

prison
entrepreneurship
program

Business Plan Competition
January 23-24, 2020

Jonathan
Hog Heaven Fab Shop

Prison Entrepreneurship Program
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Hog Heaven Fab Shop

“Your solution to the pork pollution!”

Business Plan
January 2020

Jonathan
Owner & Founder

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																				
Feral hogs are destroying crops, properties and tearing up people's landscape.	Here at Hog Heaven Fab. Shop we are committed to helping our customers remove feral hogs from their land.	We actively combats feral hogs with a variety of custom fabricated traps designed to meet our customer's specific needs.																																				
Customers	Differentiators	Extras																																				
We will target farmers, ranchers, landowners and resort, municipalities	We design to customer needs/ custom contracts and plans and live hog removal available and have advanced technology to set traps from a smart phone.	Free consultation/ live hog removal and advanced technology available.																																				
Marketing	Financials & Extras	Start-up Costs																																				
We will market through customer referrals/ social media/ fliers and business cards/ community seminars on feral hog education.	<table border="0"> <tr> <td>Sales:</td> <td>\$ 732,800</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td><u>437,100</u></td> <td><u>60%</u></td> </tr> <tr> <td>Gross profit</td> <td>295,600</td> <td>40%</td> </tr> <tr> <td>Overhead</td> <td><u>112,100</u></td> <td><u>15%</u></td> </tr> <tr> <td>Pretax income</td> <td>183,400</td> <td>25%</td> </tr> <tr> <td>Tax expense</td> <td>45,800</td> <td>6%</td> </tr> <tr> <td>Owner withdrawals</td> <td><u>33,000</u></td> <td><u>5%</u></td> </tr> <tr> <td>Net income</td> <td><u>\$ 104,600</u></td> <td><u>14%</u></td> </tr> </table>	Sales:	\$ 732,800	100%	COGS	<u>437,100</u>	<u>60%</u>	Gross profit	295,600	40%	Overhead	<u>112,100</u>	<u>15%</u>	Pretax income	183,400	25%	Tax expense	45,800	6%	Owner withdrawals	<u>33,000</u>	<u>5%</u>	Net income	<u>\$ 104,600</u>	<u>14%</u>	<table border="0"> <tr> <td>Owner investment - cash</td> <td>\$ 20,000</td> </tr> <tr> <td>Owner investment - equipment</td> <td>8,235</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>15,000</td> </tr> <tr> <td>Start up financing</td> <td><u>5,000</u></td> </tr> <tr> <td>Total start up costs:</td> <td><u>\$ 48,235</u></td> </tr> <tr> <td>Plan Purpose:</td> <td>Startup</td> </tr> </table>	Owner investment - cash	\$ 20,000	Owner investment - equipment	8,235	Vehicle and/or equipment loan	15,000	Start up financing	<u>5,000</u>	Total start up costs:	<u>\$ 48,235</u>	Plan Purpose:	Startup
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My love and passion for the outdoors makes this business enjoyable and allows me to help people get their property back from feral hogs and the disaster they cause. It makes me feel good to help the community out by getting rid of these creatures.

PERSONAL FIT

My name is Jonathan. I was born on June 17th, 1990 in Sierra Vista, Arizona. I moved to Washington State where we lived in Federal way, Bellevue, and Redmond. When I was in the 6th grade we moved to Texas. My parents are still married to this day. My favorite memories are ones of me spending time with my family going camping, hiking, paintballing, gun shows...all things outdoors really.

My parents were gone all the time working to put a roof over our heads. I moved to San Angelo, Texas. I got involved with gangs, and ended up on a bad path. I left home not long after and began selling drugs and committing crimes to survive, because I was too young to get a job. I lived on the streets and in trap-houses. I started to take on more responsibilities and began selling pounds worth of illegal narcotics. At the age of 17 I became involved with an organized crime family. I was in and out of jail all the time. In 2010 I came to jail with two 10 year aggravated sentences for violent crimes. In prison I was still committing crimes and still involved in violence and drugs. I ended up getting into big trouble and recieved more prison time due to more criminal charges that I received while in prison.

In a cold dark cell in G-5 on a super-segregation unit (maximum security level and housing facility) I came to know Christ and his life saving, life changing power. It took a while but God gave me the strength to walk away from all negative influence, unharmed I was given the 'ok' from the 'blood in-blood out' organization I was in. I now serve Christ wholeheartedly. Before PEP, I was given the opportunity to serve on the Spanish ministry team on the Ferguson unit. I was being trained to give sermons, Alter calls and be a leader in the body of Christ. Now I am at PEP still serving my King Jesus, learning how to be successful in life and build a business from the ground up.

