



Simon **PICARD**

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# BUSINESS PLAN

## CoPark

MiM **Master Thesis** Supervisor **Kurt DESENDER**

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# A SHORT STORY



**“Parking your car can be a challenge”**

**CoPark is the solution !**

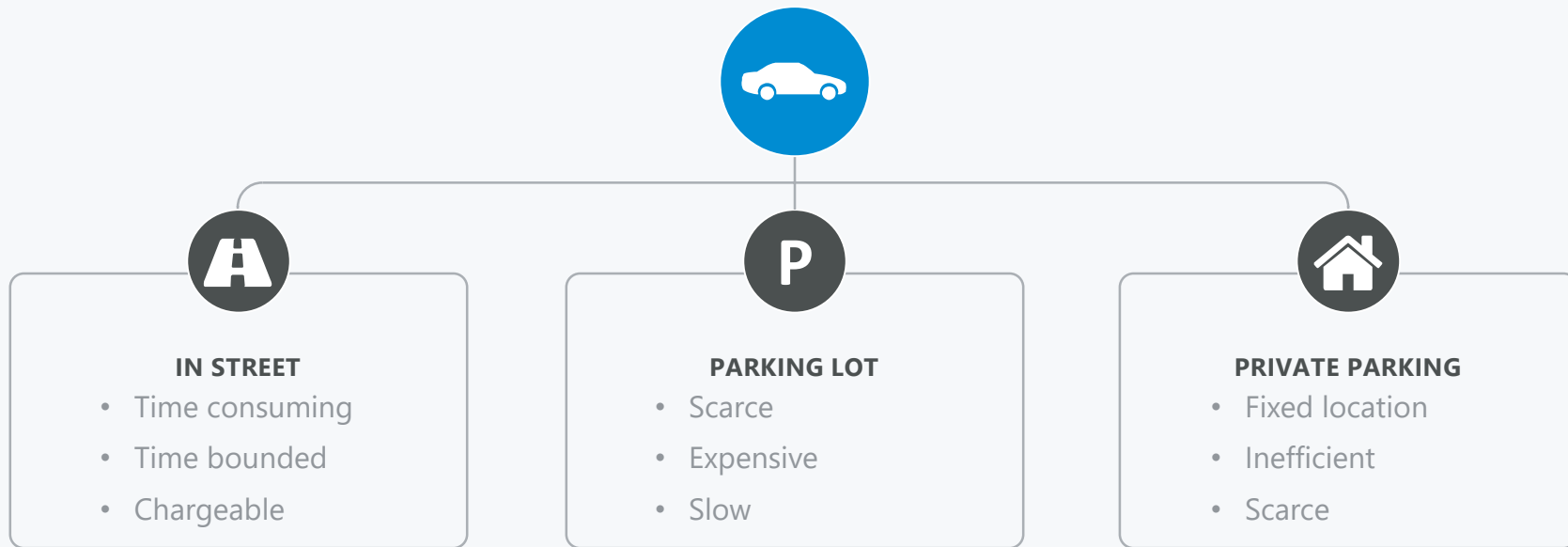
The following is the presentation of the business plan built for CoPark, a service that allows one to rent private parking spots through a mobile phone in a sustainable way

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# PRESENTATION AGENDA

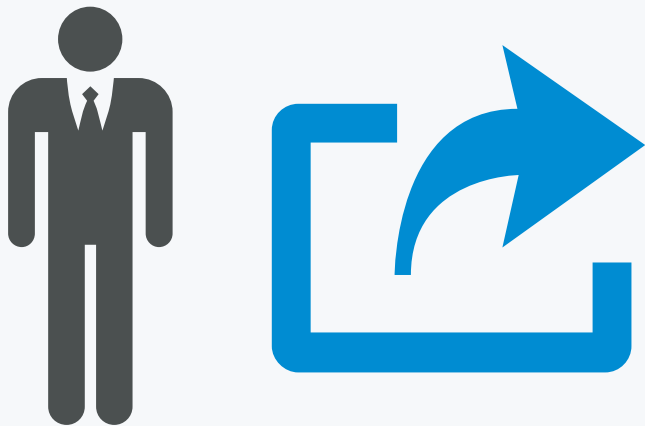
- **The Opportunity**
- **Industry Environment**
- **The Product**
- **Marketing Plan**
- **The Team and Operations**
- **Critical Risks**
- **Financial Plan**

