

## Looking to Turn Bike Share into a Business?



### We Can Help.

With the On Bike Share system, you can create Automated Bike Rental stations, and provide bikes on-demand right where people want to rent them, without having a physical bike shop or retail location. We can provide you with everything you need – equipment, technology, training and support – to help you jump start your business.

An Automated Bike Rental system is just like a retail bike rental business; just without the need for a retail storefront or employees waiting around for customers. An Automated Bike Rental system can be set up anywhere you have permitting and licensing by your city and/or the property owner. You can also run an Automated Bike Rental system with less staff than you would a retail location, and offer extended hours of operation. So for someone looking to start a bike rental business, this is a much less expensive alternative.



## Know What You're in For

An Automated Bike Rental system can be a fun side business, and a great way to provide your community's residents and visitors with a healthy, sustainable way to explore and enjoy your area.

But make no mistake - an Automated Bike Rental system **IS** a retail business. And like any retail business, success doesn't happen by accident. It will take planning, a commitment of time, financial resources, as well as a working knowledge of bikes and a comfort level with phone Apps and software (in order to manage the system).

To get started, we first recommend you create a business plan. Key components to this should include:

- Startup costs (system purchase, licensing, insurance, marketing, bike maintenance, etc.)
- Competitive review (other bike rental operators in your area)
- Key locations to place the bikes
- Revenue projections based on rental hours & rental rates
- Threats to the business – i.e. an inability to get permits or licenses, inability to get key locations, limits on your rental rates, etc.
- A cash flow projection that shows what you need to stay in operation, and how long it will take to get a return on your investment

This is just a start, but will help get your juices flowing. Most new ventures overestimate revenue and underestimate costs, so be as thorough as you can so your plan is both realistic and achievable.

Once your plan is done, we recommend you talk to your city or town manager or planner. They will be able to guide you on the process for permits and licenses, and advise you on the locations available to place the bikes. Make note that this may be the hardest part of the process. It may take time to get these approvals - including presentations to the town council or city planners, meetings with zoning boards, and input from groups such as public works, environmental management, and historical commissions.

Here are eight tips to help you start and run a successful automated bike rental business.

# 1

## Know Your Target Market

Most bike rental businesses target tourists. Why? Tourists have more money to spend, are more impulsive in their decision-making, and will be more likely to use bikes for longer periods of time to explore your community, nearby trails and popular destinations. If you want to learn more about tourism in your area, talk to your local tourism board or chamber of commerce. They will likely have information on tourist numbers, demographics, most popular activities and destinations, and efforts to attract tourists to your area. They may also offer ways for you to market to tourists before they arrive in your community.

# 2

## Location, Location, Location

Just like with retail, having the right location(s) can make or break your success. If the best locations in your community are public spaces such as parks, trailheads and city parking lots, you will need to first talk to your city planner or administrator about permitting. Getting permits to operate a private, for-profit business on public lands can be difficult, but not impossible. Some cities/towns already have initiatives or incentives to provide alternative means of transportation or reduce traffic congestion. Some cities/towns have grant money to do just this, but lack the experience or resources to operate a bike rental or bike share business. This is where you may be able to create a public-private venture.

In addition to placing bike stations on public land, another – possibly better – option is to operate your business on private land by partnering with businesses that share your goals, including:

- Hotels
- Restaurants
- Parking Lot Operators

The most receptive businesses will be ones with an interest in attracting tourists, and locations with available parking or areas where bikes can be located. You may be able to rent space from these businesses, or negotiate to get the space for free in exchange for advertising on the bikes. Some business may want to work with you simply to drive more traffic to their location.

For hotels, they may also be interested in providing bikes as a free amenity for guests as part of their resort/amenity fees. In these situations, you could brand the bikes for the hotel and charge the hotel a flat monthly fee for placing the bikes at their hotel. This provides you with a predictable, recurring revenue stream and provides the hotel with a unique amenity to differentiate their property.

# 3

## Brand Your Bikes

Bikes come standard with your logo on the frame and basket panels. We also put your logo on the rack top decals and in the App.

If you're looking to sell advertising or promotion on the bikes, the basket panel is best location to do this. The frame and rack top should always identify your business as the bike owner.





We can provide you with a **Branding Guide** that outlines the locations, sizes and types of artwork we need to produce the decals for your bicycles and racks. The primary locations for the branding are the sides of the bike frame, baskets and the top of the bike rack. For bikes that include the premium branding, we also custom paint the fenders and chainguard to color match your logo.

## 4 Business Registration, Legal and Insurance

In today's world, setting up a business can be very easy. But if it's your first time starting a business, it's best to consult with a lawyer to determine the right type of business to create, draft articles of incorporation, register your business name, register and protect your brand name, create your website, etc. If you go for it without the help of a lawyer, you can find good information on sites such as LegalZoom.

