

Before
ASAP

Introduction

The research I have conducted so far suggests there's a good chance that the venture I start around January 2010 will become successful. The venture will offer multiple services because having more than one service will definitely boost the chances of making a profit. I believe the venture can become profitable due to its low operating costs and its ability to give all customers free access to information and very low charges for posting advertisements on my website.

Venture Description

The type of business I will run is a new product in the market. This business idea aims to facilitate communication among college students who want to share transportation to their hometowns or other destinations. It is an internet-based business, so there is no need to start with a large initial investment or worry about finding a physical location, aside from the owner's computer. Any type of new laptop or notebook can be used to store data during the first years of operation. The second essential requirement for the owner is to obtain customized software. Typically, software development can cost from a few thousand to hundreds of thousands of dollars. In my case, I do not have to pay for the software because it has already been developed by a friend of mine. The business offers several services. The first service is for students trying to arrange a trip. The second service is for people interested in advertising their ventures on my website. There are also services such as creating advertisements for customers, franchising, and selling software to companies that need quick communication between employees.

Opportunity/Need

I have identified several significant trends that support my decision to start a new type of venture in the market. The first trend is that gasoline prices are expected to rise due to increasing demand from developing countries. Additionally, gasoline prices will increase because of the declining supply of this commodity. The second trend favoring my business is the green movement. People are becoming more aware of the dangers of neglecting the environment. They are also motivated by various advertisements on TV and in newspapers to choose environmentally friendly alternatives. As a result, their perspectives are changing, leading them to seek businesses that are environmentally responsible. The third trend is that many people, particularly students in my case, are trying to reduce their spending. From my research on Notre Dame students, I know they pay close attention to their expenditures. The fourth factor is that we are currently in a recession, so people are monitoring their spending carefully and seeking ways to cut living costs. My venture especially offers students an opportunity to save money. Students with limited budgets should find my service appealing, as it helps them keep more money in their pockets.

The primary market consists of Notre Dame University students. Demographically, I know that Notre Dame has 11,733 students: 8,371 undergraduates and 3,362 postgraduates. The market is highly localized, geographically concentrated, and targets a specific demographic. This allows me to conduct highly controlled marketing tests. There are no significant barriers to entry caused by competition. The main challenge may be providing incentives for students with cars to participate.

I believe that direct transportation to desired destinations appeals to students and others. Although arranging direct transportation can be challenging, I think that offering an opportunity to get as close as possible to their destination will persuade people to choose my service.

Product/Service

Basically, a student sets up his or her account on my website, then posts information regardless of the type of trip they need. There are two kinds of information a person can share. The first type is when he or she has a car and plans to go on a trip; for those without a car, it means they can travel together and split the gas costs. The second type is posted when someone doesn't have a car but needs to get somewhere. If they find someone traveling in the same direction, they can split the trip costs again.

Target Market

The target market is Notre Dame undergraduate students, who are between 18 and 24 years old. I do not believe a detailed analysis of demographics is necessary for my venture. Based on my findings and interviews with some ND students, I learned that most of them would like the opportunity to leave the university on Thursdays and Fridays. Additionally, if there are long weekends, they would like to visit other places as well. The locations students are interested in visiting include the Studebaker Museum, Michigan Lake, the Chocolate Factory, and restaurants in downtown South Bend or on Edison Street in Mishawaka. Moreover, ND students frequently shop at Meijer stores (which surprised me, as I assumed they ate at Notre Dame). Other popular destinations include University Mall on Grape Road in Mishawaka. Students also enjoy going to movie theaters, paintball, and bowling. Those who learned about my venture mentioned that they

would use it to reduce their transportation costs. Some students expressed doubts about the venture but still showed interest in trying its services. Regarding distribution, advertising is the most crucial aspect for the venture. It will likely be the most challenging part for the owner—getting students to visit the website. The decision to purchase services will be made by those interested in advertising their ventures on the site.

Business market

The organizations that will advertise on the website must target young people. Some of them might be student-oriented restaurants, magazines for young people, and so on. Students do not make purchasing decisions at all. Their main role is to post about trips or to try to find a trip to their destination or nearby location. The purchasing decisions made by my clients are based on the venture's target audience and the number of visitors. My venture targets Notre Dame undergraduates, so people whose audience includes Notre Dame students should consider buying advertisement space on my website. Additionally, nationwide businesses targeting young people should be interested in advertising on the website. The accepted payment methods are either cash or credit card.

Unique benefits

This business will ultimately help reduce transportation costs and greatly benefit the environment by decreasing pollution. The growing problem of global warming has become a major concern worldwide. The venture offers a way to combat increasing pollution by giving students the opportunity not only to lower travel costs but also to realize that through small actions like traveling together, they can contribute to improving the environment they live in.