I do my best to make my life count for God and my family. I try to build up those in my life and am committed to being the man of God, the Father and a positive member of society and an asset to my family and my country. I thank God for the chance to be here at PEP, learning how to utilize these valuable skills I was blessed with.

OPPORTUNITY

- Can I solve the problem given my skills and personality?
 - My skill is welding traps along with setting traps to remove live hogs and help my customers retain their crops.
- Is the customer looking for a more holistic solution than his or her immediate complaint?
 - Yes we offer a solution to feral hog population.
- 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 only worker until my business expands and then I will hire help.
- Is there growth potential to expand my business, or is this a dying market?
 - There is a huge growth in wild hogs so my business has excellent growth potential.

- How soon can I get my business up and running?
 - My business will start 3yrs after my release. Within 2yrs I will be able to lend out traps.
- Is this something that will take a lot of cash to get started or is it more of a question of hustle?
 - This will be a low startup cost.
- Is this something I would be proud to share with my family and parole officer?
 - Absolutely, my business will be very beneficial to the community.
- Is the opportunity (Activity and Start Date) consistent with potential parole restrictions?
 - No.
- Would my business start as a part-time venture or need to be full time?
 - We will start as a part time venture and in the future move to a full time venture.

SOLUTION

- Is what I am offering filling the customer's real need?
 - Yes customers want the hogs trapped and removed from land.
- What are the benefits (not features) that I am providing?
 - Less hog population less damage to our customer's property and crops.
- Why can I do this better than another business (competitor)?
 - Passion I have to help my customers eliminate the problem.
- How will I deliver this better idea to my customers?
 - Create relationships with customers and supply stores.
- Is my delivery (retail store, home service, etc.) consistent with how I will produce the service (one-day delivery, hand-made products, etc.)?
 - Extensive travel will be required from my company.
- Is my solution consistent with my passion for selling?
 - My passion for hunting hogs makes this venture very enjoyable.
- Is the price of my solution equal to or less than the customer's pain?
 - Depending on the customization will determine the price.
- Is the approximate cost of my solution lower than the price?
 - We will be a lean operation committed to quality and customer satisfaction.
- Do I need a fixed location (Storefront) or is this a mobile business?
 - Once a full time venture a shop will be needed.
- Do I offer a guaranty or return policy?
 - I will offer great quality work on my products.

CUSTOMERS

Demographics:

- Will my service have different appeal to men versus women?
 - No.

- What is my ideal customer's age (children, young adult, middle aged, mature)?
 - My service will be for people 18yrs and older.
- 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?
 - Not directly.
- What aspect of my ideal customer am I appealing to (outdoors person, health conscious, nerd, their personal image, environmental concerns, recreation, etc.)?
 - The agricultural industry and environmental concerns.

Income:

- Does my customer need a certain income (rich, middle class, poor)?
 - We will work with our customers in all classes.
- Does my customer need to own specific assets (car, house, boat)?
 - Land and property owners.

Location:

- Where will I sell to my customers (their home, their workplace, on the street, online, my store, an event like trades day)?
 - We will have a website, a shop, and local feed stores.
- Do I go to my customer (home service) or does my customer come to me?
 - Both.
- What neighborhood will my ideal customer live/work in (River Oaks/Highland park, a suburb, or small rural community)?
 - Mostly rural areas along with areas that are being affected by hogs.
- How close are my customers geographically located (live close to each other or spread all over the city)? Time is money.
 - Wide geographic range.
- How easily can I find this customer (one at a time or they will provide referrals)?
 - Once business starts I will have referrals.

Other:

- Can I reach these individuals as a group or do I need to find and sell to them individually?
 - Both, but mainly focused on individuals.
- Once I sell to a customer, what is the likelihood that they will buy from me again?
 - They will have a relationship with my business.

