

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Keitron
Smart Living

Prison Entrepreneurship Program
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Smart Living

“Integrate your world one component at a time”

Business Plan
January 2020

Keitron
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>Today's technology is confusing so there is a high demand for experienced technicians. Consumers demand comfort and ease in their use of new, innovative technology.</p>	<p>We are dedicated and motivated to use our time to make consumer's lives a bit easier with the latest technology available.</p>	<p>Let us make integrating today's latest technology less complex, more understandable and convenient to our customers.</p>																																				
Customers	Differentiators	Extras																																				
<p>We will be targeting residential and commercial businesses such as night clubs, daycares, and offices in commercial office buildings.</p>	<p>We have 10+ years industry experience in cable, security cameras and smart technology.</p>	<p>We have several existing relationships with the current industry who have committed, in advance, to doing business with our company.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Online advertising and word-of-mouth via networking and referrals will be our main approach to finding our targeted customers.</p>	<table border="0"> <tr> <td>Sales:</td> <td style="text-align: right;">\$ 946,000</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right;">389,400</td> <td style="text-align: right;">41%</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">556,600</td> <td style="text-align: right;">59%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right;">25,600</td> <td style="text-align: right;">3%</td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">530,900</td> <td style="text-align: right;">56%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">132,700</td> <td style="text-align: right;">14%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right;">44,500</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>Net income</td> <td style="text-align: right;"><u>\$ 353,600</u></td> <td style="text-align: right;"><u>37%</u></td> </tr> </table>	Sales:	\$ 946,000	100%	COGS	389,400	41%	Gross profit	556,600	59%	Overhead	25,600	3%	Pretax income	530,900	56%	Tax expense	132,700	14%	Owner withdrawals	44,500	5%	Net income	<u>\$ 353,600</u>	<u>37%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">\$ 10,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td style="text-align: right;">10,000</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;">3,450</td> </tr> <tr> <td>Total start up costs:</td> <td style="text-align: right;"><u>\$ 23,450</u></td> </tr> <tr> <td>Plan Purpose:</td> <td style="text-align: right;">Start-Up</td> </tr> </table>	Owner investment - cash	\$ 10,000	Owner investment - equipment	10,000	Vehicle and/or equipment loan	-	Start up financing	3,450	Total start up costs:	<u>\$ 23,450</u>	Plan Purpose:	Start-Up
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Personal Fit																																						

As owner, lead trainer and director of Smart Living, I am looking forward to being a provider for integrating the latest smart technology in the lives of our customers. We plan to use our 10+ years of experience in cable TV, satellite, internet and security cameras to provide the added convenience our customers demand.

PERSONAL FIT

My name is Keitron. I was born in Dallas, Texas on June 8, 1978. My mother was a single parent until she met my step-dad when I was 3 years old. He helped raise me. My biological father was a heavy drug user and passed away after I met him when I was 10 years old. My step-dad moved us from our old neighborhood so I could get a better education and have a better chance of doing something positive with my life. I eventually received a track scholarship.

In 2001 I began to have trouble with alcohol. After my baby brother was murdered in 2001, I started using alcohol to comfort the pain and hurt that the absence of my brother left. For a long time I felt I was to blame for the incident.

(Please tell us here what led to your incarceration)

After forgiving myself for not moving forward positively after my brother's death, I have finally started realizing how much damage I have done to the family and friends that really care about me. Several years have passed and now I didn't realize how much my family really needed me. I made a point in my life to start making unselfish decisions in life but that also came with the damage I had already done and a debt to society.

So in repaying my debt to society by being responsible for my past and present actions. I am not the victim and I want to help others like myself know how to make changes in their actions. I got into the cable industry to make a difference and I actually mean it.

I want to build my own business from personal struggle. This business foundation would require integrity and servant-leader mentality first. My name will ride on everything I structure with this business and I take my name very seriously.

If God blesses me with the chance I will start my business after my possible parole in 2020.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - My 10 plus yrs. In home entertainment, security cameras, satellite, cable industry has prepared me for the technical changes we face today.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - Every customer is different, so I intend to solve every problem considering each customer's knowledge.
- Do I need to do all of the work myself or can I hire others to help me and still maintain quality?
 - I will be the principal in my business in the beginning. When I need to expand due to an increased workload, I will hire experienced workers to work under my supervision.

