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# Business Plan : Copark

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# Chapter 1

## Introduction

It is very frequent for drivers in dense area to struggle to park their car. Indeed, there is often too many cars for the number of spots available. Many drivers say that finding a spot is a loss of time and a frustrating moment. What is even more frustrating is to see streets without available spot but with plenty of empty spots. Although counter-intuitive, this scenario is very frequent. Indeed, all the parking spots in front of personal garage, or driveways, are not in use for most of the time. *Copark* will take advantage of this observation by allowing driveway owners to put their personal spot at the disposition of other users. The driveway owner will in exchange make a profit but most of all, he will be part of the sustainable initiative that *Copark* proposes.

The following paper is a business plan based on this driveway sharing, the name of the service is *Copark*.

The chapter 2 will define the industry environment of the future company. It will start by analysing the market in which the service will operate thanks to a macro environmental analysis. The need for a service such as *Copark* will be presented along with the already existing solutions. Finally, a Porter's Five Forces analysis of the highlighted market is proposed.

The chapter 3 will clearly state what *Copark* is offering. The competitive advantage of the company will be explained, with a comparison on the strategies of its competitors. The strategy on how to reach the customers is then presented. To finally conclude with an internal analysis of the service.

The chapter 4 is the marketing plan of the company. The first part defines the relevant market. The pricing of *Copark* is then analysed, to finish with the distribution plan and the communication plan.

The chapter 5 will explain how the operation of the service will be handled. The team in charge of managing *Copark* is then described. The chapter concludes on the precise way of using the offer of the company.

The chapter 6 lists the critical risks of the business model and concludes with a SWOT analysis.

Finally, the chapter 7 is the financial plan of *Copark*. The first part describes the cost structure, the revenue of the company and how they are estimated. Then, income statements, cash flow statement and balance sheet based on the previous estimations are proposed. As the whole business relies on variable, an important sensitivity analysis will explain how different scenarios impact the company. The next section describes the funding process of the company. Finally, the key take away of the financial plan are summarised.

# Chapter 2

## Industry Environment

This chapter will define the industry environment of the future company. It will start by analysing the market in which the service will operate thanks to a macro environmental analysis. The need for a service such as *Copark* will be presented along with the already existing solutions. Finally, a Porter's Five Forces analysis of the highlighted market is proposed.

### 2.1 Macro Environmental Analysis

The macro environmental analysis is a model which allows one to identify the influence that the macro environmental factors can have on an organisation.(1, Johnson et al., 2014) The following will consider the economic, political, legal, social, environmental and technological factors.

#### 2.1.1 Economic

With a GDP of \$508.6 billion (PPP, 2016), Belgium ranks itself at the 38th position of the richest country in the world. In 2016, the GDP growth was 1.4% and the unemployment rate was 8.4%.

With approximately two thirds of Belgium's GDP based on exportation, the country relies heavily on world trade. This high proportion comes from its skilled, multicultural and central population.[2]

The economy of Brussels is mainly oriented around the service industry, with 88% of all jobs being in the service sector. Brussels alone contributes to a fifth of Belgium's GDP. Brussels holds 550,000 jobs and it represents 17.7% of the country

employment. There are 2000 foreign company offices in the capital.[3]

Brussels is one of the richest cities of the world with a GDP per capita of 67,811 (PPP) in 2016, which places it at the 9th position within the ranking of the city of the OECD.[4] Brussels is thus the economic capital of the country. Brussels GDP is boosted by a number of commuters from nearby regions. There are 230,000 employees coming from Flanders and another 130,000 coming from Wallonia working in Brussels. On the other hand, only 16% of Brussels inhabitants work outside of the city.[5]

Although having apparently a big wealth, Brussels is not the holder of all of it. Indeed, it appears that the proportion of the unemployed resident of Brussels was 20.4% in December 2013.(6, MB, 2014)

### **2.1.2 Political and Legal**

The Belgian employment laws are based on the consultation of employees and workers. The length of the work is limited to 8 hours per day and 40 hours per week. There is a minimal wage which is valued at €1,501.82 (2015).[7]

A potential new law known as "Peteers' Law" is being studied, which would make the maximal number of hours that one can work based annually instead of weekly. This would lead to a potential week of 45 hours.(8, Moray, 2016) This process shows a trend of work deregulation.

### **2.1.3 Social**

Belgium as a total population of 11,250,000 (2016) inhabitants and it is growing at a rate of 0.82% (2008). Two thirds of the population is between 15 and 64 years old. Its largest city is Brussels, with a total population of 1,175,173.[2]

As Belgium has 27.3% of its population younger than 24 years old and its median age is 43.1 years, Belgium has a younger population emerging[2]. It is then relevant to investigate the trends for the millennial and surrounding generations to understand the rises of trends in Belgium. The millennial are highly connected through social media and mobile data. The generation Z is even more. As the first members of the generation Z will turn 21 years old in 2017, their influence will impact the market.

This super-connection leads to promotion over social media, platforms less shopping and digitalisation. Overall, what is needed is a fast process, with instant notification and picture based description of the product.[9]

### 2.1.4 Environmental

Belgium has a high density of population which impacts its environment particularly in the major cities of the country. Overall, Belgium is oriented toward an environment-friendly approach, being ranked 41 out of 180 in the environment protection index and Belgium has one the most efficient recycling process.[10] In Flanders, 75 % of the residential waste produced is reused, recycled or composted.[11]

In 2010, a study was conducted about the main means of transportation of Brussels inhabitants. The result was that, within Brussels, the car was used by 32% of the population, and for movement to or from Brussels, the car was preferred in 63.6% of the cases.(12, BISA, 2017)

A personal survey showed that 73% of the drivers in Brussels usually struggle to find a parking sport, as it can be seen in Figure B.2.

### 2.1.5 Technological

As *Copark* is designed to be an on-demand application available on desktop computers but mainly mobile devices, several technological factors have an impact on the viability of the business.

Belgium has a well-developed internet infrastructure, and ranks itself among the most connected country in the world. Belgium has 8.6 millions of internet users, which represent 82.0% of the population.[13] There are 3.6 million users of fixed broadband and 3.5 million subscribers of mobile broadband.[14] The global coverage of houses is 99.96% for a 1 Mpbs connection and 91.1% for a 100 Mbps one.[15] Regarding the mobile coverage, the whole country is covered in 2G connection, almost all the country has access to the 3G network and most urban area have 4G connection.[16]

*Copark* would also rely on cloud technology for the host of the application and the required computing power. There are lots of offers of hosting available and it does not rely on the location of the use of the application since Belgium has a fast

strong internet coverage.

*Copark* would be part of the on-demand economy. This model is based on an online platform where independent sellers have an offer for another individual. Classic examples of this economy are *Uber* and *eBay*. Recent surveys and data show that this segment is growing and attracting more and more people, not just a young or wealthy population.(17, Colby and Bell, 2016)

### 2.1.6 Conclusion

This analysis allows one to see that Brussels is a suitable market for *Copark*.

From an economical point view, Brussels's population is wealthy enough to embrace the product. A big part of Brussels's economy comes from the service, which is an industry where there is often mandatory movement by car. Moreover, a lot of employees in Brussels come from outside the city.

From the political side, Belgium's government effectiveness is high and there is close to no corruption. Thus *Copark* would be safe from any sort of blackmail and its legalisation and regulation process would be on time. The business opportunity does not rely on a lot of employment thus the employment law is aligned.

The Belgium's population is not an old one and it is still growing. Thus the market size is not threatened. The younger generation is increasingly tech savvy which is correlated to the on-demand economy.

Environmentally speaking, Belgium is very conscious. As *Copark* will reduce non-utilised space, improve parking utilisation and prevent potentially new parking lot to emerge, its aim is linked to environmental issues.

Finally, Belgium is technologically able to receive the on-demand business. Indeed, the country is very well connected and hosting services are easily available within.

## 2.2 Industry Description and Market Boundaries

The parking industry is not a straightforward one, it can be free, private or publicly owned.

The obvious business offer is the parking offered through the big building designed only for that goal. Those are usually privately owned and are offering spots only in specific locations, usually key locations where there is a lot of demand.

Then there is the free parking in the street. When a driver wants to find a spot in the street, he would rely on luck and knowledge of the neighbourhood to find it. In rural or low-density area, finding a spot is not a problem as there is low demand. On the other hand, in dense area, the available spots are rather rare because in front of a house there would be around two spots for ten or more inhabitants, leading to an offer too small. Free parking is sometimes subject to time limits in crowded location, the driver could stay only two hours, for example. This process is used to facilitate car turnover.

In dense area, the parking is usually subject to charge for non-residents of the area. This was developed as a means to give more liberty to the inhabitant and incentive people to use another means of transportation than the car.(18, Cowen, 2010) In the same way as for the free parking, the maximum time of stay of non-free parking is sometime bounded to a few hours to increase the number of spots available.[19]

The other possibility is to buy a parking space in the street, this option is usually linked to a house. A similar process is to rent the space on a monthly basis. Those are approaches that are suitable for long-term use, typically when the user lives next to the parking spot and struggle to find free ones.

### 2.2.1 Private Parking Short-Term Rent

Parking problems arise in dense area, where there are a lot of inhabitants in the neighbourhood and too few available spots for all of them. A solution to this problem is to charge for parking spots for non-residents.

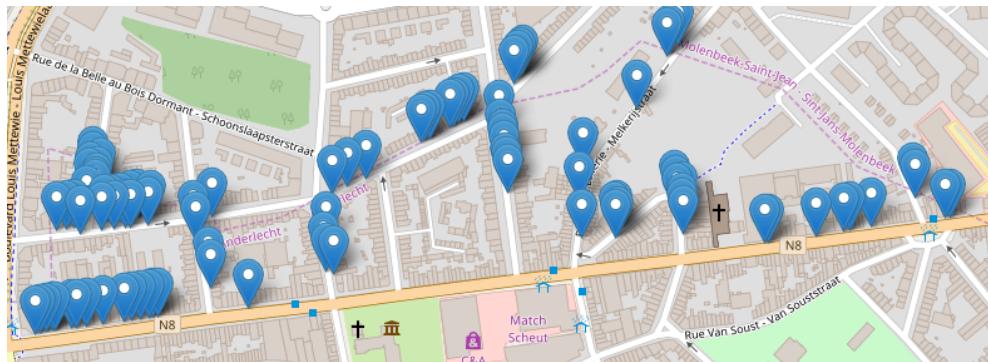
First of all, this solution is not perfect, the driver may still struggle to find a spot. Secondly, the parking would not be free for the user if he does not live in the area.

On the other hand, there are lots of empty private parking spaces. Indeed, houses often come with a garage and a parking space in the street, also called a driveway, but the owner might not have a car, leading to an empty space. More likely, the owner would not use the spot all the time. For example, if he works in

an office, his parking spot would typically be free from 9 am to 5 pm.

The Figure 2.1 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.

Figure 2.1: Access Private or Public Parking[20]



The Figure 2.2 is a picture of a typical street in Brussels. The street is full of cars and the only spots left are empty driveways.

Figure 2.2: Avenue Général Médecin Derache, a street in Brussels at 5 pm, April 2017



When connecting those two facts, a solution for the parking shortage arise and leads to a non-zero-sum game. Indeed, if the parking owner rent his space when he does not use it, he would earn money, and the driver would be able to rent

the space thus finding a spot easily and he would have to pay anyway to park his car. It is assumed that the driver would have to pay as he would be in a situation where he struggle to find a spot, thus in a dense area, thus a location where the parking is charged.

This is ultimately a private parking short-term rent solution.

### 2.2.2 Market Segment

*Copark* has to deserve its service in dense area. The application will offer its service only in Brussels.

The choice of focusing only on one region is based on the fact that the application will need network effects<sup>1</sup> to be successful. Thus heavy initial promotion is needed. The goal is to implement the offer successfully in Brussels first and then explore other accurate locations. Offering the private parking short-term rent everywhere, including non-dense area, would have bad impact on the image of the application. Indeed, if a user sees that there is no availability in his neighbourhood, he is unlikely to use it again, although there was no availability in his neighbourhood because there was no need.

Choosing Brussels as the first city to implement the project is an appropriate choice. Indeed, Brussels is a leading city in Europe. The city is dense. There are 700,000 cars in movement at peak hours for 265,000 available spots.[22] The macro environmental analysis presented how Brussels is suitable for *Copark*. The Figure 2.3 present a map of the parking rules in Brussels[22] :

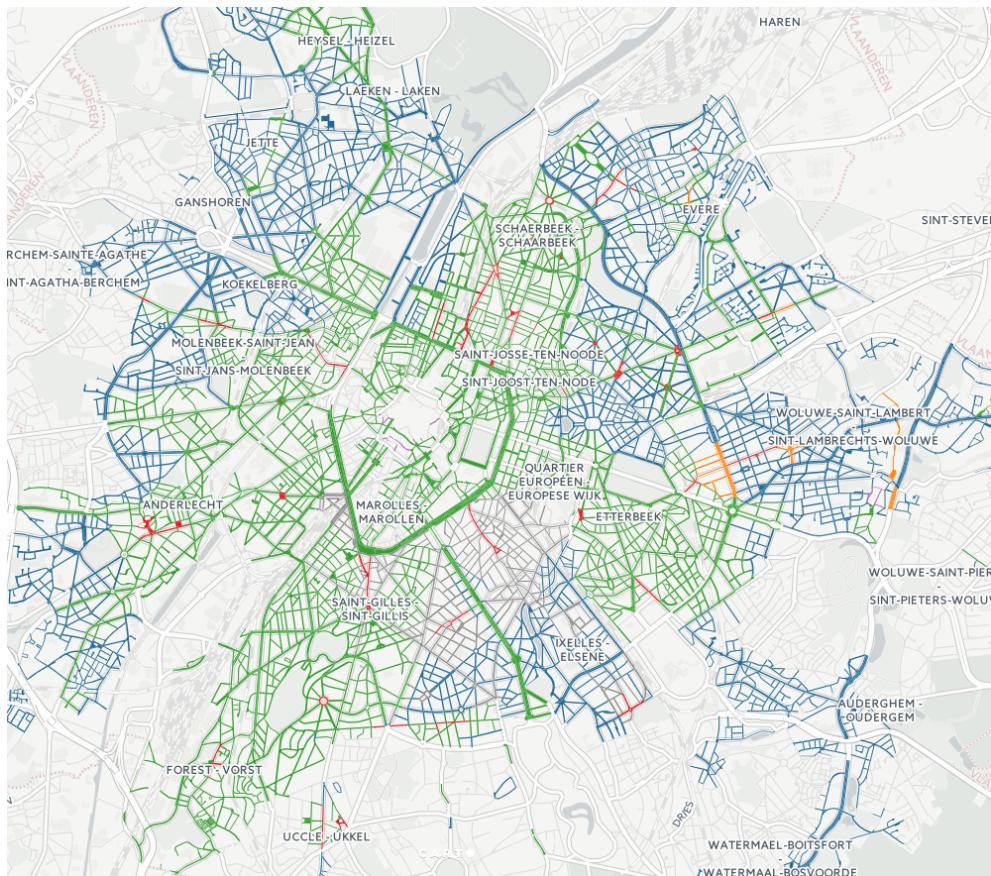
The blue area is free but for a length of 2 hours maximum and in the green, grey, orange and red ones, the driver needs to pay to park his car. The Table 2.1 details the price and the maximum time in each zone.