Competitive Advantage

There is no direct competition for the venture, but other transportation businesses can be considered competitors. According to my findings, students think that bus ticket and taxi fares are expensive. Their advantage is that both are established companies in the market. Their weaknesses are that they do not offer service modifications that would meet customer needs.

Risks

The biggest concern is how to convince students to use the services of the venture. Then, the next problem is how to encourage people to advertise their businesses on the website. Thankfully, there is no significant financial risk, because the venture requires only a low investment from me.

Financial Projections

There are two ways to charge those interested in posting their advertisements on the website. The two revenue sources are advertisement accounts and corporate accounts. The price range for advertisement accounts varies from \$300 on the low end to \$1000 for prime estate per year. Corporate accounts are clearly more challenging than advertisement accounts. Since they are customized services, the lease of either is not easy to estimate on the spot. Additionally, since the venture has just started operating in the market, that factor will also influence the price customers must pay. However, we plan to charge the same prices as we do in Bloomington, which range from \$15000 to \$20000, not including the setup fee, which depends on the time required to launch. A standard layout takes about a month and costs \$2000.

Based on our prices and the venture in Bloomington, the research suggests that operating income could be \$ 1,715.

Year 1	
Revenue	\$4,000.00
- Operating Expenses:	
Marketing	\$1,285.00
General & Administrative	\$1,000.00
Operating Income	\$1,715

According to the table, the break-even point for the first year is \$2285.00 (\$ 1,258.00 + \$ 1,000.00).

The Start-up Costs

1. Running the venture requires a computer. It's better to use a notebook-style computer for this type of business. The price of a new notebook ranges from \$400 to \$1,000. You don't need a fancy notebook, so a \$400 model can meet the venture's needs.
2. I have a nearly 2-year-old notebook, so I don't need to buy a new one. Therefore, its cost is \$0. The software is another crucial part of starting the venture. Creating new software can cost anywhere from several thousand to tens of thousands of dollars. This customized

software will be sold to anyone interested in setting up this type of business on their campus. Such software tailored for a specific university costs \$5000.

3. Since I am one of the founders of the venture and a friend of mine developed the software, I do not have to pay for it. Once again, this startup cost is free for me. The website is another crucial element of the venture. A professional-looking website costs between \$1,000 and \$2,500.
4. The customized website for the venture targeting the Notre Dame Community will not cost me anything, thanks to my position as a cofounder. It is essential for the owner to have a printer. Owning a printer will definitely save costs on printing for the venture. The recommended printer should be a color laser model with features such as fax, scanner, and copy functions. The laser printer I bought cost \$620 and includes 3 years of free full-service, so I don't need to worry if anything happens.

Black and white prints	Color prints
The cartridge costs \$110, and it can produce 4500 copies, thus the cost of printing one page is \$0.02.	There are 3 cartridges in the printer, each of them costs \$130, and they can produce 3000 copies, thus the cost of printing one page is \$0.13.
If I had used the service of Kinko's or other local business, I would have to pay at least \$0.45.	If I had used the service of Kinko's or other local business, I would have to pay at least \$0.78

The First-year Costs

1. There is a need to print the flyers. 3,000 colored flyers are required for the first year. The cost for 3000 colored flyers is \$360.
2. The business cards are essential for the owner because he or she will promote the venture among local and national businesses. We need 500 cards, which will cost \$100. The price might seem low, but we have our own designer and printer. The paper for 500 cards will cost about \$35.
3. The transportation cost is estimated to be around \$1000 for the first year. This estimate is based on the venture in Bloomington, which was three times cheaper than the one provided, because the owners did not need to travel much there.
4. The cost of paper for flyers will be approximately \$90.
5. If the University of Notre Dame had agreed to the idea of setting up a table on the students' orientation days, we definitely would do it. There might be free pizza, pens, or key tags served during this time.

The cost of pizza	The cost of pens	The cost of key tags
The cost of one large pizza varies from \$6 to \$12. So, if the order 10 pizzas for	1000 of pens costs \$200	1000 of key chains costs \$200

\$10 (80 slides), the final cost is \$100.		
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6. Creating presentation folders that contain information about the venture for interested individuals who want to post their advertisements on the website costs about \$1.50 per folder. The required quantity is 200 units, so the total cost is \$300.

The start-up costs and the first-year expenses should amount to no more than \$2000 for my venture.

Summary

The research shows that the venture I want to start is feasible. It can succeed in the market because there has always been a demand for ways to reduce living costs. The venture offers such opportunities. The target audience has shown interest in using the venture's services. Additionally, the established venture in Bloomington attracts many students who frequently use its assistance. The venture can benefit both people worldwide and the environment. Students can save money on travel, and in doing so, they will help decrease pollution. The venture has little to no direct competition, making it easier to survive and potentially grow in the market. Also, my experience and network increase the likelihood of success. The venture aims to connect people, ultimately facilitating meetings. To secure the future of both the venture and the owner, ND students need to

agree to accept a document, which will be shared online whenever they plan to travel with someone else.

