prison entrepreneurship program

Business Plan Competition
June 26, 2026

MudWay Entertainment

Prison Entrepreneurship Program
P.O. Box 2767
Houston, TX 77252
(832) 767-0928
www.pep.org

MudWay Entertainment

Business Plan
June 2026

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Executive Summary

Opportunity

- Lack of R&B music artist in the Houston area
- Lack of marketing knowledge from supporters

Purpose

- Family into music
- Love and passion for music
- Be relatable, change people's lives, help people though hard situations

Solution

- Focus on R&B genre, which the area lack
- Great knowledge in marketing, promoting and utilization

Customers

- Women 18-40 years old
- Men 18-35 years old

Differentiators

- Versatile, can sing
- Makes music in multiple genres
- Marketing and promotion experience

Extras

- Relationships with well-known artists
- Has own studio and equipment
- Has song production experience with 15 years in the music industry

Marketing

- 13k followers on Instagram and 22k followers on TikTok
- Over one million views on a video on YouTube
- Certified in marketing three times

Start-up Costs

Owner investment - cash	$20,000
Owner investment - equity	-
Vehicle and/or equipment loan	-
Start up financing	60,000
Total start up costs:	**$80,000**

Financials & Extras

Sales:	$ 357,500	100%
COGS	159,500	45%
Gross profit	198,000	55%
Overhead	34,100	10%
Pretax income	163,800	46%
Tax expense	40,900	11%
Owner withdrawals	33,000	9%
Net income	$ 89,800	25%

Leadership Statement

CEO: Jerrek is a natural leader who has great communication skills and has the ability to personally relate to others. He has the knowledge and experience to perfectly execute a plan. By applying this to his everyday life, he has the know-how to follow through with the objectives to any plan. Scott is certified in many areas including welding, cabinetry, carpentry, plumbing, and marketing. He also is accredited in NCCER and OSHA. With his knowledge and skillset, there is no limit to what he can accomplish.

CMO: Russell brings the weight of leadership equivalent to that of a full truck load, rivaling even that of a lion. With an extensive 15 years of leadership in many industries, he has the knowledge and the ability to organize, manage, and operate a business from the ground up. He is able to delegate workloads, schedule jobs, and lend his overall capability to help a business achieve its full potential.

CFO: Joseph is a very passionate leader who focuses on bringing out the best in his teammates. He is goal-oriented and takes time to properly plan things out from the start. With over eight years in the delivery business, he understands how to both manage time as well as use it to his advantage. He possesses a growth mindset, making him an asset to any team.

COO: Miguel is 100% bilingual with extraordinary customer service skills. His education includes an associate's degree in applied science for computer maintenance technology. He is very passionate in everything that he does. He has over 14 years of customer service experience. His leadership is excellent and makes him a unique asset to any organization.

Product/Service Offering

MudWay Entertainment is a group that is dedicated to the success of new aspiring artists. We will provide them with professional level marketing and video production, all the while assisting them in developing songwriting skills. We will make sure that they have the direct pathway to the tools needed to get a head start in the music industry. We will provide insight on new trends and new developments in society so that the artist can adapt and take advantage for future success. Our plan is to start in the most populated city in Texas, which is Houston.

Our specialty in marketing includes growing social media platform accounts, developing a plot for music videos, insight from well-known artists that best fits their interests, and valuable information on which recording studios will be best for the artist's sound and style. Our focus is to help the artist turn their career from a liability to an asset by helping them focus on their craft to perfection and gain a fanbase. While most studios or music engineers would only charge for their services, we will be teaching our clients how to gain streams, create attractive song writing, and how to market their selves instead of just taking their money. We will also inform our clients on what is best for their career and show them how to execute their plan. This is an advantage for us because that is something engineers and studio owners will not teach aspiring artists.

We have an extreme goal here at MudWay Entertainment, which is to offer levels of marketing and artist development that cannot be matched by anyone in local or state areas. Our partnerships and connections with well-known artists and labels give us the talent to be able to offer these services efficiently. One major differentiator that we have is that we currently have a continuous following on social media and also have a marketing video on YouTube that has amassed over one million views. Together, we can help these aspiring artists reach their goals and turn their dreams into a reality.

Market, Competition, Differentiation

Market:

The music industry is a multi-billion-dollar industry that generates profit from music sales and concerts. With an annual growth rate at 4.5% there is plenty of opportunity for profit. Many music artists are signed to labels with contracts ranging from $200k to $6 million. Because of this, many artists choose to stay independent in hopes of bringing in more revenue and eliminating the so-called middleman.

