

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Joe
Texas Elite Towing Service

Prison Entrepreneurship Program
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Texas Elite Towing Service

“Why settle for the rest when you can get the best for less”

Business Plan
January 2020

Joe
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
<p>To help insurance companies and individuals with roadside assistance. Help businesses maintain their parking regulations and help cities and municipalities with towing services 24 hours while providing jobs in the community.</p>	<p>We here at Texas Elite Towing Service promote efficient, reliable, dependable, professional and friendly customer service. We hold ourselves to higher standards.</p>	<p>Provide quick, reliable and dependent quality service at lower prices 24 hours a day. Support customers with professional and courteous customer service from actual representatives, while helping the community create jobs.</p>																																				
Customers	Differentiators	Extras																																				
<p>Customers include the City of Dallas and the community, local businesses and institutions with properties, insurance companies, Schools, automotive shops, churches and trade shows.</p>	<p>We will develop a customized mobile app with live GPS tracking throughout the service. Additionally, we tow not only cars and trucks, but motorcycles, boats, etc. We also provide roadside assistance.</p>	<p>We will sub-contract with major towing companies to support demand, and will also provide roadside assistance.</p>																																				
Marketing	Financials & Extras	Start-up Costs																																				
<p>Signs, flyers, business cards, social media, church homes, trade shows, family, word of mouth and last but not least PEP Network.</p>	<table border="0"> <tr> <td>Sales:</td> <td style="text-align: right;">\$ 703,800</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right; border-bottom: 1px solid black;">475,200</td> <td style="text-align: right; border-bottom: 1px solid black;">68%</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">228,600</td> <td style="text-align: right;">32%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right; border-bottom: 1px solid black;">124,000</td> <td style="text-align: right; border-bottom: 1px solid black;">18%</td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">104,600</td> <td style="text-align: right;">15%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">26,100</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right; border-bottom: 1px solid black;">17,000</td> <td style="text-align: right; border-bottom: 1px solid black;">2%</td> </tr> <tr> <td>Net income</td> <td style="text-align: right; border-bottom: 1px solid black;">\$ 61,400</td> <td style="text-align: right; border-bottom: 1px solid black;">9%</td> </tr> </table>	Sales:	\$ 703,800	100%	COGS	475,200	68%	Gross profit	228,600	32%	Overhead	124,000	18%	Pretax income	104,600	15%	Tax expense	26,100	4%	Owner withdrawals	17,000	2%	Net income	\$ 61,400	9%	<table border="0"> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">\$ 79,000</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;">100,700</td> </tr> <tr> <td>Total start up costs:</td> <td style="text-align: right; border-bottom: 3px double black;">\$179,700</td> </tr> <tr> <td>Plan Purpose:</td> <td style="text-align: right;">Start-Up</td> </tr> </table>	Owner investment - cash	\$ 79,000	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	100,700	Total start up costs:	\$179,700	Plan Purpose:	Start-Up
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Personal Fit																																						

As the proud owner and founder of Texas Elite Towing Service, we take great pleasure in assisting our communities in times of need. We also dedicate dependable, reliable and affordable prices to make sure our customers get what they deserve. We dedicate and maintain exceptional, professional customer service at all times. So why settle for the rest, when you can have the best for less

