

BUSINESS PLAN METER RICKSHAW

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Submission Date: January 07, 2011

FAST School of Business
National University of Computer & Emerging
Sciences

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EXECUTIVE SUMMARY

The report is on the formulation of business plan of Meter Rickshaw. Meter Rickshaw is a concept of starting a service in which the company will serve customers by providing them rickshaws by just a phone call. The main idea behind the business is to provide a hassle free journey as traditionally customers have to search for rickshaw and negotiate rates with them. Meter Rickshaw is a service that solves all of these problems by coming up with prices charged per kilometer.

Report starts with the history of traditional rickshaw system followed by the concept of Meter Rickshaw. Business plan covers six major areas which are market research, competitor analysis, marketing plan, human resource plan, operational plan and financial plan.

In market research two questionnaires were developed which were filled by rickshaw drivers and rickshaw users (customers). Marketing plan mainly covers situation analysis, market segmentation, marketing strategy and different models whereas competitors were analyzed in competitor analysis.

Human resource plan covers elements like hierarchy, recruitment, compensation, performance management, training and development, career management and safety measures. Operational plan focuses on main resources and productions needed to operate the business along with legal issues. Whereas the financial plan covers areas like costing, investment, revenues, payback period and Net present value.

INTRODUCTION

HISTORY

Rickshaws were originally brought to India by Chinese immigrants; these were a major technological advance. Rickshaw's required only one puller, compared with the two to four footmen required to carry a single person on a palanquin. Rickshaws became the favored form of transport for the middle and upper classes, not just in India, but across Europe as well. By the turn of the century, the man-powered rickshaws substituted by bicycle-powered rickshaws.

Cycle rickshaw first came into existence in India in the early forties of the last century. They were of great industrial improvement over the large, inefficient, wooden wheeled and hand pulled rickshaw that can be still seen in many Asian cities. It also gave a certain amount of dignity to the profession by making the service provider, a driver rather than a puller.

MEANS OF TRANSPORTATION IN PAKISTAN

There are many ways to travel around in Pakistan. These include Motorbikes, rickshaws, buses, taxi cabs, trains and by domestic airlines.

Major transport in Pakistan is by land. The total length of the roadways is 258,340 km from which 167,146 km is paved roads (including 711 km of express ways) and 91,194 km is unpaved roads. The number of vehicles on Pakistani roads is estimated to be 4.2 million vehicles including 250,000 commercial vehicles.

Source: Pakistan Tourism - www.tourism.gov.pk

Motorbikes and scooters are the popular vehicles used by many people to move around in cities, as they are easy and less stressful compared to buses and cars. However law requires motorbike or scooter riders to wear a helmet for the safety.

Auto rickshaw is another type used as transport in Pakistan. They are very similar to those used in India. The fare is negotiable before commencing a journey.

Yellow taxi cabs, like the black cabs of London are another common way of traveling in the cities of Pakistan. The drivers take the passengers to their destination and charge according to the meter located on the dash board of the car. However fares can be negotiable if there is no meter.

Bus services run by public and private companies are cheap and easy way of traveling in the country. There are air-conditioned buses which ease traveling during the hot summers and operate constantly throughout the day. The buses not only travel within a city, rather there are buses which travel from city to city.

PROBLEMS WITH CURRENT RICKSHAW SYSTEM

Current rickshaw system is the most convenient form of transportation to the desired location of the customer. But there are some limitations regarding the system. First of all there is the 24 hours availability issue. Then the person has to hassle to walk to a cross road or a nearby market to take a rickshaw. Secondly there is the issue of price bargaining with the driver.

BUSINESS IDEA

Our business idea is about providing a rickshaw service to the people everywhere in the city available 24 hours just a phone call away. Fixed fares will be charged by the customers on the number of kilometers traveled. There will be a sub meter installed in every rickshaw which will be used by people to note down the number of miles traveled during their journey. This will be convenient for them too.

