

BUSINESS PLAN OVERVIEW SESAME STREET

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On Behalf of:

Company Name	Sesame Street				
Street Address	Huygens building, Heyendaalseweg 135				
City	Nijmegen	State	Gelderland	Zip	6525 AJ

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COMPANY OVERVIEW:

Company Name

Sesame Street

Company Website

www.sesamestreet.org

Company Slogan

Changing cycling culture for the better.

What the company does in one sentence:

Providing a viable and easy to use bicycle security system.

Long Explanation of the Company

Sesame Street is a company specializing in an automatic lock system which aims to prevent the bicycle from being lost or stolen. We are a start-up company mainly focusing on the automatic locking system, but also on some additional services such as bicycle insurance in Nijmegen, the Netherlands. We will widen our business to other cities in the Netherlands or even other countries and develop our company as a well-trusted system for locking bicycles.

When looking around the bicycle locking market, we can see that most of the competitors offer regular chain locks. Some competitive rivals, however, also supply automatic locking systems for bicycles. The mission of our competitors is to make their lock as firm as possible. This is where we separate ourselves from our competitors. We will develop an integrated locking service with the customer's thoughts as our main motive. We will satisfy what cyclists are expecting rather than just selling a bicycle lock.

To work for the purpose of our mission, we have a group of enthusiastic and experienced people working in multidisciplinary ways containing the research and development of relevant technology, resource management, and market analysis while keeping the passion and positive energy that led to the establishment of Sesame Street.

COMPANY

What is the mission of the company?

MISSION:

Our mission is to improve the security of our living environment and human well-being by integrating the developing technologies with the convenient services of our daily life.

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TARGET MARKET:

What market or niche is the company going after?

Sesame Street will be set up in Nijmegen. The fact that Sesame Street will be based in Nijmegen is not a coincidence, since most of the co-founders of Sesame Street live in Nijmegen. Furthermore, Nijmegen is the optimal choice as our base area, because the population of Nijmegen (population: 176,731 in 01-01-2019) is for 80% represented by students and young workers. Almost everyone living in Nijmegen has at least one personal bicycle, and cycling is the most welcome and convenient transportation in Nijmegen. Public bicycle parking areas are available everywhere near university buildings and train stations. Moreover, strengthening parking place is an infrastructure development. For this reason, we expect to receive the support from the regional government. The combination of these factors will provide us a huge natural market to introduce our automatic locking system.

What is the estimated market size of your target market?

Market volume:

Approximately 24% of the Dutch citizens go to work by bicycle. This means that we have a potential market size of $17,000,000 * 0.24 = 4,080,000$ customers. However, not every single person will make use of our automatic locking system. Therefore, we estimate that around 70% of the cycling citizens in the Netherlands will make use of our system in the future. This means that our market size has the potential of around 2.8 million customers.

Market value:

The market value is based on the revenue Sesame Street makes per use. This is approximately €0.10 per use. Based on the holidays of Dutch students, people go to work for 5 days per week and 40 weeks per year on average. This means that each customer will use our system 200 times per year which results in a market value of $€0.10 * 200 * 2,800,000 = €57,120,000,-$

How many customers within this market do you think you can get Year 1?

Since every citizen in Nijmegen has a bicycle, the potential number of customers is 180,000. We expect that 50% of the citizens in Nijmegen will become our customers. This means that we will have 90,000 customers in Nijmegen in the first year.

How many customers within this market do you think you can get Year 3?

Because of our strong competitive advantage over other locking systems, we expect that the number of customers in Nijmegen will grow up to 90% after 3 years of operation. This means that we will have 162,000 customers in year 3.

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PRODUCT OR SERVICE:

Describe any particular products or services.

The product that Sesame Street produces is an automatic locking system to give cyclists the opportunity to lock their bicycles in a safe manner. To do so, the automatic locking system consists of a rod which can be attached to the frame of the bicycle. In this way, it becomes impossible to steal a bicycle attached to a Sesame street bicycle lock.

Describe any other particular products or services.

