

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Michael
Day Break Deck's

Prison Entrepreneurship Program
P.O. Box 926274
Houston, TX 77292
(832) 767-0928
www.pep.org

Day Break Deck's

“If you're tired and need a break, call Day Breaks”

Business Plan
January 2020

Michael
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>When homeowners need home improvement, weather protection to socialize in outdoor activities we provide that.</p>	<p>Here at Daybreak we pride ourselves in getting up early every day. To build the deck of your dreams. Whether its custom design' elegant or ordinary you can't go wrong when it's daybreak.</p>	<p>We not only build custom decks but we also provide one of a kind customer service. By providing wheelchair accessible ramps and decks.</p>																																				
Customers	Differentiators	Extras																																				
<p>Our customers include homeowners, general contractors, real estate agents, insurance companies as well as home owners association.</p>	<p>Providing discounts for clients 50 years old and up. With our flexible schedule and experience in healthcare and construction we specialize in handicap accessible decks.</p>	<p>Providing luxury style decks with easy accessible Bluetooth technology, Jacuzzis, pool installation, BBQ pits, lighting, automated awnings and if in need of a fence we got you covered.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Only using responsibly harvested wood our goal is to start a decking revolution by using business cards, social media and word of mouth this dream will be possible.</p>	<table border="0"> <tr> <td>Sales:</td> <td style="text-align: right;">\$ 849,000</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right;"><u>367,200</u></td> <td style="text-align: right;"><u>43%</u></td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">481,700</td> <td style="text-align: right;">57%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right;"><u>108,800</u></td> <td style="text-align: right;"><u>13%</u></td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">372,900</td> <td style="text-align: right;">44%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">93,200</td> <td style="text-align: right;">11%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right;"><u>75,000</u></td> <td style="text-align: right;"><u>9%</u></td> </tr> <tr> <td>Net income</td> <td style="text-align: right;"><u>\$ 204,600</u></td> <td style="text-align: right;"><u>24%</u></td> </tr> </table>	Sales:	\$ 849,000	100%	COGS	<u>367,200</u>	<u>43%</u>	Gross profit	481,700	57%	Overhead	<u>108,800</u>	<u>13%</u>	Pretax income	372,900	44%	Tax expense	93,200	11%	Owner withdrawals	<u>75,000</u>	<u>9%</u>	Net income	<u>\$ 204,600</u>	<u>24%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">\$ 25,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td style="text-align: right;">-</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;">-</td> </tr> <tr> <td>Total start up costs:</td> <td style="text-align: right;"><u><u>\$ 25,000</u></u></td> </tr> <tr> <td>Plan Purpose:</td> <td style="text-align: right;">Start-Up</td> </tr> </table>	Owner investment - cash	\$ 25,000	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	-	Total start up costs:	<u><u>\$ 25,000</u></u>	Plan Purpose:	Start-Up
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Personal Fit																																						

Growing up in a small country town just south of Houston, Texas I cared for my aging grandparents. I also worked at a nursing home and I always had a passion for helping the elderly. My mission is to develop handicap accessible decks for our elderly community.

PERSONAL FIT

My name is Michael, aka "Milky Way" shooting for the stars. First I will tell you a little bit about myself and where I am from. I am twenty nine years old and was born in Galveston, Texas. My real name is Michael Pevehouse. Which the last name stands for teepee by the river. I have Indian on both sides of my family. I was adopted when my stepfather married my mother along with my brother.

I was raised in a religious family with good manners which taught me to respect others and my elders. So I treat others how I want to be treated. I always had a talent for fighting as well as starting them when I was younger so my father and I made a deal that if I can do American splits or Chinese splits then he would put me in martial arts. Little did he know I was already stretching every day and night. Within that year I was enrolled in Gonji Ti Kwan Doe. A year later I took up kickboxing and Ju-jitsu I ended up quitting once the gym closed. I planned to start training once again upon my release. My grandfather never knew I was staying in Pomona, California so I moved out there to spend more time with him. Little did I know they planned on selling their house and decided to move back to Texas to be closer to my mom and dad.

I started working at Georgia Pacific in Cleveland, Texas. After I left Georgia Pacific I went to Topeka where I was to meet my biological father, we ended up fixing our relationship between one another and are still good friends. Four years later in a bar in a college town in Manhattan. The woman I was with had an altercation with another woman so we left. Partway home we switched seats as she drove back to finish the fight. I did not see the officer so when I held my friends back he came up from behind me and did not say anything as he threw his arms around the back of my neck. I reacted and was charged with battery. Also, I was banned from the town; I was not even allowed to even drive through it. After two years in county jail I was released. A month after my release I had a son and after a year I left Kansas to be with my daughter in Texas.

I stopped going to church in Kansas, however I still prayed every day. But that did not seem like it was right. I never took my family to church like I should have and instead made excuses on why not to go. Which will be changed upon my release. The reason for my incarceration is on April 18, 2018; I spanked my stepson for hurting his sister and the grandmother was mad at me for something else, but upon seeing this she decided to call the cops on me and I was charged with injury to a child which is a third degree felony. I signed for two years TDCJ.

