

prison  
entrepreneurship  
program

**Business Plan Competition  
January 23, 2026**

Cesar, John, Clarence, Edwin  
Bakehouse Cafe

Prison Entrepreneurship Program  
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# *Bakehouse Cafe*

Business Plan  
January 2026

*Cesar*  
Owner & Founder

## **TABLE OF CONTENTS**

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<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>PERSONAL FIT .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>TEAM LEADERSHIP STATEMENT .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>PRODUCT/SERVICE OFFERING.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>MARKET/INDUSTRY .....</b>	<b>5</b>
<b>COMPETITION.....</b>	<b>5</b>
<b>DIFFERENTIATION .....</b>	<b>5</b>
<b>MARKETING STRATEGY.....</b>	<b>6</b>
<b>VISION AND OBJECTIVES .....</b>	<b>7</b>
<b>START-UP COST .....</b>	<b>8</b>
<b>FINANCIAL STATEMENT (PRO FORMA).....</b>	<b>9</b>
<b>RÉSUMÉ .....</b>	<b>11</b>

## EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																					
<ul style="list-style-type: none"> <li>• Long drive-thru lines</li> <li>• Mass produced pastries</li> <li>• Lack of hand-craft foods</li> <li>• Local and fresh</li> <li>• Personal experience at home</li> <li>• Artisan breads</li> <li>• Whole some soups</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Producing high-quality affordable hand-crafted foods in a friendly meaningful setting. That allows young professionals, families and visitors to come together. To experience the values and authenticity comfort and social impact.</li> </ul>	<ul style="list-style-type: none"> <li>• Producing artisan breads that are hand crafted and made daily</li> <li>• Providing a warm community centered establishment.</li> <li>• Create personal experience and memories</li> </ul>																																					
• Customers	• Differentiators	• Extras																																					
<ul style="list-style-type: none"> <li>• Young professionals</li> <li>• Families</li> <li>• Visitors</li> <li>• Locals</li> </ul>	<ul style="list-style-type: none"> <li>• Fresh crafted foods</li> <li>• Artisan breads</li> <li>• Homestyle experience</li> <li>• Fast-paced</li> <li>• Bakery cafe</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent gloss windows to view back of house creations</li> <li>• Specialty beverages exclusive limited menu</li> </ul>																																					
Marketing	Start-up Costs	• Financials & Extras																																					
<ul style="list-style-type: none"> <li>• Social media</li> <li>• Pop up tasting and artistry</li> </ul>	<table> <tr> <td>Owner investment - cash</td> <td style="text-align: right;">75,000</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;">100,000</td> </tr> <tr> <td><b>Total startup costs:</b></td> <td style="text-align: right;"><b><u>\$ 175,000</u></b></td> </tr> </table>	Owner investment - cash	75,000	Owner investment - equipment	-	Vehicle and/or equipment loan	-	Start up financing	100,000	<b>Total startup costs:</b>	<b><u>\$ 175,000</u></b>	<table> <tr> <td colspan="3">Year one summary income statement:</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">\$ 841,500</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>COGS</td> <td style="text-align: right;">71,200</td> <td style="text-align: right;">8%</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">770,200</td> <td style="text-align: right;">92%</td> </tr> <tr> <td>Overhead</td> <td style="text-align: right;">298,800</td> <td style="text-align: right;">36%</td> </tr> <tr> <td>Pretax income</td> <td style="text-align: right;">471,400</td> <td style="text-align: right;">56%</td> </tr> <tr> <td>Tax expense</td> <td style="text-align: right;">117,800</td> <td style="text-align: right;">14%</td> </tr> <tr> <td>Owner withdrawals</td> <td style="text-align: right;">44,000</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>Net income</td> <td style="text-align: right;"><u>\$ 309,500</u></td> <td style="text-align: right;"><u>37%</u></td> </tr> </table>	Year one summary income statement:			Sales	\$ 841,500	100%	COGS	71,200	8%	Gross profit	770,200	92%	Overhead	298,800	36%	Pretax income	471,400	56%	Tax expense	117,800	14%	Owner withdrawals	44,000	5%	Net income	<u>\$ 309,500</u>	<u>37%</u>
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## **TEAM LEADERSHIP STATEMENT**

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### **CEO: Cesar**

Cesar brings over 15 years of experience as a bistro chef, operating as a leader and problem solver. Specializing in multiple culinary cuisines. He is familiar with team building and cultivating morale for his teammates

### **CMO: Edwin**

Edwin brings his team building skills to the table with 5 years of experience he also specializes in marketing and brand building.

