

prison  
entrepreneurship  
program

**Business Plan Competition  
September 19, 2025**

Bobby, Justin, Joseph  
Chiles Tiles

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# ***Chiles Tiles***

Business Plan  
September 2025

*Bobby*  
Owner & Founder

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## EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																					
<ul style="list-style-type: none"><li>The city is growing not a big variety of tiling companies.</li><li>Being able to take jobs bigger companies can't.</li></ul>	<ul style="list-style-type: none"><li>To provide affordable fast tiling to a variety of fairly family household.</li></ul>	<ul style="list-style-type: none"><li>Fast quality work customers don't have to wait long to get their job done.</li></ul>																																					
Customers	Differentiators	Extras																																					
<ul style="list-style-type: none"><li>Smaller jobs customers that want work done but don't have a lot of money</li><li>The middle class or upper class</li><li>New apartments and housing</li></ul>	<ul style="list-style-type: none"><li>More affordable, faster getting to customers</li><li>We are strictly tiles and that is what we focus on don't have to worry about being the afterthought of big remodeling company's</li></ul>	<ul style="list-style-type: none"><li>Expert at tiling</li><li>No one in between us and the customers</li></ul>																																					
Marketing	Start-up Costs	Financials & Extras																																					
<ul style="list-style-type: none"><li>Cards</li><li>Flyers</li><li>Social Media</li><li>Radio</li><li>Tv Ads</li><li>Billboards</li></ul>	<table><tr><td>Owner investment - cash</td><td>\$ 25,000</td></tr><tr><td>Owner investment - equipment</td><td>-</td></tr><tr><td>Vehicle and/or equipment loan</td><td>-</td></tr><tr><td>Start up financing</td><td>30,000</td></tr><tr><td><b>Total startup costs:</b></td><td><b><u>\$ 55,000</u></b></td></tr></table>	Owner investment - cash	\$ 25,000	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	30,000	<b>Total startup costs:</b>	<b><u>\$ 55,000</u></b>	<table><tr><td colspan="3">Year one summary income statement:</td></tr><tr><td>Sales</td><td>\$ 686,700</td><td>100%</td></tr><tr><td>COGS</td><td>184,700</td><td>27%</td></tr><tr><td>Gross profit</td><td>502,000</td><td>73%</td></tr><tr><td>Overhead</td><td>136,200</td><td>20%</td></tr><tr><td>Pretax income</td><td>365,700</td><td>53%</td></tr><tr><td>Tax expense</td><td>91,400</td><td>13%</td></tr><tr><td>Owner withdrawals</td><td>-</td><td>0%</td></tr><tr><td>Net income</td><td>\$ 274,200</td><td>40%</td></tr></table>	Year one summary income statement:			Sales	\$ 686,700	100%	COGS	184,700	27%	Gross profit	502,000	73%	Overhead	136,200	20%	Pretax income	365,700	53%	Tax expense	91,400	13%	Owner withdrawals	-	0%	Net income	\$ 274,200	40%
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## **TEAM LEADERSHIP STATEMENT**

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### **CEO: Bobby**

Bobby brings a positive attitude, outgoing nature attitude and the willingness to succeed. He has over 15 years of experience working warehouse industry and 5 plus years of experience in tile industry. He brings great ability for leadership and willingness to learn from his peers.

### **COO: Justin**

Justin brings great communication skills, forward thinking and a practical approach. He has 3 years of experience in the maintenance industry. He has the ability to draw in people and motivate them to excel in their prosomal and professional lives.

### **CFO: James**

James is a hard worker and an important asset and problem solver. He brings 20 years of construction industry in residential and commercial areas. James is versatile and always ready to makes changes on the move.

### **CMO: Joseph**

Joseph brings a great work ethic and has integrity in all he does. He brings 10 years of construction industry and knows the ins and outs of the business.

## **PRODUCT/SERVICE OFFERING**

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Chiles Tiles is a service that offers quality, essential replacement and retiling services. Our primary service will be retiling floors, shower, and kitchen back splashes. Our main focus will be centered around flooring which is projected to bring in 50% of our revenue, our shower retiling service is estimated to bring in 35% of our revenue with our kitchen back splashes bringing in the remaining 15%. We plan to open and begin our operations in July 2027.