Looking at it on the bright side of things I did not waste these two years of my incarceration. I sought out to further my education and accomplish my GED within my first two months. I also have a small business certification and I am enrolled in college in Dallas, Texas. I will be majoring in Computer Technology as well as taking fitness and health. Also, I plan to work on my land in my hometown as well as help my family with their land. If I can give back to PEP, it would be by branching out to other states and even to women prisons. As for my future plans it is to go Oregon. Why Oregon? Have you seen Oregon? It is gorgeous and there is no sales tax. Also by law they pump your gas for you. Well now you know about me. Some of my future goals and plans and why I want to do what it is I am going to do. The most important thing I want to do is go to church and

regularly volunteer as much as possible. I have been running from Jesus to long it is time to stop running. I would like to say thank you for your time.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - Yes.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - No.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - I will not hire employees until demand deems necessary.
- Is there growth potential to expand my business, or is this a dying market?
 - I plan to open my business in April 2020.
- How soon can I get my business up and running?
 - No.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - No, this is a low startup cost business.
- 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?
 - Part-time.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Our clients that are handicap need a deck that will make their life easier and more manageable we provide that.
- What are the benefits (not features) that I am providing?
 - I am providing easy wheelchair access ramps and durable decks with discounts.
- Why can I do this better than another business (competitor)?
 - Due to personal experience with family I have a better understanding than most other companies.
- How will I deliver this better idea to my customers?
 - I will rely on word of mouth, Angie's List, Craigslist, local VA's, Home Depot and HOA.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - I will be traveling home to home providing my service.

- 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 will be offering a discount to help pricing be affordable for my customers.
- 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?
 - I will be traveling location to location.
- Do I offer a guaranty or return policy?
 - We do guarantee a satisfaction on our product.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - Yes.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - It does not matter as long as they can afford the service.
- Does my customer need to be married, single or does it matter?
 - I will be the principal in this venture and expect to carry majority of the burden initially.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
 - Within 1 year of my release date.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - No. This is a low startup roughly around 10-15 thousand dollars.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - Yes.
- Does my customer need to own specific assets (car, house, boat)?
 - Part-time.

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 this product to my customers at their homes and set up appointments via phone, call or email.
- Do I go to my customer (home service) or does my customer come to me?
 - I will always be going to my customer's home to perform this service.

- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - Anyone that lives in a place where this is a yard in the DFW area.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My ideal customers will live within a 30 mile radius and in condensed neighborhoods.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - These customers will easily become available one at a time and by referrals.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - These customers can be found individually or as a group.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - The customer will be exceptionally satisfied with my business that they will refer me to their friends/co-workers.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Dynamic Home Transformation	Indirect	Internet/Mail/ Facebook	Varies	Well established	Multiple different types of home remodeling, Do not focus on decks	Location, Decks & Fences/ Discounts for elderly/ Flexible schedule
1,2,3 Deck Bombardo	Direct	Newspaper/ word of mouth/ Internet	Varies	Well established	Their value is not as good as it should be. Their prices are higher	Location, Decks & Fences/ Discounts for elderly/ Flexible schedule

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - I will have a connection for the industry upon my release date of April 18, 2020.
- Do you have access to a favorable location for your business?
 - I will centrally locate my business in Dallas area.
- Are you going to be the first company of your type in your chosen area operations?
 - I am not the first company in this type of industry, however there are not that many that focus on this specifically.

Internal Extras:

- Do you have a new or cutting edge concept?
 - I will offer flexible scheduling and work with the customer requirements.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Yes.
- Are you an especially charming or personable person?
 - Yes.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - We are certified professionals and we are an outstanding deck building business.
- What is your tagline?
 - Here at Day Break Decks we will start a decking revolution.
- How does your name and tagline make you different than your competitors?
 - My tagline describes the importance of making a difference when our customers want to enjoy being outside with family and friends.
- 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.
- Is your pricing consistent with the degree of personalization?
 - The size of the job will determine some prices along with certain materials.

Media:

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

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I will be reaching at least 100 people a month easily.
- Once you've reached your typical customer, how many will actually buy from you?
 - Easily 10 or 12 starting out.
- For each of the three, what do you think the estimated cost will be?
 - Business cards (\$1), word of mouth (priceless) and contractors list (\$150).
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Every 3 months for business cards, word of mouth (priceless) and contractors list (monthly).
- How will you collect customer reviews?
 - I will have online reviews from customers on my website and yelp.com.