Competition:

Our direct competition will be other music artists or labels they may be signed to. Since we will be based in Houston, TX every artist in the area will be competition since we will be trying to attract a fanbase in that same area. Our advantage over our competition is our unique sound and skillset when it comes down to songwriting.

Differentiation:

We differ from our competitors through our skills in marketing and know how to use social media to gain attention. Another differentiator is that we already have a large following on social media compared to the average company in this industry. Our team of hardworking and dedicated individuals is what will bring in customers.

Marketing Strategy

Price:
Our prices will be fair, at each show we will be charging each person a certain amount for entry. Larger facilities will be in the $60-$80 range per person on entry. Merchandise will be fairly cheap compared to your average major artist, because we are up and coming. T-shirts and shorts will be between $10-$25. These costs will cover renting warehouses and buildings for more shows.
Place:
Our first show will be at Warehouse Live in downtown Houston, TX. Our customers will come from all over the Houston area. We will learn more about our fans and different expansions to reach a larger fan base through Houston and beyond.
Promotion:
We will be promoted through social media and we will be providing free shows outside of schools and apartment complexes for free to get the word out about us. YouTube will be a main factor, as we will be uploading music videos to capture the eye of a specific audience. Other social media such as TikTok and Instagram will be used for marketing and promotions.

Vision and Objectives

Our vison here at MudWay Entertainment is to offer high-quality music and professional level music videos to our loyal fan base. We have spent 15 years in the music industry in Houston, TX and the potential for financial gain is very high. Our idea is to build a fanbase focused primarily on R&B, but also genres including, but not limited to pop and hip-hop. We plan to make the best music and exciting visuals behind the music our artists have to offer. With our hard work and dedication, we plan to succeed by perfecting our craft and meshing with our clients.
First Year:
In our first year, we will be focused on building our fanbase by promoting music on social media platforms all the while gaining a boost from popular artists within the industry.
Third Year:
By year number three, we plan to increase our sales and streams to generate a profit of at least 300% of what we put into production.
Fifth Year:
By the time we hit year number five, we plan to have enough popularity to book major shows and events, bringing in at least $50,000 per show or event.
Tenth Year:
With our success and popularity, we hope to expand our label in our 10th year by being able to sign up and coming artists to generate more revenue.
Philanthropy:
We plan on giving back by hosting food drives and having talent shows in local schools and neighborhoods. This will encourage young artists to follow their dreams. We will also have toy giveaways for small children on every major holiday.

Start-Up Costs

Owner's name	Jerrek
Company name	Mudway Entertainment
NAICS Business Classification	
Sector (general classification)	_71_Arts_Entertainment_and_Recreation
Sub-sector (more specific classification)	711: Performing Arts, Spectator Sports, and Related Industries

Start-up Costs
Year 1

Assumption 4 - Total Uses

Non-Depreciable Costs	Paid or contributed in Month 1
marketing, business cards, fliers	1,500
cell phone purchase	250
car/truck down payment, if leased	
permits	400
supplies, office & misc.	250
Merchandise	1,000
LLC	350
Cash needed for start-up expenses	3,750

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	700		700
			-
			-
			-
building/office deposit		N/A	N/A
beginning cash balance	75,550	N/A	N/A
Cash needed for start-up assets	76,250	-	700
			60 assumed life (months)
			12 monthly depreciation

Total start up cost	**80,000**

Assumption 5 - Total Sources

Cash owner will contribute and the value of owner's assets contributed to company	20,000	25%
Vehicle loan and other equipment debt (see note 7 for financing)	-	0%
Startup financing, if applicable (for example Kiva loan)	60,000	75%
Outside equity investment, if applicable	-	0%
Total start up cost, total sources	80,000	100%

Financial Statement (Pro Forma)

Jerrek dba Mudway Entertainment
EOU, Financing, and Payroll Assumptions
Year 1

Assumption 6 - Revenue Model (Economics of One Unit)

		Product 1				Product 2				Product 3			
Product name		Music Streams				Merchandise				Tickets			
Product description		Youtube, Spotify, Apple Music streams or views				Shirts, hats, jewlery, posters, wristbands				venue tickets, artist performances			
Price per unit				0.00	100%			65.00	100%			40.00	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					0%	cost of materials		25.00	38%	venue fee		20.00	50%
cost 2 description					0%				0%				0%
cost 3 description					0%				0%				0%
cost 4 description					0%				0%				0%
Total variable costs				-	0%			25.00	38%			20.00	50%
Gross profit per unit - what you see on income statement				0.00	100%			40.00	62%			20.00	50%

