

Business plan for electric scooter service on Hayden Island

Overview: This paper reviews the technology and economics of operating a small, shared, electric scooter system on Hayden Island. In its basic form, one \$500 scooter (similar to the Bird scooter used in Portland) would be purchased which would have a \$125 GPS tracker and lock. An investment totaling \$600-\$700 is estimated to make \$6,500 in 12 months.

People rent the \$500 electric scooter for \$10/hr (\$5/hr if hotel guest). The typical ride is expected to last about 90 minutes, with 45 minutes of active biking. The batteries last about 3 hours of continuous use before recharging is necessary.



Anticipated Revenue: An average of 3 rentals per day is estimated (generating \$10/each) for a total of \$30/day. Revenue is estimated at \$900/mo (in peak summer), with a one year average around \$600/mo or about \$6,500 annually.

Expenses: We estimate life expectancy of the \$600 total unit cost of the scooter to be about 4 months, although GPS tracking is expected to minimize loss. Scooter replacement expenses are estimated at \$150/month, maintenance, \$80/mo, cell tracking expenses, \$10/month, and management overhead at \$60/mo. Expenses, then would total \$300/month.

Projected Profit: With revenue projected to average \$600/mo and expenses averaging \$300/mo, we expect profitability within 3 months and first year profit on a \$600 investment to be about \$3,500.

Operational Overview: This scooter sharing plan is NOT associated with ANY shared bike or scooter business in Portland. Instead, we would buy our own scooters from Amazon and make them available to hotel guests. Guests (or other individuals) on Hayden Island register at the front desk for scooter rentals, using their driver's license and credit card. [A scooter app](#), which can be download free, shows the state of the scooter's battery and MPH. The desk clerk provides the guest with a locking/unlocking code for the scooter with full payment made on return of the scooter.

Scooter Sharing in Portland: Hayden Island and Kenton do NOT currently have any bike sharing services (like Nike’s Biketown) or any scooter sharing services (like [Bird](#), [Lime](#), [Skip](#) or [Goat](#)).

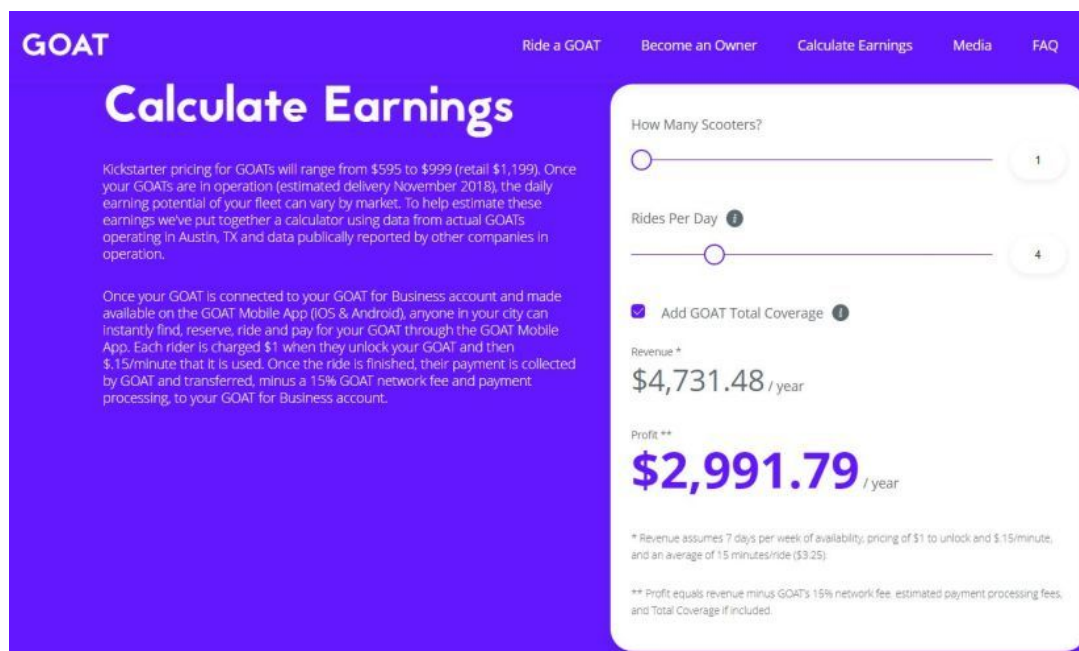
	HQ	TOTAL RAISED	CURRENT VALUATION	SELECT INVESTORS	
	Beijing	\$1.6B	\$3B*	Didi Chuxing, Ant Financial	View profile
	Santa Monica, CA	\$418M	\$2B	Sequoia, Index Ventures	View profile
	San Mateo, CA	\$467M	\$1.1B	Uber, GV, Alphabet	View profile
	San Francisco	\$31.1M	\$75M	Accel, Menlo Ventures	
	San Francisco	\$8M	\$43.2M	Grishin Robotics	View profile
	San Francisco	\$4.3M	\$12.3M	Scout Ventures, Vision Ridge Capital	View profile

*valuation unconfirmed

The low density and remoteness of Hayden Island from downtown Portland make it less attractive to scooter businesses. However, Hayden Island may have an untapped market with four major hotels located on the island. Those guests may want to travel to the Max train, Delta Park, Expo Center or PIR, not to mention the Jantzen Beach Mall, Lotus Isle Park, Walmart or Waterfront Vancouver. Scooters may be just the ticket for Hayden Island residents and guests.



Scooter sharing firms in Portland are currently involved in a 3 month pilot period. These firms may win extended contracts with the city to supply scooter sharing services, to be announced this November. Scoot, Skip and Goat have yet to offer their pilot scooter offering in Portland.



