

# ToolieShed

## Background

The sharing economy, also referred to as the peer economy, is designed for consumers to access goods and services for a short period without having to purchase them. It's a shift from ownership to access.

The sharing economy is enabled via online platforms and marketplaces. Consumers benefit from the convenience of use and affordable rates relative to outright ownership. Those sharing benefit from the access to a large audience and a steady flow of income.

This new economy has democratized markets and industries largely controlled by large corporate interests, allowing companies such as AirBnB and Uber to disrupt the accommodation and taxi markets.

Due to the emphasis on peer-to-peer transactions, trust and communalism are strongly emphasized and championed. Online platforms such as AirBnB act as the trust broker especially for payments, they facilitate disagreement resolution and they enable reviews on both sides of the transaction that serves to strengthen or weakens one's online marketplace reputation.

ToolieShed is a peer-to-peer platform for renting a broad range of home and auto tools and small appliances. Examples of items for rent could include ladders, compressors, chain saws, hedgers, auto jacks, torque wrenches, blowers, lawn mowers, pasta makers, upholstery cleaners, shop vacuums and more.

In addition to the core ability to search for tool and small appliance rentals, It will offer online advice and tutorials for Do-It-Yourself (DIY) projects. These will include lists of tools needed for a specific project and will allow the user to easily search for tools to rent.

## Value Proposition

Similar to many sharing economy platforms, ToolieShed provides the convenience and cost benefit of access, rather than ownership.

### For Consumers

- Access as needed to a wide assortment of tools and small appliances
- Reduced costs vs. purchasing new or used tools
- Avoid ongoing maintenance of tools

- Avoid needing to store tools and appliances especially if space is limited e.g. condo or apartment
- Feeling that you are keeping money in your community rather than to a large corporation
- Easy digital payment options
- Security and trust guarantees

#### For Sharers

- Extra income for under-utilized tools
- Satisfaction of helping locals achieve their project goals
- Insurance and safety deposit protection on loaned items
- Easy digital payment options
- Security and trust guarantees
- Group purchasing power for new tool or appliance purchases (future state TooliEShed may procure special pricing from manufacturers)

## Intended Customers

- Do-it-Yourself consumers
- Novices
- Space challenged residents e.g. condo and apartment dwellers
- Planet / excessive consumerism conscious users
- People with excess or underutilized tools that want to monetize their investment
- Students
- Community oriented consumers
- Trade-savvy content creators

## Business Models (Sources of Revenue)

TooliEShed is a community-based online platform that can be used to locally list and rent a variety of home and automotive tools and small appliances. The primary purpose of the platform is to facilitate connections between tool/appliance owners and tool/appliance renters.

The business model/revenue model that TooliEShed utilizes is the Fee-for-Transaction model. As TooliEShed does not actually own/rent any tools or small appliances, revenue is generated by charging both tool/appliance owners and tool/appliance renters a fee when conducting business transactions via the TooliEShed platform. For example, TooliEShed could potentially collect the following commissions from both tool/appliance owners and tool/appliance renters:

Successful Transaction Fee: Based on a sliding scale of 3-6%, and applies to TooliEShed tool/appliance owners each time a successful transaction occurs on the platform.

Rental Fee: Flat rate fee of 3% applied to the base rental fee and included in total purchase price the renter must pay prior to renting the tool/appliance.

By leveraging the Fee-For-Transaction business/revenue module TooliEShed can generate revenue while still supporting the sharing economy by facilitating connections and transactions between tool/small appliance owners and those needing to rent/borrow tools.

