

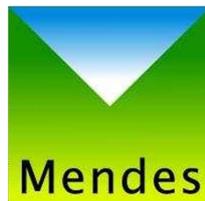


**I N T E L L I G E N T E N E R G Y**  
**E U R O P E**



more options for energy efficient  
mobility through Car-Sharing

**Deliverable 7.5**  
**Guidelines for Business Plan to start up Car-Sharing**  
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**momo** Car-Sharing  
More options for energy efficient mobility through Car-Sharing

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*These guidelines have been written to assist individuals, companies and organisations wishing to secure financial resources to start up a professional CarSharing service. In addition to providing a structure for the preparation of a business plan, useful commentary and content have also been included.*

# 1 Confidentiality Agreement

## 1.1 Background

Business Plans are by their very nature confidential documents. They may be prepared as part of a competitive process and in consultation with one or more financial institution, individual or a group of investors, partners and advisers. It is important therefore that all of these parties sign a Confidentiality Agreement along the lines set out below from the compiling of an initial draft through to the final version of a Business Plan.

## 1.2 Content of Confidentiality Agreement

The undersigned reader acknowledges that the information provided in this business plan is confidential; therefore, the reader agrees not to disclose it without the express written permission of [company name]

It is acknowledged by the reader that information to be furnished in this business plan is in all respects confidential in nature, other than information that is in the public domain through other means, and that any disclosure or use of this confidential information by the reader may cause serious harm or damage to [company name]

Upon request, this document is to be immediately returned to [company name]

Signature

Name (printed)

Date

**NB: This is a business plan. It does not imply the offering of any securities.**

## 2 Executive Summary

This section should not be completed until the business plan is written. It will highlight all milestones in the company's development over the next three years. It should sum up the following areas with a brief description of each, as outlined below.

Remember that potential investors often make a provisional judgement based on the executive summary, and that their decision to read the main body of the business plan will depend on the information presented here. The appendices at the back of the plan contain more detailed information to support the main text of the business plan.

- Purpose of the plan

The purpose of this business plan is to provide background on the development to date; set out its proposed future development; detail the equipment, staffing and financial resources required to maintain and extend the service; and to secure the necessary financial resources from potential lenders and investors in order to be the principal operator in the city/country.

- Service and its advantages

CarSharing is a convenient and affordable alternative to private and business car ownership. It is a technologically-smart, cost-reducing and sustainable environmentally friendly service that appeals to businesses and private individuals alike.

It is for those trips where public transport is not convenient or for use by company staff, who could get to work by public transport, bicycle or walking, knowing that there's a vehicle available for their use during the working day if required.

It gives its customers independence; it enables them to book online or by phone for one hour or as long as they need. Once at the vehicle they use their personal smartcard to unlock it. They hop in. Enter their PIN to get the key and drive off. Once their trip is finished, they return the vehicle to the same location and lock it with their smartcard. That vehicle is then available for the next customer.

- Market opportunity

This is a worldwide business that is growing by over 30% per year. It will eventually help reduce customers' carbon emissions by 40%. The service is unique in [city/country] at present and success will enable us to extend it to other cities and towns.

- Management team

The names and responsibilities of the management team should be set out in a simple table, as outlined here:

<b>Name</b>	<b>Responsibility</b>
A	Managing Director & Chief Financial Officer
B	Technical and Operations Director
C	Sales & Marketing Director

- Track record, if any

Many cities in Europe, North America and Australia already have this type of service using tried and tested systems with satisfied customers. Include here details explaining the track record of any experienced partners.

- Financial projections

Financial projections should be summarised and highlighted. The following format is suggested as a guide:

<b>Item</b>	<b>201X</b> <b>€</b>	<b>201Y</b> <b>€</b>	<b>201Z</b> <b>€</b>
Income:			
Hiring of cars			
Admin fees			
<b>Total income</b>			
Expenditure:			
Fleet costs			
Office costs			
Back office costs			
<b>Total expenditure</b>			
<b>Profit before Tax</b>			
Taxation			
<b>Profit after Tax</b>			
<b>Retained Profit</b>			

- Break even calculations

Calculations of break even point per vehicle should be estimated and could be shown separately for each car station. For example, the upper three rows might show calculations based on all the average monthly operating costs per vehicle, including associated infrastructure costs, but excluding promotional costs, central administrative costs and staff costs. The lower three rows might show calculations based on all the average monthly operating costs per vehicle, including associated infrastructure costs, plus promotional costs, central administrative costs and staff costs apportioned equally per vehicle for costs estimated for Year One. As the fleet grows and activity levels and costs increase in future years, the break even point per vehicle will change.