- Is there growth potential to expand my business, or is this a dying market?
 - Yes. This is an innovative and new market.
- How soon can I get my business up and running?
 - I plan to open my business 15-24 months 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?
 - It will require substantial funding for startup.
- 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?
 - Full-Time.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes. . Many customers do not want to deal with the hassle of doing this work themselves.
- What are the benefits (not features) that I am providing?
 - I will offer cabling for a wide variety of smart appliances and offer training to make the customer's life less complicated.
- Why can I do this better than another business (competitor)?
 - I will offer a wide range of services in one package. Many competitors offer only one of my services.
- How will I deliver this better idea to my customers?
 - I will rely on my deep understanding of the industry and knowledge of the solution needed.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Yes. I will offer flexible home 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 balance my prices with customer's inconvenience.
- 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?
 - We will not require a formal office until expansion.
- Do I offer a guaranty or return policy?
 - We guarantee all our work and guarantee to educate our customers, thus making their lives easier.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - I will serve both equally.
- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My ideal customer is of any age. They just have to need my knowledge of smart technology.
- 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?
 - Will not be affected by language or ethnicity.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - This type of service will appeal to the customers' need for convenience.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - It does not matter. Although my customers will need to be established businesses or homeowners.
- Does my customer need to own specific assets (car, house, boat)?
 - They will need to own anything that requires a technology upgrade.

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 in their home.
- Do I go to my customer (home service) or does my customer come to me?
 - I will always go to my customers.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - Any city within the DFW Metroplex.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My target customers will live within a 30-40 radius.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - These customer will provide referrals or as needed.

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

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Best Buy	Indirect	TV, Internet	High	Storefront, Convenience and Name Brand	Customer service	More time available to personalize customer needs
Fry's	Indirect	Internet & Newspaper	High	Name Brand & Convenience	Waiting time	More time available to personalize customer needs
Expert Sight & Sound	Direct	Internet & Fliers	Med	They offer one service	Lack of experience	I serve a large area
Wired Up Custom Design	Direct	Internet & Fliers	Low	They service one area	Waiting time	I know my areas
Dam Dill Services	Direct	Internet	Low	Family Oriented	Prices too high	Flexible pricing

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - No.
- Do you have access to a favorable location for your business?
 - I will be seeking a location in Dallas, Texas, although initially I won't need a storefront.
- Are you going to be the first company of your type in your chosen area operations?
 - No.

Internal Extras:

- Do you have a new or cutting edge concept?
 - I believe so. My concept is to give my customer several options in one package.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Yes. I am hungry so I will fit my schedule to my customers' needs.
- Are you an especially charming or personable person?
 - Yes, if I do say so myself.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - We are experienced technicians in smart technology that love what we do and understand consumer concerns.
- What is your tagline?
 - Educate and integrate your world one component at a time.
- How does your name and tagline make you different than your competitors?
 - It describes our mission to educate customers first.
- Can your message be effectively conveyed through multiple types of media?
 - Absolutely.
- 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?
 - Yes.

Media:

- What are three types of media you will use to reach your customers?

- I will be advertising my business using internet marketing like Facebook, website marketing available through search engine optimization (SEO) and word-of-mouth networking and referrals.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I plan to reach 40-50 customers per month.
- Once you've reached your typical customer, how many will actually buy from you?
 - Hopefully all of them, but I would say around 20.
- For each of the three, what do you think the estimated cost will be?
 - Internet advertising (\$50/month), website (initially \$500) and word of mouth (priceless).
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Internet advertising recurring every 3 months, website advertising, a one-time charge although probably a small monthly fee to maintain it.
- How will you collect customer reviews?
 - I will offer online customer feedback by having satisfied customers post testimonials on my website.

RESUME

Keitron

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

Experience

Technology Technician

March 2012-February 2017

Integrating smart home technology and security cameras.

Satellite Installer

June 2001-April 2011

Install satellite TV, troubleshooting specialist and customer service tech.

Cable TV Installer

January 1999-May 2001

Install cable TV, fiber optic installer and troubleshooter.

Security Cameras Installer

February 1999-June 2001

Security cameras installer and streaming specialist.

Skills

- **Smart Home Automation**
- **Energy Management**
- **Technology Facilitator**
- **Options Specialist**
- **Satellite Installer**
- **Cable TV Installer**
- **Surveillance Technician**
- **Facial Recognition Camera 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.