As an additional service, Sesame Street will develop an online app for Android and iPhone to lock and open the bicycle lock. When coming close to the lock, the app will automatically ask whether the customer wants to lock the bike or not. The customer can choose between 'yes' or 'no'. In this way, the customer doesn't have to put effort in locking a bicycle. Beside the locking and opening of the bicycle lock, the online app will give the customers the opportunity to put money in their account. In this way, no further proceedings are needed to safely park a bicycle. However, when the phone of a customer dies, the automatic locking system will have a backup locking and unlocking system. The customer can connect every single card with the locking system to lock and unlock their bike.

As an additional service for customers, the locking system will light up in the colour the customer has chosen beforehand. People in the Netherlands often have difficulties in finding their bicycles, because there are so many of them. In this way, we help our customers in easily finding their bicycles.

To ensure customers that their bicycle will not be stolen, Sesame Street will develop an insurance system. When locking a bicycle in the correct way as described above, the bicycle will be insured until the moment the bicycle is unlocked again. When a bicycle gets stolen due to an unforeseen reason such as a system failure, the customers will get a 100% refund of the current value of their bicycle.

Do you have patents or pending patents?

Sesame Street will have a pending patent for the first 5 years. This period will be used to design our product and services in such a way that it will become difficult for other companies to copy our idea. In this way, we expect that we developed our business in such a way that there are no patents needed after 5 years. Additionally, patents are expensive possessions which we want to prevent to the utmost. The mission of Sesame Street is to prevent bicycles to get stolen in the future, which is not an achievable mission when a monopoly is created.

If not, is there anything proprietary about the product or service?

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CURRENT STATE OF BUSINESS:

What is the current state of business (idea, seed, revenue, traction, growth)

The current state of Sesame Street is that we developed an idea for our business. Before we start to think about revenues, we use the network model of innovation to improve our business idea. This means that we will use many external inputs such as partnerships, suppliers, distributors, and scientific and technological developments.

Do you have any revenue currently?

Sesame Street does not have any revenue currently.

What month do you expect revenue?

We expect to make our first revenue in one year. Since we still have to develop our automatic locking system, we need time to implement it thereafter. However, we expect to make connections with investors in the next 2 months. This means that our first 'revenue' will be in December 2019. These investments will be used to develop and produce our product.

How much revenue do you expect Year 1?

After the summer of 2020, we expect to implement our first locking system in Nijmegen with 50 automatic locking systems. From here, we use 6 months to monitor and improve our system. Therefore, our revenues in the first 1.5 years will be minimal. Thereafter, we are planning to upscale the production and implement our system in more big cities in the Netherlands.

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TEAM:

What is company CEO name?

Rudo Brus

Link to LinkedIn or online profile of CEO.

www.linkedin.com/in/rudo-brus/

What past experience does CEO have?

Rudo Brus is the founder of an e-sports student club in Nijmegen. He knows the people in Nijmegen and therefore our future customers. He has also been chairman for both Leonardo da Vinci (Science Student Club Nijmegen) and Dorants for multiple years. For this reason, he is capable of leading a fast growing start-up like Sesame Street.

What education background does CEO have?

Rudo Brus completed his Bachelor of Science with a specialisation in Chemistry and Computing Science. Currently, he is doing a Masters in Data Science with a specialisation in Science, Management, and Innovation.

What accolades or awards has the CEO accomplished?

Rudo Brus is an Honorary member of Dorans and he has many years of experience in student boards and commissions in multiple different clubs. Besides, he participated in multiple League of Legends student world championships.

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TEAM (CONTINUED):

Provide any other leadership Names:

Jan Ondruch

Link to LinkedIn or online profile of leadership.

www.linkedin.com/in/jan-ondruch/

What past experience do they have?

Jan Ondruch is a freelance website designer and developer, digital strategy consultant, co-founder of an e-commerce business, and co-founder of a men's club called Dodávka Borců. Currently, he is also coordinator in the Erasmus Student Network organization.

What education background do they have?

Bachelor's degree in Information Science. Currently doing Master in Computing Science, more specifically in the field of Service Science Management Engineering. Participated in two Erasmus+ programmes (Germany, Netherlands).

