

Social Entrepreneurship Business Plan- Venus

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Goal Diggers

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## **Executive Summary**

There are many transportation services out there. However not all are personalized transportation for the masses at an affordable price. With the rise of autonomous vehicles, the transportation industry will forever be changed. Venus takes advantage of this system and provides a service that is unlike any other.

People nationwide would benefit tremendously not only from the increased economic opportunity but being able to go anywhere anytime at an affordable price. It's the freedom of the American way of life. So, join us for a revolution.

## **Business Case**

In the 19th century, as the United States spread across the continent, transportation systems helped connect the growing nation. First rivers and roads and then canals and railroads moved travelers and agricultural and manufactured goods between farms, towns, and cities. Transportation links helped create a set of distinct local and regional economies. They also contributed to the sectional jealousies and rivalries that set the stage for the Civil War. Not until the end of the century would transportation networks form a national economy. “[T]he nation spread from coast to coast. Some people were enthusiastic, seeing it as an expression of the young country's 'manifest destiny,' its inevitable growth. Others, including many Native Americans and many people living in U.S. territories that used to be part of Mexico, held differing views.” (Transportation before 1876)

Fast Forward to the 1900s. The US is an industrial powerhouse. People have an ever growing need to move goods and services. To find better opportunities elsewhere. Trains and boats worked well but Americans needed another mode of transport. One that is more flexible for one's everyday needs. Something that anyone could afford rather than the elites. Welcome the Ford Model T. "The Model T brought mobility and prosperity on an undreamed-of scale through manufacturing efficiencies at a price that anyone could afford. The moving assembly line created the mass-production process, which influenced the "machine age." It also enabled Ford to steadily decrease the price of the Model T.

In 1908, the first Model Ts sold for \$825. By 1925, the vehicles sold for only \$260." This car not only provided basic transportation to the masses it also created jobs. The model T was created so the workers could afford the cars they were producing. "By 1927, nearly 15,500,000 Model T's were sold in the United States and the vehicle irrevocably altered American society. As more Americans owned cars, urbanization patterns changed. No longer was it necessary to live nearby where one worked and lived. The United States saw the growth of suburbia and a population entranced with the possibility of going anywhere, anytime." This meant people could travel farther for jobs and were no longer tied to their hometown for prosperity. However, this dependency had some drawbacks. With more and more suburbs people began to shift away from dense urban areas and move to more open residential spaces. Thus, increasing the reliance on cars for even the shortest of trips. "Automobile dependency even for short trip. Because sprawling development patterns create large distances between dwelling units and segregate different land uses, residents are forced to rely on automobiles at the expense of alternative forms of transportation. Also, the cul-de-sac dominated street patterns within these

neighborhoods foster a lack of connectivity and serve as an obstacle for walking and biking to nearby destinations” Hence many are left without a car because of economic hardships. Large number of people are having to make the decision to bike 5-10 miles or walk long distances for work or other necessary commutes. Although Public transportation is available in various parts of a suburban city, it is just not versatile enough to meet one’s specific time requirements.

“Where rural transit networks exist in the United States, they usually consist of some combination of limited fixed-route bus service along highways or major roads and some kind of demand-response transit (often known as “dial-a-ride”). Because most rural transit agencies serve large, low-density areas, those fixed-route buses usually run very infrequently, and demand-responsive trips must often be booked days, if not weeks, in advance.”

Moreover, millions of people have no choice — because of age, disability, or income, they are unable to drive and often find themselves stranded, struggling to reach medical appointments, the grocery store, community events, or work. In fact, according to Smart Growth America, the “majority of counties with high rates of zero-car households are rural.” Scarce state-level funding paired with decades of limited federal investments have made it hard to improve the situation, leaving these communities with increasingly limited transit options. “At the same time, we know that rural communities want better public transportation, and that it’s a smart investment of public dollars. According to the American Public Transportation Association, demand for transit in rural areas increased nearly 8% between 2007 and 2015. And a recent study found that, in rural Minnesota for example, each dollar spent on public transit reaps \$2.51 worth of benefits for the larger community.”

This increasing demand leaves a gap waiting to be filled. A service that provides fast and reliable transportation to underserved communities is crucial to bring peace and prosperity to the lives of those who need it the most.

Though there are many different reasons as to why the US public transportation system is so bad, we have identified 3 of the most important issues that caused the US transportation system to get to how bad it is now.