Our flooring services consist of the removal of old tile, leveling out floors as needed, and the application of new tiles. Our shower and kitchen back splashes services consist of the removal and replacement of the hardy back and tile. All services also include grouting and any finishing touches required, along with any and all other clean up. Chiles Tiles doesn't require any second-hand contracting or outside influences. However, we are willing to work with these individuals and entities that has the need to acquire our services. Our primary focus is working directly with the customers, providing convenience, affordable pricing, and quality tiling services for the smaller jobs and individual consumers.

Our future plans are to obtain a brick and mortar establishment in order to procure and store a reasonable amount of inventory of tile to be distributed to our customers at fair price. Our goal is to provide a quality, affordable service throughout Lubbock and the surrounding areas.

## **MARKET/INDUSTRY**

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The estimated growth of the city of Lubbock from 2016 to 2024 has consistently increased at a rate of 2.9%. With this increase in population and growth in housing developments Lubbock is a rapidly growing city. According to market research consumers may opt to upgrade their homes instead of spending discretionary dollars on vacations. With the high cost of purchasing a new house as well as a full remodel, it is cheaper to upgrade with there being a variety of options of tile selections such as ceramic, vinyl, glass, and stone just to name a few. The tiling industry is a billion-dollar industry and is a highly fragmented market, it is projected to grow at a steady rate of 7.4% by the year 2030.

## **COMPETITION**

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The barriers to entry are limited because of the low costing overhead, all that is essentially required is the knowledge of tiling, purchase of the necessary tools and equipment, transportation and to have the customers that require the services. The demands for tiling services depend on residential and commercial construction. With many fixed cost profitability of individual companies depend on the volume. Some of our direct competitors will be Mohawk Industry and Dal Tiles since they are the biggest and most frequented tiling companies in the Lubbock area. Our indirect competitors would be Lowes, Home Depot or any place that influence the D.I.Y culture.

## **DIFFERENTIATION**

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Chiles Tiles is a premier tiling service company whose specialty operation is fixing and replacing tile. Since we are entering a basic service industry our differentiation will be vitally important to our business success. What gives us a competitive advantage is we will cut out the middle man and eliminate the subcontracting expenses. Unlike the typical remodeling companies where the tile work is only a piece of the whole project, our primary focus is specializing in only tile work, prioritizing the small jobs. We are more hands on with our clientele by walking them through each step of the job and advising them on the best choices and selections throughout the process.



## **MARKETING STRATEGY**

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### **PRICE:**

Chiles Tiles will be providing affordable tiling services to the Lubbock area. We will be offering flooring, bathroom remodeling, kitchen backsplash and anywhere else you need tiled. Our pricing will be very competitive ranging from \$2 to \$3 dollars per square foot for flooring installation, our restroom remodels will range from \$3,500 to \$10,000 depending on the square foot of it. Other tile jobs will be priced according to the customer's needs.

### **PLACE:**

We will be located and serving the Lubbock and surrounding areas which include but not limited to South East, South West Lubbock and neighborhoods like Bell Farms, Burgamy Park, and Upland Crossing which will allow us to take advantage of these growing communities.

### **PROMOTION:**

Our initial promotions will consist of business cards, social media promotions, through ads, flyers and of course one of the most trusted forms of promotions word of mouth. We will also start with a Google home page for reviews and showcasing pictures of our work.

## **VISION AND OBJECTIVES**

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### **Two Months Before Starting**

- Start marketing campaign
- Purchase tools
- Purchase truck
- Get General Liability Insurance for business
- Get LLC and open business checking account

### **First Two Months After Starting**

- Hire help
- First project complete
- Continue with marketing campaign

### **First Year**

- Half a million in sales
- Work on capital to expand business
- Establish more contacts with more contractors

### **Second Year**

- Hire an additional crew
- Purchase new truck and tools for new crew
- Network to expand to commercial industry

### **Fifth Year**

- Expand to surrounding communities
- Have a total of 4 crews

### **Tenth Year**

- Expand to full home remodeling
- Open a tile retail store

### **Philanthropy**

I would like to donate 5 to 10% of my net profit to the children's home of Lubbock.

### **Community Impact**

I would like to sponsor AAV basketball teams.

