

IQHaulers Inc

This is your submitted MassChallenge 2022 US Early Stage Application. It is being reviewed by MassChallenge Judges. Thanks!

Customer Pain and Solution

Problem - Please describe what problem (customer pain point) you are trying to solve.

Problems of truck owner-operators working for trucking companies:

Profitability - trucking companies optimize for Gross Revenue instead of Net Profit.

Safety - load selection does not account for such risks as weather, traffic, and safer road routing.

Lack of usage-based commercial insurance - expensive flat insurance premiums lead to insufficient time off and risk-taking during bad weather by the drivers

Solution - What is your solution? What is innovative about your solution, technology, business model, etc?

Our AI-enabled tech solution is comprised of load data aggregation, profitability analysis, GIS-based market analytics, routing engine, and trip risk prediction, which allows our dispatchers to effectively optimize profits and reduce accidents. Our dispatchers are incentivized to optimize for Profits, not Gross Revenue.

Owner-operators will benefit from our insurance solution resulting in lower premiums and increased work flexibility.

Overall Impact

Define the 1 year and 5 year impact that you hope to accomplish

Use whatever metrics are most appropriate for you (e.g., revenue, profit, jobs, societal benefits)

1 Yr ARR 0.5M - 50 trucks \$10K ARR per truck

5 Yr ARR 45M - 1,500 trucks \$30K ARR per truck

Reduction in the rate of accidents by over 20% compared to the industry average

Customer Needs and Acquisition

How do you define your potential market and what is the total addressable market size?

Use whatever metrics are most appropriate for you (e.g., dollars, people, devices)

US Trucking Spot Freight Market (the addressable segment of the overall trucking market) is \$72B, representing 240,000 trucks.

What traction have you made to date with market validation?

(e.g., users, paying customers, lab/trial data)

Interviewed 100+ potential clients, out of which 23 expressed interest in the solution and have already performed 7 demos of the product.

Marketing - What will be your messaging to users & customers? How do you plan to spread that message?

1) Increasing Net Profit by 15%

2) Improved trip planning avoiding increased work stress associated with bad weather, traffic, and difficult routes.

3) Decreased insurance premiums.

Sales and Distribution - How will you reach your customers? Via which channels will you likely reach your customers/users?

(e.g., online, retail locations, inside sales, partnerships, direct sales, value-added resellers, franchise, licensing)

1) Cold calling.

2) Word of mouth.

3) Social media/targeted online advertising.

Industry and Competitors

Which organizations compete with your value offering now, and who might do so in the future?

Stage 1. (Year 1 - Year 5) our primary competitors are: SmartHop and CloudTrucks (received \$20M each at round A and represent less than 1% of the market)

Stage 2. (Years 5+) - Uber Freight

Which organizations complement your offering in the market? Do you know of or anticipate any value chain partners?

Any trucking company interested in improving their dispatching service. Initial potential partners are Freight Union Inc and GGJ Express Inc.

What are your primary advantages relative to existing or potential competitors? i.e., Why will you win?

- 1) Our solution uses live dispatchers who have access to more than 30% of highly profitable and unpublished loads than what is available through self-service apps offered by competitors
- 2) Competitors' solutions do not address safety

Business Model / Financials

What are the key drivers of business economics (price points, margins, etc)?

What do you anticipate as the primary costs/revenue streams?

The key drivers of business economics are:

- 1) number of trucks serviced
- 2) number of days worked by a driver
- 3) service level of subscription:
 - averaging \$1,000 per driver per month for the basic level subscription
 - \$3,500 for premium
 - and \$6,000 for platinum level service
 - Each tier has ~40% gross profit margin

What is your company's legal structure?

C Corps

Regulation and IP

What IP (Intellectual Property) or regulatory requirements exist for your business or in your industry?

Who owns your IP currently? Do you foresee IP as a competitive advantage?

Trucking companies are regulated for safety compliance by the US Dept Of Transportation.

There are no additional regulations applicable to our business model. Our proprietary algorithms are protected by the black box.

How many patents or patents pending do you currently have?

Numbers only. Enter zero (0) if you do not have any current patents.

0

Founding Team and Advisors / Investors

Please share some background information on your team members, and tell us what makes your team special.

Yuriy Polyakov, CEO, MS Computer Science, 20+ years of business management in trucking and software development
Vasilii Pavlov, CTO, Ph.D. candidate in Physics, 12 years of small business ownership, 20+ years in software development.

Yan Pronin, COO, MBA, 20+ years in Logistics and Analytics for Fortune 500 companies
Maskim Polyakov, Software Engineer, quality-focused employee a relative to Yuriy Polyakov

Please tell us about current or anticipated advisors and investors.