### **CFO: Clarence**

Clarence brings excellence in 10 years of management skills.

### **COO: John**

John brings industry specific leadership and management skills with 10 years of experience in the field. He is familiar with all aspects of running and operating a kitchen and restaurant. He is qualified to instruct in food safety and how to train employees on the equipment, how to cook the ingredient and how to package and deliver the product to a satisfying customer experience.

## **PRODUCT/SERVICE OFFERING**

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Bakehouse Cafe will provide a range of services. For example, from baking our unique variations of bread in house, cooking and crafting home styles soups, sandwiches, and confections to catering, delivery, side curbs, and pick up, digital platform that enables customizations to your delivery options including times, locations, special request and styles of different menu options. Also, in person dining/telephone orders-45%, delivery-20%, digitalplatform-20%, catering-15% operations to lunch in 2028

Bake House Cafe will be baking unique bread styles from many cultures with only the fresh quality ingredients. Home styles soups that not only offer traditional variety but include health conscious and vegetarian options. Signature sandwiches with a modern touch on timeless classics, handcrafted world class confections, what makes us different is our style and combination of baking casual dining. We hope to offer catering, donations and expand to more locations

## **MARKET/INDUSTRY**

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### **Market:**

Bakehouse Café has solid national momentum in the bakery retail industry. Bakeries alone generate about \$325,000 annually. Nation-wide, bakery retail combined is estimated at 5.4 billion in revenue. Annual growth potential of 5.5%. Places this market at 148 billion by 2032. There are an estimated 8-10 bakeries operating in Galveston TX at this time. Galveston TX has strong tourist/visitor flows which places Bakehouse Café in the prime location. Bakehouse Café will have an advantage in opportunity to expand and thrive. Galveston will be the cornerstone of Bakehouse Café.

### **Competition:**

Nationally Panera will be our main competitor. Locally Sunflower Bakery, and Donut Palace are two of the closest competitors. 60% of our customer base will be generated from these existing companies. With labor cost lower than other food businesses will be able to have an increased production rate allowing for lower cost of products with demand increases. Content creation through social networks will provide us with the ability to reach larger demographic, geographic and physiographic.

### **Differentiation:**

Our industry is centered in service and our differentiation is very important to us. Presentation and quality of product and service is our biggest assets. What sets us apart from competition is our ability to generate referral rates through feedback incentive. Every first customer will be provided a feedback card with either a free desert or 5% off any take-out order upon completion. Our pricing will also be generated around locally centered competition aiming for lower cost-effective products and services, and most of all our menu is seasonal which gives our customers a variety of options through the year. Freshest quality and all-around comfort for local students providing them open areas and lunges furniture to study and enjoy the atmosphere

## **MARKETING STRATEGY**

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### **Price:**

Bakehouse Café will use competitive pricing strategies providing high quality services and products at both locally and nationally ranged priced Intel. Servicing significantly lower pricing than similar bakeries. We use these proven techniques aiming toward excellence in honing our craft to exceed perfection. Providing customers with savings and leaving them with expectations of performance and quality every visit.

### **Place:**

Located in Galveston TX. 45 minutes from downtown Houston area which gives us the ability to serve the greater Houston area. With Galveston's tourism mix and abundance of vacation cruise ships provides us an advantage to grow by leaving our visitors with an excellent lasting impression. Giving them the incentive to tell people from where they're visiting to be sure and visit next time they find themselves in our area.

### **Promotion:**

Our promotion includes content creation through videos of the artists creating products and samples passed through walking traffic, ground marketing. Through labels and branding bread with a signet.

## **VISION AND OBJECTIVES**

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### **Two Months Before Starting**

- Create LLC and File DBA
- Obtain general liability insurance
- Finalize sight selection and complete interior build out
- Complete all health inspections, permits, and staff training focused on service excellence and food safety

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

- Launch Bakehouse Café with a marketing campaign highlight quality, community, and second chances
- Build a consistent customer base and positive reputation through outstanding food and hospitality
- Partner with local reentry and work force program to provide employment opportunities and mentorship

### **First Year**

- Solidify bake house café a beloved Galveston staple known for handcrafted food, inclusivity, and social impact
- Expand community partnerships to enhance local presence
- Accrue \$162,000 of sales revenue

### **Second Year**

- Generate \$325,000 in sales revenue
- Introduce seasonal menu rotation and special events to strengthen local engagement and repeat business
- Launch an in-house loyalty and rewards program to boost brand recognition and customer retention
- Develop a small-scale catering system for local offices, schools, and community events.