# START-UP COST

Owner's name	Bobby
Company name	Chiles Tiles
<b>NAICS Business Classification</b>	
Sector (general classification)	23_Construction
Sub-sector (more specific classification)	238: Specialty Trade Contractors

## Start-up Costs

Year 1

### Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1		
marketing, business cards, fliers	500		
cell phone purchase	700		
car/truck down payment, if leased			
permits	300		
supplies, office & misc.	1,625		
Bonded Insurance/Liability Insurance	900		
QuickBooks/Accounting software	420		
Cash needed for start-up expenses	4,445		
Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	25,000		25,000
company trailer			
computer, printer, fax	1,150		1,150
Tools	1,500		1,500
			-
			-
building/office deposit		N/A	N/A
beginning cash balance	22,905	N/A	N/A
Cash needed for start-up assets	50,555	-	27,650
			60 assumed life (months)
			461 monthly depreciation
<b>Total start up cost</b>	<b>55,000</b>		

### Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	25,000	45%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	30,000	55%
Outside equity investment, if applicable		0%
<b>Total start up cost, total sources</b>	<b>55,000</b>	<b>100%</b>

# FINANCIALS STATEMENT (PRO FORMA)

**Bobby dba Chiles Tiles**  
**EOU, Financing, and Payroll Assumptions**  
**Year 1**

## Assumption 6 - Revenue Model (Economics of One Unit)

	Product 1				Product 2				Product 3			
Product name	Tile Flooring 2000 Sq Ft				Retile tub surround				Kitchen backsplash			
Product description	Laying ceramic flooring 2,000 sq ft, up to \$2.00 a ft for tile				Removing tile and installing tile on shower walls				Removing and installing kitchen backsplash			
Price per unit	9,000.00 100%				3,500.00 100%				1,200.00 100%			
Cost of one unit												
	hours	rate			hours	rate			hours	rate		
Non-owner payroll exp.			-	0%			-	0%			-	0%
Non-owner payroll tax	9.0%		-	0%			-	0%			-	0%
cost 1 description	Thin set/grout/spacers		260.00	3%	Tile		50.00	1%	Tile		50.00	4%
cost 2 description	Tile supplies		40.00	0%	Tile supplies		250.00	7%	Tile supplies		150.00	13%
cost 3 description	Tile		3,000.00	33%				0%				0%
cost 4 description				0%				0%				0%
Total variable costs			3,300.00	37%			300.00	9%			200.00	17%
Gross profit per unit - what you see on income statement			5,700.00	63%			3,200.00	91%			1,000.00	83%

	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
Tile Flooring 2000 Sq Ft sold		3	3	3	3	4	4	4	6	6	6	6	48
Retile tub surround sold		3	3	3	4	5	5	6	7	7	7	7	57
Kitchen backsplash sold		2	2	2	4	4	4	5	5	6	6	6	46
total revenue		\$ 39,900	\$ 39,900	\$ 39,900	\$ 45,800	\$ 58,300	\$ 58,300	\$ 63,000	\$ 84,500	\$ 85,700	\$ 85,700	\$ 85,700	\$ 686,700
total cost of sales		\$ 11,200	\$ 11,200	\$ 11,200	\$ 11,900	\$ 15,500	\$ 15,500	\$ 16,000	\$ 22,900	\$ 23,100	\$ 23,100	\$ 23,100	\$ 184,700
total income statement gross profit (excludes owner labor)		\$ 28,700	\$ 28,700	\$ 28,700	\$ 33,900	\$ 42,800	\$ 42,800	\$ 47,000	\$ 61,600	\$ 62,600	\$ 62,600	\$ 62,600	\$ 502,000

## Assumption 7 - Financing

	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year
Equipment financing, see Start-up Costs sheet	amortization schedule											
Amount borrowed	\$ -	-	-	-	-	-	-	-	-	-	-	-
Interest rate (example 8%)		-	-	-	-	-	-	-	-	-	-	-
Loan term (# of months)		-	-	-	-	-	-	-	-	-	-	-
Monthly payment	-	-	-	-	-	-	-	-	-	-	-	-
Start-up financing, see Start-up Costs sheet												
Amount borrowed	\$ 30,000	30,000	30,000	27,722	26,569	25,406	24,233	23,051	21,858	20,656	19,444	
Interest rate (example 8%)	10.0%	-	250	231	221	212	202	192	182	172	162	2,065
Payback period (# of months)	24	-	(1,134)	(1,153)	(1,163)	(1,173)	(1,182)	(1,192)	(1,202)	(1,212)	(1,222)	(11,778)
Grace period (months pay delay)	2	30,000	28,866	26,569	25,406	24,233	23,051	21,858	20,656	19,444	18,222	
Monthly payment	\$ 1,384											

## Assumption 8 - Payroll, nondirect

	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year
# of employees	2	2	2	2	2	2	2	2	2	2	2	
avg hours each employee(s) worked per month, not in EOU above	160	160	160	160	160	160	160	160	160	160	160	
average per hour wage	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	
salary expense, excludng payroll taxes	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	95,040