PERSONAL FIT

I was born on April 1, 1974 at Parkland Hospital in Dallas, TX. I was born to the parentage of Joe Ardbuckle and Cheryl. I was raised in a single parent home, because my dad stayed incarcerated and in and out of prison most all of my childhood. We communicated through the mail and I often saw him at times when he was allowed to come home on furloughs. I was raised in South Dallas which is considered the ghetto because of its high crime and drug statistics, so my mother did what any mother who wanted more for her kids would do; which was to move to a much nicer community with less crime and a much higher level of education called the City of Desoto which is a Dallas suburb. I have one sister who I was raised with, one niece and nephew who I love and treat as if they were my own. I was raised in a very spiritual, church going family. We attended at Paul A.M.E church in South Dallas. There I became a Boy Scout of America and an usher at the church. I was also in a community activist group called the NAACP tri-city youth council in which we were mentored by community leaders and encouraged to be a positive influence to other youths in our community. I made decent grades in school and worked as a bus boy for a few months at a seafood restaurant called the Bayou Inn in Desoto. When the restaurant went out of business and when the Tri-City youth council lost its funding and there were not anymore funds for the Eagle Scouts my life seemed to spiral downhill. Left with no more positive outlets I chose to be a follower and submitted to peer pressure and was introduced to drugs and alcohol. I eventually not only moved back to where my mother was trying to keep me from but became a product of the environment in a negative way. A way I was not taught or raised to be. I started hanging around the wrong crowd and got mixed up in the drug world not only selling marijuana but also by participating in using illicit drugs as well. I eventually went to prison on a 10 year sentence for Constructively Delivery of Cocaine. I would eventually get out and never really was committed to change yet and continued to go back to the same life. Before I knew it I was going back and forth in and out of prison on several different charges. A couple of them were Unlawful Possession of Firearms. I guess I had given myself a permission statement to put my faith in a gun to protect me instead of the Lord. I now see my mistakes. I felt just because I had gotten shot with one, that if I had only had one at the time then I would have never gotten shot, but I now see that was only an excuse that I was giving myself. I now put my trust in God and pray no weapon formed against me shall prosper and not only do I say it but I now have faith and walk in it. I now believe I have finally reached my maturity level and seek the positives out of life versus the negatives. I feel the three years I have been incarcerated has actually given me time to reflect on what it is that I am truly put here on earth for. I was blessed to come to a program like PEP to teach me the tools I need and to help me accomplish a vision that I have always dreamed of but just thinking about it now it has become my reality. My dream was to not only own my tow truck company but one day be successful enough and provide legal jobs and mentor troubled youths in a community that was intended for me to encourage in the beginning in South Dallas. I know I cannot change the past but I can definitely work on the present and have positive goals to accomplish for my future. I will let God continue to guide me while remaining humble, proactive, motivated and determined with self-discipline to continue to strive for success seeking wisdom, knowledge and courage on a need to becoming a positive and productive paying member of society. I am just thankful to be a part of PEP and I cannot wait to explore my goals and become an alumni and start my own

business after I have learned what is left to learn about my business and let my actions shows my trustworthiness.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - Yes, given my years of knowledge in the towing and roadside assistance field. I attend to guarantee reliable, dependable, fast and effective service to all my customers and business associates in the towing industry.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - The alternative here at Texas Elite Towing Service is to fill the niche job market and offer a better quality of service to all customers at a very low competitive price.
- 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 this venture and expect to carry a lot of the workload and burdens at first, but eventually I will be incorporating employees for that task. While e I will be providing hands on professional education and job placement training.
- Is there growth potential to expand my business, or is this a dying market?
 - Records show that our economy is steadily growing and the revenue for the industry is expected to trend higher for years to come.
- How soon can I get my business up and running?
 - My vision, plan and goal is set at 2 to 3 years. I will be gaining more experience, knowledge and network expertise by working with a franchise towing company.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - I am looking at a start-up cost of about \$100,000 to 120,000. The probability of a low start-up cost will be about \$50,000 to 70,000.
- Is this something I would be proud to share with my family and parole officer?
 - This will definitely be something I wish and pray that I will be able to share with everyone close to me, especially my family. I know they will also want to help and share in this legacy for generation to come.
- 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 for me, from start to finish.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes.
- What are the benefits (not features) that I am providing?
 - I am providing 24 hour up-to-date GPS tracking technology on all my trucks, so my customers can monitor my location if needed. Courteous customer service with competitive low prices.
- Why can I do this better than another business (competitor)?
 - Many of my competitors have bad professional business practices and many are overpriced and unpredictable.
- How will I deliver this better idea to my customers?
 - I will advertise promotions heavy in this field through pure promotions and virtually free promotions.
- 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 fill job opportunities with an understanding of what my company can handle and nothing more.
- Is my solution consistent with my passion for selling?
 - I have a passion for assisting people in times of need and I believe in treating individuals as I would want to be treated.
- Is the price of my solution equal to or less than the customer's pain?
 - It is less and I plan to take hold of the market while still making a great amount of profit with customer satisfaction.
- Is the approximate cost of my solution lower than the price?
 - Consent towing will be lower and non-consent towing will be competitively high, but once I create more clientele I know the non-consent towing price will get competitively lower.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - Yes, I will require land and a store front for automobile storage and fencing for security purposes.
- Do I offer a guaranty or return policy?
 - Yes, I will be a licensed, certified and insured professional state approved operating towing agency.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - We will service both men and women.

- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My ideal customers will range from 18yrs-55yrs 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?
 - Will not be limited due to 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.)?
 - I will be appealing to college students, automotive and residential people.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - No.
- Does my customer need to own specific assets (car, house, boat)?
 - Yes must own a car.

