

prison  
entrepreneurship  
program

Business Plan Competition  
January 23-24, 2020

Cade  
Capital City Auto Sales

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

# *Capital City Auto Sales*

*“Capital City Auto Sales where we sell good vehicles to good people for  
a good price”*

Business Plan  
January 2020

*Cade*  
Owner & Founder

**TABLE OF CONTENTS**

---

**EXECUTIVE SUMMARY .....1**

**PERSONAL FIT .....2**

**OPPORTUNITY .....2**

**SOLUTION .....3**

**CUSTOMERS .....4**

**DIFFERENTIATORS .....6**

**EXTRAS .....7**

**MARKETING.....7**

**RÉSUMÉ ..... ATTACHED**

**FINANCIAL PROJECTIONS ..... ATTACHED**

**EXECUTIVE SUMMARY**

<b>Opportunity</b>	<b>Purpose</b>	<b>Solution</b>																																				
<p>Scamming and selling you vehicles that will break down in a week/ forcing you into deals providing service for small salesmen.</p>	<p>At Capital City Auto Sales we believe in family freedom fun and integrity, with our vehicles and services we provide just that.</p>	<p>Show price of vehicle and allow you to pick based on your price range. Make sure vehicles are reliable/ provide professional mechanics that will be available.</p>																																				
<b>Customers</b>	<b>Differentiators</b>	<b>Extras</b>																																				
<p>College kids, middle class customers and small car salesman.</p>	<p>Whole selling vehicles to salesmen/ providing maintenance warranty and provide free oil changes for 90 days upon purchase.</p>	<p>We have relationships with suppliers and mechanics.</p>																																				
<b>Marketing</b>	<b>Financials &amp; Extras</b>	<b>Start-up Costs</b>																																				
<p>Offer up/ Let-go/ Facebook/ Craigslist and through business cards</p>	<table border="1"> <tr> <td>Sales:</td> <td style="text-align: right;">\$ 840,000</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right;"><u>362,300</u></td> <td style="text-align: right;"><u>43%</u></td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">477,600</td> <td style="text-align: right;">57%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right;"><u>18,400</u></td> <td style="text-align: right;"><u>2%</u></td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">459,100</td> <td style="text-align: right;">55%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">114,700</td> <td style="text-align: right;">14%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right;"><u>50,000</u></td> <td style="text-align: right;"><u>6%</u></td> </tr> <tr> <td>Net income</td> <td style="text-align: right;"><u>\$ 294,300</u></td> <td style="text-align: right;"><u>35%</u></td> </tr> </table>	Sales:	\$ 840,000	100%	COGS	<u>362,300</u>	<u>43%</u>	Gross profit	477,600	57%	Overhead	<u>18,400</u>	<u>2%</u>	Pretax income	459,100	55%	Tax expense	114,700	14%	Owner withdrawals	<u>50,000</u>	<u>6%</u>	Net income	<u>\$ 294,300</u>	<u>35%</u>	<table border="1"> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">\$ 150</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><b>Total start up costs:</b></td> <td style="text-align: right;"><b><u>\$ 150</u></b></td> </tr> <tr> <td><b>Plan Purpose:</b></td> <td style="text-align: right;">Startup</td> </tr> </table>	Owner investment - cash	\$ 150	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	-	<b>Total start up costs:</b>	<b><u>\$ 150</u></b>	<b>Plan Purpose:</b>	Startup
Sales:	\$ 840,000	100%																																				
COGS	<u>362,300</u>	<u>43%</u>																																				
Gross profit	477,600	57%																																				
Overhead	<u>18,400</u>	<u>2%</u>																																				
Pretax income	459,100	55%																																				
Tax expense	114,700	14%																																				
Owner withdrawals	<u>50,000</u>	<u>6%</u>																																				
Net income	<u>\$ 294,300</u>	<u>35%</u>																																				
Owner investment - cash	\$ 150																																					
Owner investment - equipment	-																																					
Vehicle and/or equipment loan	-																																					
Start up financing	-																																					
<b>Total start up costs:</b>	<b><u>\$ 150</u></b>																																					
<b>Plan Purpose:</b>	Startup																																					
<b>Personal Fit</b>																																						

I have been selling vehicles for more than a year. I have experience in sales for ten year. I have been around the Auto industry my whole life which I have experience in problem solving and helping customers feel special.