<b>Location</b>	<b>Av. Monthly Cost/vehicle</b>	<b>Break even by number of hours per month @ €X</b>	<b>Break even by number of trips per month @ X hours per trip</b>
CS1	X00	XXX – X% of bookable time	XX
CS2	Y00	YYY – Y% of bookable time	YY
CSn	Y00	ZZZ – Z% of bookable time	ZZ
CS1	X00	XXX – X% of bookable time	XX
CS2	Y00	YYY – Y% of bookable time	YY
CSn	Z00	ZZZ – Z% of bookable time	ZZ

- Funding requirements

Set out the level of loan and/or investment required both initially to get established and over subsequent years for expansion. It is important to explain briefly what the funding will be used for, e.g. as working capital and/or to acquire the number of vehicles required to meet demand. Factor in repayment of such a loan and/or investment over X years, indicating when profitability will be achieved.

## **3 Company Description**

### **3.1 Promoters and Shareholders**

Brief details of the company, its locations and shareholders names and their share should be included.

### **3.2 Advisers**

Financial, legal, and other advisors should be listed, with names, addresses and contact details.

### **3.3 Products and services**

Explain clearly what your service is and what it does under the following headings. Examples of content have also been included.

- Background to development

Include details of the company and its partners, the research undertaken and tools used, e.g. the Transferability Matrix, which was developed during the MOMO-CarSharing project and published as Deliverable 7.1. Any agreements with local councils, developers or other partners, such as parking management or housing management companies should be detailed.

It is also useful to set the plan in the local, regional and national contexts in terms of similar services, legislation and policies already in place.

- Benefits and Features

This type of service, usually called CarSharing (Car Clubs in Britain), has been operating successfully in various parts of Europe for over 20 years, in Britain and North America for over 10 years. It provides quick and easy access to a car without the hassle of owning one. Customers can make use of vehicles as and when they need them. All they have to do is:

- Reserve - for as little as an hour at a time, using the internet or by phone. The reservation can be made well ahead of time or with a few minutes' notice.
- Unlock - cars are located at designated parking bays in the local area and are accessed using a smartcard.
- Drive - once inside the driver enters a PIN and drives away, returning the car at the end of the journey.
- Pay - charges include VAT, fuel, maintenance and insurance costs and are usually payable directly from the customer's bank account.

Charges are usually set on a time and distance basis, with limited administrative fees charged at registration and on a monthly or annual basis. Returnable deposits can also be taken upon registration.

- Unique selling points

Evaluation of CarSharing has shown that it makes a positive contribution to the environment. Research elsewhere in Europe and in North America, shows that CarSharing reduces parking pressure, cuts out unnecessary car journeys and helps to combat pollution and congestion. CarSharing customers are more likely to walk and

cycle, use public transport and make lower levels of motorised travel than car owners. The type and range of vehicles operated can differentiate the service from that of other operators or competitors.

- Advantages to customers

In many cities CarSharing operators and public transport operators provide an integrated smart card and/or other financial incentives for their customers to seamlessly use both services. In Belgium, the state railway company is a shareholder in the national CarSharing holding company and the regional public transport operators in Brussels, Flanders and Wallonia are shareholders in the provincial CarSharing operation in their region. This allows for an integrated approach to promotion of public transport and CarSharing as complementary modes of transport.

A big attraction of CarSharing is the reserved parking spaces for each vehicle. They are conveniently located near homes and businesses.

For small businesses and larger employers alike, CarSharing enables an organisation to take control of staff car travel on the employer's business, using fuel efficient vehicles. Staff can make reservations on the internet, or even by phone, thus removing the burden from someone needing to maintain a diary and sort out key handovers. Staff can travel to work by public transport, bicycle or on foot.

The CarSharing operator does all the administration and looks after the cars. A single itemised bill for all of the organisation's staff car use arrives monthly and allows costs to be kept under control and to be allocated to cost centres.

Employers have no more problems with staff finding a parking space or running out to fill meters. They can cease paying a fortune for car parking, and can forget about the paperwork (e.g. of running a company car scheme, handling staff car expense claims, or running an in-house company car fleet), with reduced car-related tax liabilities.

- Disadvantages or weak points

Any disadvantages or weak points can be addressed by carrying out a SWOT analysis, see 3.6 below. Reference might again be made to the Transferability Matrix, see above, which reviewed potential barriers to successful operation.

### **3.4 Long Term Aim of the Business**

State the long-term aim of the new business, for example that the plan is for the company to become the leading CarSharing operator in the city, region or country within a certain number of years.

### **3.5 Objectives and future developments**

Details of the estimated growth should be included showing the projections for customers, vehicles and stations at each year end over the next few years. This could also be broken down by area/city should the company plan to start up in new locations during the period covered by the Business Plan.

