

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Jose
Minga's Mobile Luxury Barbershop

Prison Entrepreneurship Program
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Minga's Mobile Luxury Barbershop

"Providing your luxury with our mobility"

Business Plan
January 2020

Jose
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Customers frustrated because they have to wait long periods of time to get a haircut. Some customers don't want to go to the barbershop.</p>	<p>At Mingas "Mobile Luxury Services" we allow the customer to get a taste of a "Hollywood" lifestyle at a fraction of the cost. We guarantee a professional and timely fashion experience with every client.</p>	<p>I will be helping people with disabilities without reliable transportation and those with tight schedules that will not allow them time to visit the barbershop.</p>																																				
Customers	Differentiators	Extras																																				
<p>Focus on boys and men of all ages/Families that have more than one customer at their location Large companies with multiple clients on location.</p>	<p>I will be mobile and Have the first mover's advantage.</p>	<p>I will be using an app allowing the customer to set an appointment, check availability and select what services you will want/ I have 15 year experience in this industry plus I also have a barber's license.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Word of mouth Facebook and other types of Social Media/Radio ads and Business cards</p>	<table border="1"> <tr> <td>Sales:</td> <td>\$ 83,600</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>-</td> <td>0%</td> </tr> <tr> <td>Gross profit</td> <td>83,600</td> <td>100%</td> </tr> <tr> <td>Overhead</td> <td>19,800</td> <td>24%</td> </tr> <tr> <td>Pretax income</td> <td>63,700</td> <td>76%</td> </tr> <tr> <td>Tax expense</td> <td>15,900</td> <td>19%</td> </tr> <tr> <td>Owner withdrawals</td> <td>-</td> <td>0%</td> </tr> <tr> <td>Net income</td> <td>\$ 47,800</td> <td>57%</td> </tr> </table>	Sales:	\$ 83,600	100%	COGS	-	0%	Gross profit	83,600	100%	Overhead	19,800	24%	Pretax income	63,700	76%	Tax expense	15,900	19%	Owner withdrawals	-	0%	Net income	\$ 47,800	57%	<table border="1"> <tr> <td>Owner investment - cash</td> <td>\$ 6,250</td> </tr> <tr> <td>Owner investment - equipment</td> <td>-</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>7,500</td> </tr> <tr> <td>Start up financing</td> <td>-</td> </tr> <tr> <td>Total start up costs:</td> <td>\$ 13,750</td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 6,250	Owner investment - equipment	-	Vehicle and/or equipment loan	7,500	Start up financing	-	Total start up costs:	\$ 13,750	Plan Purpose:	Start-Up
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Personal Fit																																						

As founder of "Minga's mobile luxury service" I have seen the frustration on clients faces because they cannot get an appointment because the barbershop is packed. Another problem is that they cannot make it due to their busy schedule. I have a 15 year experience in this industry and have a passion for cutting hair. I is art to me, and I love when I can make the customer feel better about himself. I come from a family of barbers. We currently have three locations but I am trying to reach the customers that cannot make it to the barbershop.

PERSONAL FIT

My name is Jose Jr. I was born on May 22, 1990 in Weslaco, Texas. I am the youngest of 4 siblings; I have two sisters and 1 brother. My parents were married but would always fight. Growing up I had a good life. My mother was a teacher and my Father was a barber. My siblings and I did not want for anything. What led me in the wrong path was the freedom that comes when both of your parents work full-time. When they came home they would fight over money. My father would break things and curse at my mom. That was the main reason I ran away when I was 14 or 15 years old. I went to go stay with people that I thought were my friends at the time, at least they paid attention. At first I was still going to school; I was really smart but slowly my grades started to decline. I started selling drugs in the 8th grade, at the time I was selling drugs. My friends that I was staying with started representing TCB's so I joined the ride and started carrying around black and red flags. Ninth grade is when I started to spend more and more time with my gang. We started robbing houses. We were picked up and told where to go and what to do by older members. I went from having all A's in school to having to go to truancy court for not showing up to school. I ended up dropping out altogether.

I was arrested soon thereafter and sent to Evans Juvenile Center where I stayed for a couple of months. But in that time I had no friends. The people that said they were going to be there for me through anything were suddenly ghosts. So when I came out I went back to my parents. My so called friends came looking for me, I told them that I was on a different path. They ended up jumping me out, I was no longer in a gang. I went back to school the next year and struggled with passing my classes because I was addicted to K2 and Xanax. I ended up getting kicked out and sent to an alternative school for fighting. I kept pushing though and ended up graduating from 3D academy.

When everything in my life seemed to be going right I began hanging out with my old friends. I felt like I owed them something for taking me in when no one else seemed to want me. We robbed a house in which we took a lot of guns. I remember I had gotten a .45 Ruger. We began committing more and more crimes. I did not even need the money we were making because I was working at a call center. But the guilt plus the pills I was addicted to made me feel like I owed them something.