Smart Technology

January 2012-March 2012

A+ Programming

A.T.I.

January 2012-February 2012

NT Support Systems

Owner's name	Keitron
Company name	Smart Living
NAICS Business Classification	
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	1,500
cell phone purchase	500
car/truck down payment, if leased	500
permits	200
supplies, office & misc.	2,500
Cable Supplies	2,500
Cash needed for start-up expenses	7,700

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			-
Laptop	1,500		1,500
Computer	3,500		3,500
Printer	250		250
building/office deposit		N/A	N/A
beginning cash balance	10,000	N/A	N/A
Cash needed for start-up assets	15,250	-	5,250

60 assumed life (months)
88 monthly depreciation

Total start up cost **22,950**

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	9,500	41%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	3,450	15%
Outside equity investment, if applicable	10,000	44%
Total start up cost, total sources	22,950	100%

Keitron dba Smart Living
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														
Running Cable	6	-	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	143,000	15%
Technology	6	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	550,000	58%
Surveillance	6	-	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	253,000	27%
Total revenue		-	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	86,000	946,000	100%
Cost of Goods Sold	2														
Running Cable	6	-	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	93,500	10%
Technology	6	-	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	150,700	16%
Surveillance	6	-	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	145,200	15%
Total COGS		-	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400	389,400	41%
Gross profit		-	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	50,600	556,600	59%
Expenses	2														
Auto or truck lease		500	300	300	300	300	300	300	300	300	300	300	300	3,800	0%
Depreciation	3	-	88	88	88	88	88	88	88	88	88	88	88	963	0%
Gasoline & fuels		-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Insurance - bonding		-	200	200	200	200	200	200	200	200	200	200	200	2,200	0%
Insurance - vehicle		-	80	80	80	80	80	80	80	80	80	80	80	880	0%
Interest - equip & start up	7	-	-	-	23	22	21	20	19	19	18	17	16	175	0%
Marketing		1,500												1,500	0%
Office - rent		-	500	500	500	500	500	500	500	500	500	500	500	5,500	1%
Office - insurance		-												-	0%
Office - telephone		-	30	30	30	30	30	30	30	30	30	30	30	330	0%
Office - utilities		-	20	20	20	20	20	20	20	20	20	20	20	220	0%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits		200	200	200	200	200	200	200	200	200	200	200	200	2,400	0%
Supplies		2,500												2,500	0%
Tax service		-												-	0%
Telephone - cellular		500	100	100	100	100	100	100	100	100	100	100	100	1,600	0%
Start-up expenses		2,500	-	-	-	-	-	-	-	-	-	-	-	2,500	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
Total expenses		7,700	1,618	1,618	1,641	1,640	1,639	1,638	1,637	1,636	1,635	1,634	1,633	25,667	3%
Taxable profit (loss)	1	(7,700)	48,983	48,983	48,960	48,960	48,961	48,962	48,963	48,964	48,965	48,966	48,967	530,933	56%
Tax (expense) benefit	1			(22,566)			(36,720)			(36,722)			(36,724)	(132,733)	-14%
Owner's withdrawals	1	-	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(5,000)	(5,000)	(5,000)	(5,000)	(44,500)	-5%
Net profit (loss)		(7,700)	45,483	22,916	45,460	45,460	8,741	45,462	45,463	7,242	43,965	43,966	7,242	353,700	37%
Depreciation	3	-	88	88	88	88	88	88	88	88	88	88	88	963	
Equipment purchases	3	(5,250)	-	-	-	-	-	-	-	-	-	-	-	(5,250)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	3,450	-	-	(133)	(134)	(135)	(136)	(137)	(138)	(138)	(139)	(140)	2,220	
Owner contribution	3	9,500	-	-	-	-	-	-	-	-	-	-	-	9,500	
Equity investor	3	10,000	-	-	-	-	-	-	-	-	-	-	-	10,000	
Net cash flow		10,000	45,570	23,004	45,414	45,414	8,694	45,414	45,414	7,192	43,914	43,914	7,190	371,132	
Cash, period start		-	10,000	55,570	78,574	123,988	169,402	178,095	223,509	268,923	276,115	320,029	363,943	-	
Cash, period end		10,000	55,570	78,574	123,988	169,402	178,095	223,509	268,923	276,115	320,029	363,943	371,132	371,132	