

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Pete
Connecting Pathways

Prison Entrepreneurship Program
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Connecting Pathways

“Transforming lives one transmission at a time”

Business Plan
January 2020

Pete
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>America has a shortage of transmission technicians that operate at a level necessary to work on emergency vehicles.</p>	<p>Our objective is to produce experts in the transmission industry by training, preparing and inspiring. Helping others realize that what they do is a critical component to a greater cause. Expanding horizons by broadening vision.</p>	<p>Connecting Pathways will train technicians to be top notch specialists.</p>																																				
Customers	Differentiators	Extras																																				
<p>Our customers are city managers and commercial corporate organizations as well as private companies.</p>	<p>We are a hands on training facility that produces the best of the best. Others do not. We want to help people achieve greatness.</p>	<p>We offer growth in human development, by implementing character development in our curriculum.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>We will market our company via internet and social media. We will be available for speaking engagements and meet with schools to recruit students.</p>	<table border="0"> <tr> <td>Sales:</td> <td>\$ 576,600</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>192,200</td> <td>33%</td> </tr> <tr> <td>Gross profit</td> <td>384,400</td> <td>67%</td> </tr> <tr> <td>Overhead</td> <td>180,800</td> <td>31%</td> </tr> <tr> <td>Pretax income</td> <td>203,500</td> <td>35%</td> </tr> <tr> <td>Tax expense</td> <td>50,800</td> <td>9%</td> </tr> <tr> <td>Owner withdrawals</td> <td>27,500</td> <td>5%</td> </tr> <tr> <td>Net income</td> <td>\$ 125,100</td> <td>22%</td> </tr> </table>	Sales:	\$ 576,600	100%	COGS	192,200	33%	Gross profit	384,400	67%	Overhead	180,800	31%	Pretax income	203,500	35%	Tax expense	50,800	9%	Owner withdrawals	27,500	5%	Net income	\$ 125,100	22%	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 50,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td>-</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>-</td> </tr> <tr> <td>Start up financing</td> <td>30,550</td> </tr> <tr> <td>Total start up costs:</td> <td><u>\$ 80,550</u></td> </tr> <tr> <td>Plan Purpose:</td> <td>Start-Up</td> </tr> </table>	Owner investment - cash	\$ 50,000	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	30,550	Total start up costs:	<u>\$ 80,550</u>	Plan Purpose:	Start-Up
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Personal Fit																																						

As founder and technical instructor I have a vision of helping others succeed. Connecting Pathways is an organization geared towards eliciting the greatness that lies dormant in so many. By connecting others with their passion and helping to find it, people can achieve their full potential. Connecting Pathways igniting magnificent one transmission at a time.

PERSONAL FIT

My name is Pete Jr. I was born May 25th, 1972 in Austin, Texas. My parents divorced when I was five years old. I suffered abuse and trauma at the hands of a step parent. In spite of all that was happening at home I managed to do well in school. It was an escape from the chaos at home. I left school when I was 13 years old. By then I was drinking and using drugs to try to forget the pain that I had suffered.

So I ran away I ended up in New York and eventually made my way to Rhode Island. I wasn't a bad kid, I just didn't understand why this world was constantly trying to hurt me. Nonetheless I began working at a transmission shop, my job was to keep the place clean. One day the installer did not show up to work and a transmission needed to be installed, but there was no one to do it. The owner was furious. I stayed out of the way and when the coast was clear I began to install the transmission. Hours later I filled it with fluid and started the vehicle. I went and informed the owner that he could test drive the vehicle when he was ready. Mr. Cardente checked my work and with a look of disbelief made his way out to the service area. After he test drove the vehicle he came looking for me. The shop was huge, I remember trying to hide, and I thought I was in trouble. On the contrary, he was proud of me. I'll never forget the feeling that I had that day. I felt like a part of something. He praised me and said good things about me, I was not used to that. I knew what I would do the rest of my life. I was a builder by the time I was 16.

That was over 30 years ago. The shop was Portland Transmission in providence Rhode Island. I drank alcohol and smoked marijuana but not long after I realized I was addicting. I started getting into fights and driving drunk. One day in county jail I had a heart to heart with God. I was tired of my life and needed a change. I told him I was done and that I wanted to settle down and raise a family. I described the type of woman and what kind of life I wanted. Believe it or not I got exactly that. We married when we were 21 and we attended church regularly. She had three children and together we had four more. In total we raised seven kids. But a little over a year after getting married she had an affair. I forgave her because we had our first child together, Benito. I did not want to leave her and him like my father left when I was five. So I stayed and chose to fulfill my responsibly. By this time I was used to hurt and pain, disappointment and betrayal by those closest to me. I had many responsibilities, I had just opened my first business and brought my first house. Not to mention we had just had our first child together. I guess it was easy to forgive her because I loved her, I still do. I decided to occupy my time with business and church to keep from thinking about my past. I was a generous giver and I now realize that giving is an important part of life. Because it is through giving that we receive. If you want love you first must give love. If you want respect you must first give respect. Whatever you want you must first give it. Back then I did not realize this, now I do.