## **PERSONAL FIT**

---

I was born May 28<sup>th</sup> 1996 in Austin, Texas. My parents met in Lubbock, Texas and moved to Austin. They divorced when I was a year old. They went through custody battles until I was 10 years old. I was going back and forth from living with both of them. It was a huge part in forming my rebellious streak and the way I treated women. I was good in school, I made good grades but I fought all the time. I got into fights with teachers and started skipping school. I started using drugs and selling them. I have a high school diploma and a certification to be a personal trainer, a few art credits and psychology credits. I got my GED while incarcerated.

I left home at fourteen because my mom could not control me and I took everything she worked hard for and basically extorted her until she would not let it happen any longer. I left and moved in with two friends of mine that had an apartment. I was still going to high school and selling drugs. I started smoking marijuana the summer of the 5<sup>th</sup> grade and stealing. A lot of it had to do with my dad leaving when I was 10. He had to leave Texas due to some people he was working for. One thing that really affected me is my parents splitting and going back and forth. My mom was an alcohol, my dad and his friends engaged in a lifestyle that I looked up to even though it was not healthy. I have been arrested four times and turned myself in twice which brings the total times I have been incarcerated to 6. I have multiple charges from theft on a person, four counts of aggravated robbery and a credit card fraud. I pled guilty to two of them and I am now incarcerated on the same charge. I had received probation but it was revoked when I was charged with two separate possession charges. The total time I have been locked up is about three years.

Since being incarcerated I have been working on my character. I have read all different types of self-help books, spiritual books. I have taken parenting classes and worked the twelve steps with a sponsor. I practice good habits and let go of negative ones. I am done with alcohol and cigarettes. I do not want to be a ladies man anymore. I do not hang out with people who are not as goal minded as I am. I have changed because I was hurting myself in all aspects which in turn was hurting my children's mother and our daughters. I want success. I have a huge influence in people's lives and decision making. I have always been an entrepreneur. I used to sell used vehicles and all types of other pursuits. I would blow the money and chase my tail. I want to leave something for my family and have something I can teach them to be successful at. I still own vehicles I am going to sell. I have to start where I left off and my dad is getting his auction license so we can open a shop. I will be released to Austin TX, in December 2019.

## **OPPORTUNITY**

---

- Can I solve the problem given my skills and personality?
  - Yes I have the experience and great friends and family to aid me when necessary.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
  - We will take care of any and every problem with a solution that favors all parties.

- 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 be working alone; the employees I hire will be professionals at their perspective jobs, so quality will be enhanced.
- Is there growth potential to expand my business, or is this a dying market?
  - Yes, used vehicles sales have increased at a 4.3% climb since last year (2018).
- How soon can I get my business up and running?
  - I have the business up and running already, I just need store front on a lager property.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
  - More hustle, I have three vehicles at the moment with all the necessary tools to fix them up.
- Is this something I would be proud to share with my family and parole officer?
  - Yes, my family already supports it and I is legal so I am sure my parole officer will be ok with it.
- 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?
  - It will be part-time until I am able to expand.

## **SOLUTION**

---

- Is what I am offering filling the customer's real need?
  - Yes, vehicles are necessary for busy people to get around and take care of their business.
- What are the benefits (not features) that I am providing?
  - Quality vehicles that are reliable and affordable.
- Why can I do this better than another business (competitor)?
  - I was once a frustrated car buyer myself and I understand the process, along with the lack of integrity used car salesman have; I offer a better service.
- How will I deliver this better idea to my customers?
  - I will let my service speak for its self (word of mouth), and I will utilize social media.
- 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 produce my service exactly as advertised.
- Is my solution consistent with my passion for selling?
  - Yes, I have worked in sales for years and love the process involved of getting a customer tom say yes.

- Is the price of my solution equal to or less than the customer's pain?
  - We provide great quality vehicles for great prices that insures our customers have wonderful prices to choose from versus the competitions.
- Is the approximate cost of my solution lower than the price?
  - In most situations the cost of the solution is cheaper than the price; though it may vary from time to time.
- Do I need a fixed location (Storefront) or is this a mobile business?
  - I will have a fixed location.
- Do I offer a guarantee or return policy?
  - Yes, I offer a 90 day guarantee on all vehicles.

## **CUSTOMERS**

---

### **Demographics:**

- Will my service have different appeal to men versus women?
  - It will appeal to both sexes because I will have a variety of vehicles to choose from.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
  - Ages 25 to 50 years of age will be desired.
- Does my customer need to be married, single or does it matter?
  - It does not matter.
- Do language or ethnicity differences improve or limit my ability to sell to my ideal customer?
  - It will not be a factor concerning limits nor improvement.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
  - Working class men and women along with those who may have environment concerns.