# PARKING OPTIONS



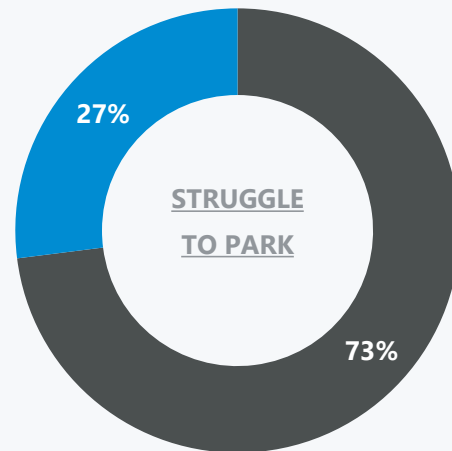
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## FACTS OBSERVATION



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Working from 9 AM to 5 PM leave an empty parking spot for 8 hours !



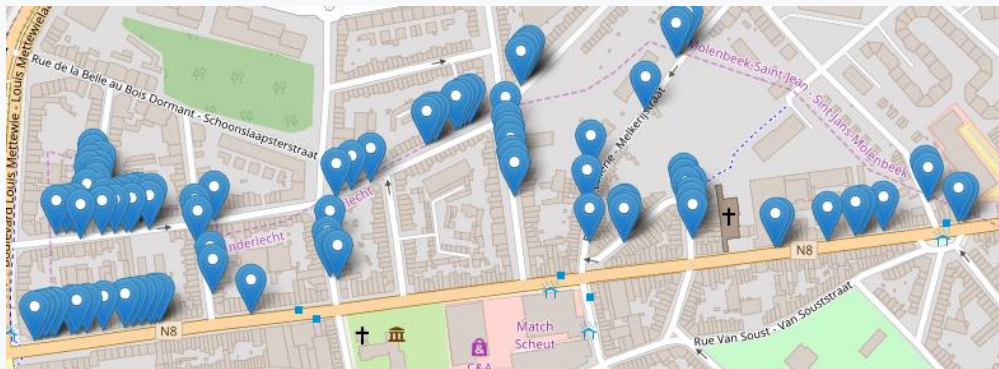
■ Yes ■ No

# REALITY CHECK



## THE FOLLOWING FIGURE

shows how many in street access are present in a selection of streets in the west of Brussels. As one can see, the amount of unused space is large.



# PRIVATE PARKING SHORT-TERM RENT

## **COPARK:** **MOBILE APPLICATION**

- ▶ A parking owner register his spot and its availability
- ▶ A driver rent the spot from the application