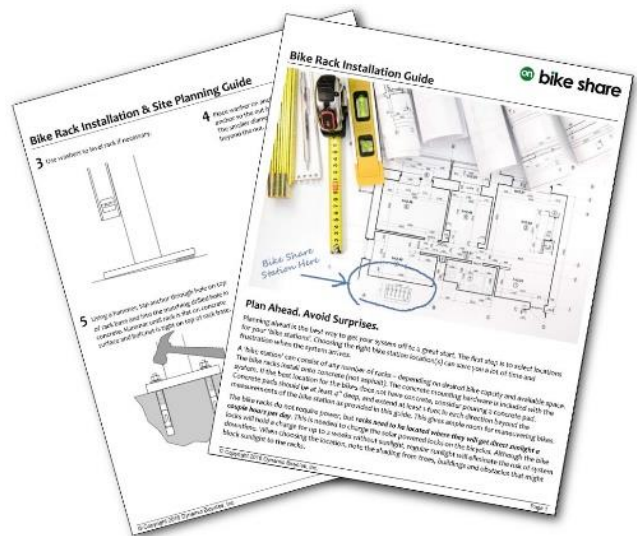
You will also need to secure business insurance. It's no surprise that we live in a litigious world, so it's important that you protect yourself and your business. Although our system provides a waiver that all riders have to accept in order to access the bikes, this is just your first line of defense. You will want to make sure you have liability and general business coverage that will protect you from the unexpected. If you have a local agent to work with, great; if not, we can recommend national insurance providers that specialize in policies for bike rental operators. When working with your insurance company, emphasize that this is a bike rental business, with automation used to help riders access bikes on-demand using an App.

## 5 Installation – Site Prep

First, the On Bike Share docking racks must be installed into concrete, so you need to choose locations that either already have a concrete pad, or locations where a concrete pad can be poured.

No electrical is needed at the bike racks. Often times, the best locations – near town parks, trailheads or shopping areas – are public or town owned space. If so, you'll need to work with your city/town to secure the permits to install racks. Depending on your town council or planning committee, this can be a time-consuming process. Be prepared. Alternatively, you can contact private land owners near these locations, and look for ways to compensate them for the use of the space – perhaps through rent or in-kind sponsorships on the bikes. Examples of this could be restaurants or hotels, or parking lots that can benefit from providing bikes to tourists using their lot.

Second, you will need to determine how many bikes will fit in the desired location. Our **Site Planning Guide** will provide guidelines for spacing the racks using different configurations.



To install the racks, you place the racks in the desired locations and mark the holes. You drill the holes into the concrete and insert the anchors. The rack installation is done takes about 5-10 minutes per rack. The mounting hardware is included with the racks.

**Bicycle Assembly.** The bicycles are fully tuned and 95% assembled prior to shipping. The on-site setup includes attaching the pedals, handlebar and basket. We provide the tools and instructions/video to guide you through this. Final setup takes about 10 minutes per bike.

# 6

## System Launch

The two keys to a successful launch are communication and education. Pre-announcing that the bike share system is coming will help build excitement and demand for the bikes. If you think of yourself as a retail business, many of the same marketing and promotional tactics apply. This may include promotion in local tourism guides or websites, promotion in local papers, partnerships with local businesses, and on-site promotion and launch events.

Launch events are a great way to kickstart your program, demonstrate the bike checkout/return process, and familiarize riders with the bikes and App.

Education is equally important to program success. For tourists, providing a map on the bike or at the bike station highlighting nearby cycling routes or popular destinations will encourage riders to use the bikes and keep them longer. You could also leave promotional literature at visitor centers and local businesses.

# 7

## On-Going Management

On Bike Share provides comprehensive training on the Admin software through both self-guided and live training sessions. The training shows you how to set rate plans, add your logo to the App, edit the waiver form, view problem reports, set alerts, and monitor bike use.

The On Bike Share system is cloud-based – meaning there is no software for you to install. You can login to the Admin software to monitor and manage your system from just about anywhere.

For your riders, they will download a free App from the Apple Store or Google Play Store. Riders will use the App to provide contact information, enter credit card

information, and accept the waiver form. When at a bike station, riders use the App to select the bike they want to ride and the App will unlock the bike from the rack (uses the phone's Bluetooth to communicate with lock). The Admin software records and tracks bike use in real-time, and provides reports and logs of all bike and rider activity.

System Admins are encouraged to check the Admin portal regularly to proactively monitor use, address any problem reports, and communicate with riders as needed. During the first 30-60 days after launch, Administrators should budget up to 30 minutes per bike, per week for answering questions, responding to rider inquiries, checking on bikes, and learning the system. After the launch phase, this time commitment will be reduced.

# 8

## Bike Maintenance

The On Bike Share bicycles were designed for high durability and low maintenance. However, bicycles still need periodic inspections and maintenance to keep them operating safely and reliably.

If you choose to do this maintenance yourself, your system includes a bike toolkit, and the recommended bike maintenance schedule that covers routine safety inspections and periodic bike maintenance. The Admin software provides software for tracking and recording this maintenance. This is important for legal record keeping, and helps you stay efficient with your time.

If you would like someone else to do the bike maintenance, we can arrange this through one of our bike mechanic partners. Our partners offer comprehensive and affordable on-site bike maintenance plans that cover all essential bike operational and safety items which helps to prolong the life of the bike, ensure bike safety, and help maximize bike availability. ■

*If you have questions, feel free to contact us at [info@onbikeshare.com](mailto:info@onbikeshare.com) or at 401-475-8094.*