

prison
entrepreneurship
program

**Business Plan Competition
June 20, 2025**

The Cereal Box

Prison Entrepreneurship Program
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The Cereal Box

Business Plan
June 2025

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																							
<ul style="list-style-type: none"> • Provide an endless and unlimited selection and variety of cereals • First-movers advantage 	<ul style="list-style-type: none"> • To take the cereal aisle, in its entirety, and turn it into a cereal restaurant that provides a variety of ice-creams, creamers, hot cereals, and toppings 	<ul style="list-style-type: none"> • All you can eat cereal buffet • Providing endless combinations of cereal and ice cream • Alice in Wonderland and Willy Wonka themed vibe in a restaurant 																																							
Customers	Differentiators	Extras																																							
<ul style="list-style-type: none"> • Young adult families with children ages 3-10 • College students 	<ul style="list-style-type: none"> • 3-D holographic floor and ceilings • Unique one of a kind experience • Interactive LED lighting • Touch screen tables that have the menu plus games on them 	<ul style="list-style-type: none"> • Culinary arts certificate • Serve safe managers and food handler certificates 																																							
Marketing	Start-up Costs	Financials & Extras																																							
<ul style="list-style-type: none"> • Well-designed web page with links to social media accounts • Professionally designed business cards and flyers with QR codes • Sponsor and host college events 	<table> <tr> <td>Owner investment - cash</td><td>\$</td><td>-</td></tr> <tr> <td>Owner investment - equity</td><td></td><td>-</td></tr> <tr> <td>Vehicle and/or equipment loan</td><td></td><td>-</td></tr> <tr> <td>Start up financing</td><td></td><td>500,000</td></tr> <tr> <td>Total start up costs:</td><td></td><td>\$500,000</td></tr> </table>	Owner investment - cash	\$	-	Owner investment - equity		-	Vehicle and/or equipment loan		-	Start up financing		500,000	Total start up costs:		\$500,000	<table> <tr> <td>Sales:</td><td>\$ 492,000</td><td>100%</td></tr> <tr> <td>COGS</td><td>218,400</td><td>44%</td></tr> <tr> <td>Gross profit</td><td>273,600</td><td>56%</td></tr> <tr> <td>Overhead</td><td>244,500</td><td>50%</td></tr> <tr> <td>Pretax income</td><td>29,000</td><td>6%</td></tr> <tr> <td>Tax expense</td><td>7,200</td><td>1%</td></tr> <tr> <td>Owner withdrawals</td><td>27,500</td><td>6%</td></tr> <tr> <td>Net income</td><td>\$ (5,600)</td><td>-1%</td></tr> </table>	Sales:	\$ 492,000	100%	COGS	218,400	44%	Gross profit	273,600	56%	Overhead	244,500	50%	Pretax income	29,000	6%	Tax expense	7,200	1%	Owner withdrawals	27,500	6%	Net income	\$ (5,600)	-1%
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LEADERSHIP STATEMENT

CEO: Albert possesses great listening skills and is a flexible and efficient taskmaster. He has an ability to learn new jobs quickly while effectively teaching others. He has 18 years of experience in renewable energy as a wind turbine commissioning technician working for various companies all across the world. A. Martinez has a high school diploma and holds numerous certifications such as: software/firmware programming, electrical and mechanical engineering, First Aid, CPR, AED, OSHA 10, OSHA 30, NCCER and Serv-Safe. He is dedicated to leading by example and motivating people around him, bringing positivity to the work place.

CMO: DuRyder is a determined individual with 10 years in the logistics industry. He has experience with loading and unloading bobtail and semi-trucks. He has also managed 5 or more people at a time being a foreman for various moving and delivery companies. He possesses excellent problem-solving skills and time management. He is DOT certified as well. He has extensive expertise in furniture moving, estimating and delivery management. He is committed to customer service with love and has a deep passion for pleasing others.

CFO: Rene is a land development expert. He has 13 years of experience and has great leadership skills. He leads by example and loves to teach others what he knows. He is an active listener who can solve problems and is a strong leader. He has success in training, has taught employees to hold themselves at a high standard and has management skills to manage anything he desires.

COO: Christopher is very strong man, with a big heart. He has been able to overcome some of the hardest things life can throw at you. He has started from the bottom in the food service industry, from server to management positions. He has also worked customer service starting from the bottom excelling to supervisor positions. In both fields, he has four years of experience, totaling eight years of experience in leadership. It's safe to say he has great leadership skills.