RESUME

Michael

1100 Hwy 1807

Venus, TX 76084

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

Experience

Machine Operator

2015-2016

Operate and manage the cheese sauce machines

Manager at Subway

2016-2018

Cook, clean, close up store and manage money

Remodeling

2008-2013

Frame, paint and carpet houses

Skills

- **Construction**
- **Customer Service**
- **Housekeeping**
- **Cook**
- **Accounting**
- **Public Speaking**
- **Power tool operator**
- **Flooring technician**

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

2018-2019

GED

Owner's name Michael
 Company name DayBreak Decks

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	500
cell phone purchase	250
car/truck down payment, if leased	
permits	400
supplies, office & misc.	
Insurance	200
Cash needed for start-up expenses	1,350

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	8,000		8,000
company trailer	5,000		
computer, printer, fax			-
Tools	2,850		2,850
			-
			-
building/office deposit		N/A	N/A
beginning cash balance	7,800	N/A	N/A
Cash needed for start-up assets	23,650	-	10,850

60 assumed life (months)
 181 monthly depreciation

Total start up cost **25,000**

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	25,000	100%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	-	0%
Outside equity investment, if applicable	-	0%
Total start up cost, total sources	25,000	100%

Michael dba DayBreak Decks
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															
12 x 16 Avg. Deck	6	-	34,000	34,000	17,000	8,500	-	-	-	17,000	34,000	25,500	8,500	178,500	21%	
12 x 16 Deck w/roof	6	-	-	-	13,500	27,000	27,000	-	54,000	13,500	40,500	13,500	40,500	229,500	27%	
12 x 16 Enclosed Deck	6	-	-	-	24,500	24,500	49,000	98,000	-	24,500	24,500	98,000	98,000	441,000	52%	
Total revenue		-	34,000	34,000	55,000	60,000	76,000	98,000	54,000	55,000	99,000	137,000	147,000	849,000	100%	
Cost of Goods Sold	2															
12 x 16 Avg. Deck	6	-	14,660	14,660	7,330	3,665	-	-	-	7,330	14,660	10,995	3,665	76,965	9%	
12 x 16 Deck w/roof	6	-	-	-	5,915	11,830	11,830	-	23,660	5,915	17,745	5,915	17,745	100,555	12%	
12 x 16 Enclosed Deck	6	-	-	-	10,540	10,540	21,080	42,160	-	10,540	10,540	42,160	42,160	189,720	22%	
Total COGS		-	14,660	14,660	23,785	26,035	32,910	42,160	23,660	23,785	42,945	59,070	63,570	367,240	43%	
Gross profit		-	19,340	19,340	31,215	33,965	43,090	55,840	30,340	31,215	56,055	77,930	83,430	481,760	57%	
Expenses	2															
Auto or truck lease	-														-	0%
Depreciation	3	-	181	181	181	181	181	181	181	181	181	181	181	1,989	0%	
Gasoline & fuels	-		200	200	200	200	200	200	200	200	200	200	200	2,200	0%	
Insurance - bonding	-		300	300	300	300	300	300	300	300	300	300	300	3,300	0%	
Insurance - vehicle	-		300	300	300	300	300	300	300	300	300	300	300	3,300	0%	
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Marketing	500		400		400		400		400		400	400		2,500	0%	
Office - rent	-													-	0%	
Office - insurance	-													-	0%	
Office - telephone	-		50	50	50	50	50	50	50	50	50	50	50	550	0%	
Office - utilities	-													-	0%	
Payroll - not owner and not in COGS	8	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	12,000	12,000	12,000	84,000	10%	
Payroll taxes (9%)	6 & 8	-	540	540	540	540	540	540	540	540	1,080	1,080	1,080	7,560	1%	
Permits	400		400											800	0%	
Supplies	-													-	0%	
Tax service	-		150	150	150	150	150	150	150	150	150	150	150	1,650	0%	
Telephone - cellular	250		50	50	50	50	50	50	50	50	50	50	50	800	0%	
Start-up expenses	200		-	-	-	-	-	-	-	-	-	-	-	200	0%	
	-													-	0%	
	-													-	0%	
	-													-	0%	
	-													-	0%	
	-													-	0%	
	-													-	0%	
Total expenses		1,350	8,571	7,771	7,771	8,171	7,771	7,771	8,171	7,771	14,311	14,711	14,711	108,849	13%	
Taxable profit (loss)	1	(1,350)	10,769	11,569	23,444	25,794	35,319	48,069	22,169	23,444	41,744	63,219	68,719	372,911	44%	
Tax (expense) benefit	1			(5,247)			(21,139)			(23,421)			(43,421)	(93,228)	-11%	
Owner's withdrawals	1	-	(2,000)	(2,000)	(4,000)	(4,000)	(4,000)	(8,000)	(8,000)	(8,000)	(10,000)	(10,000)	(15,000)	(75,000)	-9%	
Net profit (loss)		(1,350)	8,769	4,322	19,444	21,794	10,180	40,069	14,169	(7,976)	31,744	53,219	10,299	204,683	24%	
Depreciation	3	-	181	181	181	181	181	181	181	181	181	181	181	1,989		
Equipment purchases	3	(15,850)	-	-	-	-	-	-	-	-	-	-	-	(15,850)		
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-		
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-		
Owner contribution	3	25,000	-	-	-	-	-	-	-	-	-	-	-	25,000		
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net cash flow		7,800	8,950	4,503	19,625	21,975	10,361	40,250	14,350	(7,796)	31,925	53,400	10,479	215,822		
Cash, period start		-	7,800	16,750	21,253	40,878	62,853	73,214	113,464	127,814	120,018	151,943	205,343	-		
Cash, period end		7,800	16,750	21,253	40,878	62,853	73,214	113,464	127,814	120,018	151,943	205,343	215,822	215,822		