

prison
entrepreneurship
program

**Business Plan Competition
February 20, 2026**

Royal Collision & Towing LLC

Prison Entrepreneurship Program
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Royal Collision & Towing LLC

Business Plan
February 2026

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EXECUTIVE SUMMARY

Opportunity	Purpose	Solution																																		
<ul style="list-style-type: none"> Insurance companies repair cars with any part, whether used, aftermarket, or salvaged Insurance companies insist on controlling repair sites Most shops offer lackluster customer service 	<ul style="list-style-type: none"> We will repair vehicles back to their original condition We will provide service that leaves customers satisfied We will provide detailed repair invoices upon request 	<ul style="list-style-type: none"> Working with local dealerships to match prices on parts Frequently updating customers about repairs while offering great service Offer lifetime warranties on all work done 																																		
Customers	Differentiators	Extras																																		
<ul style="list-style-type: none"> We will serve Waller County and the city of Hempstead, TX Target customers will be vehicle owners in the city and county Open or active insurance claims 	<ul style="list-style-type: none"> Always keeping customer needs at the forefront Offering lifetime warranties as long as the customer owns the vehicle Using OEM and factory components as well as PPG paint 	<ul style="list-style-type: none"> 20 years of experience of adjusting collision claims Experience driving tow trucks and working body shops Active in the automotive community via radio, car shows, and the internet 																																		
Marketing	Start-up Costs	Financials & Extras																																		
<ul style="list-style-type: none"> Sponsor all local youth sporting events and school programs Hosting biweekly car meets and monthly car shows We will sponsor the county fair, 4H, and FFA 	<table> <tr> <td>Owner investment - cash</td> <td>\$ 40,000</td> </tr> <tr> <td>Owner investment - equity</td> <td>-</td> </tr> <tr> <td>Vehicle and/or equipment loan</td> <td>-</td> </tr> <tr> <td>Start up financing</td> <td>600,000</td> </tr> <tr> <td>Total start up costs:</td> <td>\$640,000</td> </tr> </table>	Owner investment - cash	\$ 40,000	Owner investment - equity	-	Vehicle and/or equipment loan	-	Start up financing	600,000	Total start up costs:	\$640,000	<table> <tr> <td>Sales:</td> <td>\$ 1,928,800</td> <td>100%</td> </tr> <tr> <td>COGS</td> <td>159,700</td> <td>8%</td> </tr> <tr> <td>Gross profit</td> <td>1,769,000</td> <td>92%</td> </tr> <tr> <td>Overhead</td> <td>179,300</td> <td>9%</td> </tr> <tr> <td>Pretax income</td> <td>1,589,700</td> <td>82%</td> </tr> <tr> <td>Tax expense</td> <td>397,400</td> <td>21%</td> </tr> <tr> <td>Owner withdrawals</td> <td>44,000</td> <td>2%</td> </tr> <tr> <td>Net income</td> <td>\$ 1,148,300</td> <td>60%</td> </tr> </table>	Sales:	\$ 1,928,800	100%	COGS	159,700	8%	Gross profit	1,769,000	92%	Overhead	179,300	9%	Pretax income	1,589,700	82%	Tax expense	397,400	21%	Owner withdrawals	44,000	2%	Net income	\$ 1,148,300	60%
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LEADERSHIP STATEMENT

CEO/CFO: Jimmy is a motivated employer that is constantly pushing people to be their absolute best and give their all. He encourages people to learn new skills and help others along the way. He has over 20 years of work experience in the auto collision industry, and is well-liked within the community in the greater Houston area. He has multiple I-car and PPG certificates of knowledge in multiple departments such as estimating, body repair and refinishing. He has obtained a degree in auto collision repair and refinish through Trinity Valley Community College. He brings a great attitude and a sense of comfort to any work environment he is in.

CMO: Jose has many strengths as a leader. One of them being that he was a foreman in charge of running a crew to reach production goals. He teaches and trains people to be the most effective. He is the best at what he does and he creates new and innovative ways of doing things. He is able to put in the work to figure out problems and bring a solution. With his GED and his many years of work experience, he is ready to expand.