Summary of the Findings

1. Female **11** Male **11**
2. Freshman **6** Sophomore **4** Junior **7** Senior **4**
3. Have a car **10** Do not have a car **12**
4. Do you live on campus? Yes **11** No **11**
5. How do you get to classes most of the time? You can check up to 3 answers
 7_drive alone ___carpool **10**_bicycle ___motorcycle ___
 ___apartment shuttle bus ___taxi **5**_bus ___walk ___other (please identify)___
6. Do use local transportation? No **8** Yes **14** (if yes, how often do you use it per week?) **4, 5, 6**
7. How would you rate the local transportation (Transpo Company)? Excellent-5, Poor-1
 1) **3** 2) **11** 3) **8** 4)___ 5___
8. If you had rated the local transportation between 1-3, could you briefly explain why?
 Many students answered that they could not get to the direct location. Also, they did not appreciate the fact that during winter and autumn time had to walk.
9. How much are you willing to pay for public transportation from your residence to campus? **2**_up to \$.25 **12**_ \$.25-\$.50 **8**_\$\$.51-\$.75 ___no more than \$1
10. If you had had a choice to use a different competitive type of transportation, would you use it?
 Yes **22** No___ Maybe___

11. Are you willing to split the costs of a trip with another person? Yes_**22** No____

12. As a student of ND University, would you like to travel with your friends over long weekends to other places? Yes_**15** No_**1** Maybe_**6**

13. If there would be an opportunity to go to Bloomington or Purdue, will you be willing to go to Bloomington_**7** Purdue_**4** Bloomington & Purdue **11**

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After
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Proposal Revision: Financial and Market Analysis

Financial Summary and First-Year Projections

The venture is designed for profitability due to its low operating overhead and internet-based structure, which minimizes initial capital requirements. The business plan anticipates achieving the break-even point within the first year of operation, based on conservative revenue and expense projections.

Initial Capitalization and Startup Costs

Initial capital for the venture is projected to be \$500.00. Startup costs are minimal, primarily covering legal registration and initial branding. These costs will be fully covered by the initial capital.

Cost Category	Description	Amount
Startup Costs	Legal registration, necessary permits, initial branding	\$250.00
Initial Capital	Owner-provided funds to cover startup and initial operating deficit	\$500.00

First-Year Operating Projections

Total annual revenue for the first year is conservatively projected at \$4,000.00. Operating expenses are categorized into two primary components: Marketing and General & Administrative (G&A).

Expense Category	Description	Amount
Marketing	Targeted digital and print advertising	\$1,285.00
G&A	Website hosting, legal, and miscellaneous administrative fees	\$1,000.00
Total Operating Expenses		\$2,285.00

Profitability Analysis

The projected operating income is **\$1,715.00** (\$4,000.00 Revenue - \$2,285.00 Expenses). The venture's projected break-even point is \$2,285.00 in annual revenue, which is the total projected operating expenses. Achieving the targeted annual revenue of \$4,000.00 will result in a 75% return on total operating expenses, confirming the strong financial viability of the low-cost model.

Target Market Analysis and Validation

A foundational survey was conducted with 22 Notre Dame students to validate the market need for a ridesharing and carpooling platform. The results confirm a high demand for a cost-effective, alternative transportation option.

Key Findings

The survey results highlight a significant opportunity within the student body due to dissatisfaction with existing transit and a universal willingness to adopt a new service:

- **100% Market Validation:** All 22 respondents indicated they would use a competitive transportation service if available, and all are willing to split the costs of a trip with another person. This finding serves as a strong validation for the venture's core business model.
- **Widespread Transportation Need:** Students are evenly split between living on-campus and off-campus (11 each), confirming the need for a solution that serves both student populations.
- **Dependence on Personal and Alternative Transport:** Only **45.5%** of students surveyed own a car (10 out of 22). The primary modes of transportation to class are driving alone (7 respondents) and bicycling (10 respondents), suggesting that a large segment of the market currently relies on non-driving methods and would benefit from an efficient carpooling option.

Dissatisfaction with Existing Transit

The local public transportation service (Transpo) is currently underutilized and poorly rated, creating a clear gap for a new service to fill:

- **Low Transit Use, Low Satisfaction:** A majority of students surveyed (**64%**, or 14 respondents) use local transportation. However, the service is rated poorly:

- **64%** of users rated the service a 2 or 3 out of 5.
 - The primary reasons for dissatisfaction are the inability to reach direct locations and the necessity of walking during inclement weather.
- **Price Sensitivity:** The majority of students surveyed (**54.5%**, or 12 respondents) are willing to pay between and for a ride from their residence to campus, confirming that the target user base is highly price-sensitive, which aligns with the venture's low-cost carpooling model.

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