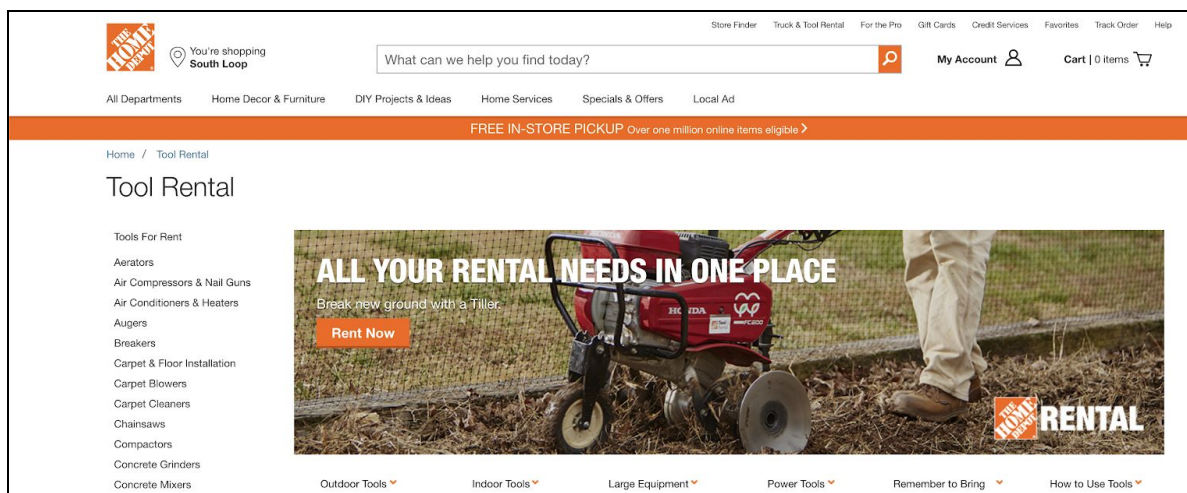
The success of the TooliEShed website will be measured through a variety of KPI metrics. However, the five primary metrics that we will use to evaluate the success of the website are:

1. Website Traffic
2. Sales Conversion Rate
3. Shopping Cart Abandonment Rate
4. Customer Retention / Churn Rate
5. Net Promoter Score (NPS)

## Market Competitions

ToolEShed has four main categories of competitors:

- **“Big box” home improvement retailers - rental service**



Home Depot, Lowes, and Menards offer robust tool rental services at a reasonable prices. These firms have nationwide reach and a large inventory of “millions” of items, which are certainly strengths, but maintaining inventory is also capital intensive. On the digital front, their online rental platforms are usually sub components of their larger, sales-focused ecommerce sites and offer a merely transactional experience. There’s room for TooliEShed to offer a superior online experience.

- **Regional and local rental companies**

Regional and local rental companies offer tool and equipment rental services which are primarily transacted over the phone, or via a web *request*. Their online customer experience is often lengthy and tedious; it’s necessary to submit a request to the firm,

wait for a response, discuss the request in more detail, and then complete the order. This cumbersome transaction workflow creates an opportunity for TooliEShed to shine as an easy to use, high performance service.

- **“Big box” home improvement and hardware retailers - for purchase**

Consumers’ initial reaction may be to purchase a needed tool or appliance new from any of the established big box retailers or hardware chains such as Ace Hardware.

TooliEShed will need to educate and influence consumers that renting is a choice and that it may be a superior option than buying for their situation.

- **Secondary markets (Ebay, Craigslist, Facebook Marketplace)**

Consumers’ initial reaction may be to purchase a needed tool or appliance new from a secondary market such as EBay, Craigslist or Facebook Marketplace. TooliEShed will need to educate and influence consumers that renting is a choice and that it may be a superior option than buying for their situation.

- **Municipal tool libraries**

Many municipalities offer a free tool lending service to residents. Tool offerings can be quite extensive, however, can also exclude many items such as ladders, air tools, gasoline powered tools and there can be limitations on the number of tools that can be borrowed and the duration they can be borrowed for. Where time is of the essence, waiting for a tool to be “checked-in” can be a big inconvenience.

LOCAL  
TOOLS

HOMEFEATURESLIBRARIESCONTACTABOUTBLOGSIGN-UP!

FIND YOUR LOCAL TOOL LENDING LIBRARY

Submit a New Library

Explore our map to find your local Tool and Lending Libraries – and start sharing in a trusted location!

MapSatellite

Google

3SIXTY TOOL LIBRARY1782.8 MILES

448 College Ave  
49423 Holland, MI

Categories: Tool Library  
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## Rationale for Using Internet Solutions

The sharing economy that supports TooliEShed's business model is made possible by the internet. By facilitating peer-to-peer transactions, we will be freed of the burden of inventory management and maintenance. Our online platform will also help build a community of people looking to help each other get things done. Not only are such Do-It-Yourselfers looking to rent a tool or piece of equipment, but they are also interested in connecting with local experts, browsing helpful "how-to" videos, and gain valuable life skills and connections through TooliEShed's platform.

## Multi-Channel Strategies (Online/Offline Channels)

TooliEShed is a platform for the sharing economy that provides a service connecting renters to owners. It does not provide physical products. The online website will be the main channel for renters and owners to conduct business. TooliEShed will have no offline marketing channels.

In terms of marketing communication, TooliEShed will use a combination of traditional mass media (TV, radio, out-of-home, mail) and web based advertising channels including search engine ads (e.g. Google Adwords), social media promoted ads and social media campaigns such as Twitter and Facebook hashtag contests.