Taras Melnychuk, Advisor, CEO of Smarten Transportation Inc an asset-based trucking company

Founders

MassChallenge is dedicated to supporting entrepreneurs throughout their lifecycle. Our partners and judges are always interested in knowing the personal stories of startup founders.

This company has a BIPOC Founder:

No, I do not want to share my company's founder information with the Mass Challenge community.

This company has a female or transgender Founder:

No, I do not want to share my company's founder information with the Mass Challenge community.

This company has a first-time Founder:

Yes, you may share my company's founder information with the Mass Challenge community.

Eligibility

Total Equity Funding Raised in the last 12 months:

In USD and please enter number only (no comma).

0

Total Revenue Generated in the last 12 months:

In USD and please enter number only (no comma).

0

Financial Position

If you have raised funding please share:

Date of most recent investment

Please follow MM/DD/YYYY.

N/A

Company valuation

N/A

Of the total funding raised, which of the following sources did you use? [Yes/No Response]

Angel Investment

No

Venture Capital

No

Government Grant

No

Foundation Grant

No

Friends & Family

No

Venture & Traditional Debt

No

Crowdfunding

No

Accelerators & Competitions

No

Of the funding raised, how much funding have you secured by source?

Please answer all fields in complete numbers (USD and no comma). For example, please write "1000000" and not "1million" If you have not secured any funding, enter 0.

Angel Investment

0

Venture Capital

0

Government Grant

0

Foundation Grant

0

Friends & Family

0

Venture & Traditional Debt

0

Crowdfunding

0

Accelerators & Competitions

0

Are you actively seeking investors?

Yes

How much money are you hoping to raise in your next funding round (US dollars)?

<\$5M

Scale

What is your current company headcount?

Yuriy Polyakov, CEO
Vasiliy Pavlov, CTO
Yan Pronin, COO
Maskim Polyakov, Software Engineer

Are you currently hiring?

No

Reach

What is your primary social media channel?

Facebook

In aggregate approximately how many social media followers does your company have across all platforms?

0-500

Company Alignment

Does your business fit into an active support community such as green tech, civil rights, or digital privacy?

No

How can this program best support you?

Please describe one or two specific ways you believe this program could support the growth of your company.

Receive exposure to investors

What do you want to get out of this program most?

Securing an investor

What are the top 3 content areas you are most interested in learning about during the program?

- 1) Negotiations with investors
- 2) Best practices in hiring, retention and compensation
- 3) Avoiding common pitfalls in early stages of growth

Promise to Engage

Please confirm that your company will actively participate in the accelerator program if your team is selected as a Finalist. Note that the 2022 US Early Stage Accelerator Program will be held virtually. Participation does not require a physical presence in the different program locations. We do expect goal focused, intentional engagement, and accountability by at least one full-time employee or founder (See our Founder Code: <https://masschallenge.org/founder-code>). Failure to engage actively in the accelerator may result in disqualification from the final competition for cash & in-kind prizes. If you may not be able to actively participate, please specify the reason below.

Yes, I agree

Promise to Engage - Comment

If you may not be able to actively participate, please specify the reason here.

Challenge Area

Please respond to the following prompts with a simple Yes or No answer to indicate which innovation topics are directly related to the solution you are representing in this application.

Artificial Intelligence - Does your solution utilize artificial intelligence and machine learning tools in its core functionality?

From cancer research to cybersecurity, artificial intelligence and machine learning tools are transforming work processes. In aggregate, the market for artificial intelligence software is expected to grow from USD 51 billion to USD 126 billion in the next three years.

Yes

Space - Does your solution have potential value to any type of space commercialization effort?

Advancements in space exploration will be the signature achievement of the next decade. The Webb telescope will expand our view of the universe, new space stations will be put in orbit, satellite-based internet and imagery will increasingly enable our daily lives, and scientists will conduct thousands of experiments in microgravity environments to further life on earth and beyond.

No

Cryptocurrency - Does your solution support the adoption, regulation, or discovery of cryptocurrency?

Companies and governments are working to adopt and accept cryptocurrency, as well as invest in and monitor it; however, .01% of Bitcoin holders currently hold 27% of the currency, belying the goal of crypto to be widely available to all.

No

Health Equity - Does your solution aim to mitigate inequities in the access to, delivery, and/or quality of healthcare?

Access to clinical care is directly correlated to an individual's overall health, but there are numerous socioeconomic factors in play as well.

No

Covid Recovery - Does your solution embrace a lifestyle change brought about by the pandemic and help society adapt to our new world?