The first reason as to why the US public transportation network is so bad is because many people negatively viewed the public transit system in the early 1900's. In the Bloomberg article it states that "[t]here was a popular perception of transit as a business controlled by rapacious profiteers—as unpopular as cable companies and airlines are today." This showed how the negative popular opinion strongly caused the public transportation systems to be less profitable which then caused most of the companies at the time to either go out of businesses or severely downgrade in size.

The next reason as to why the US public transportation network is so bad is because of the passing of the Interstate Highway Act. In the Bloomberg article it states that "[i]n 1956, Congress passed the Interstate Highway Act, which promised federal funding for 90 percent of the cost of a grid of free high-speed autoroutes across the country." The fact that Congress allocated so much money into these highways instead of allocating it into a bus or a train system ensured that cars would become the primary transit system of the US. Though in an article from History.com it states that "automobile interests—such as car companies, tire manufacturers, gas station owners and suburban developers—hoped to convince state and local

governments that roads were a public concern.” While in most terms this seems like these companies are trying to benefit the public, they had hidden motives behind trying to get the US to rely so heavily on cars. The reason for this was so that they could boost their profits in the long run and boost their business into the sky.

The final main reason as to why the US public transportation network is so bad is because the train system was changed from a passenger system to a freight system. In the Bloomberg article it states that “[t]hese new lines used the many railway tracks radiating from major cities that by then had mostly been relegated to exclusively freight use.” All these tracks were initially built for passenger transport but as time went on the rail system was not gaining enough revenue to gain a profit. So, in turn it caused the companies that owned the rail system to switch it from passenger to freight in order to make a profit and utilize the tracks to the best potential. But because of this fact it ended up causing a lack of transportation and a huge problem with the train system.

In the end these three main reasons caused a lack of public transportation in the US. Though there are many other factors that led to a lack of transportation as well.

There is a misconception that lack of transportation affects only lower income areas but It’s important to look at how this issue affects all areas.

Lack of transportation can result in many issues, such as a lack of access to healthcare, work opportunities, and missed appointments. Due to the infrastructure of the US, a high-speed train would not be possible. So many areas in the us rely on public buses or services like uber and Lyft.

“In a 2001 survey of 413 adults living at or below 125 percent of the federal poverty level in Cleveland, Ohio, published in the journal *Health & Social Care in the Community*, researchers found that almost one-third of respondents reported that it was “hard” or “very hard” to find transportation to their health care providers—a problem that can mean more than a few missed checkups.”

Data shows that those affected by poverty have difficulty finding transportation to healthcare services. This also implies that during emergency situations, getting to healthcare in a timely manner could be a life-or-death situation. This problem also affects minority communities as well. “A survey of 593 cancer patients in Texas, published in the journal *Cancer Practice* in 1997, found that in some cases, trouble with transportation led patients to forget their cancer treatments. The problem was especially prevalent among minority survey respondents; 55 percent of African American and 60 percent of Hispanic survey respondents reported that transportation was a major barrier to treatment, compared to 38 percent of white respondents.”

Our team is looking to lay our tracks so to speak in Fort Meade. Fort Meade is a town in Lakeland, Florida with a population of 6,104. Rich in resources, Polk County is home to farmland, mining and fishing. Life in Polk County consists of a lot of labor. “Polk County is known as the phosphate, water skiing, citrus capital and bass fishing capital of the world,” reads one.” (Typically, those in the farming industry do not need transportation into the city as they usually, would already have all they need on their properties. But for quick rides to and from

the city, having a grid located here would be very beneficial to the growth of Polk County and eventually rural areas in general. Focusing on Polk County, specifically Fort Meade is where we would place our first bus and headquarters. Fort Meade has a Low to moderate income, is in a rural area and hits our target audience. This would be a great place to expand and build on. Historically Fort Meade is well known for a more natural old school way of living. It was this way dating back to when the town was first made. It started as an army fort during the Seminole wars. Although it did blossom from that the principles stayed the same.

### **Business Plan**

We will be helping anyone in the Fort Meade/Lakeland area who need to go to downtown Tampa either to work or for leisure. Our service will be taking people from Fort Meade to Tampa using 12 self-driving cars. There will be 3 self-driving cars going between Fort Meade and Lakeland. These cars will be on a rotating schedule after a trial period of one month so that we can learn the habits of the residents in order to optimize the times in which the cars need to charge for the consumers We will have at minimum 2 cars per route while the others will shift in between routes based on how many people are requesting our services.