PRODUCT/SERVICE OFFERING

The Cereal box is a cereal themed restaurant that is wrapped inside and out in every kind of cereal box label that you can think of. With 3D holographic flooring and ceiling to match with all your favorite types of cereal and flavors. We will be dedicated to taking cereal to a whole new level with new, creative and innovative combinations of all sorts. Our target customers will be people of all ages who crave cereal and are cereal lovers or fanatics. We will be giving them a one of a kind experience they will remember and never forget. We will offer and serve not only every kind of cereal, but also every kind of milk, pre-bottled juice beverages, hot cereals, ice cream, fruit toppings and flavored creamers. We predict that cereals and milks will account for 50% of our total revenue, while cereal merchandise will account for 15% of our revenue. Coffee with flavored creamers will account for 10% of our revenue, ice creams will generate 10% of our sales revenue, pre-bottled juices will generate 10% of our revenue, hot cereals and fresh fruit toppings will each generate 5% of our total sales revenue. With no competitors in our niche, we will have a first mover's advantage in our market. We plan to launch our first startup location in Dallas, Texas in the spring of 2026. Our hours of operation will be twenty-four hours a day with dine-in and drive-thru available. The Cereal Box has future goals of expanding nationally and globally by offering franchise opportunities to partner strategically and network with big cereal companies like Post, Kellogg's, General Mills and Quaker. Together we will move forward and conform to the rapidly growing and evolving tastes of consumer's new ideas and creations that await us, this is only the beginning. Let's turn the cereal aisle into a restaurant and make every cereal lover's dreams come true.

MARKET/INDUSTRY

In 2024, the cereal industry's annual revenue for the breakfast cereal market was \$47 billion. The industry is projected to grow in revenue by 3.5% in 2025. Our company is eager to join this market. With a first mover advantage, we plan to capitalize on this available opportunity where we will stand out and remain for years to come.

COMPETITION

Our direct competitors will be Dunkin Donuts, IHOP, Denny's and other breakfast diners and restaurants. Our direct competitors will be local grocery stores, Walmart, Target, Costco and WinCo Foods. We will purchase our products directly and serve our customers the freshest and finest quality foods that are right for their taste buds. The competition will not be able to give the experience and memories that we can. They will not be able to cater to their customers the way we can.

DIFFERENTIATION

What sets our company apart from the competition is by giving our customers a wide variety of choices and combinations. We also provide them with a unique, original and one of a kind experience while making their time here memorable and fun. Our creative ideas and innovative combinations attract even our competition to come try us out.

MARKETING STRATEGY

Price:

We will base our prices on our costs of goods and the prices offered locally in stores and restaurants. Our charging technique will take into consideration our customer's very own creations, preferences, combinations and amount of product. They will have the option and freedom to choose what is best for their budget.

Place:

The Cereal Box will be located in Dallas, Texas in downtown Dallas. Our customers will come from all surrounding areas, cities and towns. We will inform our customers of our grand opening and place of business through word of mouth from our very own cereal lovers, fanatics, friends and family. They will learn of our location by simply driving by and learning through our various forms of creative and fun advertising techniques.

Promotion:

Whether it's for breakfast, lunch or dinner, dine in or on the go, come join us at The Cereal Box for unique, original and one of a kind experiences. We will take advantage of virtually free and mixed model promotions to target customers of all ages. Our web page and social media platforms will all be linked by QR code which will be advertised on flyers, newspapers and business cards. We anticipate for our videos to go viral giving us record number views across our social media pages. We will offer company merchandise for our customers to wear as well as TV and radio advertisement. We plan to advertise our business in every way possible.

VISION AND OBJECTIVES

As a kid, do you remember going down the cereal aisle at the local neighborhood grocery store and having the hardest time choosing the cereal you wanted? Cocoa Puffs or Cocoa Pebbles? Fruity Pebbles or Fruit Loops? Captain Crunch or Cinnamon Toast Crunch? Why can't you have them all? The seed was planted and an idea was born! At The Cereal Box, our vision is to give customers an all you can eat cereal buffet and cereal/ice cream creations.

First Year:

We will launch by leasing a brick and mortar location and establishing an LLC with 3-4 employees. Our priority will be building a brand and a loyal fan base.

Third Year:

We will be looking to purchase our building and begin expanding into different locations.

Fifth Year:

We will be looking to purchase our building and begin expanding into different locations.

Tenth Year:

We will have 10 locations throughout Texas.

Philanthropy:

We will be a huge part of the community, offering charitable contributions and doing our part with our Chain Breaker Ministry that focuses on breaking the chains of addiction and feeding homeless people.