**SHORT STAY**



**AFFORDABLE**

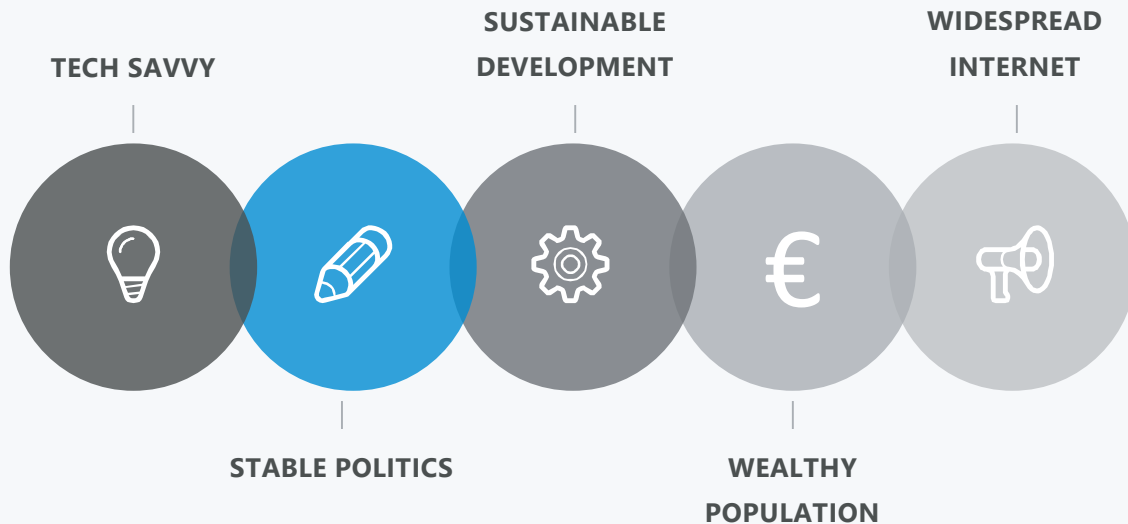


**FREQUENT**



**CONVENIENT**

# MACRO ENVIRONMENTAL REQUIREMENTS



# BRUSSELS



# COMPETITORS

## UK BASED

Mostly in London, no offer in Belgium

## NON FIXED PRICE

The parking owner sets his price

## SUCCESSFUL

750,000 users and 25,000 spots available



JustPark

VS



ShareMyPark

## BELGIUM BASED

Created one year ago

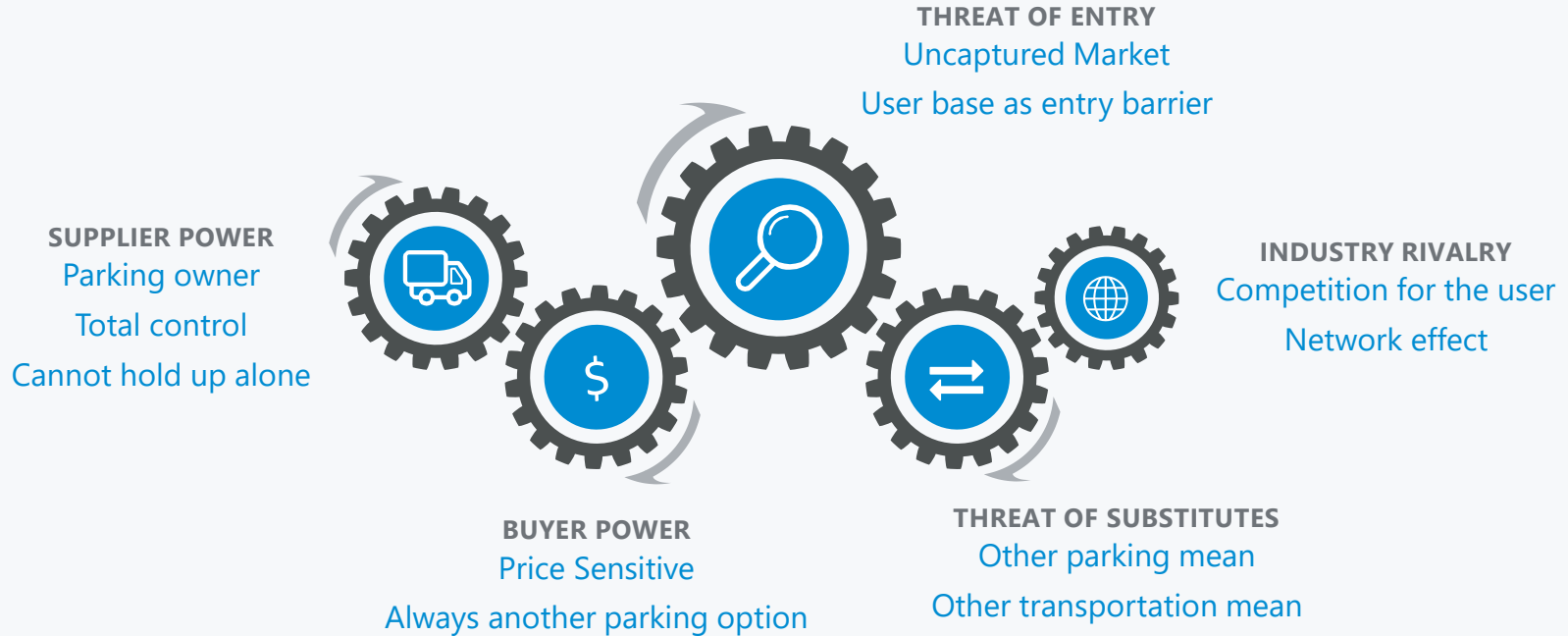
## NON FIXED PRICE

Same business model

## RISING

But still not popular

# PORTER'S FIVE FORCES



# COMPETITIVE STRATEGY



**FAST  
CHEAP  
CONVENIENT  
SUSTAINABLE**



## **FIXED PRICE**

The price to rent a spot will be fixed with 20% fee



## **DONATIONS**

5% of CoPark's profit will be donated to the environmental cause



## **ADVANTAGING DRIVEWAY OWNERS**

To avoid over usage of non-driveway renters, they will have an advantage

The goal is for renters to use their revenue only to rent other parking spots. Ultimately, leading to a service where parking owners just exchange their driveways.