What accolades or awards have they accomplished?

Owner of many Youthpass certificates for participation in many EU projects. Honorary member of Dodávka Borců.

Provide any other leadership Names:

Botond Daragus

Link to LinkedIn or online profile of leadership.

www.linkedin.com/in/botond-daragus-b1975712b/

What past experience do they have?

Botond Daragus participated in two internship programs at Nokia Solutions and Networks Company in Budapest, Hungary. Besides, he has experience as a software developer (web and mobile) in the Codespring Company.

What education background do they have?

Bachelor's degree in Computer Science. Currently doing Master in Enterprise Software Design and Development in Kolozsvár city (Romania) and participating an Erasmus+ program (Netherlands, Nijmegen).

What accolades or awards have they accomplished?

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DISTRIBUTION:

What is the average cost of your service or product?

The distribution of Sesame Street can be imagined as an infrastructure in services from the computer science world. Our product is not for sale or movable. Thus, we offer a service with our automatic locking system for locking and unlocking bicycles in a safe way.

As described earlier, customers can park their bicycle on a daily basis. However, to lower the costs for customers, we will create a scaling system in which customers can subscribe on a weekly, monthly, and annual basis. In addition, we will divide our price for different customer groups: children, students, workers, and pensioners. In the table below, an overview is shown of how the prices of Sesame Street's automatic locking system are divided.

	Children	Students	Workers	Pensioners
Daily	€0.10	€0.15	€0.20	€0.15
Weekly	€0.40	€0.60	€0.90	€0.60
Monthly	€1.60	€2.40	€2.70	€2.40
Annual	€18.00	€27.00	€32.00	€27.00

What is your one MAIN method of promotion or distribution?

The distribution of our automatic locking system will occur in consultation with the concerning municipality. The distribution will occur in places where many customers park their bicycles. Examples of such places are schools, universities, libraries, train stations, sport centres, and city centres.

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Describe any other sales or promotion strategies:

Other sales or promotion strategies are making agreements with different local organizations and authorities. In exchange for their support, we can provide them a predefined part from our income or we can place some advertisements of the concerning organization in our mobile application. Additionally, we will work with a review system on our mobile app. When a customer gives feedback on our automatic locking system, the customer will receive a certain amount of uses for free. In this way, we familiarize potential customers with our service in an easy way.

Will the majority of your distribution be online or via sales?

The promotion of our service will occur mainly online. Nowadays, the social media gives a big opportunity to promote and sell your product easily. Our aim is to use these platforms like Facebook, Google, and YouTube. The main audience for our promotion are students since we operate in a student city and students use social media frequently. In this way, we expect to easily reach our target customers in the online space.

Please explain the sales process of discovery to procurement?

Our first target area will be only Nijmegen city, which means that we have to make an agreement with the local authority. We would like to give some discounts to our direct partners such as people working for local organizations and institutions. After implementing our automatic locking system in the desired places, we will start to advertise our service on social media and in public places like universities or sport centres.

Customers can subscribe in our Sesame Street application or contact our help desk. The customer can put the amount of their needs in our online app connected with their bank account. Depending on the type of subscription, the set price will periodically written off their account.

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SWOT ANALYSIS:

Describe your main Strengths

Our company possesses many strengths that will lead to our service's success. First of all, we have a skilled team of professionals that has proven to build successful businesses - more specifically, those are the CEO and founders. Sesame Street also has rich internal resources and knowledge at disposal to aid it in the distribution process, such as connections and acquaintances with the local and government authorities or familiarity with the industry and subjects responsible for the design and creation of the specialized bicycle racks. Last but not least, our unique selling point in the huge market of biking culture is our greatest strength. Our company envisions a better product which surpasses all the existing ones in its value and with our both rich tangible as well as intangible resources, we will deliver it to the market.

Describe your main Weaknesses

One of the possible weaknesses of our company is funding, since our idea's realization is fully dependent on financial support from municipalities and the government. Also, so far we haven't found a suitable software development company that would make and support a phone application both for iOS and Android. Probably our weakest point is the dependence on many third parties and thus a lack of internal control over the business as a whole.

