

## **PedalHopper Business Plan**

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### **Description of business:**

The PedalHopper is a pedal-powered touring vehicle designed to be operated by a company driver and rented by passengers who do the pedaling. PedalPub was created by Dutch businessmen over ten years ago. They have had great success with several routes running through Amsterdam and various European cities. Within the last few years, the North/South American franchisee, Al Boyce, has been establishing the PedalPub in the U.S., with locations in Minneapolis, Texas, and Louisiana. My idea is to bring the PedalPub (with a new name – PedalHopper) to Lawrence for people to share good times while riding through the city. A driver is provided, the Hopper is rented on an hourly basis, and the interior has plenty of space for renters to bring their own food and drinks. It is merely a people-powered rented touring vehicle, not a bar or a restaurant. The routes are described below:

Route 1: (Downtown) Starting on 12<sup>th</sup> St. at Massachusetts or Vermont, traveling north to 7<sup>th</sup> or 8<sup>th</sup> St., west to Massachusetts or New Hampshire and south back to the starting point.

Route 2: (KU stadium) Starting on 12<sup>th</sup> at Massachusetts or Vermont, traveling north to 8<sup>th</sup> St., west to Mississippi or Illinois, making a left and heading up to the stadium parking lot past 10<sup>th</sup> St, then returning by the same route.

### **Vision:**

My goal is to have more activities for the city of Lawrence, to have the PedalHopper solidly booked during the months of operation, and to expand the business enough to hire a trustworthy crew of drivers.

### **Definition of Market:**

PedalHopper is designed for adult riders age 18 or above. If alcohol is brought on board, the riders must be 21 and older. It's a new way to provide outings for family reunions, KU Football fans, parades, pubcrawls, civic and church groups, company parties, fraternity and sorority groups, wedding parties, you name it, we provide it.

### **Organization and Management:**

I will drive for and schedule the PedalHopper rides, and eventually hire other drivers as I expand. The Hopper will be garaged near the route and picked up by trailer, then taken to the starting location where the renters will meet. It will be pedaled back to the starting location when the tour is finished. It will remain there until the next tour begins. After the last tour, it will be put back on the trailer and brought back to the garage.

**Marketing and Strategy:**

Al Boyce, the owner of the PedalPub franchise in North and South America, says the best sales marketing has been through word of mouth. Marketing online would include sites like Facebook and Myspace. Other advertising could be in local newspapers such as Journal World, INK, the Pitch, student newspapers, the Hawk sheet, dorm newsletters, and other publications with reasonable distribution.

**Financial Management:**

As the PedalHopper owner, I will be keeping the books - taxes, insurance, payroll for employees, and arranging processing for credit cards from the website. After the business expands I'll evaluate my need for an accountancy firm.

I have money saved, financing available, and will be able to keep up with payments based upon the first few years of business with the PedalPub in Minneapolis and Al Boyce's projections for the future.

**Financial History of Minneapolis PedalPub business:**

Gross Profit: 2008 \$ 23,700      2009 \$88,000

Al told me net profit ends up being about half of gross profit. I anticipate my gross profit will be about 3/4 of what theirs was, as a conservative estimate. Since Lawrence is densely populated with students and full of visitors, I expect to be able to market it easily.

**Why PedalHopper will be good for Lawrence:**

The PedalHopper will make Lawrence a livelier place and give business a boost. I will allow local businesses to put advertising displays on the Hopper, and it will bring in more shoppers and diners. The downtown businesses will get more exposure, too. Lawrence is a great place to live and a great destination for entertainment, shopping and eating. PedalHopper is silly, fun and a completely different way to enjoy being with a group of friends.

I've had very positive feedback from Minneapolis PedalPub riders who said it was a great activity. Let's do it here!

**Risks:**

The only real risks involve inappropriate behavior on the part of the riders. All passengers must sign a liability waiver before boarding the PedalHopper and are given bicycle helmets to wear. The vehicle is very slow moving (5mph max.) and has a reflective "slow moving vehicle" sign on the rear. The driver has the right to ask people to leave the vehicle if their behavior is inappropriate. The insurance company for the franchise has very specific requirements for safety, including minimum height and maximum weight for passengers.