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 be sub contracted through bigger towing agencies although I will own my own storefront.
- Do I go to my customer (home service) or does my customer come to me?
 - I will be traveling to my customer.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - I will service the Dallas area along with the surrounding counties.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - My radius will be anyone within a 30 mile radius from my storefront.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - I will find my customers by marketing and advertising.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - I will reach them as a group using social media, event planners and trade shows.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - More than likely they will be returning customers.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Triple "AAA"	Indirect	Free towing packages with car insurance plan.	Unknown	Brand is very well established	They don't entirely own all their trucks	Will assume smaller role to fill niche jobs
SDR Towing And Recovery	Indirect	24 hour service and roadside assistance	\$55-\$175	Competitive low prices and open 24/7	Not a widely known brand	I offer lower prices
AJ's Towing Company	Indirect	Close major contracts with firms.	Unknown	Widely known in the Dallas area	They get a lot of business and have more jobs than trucks	Don't mind sub-contracting to fill services
United Towing Company	Indirect	Good location	Unknown	Have major contracts with commercial properties	They have bad history	Have good history, being a new business
Dallas Discount Towing	Indirect	Offer emergency wrecker service	\$75-\$145	Sometimes offer discounts	Not widely known	Cost effectiveness, less charge and personal

EXTRAS

External Extras:

- Do you have a connection with a supplier in your industry?
 - I have previously established possible business relationships with multiple suppliers in my industry.
- Do you have access to a favorable location for your business?
 - I do have a future storefront site already in mind.
- Are you going to be the first company of your type in your chosen area operations?
 - I will have a first mover advantage in my area, even though I might not have been the first, but my unique experience and concept ideas will be.

Internal Extras:

- Do you have a new or cutting edge concept?
 - My concept is cutting edge of filling a service in my industry which a lot of major towing service might not be able to fill at the time.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - Yes, I will be undercutting the prices in some areas, while establishing a name for my business as well.
- Are you an especially charming or personable person?
 - Yes, I have a charismatic and genuine spirit deep down.

MARKETING

Message:

- What are three things your company name (with no other information provided) says about your company?
 - We keep our focus on trying to be the best of the best.
- What is your tagline?
 - Why call the rest, when you can get the best for less.
- How does your name and tagline make you different than your competitors?
 - Quality, while less expensive.
- Can your message be effectively conveyed through multiple types of media?
 - Yes.
- Is your message effective across different demographics?
 - I believe Texas Elite Towing Service can become a popular name many people will identify with.
- Is your pricing consistent with the market for similar offerings?
 - Yes and we will be extremely competitive and undercut our competitors while still making a profit.
- Is your pricing consistent with the degree of personalization?
 - Yes, my prices are reasonable, fair and just.

Media:

- What are three types of media you will use to reach your customers?
 - I will be using social media, business cards/postcards, personal websites and trade shows.
- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I can reach hundreds of potential typical customers each month with job offers.
- Once you've reached your typical customer, how many will actually buy from you?
 - I am projecting at least 25% will be interested, but that number will grow as time goes on.
- For each of the three, what do you think the estimated cost will be?
 - Social Media is free, business cards will be \$50-\$100 and trade shows will be free.
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Social Media is free. Focused mail in business cards/postcards will be every other month. My personal website will be monthly, while trade shows will be free.

RESUME

Joe

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

Experience

Automotive

July 2015- February 2017

Towing and repossession worker.

Retail Outlet

January 2016-February 2017

Customer service, sales and inventory.

Environmental Industry

May 2010-June 2015

Scrap metal worker.

Food Industry

June 1992-July 1997

Bus tables, dishwasher and janitorial duties related to the restaurant industry.

Skills

- **Towing/Repo Experience**
- **Customer Service Representative**
- **Janitorial Laborer**
- **Inventory Coordinator**
- **Supervisor Sales Clerk**
- **Machine Operator**
- **Toastmasters**
- **Technology 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.

Windham School District

January 1998-December 1998

G.E.D.