COO: Kevin has problem solving skills that are not easily matched. Not only is he a very driven individual, but he also has great people skills. He leads with a kind heart and humble attitude. He has 10 plus years of experience in running his own flooring company. He will use his skills, positive influence and leadership mentality in any company that he works for.

PRODUCT/SERVICE OFFERING

Royal Collision & Towing LLC is a family-owned and operated collision center committed to catering to the customer while working with the insurance company. We will provide a comfortable and welcoming atmosphere to help guide the customer through this sometimes-confusing process. We will walk the customer through the insurance claim process from start to finish while making sure the insurance does everything in the customer's best interest. We predict our body and frame repair will account for 55% of our total sales revenue. Mechanical repairs will obtain 20% of our total sales revenue. Lastly, painting will account for the remaining 25% of our sales revenue. Our goal is to be open for business by the summer of the 2027 at our first location in Hempstead, Texas. Royal Collision will be a shop who is out for the customer and stands for the insurance fixing the customer's vehicle the correct way that meets standards. We will make sure that no corners are cut and only OEM approved products replace the damaged parts. Our company will spray PPG and top of the line paints that let us offer a lifetime warranty for as long as they own their vehicle. When it comes to the employees who provide the work, we will have nothing but ASE certified technicians touching your vehicle. Here at Royal Collision, our goal is that every customer leaves as happy as the day they bought it brand-new at the dealership.

In the future, we hope to add a line of two trucks and expand into the roadside towing industry to help bring in more customers and revenue. Our plan is to be efficient in our cycle time in all aspects while always being focused on providing over the top excellent customer service. We will be committed to being involved in the community with such things like FFA, county fairs and local youth activities and sports. We don't want to just grow our customer base, we want to grow as a family. Family looks out for one another and that's just what we will do.

MARKET/INDUSTRY

The auto collision industry is a market that grows more and more every year. The average shop grosses between \$150,000-\$600,000 per month.

COMPETITION

Our competition will consist of other collision centers and all insurance approved shops. This is the dealership's collision repair centers.

DIFFERENTIATION

What makes us different from our competitors is that we work for the customer and not the insurance company. Our goal is to restore your vehicle to pre-accident condition. We will offer a life-time warranty on all work performed for as long as you own your vehicle.

MARKETING STRATEGY

Price:

Here at Royal Collision and Towing, our prices will vary by customer needs. Our hourly rates will be \$85 per hour for frame work, \$105 per hour on mechanical issues, body repair and paint will be at \$46 per hour. On our towing side of the business, we will charge \$85 for hooking up plus \$3 per mile for light-duty tows. Medium-duty tows will be \$185 for hook-up and \$4 per mile. Our flatbed rates will be \$125 for hook-up and \$3 per mile.

Place:

We will be located in Hempstead, TX and cater to the surrounding areas of Waller County. We will reach out to customers by utilizing various social media platforms and bootstrap marketing such as word of mouth.

Promotion:

Here at Royal Collision & Towing, we strive to provide the best customer service possible. We will accommodate to the customer's needs while working with the insurance companies to make sure everything is in proper order. We will be focusing on using OEM parts as much as possible and using PPG paint that will help us offer a lifetime warranty for as long as you own the vehicle. We plan to showcase our work through social media that will display our before and after photos of the repairs done to all vehicles. We will also be offering a \$100 rebate to all customers who post an honest review on either Yelp or Google.

VISION AND OBJECTIVES

Our vision here at Royal Collision & Towing is to open a full auto collision repair and towing company located in the heart of Hempstead, TX. A collision center that truly embraces the meaning of customer service; ensuring that we exceed our customer's expectations while partnering and maintaining a healthy relationship with the insurance companies involved in the claim, core and warranty process. We personally hold over 20 years of experience in the auto collision industry. We are looking to only hire ASE and certified technicians that have experience with OEM parts. Our towing services will operate 24 hours around the clock providing our customers with a safe and affordable service that will be available in the case of an emergency situation. We plan to launch our operation out of Hempstead, Texas on a five-acre plot of land. This location provides us with a competitive advantage being located on the outskirts of Houston. With direct access to Interstate 10, this will provide us with a multitude of customers due to the amount of traffic that operates on one of the nation's largest interstates.