Owner's name	
Company name	The Cereal Box
NAICS Business Classification	
Sector (general classification)	_44_45_Retail_Trade
Sub-sector (more specific classification)	445: Food and Beverage Stores

Year 1

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	200
cell phone purchase	200
car/truck down payment, if leased	
permits	1,000
supplies, office & misc.	2,000
Inventory	5,000

8,400

	contributed in Month 1
company car, truck or van	5,000
company trailer	
computer, printer, fax	2,000
Refrigerator/Freezer	10,000
Restaurant Supplies	15,000
building/office deposit	10,000
beginning cash balance	449,600
Cash needed for start-up assets	491,600

Paid or
contributed
in Month 1

Equipment
Financing
(Additional to
amount paid)

Depreciable Assets

5,000

2,000

10,000

15,000

—

N/A

N/A

32,000

60

533

60 assumed life (months)

533 monthly depreciation

500,000

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

11/11/2019

0%

0%

500,000

100%

0%

500,000

100%

FINANCIAL STATEMENT (PRO FORMA)

dba The Cereal Box
EOU, Financing, and Payroll Assumptions
Year 1

Assumption 6 - Revenue Model (Economics of One Unit)

Product name	Product 1	Product 2	Product 3
Product description	Cereal Buffet This product is an all you can eat cereal buffet with cereal milk and a toy for children.	Cereal Creations Different snack creations made out of cereal and ice cream.	Cereal Merchandise Hoodies, Beanies, T-shirts and other cereal apparel.
Price per unit	7.00 100%	10.00 100%	30.00 100%
Cost of one unit	hours rate	hours rate	hours rate
Non-owner payroll exp.	- 0%	- 0%	- 0%
Non-owner payroll tax	- 0%	- 0%	- 0%
cost 1 description	Cereal 2.00 29%	Cereal 2.00 20%	Hoodies and apparel 10.00 33%
cost 2 description	Milk 0.30 4%	Ice Cream 3.00 30%	
cost 3 description	Toy 0.50 7%		
cost 4 description			
Total variable costs	2.80 40%	5.00 50%	10.00 33%
Gross profit per unit - what you see on income statement	4.20 60%	5.00 50%	20.00 67%

	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	Total Year
Cereal Buffet sold		1,500	1,500	1,500	2,250	2,250	2,250	2,250	3,000	3,000	3,000	3,000	25,500
Cereal Creations sold		1,500	1,500	1,500	2,250	2,250	2,250	2,250	3,000	3,000	3,000	3,000	25,500
Cereal Merchandise sold		150	150	150	175	175	175	175	200	200	200	200	1,950
total revenue		\$ 30,000	\$ 30,000	\$ 30,000	\$ 43,500	\$ 43,500	\$ 43,500	\$ 43,500	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 492,000
total cost of sales		\$ 13,200	\$ 13,200	\$ 13,200	\$ 19,300	\$ 19,300	\$ 19,300	\$ 19,300	\$ 25,400	\$ 25,400	\$ 25,400	\$ 25,400	\$ 218,400
total income statement gross profit (excludes owner labor)		\$ 16,800	\$ 16,800	\$ 16,800	\$ 24,200	\$ 24,200	\$ 24,200	\$ 24,200	\$ 31,600	\$ 31,600	\$ 31,600	\$ 31,600	\$ 273,600

Assumption 7 - Financing

Equipment financing, see Start-up Costs sheet	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year
Amount borrowed	\$ -	-	-	-	-	-	-	-	-	-	-	-
Interest rate (example 8%)	12.0%	-	-	-	-	-	-	-	-	-	-	-
Loan term (# of months)	36	-	-	-	-	-	-	-	-	-	-	-
Monthly payment	-	-	-	-	-	-	-	-	-	-	-	-
Start-up financing, see Start-up Costs sheet	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year
Amount borrowed	\$500,000	500,000	500,000	500,000	500,000	500,000	488,393	476,670	464,829	452,870	440,792	28,236
Interest rate (example 8%)	12.0%	-	-	-	-	-	-	-	-	-	-	-
Payback period (# of months)	36	-	-	-	-	-	-	-	-	-	-	-
Grace period (months pay delay)	6	-	-	-	-	-	-	-	-	-	-	-
Monthly payment	\$ 16,607	500,000	500,000	500,000	500,000	500,000	488,393	476,670	464,829	452,870	440,792	428,593

