BUSINESS PLAN

1. Executive summary

1. Problem

What is your target customer dissatisfied with regarding the status quo?

The high levels of congestion and pollution that the company cars help to create.

How big of a problem is this for your target customers?

Company cars are particularly popular in Belgium because they allow employers to reward their employees more effectively since these company cars are taxed less than an equivalent amount in extra salary. As a consequence, more than 500,000 Belgians drive a company car.

What are they currently doing to solve this problem?

In March 2018, the Belgian parliament approved **Cash For Car**, an initiative to reverse the national tendency to reward employees with corporate cars. Cash For Car allows employees to give up their company car in exchange for a cash amount, taxed at the same low rate as company cars themselves. The yearly amount corresponds to 17.14% (if no fuel card included) or 20.57% (if fuel card included) of the list price of the car.

However, the interest in Cash For Car so far is virtually zero. The Brussels Times said in the 1st March 2019 (http://www.brusselstimes.com/belgium/14270/mobility-budget-to-start) that 215 employers have offered the Cash For Car option, with only 320 employees having exchanged their company cars.

In January 2019, the Belgian parliament approved their second initiative to tackle this problem, the **Mobility Budget**. In this case, the yearly budget amount should equal the total cost of ownership of the company car, all costs included (fuel, insurance, maintenance, taxes,…), and the employee can use the amount on any combination of 3 types of expenses:

1. Switch your current company car for an environmentally friendly car.
2. The amount can be spent on alternative and sustainable modes of transport - fully untaxed. Some of these items are renting vehicles, soft mobility, public transport, shared solutions, housing costs for people living less than 5km away from their job and bicycle allowances.
3. A possible cash balance will be paid to the employee at the end of the year, without income tax but only a social security tax of 38,07%.

2. Solution

What does my app allow people to do that they couldn't before?

Our app is a management tool for the so-called Mobility Budget. The user is able to see their current available budget and, most importantly, easily access the services which can be bought with the Mobility Budget.

In addition, we are encouraging the employees to join this Mobility Budget initiative by introducing a game-like environment where the user can accumulate kilometers and get better deals on selected businesses. The idea is that your cycling distances will be recorded by our app, which is working in the background, without the need of the user actively opening it. We can calculate these distances with geo-location. These distances will be accumulated throughout the year and the user can profit from them in 2 different ways:

- Increase the available discounts and get better deals on selected businesses.
- Reduce the tax cut of the cash balance at the end of the year.

Example:

An employee has 6000€ of Mobility Budget for 2019.
This employee wants to buy a Go Pass 10.
The discount rate we agreed with NMBS is a 5%.

- After 4 months, he accumulates 300 cycled km, which equals a 33% of performance. Regarding selected businesses, he can get an extra discount of 21% (tax) + (33% * 5%) = 22,65%.

- After 8 months, he accumulates 600 cycled km, which equals a 45% of performance. Regarding selected businesses, he can get an extra discount of 21% (tax) + (45% * 5%) = 23,25%.

- In case he has accumulated 600 cycled km, which equals a 75% of performance, and he wants to get the yearly cash refund, he will get 38.07% (standard tax cut) - $23^{0.75}$% (23 is the maximum tax reduction) = 27.07%.

How will my app change the status quo people are dissatisfied with?

The user can easily manage their Mobility Budget using our app. Moreover, it gives them a comfortable way to make use of the services related to the Mobility Budget.

Additionally, the gamification side of our app encourages them to be proactive in the use of alternatives ways of transport.

3.   Unique value proposition

There is a Belgian company called Bike To Work (https://www.biketowork.be/) which offers companies the possibility to join the BikeToWork community and let their employees participate in competitions and earn bike points to receive rewards. This is a B2B idea, because an individual user can freely join BikeToWork, but he will not be able to participate in competitions or be rewarded bike points, unless his/her company decides to pay BikeToWork.

We differentiate ourselves in the way that our business can be used by any employer who is eligible for the Mobility Budget. Our app is a way of managing the advantages that the users have when accepting the Mobility Budget. And it also encourages them to compete between companies and cities without the constraint of their company paying us.

From the technological point of view, our app tracks the location of the user on the background and records their cycled routes based on that data, without the need of the user to insert it manually, which is a very innovative idea.

4.   Objectives

Our goal is, by the end of the third year, for ~90% of the people that have adopted the Mobility Budget to be *Re-Cyclers*, hence to be using our app.