Goat is particularly interesting because [it lets businesses BUY their own scooters](#) (for \$600-\$1200 each) and have the company operate the scooter sharing business, taking about 15% off the top for expenses. Goat estimates a scooter investment could generate about \$4,700 revenue and \$3,000 profit annually from one scooter.

Disadvantages of Scooter Sharing: The prime disadvantages of current scooter sharing businesses in Portland:

- Scooters are not available on Hayden Island
- They're too expensive to operate (about \$10/hr)
- They can't be tied into Hayden Island specific promotions.

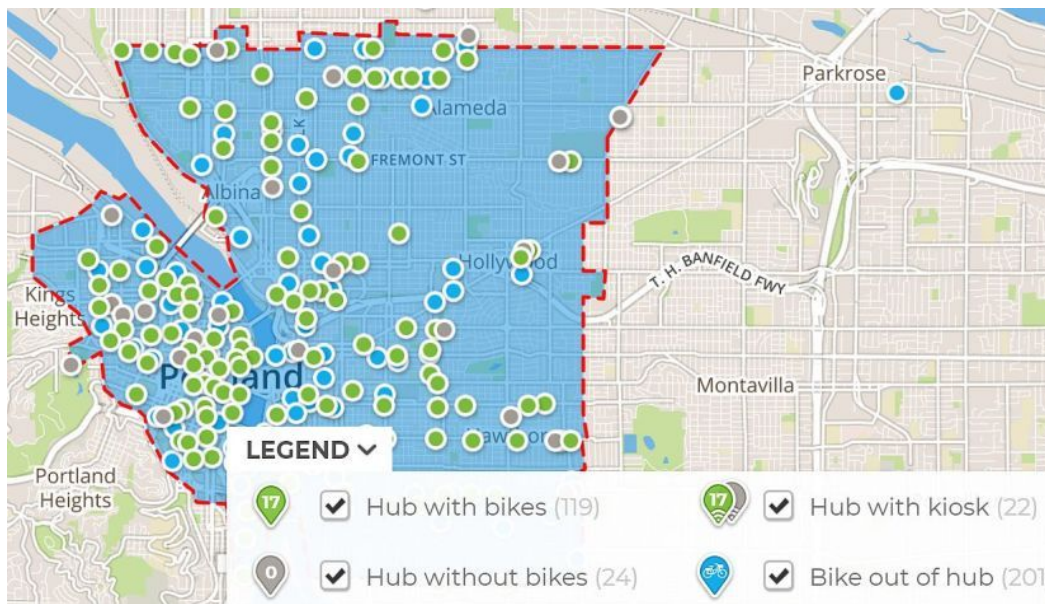
DIY Scooter Sharing: This business plan is simple and scalable. We buy one or two \$500 scooters from Amazon (the identical model used by [Bird](#)), and install our own \$100 GPS tracker. This has two primary advantages:

- We have a dock. Renters bring their scooter back to the hotel and plug it back into the charger. Scooters aren't left all over the city.
- We charge less. Scooter companies charge \$1 to start then 15 cents/minute. So 60 minutes costs \$9 + \$1 or \$10/hr. Hotel guest could be charged half that (\$5/hr) and we'd still make money.

Would we need a city permit? Many bike shops rent bikes. This plan is no different. Unlike ALL other scooter sharing businesses in Portland, our bikes are NOT *dockless*. They are brought back to a hub on Hayden Island and charged. Our scooters are NOT left abandoned on public sidewalks all over the city.

Advantages of private bike sharing: Bike sharing companies utilize an app to find a nearby (unused) bike. They don't have to pay monthly fees to park a bike at night. But they DO have to pay people \$8-\$20 per bike to pick up bikes, charge them overnight, and re-distribute them throughout the city by 7am the following morning.

- OUR private bike business REDUCES bike clutter.
- They're stored at a central hub on the island and charged at night.
- No clutter. No extra costs.
- More profitability.



Nike's Biketown bikes DO use a bike hub, but Nike's bike sharing system service area is NOT available north of Killingsworth. There is NO bike hub anywhere near Hayden Island. Biketown's service area only extends east from the dense downtown area. Park a Biketown bike OUTSIDE their service area, in Kenton, Delta Park, Expo, St Johns or Hayden Island, and it will cost you an extra \$10 to park it. Once their ride is finished, their payment is collected through the GOAT mobile app and transferred, minus a 15% GOAT network fee and payment processing, to your GOAT for Business account.

Bottom line: there is no bike sharing system anywhere near Hayden Island.

System Requirements:

- [One Xiaomi 365 electric scooter](#) (\$500) with 20 mile range on 280Wh battery
- [One Mini Hidden Bicycle GPS Tracker](#) (\$75)
- [Other GPS Bike Trackers and Smart Locks](#)
- A Bike hub with 110 volt AC for charger.

The free GPS tracking app, which comes with all GPS bike tracking devices, could be available only to the administrator or made available to everyone. It shows current location of the bike. It's a deterrent to theft and informative for riders.

Bike Hub: A variety of different bike hubs could be investigated.

- A simple bike parking steel rack that holds 2-4 bikes.
- A solar powered bike hub (no AC required).
- A package from [Swiftmile](#) with solar-powered eBike hubs. Riders can locate and rent a bike through the [Swiftapp](#).
- [New Columbia](#), in the Portsmouth Neighborhood, started a Bike Repair Hub. What was once a vacant lot is now a vibrant space for neighbors to learn, connect, and participate in healthy activities.



Summary: This paper outlines a business plan to offer private scooter sharing on Hayden Island. It could be offered through hotels, the Mall, moorages or other communities on the island. It uses privately purchased scooters and GPS trackers. I speculate that a \$600-\$700 investment could generate \$6,500 in year one.

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