### **Pricing**

It will be \$10 for a round trip between Tampa and Fort Meade (Rideshare)

- If you want to be by yourself in the car, it will be \$50 for a round trip between Tampa and Fort Meade

It will be \$2.50 for a round trip between Fort Meade and Lakeland (Rideshare)

- If you want to be by yourself in the car, it will be \$12 for a round trip between Fort Meade and Lakeland

### **Market Research**

Population: 6,104 People with 3,052 over the age of 16

Target audience: 16< in Fort Meade

### **Mission statement**

Venus wants to work to be able to provide access to transportation to low-income neighborhoods and rural areas.

### **Marketing Strategy**

Venus Plans to Market on social media. We will pay for YouTube ads and Instagram ads with our first-year profit. And advertise on the app store.

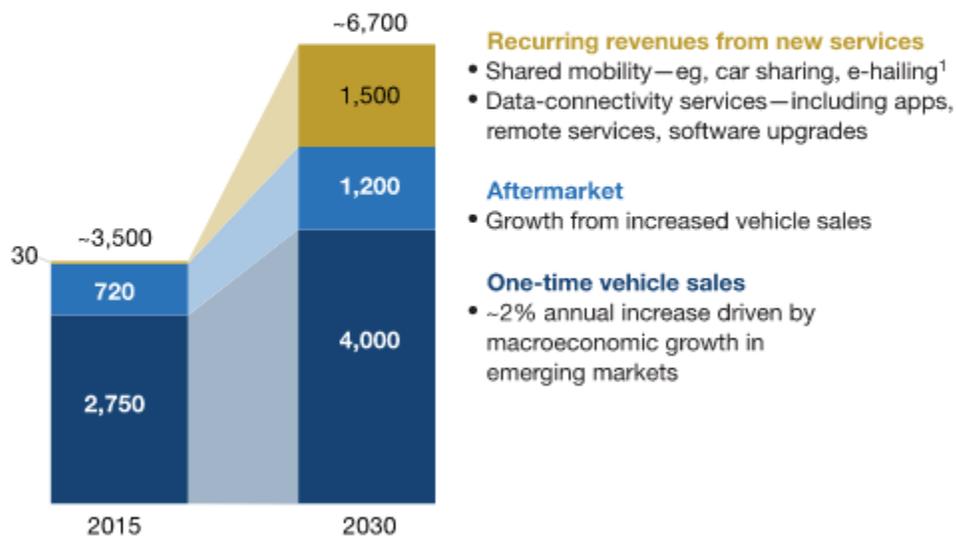
### Market Competition

Venus will beat out the competition by offering different payment plans and appealing to a newer audience than existing rideshare services

### Trend Analysis:

The automotive revenue pool will significantly increase and diversify toward on-demand mobility services and data-driven services.

High-disruption scenario, \$ billion



<sup>1</sup>Excludes traditional taxis and rentals.

