

BikeNetZero

West Midlands

Business Plan



Group Name:Group 1

Lecturer Name: XXXXXXXXXX

Student Name Student Number

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Business/Company overview

- Company name : BikeNetZero
- Legal structure : Partnership
“a Partnership is a company of two or more legal persons, who set up and run a business together” (Department for Business, Innovation and sales, 2011)
- Location: 35 Bull street Lewis building, Birmingham, B4 6AF
- Our mission is to help the UK to reduce greenhouse gas emissions, by providing an alternative of using cars.
- Comply with the new regulations, taking place in Birmingham and to become a part of NetZero program.



Product/ Service

- We rent by the day, week, or month
- Will provide the service maximum of two hours
- Will employ just different forms of bicycles: adult bicycles and kid bicycles
- Adult bicycles will have at least ten speeds including standard grips that are not designed for racing



Product/ Service

- Infant seats will be given free of charge upon advance application
- All bikes will include a carrier
- We will hire children's bikes for half the cost of adult bicycles
- Will expand our client base for our present product offers in terms of future summertime
- We may also check and review passionate demand for higher-end cycles from time to time



Market Audit-Competitor's Analysis



Factors	Your company BikeNetZero	Competitor A	Competitor B	Competitor C
		West Midlands Cycle Hire	On Your Bike	Bike Pro racing
Industry	Bicycle market	Bicycle market	Bicycle market	Bicycle market
Products or services	Renting bicycles	Renting bicycles	Renting bicycles/ Bicycle repairs / Insurance	Renting bicycles/ Selling bicycles and accessories
Similarity	Shop/ online	Shop/ online	Shop/online	Shop/online
What makes us different	Adults and kids bicycles Bicycles with at least ten speeds Standard grit Not racing bicycles Maximum of two hours service Infant chairs free of charge Carriers and safety measures	Adults bicycles Pedal power - 3 gears Mud and chain guards Laser lights Handy storage at the front	Adults bicycles Standard road bikes, a Deluxe range and a Super Deluxe full carbon range, all available in various sizes Touring bikes Electric bikes	Adults bicycles Road bicycles Hybrid bicycles
Advertising	Leaflets Tests and surveys Ads on the locals magazines Social media presence	Leaflet	Shop Posters	None
Price	2 hours – £ 5.00 1 day – £ 20.00 1 week - £ 42.00 1 month - £ 158.00 Kids bicycles on half price	Unlock a bike – £ 1 10 min – £ 1.50 20 min - £ 2.00 30 min - £ 2.50	£ 48.00 - £ 145.00 per 72 hrs £ 20.00 per day £ 85.00 - £ 195.00 per week Some bicycles require £ 250.00 refundable deposit	£ 15.00 half day £ 25.00 - £ 35.00 per day £ 35.00 - £ 50.00 weekend £ 50.00 - £ 75.00 per week 24 hours notice require
Number of stations	25 stations arond Birmingham city	Multiple around Birmingham area	None	None
Booking process	Application and on place	Hire app	Online and on place	O place only
location	Birmingham city	Birmingham area	London Birmingham city East Grinstead	Birmingham city
How big of a threat are competitors to you?		Fair	Fair	Low

Market Audit – SWOT Analysis

STRENGTHS

Internal

- Competent promoter with experience.
- Know how and technology endorsed for 10 years in the public bicycle sector in Europe.
- Establishment of the company in England through a subsidiary or partnership.
- The alliance with a British partner will facilitate the identification and acceptance of the company
- Technological support by a Spanish company with great experience in the sector

WEAKNESS

- Basic knowledge of business and financial management.
- Basic knowledge of marketing and sales.
- Little practice in the administrative management of municipalities
- Weak initial infrastructure
- Need to diversify tasks, with the incorporation of specialists in skills that exist deficits

OPPORTUNITIES

External

- Starting the NET ZERO plan.
- Popular pressure demands public bicycle services.
- The desire of many municipalities to incorporate a public bicycle service in their municipalities
- Sector with few competitors
- Competence in inferiority of Know how
- Competition that is questioned by its monopolistic position

THREAT

- Presence of competing companies with the capacity to exploit our weaknesses.
- Governments and municipal regulations that are not committed to sustain
- Downturn in Economy
- COVID-19



Market Audit – PESTEL Analysis

Political	•Political stability during Covid–19 •Impact of Brexit over the economic stability • Employee legislation, wages, benefits and taxes
Economic	•Birmingham economic growth as a global business city •Competitor pricing •COVID-19
Social	•Health and excessing benefits •Access to internet and mobile devices
Technological	•Recent technological developments •Rate of technological diffusion
Environmental	•Net Zero program •The need of promoting environment friendly products
Legal	•Employment law •Health and safety law •Data protection