As a city with a heavily regulated parking policy, Brussels is the ideal candidate for *Copark* to start its growth.

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<sup>1</sup>"A network effect is the effect that one user of a good or service has on the value of that product to other people. When a network effect is present, the value of a product or service is dependent on the number of others using it."(21, Shapiro and Varian, 2013)

Figure 2.3: Map of Brussels' regulated parking area



### 2.2.3 Customer

The service is based on two types of customer.

In the first place, there is the parking space renter. In order to be able to rent a parking spot, one would need to own a parking spot in Brussels. As the parking spot should be free at a recurring schedule in order to rent it consistently, employed people who do not work at home and use the car to go to their work place is an accurate person. One could assume that renting its spot would only attract not wealthy people but renting its spot is also improving the overall service and being able to use it as well. There is also benefit of renting a space if you are a user of the application on the other side as well. Indeed, there is a bonus for space renters.

The second type of customer is the one willing to rent a place, the tenant. The people who might fall into that category need to use a car, whether it is owned or leased, in Brussels. They also need to have a smart phone and a mobile internet connection.

Table 2.1: Brussels's parking fare

	<b>Green</b>	<b>Grey</b>	<b>Orange</b>	<b>Red</b>
<b>Max</b>	/	4:30	2:00	2:00
<b>0:30</b>	0.50€	0.50€	0.50€	0.50€
<b>1:00</b>	1.00€	1.00€	1.00€	2.00€
<b>1:30</b>	/	/	2.00€	3.50€
<b>2:00</b>	3.00€	3.00€	3.00€	5.00€
<b>3:00</b>	4.50€	5.00€	/	/
<b>4:00</b>	6.00€	8.00€	/	/
<b>4:30</b>	/	9.50€	/	/
<b>Extra hour</b>	1.50€	/	/	/

Whether this group of people will use the service or not is not related to any kind of wealth factor. Indeed, if a driver is looking for a spot and none are available for the period he desires, he cannot pay extra for a free spot, there are none available. If someone on the poor segment of the population is looking for a spot, he will want to find one and pay if needed as he is already in the location and going back home without completing the purpose of the ride is unlikely to be a better option.

More than just owning a smart phone, the typical user has to be aware that such technology exists. A person who knows and has used at least once *Uber* would fall into such a category.

## 2.2.4 Suppliers of the Industry

The supply of the parking industry as a whole is parking spots. For *Copark* it is precisely private parking spots.

The particularity of the business model is that the supplier is also a customer. Indeed, it will be the owner of the parking spot that will have to register himself in the application and enter his parking spot in the system.

## 2.2.5 Competitors

### Parking Offer Comparison

Before analysing *Copark's* competitors in its particular business model, it seems appropriate to compare the different parking options and why *Copark's* offer is relevant.

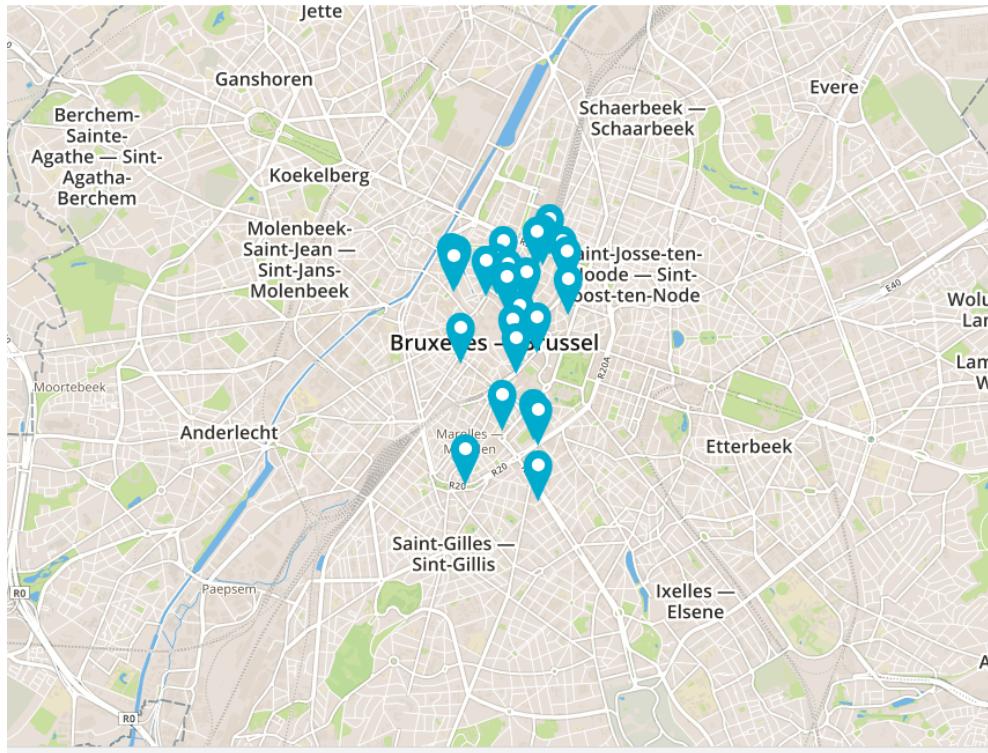
The Table 2.2 proposes a comparison of the different means available to a motorist to park his car. Commercial parking represents big parking lots owned by a private company, private long-term parking is a parking owned or rented on a monthly basis, finally private parking short term represents *Copark's* offer.

Table 2.2: Parking offer comparison

	Public Parking		Commercial Parking	Private Parking Long Term	Private Parking Short Term
	Free	Regulated			
<b>Stay</b>	Very Short	Very Short	Short and Long	Long	Short
<b>Price</b>	Free	Cheap to Expensive	Expensive	Moderate	Cheap
<b>Location</b>	Scarce	Frequent	Scarce	Scarce	Frequent
<b>Availability</b>	High to Low	High to Low	High	Low	Moderate
<b>Speed</b>	Fast	Fast	Slow	Fast	Fast

From this comparison, it appears clear that each mean has a different purpose. Public parking is clearly aimed at very short term stays. Public parking is not available all the time as the spots might all be used. Thus, if someone needs a short-term stay, he would rely on a commercial parking but this offer is scarce, usually parking lots are implemented only in several key locations, as it can be seen in Figure 2.4. Moreover they are expensive, information about the price can be found in section 4.3. The short term private parking thus makes sense as it should be available (once the product is settled) and cheaper than the original parking. To summarise, this option would offer very short-term stay at the same price or cheaper or when there are no spots available and short-term stay when it is not possible through a public parking (e.g. blue zone, free but a stay of maximum 2 hours). Another advantage is that it is fast compared to a commercial parking. In the commercial parking there is all the ticket procedure and then the driver has to leave the parking which can take time.

Figure 2.4: Map of Brussels's Public Parking Location[23]



The long-term private parking has another purpose, to park the car for a long time or every day at the same spot. This parking option is not captured by *Copark* although having a private parking is not always possible and *Copark* could thus help the driver to find a place every day.

### Short Term Parking Offers

Here is a list of selected competitors for *Copark*.

- **Parkopedia** offers to book a parking spot in parking lots online. It allows the user to compare price, check if there is availability and find an offer close to him. They have a strong presence, they have offers in 75 countries and 6308 cities. Although the business proposes a solution to finding a parking spot, the flaws identified in the previous section still hold: expensive, scarce location and time consuming.
- **JustPark**, the services offer private parking rent for half an hour to a year and is available in almost all Europe. On average, the cost is less than 50% of the parking alternative. It emphasis on popular location such as airports and stadiums. Any owner of a parking spot can add the spot to be rented and its availability. When renting a spot, there is a possibility to add a photo,

a description and there is a comment system from previous renters. The owner of the parking selects the price per hour, day, week and month. The owner gets 80% of what the user pays, the other 20% goes to the application. Although the service could be used in all of Europe, it seems to be only used in the United Kingdom. Indeed, the application is very successful there but when looking for spots in Brussels, there is no parking available. The company was founded in 2006 in London. They raised venture capital from BMW i Ventures and Index Venture.[24, 25] They finally raised 1 million £ using crowdfunding, they achieved their target in just four days.(26, Curtis, 2015)

- **ShareMyPark** has basically the same offer as *JustPark* but it is available only in Brussels. The service has been created last year, in January 2016. The offer is rather weak, with only a hundred available spots in the city.<sup>2</sup> On top of short-term parking, they also offer long-term and business parking.
- **MyFlexiPark** is another similar service but this time available in all of Belgium. Launched in 2014.

There are other similar services as *JustPark* but they are less successful. Thus *JustPark* is the most successful service and *ShareMyPark* and *MyFlexiPark* are the only ones genuinely present in Brussels.

As *ShareMyPark* and *MyFlexiPark* have way less success than *JustPark* overall, the market appears not to be captured in Brussels.

The Table 2.3 shows that the offers in Brussels are way less known and followed than *JustPark*, comforting the idea that Brussels's market is open.

Table 2.3: Competitors' social media popularity in April 2017 : number of followers

	JustPark	ShareMyPark	MyFelxiPark
<b>Twitter</b>	6,811	24	31
<b>Facebook</b>	19,121	780	73

Another point is that *JustPark* announces that they have 750,000 users and 25,000 spots available whereas *ShareMyPark* and *MyFlexiPark* do not make such claims.[27, 28] A potential explanation is that their user base is too low and would refrain people to register, as seeing the service as unsuccessful.

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<sup>2</sup>Based on research for a parking time of one hour in April 2017

## 2.2.6 Porter's Five Forces

The Porter's five forces analysis establish the competitive structure of an industry.(29, Porter, 1979) The following analysis will focus on the short term private parking industry in Brussels. As it is a rising industry, the analysis has to be adapted.

- **Supplier Power** In this industry, the suppliers are the parking spot owner. They play a key role in the success of the business. Indeed, it is not possible to substitute their spot in any way, their offer is scarce. On the other hand, parking spot owner has a direct benefit in offering their parking spot as they would have a direct revenue in an easy and convenient way, almost no involvement from the owner is needed.  
The owner of a parking spot alone cannot make the same offer as coordination services such as the ones presented is required. Thus there is close to no possibility of forward integration.  
As the parking owner has a total control, the supplier power is high.
- **Buyer Power** The buyers' behaviour depends upon the situation. Indeed, in neighbourhoods where it is easy to find a parking spot, the driver will not be willing to pay for a parking. On the other hand, in denser area, the driver knows that he will struggle to find a spot and potentially lose lots of time. In those areas, it is common for the driver to not even look for a parking spot but to go directly to a parking lot, e.g. next to a concert venue. Thus the buyer power depends on the context and would be low in dense area but high in others.  
Overall, it is important to recall that the driver can always choose to look for another spot and is price sensitive.
- **Threat of Entry** Potential entry in the industry is currently relatively high. Indeed, the market in Brussels is not captured yet and thus there is room for entry. However, if a service implements itself correctly, it would set a huge entry barrier as the network effects are very important for the service. To enter, two elements are required, an online platform and a user base. The platform can be built fairly easily but the user base construction is a complicated process.
- **Threat of Substitutes** Two types of substitution can happen. Once in the car, the driver can use another means of parking. If there is available spots in the street, he can use them but as seen, in Brussels he would need to pay as well.

The driver can also use a parking lot but this is not available everywhere and thus reduces its impact. This type of substitution threat is medium.

On the other hand, the motorist can choose to avoid using his car as a transportation mean. Indeed, public transportation, bicycle and walking are other possibilities. In that case, the user would have no use of a parking spot. Although this is a serious threat, the transportation by car stays a very popular choice.

- **Industry Rivalry** Finally, the intern competition of the industry is currently low in Brussels. Indeed the service is not well implemented and barely used thus the competition is very weak. The real competition that is currently taking place is the one of the most successful service. As analysed in the threat of entry, if a service succeed in imposing itself as the leading one and achieves having a sufficient user base, then the network effect will make it the winner of the competition.

# Chapter 3

## Company and Product Description

This chapter will clearly state what *Copark* is offering. The competitive advantage of the company will be explained, with a comparison on the strategies of its competitors. The strategy on how to reach the customers is then presented. To finally conclude with an internal analysis of the service.

*Copark* will propose to the population of Brussels a fast, cheap and convenient way to park its car in the dense road of the city. Currently, similar online services exist but they struggle to find a user base, a crucial requirement of the service. Indeed, the success of the offer relies on network effects and once a service hit the critical mass of users, it will set a high entry barrier for other similar services. As opposed to the current offer *Copark* will place the incentive for parking owners to rent their driveway on the sustainability and shared economy impact instead of the profit generation.