### **3.6 SWOT Analysis**

Analyse the strengths and weaknesses of the business, the opportunities that exist in the marketplace, and the threats to the viability of the project. This is best done in a matrix diagram as follows (some examples have been included in the table below:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Experienced &amp; committed management team</li> <li>• Experienced advisers</li> <li>• Sole service provider in city/country</li> <li>• Tried and tested technology</li> <li>• Satisfied customers</li> <li>• Appropriate vehicles</li> <li>• Strategic locations</li> <li>• Local council support</li> <li>• Central government support</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Lack of own financial resources</li> <li>• Lack of outside investment</li> <li>• Cash flow</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• To become a concept embedded in national culture and lifestyle</li> <li>• Contracts with corporate customers</li> <li>• National programmes – positive decisions</li> <li>• Promised legislation is passed</li> <li>• Create partnerships for the inclusion of electric vehicles in fleet</li> <li>• Generating deals for customers through promotional campaigns</li> <li>• Co-operation with public transport</li> <li>• Co-operation with city bike schemes</li> <li>• Further marketing through new media</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• National programmes – negative decisions</li> <li>• Promised legislation is not passed</li> <li>• Better funded competitors</li> <li>• Ongoing credit and liquidity problems in the economy</li> <li>• Slower than anticipated growth</li> </ul>

## 4 Market Analysis

### 4.1 Target market

Depending on whether CarSharing already exists in the city, region or country, it may be very difficult to ascertain the nature of the market, to provide a total market valuation, to identify market trends and to provide profiles of competitors.

Should CarSharing not already exist in the city, region or country, in order to gauge market size and growth patterns it may be useful to consider how CarSharing has developed in similar cities, regions or other countries, such as Switzerland and Belgium. In the former, where the concept originated over 20 years ago, the number of customers of the sole operator had risen to about 100,000 with 2,500 vehicles at 1,200 car stations in 450 locations by late 2010. In Belgium the service started there in September 2002 and has grown to about 8,000 customers with 300 vehicles at 129 car stations in 19 cities by late 2010.

A set of assumptions should be used about who is more likely to find that CarSharing fits into their lifestyle, based on the experience and data derived from CarSharing operations elsewhere in Europe. This includes searching for areas that have a high combination of factors, such as:

- Higher population and jobs density
- Less access to a privately-owned motor car
- Higher use of non-car modes to undertake regular journeys to work, school or college, and shorter journey times to these destinations
- Households with a lower proportion of very young or elderly residents
- Residents living in multi-occupation buildings, and who are therefore more likely to face on- and off-street parking difficulties
- Higher than average income and social class
- Higher employment rates
- Higher affluence, lower deprivation scores

A CarSharing service therefore needs to have a range of members who will make use of the car at different times of the day. The most successful CarSharing operations have a mixture of business and private users, for example:

- The local council may reserve the cars for use by staff during the day and local residents will use them in the evenings and at weekends.
- Staff at the local third level educational institute may use them for inter-site travel and personal business in the day, and staff and students may book them for personal use in the evenings and at weekends.

Other potential business customers would fall into the following categories:

- Enterprise centres
- Government departments
- Health campuses, such as hospitals and care centres
- Housing management companies

## **4.2 Competitive Advantage**

### **4.2.1 Unique features**

This might be that any new service would be the sole provider in the city/region/country. The registration, booking, customer and fleet management ICT systems might be tried and tested or developed inhouse.

The spread and number of car stations and the number and range of vehicle types might exceed those of any competitor(s).

### **4.2.2 Price**

It is important to compare price and tariffs with direct competitors and similar types of service, such as traditional car rental companies. Although CarSharing is a different service and has a different tariff structure to traditional car rental, prices are often compared to theirs. In the early days and depending upon initial fleet size, it may be preferable to have vehicles available to customers for more short time use and so set prices to encourage behaviour accordingly.

Prices should be structured to cover direct operating costs and be very competitive to the alternative of car ownership unless people have cars, which are fully depreciated or do not have some form of car loan. CarSharing should also be very competitive with taxi/hackney prices and more flexible.

### **4.2.3 New technologies or systems**

Technologies and systems should ideally be tried and tested and simple to use for customers. A number of independent systems are available, but it may be useful to partner with an existing CarSharing service operator, which would be willing to provide training and ongoing technical support.

## **4.3 Benefits to Customers**

### **4.3.1 Saves them money**

This is very difficult to estimate as it depends upon their current alternatives, financing of car purchase and levels of car use. However, most booking systems provide a trip calculator on their website to enable potential and existing customers to consider whether CarSharing is an appropriate option for them. Cambio in Belgium has developed an online tool to enable potential customers to consider whether their service is an appropriate option for them and it would be possible to adapt this online tool.