First Year:

In our first year, we will strive to build and maintain a level of professional service standards that are unparalleled in the industry. Our customers will truly feel like family.

Third Year:

By our third year, we will have expanded and utilized the use of five tow trucks, exceeding our geographic radius and almost tripling our gross sales.

Fifth Year:

In our fifth year, we are looking to have hired on multiple ASE certified technicians and adding an additional spray booth for bodywork and touchups.

Tenth Year:

By year ten, we will have added another location in the Brazos River Valley.

Philanthropy:

We believe we can make a positive impact on people on our community. We will be providing support with local transitional and halfway houses to utilize our trucks with a partnership to provide gentleman who are coming out of prison an opportunity to earn a CDL.

START-UP COST

Owner's name	Jimmy
Company name	Royal Collision & Towing LLC
NAICS Business Classification	
Sector (general classification)	48_49_Transportation_and_Warehousing
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	1,000
cell phone purchase	500
car/truck down payment, if leased	
permits	500
supplies, office & misc.	250

Cash needed for start-up expenses 2,250

Depreciable Costs	Paid or contributed in Month 1	Equipment Financing (Additional to amount paid)	Depreciable Assets
company car, truck or van	120,000		120,000
company trailer	4,000		-
computer, printer, fax			-
			-
			-
building/office deposit		N/A	N/A
beginning cash balance	513,750	N/A	N/A
Cash needed for start-up assets	<u>637,750</u>	<u>-</u>	<u>120,000</u>

60 assumed life (months)
2,000 monthly depreciation

Total start up cost 640,000

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	40,000	6%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	600,000	94%
Outside equity investment, if applicable	-	0%
Total start up cost, total sources	<u><u>640,000</u></u>	100%

FINANCIAL STATEMENT (PRO FORMA)

Jimmy dba Royal Collision & Towing LLC
EOU, Financing, and Payroll Assumptions
Year 1

Assumption 6 - Revenue Model (Economics of One Unit)

	Product 1				Product 2				Product 3			
Product name	Basic Tow				Accident Tow				Lockout			
Product description	Called by customer for tow service				Called by police for accident tow				Retrieve keys from locked vehicle			
Price per unit	300.00		100%		120.00		100%		150.00		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			23.00	8%			13.00	11%			13.00	9%
cost 2 description				0%				0%				0%
cost 3 description				0%				0%				0%
cost 4 description				0%				0%				0%
Total variable costs			23.00	8%			13.00	11%			13.00	9%
Gross profit per unit - what you see on income statement			277.00	92%			107.00	89%			137.00	91%

	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
Basic Tow sold		402	402	402	402	402	402	402	402	402	402	402	4,422
Accident Tow sold		205	205	205	205	205	205	205	205	205	205	205	2,255
Lockout sold		201	201	201	201	201	201	201	201	201	201	201	2,211
total revenue	\$	175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 175,350	\$ 1,928,850
total cost of sales	\$	14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 14,524	\$ 159,764
total income statement gross profit (excludes owner labor)	\$	160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 160,826	\$ 1,769,086

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	\$ -	principal, beginning	-	-	-	-	-	-	-	-	-	-	
Interest rate (example 8%)		interest expense	-	-	-	-	-	-	-	-	-	-	
Loan term (# of months)		principal payment	-	-	-	-	-	-	-	-	-	-	
Monthly payment	-	principal, ending	-	-	-	-	-	-	-	-	-	-	
Start-up financing, see Start-up Costs sheet													
Amount borrowed	\$600,000	principal, beginning	600,000	597,541	595,056	592,544	590,004	587,438	584,843	582,220	579,569	576,889	574,180
Interest rate (example 8%)	13.0%	interest expense	6,500	6,473	6,446	6,419	6,392	6,364	6,336	6,307	6,279	6,250	6,220
Payback period (# of months)	120	principal payment	(2,459)	(2,485)	(2,512)	(2,539)	(2,567)	(2,595)	(2,623)	(2,651)	(2,680)	(2,709)	(2,738)
Grace period (months pay delay)		principal, ending	597,541	595,056	592,544	590,004	587,438	584,843	582,220	579,569	576,889	574,180	571,441
Monthly payment	\$ 8,959												