Assumption 8 - Payroll, nondirect

# of employees	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year
avg hours each employee(s) worked per month, not in EOU above	4	4	4	4	4	4	4	4	4	4	4	4
average per hour wage	160	160	160	160	160	160	160	160	160	160	160	160
salary expense, excluding payroll taxes	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	105,600

Assumption 9 - Equipment Purchases, after start-up

Description	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year

dba The Cereal Box
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														
Cereal Buffet	6	-	10,500	10,500	10,500	15,750	15,750	15,750	15,750	21,000	21,000	21,000	21,000	178,500	36%
Cereal Creations	6	-	15,000	15,000	15,000	22,500	22,500	22,500	22,500	30,000	30,000	30,000	30,000	255,000	52%
Cereal Merchandise	6	-	4,500	4,500	4,500	5,250	5,250	5,250	5,250	6,000	6,000	6,000	6,000	58,500	12%
Total revenue		-	30,000	30,000	30,000	43,500	43,500	43,500	43,500	57,000	57,000	57,000	57,000	492,000	100%
Cost of Goods Sold	2														
Cereal Buffet	6	-	4,200	4,200	4,200	6,300	6,300	6,300	6,300	8,400	8,400	8,400	8,400	71,400	15%
Cereal Creations	6	-	7,500	7,500	7,500	11,250	11,250	11,250	11,250	15,000	15,000	15,000	15,000	127,500	26%
Cereal Merchandise	6	-	1,500	1,500	1,500	1,750	1,750	1,750	1,750	2,000	2,000	2,000	2,000	19,500	4%
Total COGS		-	13,200	13,200	13,200	19,300	19,300	19,300	19,300	25,400	25,400	25,400	25,400	218,400	44%
Gross profit		-	16,800	16,800	16,800	24,200	24,200	24,200	24,200	31,600	31,600	31,600	31,600	273,600	56%
Expenses	2														
Auto or truck lease	-													-	0%
Depreciation	3	-	533	533	533	533	533	533	533	533	533	533	533	5,867	1%
Gasoline & fuels	-													-	0%
Insurance - bonding	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	2%
Insurance - vehicle	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Interest - equip & start up	7	-	-	-	-	-	-	5,000	4,884	4,767	4,648	4,529	4,408	28,236	6%
Marketing	200	-	500	500	500	500	500	500	500	500	500	500	500	5,700	1%
Office - rent	-	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	27,500	6%
Office - insurance	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	2%
Office - telephone	-	-	100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Office - utilities	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	2%
Payroll - not owner and not in COGS	8	-	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	105,600	21%
Payroll taxes (9%)	6 & 8	-	864	864	864	864	864	864	864	864	864	864	864	9,504	2%
Permits	1,000	-												1,000	0%
Supplies	2,000	-	500	500	500	500	500	500	500	500	500	500	500	7,500	2%
Tax service	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	2%
Telephone - cellular	200	-	200	200	200	200	200	200	200	200	200	200	200	2,400	0%
Start-up expenses	5,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000	1%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
	-	-												-	0%
Total expenses		8,400	18,897	18,897	18,897	18,897	18,897	23,897	23,781	23,664	23,546	23,426	23,305	244,506	50%
Taxable profit (loss)	1	(8,400)	(2,097)	(2,097)	(2,097)	5,303	5,303	303	419	7,936	8,054	8,174	8,295	29,094	6%
Tax (expense) benefit	1	-	-	-	-	-	-	-	-	(1,143)	-	-	(6,131)	(7,273)	-1%
Owner's withdrawals	1	-	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(27,500)	-6%
Net profit (loss)		(8,400)	(4,597)	(4,597)	(4,597)	2,803	2,803	(2,197)	(2,081)	4,293	5,554	5,674	(336)	(5,680)	-1%
Depreciation	3	-	533	533	533	533	533	533	533	533	533	533	533	5,867	
Equipment purchases	3	(42,000)	-	-	-	-	-	-	-	-	-	-	-	(42,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	500,000	-	-	-	-	-	(11,607)	(11,723)	(11,840)	(11,959)	(12,078)	(12,199)	428,593	
Owner contribution	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		449,600	(4,064)	(4,064)	(4,064)	3,336	3,336	(13,271)	(13,271)	(7,014)	(5,871)	(5,871)	(12,002)	386,780	
Cash, period start		-	449,600	445,536	441,472	437,408	440,744	444,080	430,809	417,538	410,524	404,653	398,782	-	
Cash, period end		449,600	445,536	441,472	437,408	440,744	444,080	430,809	417,538	410,524	404,653	398,782	386,780	386,780	