	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
Music Streams sold		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	22,000,000
Merchandise sold		100	100	100	100	100	100	100	100	100	100	100	1,100
Tickets sold		600	600	600	600	600	600	600	600	600	600	600	6,600
total revenue		$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 32,500	$ 357,500
total cost of sales		$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 14,500	$ 159,500
total income statement gross profit (excludes owner labor)		$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 198,000

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	$ -	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	$ 60,000	principal, beginning	60,000	59,183	58,361	57,534	56,701	55,862	55,018	54,168	53,313	52,452	51,585	
Interest rate (example 8%)	8.0%	interest expense	400	395	389	384	378	372	367	361	355	350	344	4,095
Payback period (# of months)	60	principal payment	(817)	(822)	(828)	(833)	(839)	(844)	(850)	(855)	(861)	(867)	(873)	(9,288)
Grace period (months pay delay)		principal, ending	59,183	58,361	57,534	56,701	55,862	55,018	54,168	53,313	52,452	51,585	50,712	
Monthly payment	$ 1,217													

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												
avg hours each employee(s) worked per month, not in EOU above												
average per hour wage												
salary expense, exclduing payroll taxes	-	-	-	-	-	-	-	-	-	-	-	-

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

Jerrek dba Mudway Entertainment
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														
Music Streams	6	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000	6%
Merchandise	6	-	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	71,500	20%
Tickets	6	-	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	264,000	74%
Total revenue		-	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	357,500	100%
Cost of Goods Sold	2														
Music Streams	6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Merchandise	6	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	27,500	8%
Tickets	6	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	132,000	37%
Total COGS		-	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	159,500	45%
Gross profit		-	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	198,000	55%
Expenses	2														
Auto or truck lease		-												-	0%
Depreciation	3	-	12	12	12	12	12	12	12	12	12	12	12	128	0%
Gasoline & fuels		-	250	250	250	250	250	250	250	250	250	250	250	2,750	1%
Insurance - bonding		-	2	2	2	2	2	2	2	2	2	2	2	22	0%
Insurance - vehicle		-	150	150	150	150	150	150	150	150	150	150	150	1,650	0%
Interest - equip & start up	7	-	400	395	389	384	378	372	367	361	355	350	344	4,095	1%
Marketing		1,500	500	500	500	500	500	500	500	500	500	500	500	7,000	2%
Office - rent		-	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	13,200	4%
Office - insurance		-	200	200	200	200	200	200	200	200	200	200	200	2,200	1%
Office - telephone		-												-	0%
Office - utilities		-												-	0%
Payroll - not owner and not in COGS	8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Payroll taxes (9%)	6 & 8	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Permits		400												400	0%
Supplies		250												250	0%
Tax service		-												-	0%
Telephone - cellular		250	80	80	80	80	80	80	80	80	80	80	80	1,130	0%
Start-up expenses		1,350	-	-	-	-	-	-	-	-	-	-	-	1,350	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
		-												-	0%
Total expenses		3,750	2,794	2,788	2,783	2,777	2,772	2,766	2,760	2,755	2,749	2,743	2,738	34,175	10%
Taxable profit (loss)	1	(3,750)	15,206	15,212	15,217	15,223	15,228	15,234	15,240	15,245	15,251	15,257	15,262	163,825	46%
Tax (expense) benefit	1			(6,667)			(11,417)			(11,430)			(11,443)	(40,956)	-11%
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)	-9%
Net profit (loss)		(3,750)	12,206	5,545	12,217	12,223	811	12,234	12,240	816	12,251	12,257	820	89,869	25%
Depreciation	3	-	12	12	12	12	12	12	12	12	12	12	12	128	
Equipment purchases	3	(700)	-	-	-	-	-	-	-	-	-	-	-	(700)	
Principle, equipment loan	7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repay debt financing	7	60,000	(817)	(822)	(828)	(833)	(839)	(844)	(850)	(855)	(861)	(867)	(873)	50,712	
Owner contribution	3	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000	
Equity investor	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash flow		75,550	11,401	4,734	11,401	11,401	(16)	11,401	11,401	(28)	11,401	11,401	(41)	160,009	
Cash, period start		-	75,550	86,951	91,686	103,087	114,489	114,473	125,874	137,276	137,248	148,649	160,050	-	
Cash, period end		75,550	86,951	91,686	103,087	114,489	114,473	125,874	137,276	137,248	148,649	160,050	160,009	160,009	