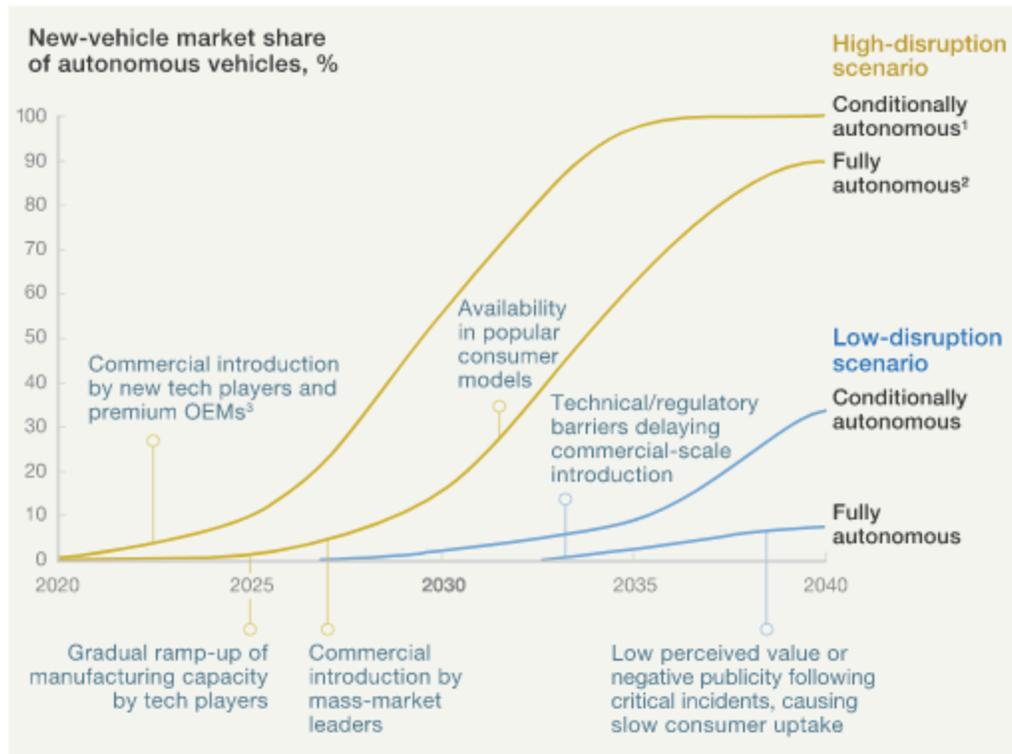
McKinsey&Company

As time passes consumers are choosing to share rides and demand more specific Services based on their specific needs. The number of Private Car ownerships are decreasing. In the United States, the participation of the USA (16-24 years of age), which has the driver's license, has decreased 76 percent from 2000 to 71 percent. In 2013, in the last five years, North America and the members of the German cars had more than 30% growth.

A new habit of using a coordinated solution for new consumer purposes leads to new segments of special vehicles designed for very specific needs. For example, the car market specially built for the Ehailer service is a high use, robustness, additional mileage and automobile designed for the convenience of passengers, and today it is for millions of units, and this is only the beginning.

As a result of the transition to this diverse mobility solution, one of the 10 new cars sold in 2030 can reduce sales of private vehicles. This can be 30% or more of the new car driven by the new car, shared mobility.

### How many new cars may be fully autonomous by 2030?



**Factors in disruption scenarios**

- Regulatory challenges
- Safe, reliable technical solutions
- Consumer acceptance, willingness to pay

**High disruption**

- Fast
- Comprehensive
- Enthusiastic

**Low disruption**

- Gradual
- Incomplete
- Limited

<sup>1</sup>Conditionally autonomous car: the driver may take occasional control.

<sup>2</sup>Fully autonomous car: the vehicle is in full control.

<sup>3</sup>Original-equipment manufacturers.

McKinsey&Company

The market introduction of advanced driver-assistance systems (ADAS) has shown that the primary challenges impeding faster market penetration are pricing, consumer understanding, and safety/security issues. Regarding technological readiness, tech players and start-ups will likely also play an important role in the development of autonomous vehicles. Regulation and consumer acceptance may represent additional hurdles for autonomous vehicles. However, once these challenges are addressed, autonomous vehicles will offer

tremendous value for consumers (for example, the ability to work while commuting, or the convenience of using social media or watching movies while traveling).

A progressive scenario would see fully autonomous cars accounting for up to 15 percent of passenger vehicles sold worldwide in 2030.

### Business Development Plan:



Our first plan of action is to develop a human connection with the people we are serving. To accomplish that We will be Recruiting volunteers in Polk County whose lives have been affected by lack of transportation. Have them sign a contract if they consent to be recorded and shared with others. Then have them give their testimonials on how a service like Venus can offer opportunities to those who do not have access to it. Then promote it on social media with the means of intelligent marketing. Moreover, we will have a live Q&A session on

our official YouTube Channel Every Saturday and Sunday 9am to 12pm. This will help ensure that we are making a human connection with people and not just treating them as a number. They can ask questions; state concerns and we will be answering them live for everyone to see. We will create a website that is simple to use and an app that can be downloaded to IOS and android devices. Customers then can sign up and use our service right away. Additionally, to be more transparent we will have a reviews tab on the website and the app. Where Riders can leave a comment on the experience. It will be sorted by stars. \ 5 being the best experience ever and 1 being the worst. This way People will get an honest perspective on how the service will benefit them and is it really something they should be considering.

**Short term goals:**

- Spread awareness about our product
- Increase profits by 15% a year (at least)