Being here at the Estes unit in PEP is teaching me new things, well maybe they are not new things, but they are new to me. Things I should have learned before, but didn't get the opportunity until now. Nevertheless, here I am now and I looking forward to the opportunity I've been given to elicit the leader within that will help to boost tomorrows economy by creating jobs and serving our community, and teaching my young ones the great things that I am being taught. I have found what I was born to do on earth. This has been a question I've been seeking an answer for so long. Because I have been searching

and because of this program I have found the answer with no doubt. The answer is to serve humanity by giving back what I am good at. This will be done through connecting pathways. Connecting pathways is a nonprofit organization that teaches people to rebuild Allison transmission systems. I hope to be released sometime between February of 2020 and June 2021. At which time I'll be able to re-enter society with a positive, sober attitude never to return to old ways.

Thank you PEP! Thank you God!

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - Yes I have 30yrs experience along with 20yrs as a business owner.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - We will teach the technical side of human development by implementing character development.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - I will seek skilled retired technicians to help teach different fields.
- Is there growth potential to expand my business, or is this a dying market?
 - Yes there is a great growth potential in this business.
- How soon can I get my business up and running?
 - I will be opening up my business 3-5 years 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?
 - This venture will require a substantial amount of money.
- Is this something I would be proud to share with my family and parole officer?
 - Yes.
- 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?
 - Transmission technicians are in demand and we will help produce techs for the future of this industry.
- What are the benefits (not features) that I am providing?
 - We offer to help students that want to learn a vocation without having to go to college for 4 years.
- Why can I do this better than another business (competitor)?
 - The benefit is you can make a large income in a short period of time.

- How will I deliver this better idea to my customers?
 - Social Media, trade schools and corporate organizations.
- 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?
 - I really love what I do.
- Is the price of my solution equal to or less than the customer's pain?
 - Yes.
- Is the approximate cost of my solution lower than the price?
 - Yes.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - Yes a storefront and a school.
- Do I offer a guaranty or return policy?
 - We will provide a guaranty.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - This will appeal to more men.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My ideal customer's age will range from 18-30 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?
 - This will not affect my business.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - I am looking for individuals that are innovative and are wanting to expand their knowledge in this industry.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - Customer income is not a factor.
- Does my customer need to own specific assets (car, house, boat)?
 - Does not apply to my business.

Location:

- Where will I sell to my customers (their home, their workplace, on the street, online, my store, an event like trades day)?
 - Online, speak at events and trade schools.
- Do I go to my customer (home service) or does my customer come to me?
 - My customer will come to a classroom setting.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - My customers will come from all over United States.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My customers will be located throughout United States.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - My customers will be found one at a time.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - I believe we will find customers as groups and individually.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - I am sure they will refer their peers to attend my classes I provide.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Stewart & Stevens	Indirect	Online/ ads	N/A	Nationwide locations	Not affordable	Cost effective/ low cost packages
Allison Corporation	Indirect	Online/ ads	\$7000	Well-known brand	They are only in Indianapolis & Indiana	Cost effective/ low cost packages
ATRA	Indirect	Online/ ads	N/A	National recognition	Limited	Cost effective/ low cost packages

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - As PEP, church ministries and veterans that did not receive certifications in the military only OJT. We are in the human development business.
- What is your tagline?
 - Igniting magnificent by connecting pathways.
- How does your name and tagline make you different than your competitors?
 - My tagline describes the commitment and care we will be putting into the development in lives that are connected.
- Can your message be effectively conveyed through multiple types of media?
 - Absolutely.
- Is your message effective across different demographics?
 - Yes people in different parts of the country will hear and know about Connecting Pathways.
- Is your pricing consistent with the market for similar offerings?
 - Yes we will have different tuition packages for students with different income.
- Is your pricing consistent with the degree of personalization?
 - Yes we will have different prices for multiple classes.

Media:

- What are three types of media you will use to reach your customers?
 - Brochures, social media and letters.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - We will be available for thousands of customers.
- Once you've reached your typical customer, how many will actually buy from you?
 - I am sure they will buy once they see what we have to offer.
- For each of the three, what do you think the estimated cost will be?
 - The cost for all advertisement will range from \$2000-\$5000.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - This will be a one-time fee.
- How will you collect customer reviews?
 - We will ask people that respond for referrals and feedback.

RESUME

Pete

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

Experience

Owner/ operator of Mechanic shop 1998-2018
Manage a mechanic shop

Transmission Technician 1996-1998
Rebuild Transmissions

Transmission Technician 1989-1995
Rebuild Transmissions

Skills

- **Computer skills**
- **Management**
- **Mechanic**
- **Speaking skills**
- **Manual labor skills**
- **Parts specialist**

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.