Instead of the traditional way of parking a car, *Copark* will be offering a solution for drivers to find a place that is :

- **Fast**, by using the service, the driver will be guided to a spot. Indeed, a proposition of the nearest available locations will be displayed.
- **Cheap**, the price of the parking will be 1€ per hour.
- **Convenient**, it will be possible for the driver to stay a long period of time, whereas the in-street parking is often limited in time. The billing will be directly linked to a credit card thus making the payment process easier.

Payment will be made online, through debit cards and credit cards. The renter will be able to withdraw his money from his leasing made through the service by bank transfer. The renter can also keep the money on its account for his personal

use of the service, as a parking spot hunter.

As seen in the industry overview, the market target is quite large. Indeed, the service is useful for people who use their car in Brussels. The challenge is to build an offer of parking spot large enough, thus to attract enough parking owner on the service.

### 3.1 Competitive Strategy

As explained in section 2.2.5, *Copark*'s offer is matching a demand that is currently not captured by the available parking services.

On the other hand, *Copark* has to attract the same customer that its competitors are targeting in Brussels. The angle of action is to focus on the sustainability and shared economy impact of the application instead of the pure profit generation. It means that when someone is renting his driveway, his goal would be to be part of the service because he would like it to be available for him also in other locations.

This choice comes from two factors. Firstly, because of the apparent fail on focusing only on profit generation, as it seems to be the case for *ShareMyPark* in Brussels. And secondly, because the profit generation is hardly possible. Indeed, let's assume that someone is working from 9 am to 5 pm during week days and is willing to lease his parking during that time. Per month, it would lead to a total of 160 hours of potential renting. Let's assume that the parking is rented all the time, at the same price as the in-street parking. In those ideal conditions, the renter would earn an extra 160€ per month. Although not negligible, the money generation is not enough for someone to make a living. Moreover, as a parking owner, the renter is expected to have a certain level of lifestyle. To conclude, even in unlikely ideal conditions, the potential profit generation is low. But on the other hand, who has not been in a situation of wanting to park his car without obvious offer available ?

A survey conducted in the United States in 2016 showed that 80% of online sellers say the extra money they earn is "nice to have but not essential", reinforcing the idea that the profit generation is not the major goal of people present on online service with money generation.(30, Smith, 2016)

To fulfil this aim, *Copark* will have major differentiation in its policy and its use:

- **Fixed Price** : the fares for the parking will be fixed. Indeed, in other services, whether it is the successful *JustPark* or *ShareMyPark*, the renter chooses his price. This way of implementing the service is aligned with their emphasis on profit generation.  
The fixed price will also serve as a selling argument to attract customers. Our business will be able to guaranty that the price is the same or cheaper than the one in the street.
- **Donations** : as *Copark* aims for sustainability and shared economy, it is aligned to give a part of its profit to an association linked to those values. As those values are one of the incentives for driveway owners to rent their spot, supporting charity will enhance it.
- **Advantage for driveway owners** : the service is built on an exchange system, thus the driveway owner must have an advantage, it will be described in subsection 3.2.1.

The ideal scenario would be that most of the transaction stays within the service, that renters use their revenue only to rent other parking spots. Ultimately leading to a service where parking owners just exchange their driveways.

A survey pursued for the purpose of *Copark*'s creation showed that 85% of people living in a dense city and driving frequently would like to exchange their driveway with other driveway owners as it can be seen in Figure B.3. When asking this question only to driveway owners, the result becomes 79%, presented in Figure B.4. These results show that driveway owners are willing to share their driveway only to be able to park their car in other driveways.

### 3.1.1 Competitors Strategy Analysis

*JustPark* and *ShareMyPark* are the two main competitors, this sub section explains why they are not successful in Brussels.

Both competitors have the same offer and strategy, the renter sets his price. For *JustPark*, it works in the UK and it is very successful. *JustPark* is not targeting Brussels at the moment, they are currently aiming its promotion at Wales, especially Cardiff. On the other hand, *ShareMyPark* have been targeting mainly Brussels for a year but the service is not successful. This observation leads to the following

question : why is *ShareMyPark* not successful in Brussels and subsequently why is *JustPark* successful in the UK ?

The answer is that the markets are not the same. In the UK, finding a parking spot is even harder than in Brussels.(31, Baker, 2012) Which leads to a bigger demand, thus higher price and more benefit to rent a driveway.

Secondly, the Hofstede's individualism factor is higher in the UK than in Belgium, 89 versus 75.[32] Although the factor is quite high in Belgium, the one the UK is extremely high and thus may be one of the explanations of the success of *JustPark*.

To conclude, *ShareMyPark* is believed not to be successful in Brussels because of their "set your price" policy. This strategy does not work in our market because the demand is not extreme enough. It thus struggles to find a user base and the profit generation incentive appear not to work.

## 3.2 Reaching the Customer and Growth

To reach the customers, three key elements will be used.

The first one is classic advertising. As the business is on demand-based, relying on technology and mobile phones, it seems appropriate to use online advertisements. Moreover, this type of advertisement allows our company to select our audience. The campaign could then focus on people living or working in Brussels and owning a car. Social media advertisement is a good option as well because their user base is large, it would represent people who are already using mobile phone applications and thus more prone to use *Copark*'s app.

The second promotion mean will be referral and word-to-mouth. Taking as an example successful campaign from *Take Eat Easy*, *Uber* and *KeyTrade*, the idea is that if a user refers a new one, both of them receive an amount of credit. This lead to two positive effects, first one it incentives the user to refer their friend, thus increasing the user base. Second one is that the new user will be able to try the service for free, if he likes it he is likely to use it again.

Thirdly, the last means is targeted at parking owners. This promotion will be a physical one. The promotion itself will be a small paper aimed at a parking owner, offering them to put their poorly used driveway on the service. The idea is to hire

students to go into the streets of Brussels by bike, and to slide the advertisement under the door of the garages that they cross.

Finally, as the service is based on sustainability and shared economy, its popularity could be increased using local platform designed to promote sharing.

### 3.2.1 Advantaging Driveway Owners

The key component of *Copark* is the parking offer which is provided by driveway owners who are willing to rent it. As the owner will be part of our service in a sustainability goal instead of profit generation, an issue could arise if he is not able to enjoy the offer of *Copark* for himself. This could happen if there is way more users who do not rent driveway than actual renters.

The renter is compensated by an amount of money, but this money is expected to be reused within the application directly. Thus if the renter is constantly facing full spots, an issue will arise. *Copark* is designed to offer short term stays and thus it is unlikely that all the spots will be rented all the time. Moreover, the driveway owner does not need a spot all the time as he might have a parking at his workplace. On the other hand, if the renter needs a parking at recurring time, while working for example, *Copark* will give him an advantage over the regular users. The advantage is that regular users will be able to place a rent for a spot maximum 24 hours before the actual rent, whereas no such restriction will be placed on the renter. It thus allows the driveway owner to have a solid and regular parking option and it will not penalise the regular user for the primary use of the application, which is sporadic short-term parking.

The potential problem arose because once a regular user booked a parking spot, it would be annoying for him if *Copark* was to cancel it. Moreover, it would be impossible if he is already parked. As the driveway owners are the core of *Copark*, it is normal that they have an advantage over the regular users, otherwise a lack of offer could happen.

## 3.3 Internal Analysis

The aim of an internal analysis is to inventory all the resources that a company possesses.(33, Meier, 2015) The business is not implemented yet but the following

describes the targeted resources and capabilities of it.

A required intangible resource is the software developed, it will be the core of *Copark*. There will be three declinations of it, a website, an Android application and an iOS application.

Other intangible assets will be the reputation of the service and its user base. These two elements will have a key impact in the success of the service as it relies on reaching a critical user mass which will lead the application to usefulness for the users. Opposed to the current offer in the Belgian market, *Copark* will focus on the sustainability and shared economy aspect of the service instead of only the potential profit generation for the parking spot owners.

The human resource component will be quite low at the beginning. The equity holders possess management and computer science skills which are sufficient to develop the business technically and strategically. However, maintenance and support will be needed so hiring will happen eventually. Moreover, the promotion of the service will require other short-term hirings which will be described in the marketing plan, chapter 4.

Finally, the capabilities of *Copark* will be its ease of use and access but mostly its capacity to establish itself as the only service to share parking spots and building user base. The last point relies on the network effect which is the key to succeeding in the industry.

# Chapter 4

## Marketing Plan

This chapter is the marketing plan of the company. This plan aims at presenting the operational actions that the company will take in order to achieve balance between offer and demand.(34, Villemus, 2011) The first part defines the relevant market. The pricing of *Copark* is then analysed, to finish with the distribution plan and the communication plan.

### 4.1 Relevant Market

Brussels is the home of 1,175,173 inhabitants.[2] The number of cars registered in Brussels in 2016 is 486,876.(35, BISA, 2017) Every day, there are also 350,000 commuters coming to Brussels.[36] Which leads us to a total of 836,876 cars present in Brussels.

In 2015, in Brussels there was 266,498 garages, parking or roofed spot. Of all those spots, 55,314 were spots linked to a house, thus with an expected driveway.(37, BISA, 2017)

In 2015, a survey about smart phone ownership tells us that, in France, 49% of the population own a smart phone.(38, Baer, 2016) This statistic could help us to narrow down the potential market by assuming that the proportion should be roughly the same in Brussels. Reducing the market segment based on this percentage would be erroneous because our number of potential users is a selection of the population, the owners of cars or parking. Thus it is more likely that this segment of the population owns a smart phone. Indeed, a personal survey showed that 100% of the people driving frequently own a smart phone as it can be seen in Figure B.1.

The survey conducted concluded that college graduates, high-income and under 45 years old were the most likely to use on demand and shared services.(39, Smith, 2016) As our customer base is quite large, this group of people will be the primary marketing target.

## 4.2 Service

### 4.2.1 Parking Offer

*Copark* is offering to the customer to rent a driveway. There are several extensions for this service :

- Renting personal garage
- Offering to enterprise to rent their parking lot when empty, during the weekend for example
- Having a premium system for some popular places next to stadium or concert venue
- Offering a priority service to business where the employee could have some advantage to find a spot
- Implementing co-operation with the commercial parking lot to add their offer to our

The choice has been made to restrict the service to the driveway at first because, as explained, *Copark* relies on network effect. Thus it is important that the offer is clear and straightforward. By multiplying the service, the customer can be confused about what the purpose of the application is. Moreover, as the emphasis is on co-operation and sustainability and shared economy, some of those examples are to be excluded because they are not aligned.

### 4.2.2 Potential Collaboration

Interesting synergies could arise from a collaboration between our parking rental offer and navigation application. Indeed, if a driver is using a GPS application to guide himself, it could be interesting for him to have several offers of parking near his final destination. As the duration of the journey is estimated by the application, it could even serve as a way to book a spot in advance and have more probability

to find a spot that suits the driver.

Such services are offered by *Google Maps* or *Waze*. Those services are to be used from the smart phone and are on the leading edge of the navigation offer. Indeed, it takes into account the traffic of the journey and *Waze* is even one step further, by allowing users to alert the other users of traffic trouble, such as a car in the emerging lane. *Copark*'s offer would thus be an interesting addition to their service.

As those applications are already quite successful and powerful, it will be hard for our emerging service to be interesting for them in the first place. However, the option will be explored as the added value of the potential collaboration is larger than the sum of the ones of both services.

Another collaboration could come from a partnership with a car manufacturer. The goal would be to implement *Copark* as an application of the dashboard of the car. The service would be the same but it would be available directly within the car's computer. As *Copark* is not well implemented, such a collaboration seems quite unlikely at first. On the other hand, if *Copark* becomes widely used, having it offered from the car might be a feature that customers would like and thus providing value to the car manufacturer as well.

### 4.2.3 Branding and Positioning

In order to be popular, the offer needs to differentiate itself in some way from the other propositions available.

Regarding classic parking offer, section 2.2.5 presents a detailed comparison of the options and shows how *Copark*'s proposition is differentiated. To recall, it is fast, convenient and cheap.

Now within the private parking rental segment, the main competitor in Brussels is *ShareMyPark*. The main point of difference between the two offers is the suggested goal of renting a parking spot, full explanation can be found in section 3.1. Briefly, the competitor emphasis on profit generation where *Copark* emphasis on sustainability and shared economy.

The name of the offer is the first impact on the user mind and should thus reflect the value of the offer but at the same time be self-explanatory. The name

*Copark* is designed to be aligned with those requirements. Indeed, the word park is part of the name, so it reflects in a straightforward way that the offer is about parking. Then, the prefix is "co", which refers to collectivism, co-operation, collaboration. This prefix has two purposes. The first one is announcing that the offer is about working together toward a common goal, facilitating parking in Brussels. The second one is explaining that we will reach this goal by sharing our assets.

On top of that, in the French language, the prefix "co" is used to denote sharing, for example *covoiturage* means carpooling and could be translated to *codriving*, *colocation* means flatsharing and could be translated to *corenting*. Finally, although it is not the main value, "co" can convey a green image as it is close to "eco" which refers to ecology.

### Positioning Statement

*Copark* offers to the car drivers of Brussels a faster, cheaper and more convenient way to park their car than any other parking option. We are able to propose this offer by allowing citizens of Brussels to share their driveway between each other. Unlike other parking options, the price is low because the aim is not profit but making everyone's life easier by facilitating parking. The process will be fast and convenient thanks to the mobile application and geolocation. The parking owner will benefit from their rent by basically using the service for free.

## 4.3 Pricing

The pricing strategy defines the set of decisions and actions undertaken in order to determine the structure and the level of price of a product or a service offered to the customers.(40, Gregson, 2012)

As *Copark*'s does not follow a profit generation aim for the renter, the goal is not to set a high price. Before going into details, here is a comparison of the parking price in the competition.

- **In-Street** : the Table 2.1 shows the price of parking a car in Brussels. In the area where it is not free, the price is roughly **1€ for the first hour and then 1.50€ to 3€ for the followings**.
- **Parking lot** : *Interparking* owns 25 parking lots in Brussels. Their price goes from **1.30€ per hour to 2.50€** depending on the area, with a large majority over 2€.[41]

- **MyflexiPark** : the following Table 4.1 presents the price per hour of the 56 available parking spots in Brussels in April 2017.