DIFFERENTIATORS

My Competitors	Direct or Indirect	Promotion	Price	Their Advantages	Their Disadvantages	My Differentiators
Texas Hog Traps	Direct	Website	\$300-\$1,600	Quality product	Non personalized service	Personalized and customized service
Lone Star Trapping	Direct	Website	\$6,425	Structured contracts/ Advanced Technology	Only one type of door	Personalized and customized service
Deep South Trapping	Direct	Website	\$1,100	Free Consultation	Inflexible Payment plan	Personalized and customized service

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 great location.
- 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?
 - We will focus on quality and specific needs our customers are looking for.
- Will you be able to offer specialized or flexible scheduling that your competitors cannot match initially?
 - We will focus on customer needs.
- 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 deal with hogs, we eliminate the population and we fabricate traps for customers.
- What is your tagline?
 - Your solution to the pork pollution.
- How does your name and tagline make you different than your competitors?
 - Clearly shows that we are the solution to feral hog population.
- 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 we will have competitive pricing with customized plans.
- Is your pricing consistent with the degree of personalization?
 - Yes, pricing will vary on the job.

Media:

- What are three types of media you will use to reach your customers?
 - Business cards, flyers and word of mouth.

- How many potential typical customers (not just total people) can you reach each month using the types listed above?
 - I will seek to reach 300 people.
- Once you've reached your typical customer, how many will actually buy from you?
 - Hoping to reach at least 50 customers to buy my product.
- For each of the three, what do you think the estimated cost will be?
 - Business cards (\$15), flyers (\$15), and website (\$2,000).
- For each cost estimate, is this a one-time expense up front or a recurring monthly charge?
 - Business cards and flyers will be bi-monthly and website will be a one-time cost.
- How will you collect customer reviews?
 - Online reviews and paper ballots for every customer.

RESUME

Jonathan

1100 Hwy 1807

Venus, TX 76084

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

Experience

Welding Asst. Metal Fabricator

2018-2019

Helped fabricate and weld on various types of machines & Operated all saws and tools required in welding.

Heavy Machine Operator

2008-2009

Roller operator, pad foot operator, front end loader operator, bobcat operator and basic maintenance in all of the above machinery.

Live Stock Care

2007

Medicate, Count, Sort, Feed, Weigh and De Horn various animals as required.

Skills

- **Welding & Metal Fabrication**
- **Cutting Torch & Power Tools**
- **NCCER & OSHA Certified**
- **Residential Remodeling**
- **Heavy Equipment Operator**
- **Concrete Framer**
- **Plumber/Pipe Fitter**
- **Auto Body Work**

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

2015-2019

Welding Level 1 & Plumbing/Pipefitting

Windham School District

2014

GED

Owner's name	Jonathan
Company name	Hog Heaven Fab Shop

NAICS Business Classification

Sector (general classification)	_11_Agriculture_Forestry_Fishing_and_Hunting
Sub-sector (more specific classification)	114: Fishing, Hunting and Trapping

**Start-up Costs
Year 1**

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	2,210
cell phone purchase	100
car/truck down payment, if leased	1,500
permits	25
supplies, office & misc.	50
Welding Machine	1,500
Misc. Tools	2,500

Cash needed for start-up expenses 7,885

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	1,500	15,000	16,500
company trailer	100		
computer, printer, fax	1,250		1,250
Trailer	20,000		20,000
			-
			-
building/office deposit	1,000	N/A	N/A
beginning cash balance	1,500	N/A	N/A
Cash needed for start-up assets	<u>25,350</u>	<u>15,000</u>	<u>37,750</u>

60 assumed life (months)
629 monthly depreciation

Total start up cost 48,235

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	20,000	41%
Vehicle loan and other equipment debt (see note 7 for financing)	15,000	31%
Startup financing, if applicable (for example Kiva loan)	5,000	10%
Outside equity investment, if applicable	8,235	17%
Total start up cost, total sources	<u><u>48,235</u></u>	100%