Describe your main Opportunity

After the service is adopted by the first users and our main target audience (young people, students), it will be possible to convince others to start using the locks, as well. Moreover, if the business is striving, there is an opportunity to spread to other cities in the Netherlands, too, and possibly also to other countries like Belgium or Germany. More generally, popularity of services and service-based products has been steadily rising for the past years and there is no sign it will stop any time soon, which favours our business and is a threat to our competition still focused on selling products.

Describe your main Threats

There's a lot of competition on the market and when launching our service, we have to be really careful and make sure our already-established competition won't be able to pivot fast to catch up with our system. Also, as we are planning to set up a partial business-to-government relationship, we have to be careful about possible changes in industry and service regulations and assure smooth procurement. The last issue is an unsure pace of growth of our service, since we can't tell precisely yet how long it will take for people to get familiar with us, understand the advantages, and decide to use the new bicycle security system.

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COMPETITION:

Explain your main competitors

After our market research we found several competitors. We decided to divide them into two categories. First of all, there are companies selling smart locks you can then install on your bike, using the production revenue model. They directly sell to their consumers and they pay once for their bike lock. Examples of companies like this include [Linkalock](#), [I LOCK IT](#) and [Bisecu](#). They all have locks that will lock automatically if something you take with you is out of range and unlock again when it is in range. They have slight differences in how the locks are unlocked and designed, but the principal is very similar.

Next to this, we think there is a bigger competitor, namely [Bikeep](#). They sell bike racks that you can use to lock your bike into, which you can use for example with your smartphone. You can then later unlock this bike rack using your smartphone again. The bike rack involves several features to make it hard to steal the bike, including an alarm and locking not only the wheel but also the frame in place.

What is your main differentiation point from your competitors?

Our main differentiation from the first group of competitors is there in two things. First of all, our revenue model is a service model. Instead of having to pay a lot of money up front, which may even be more than your bike cost, you pay a very little bit of money every time you make use of our product. In this way, you can decide for yourself whether the danger of your bike getting stolen at that time and place is worth the money. It also gives a constant stream of income instead of it drying up. Also, our product prevents bike theft more effectively by not only blocking off the wheel but securing the whole frame.

We have less differentiation from the second group, however there are some key distinctions. The primary distinction is that our product works fully automatically, you just have to park your bike to use it instead of having to still take out your smartphone and having to give all kinds of information. This makes using our product easier and more consumer friendly. Next to this, we add less additional unnecessary stuff, such as cameras that are focused on the bike rack. This way we can keep our prices lower and do not have to interfere with people's privacy.

What is ONE thing that you do MUCH better than your competitors?

Keeping the use of our locks extremely easy and fast, not even having to think about locking your bike anymore.

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CONCLUSION:

Please write a summary of the company and its strategy.

Concluding, Sesame Street is a company specializing in an automatic locking system for bicycles which aims to prevent the bicycle from being lost or stolen. Our mission is to improve the security of our living environment and human well-being by integrating the developing technologies with the convenient services of our daily life. The automatic locking system gives cyclists the opportunity to lock their bicycle in a safe manner. As an additional service, Sesame Street will develop an online app to effortlessly lock a bicycle. Beside, Sesame Street will give their customers the insurance that their bicycle will not be stolen.

Rudo Brus (CEO) has all the desired experiences and skills to make Sesame Street a profitable company. He will be assisted by Jan Ondruch and Botond Daragus which are other leading members of the Sesame Street team. Together, they will launch the automatic locking system in the market. The target market of Sesame Street are cyclists in the Netherlands with a potential market size of 2.8 million customers and a market value of €57,120,000. To change this market value in actual revenue, thoughtful distribution strategies will be used, mainly by using online marketing. The marketing will result in citizens using our system and our competitive advantage will result in those citizens coming back for using our system. The main advantage of our locking system is that our locks are extremely easy and fast to use, not even having to think about locking your bicycle anymore.

All in all, this business plan will give the team of Sesame Street all the tools to successfully implement and grow the potential of the automatic locking system. The starting point is Nijmegen, but the potential seems endless.