### **4.3.2 Saves them time and hassle**

CarSharing is a full service model so that customers just get to drive with the CarSharing operator doing everything else.

### **4.3.3 Increase efficiencies**

For small businesses and larger employers alike, CarSharing enables an organisation to take control of staff car travel on the employer's business, using fuel efficient vehicles. Staff can reserve vehicles on the internet, or even by phone, thus removing the

burden from someone needing to maintain a diary and sort out key handovers. Staff can travel to work by public transport, bicycle or on foot.

All the administration and the cars are taken care of. A single itemised bill for all of the organisation's staff car use arrives monthly and allows costs to be kept under control and to be allocated to cost centres.

Employers have no more problems with staff finding a parking space or running out to fill meters. They can cease paying a fortune for car parking, and can forget about the paperwork (e.g. of running a company car scheme, handling staff car expense claims, or running an in-house company car fleet), with reduced car-related tax liabilities.

## **5 Marketing/Sales Strategy**

### **5.1 Marketing Strategy**

#### **5.1.1 Segments of the market to be targeted first**

Having identified the most promising locations for car stations, based on the success factors detailed in 4.1 above, it is important to concentrate on the areas immediately surrounding them, which means leafleting locally to target local residents and visiting businesses in the locality.

#### **5.1.2 How will this be developed to reach the full target market?**

Experience has shown that the best way is to identify the relevant places, e.g. shops, cafés, pubs and offices where people naturally congregate in the locality and provide them with flyers and posters about the service as well as leafleting on the street outside them. In order to encourage registration by local businesses, it is best to visit them on a one to one basis.

#### **5.1.3 How will you differentiate the service?**

Spell out the key features of the service, especially the location of vehicles near homes and businesses and the ability to reserve vehicles for as little as an hour.

#### **5.1.4 What key benefits will be highlighted?**

Highlight the hassle free aspect of the service, its cost-effectiveness and its contribution to environmental improvements.

#### **5.1.5 What potential customers have already been targeted?**

Provide details of any preparatory work that has been undertaken, for example the targeting of local residents in the areas where car stations are to be located and any approaches to local businesses, providing details of agreements made with them in addition to standard registrations.

#### **5.1.6 What contacts can be used to generate market awareness and sales?**

Provide details of contacts with people and businesses known already, as well as the various media, both local and national. List appearances on local and national TV news, on local and national radio programmes, including specific ones related to business, and in local and national newspapers, both news and features sections. Media people might also be signed up as "ambassadors" for the service by giving them the opportunity to try out the service initially or when new car types are acquired or new car stations are opened.

#### **5.1.7 Who will do the marketing?**

Specify which senior member of the management team will be responsible and how that person will be supported by other people involved in the business.

## **5.2 Revenue Sources**

### **5.2.1 Contributions to revenue and profit**

If the company is dedicated solely to providing the CarSharing service, then all revenues and any profit generated by the service should contribute directly to its revenue and profit. If not, then it is necessary to indicate the proportion of the company's revenues and any profit generated, which will be apportioned to the CarSharing operation.

## **5.3 Sales Strategy**

Set out which members of staff will be responsible for delivering the sales strategy, how it is supported and the main tools used. The staff should include a senior member of the staff team and other sales personnel and how they are paid, e.g. on a commission only basis. The Sales Strategy should also be supported by the Marketing and Communications Strategy, see 5.5 below.

The main tools might include flyers and posters, designed specifically to draw people to the website, which should include such items as a short video clip showing how the service works as well as downloadable material, including the Customer Manual, which also contains Terms & Conditions.

## **5.4 Pricing**

Pricing of the various elements of the service will depend on the costs of the service, but a feeling for the levels can be obtained by comparing with other similar services in the city or country. If none exist already in the city or country, then reviewing tariffs from other countries can give a good basis, as they will have been devised as a result of customer use and behaviour over many years.

However, offering initially a simple tariff and price structure, which can be reviewed on the basis of experience of customer use and behaviour, can be an appropriate course of action to take. The tariff(s) should include administrative fees, such as a registration fee and monthly charge, time and distance charges. These are usually inclusive of insurance, fuel and other charges. Different rates might apply for private and business customers, principal drivers and additional drivers on the main customer account, as well as for the different class or type of vehicles available.

There should also be a number of fixed cost penalties and fines as well as some reimbursable items, which should be clearly set out in the Manual issued to all customers.

Introductory offers and occasional offers, such as waiving of the registration fee or giving a % reduction on initial trips, can also be included in the pricing process.