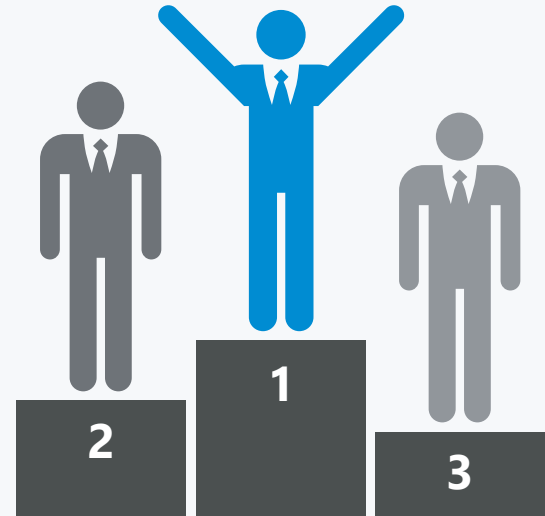
# SUSTAINABILITY VS. PROFIT

Driveways will be rented as a sustainable act and not with a profit goal

Fixed price of 1€

**User will want to be able to park his car in other driveway**

- ▶ 80% of online sellers say the extra money they earn is "nice to have but not essential,"
- ▶ 85% of people driving frequently would want to be part of an exchange of driveway.
- ▶ JustPark can be successful in the UK because the market is bigger, finding a spot is even harder.



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## RELEVANT MARKET



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### 835 000 CARS

485 000 from Brussels

350 000 commuters



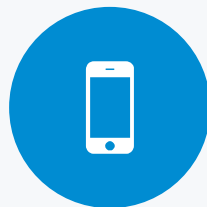
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### 55 000 DRIVEWAYS

265 000 garages

55 000 linked to a house

With an expected driveway



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### SMARTPHONE PRESENCE

100% of people driving said they  
were owning a smartphone

200 answers



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### TARGET

college graduates, high-income and  
under 45 years old are the most  
likely to use on demand and shared  
services

# PRICING

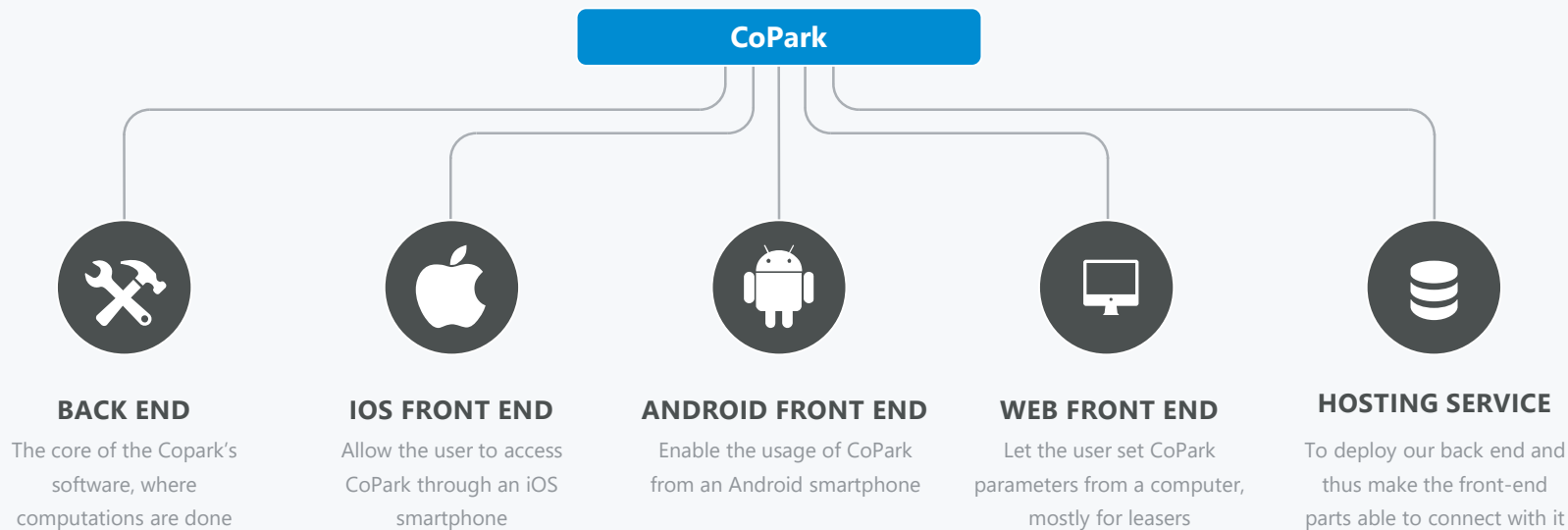


The prices of the services are average or most popular, some spot would be rented for more than 5€00 !