Our goal of building up this company for the first 3 years is to be affiliated with the government and be self-sustained. After that time period, the company would be open for an initial public offering (IPO) or even an acquisition.

2. Company

Our company is privately owned by 5 partners (Murilo Cunha, Rushil Daya, Victor Garcia, Ignacio Garrido and Eric Massip) with equal power.

Our team is working from Alma 2 during weekdays and Agora on weekends.

- Murilo Cunha, Brazil, Master's in AI, CEO.
- Rushil Daya, South Africa, Master's in AI, Frontend Lead Developer.
- Victor Garcia, Spain, Master's in AI, Backend Lead Developer.
- Ignacio Garrido, Spain, Master's in AI, CTO.
- Eric Massip, Master's in AI, DevOps Lead Engineer.

3. Market

1. Market size

There are 4079000 employed people in Belgium, of which a 29% own a company car. Thus, our available market consists of 1182910 people.

In order to calculate the prospect market share of Re-cycle there are two main indicators, the number of people that adopts the Mobility Budget, and among those that adopt the Mobility Budget, who will download and use our app. First, around 1000 people have adopted the mobility budget (formerly as the cash for car initiative) in the first 13 months that it has been operative. Our ultimate goal is to have 90% adoption of the app Re-Cycle, among those people that have exchanged their company car due to the Mobility Budget.

With the gamification of the mobility and promotion of ecological friendly alternatives brought by Re-Cycle, we have set a goal to get 15% of company car owners to exchange them for the alternatives laid out in the Mobility Budget, in three years from now. This implies 177436 users.

2. Market projections

As it would not be feasible to discuss projections without a statistical survey of the population (including surveys, among others), what follows is discussed in term of goals. Our goal is to get an increase of new adopters of the Mobility Budget in the following ten years as the one shown in the following table.

	1st year	2nd year	3rd year	5th year	10th year
Percentage of MB adopters	3 %	7 %	15 %	25 %	50 %
Number of MB adopters	35487	82803	177436	295727	591454
Users of Re-Cycle	31938	74522	159692	266154	532308

3. SWOT analysis

Our biggest strength is that we are introducing a completely new concept integrating a great number of companies around the gamification of the Mobility Budget and green mobility alternatives. Re-Cycle is an easy-to-use app that gives great discounts on everyday used transport. Therefore, most of the people that use these means of transportation are likely to download and use the app. Furthermore, we are introducing a solution to a great problem from the Belgian government, potentially securing their cooperation.

Our greatest weakness is that we depend strongly on the Mobility Budget and the willingness of people to adopt it. Also, we depend on other mobility companies and their cooperation to provide offers through the app.

The greatest opportunity is the growing of the market. Every day more and more people exchange their company cars for the Mobility Budget. As that market grows, there is also the opportunity to expand the product towards a scrutinized analysis of people's commuting habits, which would be valuable regarding government decision making.

Some of the threats are the arrival of new competitors. As mentioned before, the app heavily relies on the support of the Belgian government. If it was decided to stop promoting the Mobility Budget, there would be a need to find other business alternatives.

4. Marketing

Since our target customers are employees of companies, the main venues for advertising will be online employment oriented services, such as LinkedIn. Other venue would be target towards customers of the businesses that we provide discounts for (NMBS, DeLijn, Velo, etc) and physical adds located in the premises of company clusters. Finally, our app strongly relies on word of mouth. Thereby, we have structured our app in order to promote this social advertisement by creating a ranking structure, in which people compete to see who has travelled the longest distance.

We will split the Marketing budget in three parts. A 20% of it will be spent in physical adds located in the premises of company clusters, a 30% will be spent in addvertisements towards the businesses that provide discounts and a 50% will be spent in advertisement on online employment services.

5. Financial plan

1. Monetization strategy

The main revenue stream will be by the In-app purchases. The clients will get the discounts by clicking on them in Re-Cycling app, which means that we are getting new customers to the transport enterprises. Thereby, the transport enterprises will pay us small fee for the transaction. The extra percentage of discount negotiated with the businesses relies on the visibility and the possible new clients driven by our app.

Furthermore, as we are creating this platform for promoting the Mobility Budget, the government will pay the creation and maintenance of it.

Additionally, an interesting monetization strategy that should be studied in the future is the analysis and selling of the data of the commuting paths followed by the people for future improvements for mobility projects.