## **5.5 Marketing and Communications Strategy**

This will need to take the form of a wide range of approaches and some examples are listed below.

### **5.5.1 Sales team**

Provide details of the sales team, whether people will work part time or full time, be compensated by commission, based on new customer acquisition and increased

vehicle usage or just paid a basic salary. Clarify their areas of responsibility, i.e. geographical areas and also related to corporate and private individual sales.

### **5.5.2 Leafleting of car station locations and surrounding areas**

Provide details of who will carry this out and what their specific tasks will be, e.g. focusing on car station locations and residential and business developments in the immediate vicinity as well as main gathering points and events.

### **5.5.3 Online viral marketing**

This has become an essential marketing tool. It is likely that a professional online social marketing company will be required to set up and actively promote on Facebook, Twitter, YouTube, Forums, Blogs, Discussion boards etc, and this can then be taken over by inhouse staff. This might involve an ongoing campaign promoting the service concept through news, creative ideas, prizes, online PR, groups and networks and competitions. Customers could also be encouraged to promote the service to their networks of friends and work colleagues.

### **5.5.4 Update content of website**

It is essential to incorporate content into the front end of the website on an ongoing basis. A useful tool would be to have a video linked directly from the homepage and reviewed regularly to ensure currency and validity.

### **5.5.5 Event Sponsorship**

As CarSharing is a locality and community based business, constant local event sponsorship is required. It needs to become synonymous with living in the city. So, it is important to be aware of local events and activities, such as local business networking opportunities and cultural events.

### **5.5.6 Online advertising**

Online banner and competition advertising on websites dealing with local news, entertainment, events, job searches, apartment searches, dating and media should be explored and implemented, including special offers on network related websites.

### **5.5.7 Public Relations**

It might be useful to engage the services of a professional PR company in order to keep the concept of CarSharing, through the written press in particular, constantly in the view of residents, businesses and regular visitors.

### **5.5.8 Radio**

Local radio is a perfect word of mouth format. Ways of using radio might be a creative campaign on local and national radio whereby specific relevant content and features are sponsored.

### **5.5.9 Location signage**

On street signage at new car station locations has proven to be a very effective advertising tool.

### **5.5.10 Video**

Visual tools are very useful ways of explaining and promoting CarSharing and can be used on website, social media marketing and for displays and exhibitions. The video could be updated annually with each year's video focusing on recent developments and target different sectors of the population and uses by customers.

### **5.5.11 Exhibitions**

Materials, e.g. pop-up posters, might be created and should continue to be devised to support attendance at local and national corporate exhibitions/expos, such as those during European Mobility Week each September or Green Building expos.

### **5.5.12 Corporate Organisation membership**

Become a member of local business networks, such as the Chamber of Commerce, as they provide the opportunity to promote the service to potential customers, trade with other organisations; even find potential partners or outside investors.

### **5.5.13 E-mail newsletter**

Internal communications to customers is very important, so a regular e-mail newsletter to customers should be provided. This can also be used to send to other organisations for circulation to their customers or members.

### **5.5.14 Promotional Prizes**

Promotional and competition prizes for existing and potential customers might be a useful way of retaining or gaining interest. They can be promoted through the newsletter and with social online media competitions, customer referral incentives and new car station campaigns.

## **6 Research and Development**

### **6.1 Research and Development**

It will be important to show that, where appropriate and affordable, new developments in the range of technology deployed to make CarSharing more relevant, efficient and financially viable are being considered, researched, tested and implemented.

Although R&D will have contributed to the initial setting up of the service, ongoing R&D is an important activity to maintain the currency of the various resources used to operate the service. This might include improvement to the various software programmes, which drive the back office functions managing customer care, fleet management and bookings, as well as improving and developing the website and the ways in which customers can book and use vehicles.

CarSharing operators are also actively involved in operating or considering how vehicles powered by biofuels or electricity can be incorporated into their fleet. This has already had implications for the booking and customer access systems as well as other operating procedures.

### **6.2 Technical Partners**

Provide details of existing technical partners, such as those involved in providing customer and vehicle management software and hardware, the vehicles themselves and provision of car stations.

### **6.3 IP, Patents, Copyrights, Brands**

Provide details of any agreements, which have been made regarding the intellectual property, patents and copyright related especially to software used, promotional material produced and any co-branding with key partners.

It might also be necessary to protect the name of the service by including it in the name of the company and/or as a Registered Business Name of the company. For example the name of the company might be X City CarSharing, but the name of the service might be EasiCar X. The latter should be a registered business name of the former.