# COMMUNICATION PLAN



# ASSET AND SERVICE REQUIREMENTS





# THE TEAM

**Simon PICARD** : Master in Computer Science and Master in Management, **CEO**

**Dan MARTENS** : Bachelor in IT Management and Master in Computer Science, **CTO**



01

## DEVELOP THE SOFTWARE

Both will be involved, planned for July and August 2017

02

## PROMOTION

Heavily invested by the CEO at the launch of CoPark

03

## MAINTENANCE

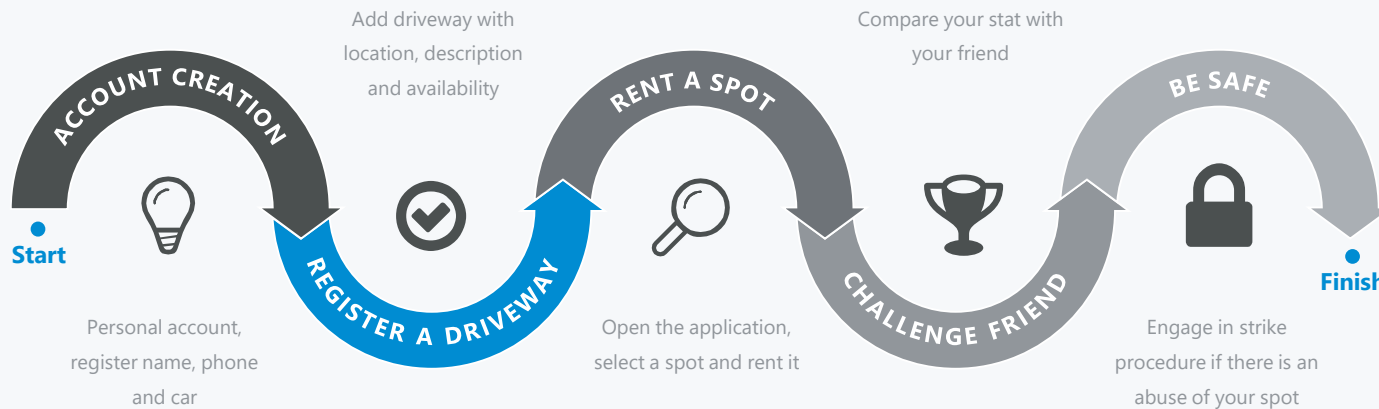
Dan Martens will the maintenance of the software



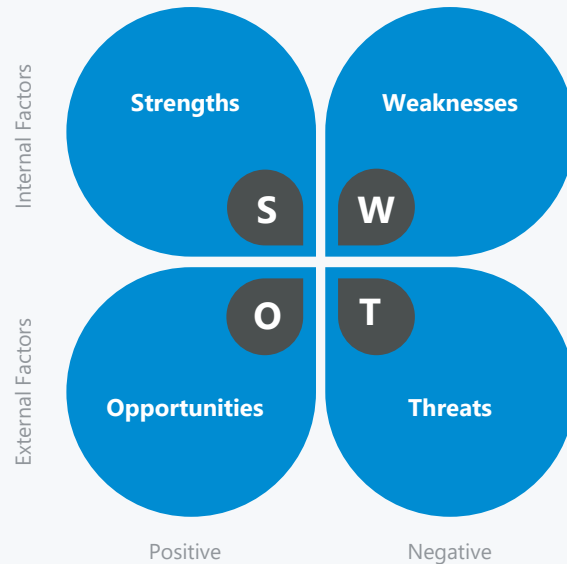
## 75% - 25% INITIAL EQUITY DIVISION

Match the cost of opportunity of Simon Picard and the initial investment.

# THE PROCESS



# SWOT ANALYSIS



## STRENGTHS

- Sustainability value
- Application design
- Promotion strategy
- Fixed price
- Safe operation
- Low investment

## OPPORTUNITIES

- Lack of parking spots
- Repetitive work schedule
- Sharing economy love
- Smart phone omnipresence
- Big market

## WEAKNESSES

- Low experience in the industry
- Little work experience of the founders
- Untested business model
- Success depends on driveway owners

## THREATS

- Potentially illegal
- Moral hazard
- Potential success of competitors

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# OFFER AND DEMAND



## MAXIMAL USER BASE

11% of the population has used a service similar to AirBnB to stay overnight in a private residence, JustPark extrapolation yield similar result



## 10% CAPTURE RATE

10 % of capture rate of the maximal market will be assumed



## DRIVEWAYS TO RENT

A worker can rent his driveway 8 hours a day, 5 days a week. Thus 160 hours per month. 20% of the total number of driveways will be removed to deduce unemployed.