### **Fifth Year**

- Implement sustainable sourcing and waste reduction programs
- Explore a small scale or pop-up local at Houston hobby airport

### **Tenth Year**

- Maintain steady profitability while deepening community impact
- Evolve bake house café into a model for sustainable socially conscious small business

### **Philanthropy**

I will tithe 10% of my net profits made from in store purchases to support local foodbanks offering fresh bread and canned foods hosting donations and providing community with culinary training offering scholarships

### **Community Impact**

Scholarships, culinary training, and continued partnerships with reentry programs

# START-UP COST

Owner's name	Cesar
Company name	Bakehouse Café
<b>NAICS Business Classification</b>	
Sector (general classification)	
Sub-sector (more specific classification)	

## Start-up Costs Year 1

### Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1		
marketing, business cards, fliers	10,000		
cell phone purchase			
car/truck down payment, if leased			
permits			
supplies, office & misc.			
initial inventory supplies	15,000		
building renovations	40,000		
insurance licences permits	10,000		
<b>Cash needed for start-up expenses</b>	<b>75,000</b>		

  

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			-
equipment	50,000		50,000
			-
			-
building/office deposit	25,000	N/A	N/A
beginning cash balance	25,000	N/A	N/A
<b>Cash needed for start-up assets</b>	<b>100,000</b>	<b>-</b>	<b>50,000</b>
			<u>60</u> assumed life (months)
			<u>833</u> monthly depreciation

  

<b>Total start up cost</b>	<b>175,000</b>		
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### Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	75,000	43%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	100,000	57%
Outside equity investment, if applicable		0%
<b>Total start up cost, total sources</b>	<b>175,000</b>	<b>100%</b>

# FINANCIALS STATEMENT (PRO FORMA)

Cesar dba Bakehouse Café  
EOU, Financing, and Payroll Assumptions  
Year 1

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

	Product 1				Product 2				Product 3			
Product name	sandwich				coffee				bread sale			
Product description	Sandwich soups drinks				coffee and pastrys				100 bread loafs one pallet			
Price per unit	15.00 100%				12.00 100%				400.00 100%			
Cost of <u>one</u> 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	sandwich		0.40	3%	coffee		0.20	2%	flour		91.00	23%
cost 2 description	soup		0.30	2%	pastrys		0.30	3%	yeast			0%
cost 3 description	coke		0.10	1%				0%	butter			0%
cost 4 description				0%				0%	salt			0%
Total variable costs			0.80	5%			0.50	4%			91.00	23%
<b>Gross profit per unit - what you see on income statement</b>			14.20	95%			11.50	96%			309.00	77%

	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
sandwich sold		1,000	1,000	1,100	1,500	1,500	2,000	2,000	3,000	3,000	3,000	3,000	22,100
coffee sold		2,000	2,000	2,000	2,500	2,500	2,500	2,500	3,000	3,000	3,000	3,000	28,000
bread sale sold		25	25	25	40	40	40	40	50	50	50	50	435
total revenue		\$ 49,000	\$ 49,000	\$ 50,500	\$ 68,500	\$ 68,500	\$ 76,000	\$ 76,000	##### \$ 101,000	\$ 101,000	\$ 101,000	\$ 101,000	\$ 841,500
total cost of sales		\$ 4,075	\$ 4,075	\$ 4,155	\$ 6,090	\$ 6,090	\$ 6,490	\$ 6,490	\$ 8,450	\$ 8,450	\$ 8,450	\$ 8,450	\$ 71,265
total income statement gross profit (excludes owner labor)		\$ 44,925	\$ 44,925	\$ 46,345	\$ 62,410	\$ 62,410	\$ 69,510	\$ 69,510	\$ 92,550	\$ 92,550	\$ 92,550	\$ 92,550	\$ 770,235

## 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	\$ 100,000	principal, beginning	100,000	98,603	97,198	95,785	94,364	92,934	91,496	90,050	88,595	87,132	85,660
Interest rate (example 8%)	7.0%	interest expense	583	575	567	559	550	542	534	525	517	508	500
Payback period (# of months)	60	principal payment	(1,397)	(1,405)	(1,413)	(1,421)	(1,430)	(1,438)	(1,446)	(1,455)	(1,463)	(1,472)	(1,480)
Grace period (months pay delay)		principal, ending	98,603	97,198	95,785	94,364	92,934	91,496	90,050	88,595	87,132	85,660	84,179
Monthly payment	\$ 1,980												