In 2010 one of my friends called me and said someone was messing with him. I was supposed to go to work that day but I decided to go pick him up. At the time I was selling ecstasy, we went to an area where the people who were messing with my friend would be. The person was not there so we began drinking and taking pills. He said he knew someone who wanted to buy 1,000 pills. I picked up the customer and took him to Donna Lake. My friend ended up robbing him, we split the money. I did not give much thought to what we had done. The guy went to the police with a fabricated story and I was arrested. This was back in 2010. I am still doing the time for the crime I committed 10 years ago.

At the end of the day I own what I did and have learned from my mistakes. I have used this time wisely, I also have gotten closer to God. I have learned how to be patient. I have made a commitment to stay away from negative friends. I want to be a better father to my son. I know I have to change, if I do not I will end up back in the same position. I know God is the potter and we are the clay. I feel like prison is the furnace we go through that

burn's away our imperfections and gives God the opportunity to mold us into what we were meant to be.

I know if I put God first I will not fall. I will not stumble and if I do, God will be there to catch me. I will be released to Donna, Texas in the month of January.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - I have 15 years' experience in cutting hair. I have my barber's license. I also have a good personality.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - Our main focus will be to deliver the freshest cleanest gentleman haircuts. We will also contract with retirement homes, disability companies and big business.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - At first I will do this business by myself as my clients grow then I will be looking for other employees.
- Is there growth potential to expand my business, or is this a dying market?
 - I will have the first mover's advantage this new business should strive because there is nothing like it everybody needs a haircut.
- How soon can I get my business up and running?
 - I can get my business running maybe 2-3 years after my release. Just so I can get the right financing.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - It will be a low startup cost.
- Is this something I would be proud to share with my family and parole officer?
 - Yes, I could cut my family's hair and parole officers if they choose to.
- 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?
 - This will be a full time venture.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes it will feel the burden of having to wait in line at a barbershop.
- What are the benefits (not features) that I am providing?
 - My customer will not have to leave the comfort of their own home.
- Why can I do this better than another business (competitor)?
 - I will be a mobile haircut service.

- How will I deliver this better idea to my customers?
 - I will deliver this idea using a customized van I will be using.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Yes the van will allow me to be mobile.
- Is my solution consistent with my passion for selling?
 - My passion for cutting hair is like painting a beautiful picture.
- Is the price of my solution equal to or less than the customer's pain?
 - The cost of my solution is affordable to accommodate the customer's pain.
- Is the approximate cost of my solution lower than the price?
 - Time is our main cost in this business.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - I will be a mobile business.
- Do I offer a guaranty or return policy?
 - We guaranty an excellent and timely fashion haircut or your money back.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - My service will appeal mainly men, but will not exclude women.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My ideal customer will be from 3-95 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?
 - Due to the fact I am bi-lingual this will not be a problem.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - I will be appealing to the customer's personal image.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - We will target middle to rich class citizens.
- Does my customer need to own specific assets (car, house, boat)?
 - The assets of a customer will not be a factor.

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 to my customers at their home and their workplace.

- Do I go to my customer (home service) or does my customer come to me?
 - I will be traveling to my customers.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - Neighborhood choices will not be an issue.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My customers will live within a 30 mile radius from me.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - I will find my customers one at a time and through referrals.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - I will like to reach customers as a group.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - With great satisfaction and building personal relationships with clients I am pretty sure they will be loyal customers.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Sports Clips	Direct	TV/ Radio/ Mail	Low	Well known	Not mobile	Mobile/creative haircut styles/convenient
Ready Cuts	Direct	TV/ Radio/ Mail	Low	Well known	Not mobile	Mobile/creative haircut styles/convenient
Super Cuts	Direct	TV/ Radio/ Mail	Low	Well known	Not mobile	Mobile/creative haircut styles/convenient

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - Yes I have 4 barbershops that will be available.
- Do you have access to a favorable location for your business?
 - I am a mobile business.
- Are you going to be the first company of your type in your chosen area operations?
 - Yes I will be the first in my area.

Internal Extras:

- Do you have a new or cutting edge concept?
 - I have new and innovative in the Rio Grande Valley area.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - We will have an app that will allow customer to choose their time to set appointment.
- Are you an especially charming or personable person?
 - Yes I am a people person.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - That we are a mobile haircut service that provides luxury service.
- What is your tagline?
 - Providing your luxury with mobility.
- How does your name and tagline make you different than your competitors?
 - Allows the customer to have the luxury they want without leaving their comfort.
- Can your message be effectively conveyed through multiple types of media?
 - Yes.
- Is your message effective across different demographics?
 - Yes people will hear “Minga’s Mobile Luxury Barbershop” and know exactly what we do.
- Is your pricing consistent with the market for similar offerings?
 - Yes we will be reasonable to make the customers happy.
- Is your pricing consistent with the degree of personalization?
 - Yes depending on the drive plus the haircut will determine the price.

Media:

- What are three types of media you will use to reach your customers?
 - Business cards, social media 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 target 100 clients a month.
- Once you've reached your typical customer, how many will actually buy from you?
 - I hope to reach at least 45-70 customers.
- For each of the three, what do you think the estimated cost will be?
 - Business cards (\$15), social media (time) and word of mouth (priceless).
- 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 collect online reviews from customers.

