

BUSINESS PLAN

Version 1.0, May 15, 2013
Created by Aaron Belz and Elijah Belz

1. Business name, location, and contact information

Hillsborough Bicycle
115 W. King Street
Hillsborough, NC 27278
(Behind Dual Supply Hardware)

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2. Who we are and why we want to start this business

Hillsborough, the original capital of North Carolina, is a quaint little 259-year-old town on the Eno River with riders coming through almost daily, but there are no bicycle shops within 15 miles. To the north and west there are no such shops for 30 miles.

Elijah has been working at the Durham Bike Co-op twice to three times a week for the past year and has the skill and passion of a true bike geek. He can not only repair and maintenance almost any bike, he knows the best parts and where to get them, and he has built numerous bikes from the frame up.

Last summer we rode on RAGBRAI, the annual bike tour across Iowa, almost 500 miles of father-son bonding time. The acid test? I rode a bike he'd built from a generic Nashbar frame, and it was the smoothest ride I've ever experienced. I'd only done RAGBRAI once before, but I'd commuted quite a bit and owned several bikes. Thank you, Elijah!

We found a cool but small location in historic downtown Hillsborough, in the back of a mom-and-pop hardware store. We need help starting this shop. We need an investor or two to help us with startup expenses such as rent, tools, shop supplies, and various incorporation and membership fees. The total is going to be around \$3000 to get started. Once we're going, I think

we'll keep cruising, because we want to expand into retail and custom refurbs.

3. Services provided

We will provide repairs, maintenance, and recommended periodic tune-ups on every type of bicycle (road, hybrid, cruiser, mountain, etc.). For these services we will charge \$50/hour. Seasonal tune-ups will cost between \$50 and \$75, depending on the type of bike, plus any major parts.

We will carry a small range of new mechanical parts and accessories including tires, chains, tubes, cables, lube, and other basic items, available for customers to purchase.

We will eventually expand into custom refurbishing / bicycle sales. The ultimate business objective is to be a shop that custom-refurbishes vintage bicycles, which means a customer comes in, specifies the purpose of the bicycle he or she is looking for, gets measured for size, and we recommend a range of possibilities (style, geometry, composition, components, accessories), showing them photos and/or actual bicycles. Once the customer agrees to the range, we begin looking for a bike to refurbish or frame to build out, present the customer with more concrete options with more specific costs attached, and the customer selects one. We hope this to be a thrifty and exciting way to repurpose older bicycles and components, rather than simply buying a new bike from a large chain retailer.

4. Opening hours

We will keep hours from 10AM to 6PM, Monday through Saturday. We will not be closed for lunch or any other reason during the opening hours.

5. Market and marketing

The market for Hillsborough Bicycle will include the town itself, its surrounding affluent suburbs (Churton Grove, Beckett's Ridge, etc.), rural communities to the north as far as Roxboro and west as far as Mebane, and any cyclists that happen to pass through.

Most of the marketing will be word-of-mouth and via the internet/website. Signage plus targeted communications to the cycling community in Durham and Chapel Hill will help pass-throughs know about the shop.

6. Startup costs

Incorporation, Hillsborough Chamber of Commerce, other memberships	\$400.00
Logo design	\$200.00
Website	\$85.00
Signage, fliers, other collateral materials	\$350.00
Security deposit and first month's rent	\$400.00
Park Tool PK-65 Professional Tool Kit	\$600.00
Park Tool TS-2.2 Pro Wheel Truing Stand	\$162.50
Park Tool PRS-4W-2 Professional Wall Mount Stand and 100-3D Clamp	\$125.00
Metric Wrench Set	\$20.00
Jagwire Mountain Brake Cables, Box/100 Slick Galvanized 1.5x1700	\$80.80
Jagwire Road Brake Cables, Box/100 Slick Galvanized 1.5x1700	\$80.80
Jagwire Slick Stainless Derailleur Cable 2300mm Box/100 Shimano	\$98.80
Jagwire Cable End Crimps Blue Bottle/500	\$16.00
Selection of inner-tubes	\$100.00
Greases and lubes	\$75.00
Shop furniture, minifridge, and misc. décor/design	\$250.00
Invoice/estimate/letterhead printing	\$150.00
Incidentals	\$500.00
TOTAL	\$3693.90

7. Projected monthly costs and revenue

Costs:

Rent	\$200.00
Utilities	\$0.00
Shop supplies	\$250.00
Website	\$10.00
Signage/marketing	\$200.00
Wages	\$1000.00
Insurance and memberships	\$150.00
Credit card fees (via Squareup.com)	\$55.00
TOTAL	\$1865.00

Revenue:

We project approximately \$50 per day in business for the first two weeks (\$300/week), and we hope, as awareness of the shop increases, to double that amount in the second period of three-four weeks (\$1800-\$2400). By the end of the second full month of business, we hope to be producing a revenue of about \$150 per day, or \$900 per week. At approximately \$3600/month, this will be adequate to sustain the shop and pay the lead mechanic fair wages while saving some for eventual expansion.

8. Raising startup capital

We have initiated a fundraising campaign on our website, hillsboroughbicycle.com, that invites interested parties to "Draft With Us" by sponsoring the shop in \$50 increments. We hope to attract enough grassroots support by the end of May, 2013, to reach the \$3000 or \$3500 necessary to be in business by June 1. Between now and then, we will be setting up shop, assuming it's a go.

[If you have questions about this business plan or would like to have it enhanced or explained in any way, please contact Aaron Belz at the phone number or email address in point 1 above.]