## SEASONALITY

During summer, the worker can take one week of holiday, increasing the hours of availability of the driveway.



## SPOT DEMAND

On average, excluding weekends, during the daytime : what is the proportion of the time where your car is parked in a spot that you have to pay for ? 22%



## 15 DRIVERS FOR 1 DRIVEWAY

As there is 15 drivers for 1 driveway, driveway can be expected to be fully rented. A discount of 10% will be used to represent inefficiency

# USER BASE GROWTH

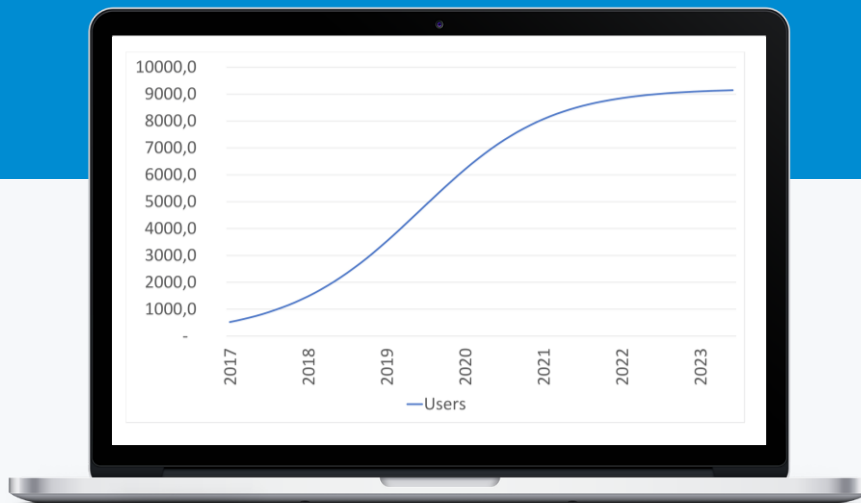
## CONTAGION MODEL

Coming from the epidemiology field.

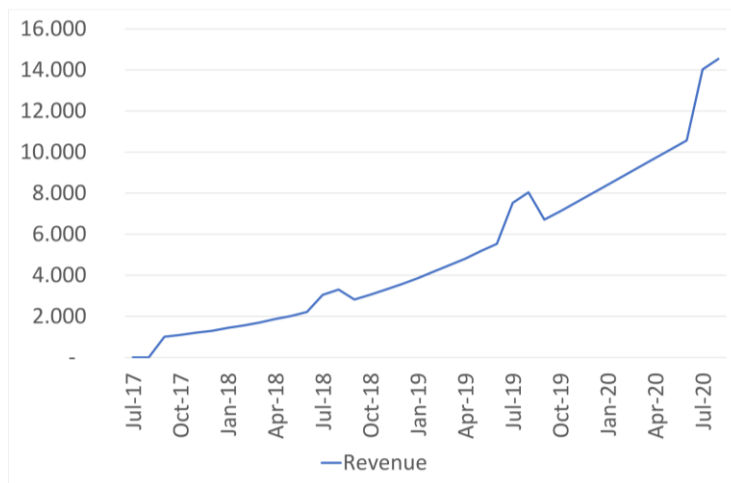
**Initial user base:** the number of users at the start depends of the marketing campaign, evaluated at 480 in this case