Table 4.1: Price per hour and availability of parking spot on *MyflexiPark*

Price	0.50€	0.90€	1.00€	1.50€	1.75€	2.00€	3.50€	4.00€	5.00€	10.00€
Availability	1	1	24	3	1	12	1	9	3	1

The most used prices are **1€, 2€ and 4€ per hour**.

- **ShareMyPark** : the Table 4.2 details the availability of parking spots by a range of price per hour in Brussels in April 2017.

Table 4.2: Range of price per hour and availability of parking spot on *ShareMyPark*

Price	$\leq 1.00€$	$\leq 1.50€$	$\leq 2.00€$	$\leq 2.50€$	$\leq 3.00€$	$\leq 4.00€$	$\leq 5.00€$	$> 5.00€$
Availability	3	11	65	27	3	4	10	3

It is interesting to note that there is **49 spot at a rate of 2€ per hour** and another **26 for 2.50€ per hour**. Combined they represent 75 spot, which is more than 50%.

The summary that can be drawn from this analysis is that the parking lot is the more expensive, *MyflexiPark* has prices set close to the in-street parking and finally *SharMyPark* is overall more expensive than in-street parking, especially for stays of one hour.

In the similar services proposed by *ShareMyPark* and *MyflexiPark*, the price is set by the owner of the parking. This lead to this diversity of price. If the application becomes popular, a price competition between the renter could emerge from this practice.

Following the differentiation point of *Copark*, the price will be set for the renter in our offer. The price is straightforward : **1€ per hour** with a minimal stay of half an hour for 0.5€.

This rate is the same as the price to park a car in the street for the first hour. The first hour rate is selected because *Copark*'s offer focuses on very short term and midterm stay which are not available through in street parking, e.g. four hours.

Having exactly the price of the in-street parking is a strong marketing claim for the user.

On the side of the parking owner, one may think that such a low price will not attract driveway owners as their revenue would be too low. However, the reason why someone would rent his park is not to earn money but to enrich the *Copark*'s service as the renter would be a regular user as well. The money that the renter earns is not supposed to be withdrawn but reinvested in order to use the service as a spot hunter also, although the renter can get the money if he wishes. More information about the renter behavioural analysis can be found in section 3.1.

In the same way as *ShareMyPark*, *MyflexiPark* and *JustPark*, *Copark* will have a 20% tax on every driveway location. This fare is present for the service to be sustainable and is sufficient enough. Detail about the financial plan of *Copark* can be found in chapter 7.

### 4.3.1 Alternatives

Another pricing strategy involving having a fixed price at half of the one in the street has been analysed. This lead to a price of 0.50€ per hour. Although an attracting price, it is too low to be interesting. Beside financial stability that might not be reached with such a price, it is expected to have several bad impacts. The first one is that the parking owners who rent their driveway might think that they can directly pay the service instead of renting the driveway and use to money from the rent. Thus it would decrease an incentive to rent a driveway. The second one is that having such a low price can prevent the user from using the service. The idea behind is that it is too good to be true, it is so cheap that people think it is not sustainable.

A membership option was also investigated. This pricing strategy requires the member to pay each month a fixed price and he is then able to park his car in any available spot at any time. This method might be interesting but it is not possible to implement it as a starting strategy since the parking offer is currently null. *Copark* could change its policy after having acquired a big enough offer but it seems inappropriate. First of all, when the offer is available, it will mean that the users like the application as is, thus changing its operation is not interesting. And secondly, changing the policy or announcing that the policy will change after some time will confuse the user base.

A dual pricing was analysed as well. The idea was to have different prices whether the user of the application is renting a driveway or not. The price would be lower for the renter. This strategy would lead to a straightforward incentive for users to rent a driveway. This is a good point. But in the current strategy, the renter is already rewarded by earning money from his rent. Another problem is that a renter would have different revenue from his spot as there are different prices. This idea was dropped because it would make the service over complex with no new incentive.

## 4.4 Distribution Plan

The distribution plan is about the organisation of the provision of the product or the service of a company.(42, Dioux and Dupuis, 2005)

As *Copark* offers a service, the distribution strategy is pretty straightforward. Driveway rental is planned to happen from the smart phone of the user, through an application, wherever he is. It is also possible to book a parking spot from the website application through a desktop computer. There are no intermediaries between the service and the user. On the side of the renting a driveway, it is only possible in selected area where it is useful. The external analysis in chapter 2 has presented Brussels and why this regional area is a relevant choice to implement *Copark*.

## 4.5 Communication Plan

The communication is the way to plan and coordinate the reaching of the customer of a company.(43, Ferguson, 1999)

As for every business, awareness is a key component of its success. A fortiori for *Copark* since network effect are heavily present. Thus the communication around our offer is crucial.

There are two different groups to target, the first one is composed of the driveway owner and the second of the car owner; in Brussels for both.

This section will present an integrated marketing communication strategy that will be implemented in order to inform our potential customers of our offer.

The communication around the car drivers in Brussels will be aimed at college graduates, high-income and under 45 years old because it was presented in section 4.1 as the segment of people who are the most likely to adopt our new service. Building the awareness of *Copark* for driveway owners will follow the same process but with a physical advertising extra. This emphasis on the renter is important because without renters there is no parking spot to be rented and thus the service we propose does not fulfil its aim. On the practical side, targeting a driveway owner physically is easy as it is not a hidden asset.

#### 4.5.1 Public Relationship and Events

Brussels possesses a young and dynamic environment with several universities and several schools for superior studies. Several locations are known to be more frequented by younger people than other, those will be our target.

In order to attract driveway owners and drivers from our target group, partnership with the popular events in Brussels is a good opportunity, the following is a selection of relevant events and what our partnership would be :

- **Apéro Urbain** : this is a recurring event in Brussels that takes place every summer, from May to September, every Friday from 5 pm to 11:30 pm. The event consists of a party with bars and DJ in an open-air localisation. The venues are popular places or park in Brussels. Their aim is : "*Bring people at the same place to share a happy moment altogether*".[44] It can be seen on the picture available on the website that the population in those events fits our target. The audience is mostly from 22 to 35 years old and involved in technology as the *Facebook* page of the organisation has more than 50,000 followers (April 2017).

The collaboration aimed is a partnership that would allow the user to receive 10 hours of free parking on the application if they subscribe with a code present on the *Facebook* event. The free offer represents a credit of 10€ and as 20% is deducted on rents as service costs, it actually represents 8€.

It is a form of sponsoring as the promotion will improve the image of the event and thus might bring more people.

- **Student association ball** : in universities and high schools, it is frequent that the student association of the school or of the faculty they belong to organise a ball. At the *Université Libre de Bruxelles*, the most popular ones are the ones from the faculty of Architecture, Engineering and Business. In

the academic year 2016-2017, 3400 people said that they would go on the event *Facebook* of the first one. Those balls gather current or former students from the faculty and students from other faculties or school. The population is thus composed by students or young workers.

The partnership proposed is having a photo booth at the venue. The guests could take a picture of themselves using a type of *photomaton*, and would then need to enter their email address to receive the picture. There will be a watermark promoting *Copark*. When sending the picture by email, a quick advertisement of our offer will be present.

- **Couleur Café** : a music festival which takes place late June in Brussels. In 2017, the festival will last for three days, from June the 30th to July the 2nd. Couleur Café is focused on the world music and cultural events. The event manager said that what they are trying to offer to the public is "*mixed, festive, solidary and musical.*"<sup>(45, RTBF, 2017)</sup> The event is interesting for our offer because the festival gather people from several segments. The festival is family-friendly and thus gather people with different ages. As defined by the organisation, one of their aims is to promote solidarity, the public is thus interested in sustainability and shared economy and sharing initiative such as the one proposed by *Copark*.

Here, the goal would be to deliver flyers within the festival and the queue, offering as well 10 hours of free parking on registration. Two stewards would be required to distribute the flyers but, moreover, present the service and discuss it with the guests.

- **Repair Café** : a meeting where people with some repairing skills help each other to repair broken objects. It can be bicycles, clothes, electronics and more. Everything is free and based on volunteering. A repair café can be started anywhere. The *French-speaking Belgian Network of Repair Café* has 22 repair café registered in Brussels.<sup>[46]</sup> The community attending those events is thus obviously into sharing and good use of personal possession, which makes them potential users of our application.

The idea is to attend several repair café and present *Copark's* offer. Then to discuss it with all the interested members.

A partnership with the **Réseau de Consommateurs Responsable**, which translates to *network of responsible consumers*, is a good way to present our offer to a user base interested in sharing and collective opportunities. The Belgian association describes its mission as accompanying citizens who wish to exchange foods, objects and services in the aim of creating conviviality, minimise ecological im-

pacts and support a more solidary economy.[47]

The association thus promote every initiative going in its direction, such as Repair Café for example. Having *Copark*'s offer registered on their website would not only bring awareness around the offer but also present clearly its sustainability and shared economy value.

#### 4.5.2 Advertising

To target the drivers, our advertising will take place over social media platforms. The selected one is *Facebook* as it is the most popular in Belgium.[48] Moreover, *Facebook* allows to place ads based on several information of its users, such as location, interest and age. If a user is interested, he can click on the ad and be directed to the website of *Copark*.

Physical advertising will take place as well, focused on the driveway owner. A team of students will be hired and their mission will be to place flyers presenting the offer under the garage door and into the mailbox linked to the garage. The student will need to own a bicycle to fulfil their mission and they will be sent in predetermined area. The flyer will also contain the 10 initial hours of free parking.

The flyer will emphasise the sustainability and sharing values of *Copark*. It will explain that renting the spot is safe and there is a protection system for renters. The renter has full control of the availability of his spot. Finally, the profit donation from *Copark* will be clearly stated.

#### 4.5.3 Social Media

It has been evaluated that 88% of consumers following a brand on social media feel that they are more informed about the company actuality and 78% are stating that it allows them to know it better.[49] The goal of *Copark* presence on social media will be to **inform** its follower of its actuality, to **promote** by bringing awareness of its existence and **present** to the concept.

In order to fulfil those aims *Copark* will be present on the following social media<sup>1</sup> :

- **Facebook** : 79% of Belgian internet users own an account.  
Goal : **inform** and **promote**.

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<sup>1</sup>usage statistics[50]

The presence on *Facebook* will be a page that users can follow. The page will share content about how the service is evolving, its upcoming events, partnerships and facts. Followers will then be informed. Their interest (*follow*) and interaction with the page (*likes, shares*) will be seen by their network.

- **Twitter** : 14% of Belgian internet users own an account.

Goal : **inform** and **promote**.

The *Twitter* account of *Copark* will share content about the day-to-day life of the enterprise. New driveway available, promotion stories, ongoing process and present other sharing initiatives aligned with our values. The information available is thus closer to the company and more entertaining than the *Facebook* one. *Twitter* also possesses a relaying option that user can perform to announce to their community that they like content.

- **YouTube** : 48% of Belgian internet users own an account.

Goal : **present**.

A presentation movie will be created to present *Copark* in a clear and pleasant way. This type of teaser will be uploaded to *YouTube* as it is the most used video sharing platform.

- **Instagram** : 12% of Belgian internet users own an account.

Goal : **promote** and **present**.

Finally, the *Instagram* account of *Copark* will deserve the purpose of presenting the value of the company. A selection on picture and quote about sustainability, shared economy and ecology will be displayed on the social media.

Social media presence is not to be forgotten but, moreover, if it is implemented it should be done correctly. Indeed, there are several hidden rules about the use of each of them and not following them will make the company look bad. Number of posts per day, type of content, hour of posting and more are to be respected.(51, Lee, 2015)

#### 4.5.4 Sales Promotion

As network effect are important for *Copark*, so is the word-of-mouth marketing.

Users have an incentive to invite their friend to use the service as it makes the offer grow. In order to increase this incentive and specially to help them succeed in convincing their friend to join, a referral program will be implemented. On registering, it will be possible to enter a referral code. If the new member does it,

then he will have 10 hours of free parking and the user whose the code is as well.

The result is an incentive for users to promote free trial for new members which may lead to later use and thus growth of the business.

Several successful service companies used word to mouth marketing using referral program as a means. Indeed, *Uber* fast development is partially due to its referral program.(52, Warwick, 2015)

#### 4.5.5 Service Design

As *Copark* will be used by its community only through mobile phone applications and website, their design is a capital aspect of the business.

Both means of use will share the following attributes :

- **User-friendly** is the most important asset of the design. The service should be easy to use and straightforward to understand. What are available functionalities should appear clearly. An action should be done in as few screens as possible.
- **Fast** loading of the pages and close to no loading time will be implemented. The opening of the mobile application cannot take a long time as it will make its use unpleasant. The booking of a parking spot should not involve long operation time.
- **Pretty** design is required for the service to be popular. The colour choice is important, as colour is linked to value. Colour combination as well, a colour palette will be respected. In the recent year, flat design emerged as the most popular one. The motto is to *keep it simple*.
- **Search Engine Optimisation** will have an impact on the growth of *Copark* and will thus be included in the creation of the website page name and so on.

#### 4.5.6 Direct Marketing

Direct marketing will be used through a newsletter service. Users can subscribe to a mailing list from the website, application or on registering. People who used our photo booth service at events will also be included into the mailing list with an easy way to unsubscribe if they wish it.

The newsletter will be weekly and be mainly a gathering of the best posts of the week from the different social media, with an emphasis for the reader to follow *Copark* on social media.

# Chapter 5

## Operation and Team

This chapter will explain how the operation of the service will be handled. The team in charge of managing *Copark* is then described. The chapter concludes on the precise way of using the offer of the company.

### 5.1 Location

*Copark* does not require a physical building at first.

The first part of the business implementation is building the website and the mobile phone application, then marketing will follow.

The software development will take place in the private apartment of the owner of the company. The apartment is located in the centre of Brussels and is big enough for meetings and day-to-day work.