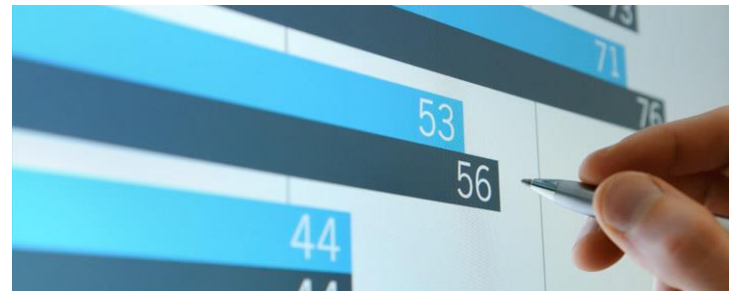
PESTEL Analysis is a tool used to identify the external factors facing an organization. (What is a PESTEL analysis?, 2021)

Target Marketing

Market and Marketing

Market segmentation(geographic, demographic, psychographic and behavioral)

Market research



Target Marketing

Discount for
students



Kids have
priority



Medical staff
have priority



All communities
are welcome



Marketing Plan

Our primary marketing pitch is to deliver rental bicycles directly to the selected location in contrast to our rivals

UPS:

- Our unique selling proposition will be **"Ride Safe, Ride Yourself."**

Advertisement Techniques:

- We will make every effort to pick up the phone quickly
- We will respond via email with a personalized version of our predefined appealing reasons for clients to rent
- We shall mark or link to the website URL in all our advertisements.
- We will give consumers all the details they want, including photographs of happy clients enjoying our best cycles and a common questions website
- will visit every campground, hotel, and local cafe within a two-hour drive of our residence and paste an advertising flier on every notice board



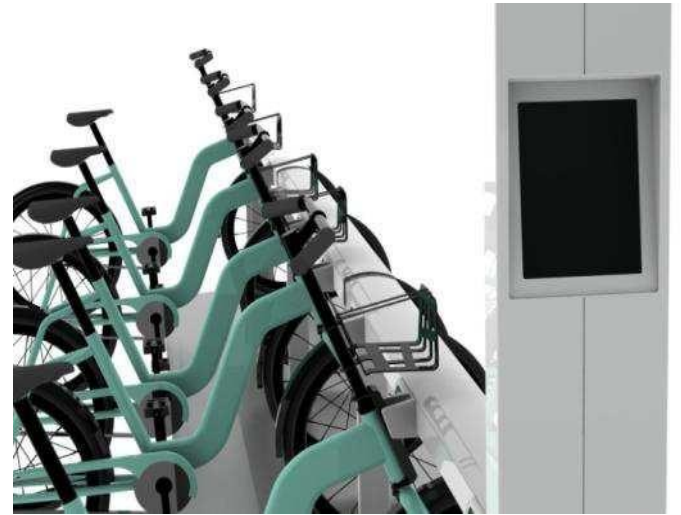
Marketing Plan

We will put a little hand out leaflets

We will run tests on numerous distinct keywords and ground stations

We are going to run a tiny test ad in a neighborhood daily magazine.

We will actively advertise our social media presence; we will invite friends, clients, prospective clients, and critical local businesspeople to follow us



Management Team

1. Marketing and Commercial Manager: Mr XXXXXXXXXX

- Qualifications: BA Hons Marketing and Commercial Management
- Experience: 10 years of running a family business
- Skills: Excellent teamworking, Ability to work well under pressure, Exemplary communication skills, Strong negotiator, IT skills.
- Job Role: Managing client relationships, Identifying new opportunities and negotiating new contracts, Analyzing areas with potential growth

Management Team

2. Technology and Production Manager: Mr XXXXXXXX

Qualifications: Manufacturing Technology and Management MSc

Experience: 5 years at Halfords, 3 years production manager at Range Rover.

Skills: Mechanical skills, strong knowledge of manufacturing standards, good communication skills

Job Role: designing new products, schedule maintenance for equipment, assembling products

3. Administrations and Finance Ms XXXXXXXXXX

Qualifications: BA Hons Accounting and Finance

Experience: 5 years of Administration and Finance Officer at Derby City Council

Skills: good techniques of financial analysis, managerial skills, good decision-making skills, good mathematical skills.

Job Role: analysing and organising financial activities.