ATRA 2005-2009
R&R Tech/ service writer

Stuart and Stevens 1999-2002
Allison Certifications

Owner's name	Pete
Company name	Connecting Pathways
NAICS Business Classification	
Sector (general classification)	54 Professional, Scientific, and Technical Services
Sub-sector (more specific classification)	541: Professional, Scientific, and Technical Services

Start-up Costs
Year 1

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	100
cell phone purchase	50
car/truck down payment, if leased	
permits	
supplies, office & misc.	5,000
Software Allison Doc	3,000
Shop Key	1,000
Shop equipment	50,000
Uniforms	300
Internet	100
Cash needed for start-up expenses	59,550

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	10,000		10,000
company trailer	1,000		
computer, printer, fax	4,000		4,000
			-
			-
building/office deposit	6,000	N/A	N/A
beginning cash balance		N/A	N/A
Cash needed for start-up assets	21,000	-	14,000

60 assumed life (months)
233 monthly depreciation

Total start up cost **80,550**

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	50,000	62%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	30,550	38%
Outside equity investment, if applicable		0%
Total start up cost, total sources	80,550	100%

Pete dba Connecting Pathways
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														
Transmission	6	-	9,440	9,440	9,440	14,160	14,160	14,160	14,160	14,160	14,160	14,160	14,160	141,600	25%
Allison line not used	6	-	30,000	30,000	30,000	30,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	435,000	75%
	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total revenue		-	39,440	39,440	39,440	44,160	59,160	59,160	59,160	59,160	59,160	59,160	59,160	576,600	100%
Cost of Goods Sold	2														
Transmission	6	-	1,600	1,600	1,600	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	24,000	4%
Allison	6	-	11,600	11,600	11,600	11,600	17,400	17,400	17,400	17,400	17,400	17,400	17,400	168,200	29%
line not used	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total COGS		-	13,200	13,200	13,200	14,000	19,800	19,800	19,800	19,800	19,800	19,800	19,800	192,200	33%
Gross profit		-	26,240	26,240	26,240	30,160	39,360	39,360	39,360	39,360	39,360	39,360	39,360	384,400	67%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	283	283	283	283	317	317	317	317	317	383	383	3,483	1%
Gasoline & fuels	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Insurance - bonding	-	-	250	250	250	250	250	250	250	250	250	250	250	2,750	0%
Insurance - vehicle	-	-	80	80	80	80	80	80	80	80	80	80	80	880	0%
Interest - equip & start up	7	-	-	-	204	199	194	188	183	178	173	168	163	1,649	0%
Marketing	100	-			700				700				700	2,200	0%
Office - rent	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000	4%
Office - insurance	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Office - telephone	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Office - utilities	-	-	500	500	500	500	500	500	500	500	500	500	500	5,500	1%
Payroll - not owner and not in COGS	8	-	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	70,400	12%
Payroll taxes (9%)	6 & 8	-	576	576	576	576	576	576	576	576	576	576	576	6,336	1%
Permits	-	-												-	0%
Supplies	5,000	-	200	200	200	200	200	200	200	200	200	200	200	7,200	1%
Tax service	-	-												-	0%
Telephone - cellular	50	-	60	60	60	60	60	60	60	60	60	60	60	710	0%
Start-up expenses	54,400	-	-	-	-	-	-	-	-	-	-	-	-	54,400	9%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
Total expenses		59,550	10,649	10,649	11,553	10,848	10,876	10,871	11,566	10,861	10,856	10,917	11,612	180,809	31%
Taxable profit (loss)	1	(59,550)	15,591	15,591	14,687	19,312	28,484	28,489	27,794	28,499	28,504	28,443	27,748	203,591	35%
Tax (expense) benefit	1	-					(8,529)			(21,195)			(21,174)	(50,898)	-9%
Owner's withdrawals	1	-	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(27,500)	-5%
Net profit (loss)		(59,550)	13,091	13,091	12,187	16,812	17,455	25,989	25,294	4,804	26,004	25,943	4,074	125,194	22%
Depreciation	3	-	283	283	283	283	317	317	317	317	317	383	383	3,483	
Equipment purchases	3	(21,000)	(3,000)	-	-	-	(2,000)	-	-	-	-	(4,000)	-	(30,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	30,550	-	-	(754)	(759)	(764)	(769)	(774)	(779)	(784)	(790)	(795)	23,583	
Owner contribution	3	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		-	10,374	13,374	11,717	16,337	15,008	25,537	24,837	4,341	25,537	21,537	3,663	172,260	
Cash, period start		-	-	10,374	23,748	35,465	51,801	66,809	92,346	117,183	121,524	147,061	168,597	-	
Cash, period end		-	10,374	23,748	35,465	51,801	66,809	92,346	117,183	121,524	147,061	168,597	172,260	172,260	