total revenue</b>		-	8,600	9,195	10,515	10,738	11,835	12,115	14,713	14,525	14,688	15,500	15,975	138,398	100%
Cost of Goods Sold	2														
Worms	6	-	170	181	203	226	226	283	283	339	339	396	452	3,096	2%
Minnows	6	-	170	187	255	298	323	357	383	425	468	510	595	3,970	3%
Shrimp	6	-	2,625	2,800	3,150	3,150	3,500	3,500	4,375	4,200	4,200	4,375	4,375	40,250	29%
<b>Total COGS</b>		-	2,965	3,168	3,608	3,674	4,049	4,140	5,040	4,964	5,007	5,281	5,422	47,316	34%
<b>Gross profit</b>		-	5,636	6,027	6,907	7,064	7,786	7,976	9,673	9,561	9,681	10,220	10,553	91,082	66%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	17	17	17	17	17	17	17	17	17	17	17	183	0%
Gasoline & fuels	-														0%
Insurance - bonding	-														0%
Insurance - vehicle	-														0%
Interest - equip & start up	7	-	-	-	7	6	6	5	5	4	3	3	2	40	0%
Marketing	500	100	300	100	100	300	100	100	300	100	100	100	300	2,400	2%
Office - rent	-														0%
Office - insurance	-	150	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	60	660	0%
Office - utilities	-	250	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	250													250	0%
Supplies	1,000	-	-	-	-	250	-	-	-	300	-	-	-	1,550	1%
Tax service	-	100	100	100	100	100	100	100	100	100	100	100	100	1,100	1%
Telephone - cellular	1,000	100	100	100	100	100	100	100	100	100	100	100	100	2,100	2%
Start-up expenses	1,100	-	-	-	-	-	-	-	-	-	-	-	-	1,100	1%
															0%
															0%
															0%
															0%
															0%
															0%
															0%
<b>Total expenses</b>		3,850	777	977	783	783	1,232	782	781	981	1,080	780	979	13,784	10%
<b>Taxable profit (loss)</b>	1	(3,850)	4,859	5,051	6,123	6,281	6,554	7,194	8,891	8,580	8,601	9,440	9,574	77,298	56%
Tax (expense) benefit	1			(1,515)			(4,740)			(6,166)			(6,904)	(19,325)	-14%
Owner's withdrawals	1	-	(1,000)	(1,000)	(1,000)	(1,000)	(3,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(3,000)	(15,000)	-11%
<b>Net profit (loss)</b>		(3,850)	3,859	2,536	5,123	5,281	(1,186)	6,194	7,891	1,414	7,601	8,440	(330)	42,974	31%
Depreciation	3	-	17	17	17	17	17	17	17	17	17	17	17	183	
Equipment purchases	3	(1,000)	-	-	-	-	-	-	-	-	-	-	-	(1,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	1,000	-	-	(80)	(81)	(81)	(82)	(82)	(83)	(84)	(84)	(85)	258	
Owner contribution	3	23,000	-	-	-	-	-	-	-	-	-	-	-	23,000	
Equity investor	3	20,850	-	-	-	-	-	-	-	-	-	-	-	20,850	
<b>Net cash flow</b>		40,000	3,876	2,552	5,060	5,217	(1,251)	6,129	7,826	1,348	7,534	8,373	(398)	86,264	
Cash, period start		-	40,000	43,876	46,428	51,487	56,704	55,454	61,582	69,408	70,756	78,290	86,662	-	
<b>Cash, period end</b>		40,000	43,876	46,428	51,487	56,704	55,454	61,582	69,408	70,756	78,290	86,662	86,264	86,264	