RESUME

Jose

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

Experience

Barber 2013-2016
Cut hair in various styles

Convergys's Calling Center 2010-2012
Handled calls for Direct TV

Buffalo Wild Wings Cook 2008-2010
Cook, cleanup and a line runner

Skills

- **Customer service**
- **Barber**
- **People friendly**
- **Computer skills**
- **Phone skills**

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.

Donna High School ISD 2008
Diploma

Advance Barber College 2013
Barber License

Owner's name	Jose
Company name	Mingas Mobil Luxury Barbershop
NAICS Business Classification	
Sector (general classification)	_81_Other_Services_except_Public_Administration
Sub-sector (more specific classification)	812: Personal and Laundry Services

Start-up Costs
Year 1

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	1,000
cell phone purchase	200
car/truck down payment, if leased	2,600
permits	150
supplies, office & misc.	
Barber Chair	500

Cash needed for start-up expenses 4,450

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van		7,500	7,500
company trailer			
computer, printer, fax			-
Barber Kit	200		200
Machinery	600		600
			-
building/office deposit		N/A	N/A
beginning cash balance	1,000	N/A	N/A
Cash needed for start-up assets	<u>1,800</u>	<u>7,500</u>	<u>8,300</u>

60 assumed life (months)
138 monthly depreciation

Total start up cost 13,750

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	6,250	45%
Vehicle loan and other equipment debt (see note 7 for financing)	7,500	55%
Startup financing, if applicable (for example Kiva loan)		0%
Outside equity investment, if applicable		0%
Total start up cost, total sources	<u><u>13,750</u></u>	100%

Jose dba Mingas Mobil Luxury Barbershop
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														
Haircut	6	-	2,400	2,800	3,200	3,600	4,400	4,800	5,200	6,000	6,800	8,000	8,400	55,600	67%
Facial/Hair Trimming	6	-	500	600	700	800	1,100	1,000	1,300	1,500	1,700	2,500	2,500	14,200	17%
Hot Towel Shave	6	-	900	750	900	1,050	1,200	1,200	1,350	1,350	1,500	1,800	1,800	13,800	17%
Total revenue		-	3,800	4,150	4,800	5,450	6,700	7,000	7,850	8,850	10,000	12,300	12,700	83,600	100%
Cost of Goods Sold	2														
Haircut	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Facial/Hair Trimming	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Hot Towel Shave	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total COGS		-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Gross profit		-	3,800	4,150	4,800	5,450	6,700	7,000	7,850	8,850	10,000	12,300	12,700	83,600	100%
Expenses	2														
Auto or truck lease		2,600	250	250	250	250	250	250	250	250	250	250	250	5,350	6%
Depreciation	3	-	138	138	138	138	138	138	138	138	138	138	138	1,522	2%
Gasoline & fuels	-	-	152	162	173	185	199	215	223	253	275	350	250	2,437	3%
Insurance - bonding	-	-	500	500	500	500	500	500	500	500	500	500	500	5,500	7%
Insurance - vehicle	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	1%
Interest - equip & start up	7	-	50	49	48	46	45	44	42	41	40	39	37	481	1%
Marketing		1,000		150		150		150		150		150		1,750	2%
Office - rent	-	-												-	0%
Office - insurance	-	-												-	0%
Office - telephone	-	-												-	0%
Office - utilities	-	-												-	0%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits		150												150	0%
Supplies	-	-	25	25	25	25	25	25	25	25	25	25	25	275	0%
Tax service	-	-												-	0%
Telephone - cellular		200	50	50	50	50	50	50	50	50	50	50	50	750	1%
Start-up expenses		500	-	-	-	-	-	-	-	-	-	-	-	500	1%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
														-	0%
Total expenses		4,450	1,265	1,424	1,284	1,445	1,307	1,472	1,329	1,508	1,378	1,602	1,351	19,814	24%
Taxable profit (loss)	1	(4,450)	2,535	2,726	3,516	4,005	5,393	5,528	6,521	7,342	8,622	10,698	11,349	63,786	76%
Tax (expense) benefit	1			(203)			(3,229)			(4,848)			(7,667)	(15,946)	-19%
Owner's withdrawals	1	-												-	0%
Net profit (loss)		(4,450)	2,535	2,523	3,516	4,005	2,164	5,528	6,521	2,495	8,622	10,698	3,682	47,839	57%
Depreciation	3	-	138	138	138	138	138	138	138	138	138	138	138	1,522	
Equipment purchases	3	(8,300)	-	-	-	-	-	-	-	-	-	-	-	(8,300)	
Principle, equipment loan	7	7,500	(185)	(186)	(187)	(189)	(190)	(191)	(193)	(194)	(195)	(196)	(198)	5,396	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	6,250	-	-	-	-	-	-	-	-	-	-	-	6,250	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		1,000	2,488	2,475	3,467	3,955	2,112	5,475	6,467	2,439	8,565	10,640	3,623	52,706	
Cash, period start		-	1,000	3,488	5,963	9,430	13,385	15,498	20,973	27,440	29,879	38,444	49,084	-	
Cash, period end		1,000	3,488	5,963	9,430	13,385	15,498	20,973	27,440	29,879	38,444	49,084	52,706	52,706	