**Total population:** the end population, 9 205 for CoPark

**Propagation rate:** how fast users invite new users, estimated at 10%



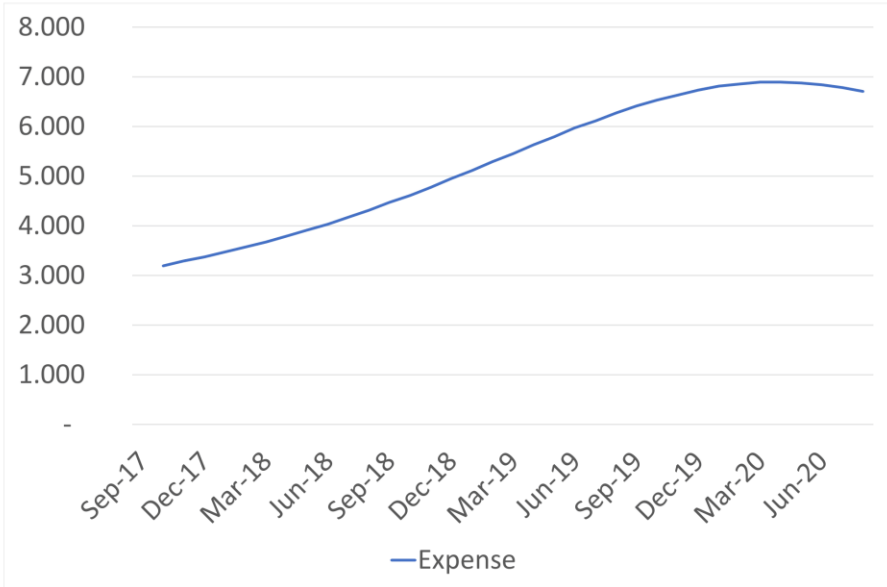
# SALES FORECAST



**THE PRICE PER HOUR IS 1€, THE COMPANY THUS  
EARNES 0.2€ PER HOUR OF RENT**

- 1 Get number of driveways
- 2 Get offer by multiplying number of driveways per average amount of rent per month
- 3 Get number of hours rented by discounting the offer by the occupancy rate
- 4 Get revenue by multiplying the number of hours rented by the fee

## EXPENSES FORECAST



### RECURRING FEE



**Hosting fees:** estimated at 81.66€ per month to sustain 5 000 users



**Referral program:** each new user costs the company 20€



**Wage:** Simon Picard will be the only full-time employee at the minimal rate : 1 500€



**Maintenance:** the software is valued at 19 000€, to be fully outdated in 3 years

# INCOME STATEMENT

Higher marketing expense in the beginning

**Steady growth**

Profitable after 2 years

BEP in 3,5 years

160 000€ of profit in 5 years

Year	2017	2018	2019	2020	2021	2022
<b>Userbase</b>						
Total	629	1.741	3.963	6.598	8.261	8.915
New	629	1.112	2.222	2.635	1.663	654
Driveway	42	115	262	436	546	589
<b>Sales</b>						
Offer	23.520	152.960	379.708	721.116	1.009.552	1.151.708
Rented	21.168	137.664	341.737	649.004	908.597	1.036.537
Fee	4.234 €	27.533 €	68.347 €	129.801 €	181.719 €	207.307 €
<b>Gross Profit</b>	<b>4.234 €</b>	<b>27.533 €</b>	<b>68.347 €</b>	<b>129.801 €</b>	<b>181.719 €</b>	<b>207.307 €</b>
<b>Expenses</b>						
<u>Sales and Marketing</u>						
Facebook ads	746 €	2.239 €	2.239 €	2.239 €	2.239 €	2.239 €
Server rent	327 €	980 €	980 €	1.094 €	1.490 €	1.700 €
Refferal	2.980 €	22.240 €	44.440 €	52.700 €	33.260 €	13.080 €
Software Maintenance	2.091 €	6.272 €	6.272 €	6.272 €	6.272 €	6.272 €
Event:						
Couleur Café	5.040 €					
Apéros Urbain	8.000 €					
Student Ball	60 €	180 €	180 €	180 €	180 €	180 €
Bike Advertissement	2.830 €					
<u>General Administration</u>						
Salaries	6.007 €	18.022 €	18.022 €	18.022 €	18.022 €	18.022 €
Internet and Phone	280 €	480 €	480 €	480 €	480 €	480 €
<b>Total Expenses</b>	<b>28.361 €</b>	<b>50.413 €</b>	<b>72.613 €</b>	<b>80.987 €</b>	<b>61.943 €</b>	<b>41.973 €</b>
<b>Earning before donation</b>	- 24.127 €	- 22.880 €	- 4.266 €	48.814 €	119.776 €	165.334 €
Donation				2.441 €	5.989 €	8.267 €
<b>Earning before tax</b>	- 24.127 €	- 22.880 €	- 4.266 €	46.373 €	113.787 €	157.068 €
Taxe				14.376 €	39.257 €	54.188 €
<b>Net Income</b>	- 24.127 €	- 22.880 €	- 4.266 €	31.998 €	74.531 €	102.879 €
<b>Accumulated Net Income</b>	- 24.127 €	- 47.008 €	- 51.273 €	- 19.276 €	55.255 €	158.134 €