## 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

Chiles Tiles  
 Bobby, Justin, Joseph

**Bobby dba Chiles Tiles**  
**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														
Tile Flooring 2000 Sq Ft	6	-	27,000	27,000	27,000	27,000	36,000	36,000	36,000	54,000	54,000	54,000	54,000	432,000	63%
Retile tub surround	6	-	10,500	10,500	10,500	14,000	17,500	17,500	21,000	24,500	24,500	24,500	24,500	199,500	29%
Kitchen backsplash	6	-	2,400	2,400	2,400	4,800	4,800	4,800	6,000	6,000	7,200	7,200	7,200	55,200	8%
Total revenue		-	39,900	39,900	39,900	45,800	58,300	58,300	63,000	84,500	85,700	85,700	85,700	686,700	100%
Cost of Goods Sold	2														
Tile Flooring 2000 Sq Ft	6	-	9,900	9,900	9,900	9,900	13,200	13,200	13,200	19,800	19,800	19,800	19,800	158,400	23%
Retile tub surround	6	-	900	900	900	1,200	1,500	1,500	1,800	2,100	2,100	2,100	2,100	17,100	2%
Kitchen backsplash	6	-	400	400	400	800	800	800	1,000	1,000	1,200	1,200	1,200	9,200	1%
Total COGS		-	11,200	11,200	11,200	11,900	15,500	15,500	16,000	22,900	23,100	23,100	23,100	184,700	27%
Gross profit		-	28,700	28,700	28,700	33,900	42,800	42,800	47,000	61,600	62,600	62,600	62,600	502,000	73%
Expenses	2														
Auto or truck lease		-												-	0%
Depreciation	3	-	461	461	461	461	461	461	461	461	461	461	461	5,069	1%
Gasoline & fuels		-	800	800	800	800	800	800	800	800	800	800	800	8,800	1%
Insurance - bonding		-	300	300	300	300	300	300	300	300	300	300	300	3,300	0%
Insurance - vehicle		-	200	200	200	200	200	200	200	200	200	200	200	2,200	0%
Interest - equip & start up	7	-	250	241	231	221	212	202	192	182	172	162	152	2,065	0%
Marketing		500												500	0%
Office - rent		-												-	0%
Office - insurance		-												-	0%
Office - telephone		-												-	0%
Office - utilities		-												-	0%
Payroll - not owner and not in COGS		-	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	8,640	95,040	14%
Payroll taxes (9%)	6 & 8	-	778	778	778	778	778	778	778	778	778	778	778	8,554	1%
Permits		300												300	0%
Supplies		1,625	420	420	420	420	420	420	420	420	420	420	420	6,245	1%
Tax service		-												-	0%
Telephone - cellular		700	200	200	200	200	200	200	200	200	200	200	200	2,900	0%
Start-up expenses		1,320	-	-	-	-	-	-	-	-	-	-	-	1,320	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
Total expenses		4,445	11,798	12,048	12,039	12,029	12,020	12,010	12,000	11,991	11,981	11,971	11,960	136,293	20%
Taxable profit (loss)	1	(4,445)	16,902	16,652	16,661	21,871	30,780	30,790	35,000	49,609	50,619	50,629	50,640	365,707	53%
Tax (expense) benefit	1			(7,277)			(17,328)			(28,850)			(37,972)	(91,427)	-13%
Owner's withdrawals	1	-												-	0%
Net profit (loss)		(4,445)	16,902	9,375	16,661	21,871	13,452	30,790	35,000	20,760	50,619	50,629	12,667	274,280	40%
Depreciation	3	-	461	461	461	461	461	461	461	461	461	461	461	5,069	
Equipment purchases	3	(27,650)	-	-	-	-	-	-	-	-	-	-	-	(27,650)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	30,000	-	(1,134)	(1,144)	(1,153)	(1,163)	(1,173)	(1,182)	(1,192)	(1,202)	(1,212)	(1,222)	18,222	
Owner contribution	3	25,000	-	-	-	-	-	-	-	-	-	-	-	25,000	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		22,905	17,362	8,701	15,978	21,178	12,750	30,078	34,278	20,028	49,878	49,878	11,906	294,921	
Cash, period start		-	22,905	40,267	48,968	64,946	86,125	98,875	128,953	163,231	183,259	233,137	283,015	-	
Cash, period end		22,905	40,267	48,968	64,946	86,125	98,875	128,953	163,231	183,259	233,137	283,015	294,921	294,921	

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