**Long term goals:**

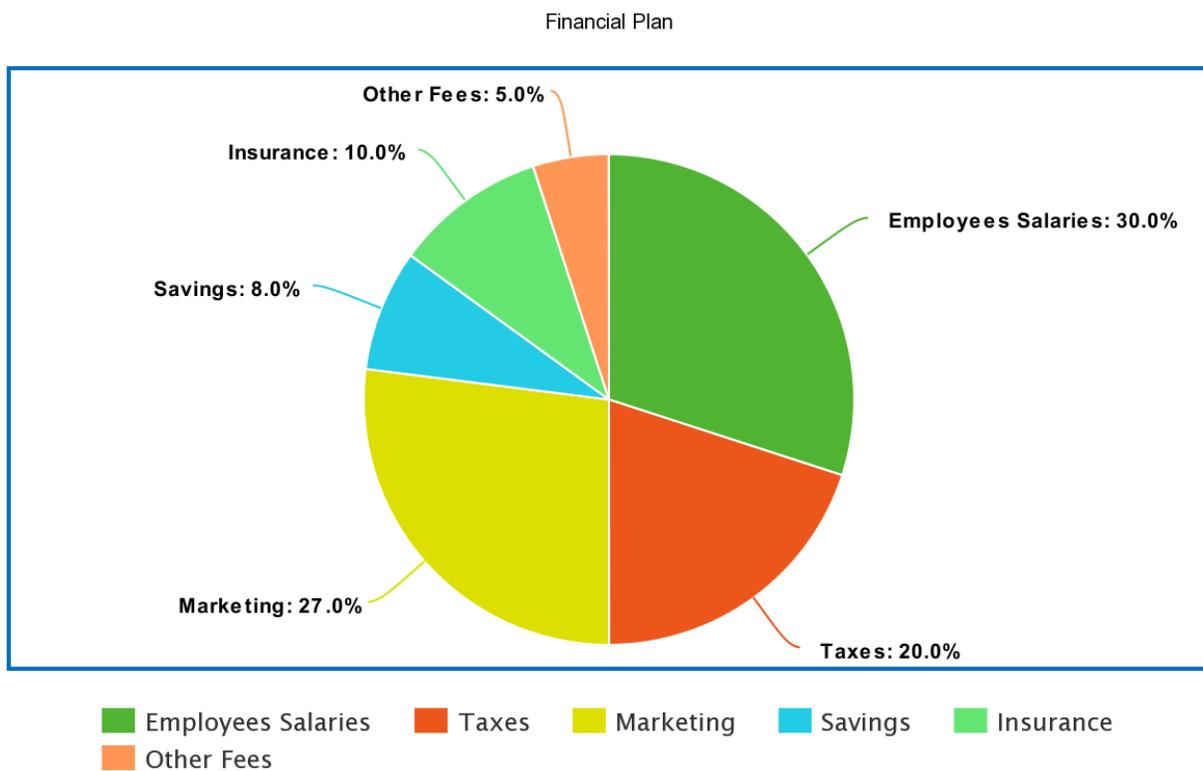
- Expand throughout all of Florida (and later the entire US)
- Promote the use of self-driving and electric cars to help the environment

**Future Plans**

The way we will accomplish these goals is by using our profits to allocate more cars to our business slowly increasing our fleet of cars which will allow us to grow and expand into new territories. The reason why we expect our profits to grow by 15% a year is because once more

and more people find out about our cost-efficient service they will start to shy away from other services like Uber and Lyft.

**Finances**



meta-chart.com

With our finances we are going to allocate all our revenue to these specific sections of our company based on this chart. The other fees section refers to onetime fees and other charges we may incur during the process of this business. Some of the onetime fee that we will have are that every time that we receive a new car for our service, we will need to equip it with a tracker, an interior and exterior camera.

**Startup Costs**

Office space	\$200,000
Price for the 15 Vehicles (Tesla Model 2)	\$675,000
Price for the first year of insurance	\$65,280
Tesla Supercharger Station	\$250,000
Marketing	\$100,000
Auto Body shop	\$37,500
Total Startup Cost	\$1,327,780

**Team Building**

**Personal Resources**

Because our company prioritizes safety It is CRUCIAL for our company to be structured in a way that everything runs smoothly. When building our team, we have two major priorities: customer service and safety. Our business will be divided into several departments and teams

**Maintenance Facility**

We will have a maintenance facility at every Venus location. There will be auto mechanics responsible for the routine maintenance and preventative maintenance of these self-driving vehicles. They will inspect the cars, detail, clean, change tires and check each car's computer and electronic system. They will make sure the appearance and operation of these cars are always in the best condition

**Technology**

Because self-driving vehicles require software. There will be a department of Autonomous Vehicle Engineers maintaining the software and operating the routes of these vehicles. They will also make sure the miles are being tracked accurately. To ensure that customers can rely on these cars. They will be responsible for making sure the self-driving vehicles are operating properly. We will have the engineers working around the clock to ensure that there aren't any coding errors.

There will also be a separate technology department that will be responsible for running the apps and websites. They will make sure keep up with ride schedules and ensuring that customer information is private

### **Customer Service Department**

This branch will be responsible for receiving customer feedback. Customers will be encouraged to review their experience with Venus through comments, email, or phone calls.

The feedback from customers will be given to all departments, where they will use this data to make decisions that will help the company improve.

### **Business Department**

This branch will facilitate the financial aspect of the company. They are the ones analyzing data and making financial decisions that will maximize our profits.

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