## 7 Staffing and Operations

### 7.1 Management (including Board) Organisation

Provide a list of the members of the Board and their responsibilities, for example as set out below:

Name	Responsibility
A	Managing Director & Chief Financial Officer
B	Technical and Operations Director
C	Sales & Marketing Director

List other members of staff and their responsibilities, for example as set out below:

Name	Responsibility
D	Accounts & Customer administrator
E	Technical and Operations Assistant
F	Sales assistant

Set out the division of functions and tasks and the people responsible for them, for example as set out in the table below:

Function	Tasks	Who
Financial management	Checking monthly bills. Pro-active credit control. Analysis of costs and performance. Weekly and monthly management reports.	B & D B & D A & B A & D
Sales	Follow up/respond to on-line & phone enquiries. Monitor each customer's registration process. Prepare and issue SmartCard, PIN and customer manuals. Post registration follow up with customers	C & F B & D C, D & F C & F
Customer services	Issue information via e-mail and/or electronic newsletter. Manage complaints. Reservations by phone	C & F B & D call centre
Operations	Responsible for fleet matters - vehicle checking and cleaning; vehicle hardware; dealing with error messages.	B & E
Marketing & PR	Information sessions Update website information Raise the profile of the company/brand by a mix of media coverage and marketing initiatives. Prepare marketing materials. Distribute promotional material, e.g. leaflets	C & F C C & F C & F C & F
Future developments	Update business plans and seek investors	A assisted by rest of Board

### 7.2 Staffing

Provide details of future staffing needs during the period of the business plan and rationale for these needs. This might mean that rather than adding more staff members, existing paid staff members will have their hours increased and voluntary staff will be replaced by paid staff; that any increase in staff would be local sales and technical/operations assistants in existing locations or in new locations elsewhere in the city/region/country as the service expands.

## 7.3 Training Plans

Provide details of the training undergone to date and by whom it has been provided, as well as what future training might be envisaged.

For example, training and technical assistance in the use of the ICT system might have been provided to key staff by colleagues from technical partners and this has been enhanced through in house training by key staff to the relevant individuals in the staff team. Future training could then be on a similar cascade basis along with technical assistance provided on an ongoing basis by technical partners as the ICT system is updated.

## 7.4 Operations

### 7.4.1 Physical requirements of the business:

#### *7.4.1.1 Vehicles*

Provide details of the vehicles to be operated initially, the rationale for choosing them and for choosing any new types of vehicle to be acquired in the future. The choice of vehicles will depend upon the results of a feasibility study or market research exercise as well as availability. Given that most CarSharing operations start with a small fleet, it might make sense to choose the most flexible type of vehicle of the same brand with a very limited range of 2/3 different models. As demand grows and customers make suggestions for other models, such as larger vans or people carriers, the class and type of vehicle can become more varied. The level of quality features should also be considered, e.g. sunroofs, onboard entertainment (CD player), sockets for personal items, such as mobile phones, and Bluetooth.

#### *7.4.1.2 Premises*

Provide details of any premises already acquired and the nature of existing agreements related to the premises. If premises have not already been acquired then set out the nature of ideal or potential premises and their likely cost.

#### *7.4.1.3 Equipment*

List all the essential equipment, such as standard office equipment, including PC/laptop, multifunctional printer/scanner/photocopier.

In addition to the office equipment, list the equipment associated with vehicles, such as an onboard computer, a keypad, a card reader, loudspeaker and microphone as well as a handbook, child seat, torch, Hi-Viz jacket, first aid kit, warning triangle, umbrella, screen scraper/wiper and disposable camera. Estimate the cost of these items per vehicle, including installation of the onboard ICT equipment.

#### *7.4.1.4 Infrastructure*

List the main infrastructure items, which might include barriers installed in each space at the car stations and the marketing signage located at each car station. The costs of such infrastructure should also be included.

In some locations CarSharing operators have separate lockers for keys to vehicles, accessed by smartcard. Such key lockers (see photos over page) replace the need for the main onboard computer and keypad and cost about 4 times that of onboard equipment.



#### *7.4.1.5 Communication facilities*

Provide details of the main communications facilities required. These are related to the onboard computers in each vehicle or in each key locker, which is usually fulfilled by a simple mobile phone SIM card. This allows for communication between the vehicles/key locker and the main booking server and the booking call centre.

In addition, details should be provided of any mobile phone technology issued to and used by staff members. This could range from simple mobile phones to more sophisticated smart phones, which can be used for regular vehicle checks.

#### *7.4.1.6 Suppliers*

Provide details of the suppliers of all the equipment and material used/to be used in the new service/system. This would need to include the onboard ICT equipment, key lockers, the back office software systems, technical support and training in same, the call centre and website, the vehicle space barriers, information boards and marketing signage, design and printing of promotional and informational material, telematics services, including SIM cards, fuel cards and of course the vehicles themselves.