Jonathan dba Hog Heaven Fab Shop
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														
Box Trap	6	-	2,100	2,100	2,800	3,500	3,500	4,200	4,900	4,900	5,600	7,000	7,700	48,300	7%
Corral Trap	6	-	4,950	4,950	8,250	8,250	9,900	13,200	13,200	16,500	16,500	19,800	19,800	132,000	18%
Bacon Buster Combo	6	-	39,000	39,000	45,500	45,500	45,500	52,000	52,000	52,000	52,000	65,000	65,000	552,500	75%
Total revenue		-	46,050	46,050	56,550	57,250	58,900	69,400	70,100	73,400	74,100	88,500	92,500	732,800	100%
Cost of Goods Sold	2														
Box Trap	6	-	1,200	1,200	1,600	2,000	2,000	2,400	2,800	2,800	3,200	4,000	4,400	27,600	4%
Corral Trap	6	-	2,772	2,772	4,620	4,620	5,544	7,392	7,392	9,241	9,241	9,241	11,089	73,924	10%
Bacon Buster Combo	6	-	23,694	23,694	27,643	27,643	27,643	31,592	31,592	31,592	31,592	39,490	39,490	335,665	46%
Total COGS		-	27,666	27,666	33,863	34,263	35,187	41,384	41,784	43,633	44,033	52,731	54,979	437,189	60%
Gross profit		-	18,384	18,384	22,687	22,987	23,713	28,016	28,316	29,768	30,068	35,770	37,521	295,611	40%
Expenses	2														
Auto or truck lease		1,500	350	350	350	350	350	350	350	350	350	350	350	5,350	1%
Depreciation	3	-	629	629	629	629	629	629	629	629	629	629	629	6,921	1%
Gasoline & fuels		-	700	700	700	700	700	700	700	700	700	700	700	7,700	1%
Insurance - bonding		-	150	150	150	150	150	150	150	150	150	150	150	1,650	0%
Insurance - vehicle		-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Interest - equip & start up	7	-	113	111	142	139	135	132	129	125	122	119	115	1,380	0%
Marketing		2,210	184	184	184	184	184	184	184	184	184	184	184	4,234	1%
Office - rent		-	700	700	700	700	700	700	700	700	700	700	700	7,700	1%
Office - insurance		-	45	45	45	45	45	45	45	45	45	45	45	495	0%
Office - telephone		-												-	0%
Office - utilities		-	200	200	200	200	200	200	200	200	200	200	200	2,200	0%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits		25	25	25	25	25	25	25	25	25	25	25	25	300	0%
Supplies		50	50	50	50	50	50	50	50	50	50	50	50	600	0%
Tax service		-												-	0%
Telephone - cellular		100	100	100	100	100	100	100	100	100	100	100	100	1,200	0%
Start-up expenses		4,000	-	-	-	-	-	-	-	-	-	-	-	4,000	1%
Gas/Oxy		-	75	75	75	75	75	75	75	75	75	75	75	825	0%
Wire		-	75	75	75	75	75	75	75	75	75	75	75	825	0%
Metal		-	600	600	600	600	600	600	600	600	600	600	600	6,600	1%
16 x 60 Panels		-	1,820	1,820	3,258	3,445	3,900	5,330	5,545	6,760	6,955	8,125	8,775	55,733	8%
Misc.		-	300	300	300	300	300	300	300	300	300	300	300	3,300	0%
		-												-	0%
		-												-	0%
Total expenses		7,885	6,216	6,214	7,683	7,867	8,319	9,745	9,957	11,168	11,360	12,527	13,173	112,113	15%
Taxable profit (loss)	1	(7,885)	12,168	12,170	15,004	15,120	15,394	18,270	18,359	18,599	18,707	23,243	24,348	183,498	25%
Tax (expense) benefit	1			(4,113)			(11,379)			(13,807)			(16,575)	(45,874)	-6%
Owner's withdrawals	1	-	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(33,000)	-5%
Net profit (loss)		(7,885)	9,168	5,057	12,004	12,120	1,015	15,270	15,359	1,792	15,707	20,243	4,774	104,623	14%
Depreciation	3	-	629	629	629	629	629	629	629	629	629	629	629	6,921	
Equipment purchases	3	(38,850)	-	-	-	-	-	-	-	-	-	-	-	(38,850)	
Principle, equipment loan	7	15,000	(261)	(263)	(265)	(267)	(269)	(271)	(273)	(275)	(277)	(279)	(281)	12,021	
Repay debt financing	7	5,000	-	-	(193)	(194)	(195)	(197)	(198)	(199)	(201)	(202)	(203)	3,218	
Owner contribution	3	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000	
Equity investor	3	8,235	-	-	-	-	-	-	-	-	-	-	-	8,235	
Net cash flow		1,500	9,537	5,423	12,175	12,288	1,180	15,432	15,517	1,947	15,859	20,391	4,918	116,168	
Cash, period start		-	1,500	11,037	16,460	28,635	40,923	42,103	57,536	73,053	75,000	90,859	111,250	-	
Cash, period end		1,500	11,037	16,460	28,635	40,923	42,103	57,536	73,053	75,000	90,859	111,250	116,168	116,168	