## CASH-FLOW STATEMENT

Year	2017	2018	2019	2020	2021	2022
<b>Operating Activities</b>						
Cash at Beginning of Period	30.611 €	7.730 €	3.465 €	35.462 €	109.993 €	
Profit Before Taxes	- 24.127 €	- 22.880 €	- 4.266 €	46.373 €	113.787 €	157.068 €
Income Taxes Payable				14.376 €	39.257 €	54.188 €
<b>Net Cash Provided by operations</b>	<b>- 24.127 €</b>	<b>- 22.880 €</b>	<b>- 4.266 €</b>	<b>31.998 €</b>	<b>74.531 €</b>	<b>102.879 €</b>
<b>Investment Activities</b>						
Photobooth	162 €					
Flyers	100 €					
<b>Net cash used in investing activities</b>	<b>262 €</b>					
<b>Financing Activities</b>						
Paid in Capital	55.000 €					
<b>Net Cash Used in financing activities</b>	<b>55.000 €</b>					
Increase or decrease in cash	30.611 €	- 22.880 €	- 4.266 €	31.998 €	74.531 €	102.879 €
<b>Cash at the end of the period</b>	<b>30.611 €</b>	<b>7.730 €</b>	<b>3.465 €</b>	<b>35.462 €</b>	<b>109.993 €</b>	<b>212.872 €</b>

Full investment at the beginning of the operation

**55 000 €**

## SENSITIVITY ANALYSIS

The fewer initial users there are, the more the initial investment is high

**Same referral cost**

10 000 € per month after market capture

**Investment means success !**

	Propagation Rate	5%	10%	20%
	Initial user			
	200			
Initial Investment	-	84.382	- 66.241	- 69.474
Time For return	>5y		52	35
Profit 5 Years	-	68.904	100.555	335.102
Positive Earning		49	35	25
	400			
Initial Investment	-	55.470	- 49.993	- 58.060
Time For return	>5y		44	32
Profit 5 Years	-	196	190.406	384.510
Positive Earning		37	25	21
	800			
Initial Investment	-	30.500	- 33.022	- 44.616
Time For return		45	32	25
Profit 5 Years		96.362	295.174	442.499
Positive Earning		23	19	17
	1200			
Initial Investment	-	20.636	- 25.817	- 39.820
Time For return		32	26	22
Profit 5 Years		169.790	350.979	480.216
Positive Earning		13	13	13

# KEY TAKE AWAY AND THE FUTURE

## LOW INVESTMENT

The mandatory investment is 16 132€, the rest depends on the referral program

01



02

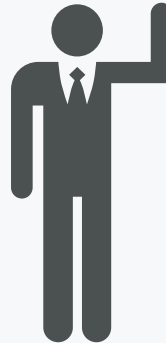
## TOTAL MARKET

If reached infrastructure costs are expected to rise, Dan Martens would join the company full-time

## WEEKENDS ?

Only the weekdays are analysed as there is no clear schedule in the weekend

03



04

## WAGE INCREASE

Once break even happened, Simon will slowly increase his salary to match what he could obtain elsewhere

## SELLING DATA

The most desired emplacement can be interesting to establish new commerce or parking lots

05

06

## EXPANSION

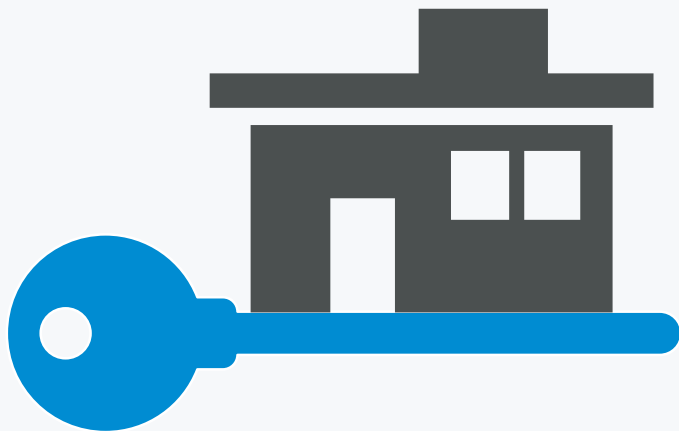
New cities or collaborations

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# THANKS FOR YOUR ATTENTION!

**Any questions ?**

# ADVANTAGING DRIVEWAY OWNERS



01

## KEY COMPONENT OF COPARK

No driveway, no offer, no CoPark

02

## WILLINGNESS TO USE THE SERVICE

The goal is sustainability and further personal use of CoPark

03

## OVER USAGE NEED TO BE PREVENTED

An issue could happen if there is way more users who do not offer driveway than actual leasers

04

## DESIGNED FOR SHORT STAY

It is unlikely that all the spots will be rented all the time

05

## 24H IN ADVANCE MAXIMUM

allows the driveway owner to have a solid and regular parking option