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Financial Plan

- Councils are the target client for this project.
- We sell a complete project and the client is in charge of looking for financing (example: grants and sponsorships, etc .)
- Firstly we sell the project and then start with the production of the 25 bicycle stations and 250 bicycles and then the installation and start-up of the service.
- To open and expand our bike rental business, we had to make an initial investment to buy the equipment we need. As partners in our associate company, we are going to invest £ 2,500 each and £ 12,500 in total.
- There is a sum of £ 50,000.00 which is an initial grant provided by the royal family in memory of the Duke of Edinburgh. We will provide this information to our client so there will be the possibility to obtain this grant to invest in the initial project and start his business.

Financial Plan

CASH FLOW FORECAST

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Totals
Sales Income	£636.451	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£1.009.225
Grants	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Bank Loan	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Investment by Owner	£12.500	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£12.500
Any Other Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Incoming	£648.951	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£33.889	£1.021.725
Equipments and Installation	£482.050	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£482.050
Stock/ Materials	£3.540	£3.540	£3.540	£3.540	£3.540	£3.540	£3.540	£3.540	£3.540	£3.540	£3.540	£3.540	£42.480
Rent & Rates (Phones/Internet, etc.)	£1.500	£1.500	£1.500	£1.500	£1.500	£1.500	£1.500	£1.500	£1.500	£1.500	£1.500	£1.500	£18.000
Wages	£14.500	£14.500	£14.500	£14.500	£14.500	£14.500	£14.500	£14.500	£14.500	£14.500	£14.500	£14.500	£174.000
Server hosting and maintenance	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800	£9.600
Electricity/ Internet (25 bike stations)	£2.396	£2.396	£2.396	£2.396	£2.396	£2.396	£2.396	£2.396	£2.396	£2.396	£2.396	£2.396	£28.750
Insurances	£1.667	£1.667	£1.667	£1.667	£1.667	£1.667	£1.667	£1.667	£1.667	£1.667	£1.667	£1.667	£20.000
Reenting Vehicles (electric cars)	£1.875	£1.875	£1.875	£1.875	£1.875	£1.875	£1.875	£1.875	£1.875	£1.875	£1.875	£1.875	£22.500
Advertising	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£10.000
Bank Charges*													£0
Accountancy Fees*													£0
Total Outgoing	£509.161	£27.111	£27.111	£27.111	£27.111	£27.111	£27.111	£27.111	£27.111	£27.111	£27.111	£27.111	£807.380
Incoming less outgoing	£139.790	£6.778	£6.778	£6.778	£6.778	£6.778	£6.778	£6.778	£6.778	£6.778	£6.778	£6.778	£214.345
Opening Bank Balance	£0	£139.790	£146.568	£153.346	£160.123	£166.901	£173.679	£180.456	£187.234	£194.012	£200.790	£207.567	
Closing Bank Balance	£139.790	£146.568	£153.346	£160.123	£166.901	£173.679	£180.456	£187.234	£194.012	£200.790	£207.567	£214.345	

Financial Plan

Profit and Loss Statement

	Year1
	£
REVENUES	
Sales	1.009.225,00
Total Sales	1.009.225,00
Less Cost of Sales	
Equipments and Installation	482.050,00
Variable cost/ stock materials	42.480,00
Total Cost of sales	524.530,00
GROSS PROFIT/Contribution	484.695,00
OPERATING EXPENSES	
Rent & Rates (Phones/Internet, etc.)	18.000,00
Wages	174.000,00
Server hosting and maintenance	9.600,00
Electricity/ Internet (25 bike stations)	28.750,00
Insurances	20.000,00
Reenting Vehicles (electric cars)	22.500,00
Advertising	10.000,00
Loan Repayments *	-
Bank Charges *	-
Accountancy Fees *	-
Total Operating Expenses	282.850,00
Profit BDITA	201.845,00
Less depreciation*	-
Income before taxes	201.845,00
Taxes (15%)	30.276,75
Net Income/Profit after tax	171.568,25
Investment by Owner*	12.000,00
Net Income/Profit after tax and invest.	159.568,25

A

We sell first and then we start production.

We sell on the project in the first month.

5 team members invest personal funds of £2,5K each.

It is invested with the manufacturer 8k for production reservation.

Another 4,500 are reserved for travel expenses for the sale of the project, trips to the manufacturer and other concepts.

Staff: 11 employees including the manager for the first 12 months.

* We do not have loan repayments because we sell first and then invest.

Break-even point (C X A)/B

B

A 1.009.225,0

B 484.695,0

C 282.850,0

Break-even 588.946,23

* We do not have loan repayments because we sell first and then invest.

* It is included in the costs of Rent & Rates.

C

D=Depreciation

I=Interest

T=Taxes

A=

No depreciation.

The product that is sold, delivered and the customer is responsible for any subsequent depreciation.

* 5 team members invest personal funds of £2,5K each.

Result of the first year.

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