### **Income:**

- Does my customer need a certain income (rich, middle class, poor)?
  - No, just a steady income that allows them to make payments.
- Does my customer need to own specific assets (car, house, boat)?
  - No.

### **Location:**

- Where will I sell to my customers (their home, their workplace, on the street, online, my store, an event like trades day)?
  - From my store front, online ads, and newspaper ads.
- Do I go to my customer (home service) or does my customer come to me?
  - Customers will come to me; though I will occasionally do towing when necessary.

- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
  - Customers' neighborhood will not be important.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
  - No more than 30 minutes from my store front.
- How easily can I find this customer (one at a time or they will provide referrals)?
  - Relatively easy with referrals and the World Wide Web.

**Other:**

- Can I reach these individuals as a group or do I need to find and sell to them individually?
  - Both methods are useable.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
  - My customers will be life-time customers.

**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>
Dream Cars of Austin	Direct	Television, radio and Internet	\$5,000 to \$20,000	Well established and known.	They are not as personable & are expensive in comparison to me.	Low prices w/quality, smaller & more personable.
EZ Auto Sales	Direct	Television, radio and Internet	\$5,000 to \$20,000	Nationally known, insured/bonded and bigger.	They are not as personable & are expensive in comparison to me.	Low prices w/quality, smaller & more personable.
Honda	Direct	Television, radio and Internet	\$15,000 to \$80,000	Nationally known, insured/bonded and bigger.	They are not as personable & are expensive in comparison to me.	Low prices w/quality, smaller & more personable.
Ford	Direct	Television, radio and Internet	\$15,000 to \$80,000	Nationally known, insured/bonded and bigger.	They are not as personable & are expensive in comparison to me.	Low prices w/quality, smaller & more personable.
Nissan	Direct	Television, radio and Internet	\$15,000 to \$80,000	Nationally known, insured/bonded and bigger.	They are not as personable & are expensive in comparison to me.	Low prices w/quality, smaller & more personable.

## **EXTRAS**

---

### **External Extras:**

- Do you have a connection with a supplier in your industry?
  - Yes, I have a close friend that owns a towing company and I know owners of big car auctions.
- Do you have access to a favorable location for your business?
  - Yes a few options are available to me.
- Are you going to be the first company of your type in your chosen area operations?
  - No, but I may be the first one with integrity.

### **Internal Extras:**

- Do you have a new or cutting edge concept?
  - No.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
  - Yes I will be flexible.
- Are you an especially charming or personable person?
  - Sure, I am a salesman.

## **MARKETING**

---

### **Message:**

- What are three things your company name (with no other information provided) says about your company?
  - We sell vehicles, were located in Austin, Texas and are proud of our city.
- What is your tagline?
  - We sell good vehicles to good people for good prices.
- How does your name and tagline make you different than your competitors?
  - It makes us approachable, trustworthy and appreciated by good people wanting to do good business.
- Can your message be effectively conveyed through multiple types of media?
  - Yes, as a salesman that is a basic skill I possess.
- Is your message effective across different demographics?
  - Yes, I will relate to all good people around Austin.
- Is your pricing consistent with the market for similar offerings?
  - Yes, though I will be cheaper than dealerships.
- Is your pricing consistent with the degree of personalization?
  - Yes, vehicles will be sold on a cost of purchase basis.

### **Media:**

- What are three types of media you will use to reach your customers?
  - Facebook, Offer Up, and Let Go.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
  - I will be able to reach more customers than I have vehicles.
- Once you've reached your typical customer, how many will actually buy from you?
  - I will sell to 60% of my typical customers.
- For each of the three, what do you think the estimated cost will be?
  - The media I chose to use will cost nothing but time.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
  - I will update my media pages weekly or as needed.
- How will you collect customer reviews?
  - With Offer Up's star rating, in person, and my as of yet to be created Website.

## RESUME

---

### **Cade**

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

### **Experience**

***Self-employed vehicle salesman*** *March 2016- February 2018*  
Buy vehicles from auction fix them and then resale them

***Maintenance*** *January 2017-February 2018*  
Stripping parking lots and putting up towing signs

***Landscaper*** *2015-2016*  
Stone work, carpentry and plant work

### **Skills**

- **Wrecker driver**
- **Carpentry**
- **Salesman**
- **Customer service**
- **Masonry**
- **Personal trainer**
- **Paint stripper**

### **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.

***Ashworth College*** *November 2013- April 2014*  
Personal trainer certification

***NCCER*** *November 2015*  
Construction fundamentals

Owner's name	Cade
Company name	Capital City Auto Sales
<b>NAICS Business Classification</b>	
Sector (general classification)	.55 Management of Companies and Enterprises
Sub-sector (more specific classification)	551: Management of Companies and Enterprises