## 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	4	4	4	4	4	4	4	4	4	4	4	
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	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	
salary expense, excludng payroll taxes	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	84,480

## 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

**Cesar dba Bakehouse Café**  
**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														
sandwich	6	-	15,000	15,000	16,500	22,500	22,500	30,000	30,000	45,000	45,000	45,000	45,000	331,500	39%
coffee	6	-	24,000	24,000	24,000	30,000	30,000	30,000	30,000	36,000	36,000	36,000	36,000	336,000	40%
bread sale	6	-	10,000	10,000	10,000	16,000	16,000	16,000	16,000	20,000	20,000	20,000	20,000	174,000	21%
<b>Total revenue</b>		-	49,000	49,000	50,500	68,500	68,500	76,000	76,000	101,000	101,000	101,000	101,000	841,500	100%
Cost of Goods Sold	2														
sandwich	6	-	800	800	880	1,200	1,200	1,600	1,600	2,400	2,400	2,400	2,400	17,680	2%
coffee	6	-	1,000	1,000	1,000	1,250	1,250	1,250	1,250	1,500	1,500	1,500	1,500	14,000	2%
bread sale	6	-	2,275	2,275	2,275	3,640	3,640	3,640	3,640	4,550	4,550	4,550	4,550	39,585	5%
<b>Total COGS</b>		-	4,075	4,075	4,155	6,090	6,090	6,490	6,490	8,450	8,450	8,450	8,450	71,265	8%
<b>Gross profit</b>		-	44,925	44,925	46,345	62,410	62,410	69,510	69,510	92,550	92,550	92,550	92,550	770,235	92%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	833	833	833	833	833	833	833	833	833	833	833	9,167	1%
Gasoline & fuels	-														0%
Insurance - bonding	-														0%
Insurance - vehicle	-														0%
Interest - equip & start up	7	-	583	575	567	559	550	542	534	525	517	508	500	5,961	1%
Marketing		10,000												10,000	1%
Office - rent	-		5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	60,500	7%
Office - insurance	-														0%
Office - telephone	-														0%
Office - utilities	-		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,000	4%
Payroll - not owner and not in COGS	8	-	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	84,480	10%
Payroll taxes (9%)	6 & 8	-	691	691	691	691	691	691	691	691	691	691	691	7,603	1%
Permits	-														0%
Supplies	-		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%
Tax service	-														0%
Telephone - cellular	-		100	100	100	100	100	100	100	100	100	100	100	1,100	0%
Start-up expenses		65,000	-	-	-	-	-	-	-	-	-	-	-	65,000	8%
															0%
															0%
															0%
															0%
															0%
															0%
<b>Total expenses</b>		75,000	20,388	20,380	20,372	20,363	20,355	20,347	20,338	20,330	20,321	20,313	20,304	298,810	36%
<b>Taxable profit (loss)</b>	1	(75,000)	24,537	24,545	25,973	42,047	42,055	49,163	49,172	72,220	72,229	72,237	72,246	471,425	56%
<b>Tax (expense) benefit</b>	1						(21,039)			(42,639)			(54,178)	(117,856)	-14%
<b>Owner's withdrawals</b>	1		(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(44,000)	-5%
<b>Net profit (loss)</b>		(75,000)	20,537	20,545	21,973	38,047	17,016	45,163	45,172	25,581	68,229	68,237	14,068	309,568	37%
Depreciation	3	-	833	833	833	833	833	833	833	833	833	833	833	9,167	
Equipment purchases	3	(75,000)	-	-	-	-	-	-	-	-	-	-	-	(75,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	100,000	(1,397)	(1,405)	(1,413)	(1,421)	(1,430)	(1,438)	(1,446)	(1,455)	(1,463)	(1,472)	(1,480)	84,179	
Owner contribution	3	75,000	-	-	-	-	-	-	-	-	-	-	-	75,000	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash flow</b>		25,000	19,974	19,974	21,394	37,459	16,419	44,559	44,559	24,960	67,599	67,599	13,421	402,914	
<b>Cash, period start</b>		-	25,000	44,974	64,947	86,341	123,800	140,219	184,778	229,336	254,296	321,895	389,494	-	
<b>Cash, period end</b>		25,000	44,974	64,947	86,341	123,800	140,219	184,778	229,336	254,296	321,895	389,494	402,914	402,914	