### 5.2 Asset and Service Requirements

This section describes the assets and services that *Copark* requires in order to be functional.

- The core of the *Copark*'s software, the back end. This part of the software is where computation is done. The back end is where the algorithms are and where the database is updated. On the other hand, the front end is "*the visible part of the iceberg*", it is basically a view for the back end. As applications are more and more multi-platform, it is common to have several front ends.

- A Web front end, for users to access *Copark*'s service through a computer.
- An iOS front end, for apple smart phone owners to be able to use *Copark*.
- An Android front end, in order to make *Copark* accessible through Android-based smart phones, such as *Samsung*, *Huawei*, *OnePlus* ...
- A hosting service, to install our back end and thus make the front-end parts able to connect with it.

## 5.3 The Team and Labour Force Requirements

### 5.3.1 Management Team and Equity Division

The initial management team of *Copark* will be composed of two people. The crew will be formed by Simon Picard and Dan Martens. Both members are friends since 2011 and were involved in the same student association which required management and organisation skills. From this experience, it is known that collaboration between the two friends works well. On the other hand, their friendship might make their view homogeneous. In reality, they have quite a different personality and complementary skills. The following present each member and describes their role within *Copark*.

**Simon Picard** is the founder and the CEO of *Copark*. He has studied computer science and successfully obtained his master degree in the discipline in 2016 at *Université Libre de Bruxelles* in Brussels. He then pursued a Master in Management at *Universidad Carlos III de Madrid* the next year. Simon is a pragmatic thinker. The CEO will be responsible for Strategy, Marketing, Operations, Human Resources, Finance and Accounting.

**Dan Martens** is a partner and the CTO of *Copark*. He studied computer science as well but at the *Institut Paul Lambin* in Brussels for his bachelor and he is now pursing a master degree at the *Université Catholique de Louvain* at Louvain-la-Neuve. Dan has been involved in several IT project where he built a Web application and improved his practical knowledge. Dan has a creative personality. The CTO will supervise the R&D department, develop and maintain the software of the company. He will also take care of Customer Service and Support.

In the first part, both members will work on the development of the software together. Once functional, Dan will then be in charge of its future where Simon is

going to dedicate himself for the promotion and expansion of *Copark*. The development will be happening during July and August 2017. Dan will not be involved in the promotion process because he will be working on his master thesis in order to graduate. Dan will thus work only if necessary on the maintenance of the application.

The equity division will be 75% for Simon and 25% for Dan. This division is the results of the following thinking. The initial success of *Copark* requires on two operations, its initial software development and its promotion afterwards. The two components are equally important. As Dan will be involved only in the initial development alongside with Simon, he would then be accountable for 25% of *Copark* the implementation. Simon will be the only one managing the promotion part and thus being accountable for 75% of *Copark* the implementation. Hence the 75-25 division. Dan will also have to invest a 27% of the initial investment in the company and Simon, the remaining 73%.

### 5.3.2 Employees

Beside Dan Martens, our CTO, the company will not have long-term employees. On the other hand, *Copark* will require to hire for short periods, in order to pursue a promotional event. Those have been presented in the communication plan, subsection 4.5.1. For those employees, the company will look for students. Those jobs are short term and thus suits students who look for some extra money for their month. On a financial basis, students do not pay taxes and thus the money we will have to spend is lower. Finally, our job involves sportive activity such as biking, or standing and walking for some time for flyering.

## 5.4 Process

### 5.4.1 Account Creation

A user needs to create an account in order to use the application on which *Copark* relies. The account must be personal, one user must have one account and reversely.

In order to register, the user needs to enter a pseudo and a password to access its account. In order to link one account to one person, the user must provide its first name and last name.

To avoid fraud, the account has to be linked to an email and a phone number. Those will have to be confirmed by entering a code on the application that was sent to them.

It is possible to link its account to *Facebook*, it will be useful for extra features described later in this section.

If the user intent to rent spot, he has to register the car with which he will. The car registration requires the licence plate, brand and colour. The car will have a name, and several cars can be registered on one account.

#### 5.4.2 Register a Driveway

To register a driveway, the user must have an account. Then, the user goes into the driveway registering section. There it will ask the localisation the driveway. The user has the possibility to add a picture of the spot and a description. Those extras are useful to find where the spot exactly is. For example, the description could be "the spot is the one in front of the red garage door".

Once the registration done, the user has to set when the spot is available. He thus accesses to a schedule where he enters the availability by half-hour slots. He can set periodic availability such as "every Monday from 9 am to 3 pm" or specific ones such as "on April the 27th from 2 pm to 7 pm".

The renter can change the schedule whenever he wants to. The only time when cancellation is not possible is when the parking is rented and in use, the user has to wait for the end of the booking. On the other hand, if there is a reservation but it is not happening yet, the renter can cancel it and the future tenant will be warned.

The renter has the possibility to make his parking spot available only to users without strike. A user gets a strike when he stays longer than he is supposed to be.

#### 5.4.3 Rent a Spot

To rent a parking spot, the user has to be logged into the application with a previously registered account. The user then arrives in the view destined to rent a spot. This view is a map with a search bar for the location and time period entries. By default the time period is set to now until the next hour and the location is the

one where the user is if geolocalisation is available, centre of Brussels otherwise. The user can change all the setting of the search request. He then sees on the map the available spots for the time slot and there is a list showing the spots in order of proximity of the location.

On the spot list, the user sees how many time it was already rented. If the user clicks on a spot on the list, a new panel opens with the picture of the spot, the description and the owner of the spot. The user has to click on a button to confirm the reservation. On booking, the user has to select with which car he is going to park.

Once booked, the user drives to the spot, parks his car and that's it. The user will receive an alert on his phone when the time to free the spots is approaching.

#### 5.4.4 Additional Features

A leader board will be created where users will be able to see who rented the most a parking and which driving owner has rented his spot the most. The leader boards will be monthly or since *Copark* launch.

The phone contact will be scanned to create a friend list for the user. It will be possible to recognise users from a phone number, email or Facebook friendship. On the friend list, the user can see who has been renting spots.

If a user does not wish to show his statistics, he can hide them.

If a renter goes to his driveway and sees that it used whereas the spot is not rented, he can make a complaint. In order to make a complaint, the user has to take a picture of the car, enter the licence plate and link to which spot the infraction is.

The tenant will receive a strike and he will have to pay a fine to the parking owner. The fine is 25€ and is fully received by the owner. 25€ is the price of a fine in the street of Brussels for not paying the parking.

The user also receive a public strike, the parking owners can set their driveway non-available to public strike holders. This strike stays public for one month. After that month, the users cannot know about the strike.

If a user has received three strikes, he is banned from *Copark*. Hence the registration through a mobile phone and email, in order to make fraud more difficult.

# Chapter 6

## Critical Risks

This chapter lists the critical risks of the business model and concludes with a SWOT analysis.

- If suddenly *ShareMyPark* becomes popular in Brussels, it will be a serious issue for *Copark* because of the "one takes it all" behaviour of the market which is expected to happen. Indeed, *Copark* would then struggle to be relevant to the users as there is already a popular similar service.
- Similarly, if *JustPark* focuses on Brussels and gathers a large market, the same issue will arise. However, the subsection 3.1.1 explains why those two services with the same business model are not expected to reach a large market in Brussels.
- If *Copark* fails to attract driveway owners, the service is at risks. Indeed, the whole offer of *Copark* relies on people renting their driveway, thus if none do, the service is useless. The promotion of the company is engineered in order to avoid that flaw.
- If there is an over use of non-driveway owners, the service might fail. If the driveway is rented by non-driveway owners all the time, the driveway might be disappointed. Indeed, the key reason for a driveway owner to rent his driveway is to be able to rent others, so if they are always rented, he might quit the service. However, there is still the profit generation that is pleasant for the owner and the time advantage of the driveway owner will reduce this issue, more information can be found in subsection 3.2.1.
- There are potential exploits of *Copark*. For example, a user could log into the application, look for available spots and park there without booking it. He would see that it is available and park there knowing that the owner is not

there. The fining system in subsection 5.4.4 should prevent this behaviour but the risks cannot be completely avoided.

- The referral program could be exploited to generate money on the application and never pay. This will be prevented by linking the account of a user to his phone number, licence plate and so on. It is still possible to change phone number and licence plate but the costs becomes quite high.
- The aversion of driveway owners to rent their spot is to be taken into consideration. The service might seem "too good to be true." It is thus very important to explain clearly what are the guarantees the user receives and how the operations lead to a safe renting.
- Finally, there is a potential legal issue. In Belgium, lending its driveway is illegal even for free to a friend. Indeed, there should be the licence plate on the door of the garage of the car parked. However, it is extremely rare for a car to be fined for this transgression. *SahreMyPark* discharges itself from the issue by stating that it is only a means for the exchange to happen and not actually renting the driveway.(53, pigeons, 2016) If the issue was to be important, it would be possible to imagine a system to avoid it such as asking the drivers to place a sticker on the garage with their licence plate when they park. But as *Copark* aims at sustainability, the city of Brussels should be interested in the concept and not opposing itself to its growth.

## 6.1 SWOT

The SWOT analysis allows a company to identify its strengths, weaknesses, opportunities and threats in order to help it to define its growth strategy.(54, Bressy and Konkuyt, 2011)

	Helpful (to achieve the objective)	Harmful (to achieve the objective)
Internal origin (product/company attributes)	Sustainability value Application design Promotion strategy Fixed price Safe operation Low investment	Low experience in the industry Little work experience of the founders Untried business model Success depends on driveway owners
External origin (environment/market attributes)	Lack of parking spots Repetitive work schedule Sharing economy love Smart phone omnipresence Big market	Potentially illegal Moral hazard Potential success of competitors

# Chapter 7

## Financial Plan

This chapter is the financial plan of *Copark*. The first part describes the cost structure, the revenue of the company and how they are estimated. Then, income statements, cash flow statement and balance sheet based on the previous estimations are proposed. As the whole business relies on variable, an important sensitivity analysis will explain how different scenarios impact the company. The next section describes the funding process of the company. Finally, the key take away of the financial plan are summarised.

### 7.1 Estimated General Demand

#### 7.1.1 Maximal User Base

The maximal user base has been defined in the marketing plan, section 4.1 and concluded that there is a total of 836,876 drivers that could use *Copark* and a maximum of 55,314 driveways to be rented in Brussels.

A survey lead in the United States reports to us that 11% of the population has used a service similar to *AirBnB* to stay overnight in a private residence.(39, Smith, 2016) If someone has already been using a house-sharing service such as *AirBnB*, it means that he knows about the offer and the sharing economy. As *Copark* is also about sharing a private property, a link can be drawn between the two services.

By combining the maximal number of users and the percentage, we obtain that there would be **92,056** potential users of the service and **6,084** potential driveways to be rented. However, house-sharing services are aimed at people who travel on holiday. This segment is generally high-income. *Copark* is broader and would facilitate the life of poorer people. Thus the number of users could be even bigger but as explained in the previous chapter, the real challenge is to make Brussels's

population adopt the service. At the end, this combination gives us a good starting idea of the demand.

Another way to estimate the demand is to extrapolate the user base of *JustPark*. The competitor has a total of 750,000 users.[27] The service is mainly utilised in London, a city with a population of 8,673,713 inhabitants.[2] Thus 8.6% of London's inhabitant are using *JustPark*. So it can be said that 8.6% of Brussels's population would use *Copark*. Leading this computation to a user base composed by 101,615 people.

This estimated demand is close to the one previously found, encouraging the idea that the estimation is plausible.

### 7.1.2 Offer and Demand

The typical driveway renter would be someone who works and is willing to rent his spot in the meantime. Thus, during workdays he would rent his spot from 9 am to 5 pm, or for 8 hours. The demand is expected to be higher during those hours because the in-street parking has to be paid at that time.

The worker segment could thus be renting their driveway for 8 hours, five days a week. The worker segment can be estimated by using the unemployment rate in Brussels which is 20.4%. (6, MB, 2014) The number of the driveway rented by a worker is thus 4,842 at full market captured. This part of the offer thus represent **774,720** hours of parking rental per month ( $4,842 * 4 \text{ weeks} * 5 \text{ workday} * 8 \text{ hours}$ ). Per driveway it leads to **160** hours per month.

Seasonality is expected to happen during the summer because it is the period where most workers are going on holiday. Indeed, in a recent survey, 59% of the respondents said that they are going to take vacation during the summer. (55, Pilon, 2014) The worker in Belgium has a minimum of 20 free days per year.[56] By assuming that the worker uses 5 of his free days to go on holiday for a week, the parking rental offer during July and August can be adjusted. The model proposed is that during one week of those months, the parking offer would be available for seven days straight. As it is unlikely that rental will happen at night, the number of hours per day during holiday will be 12. Finally, there will be **987,768** hours of parking rentals in July and August ( $4,842 * 3 \text{ weeks} * 5 \text{ workday} * 8 \text{ hours} + 4,842 * 1 \text{ weeks} * 7 \text{ holidays} * 12 \text{ hours}$ ). Per driveway it leads to **204** hours per

month.

The user base analysis leads to 15 users per driveway available. Assuming that the driveway available will be rented all the time is unrealistic.

In a survey conducted for this business plan, the following question was asked "*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 ? (i.e in a paid parking lot or in a chargeable spot in the street)*". Surveyed people said they were living in a dense city such as Brussels and they are or used to drive a car. The resulting average percentage is **22%**.

Assuming that the classic user and the driveway renters users will grow at the same rate, it leads to a full rent of the parking available. Indeed, the average user is paying 22% of the time to park his car during the daytime, weekdays. There are 15 classic users per driveway available. Thus it means that only five users are required to fulfil the offer. With 15 users per driveway, it can safely be assumed that the parking option will be totally used. This analysis leads to an occupancy rate of 100%. However, inefficiency will arise, it is unlikely that users will be able to switch instantly in parking a spot. Thus the occupancy rate will be decreased to **90%**.