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

**Assumption 4 - Total Uses**

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	50
cell phone purchase	50
car/truck down payment, if leased	
permits	
supplies, office & misc.	
<b>Business Cards</b>	<b>50</b>

Cash needed for start-up expenses 150

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

60 assumed life (months)  
- monthly depreciation

**Total start up cost** 150

**Assumption 5 - Total Sources**

Cash owner will contribute and the value of owner's assets contributed to company	150	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%
<b>Total start up cost, total sources</b>	<u><u>150</u></u>	100%



**Cade dba Capital City Auto Sales**  
**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														
Car	6	-	9,000	3,000	6,000	12,000	18,000	18,000	24,000	24,000	24,000	27,000	27,000	192,000	23%
Truck	6	-	-	15,000	20,000	30,000	40,000	40,000	40,000	50,000	55,000	55,000	55,000	400,000	48%
SUV	6	-	-	8,000	8,000	16,000	24,000	24,000	24,000	32,000	36,000	36,000	40,000	248,000	30%
<b>Total revenue</b>		-	9,000	26,000	34,000	58,000	82,000	82,000	88,000	106,000	115,000	118,000	122,000	840,000	100%
Cost of Goods Sold	2														
Car	6	-	3,375	1,125	2,250	4,500	6,750	6,750	9,000	9,000	9,000	10,125	10,125	72,000	9%
Truck	6	-	-	6,762	9,016	13,524	18,032	18,032	18,032	22,540	24,794	24,794	24,794	180,320	21%
SUV	6	-	-	3,550	3,550	7,100	10,650	10,650	10,650	14,200	15,975	15,975	17,750	110,050	13%
<b>Total COGS</b>		-	3,375	11,437	14,816	25,124	35,432	35,432	37,682	45,740	49,769	50,894	52,669	362,370	43%
<b>Gross profit</b>		-	5,625	14,563	19,184	32,876	46,568	46,568	50,318	60,260	65,231	67,106	69,331	477,630	57%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	58	58	58	58	58	58	58	58	58	58	58	642	0%
Gasoline & fuels	-		500	400	500	500	500	600	700	800	800	800	850	6,950	1%
Insurance - bonding	-														0%
Insurance - vehicle	-		200	200	200	200	200	200	200	200	200	200	200	2,200	0%
Interest - equip & start up	7	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Marketing	50	-	50	-	50	-	50	-	50	-	50	-	-	300	0%
Office - rent	-														0%
Office - insurance	-														0%
Office - telephone	-														0%
Office - utilities	-														0%
Payroll - not owner and not in COGS	8	-	504	504	504	504	504	504	504	504	504	504	2,016	7,056	1%
Payroll taxes (9%)	6 & 8	-	45	45	45	45	45	45	45	45	45	45	181	635	0%
Permits	-														0%
Supplies	-														0%
Tax service	-														0%
Telephone - cellular	50		50	50	50	50	50	50	50	50	50	50	50	600	0%
Start-up expenses	50													50	0%
															0%
															0%
															0%
															0%
															0%
															0%
<b>Total expenses</b>		150	1,358	1,308	1,358	1,408	1,358	1,508	1,558	1,708	1,658	1,708	3,356	18,433	2%
<b>Taxable profit (loss)</b>	1	(150)	4,267	13,255	17,826	31,468	45,210	45,060	48,760	58,552	63,573	65,398	65,975	459,197	55%
Tax (expense) benefit	1			(4,343)			(23,626)			(38,093)			(48,737)	(114,799)	-14%
Owner's withdrawals	1	-	-	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(50,000)	-6%
<b>Net profit (loss)</b>		(150)	4,267	3,912	12,826	26,468	16,584	40,060	43,760	15,459	58,573	60,398	12,239	294,398	35%
Depreciation	3	-	58	58	58	58	58	58	58	58	58	58	58	642	
Equipment purchases	3	-	(3,500)	-	-	-	-	-	-	-	-	-	-	(3,500)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owner contribution	3	150	-	-	-	-	-	-	-	-	-	-	-	150	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash flow</b>		-	826	3,970	12,885	26,527	16,642	40,119	43,819	15,517	58,632	60,457	12,297	291,690	
Cash, period start		-	-	826	4,796	17,681	44,207	60,850	100,968	144,787	160,305	218,936	279,393	-	
<b>Cash, period end</b>		-	826	4,796	17,681	44,207	60,850	100,968	144,787	160,305	218,936	279,393	291,690	291,690	