## 8 Financial Projections

This section should contain the following items:

- Key Assumptions
- Profit and Loss Accounts
- Balance sheets
- Cash flow forecasts

### 8.1 Key Assumptions

#### 8.1.1 Income sources

Provide details related to estimates for new customer acquisition rates, take up of any optional items by new and existing customers, such as any excess reduction fee for authorised drivers; monthly/annual administrative fees paid by all new customers and additional drivers; usage fees based on an average number of hours per trip and an average distance per trip, with estimates of the % of new customers and % of existing customers using a vehicle each month. These figures can be obtained from other CarSharing operators, in order to provide initial estimates and should be closely monitored to see how the trip averages change over time and new averages should then be used to estimate income accordingly.

Any block booking fees for business or organisational customers should also be included as part of any agreements with them, providing details of the fee structure in each case.

#### 8.1.2 Number of employees projected for each year and their intended salaries

Use the table below to list the various staff levels and their starting and subsequent salary levels.

Position	€
MD & CFO	Starting at X,000 in 201X moving to Y,000 in 201Z
Technical & Operations Director	Starting at X,000 in 201X moving to Y,000 in 201Z
Sales & Marketing Director	Starting at X,000 in 201X moving to Y,000 in 201Z
Accounts & Customer administrator	Starting at X,000 in 201X moving to Y,000 in 201Z
Technical and Operations Assistant	Starting at X,000 in 201X moving to Y,000 in 201Z
Sales assistant	Starting at X,000 in 201X moving to Y,000 in 201Z

#### 8.1.3 Expense calculations

Provide details of operating costs, including apportioned purchase costs of vehicles, lease and rental of vehicles, purchase of onboard or other ICT equipment, along with associated costs of refuelling, cleaning, maintaining and repairing vehicles plus marketing signage and ongoing promotional material.

#### 8.1.4 Break even calculations

Calculations of break even point per vehicle should be estimated and could be shown separately for each car station. For example, the upper three rows might show calculations based on all the average monthly operating costs per vehicle, including associated infrastructure costs, but excluding promotional costs, central administrative

costs and staff costs. The lower three rows might show calculations based on all the average monthly operating costs per vehicle, including associated infrastructure costs, plus promotional costs, central administrative costs and staff costs apportioned equally per vehicle for costs estimated for Year One. As the fleet grows and activity levels and costs increase in future years, the break even point per vehicle will change.

<b>Location</b>	<b>Av. Monthly Cost/vehicle</b>	<b>Break even by number of hours per month @ €X</b>	<b>Break even by number of trips per month @ X hours per trip</b>
CS1	X00	XXX – X% of bookable time	XX
CS2	Y00	YYY – Y% of bookable time	YY
CSn	Y00	ZZZ – Z% of bookable time	ZZ
CS1	X00	XXX – X% of bookable time	XX
CS2	Y00	YYY – Y% of bookable time	YY
CSn	Z00	ZZZ – Z% of bookable time	ZZ

## 8.2 Profit & Loss

<b>Item</b>	<b>201X €</b>	<b>201Y €</b>	<b>201Z €</b>
Income:			
Hiring of cars			
Admin fees			
<b>Total income</b>			
Expenditure:			
Fleet costs			
Office costs			
Back office costs			
<b>Total expenditure</b>			
<b>Profit before Tax</b>			
Taxation			
<b>Profit after Tax</b>			
<b>Retained Profit</b>			

### 8.3 Cash flow forecasts 201X-201Z

Cash flow forecasts should be set out on a monthly basis for each year and might include the following items for each location in the first table and for the whole operation in the second table. Using spreadsheet software, it is possible to amend, revise and update these easily, as cells are linked and formulae set up as appropriate.

#### Location X/Y

##### Income

- New Customers
- Excess reduction fees
- Monthly fees
- Hire fees
- Block booking - council
- Block booking - corporate

**Total Income**

##### Operating expenditure

- Local staff
- Fuel
- Cleaning
- Promotion
- Car Station infrastructure
- Car station space rental
- In Car equipment
- Car Leasing
- Car insurance
- Repairs

**Sub Total**

**Total Expenditure**

#### XYZ CarSharing Service

##### Income

- New Customers
- Excess reduction fees
- Monthly fees
- Hire fees
- Council X
- Council Y
- Block booking - corporate
- Investment
- Loans
- VAT/Tax Refund

**Total Income**

**Admin expenditure**

Core staff wages & social/tax costs  
Travel & Subsistence  
Telecoms  
Insurance (PL, EL and office)  
Stationery & Office supplies  
Postage  
Printing and copying  
Rent, heat and light  
Audit, accountancy & legal  
Bank charges & interest  
ICT

**Sub Total**

VAT Payments  
Loan Repayments

**Sub Total****Operating expenditure****Location X****Sub Total****Location Y****Sub Total**

System contract fees

**Total Expenditure**

## **9 Funding Requirements**

### **9.1 Sources**

#### **9.1.1 Promoters' funds**

Provide details of any funds, either by way of loans or investment, made by the promoters from their own resources.