## 7.2 Cost of Marketing

The physical advertising through flyers under garage doors will be made by students riding bicycles. Excluding the high-speed lanes, there is 1,983.5 km of roads in Brussels.(35, BISA, 2017) The speed when travelling by bike can be as high as 30 km/h but taking into account that the road network is not a straight line and that the employee will have to constantly go off and on his bike in order to distribute the flyer, a 7 km/h pace is more realistic. It means that job will require 283 hours to complete. As the job requires physical effort, a 10 € per hour salary will be offered. The cost of this operation will thus be **2,830 €**.

The average cost per thousand impressions for a *Facebook* ad is 7.29\$.[57] As our customer segment is quite small because it is only people living in Brussels, a thousand views per day is as satisfying start. Thus the budget per day is 7,29\$, hence the budget per month 204,12\$, or **186.61€.<sup>1</sup>**

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<sup>1</sup>Rates of USD 1 = EUR 0.9142 accessed on 09/05/2017, European Central Bank. This rate will be reused for the following conversions.

The photo booth at the student ball requires a touch screen, a camera and small computing unit, also known as a microprocessor. The Table 7.1 shows the component and their prices. The total price of the components is 127.70\$ and 50\$ have to be added to capture the price of cables and wood to create the box holding everything. At the event, a student has to be hired for 6 hours to set the booth at the event and invite guests to take a picture. A classic wage of 10€ per hour is expected. Thus, the building price is 177.70\$ or **162.45€** and the cost for the employee at the event is **60€**.

Table 7.1: Photo booth component

Name	Price	Reference
Monitor	80.00\$	[58]
Camera	14.70\$	[59]
Microprocessor	33.00\$	[60]

The partnership with Apéro Urbain assumes a free offer to the guests. The offer is 10 hours of free parking, thus the equivalent of 10€. As *Copark* takes 20% as a fee, it represents a cost of 8€ per new user. The *Facebook* event from the 2016 edition gathered 3,000 users, based on their attendance on the event.[61] Basically, the promotion can be stopped whenever the desired amount of user registration has been attained. There are around 16 events per year with the same attendance range. Thus, assuming that at least 1,000 people would register is realistic. Those 1,000 registrations would cost **8,000€**.

The promotion at Couleur Café festival is flyering and promoting *Copark*. Two stewards are to be hired, once again students are targeted for the position. The flyering would start at 8 pm and last for four hours. The price to hire the employee at a 10€ per hour rate is 80€, as the festival last three days, it would cost a total of 240€. As the promotion of 10 hours of parking is present as well, its cost has to be taken into consideration. There will be 20,000 quest per day in the 2017 edition. By assuming that 1% of the guests are interested, 200 people would register for the application per day. Hence a total 600 registrations for **5,040€**.

The promotion at the *Repair Café* and the collaboration with *Réseau de Consommateurs Responsable* will be done by Simon Picard, as part of his spokesperson responsibilities.

The community manager job will be held by Simon Picard, as part of his daily

duties.

Finally, the referral promotion grants 10 hours of free parking to the inviter and the new user. It sums to 20€ and 16€ after removing *Copark*'s fees. During the growth stage, a large portion of the new user are expected to come from this promotion.

## 7.3 User Base Growth

*Copark*'s revenues and expenses are highly depending on the number of users it possesses. Indeed, the server load, the number of referrals and the actual number of hours of parking rented depends on them.

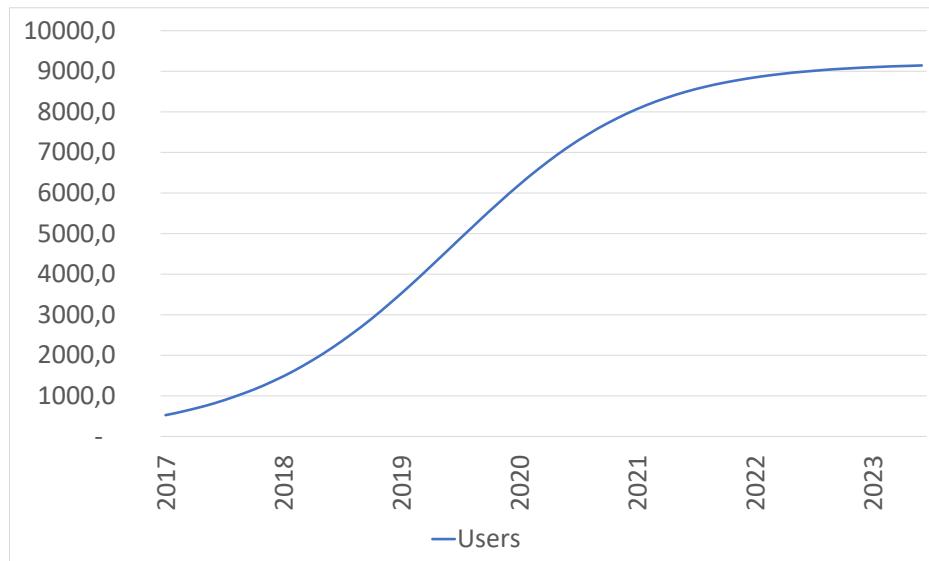
In order to evaluate it, a contagion model will be used. A contagion model comes from the epidemiology field. It has already been used to analyse optimal advertising policies in the late '70s.(62, Sethi, 1979) A suggestion of use of the model to estimate the user growth requires three data. Those are the **initial user base**, the **total population** and the **propagation rate**.[63]

The total population has been estimated to be 92,056 in subsection 7.1.1. The proposed model will evaluate a capturation of 10% of that total market; thus leading to 9,205 final users. The reach of the marketing campaign has been assessed to be 1,600. However, it is unlikely that all the registration will lead to a regular user. Three of those registrations out of ten will be kept as regular users. Finally, the propagation rate can be computed by assessing how many people are required for a new person to start using *Copark* each month. If the propagation rate is 33%, it means that each month a new person starts using for every three people already using.

The Figure 7.1 shows a user base growth with a total population of 9,205, an initial user base of 480 and a contagion rate of 10%. In this model, more than 90% of the market is reached in 4 years and full population is reached in 8 years.

The previous inputs will be used for the following financial analysis as they appear quite realistic. However, those variables are crucial for the computation and will thus be part of a sensitivity analysis.

Figure 7.1: User base growth projections. Population = 9,205; Initial users = 480; Contagion rate = 10%



## 7.4 Cost of Operations

There is only one operating costs in this business model and it is the rent of a server. Estimating the cost of the server is not an easy task because it depends on the load on it, which itself depends on the number of users and the architecture of the software.

The choice is to use a server provided by Amazon which is easy to scale. Basically, the server can be built as the customer wishes, with different services and power. The service that will be used is *Amazon Elastic Beanstalk*. After online research and discussions with a Web app developer, it has been analysed that the *Large Web App* example on the *Amazon Web Service Fee Calculator* could represent a server that would be suitable for a service with 50,000 simultaneous users and that a linear extrapolation of the monthly price with the number of users is realistic.[64, 65, 66]

The price of a server suitable for 50,000 users is 893.29\$ per month.[67] After conversion it leads to 816.59€. Thus, the price to sustain 5,000 users is 81.66€ per month.

After the development of the application, Simon Picard will be in charge of

the marketing, day-to-day operations and maintenance. He will work full time for *Copark* and will receive the minimum wage which is **1,501.82€** per month.[7]

## 7.5 Sale Forecast

The sale forecast depends on the growth of the user base, the offer and the demand. Those factors have been analysed in the previous section. Basically, the revenue is generated by the rents of the driveway, *Copark* takes a fee of 20% on each rent. The price per hour is 1€, the company thus earns 0.2€ per hour rent.

The process to estimate the revenue is the following :

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

Basic computations lead to an expected revenue per month, as shown in Figure 7.2 for years 1 to 3.

In summer, the seasonality appears clearly.

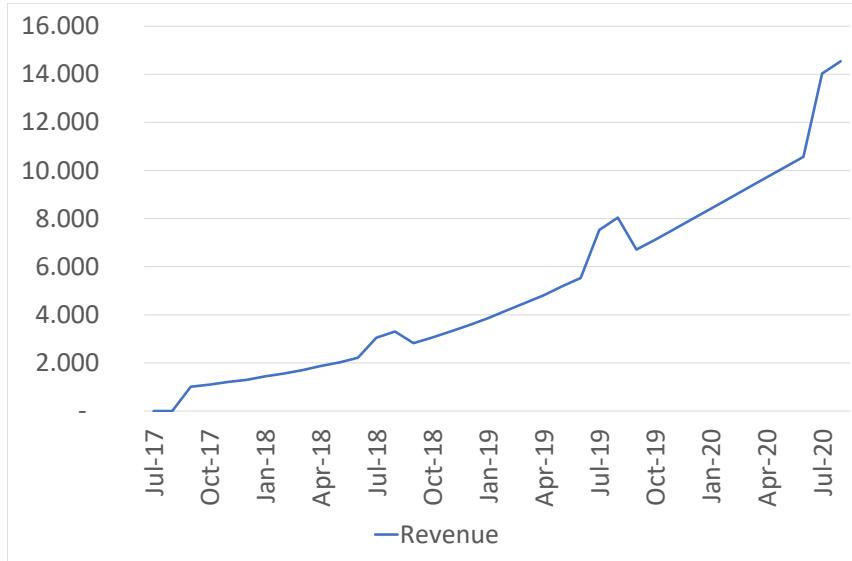
## 7.6 Expenses

This section assesses the expense per month based on the previously analysed cost of marketing and operations.

The recurring monthly expenses of the service are formed by the wages and ad cost, which are fixed. On top of that, the referral program is to be taken into account. Each new user cost 16€. The server rent has a minimal price of 81.66€ per month and once the user base becomes bigger than 5000, the price is to be correlated as explained in the cost of the operation.

The depreciation of the software is to be taken into account as well. To fulfil its development, it will require two months of work from two computer scientists as

Figure 7.2: Expected revenue per month years 1-3



assessed in previous chapter. The average monthly salary of IT specialists in Belgium is 4,704€.(68, Economie, 2015) The software is thus valued at four times this amount: **18,816€**. As the development world moves fast, the software is expected to be outdated after three years. A linear depreciation will be used and will represent the cost of hiring Dan Martens to update the software when necessary.

The Figure 7.3 present a graph of the monthly recurring expense of *Copark* for the first three years.

On top of those recurring costs, marketing operation have to be included. It is important to notice that in this expense forecast, the taxes are not included.

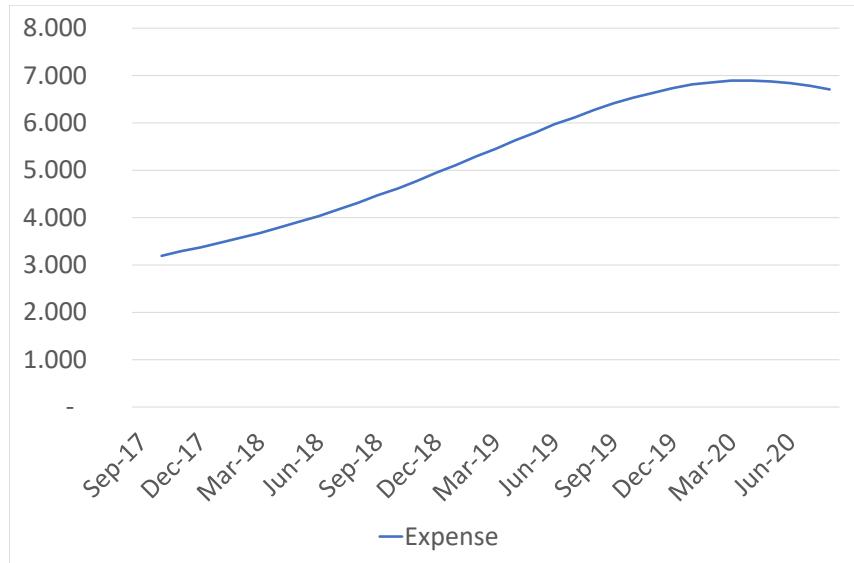
## 7.7 Income Statement

The income statement can be found in Appendix C. As the number of users and new users have a huge impact on the income statement, the information of the user base is displayed.

The sales have been explained in section 7.5. The gross profit thus depends on the use of the application.

The monthly expenses have been detailed in section 7.6. On top of those, the cost of the events has been included. The *Couleur Café* event will take place in

Figure 7.3: Expected recurring expenses per month years 1-3



June, the *Apéros Urbain* over the summer and the student ball are each year, in November. February and April. The bike advertisement will take place in September, when the service is launched. In this sheet, the actual cost of a new user is 20€ as the fee that will be recovered is included in the earnings from the rents.

The taxes in Belgium for a company are presented in Table 7.2. The taxes are paid at the end of the year, based on the yearly profit after donations.

Table 7.2: Tax Rates in Belgium[69]

Slice	Tax rates
€ 0 – 25,000	24,25 %
€ 25,000 – 90,000	31 %
€ 90,000 – 322,500	34,50 %

The net income is in deficit for an extended period. In the first three months, no income is present and thus represent an important investment. During the following months, the cost of referral is very high. The seasonality in the summer clearly appears as the loss is less important.

In this user growth model, the total required investment is 54,793€, the company will be profitable after 25 months, and the initial investment will be returned after three years and seven months.

## 7.8 Cash Flow Statement

The cash flow statement is presented in Appendix D.

The net cash provided by operations is taken from the income statement. The initial investments in flyers and photo booth are presented in the investments activities. Finally, the Financing activity is showing the initial investment to fund the company.

With 55,000€ as initial investment, one can see that the company will have sufficient money to sustain it until *Copark* becomes profitable.

## 7.9 Balance Sheet

The balance sheet is shown in Appendix E.

The current assets are only the cash invested in the company, taken from the cash flow statement. In the non-current assets, one can see that the equipment (photo booth and flyers) is present, as well as the developed software in the intangible assets. The software needs maintenance and its price is transferred in the amortisation cost.

There are no liabilities as the company will be funded by the owners. The paid-in capital section is more than the 55,000€ invested. It includes the opportunity costs of the founders. Indeed, the two owners of the company will spend two months working on the project leading to this valuation.