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	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	
salary expense, excluding payroll taxes	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	63,360

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

Jimmy dba Royal Collision & Towing LLC
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														
Basic Tow	6	-	120,600	120,600	120,600	120,600	120,600	120,600	120,600	120,600	120,600	120,600	120,600	1,326,600	69%
Accident Tow	6	-	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	270,600	14%
Lockout	6	-	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	331,650	17%
Total revenue		-	175,350	175,350	175,350	175,350	175,350	175,350	175,350	175,350	175,350	175,350	175,350	1,928,850	100%
Cost of Goods Sold	2														
Basic Tow	6	-	9,246	9,246	9,246	9,246	9,246	9,246	9,246	9,246	9,246	9,246	9,246	101,706	5%
Accident Tow	6	-	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	29,315	2%
Lockout	6	-	2,613	2,613	2,613	2,613	2,613	2,613	2,613	2,613	2,613	2,613	2,613	28,743	1%
Total COGS		-	14,524	14,524	14,524	14,524	14,524	14,524	14,524	14,524	14,524	14,524	14,524	159,764	8%
Gross profit		-	160,826	160,826	160,826	160,826	160,826	160,826	160,826	160,826	160,826	160,826	160,826	1,769,086	92%
Expenses	2														
Auto or truck lease	-														0%
Depreciation	3	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000	1%
Gasoline & fuels	-														0%
Insurance - bonding	-														0%
Insurance - vehicle	-		400	400	400	400	400	400	400	400	400	400	400	4,400	0%
Interest - equip & start up	7	-	6,500	6,473	6,446	6,419	6,392	6,364	6,336	6,307	6,279	6,250	6,220	69,986	4%
Marketing		1,000			500			1,000			800			3,300	0%
Office - rent	-														0%
Office - insurance	-														0%
Office - telephone	-														0%
Office - utilities	-		500	500	500	500	500	500	500	500	500	500	500	5,500	0%
Payroll - not owner and not in COGS	8	-	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	63,360	3%
Payroll taxes (9%)	6 & 8	-	518	518	518	518	518	518	518	518	518	518	518	5,702	0%
Permits	500													500	0%
Supplies	250													250	0%
Tax service	-		800											800	0%
Telephone - cellular	500		100	100	100	100	100	100	100	100	100	100	100	1,600	0%
Start-up expenses															0%
Uniform/Hats			350											350	0%
Sports Sponsorship			800											800	0%
School Sponsor			800											800	0%
															0%
															0%
															0%
															0%
Total expenses		2,250	18,528	15,752	16,225	15,698	15,670	16,642	15,614	15,586	16,357	15,528	15,499	179,349	9%
Taxable profit (loss)	1	(2,250)	142,298	145,074	144,601	145,128	145,156	144,184	145,212	145,240	144,469	145,298	145,327	1,589,737	82%
Tax (expense) benefit	1			(71,280)				(108,721)		(108,659)			(108,774)	(397,434)	-21%
Owner's withdrawals	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)	-2%
Net profit (loss)		(2,250)	138,298	69,794	140,601	141,128	32,435	140,184	141,212	32,581	140,469	141,298	32,554	1,148,303	60%
Depreciation	3	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000	
Equipment purchases	3	(124,000)	-	-	-	-	-	-	-	-	-	-	-	(124,000)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	600,000	(2,459)	(2,485)	(2,512)	(2,539)	(2,567)	(2,595)	(2,623)	(2,651)	(2,680)	(2,709)	(2,738)	571,441	
Owner contribution	3	40,000	-	-	-	-	-	-	-	-	-	-	-	40,000	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		513,750	137,839	69,308	140,089	140,589	31,868	139,589	140,589	31,930	139,789	140,589	31,815	1,657,744	
Cash, period start		-	513,750	651,589	720,897	860,986	1,001,575	1,033,443	1,173,032	1,313,621	1,345,551	1,485,340	1,625,929	-	
Cash, period end		513,750	651,589	720,897	860,986	1,001,575	1,033,443	1,173,032	1,313,621	1,345,551	1,485,340	1,625,929	1,657,744	1,657,744	