#### **9.1.2 Bank lending**

Provide details of any loans and/or overdraft facilities made by the bank, including terms for repayment of loans and review period for any overdraft facility.

#### **9.1.3 Grants or loans from agencies**

Provide details of any grants or loans from government agencies and their terms and conditions.

#### **9.1.4 Investment already received**

Provide details of any investment already received, including from the promoters themselves and outside investors, including the nature of the investments, e.g. loans and/or equity, and the associated terms and conditions.

#### **9.1.5 Investment sought**

Provide details of any additional investment being sought and when it will be required, including the precise amounts, the dates when required and repayment conditions or share options to be made available.

### **9.2 Application of funding**

Provide details of how the funding received or being sought has been or will be used. Potential uses are set out below.

#### **9.2.1 Equipment**

Vehicles and associated ICT equipment, car station infrastructure and marketing signage.

#### **9.2.2 R&D**

Incorporation of EVs into fleet and associated additions to booking and monitoring systems.

#### **9.2.3 Marketing**

Various items as set out in Section 5 of this business plan.

#### **9.2.4 Staffing**

Management, technical, operations, sales and administrative staff.

### **9.3 Exit strategy**

Investors and the shareholders of the company will require to be informed of any exit strategy and so it is important that this is considered carefully. Examples of each type are set out below.

#### **9.3.1 For the individual investor**

Time limited return of their capital sum plus interest agreed at the point of investment if by way of a loan.

If their investment is by way of equity, either transfer or sale of their shares to other shareholders or redemption of their shares by the company directly or sale of their shares to new investors.

#### **9.3.2 For the company**

Ideally, there would not be an exit strategy for the company as it should intend to continue to give a service, to move towards profitability and expansion. This is likely to need to attract additional investment in order to achieve its full potential and incorporate new models, technologies and markets.

Alternatively, in order to achieve profitability, expansion and its full potential, it might be necessary to sell the company to a competitor or to a new entrant to the market or to a new set of investors.

## 10 Appendices

### 10.1 Outline of content

This section should be used to provide the detailed data on which the main text of the business plan is based, and to provide extra information of interest to the readers of the business plan. Items for inclusion in appendices normally include some or all of the following:

- Biographical profiles of the promoters
- Detailed financial assumptions
- Most recent Company Audited Accounts (if available)
- Share Cap table and Investment history
- Term Sheet from Potential Investors
- Detailed market research findings (feasibility study)
- Promotional literature (posters, flyers, leaflets, brochures)
- Product or service information (customer manuals, vehicle handbooks)
- Agreements with local councils and other strategic partners
- Details of company website (see 10.2 below)
- Testimonials or letters of intent from customers (see 10.3)

### 10.2 Outline of website

The company web site is [www.xxxxxx.com](http://www.xxxxxx.com).

Map of proposed website:

Homepage:

- Link to short explanatory video
- Link to registration/application process
- Link to Tariffs
- Link to Locations
- Link to Vehicles
- News
- Login field (using customer number and unique PIN) to make reservations and access personal data
- Links to
  - What is CarSharing?
  - Facebook, Twitter and Blog
  - Downloads
    - Customer manual
    - Leaflets
  - Frequently Asked Questions (FAQs)

## 10.3 Examples of Testimonials

### 10.3.1. Private Customer

*I intend to become a customer because I need to transport some large items. A van would therefore be great. I will be considering getting rid of my own car as the CarSharing service is much more convenient for parking in the city centre.*

### 10.3.2 Business Customer

*We have two offices in the country. Our staff travel regularly between offices and need to visit clients just outside the cities where our offices are located. It will be more convenient to take the train and to use the CarSharing service to visit those clients. The benefits are twofold; firstly we can work whilst on the train and secondly the convenience of the vehicles located at the station means that we will simply have to cross the road to use the car, and likewise on the return trip, just park at the station and take the train.*

*There is also the added financial benefit in that using the CarSharing service instead of a taxi, we will make savings and have some independence. We also find that our employees will prefer to use the CarSharing service as the payments are centralised, rather than having to pay cash for taxis and claim on expenses.*