## 7.10 Sensitivity Analysis

The sensitivity analysis will evaluate two variables. As the revenue and the expense of the company highly depend on the user base growth, several scenarios have to be taken into consideration. The model to represent the user base growth is a propagation model which is built on two variables as seen in previous sections. The first one is the number of the initial users, the analysis will be between 200 and 1,200. The second is the propagation rate, the evaluate rates are 5%, 10% and 20%. The Figure 7.4 shows the result of the analysis. In each scenario, the initial investment required, the time before break even (in months), the profit after five years and the number of months before positive earnings can be found.

Figure 7.4: Sensitivity Analysis, Target Population = 9,205

	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

It can be observed that the fewer initial users there are, the more the initial investment is high. This results from the fact that as long as there is not enough users to generate enough earnings, the company does not receive sufficient money to cover its costs. This conclusion can be drawn also for the time to positive profit and subsequently the time to break even.

It is important to understand that in all cases, the service will at some point capture the whole market. Once the total market is captured, *Copark* is expected to generate close to 10,000€ of profit per month, taking taxes into account. Indeed, the biggest cost and challenge of the service is to obtain the user base, the referral program is the leading cost. Giving this information into account, the table helps to understand how fast a sufficient portion of the user base makes *Copark* interesting. It can also be seen that for the same number of initial users, the propagation increase the initial investment. This is the result of the referral program once again. Indeed, if the propagation rate is high, a lot of new members arrive together thus leading to high costs from the promotion. But the profit after 5 years is bigger because there will be more time where *Copark* can take advantage of its full-user base and generate good revenue. Basically, the propagation rate defines

how spread is the cost of the referral program. As the targeted market is 9,205 and each referral program cost 16€, excluding the initial users, the total cost of the referral promotion is 139,600€.

The investment is important but one should not be afraid of it. Indeed, as the major part of the investment represents promotion costs, every euro spent in it will lead to the procurement of a new member. As the analysis shows, if the users are present, the service can generate a good amount of profit. To conclude, if this expected investment does happen, it means that *Copark* is successful and will eventually lead to an interesting profit generation.

The Figure 7.5 is a second sensitivity analysis where the total market is expected to be acquired at the end.

Figure 7.5: Sensitivity Analysis, target population = 92,056

	Propagation Rate	5%	10%	20%
	Initial user			
	200			
Initial Investment	-	83.452	70.409	160.524
Time For return	>5y		52	40
Profit 5 Years	-	60.841	271.672	2.823.993
Positive Earning		49	37	34
	400			
Initial Investment	-	55.103	53.002	139.879
Time For return		61	44	36
Profit 5 Years		23.370	657.445	3.324.576
Positive Earning		37	30	31
	800			
Initial Investment	-	30.971	38.075	140.415
Time For return		41	35	32
Profit 5 Years		170.124	1.216.243	3.844.907
Positive Earning		23	22	25
	1200			
Initial Investment	-	21.529	29.017	135.800
Time For return		31	28	29
Profit 5 Years		311.637	1.624.174	4.130.583
Positive Earning		13	18	25

It can be seen that the initial investment required is larger in every situation, some with more importance than other, but the profit after five years is way bigger. On the other hand, the time to break even does not grow that much, approximately there is an increase of 33%. Although this scenario is unlikely, it shows that the business model is scalable and that a bigger market is not a threat to the referral

program. Indeed, the revenue earned is sufficient to sustain the referral program, even with a big market.

## 7.11 Funding

Simon and Dan will invest themselves in the company from their money. As analysed, the initial investment is 55,000€. As seen in the equity division, Dan will invest 15,000 and Simon will cover the remaining 40,000€.

Including the opportunity cost, Dan will have invested 24,408€ and Simon, 49,408€. The investment is aligned with the 75-25 equity division.

It is important to recall that if *Copark* does not achieve to acquire users, the founders will get a large amount of the money back, as most of it is designed to sustain the referral program in early stages. Indeed, excluding the referral program, the required amount to invest is 16,132€, details can be found in section 7.2.

## 7.12 Key Take Away and the Future

- In the suggested model, the required investment is 54,793€, the company will be profitable after 25 months, and the break even happens after three years and seven months.
- The mandatory investment is 16,132€, the rest depends on the referral program.
- In the forecast, only the weekdays are analysed as there is no clear schedule in the week end. Thus an increase in the income is expected.
- If successful, the company could increase its revenue by selling data of the user. The most desired emplacement can be interesting to establish new commerce or parking lots.
- If the company reaches the total market (approximately 100,000 users), the server infrastructure will be more expensive and Dan will join the company full time as the CTO to focus on the software.
- Once break even happened, Simon will slowly increase his salary to match what he could obtain elsewhere.

- If *Copark* does not reach customers, either the founders could quit or they could implement new promotion events. This choice will depend on the current user base.
- If the market is totally captured *Copark* could expand itself in other dense cities. However, it is important to be careful about the willingness of the population to create a sustainable environment and the place that the sharing economy holds in their culture.
- It would be possible to hire computer scientists instead of an internal development for the software, the cost has been estimated. The advantage of doing it internally is that the end result will be perfectly aligned with the will of Simon. It also leads to fewer risks as the personal investment in time is cheaper than actually hiring computer scientists.
- The referral promotion could stop before reaching the total market, but as every new user leads to new revenue, the investment is interesting.

# Appendix A

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# Appendix B

## Survey

### B.1 Questions

- How old are you ?
- Do you live in Brussels ?
- Do you live in a dense city ? (such as Brussels)
- Do you own a garage with a personal driveway ?
- Do you own a smart phone ?
- Are driving a car frequently (i.e once a week or more) or did you use to in the last 5 years ?
- Do you usually struggle to find a parking spot in the street?
- 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 ? (i.e in a paid parking lot or in a chargeable spot in the street)
- *If you do not own a driveway, suppose you do.*  
*Imagine a driveway exchange system where you could park your car for free in other people's driveway if you let other drivers do it as well in your driveway.*  
*Important, other drivers would be able to park their car in your driveway only when you are not using it and your driveway will always be available when you need it.*

Would you want to be part of such a driveway exchange system ?

## B.2 Selection of results

Figure B.1: Do you own a smart phone (driving frequently) (155 answers)

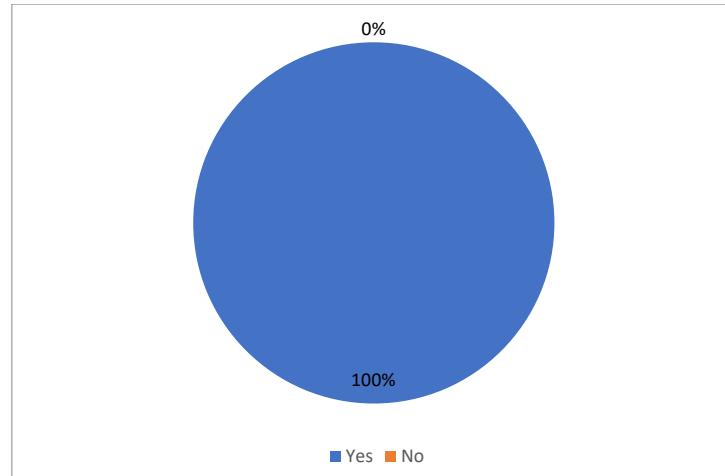


Figure B.2: Do you struggle to find a parking spot ? (driving frequently, living in Brussels) (86 answers)

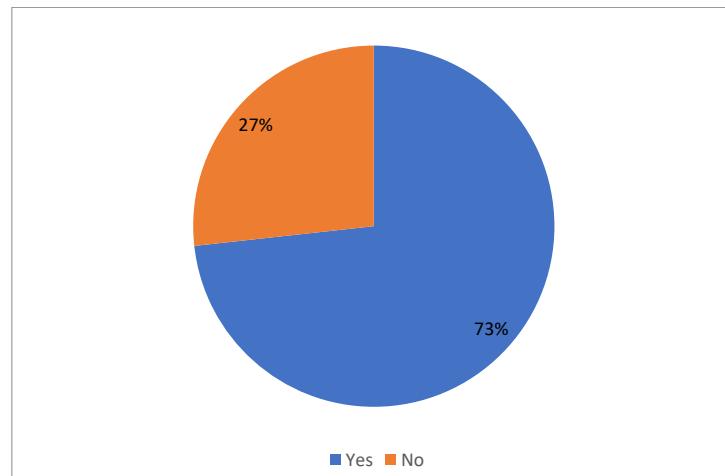


Figure B.3: Would you want to be part of the exchange system ? (driving frequently, living in a dense city) (116 answers)

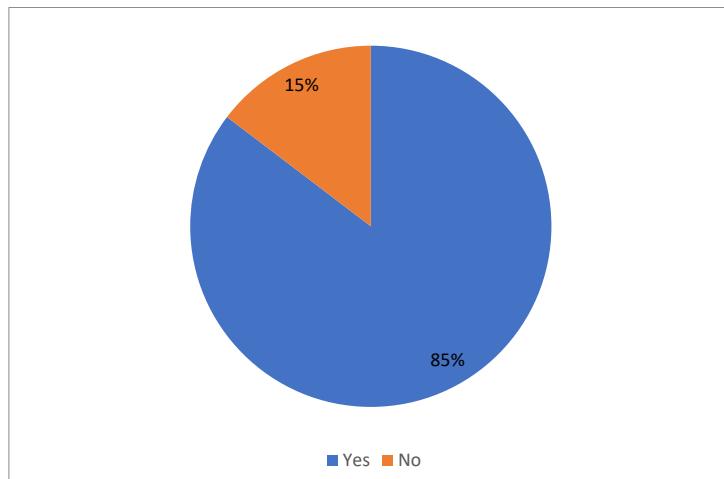
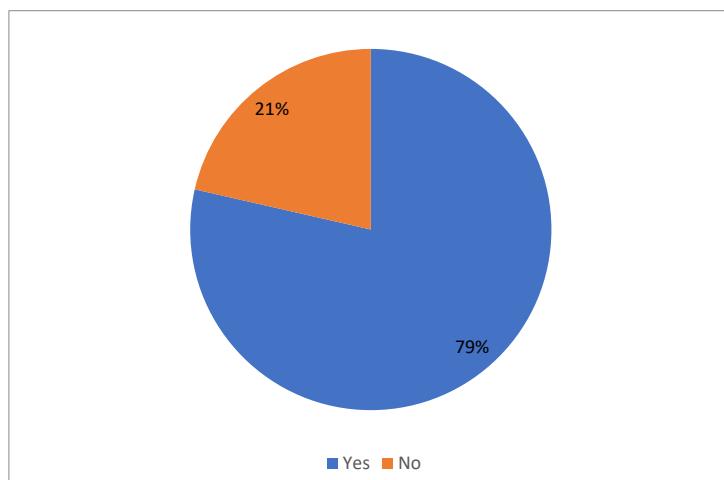


Figure B.4: Would you want to be part of the exchange system ? (driving frequently, living in a dense city, driveway owner) (28 answers)



# Appendix C

## Income Statement

### C.1 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:						
<i>Couleur Café</i>	5.040 €					
<i>Apéros Urbain</i>	8.000 €					
<i>Student Ball</i>	60 €	180 €	180 €	180 €	180 €	180 €
<i>Bike Advertissement</i>	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 taxe</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 €

## **C.2 43 Months**

Month	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>Userbase</b>															
Total	0	0	0	480	525	575	629	688	752	821	896	977	1064	1158	1259
New	0	0	0	480	45	50	54	59	64	69	75	81	87	94	101
Driveway	0	0	0	32	35	38	42	45	50	54	59	65	70	77	83
<b>Sales</b>															
Offer	0	0	0	5120	5600	6080	6720	7200	8000	8640	9440	10400	11200	15708	16932
Rented	0	0	0	4608	5040	5472	6048	6480	7200	7776	8496	9360	10080	14137	15239
Fee				922 €	1.008 €	1.094 €	1.210 €	1.296 €	1.440 €	1.555 €	1.699 €	1.872 €	2.016 €	2.827 €	3.048 €
<b>Gross Profit</b>				922 €	1.008 €	1.094 €	1.210 €	1.296 €	1.440 €	1.555 €	1.699 €	1.872 €	2.016 €	2.827 €	3.048 €
<b>Expenses</b>															
<u>Sales and Marketing</u>															
Facebook ads				187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €
Server rent				82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €
Refferal				900 €	1.000 €	1.080 €	1.180 €	1.280 €	1.380 €	1.500 €	1.620 €	1.740 €	1.880 €	2.020 €	
Software Maintenance				523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €
Event:															
Couleur Café				5.040 €											
Apéros Urbain	1.000 €	3.000 €	3.000 €	1.000 €											
Student Ball					60 €				60 €			60 €			
Bike Advertissement				2.830 €											
<u>General Administration</u>															
Salaries				1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €
Internet and Phone	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €
<b>Total Expenses</b>	6.080 €	3.040 €	3.040 €	6.163 €	3.233 €	3.393 €	3.413 €	3.513 €	3.673 €	3.713 €	3.893 €	3.953 €	4.073 €	4.213 €	4.353 €
<b>Earning before donation</b>	- 6.080 €	- 3.040 €	- 3.040 €	- 5.241 €	- 2.225 €	- 2.298 €	- 2.203 €	- 2.217 €	- 2.233 €	- 2.158 €	- 2.194 €	- 2.081 €	- 2.057 €	- 1.385 €	- 1.305 €
Yearly	- 6.080 €	- 9.120 €	- 12.160 €	- 17.401 €	- 19.626 €	- 21.924 €	- 24.127 €	- 2.217 €	- 4.450 €	- 6.607 €	- 8.801 €	- 10.881 €	- 12.938 €	- 14.323 €	- 15.628 €
Donation															
<b>Earning before taxe</b>	- 6.080 €	- 3.040 €	- 3.040 €	- 5.241 €	- 2.225 €	- 2.298 €	- 2.203 €	- 2.217 €	- 2.233 €	- 2.158 €	- 2.194 €	- 2.081 €	- 2.057 €	- 1.385 €	- 1.305 €
Yearly	- 6.080 €	- 9.120 €	- 12.160 €	- 17.401 €	- 19.626 €	- 21.924 €	- 24.127 €	- 2.217 €	- 4.450 €	- 6.607 €	- 8.801 €	- 10.881 €	- 12.938 €	- 14.323 €	- 15.628 €
Taxe															
<b>Net Income</b>	- 6.080 €	- 3.040 €	- 3.040 €	- 5.241 €	- 2.225 €	- 2.298 €	- 2.203 €	- 2.217 €	- 2.233 €	- 2.158 €	- 2.194 €	- 2.081 €	- 2.057 €	- 1.385 €	- 1.305 €
<b>Accumulated Net Income</b>	- 6.080 €	- 9.120 €	- 12.160 €	- 17.401 €	- 19.626 €	- 21.924 €	- 24.127 €	- 26.344 €	- 28.577 €	- 30.734 €	- 32.928 €	- 35.009 €	- 37.066 €	- 38.451 €	- 39.756 €

Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
1368	1484	1608	1741	1882	2032	2190	2357	2532	2716	2907	3106	3312	3524	3741	3963	4189
109	116	124	133	141	150	158	167	175	184	191	199	206	212	217	222	226
90	98	106	115	124	134	145	156	167	180	192	205	219	233	247	262	277
14400	15680	16960	18400	19840	21440	23200	24960	26720	28800	39168	41820	35040	37280	39520	41920	44320
12960	14112	15264	16560	17856	19296	20880	22464	24048	25920	35251	37638	31536	33552	35568	37728	39888
2.592 €	2.822 €	3.053 €	3.312 €	3.571 €	3.859 €	4.176 €	4.493 €	4.810 €	5.184 €	7.050 €	7.528 €	6.307 €	6.710 €	7.114 €	7.546 €	7.978 €
2.592 €	2.822 €	3.053 €	3.312 €	3.571 €	3.859 €	4.176 €	4.493 €	4.810 €	5.184 €	7.050 €	7.528 €	6.307 €	6.710 €	7.114 €	7.546 €	7.978 €
187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €
82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €	82 €
2.180 €	2.320 €	2.480 €	2.660 €	2.820 €	3.000 €	3.160 €	3.340 €	3.500 €	3.680 €	3.820 €	3.980 €	4.120 €	4.240 €	4.340 €	4.440 €	4.520 €
523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €
60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €
1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €
40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €
4.513 €	4.653 €	4.873 €	4.993 €	5.153 €	5.393 €	5.493 €	5.733 €	5.833 €	6.013 €	6.153 €	6.313 €	6.453 €	6.573 €	6.733 €	6.773 €	6.853 €
- 1.921 €	- 1.830 €	- 1.820 €	- 1.681 €	- 1.582 €	- 1.534 €	- 1.317 €	- 1.240 €	- 1.023 €	- 829 €	897 €	1.215 €	- 146 €	138 €	381 €	773 €	1.125 €
- 17.549 €	- 19.380 €	- 21.200 €	- 22.880 €	- 1.582 €	- 3.115 €	- 4.432 €	- 5.672 €	- 6.695 €	- 7.524 €	- 6.626 €	- 5.411 €	- 5.557 €	- 5.419 €	- 5.038 €	- 4.266 €	1.125 €
- 1.921 €	- 1.830 €	- 1.820 €	- 1.681 €	- 1.582 €	- 1.534 €	- 1.317 €	- 1.240 €	- 1.023 €	- 829 €	897 €	1.215 €	- 146 €	138 €	381 €	773 €	1.125 €
- 17.549 €	- 19.380 €	- 21.200 €	- 22.880 €	- 1.582 €	- 3.115 €	- 4.432 €	- 5.672 €	- 6.695 €	- 7.524 €	- 6.626 €	- 5.411 €	- 5.557 €	- 5.419 €	- 5.038 €	- 4.266 €	1.125 €
- 1.921 €	- 1.830 €	- 1.820 €	- 1.681 €	- 1.582 €	- 1.534 €	- 1.317 €	- 1.240 €	- 1.023 €	- 829 €	897 €	1.215 €	- 146 €	138 €	381 €	773 €	1.125 €
- 41.677 €	- 43.507 €	- 45.327 €	- 47.008 €	- 48.589 €	- 50.123 €	- 51.440 €	- 52.680 €	- 53.703 €	- 54.531 €	- 53.634 €	- 52.419 €	- 52.565 €	- 52.427 €	- 52.046 €	- 51.273 €	- 50.148 €

Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
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4417	4647	4877	5106	5333	5557	5777	5992	6201	6403	6598
228	230	230	229	227	224	220	215	209	202	195
292	307	322	337	352	367	382	396	410	423	436
46720	49120	51520	53920	56320	74868	77928	63360	65600	67680	69760
42048	44208	46368	48528	50688	67381	70135	57024	59040	60912	62784
8.410 €	8.842 €	9.274 €	9.706 €	10.138 €	13.476 €	14.027 €	11.405 €	11.808 €	12.182 €	12.557 €
8.410 €	8.842 €	9.274 €	9.706 €	10.138 €	13.476 €	14.027 €	11.405 €	11.808 €	12.182 €	12.557 €

187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €	187 €
82 €	82 €	82 €	83 €	87 €	91 €	94 €	98 €	101 €	105 €	108 €
4.560 €	4.600 €	4.600 €	4.580 €	4.540 €	4.480 €	4.400 €	4.300 €	4.180 €	4.040 €	3.900 €
523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €	523 €

60 €	60 €	60 €
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1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €	1.502 €
40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €	40 €

6.953 €	6.933 €	6.993 €	6.914 €	6.878 €	6.822 €	6.745 €	6.649 €	6.532 €	6.456 €	6.259 €
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1.457 €	1.909 €	2.281 €	2.791 €	3.259 €	6.654 €	7.282 €	4.756 €	5.276 €	5.727 €	6.298 €
2.582 €	4.491 €	6.771 €	9.562 €	12.822 €	19.476 €	26.758 €	31.514 €	36.789 €	42.516 €	48.814 €
										2.441 €
1.457 €	1.909 €	2.281 €	2.791 €	3.259 €	6.654 €	7.282 €	4.756 €	5.276 €	5.727 €	3.857 €
2.582 €	4.491 €	6.771 €	9.562 €	12.822 €	19.476 €	26.758 €	31.514 €	36.789 €	42.516 €	46.373 €
										14.376 €
1.457 €	1.909 €	2.281 €	2.791 €	3.259 €	6.654 €	7.282 €	4.756 €	5.276 €	5.727 €	- 10.518 €

- 48.692 € - 46.783 € - 44.502 € - 41.711 € - 38.451 € - 31.797 € - 24.515 € - 19.760 € - 14.484 € - 8.757 € - 19.276 €

# Appendix D

## Cash Flow Statement

### D.1 5 Years

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>

### D.2 43 Months

<b>Month</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>	<b>May-18</b>
<b>Operating Activities</b>												
Cash at Beginning of Period	48.758 €	45.618 €	42.578 €	37.337 €	35.112 €	32.814 €	30.611 €	28.394 €	26.161 €	24.004 €	21.810 €	
Profit Before Taxes	- 6.080 €	- 3.040 €	- 3.040 €	- 5.241 €	- 2.225 €	- 2.298 €	- 2.203 €	- 2.217 €	- 2.233 €	- 2.158 €	- 2.194 €	- 2.081 €
Income Taxes Payable												
<b>Net Cash Provided by operations</b>	<b>- 6.080 €</b>	<b>- 3.040 €</b>	<b>- 3.040 €</b>	<b>- 5.241 €</b>	<b>- 2.225 €</b>	<b>- 2.298 €</b>	<b>- 2.203 €</b>	<b>- 2.217 €</b>	<b>- 2.233 €</b>	<b>- 2.158 €</b>	<b>- 2.194 €</b>	<b>- 2.081 €</b>
<b>Investment Activities</b>												
Photobooth	162 €											
Flyers		100 €										
<b>Net cash used in investing activities</b>	<b>162 €</b>	<b>100 €</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	48.758 €	- 3.140 €	- 3.040 €	- 5.241 €	- 2.225 €	- 2.298 €	- 2.203 €	- 2.217 €	- 2.233 €	- 2.158 €	- 2.194 €	- 2.081 €
<b>Cash at the end of the period</b>	<b>48.758 €</b>	<b>45.618 €</b>	<b>42.578 €</b>	<b>37.337 €</b>	<b>35.112 €</b>	<b>32.814 €</b>	<b>30.611 €</b>	<b>28.394 €</b>	<b>26.161 €</b>	<b>24.004 €</b>	<b>21.810 €</b>	<b>19.729 €</b>

**Jun-18**   **Jul-18**   **Aug-18**   **Sep-18**   **Oct-18**   **Nov-18**   **Dec-18**   **Jan-19**   **Feb-19**   **Mar-19**   **Apr-19**   **May-19**   **Jun-19**   **Jul-19**   **Aug-19**   **Sep-19**   **Oct-19**

19.729 € 17.672 € 16.287 € 14.982 € 13.061 € 11.231 € 9.411 € 7.730 € 6.149 € 4.615 € 3.298 € 2.058 € 1.035 € 207 € 1.104 € 2.319 € 2.173 €

- 2.057 € - 1.385 € - 1.305 € - 1.921 € - 1.830 € - 1.820 € - 1.681 € - 1.582 € - 1.534 € - 1.317 € - 1.240 € - 1.023 € - 829 € 897 € 1.215 € - 146 € 138 €

- 2.057 € - 1.385 € - 1.305 € - 1.921 € - 1.830 € - 1.820 € - 1.681 € - 1.582 € - 1.534 € - 1.317 € - 1.240 € - 1.023 € - 829 € 897 € 1.215 € - 146 € 138 €

- 2.057 € - 1.385 € - 1.305 € - 1.921 € - 1.830 € - 1.820 € - 1.681 € - 1.582 € - 1.534 € - 1.317 € - 1.240 € - 1.023 € - 829 € 897 € 1.215 € - 146 € 138 €

17.672 € 16.287 € 14.982 € 13.061 € 11.231 € 9.411 € 7.730 € 6.149 € 4.615 € 3.298 € 2.058 € 1.035 € 207 € 1.104 € 2.319 € 2.173 € 2.311 €

Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
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2.311 €	2.692 €	3.465 €	4.590 €	6.046 €	7.955 €	10.236 €	13.027 €	16.287 €	22.941 €	30.223 €	34.978 €	40.254 €	45.981 €
381 €	773 €	1.125 €	1.457 €	1.909 €	2.281 €	2.791 €	3.259 €	6.654 €	7.282 €	4.756 €	5.276 €	5.727 €	3.857 € 14.376 €
381 €	773 €	1.125 €	1.457 €	1.909 €	2.281 €	2.791 €	3.259 €	6.654 €	7.282 €	4.756 €	5.276 €	5.727 €	- 10.518 €

381 €	773 €	1.125 €	1.457 €	1.909 €	2.281 €	2.791 €	3.259 €	6.654 €	7.282 €	4.756 €	5.276 €	5.727 €	- 10.518 €
2.692 €	3.465 €	4.590 €	6.046 €	7.955 €	10.236 €	13.027 €	16.287 €	22.941 €	30.223 €	34.978 €	40.254 €	45.981 €	35.462 €

# **Appendix E**

## **Balance Sheet**

Year 0: December 2017		Year 1: December 2018	
Assets	Liabilities and Equity	Assets	Liabilities and Equity
<b>Current Assets</b>		<b>Current Assets</b>	
Cash and Cash Equivalents	30.611 €	Cash and Cash Equivalents	7.730 €
Total Current Assets	30.611 €	Total Current Assets	7.730 €
<b>Non Current Assets</b>		<b>Non Current Assets</b>	
Property, plant and equipment	262 €	Property, plant and equipment	262 €
Intangible Assets	18.816 €	Intangible Assets	18.816 €
<i>Less : Accumulated Amortization</i>	2.091 €	<i>Less : Accumulated Amortization</i>	8.363 €
Total Non Current Assets	19.078 €	Total Non Current Assets	19.078 €
<b>Total Assets</b>	49.689 €	<b>Total Liabilities and Net Worth</b>	49.689 €
Year 2: December 2019		Year 3: December 2020	
Assets	Liabilities and Equity	Assets	Liabilities and Equity
<b>Current Assets</b>		<b>Current Assets</b>	
Cash and Cash Equivalents	3.465 €	Cash and Cash Equivalents	49.838 €
Total Current Assets	3.465 €	Total Current Assets	49.838 €
<b>Non Current Assets</b>		<b>Non Current Assets</b>	
Property, plant and equipment	262 €	Property, plant and equipment	262 €
Intangible Assets	18.816 €	Intangible Assets	18.816 €
<i>Less : Accumulated Amortization</i>	14.635 €	<i>Less : Accumulated Amortization</i>	20.907 €
Total Non Current Assets	19.078 €	Total Non Current Assets	19.078 €
<b>Total Assets</b>	22.543 €	<b>Total Liabilities and Net Worth</b>	22.543 €
Year 4: December 2021		Year 5: December 2022	
Assets	Liabilities and Equity	Assets	Liabilities and Equity
<b>Current Assets</b>		<b>Current Assets</b>	
Cash and Cash Equivalents	149.250 €	Cash and Cash Equivalents	267.061 €
Total Current Assets	149.250 €	Total Current Assets	267.061 €
<b>Non Current Assets</b>		<b>Non Current Assets</b>	
Property, plant and equipment	262 €	Property, plant and equipment	262 €
Intangible Assets	18.816 €	Intangible Assets	18.816 €
<i>Less : Accumulated Amortization</i>	27.179 €	<i>Less : Accumulated Amortization</i>	33.451 €
Total Non Current Assets	19.078 €	Total Non Current Assets	19.078 €
<b>Total Assets</b>	168.328 €	<b>Total Liabilities and Net Worth</b>	168.328 €