The COVID-19 Pandemic has undeniably changed the way we live. From mask-wearing to hybrid working environments, many of the lifestyle changes brought about by COVID will remain a part of our lives.

No

Insurtech - Does your solution have the potential to disrupt the insurance industry?

The United States insurance industry is a behemoth, with USD 700 billion in annual premiums. Major insurance groups are established organizations, many of whom are looking for opportunities to leverage big data analytics to more accurately assess risk, evolve their portfolio of offerings, and improve client service.

Yes

Oral Health - Does your solution support better oral health habits and outcomes for all?

The baby boomer generation is the first generation which will keep their natural teeth over their lifetime. As we look toward the future, advancements in preventive care, access to care, and affordability of care and other technologies will undoubtedly revolutionize the ways we care for our teeth and mouths.

No

Autonomous Systems - Does your solution include hardware or software to enable autonomous systems?

Autonomous systems are increasingly prevalent in modern society including our transportation system, supply chain infrastructure, manufacturing processes and military operations. With the promise of increasing productivity, reducing errors, mitigating risk, and driving profitably the market for this technology is growing at an exponential rate.

No

Advanced Materials - Does your solution introduce a novel technology in the realm of material sciences with the potential to enhance existing manufacturing process?

Advancements in materials science will be essential to any effort to address a wide range of challenges including manufacturing microchips, increasing battery capacity, creating alternative plastics, and generating solar energy.

No

Life Sciences - Does your solution have the potential to advance treatments for any type of disease?

As the world emerges from the COVID-19 pandemic, the importance of advancements in mRNA vaccines is noteworthy. This success has also invigorated efforts to tackle HIV, tuberculosis and even some cancers with similar treatments.

No

Climate Change - Does your solution directly support efforts to address climate change?

All levels of government are implementing a variety of policies aimed at mitigating greenhouse gas (GHG) emissions. On a global scale the Paris Agreement has set a goal to achieve net-zero emissions by 2050.

Yes

Supply Chain Optimization - Does your solution focus on optimizing or reinventing supply chains on a micro or macro scale?

The global shipping supply chain moves some 1.9 billion tons of products per year. The typical container now spends 20% longer in transit than it did before the pandemic. Last mile delivery market is projected to expand by 147 billion USD between 2021-2025.

Yes

Marketing - Does your solution enable more impactful and measurable marketing programs?

According to a recent survey of marketing professionals, 47% identified lead generation as their biggest challenge, and another 21% struggled to measure the ROI for their marketing activities.

No

Metaverse - Does your solution design embrace the economic potential of the metaverse?

The technologies that make up the metaverse are many: virtual reality, augmented reality, and a host of technologies that will create and support the digital economy. The transition to the metaverse is, in many ways, still a vague concept to consumers and future users.

No

Additive Manufacturing - Does your business either enable or stand to benefit from the utilization of additive manufacturing solutions?

3D printing is revolutionizing certain manufacturing processes in its ability to create novel form factors and delivering customization at scale.

No

Digital Twins - Does your solution aid in further the development of digital twins or stand to benefit from the advancement of this technology?

Digital twins are virtual representations of physical objects. The traditional use cases include engineering, manufacturing, and construction, but the rapid expansion of sensor technology and the internet of things has led to significant opportunities with respect to product lifecycle management. In 2020, the digital twin market was valued at \$3.1 billion, and is estimated to climb steeply to \$48.2 billion by 2026.

No

Cybersecurity - Does your solution aid in the public or private race to secure our data and systems?

In the past decade, cyber attack victims such as Solar Winds, Colonial Pipeline, and Microsoft have threatened US security. As this type of warfare becomes more widespread, both the public and private sector has sought to bolster its cyber security.

No

Circular Economy - Does your solution help “close the loop” on the the global economy?

As enterprises increasingly embrace Environmental, Social & Corporate Governance (ESG) responsibility there has been a shift towards a circular economy and solutions that when designed for efficiency and easy repair turn waste into resources and extend the life of products and materials. As of 2020 only 9% of the world economy was considered circular, but the market opportunity is estimated at over 4.5 trillion USD.

No

Workforce Development - Does your solution support the growth, upskilling, and retention of the workforce?

Strengthening the skills of its workforce is a top priority for industry and the federal government. Organizations are looking for ways to boost career growth and upskill/reskill their workforce to support retention and to ensure a steady pipeline of diverse candidates.

Yes

Benefits Administration - Does your solution enable secure integration of data across platforms and systems to provide holistic and equitable delivery of services?

Accessing government benefits and services can be confusing, complicated, and time consuming. Delivering equitable and secure services that ensure an excellent customer experience is important to minimizing the administrative burden on users and improve the well-being of the population.

No