Windham School District

February 2017-December 2018

Technology Skills Acceleron Learning

Owner's name	Joe
Company name	Texas Elite Towing Service
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	2,500		
cell phone purchase	200		
car/truck down payment, if leased	5,000		
permits	7,000		
supplies, office & misc.	5,000		
Cash needed for start-up expenses	19,700		

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	30,000		30,000
company trailer	3,000		
computer, printer, fax	2,000		2,000
			-
			-
			-
building/office deposit	50,000	N/A	N/A
beginning cash balance	75,000	N/A	N/A
Cash needed for start-up assets	160,000	-	32,000

			60 assumed life (months)
			533 monthly depreciation

Total start up cost	179,700		
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Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	79,000	44%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	100,700	56%
Outside equity investment, if applicable		0%
Total start up cost, total sources	179,700	100%

Joe dba Texas Elite Towing Service
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														
Consent Towing	6	-	15,600	18,750	22,500	22,875	23,100	26,250	27,000	27,375	27,900	28,500	30,000	269,850	38%
Non-Consent Towing	6	-	28,000	29,000	29,600	30,000	31,000	31,600	32,200	35,000	40,000	46,000	50,000	382,400	54%
Roadside Assistance	6	-	4,200	4,410	4,350	4,410	4,440	4,470	4,650	4,950	5,130	5,190	5,400	51,600	7%
Total revenue		-	47,800	52,160	56,450	57,285	58,540	62,320	63,850	67,325	73,030	79,690	85,400	703,850	100%
Cost of Goods Sold	2														
Consent Towing	6	-	6,240	7,500	9,000	9,150	9,240	10,500	10,800	10,950	11,160	11,400	12,000	107,940	15%
Non-Consent Towing	6	-	4,200	4,350	4,440	4,500	4,650	4,740	4,830	5,250	6,000	6,900	7,500	57,360	8%
Roadside Assistance	6	-	2,800	2,940	2,900	2,940	2,960	2,980	3,100	3,300	3,420	3,460	3,600	34,400	5%
Total COGS		-	13,240	14,790	16,340	16,590	16,850	18,220	18,730	19,500	20,580	21,760	23,100	199,700	28%
Gross profit		-	34,560	37,370	40,110	40,695	41,690	44,100	45,120	47,825	52,450	57,930	62,300	504,150	72%
Expenses	2														
Auto or truck lease		5,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	18,200	3%
Depreciation	3	-	550	567	583	600	617	633	650	667	683	700	717	6,967	1%
Gasoline & fuels	-	-	500	500	500	500	500	500	500	500	500	500	500	5,500	1%
Insurance - bonding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Insurance - vehicle	-	-	500	500	500	500	500	500	500	500	500	500	500	5,500	1%
Interest - equip & start up	7	-	-	-	671	662	653	644	634	625	616	606	597	5,708	1%
Marketing		2,500												2,500	0%
Office - rent	-	-												-	0%
Office - insurance	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000	3%
Office - telephone	-	-	200	200	200	200	200	200	200	200	200	200	200	2,200	0%
Office - utilities	-	-												-	0%
Payroll - not owner and not in COGS	8	-	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	31,680	5%
Payroll taxes (9%)	6 & 8	-	259	259	259	259	259	259	259	259	259	259	259	2,851	0%
Permits		7,000	5,000											12,000	2%
Supplies		5,000	1,000											6,000	1%
Tax service	-	-	500											500	0%
Telephone - cellular		200	200	200	200	200	200	200	200	200	200	200	200	2,400	0%
Start-up expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
Total expenses		19,700	14,789	8,306	8,994	9,001	9,009	9,016	9,024	9,031	9,038	9,045	9,052	124,006	18%
Taxable profit (loss)	1	(19,700)	19,771	29,064	31,116	31,694	32,681	35,084	36,096	38,794	43,412	48,885	53,248	380,144	54%
Tax (expense) benefit	1			(7,284)			(23,873)			(27,494)			(36,386)	(95,036)	-14%
Owner's withdrawals	1	-	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(2,000)	(17,000)	-2%
Net profit (loss)		(19,700)	18,271	20,280	29,616	30,194	7,308	33,584	34,596	9,801	41,912	47,385	14,862	268,108	38%
Depreciation	3	-	550	567	583	600	617	633	650	667	683	700	717	6,967	
Equipment purchases	3	(85,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(96,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	100,700	-	-	(1,370)	(1,380)	(1,389)	(1,398)	(1,407)	(1,417)	(1,426)	(1,436)	(1,445)	88,031	
Owner contribution	3	79,000	-	-	-	-	-	-	-	-	-	-	-	79,000	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		75,000	17,821	19,847	27,829	28,414	5,536	31,819	32,839	8,050	40,169	45,649	13,133	346,106	
Cash, period start		-	75,000	92,821	112,668	140,497	168,911	174,447	206,266	239,105	247,155	287,324	332,973	-	
Cash, period end		75,000	92,821	112,668	140,497	168,911	174,447	206,266	239,105	247,155	287,324	332,973	346,106	346,106	