



Strategic Investment in Electric Bikes to Enhance PickDelivery Services in Addis Ababa

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1. Executive Summary

PickDelivery has been operating for the past 3 years across Adama and Addis Ababa, offering reliable, affordable, and fast delivery services for restaurants, supermarkets, and individual customers. Over this period, we've delivered more than 80,000 orders across both cities, building strong relationships with businesses and earning customer trust through timely and professional service.

This proposal mainly focuses on scaling up operations in Addis Ababa by investing in electric bikes to strengthen operational control, pricing power, and delivery performance. After months of pilot testing and engagement with various businesses, we've seen strong demand for efficient and competitively priced delivery services. However, our current reliance on third-party bikes limits scalability, cost control, and service quality, addressing this is key to expanding market share and redefining logistics in the city.

2. Market Overview

- ❖ **Market size:** Delivery demand in Addis Ababa continues to rise, led by food, grocery, and parcel services. Customers now prioritize reliability and speed over brand loyalty.
- ❖ **Competition:** Key players include Beu, Feres, Ride, and Zmall. Their delivery rates range between 200 - 400 ETB per order, limiting affordability for many users.
- ❖ **Opportunity:** PickDelivery's strategy focuses on affordable, standardised pricing and electric fleet ownership to attract both individual and corporate clients.
- ❖ **Customer segments:**
 - Food delivery for restaurants and cafes
 - Parcel and document delivery for businesses
 - Supermarket and household item delivery
 - Corporate Clients delivery for documents, catering, or internal logistics.

3. Current Performance

- ❖ **Average orders per day:** 50 - 60
- ❖ **Monthly average order :** 1600+
- ❖ **Average revenue per order:** 150 ETB
- ❖ **Monthly gross revenue:** 180,000–225,000 ETB

- ❖ **Current Active Partners:** Over 200+ registered restaurants and 15+ corporate customers
- ❖ **Growth trend:** Consistent 10–15 % increase in orders per quarter

4. Operational Challenges

- ❖ Most drivers use personal bikes, making pricing inconsistent.
- ❖ Limited control over service quality, timing, and availability.
- ❖ Higher costs due to fuel dependency and third-party riders.
- ❖ Difficulty in maintaining corporate-level reliability and reporting.

5. Proposed Solution

Introduce a company-owned **electric bike fleet** to manage delivery operations directly.

Key points:

- ❖ 25 electric bikes purchased and operated under PickDelivery.
- ❖ Full-time or part-time riders hired and trained.
- ❖ Standard delivery pricing has been introduced for all customers across Addis Ababa.
- ❖ Real-time tracking, shift management, and route optimisation implemented.

6. Financial Projection

Description	Amount (ETB)
Total Investment -	3,500,000 ETB
Cost per bike -	140,000 ETB
Monthly revenue (projected)	450,000
Operating costs (drivers, maintenance, admin)	180,000
Monthly profit before tax	270,000
Annual profit after payback	3,000,000 ETB+

7. Target Plan

Item	Value
Bikes	25 electric bikes
Daily orders target	150+
Monthly orders target	3,500+
Expected average revenue per order	150 ETB
Projected monthly gross revenue	450,000 ETB
Estimated operating cost	40% (≈180,000 ETB)
Estimated monthly profit (before tax)	≈270,000 ETB

8. Key Benefits

- ❖ **Reduced delivery cost:** Up to 50 % lower than current average market rates.
- ❖ **Reliable service:** Full control of drivers, schedules, and delivery times.
- ❖ **Improved brand reputation:** Professional riders and consistent pricing.
- ❖ **Sustainability:** Zero-emission bikes align with Addis Ababa's green mobility goals.
- ❖ **Higher profit margin:** Less dependency on external riders and fuel costs.
- ❖ **Scalability:** After 6–8 months of operation, profits can fund fleet expansion and support wider coverage across Addis Ababa.

9. Teams

Item	Value	No. of Staff
Operations Manager	Oversees daily logistics and delivery flow	1
Technology Team	Manages app updates, system monitoring, and technical support	1
Delivery Supervisor	Manages drivers and maintains delivery performance	1
Finance Manager	Handles budgeting, cash flow, and financial reporting	1
Marketing Manager	Leads promotional campaigns and client acquisition	1
Sales Team	Handles restaurant and business partnerships, and client outreach	2
Customer Service Team	Manages client support and order coordination	3

10. Investment

An investment of 3,500,000 ETB to finance the purchase and operation of 25 electric bikes.

Investor options:

- ❖ **Equity partnership:** Investor holds an agreed percentage of PickDelivery.
- ❖ **Revenue-share model:** 30–40 % of profit share until investment is repaid.
- ❖ **Hybrid model:** Partial equity with monthly returns.



11. Expected Impact

- ❖ PickDelivery will increase delivery capacity fivefold.
- ❖ Improved customer satisfaction through faster delivery and fair pricing.
- ❖ Strong alignment with Ethiopia's green mobility direction.

12. Conclusion

This investment will turn PickDelivery into a controlled, efficient, and sustainable logistics company. Owning a fleet of electric bikes allows us to compete aggressively, secure long-term contracts, and deliver consistent service quality.

We believe this investment represents a profitable and forward-looking opportunity for any investor ready to shape the future of delivery in Addis Ababa.