Main concept behind our business idea is that when ever a customer needs a rickshaw he / she will call our helpline and let us know where he / she wants to travel. Customer Service Representative (CSR) will ask the customer that from where he / she liked to be picked up. CSR will confirm the customer that rickshaw will arrive at his destination within ten minutes. Meanwhile CSR will enter this data in computer and pass it on to Customer Service Executive (CSE). In front of CSE will be a computer screen showing a detailed map of Lahore. CSE will view customer's current location and see that which of the company's rickshaws are free at the moment. Those rickshaws which will be free will be blinking as green on the CSE computer screen. Those which are occupied will be blinking as red on CSE computer screen. CSE will get all of this information from GPS devices which will be attached in each rickshaw and our computer connected through satellite. Like this CSE will call the closest rickshaw to customer's location and direct him to the customer. When the customer will sit in the rickshaw, driver will press the button on the electronic meter which would transmit the signal to our computers and turns him from green (free) to red (occupied) on CSE computer screen. Apart from this electronic meter will be showing per kilometer charges, total distance traveled by customer and the total amount charged to the customer. When customer reaches his destination driver will see

the meter and charge the customer accordingly for the kilometers traveled. After dropping the customer driver will again press the meter and he will turn back from red (occupied) to green (free) on CSE computer screen. Rickshaw driver now waits for his next call to come. At the end of rickshaw driver working shift he will come back to his head office and will hand over all the money earned during the shift. Through satellite we can monitor each and every rickshaw so none of the rickshaw driver can go for any fraud. Company will purchase new rickshaws from rickshaw manufacturing companies, therefore all the rickshaws will be company owned. All the fuel, rickshaw maintenance and expenses will be managed by the company. Rickshaw drivers don't have to worry about any rickshaw expense; they just have to drive the company owned rickshaws. When rickshaw driver's working shift ends he will bring back and hand over the rickshaw to head office after which the rickshaw will be cleaned and made ready for drivers of next shift.

MISSION STATEMENT

We provide environment friendly and convenient transportation services at a competitive price. We are committed to superior customer services to their individual destinations just a phone call away.

VISION

Providing customers with a hassle free transportation service anywhere in city.

OBJECTIVE

The systematic management of new rickshaws facilitating customers round the clock at the ring of a bell ensuring safe and a comfortable journey.

The tag line says:

Meter Rickshaw, Har Jagah, Har Waqt!!!

MARKET RESEARCH

The idea of meter rickshaw was being asked from rickshaw users as well as rickshaw drivers. Therefore a questionnaire was developed for both of them. The analysis of survey results is as follows

(Refer Exhibit 1 and Exhibit 2 in appendix for customer and driver questionnaire)

RICKSHAW CUSTOMER'S ANALYSIS

This questionnaire was run on a sample of 75 rickshaw customers within the vicinity of Lahore. The sampling techniques used were convenience sampling.

Table 1: Measurement scales of customer questionnaire

Questions	Type of measurement scale used
Filter question	Nominal
Question 1	Nominal
Question 2	Nominal
Question 3	Nominal
Question 4	Nominal
Question 5	Nominal
Question 6	Nominal
Question 7	Nominal
Question 8	Nominal

Source: Authors' calculation

Questions	Type of measurement scale used
Question 9	Ordinal
Question 10	Ordinal
Question 11	Nominal
Question 12	Nominal
Age	Interval
Location	Nominal
Occupation	Nominal
Income	Interval

(Refer Exhibit 3 and Exhibit 4 in appendix for customer code book and customer code sheet)

If we consider the age group of sample that use rickshaw service 80% of people are between 15 years – 35 years. Around 12% of them are between 36 – 45 years of age and the remaining 8% are above the of 45. The occupation is mostly related to education field as students and those who work make up 95% of our market whereas only 5% were the housewives. Rickshaw is frequently used by the people whose income is less than 15000 per month as they represent 70% of the sample size. Around 19% are between Rs 15000 – Rs 30000 whereas 11% are above Rs 30000. Areas where rickshaws are used are like 24% in DHA, Cantt and Cavalry; 8% in Gulberg, Garden Town and Muslim Town; 16% in Faisal Town, Johar Town and Model Town; 10.5% in Township, Green Town, Wapda Town and Iqbal Town; 33.5% in Old City, Mall and Shadman and remaining 8% in Thokar, Bahria Town, Raivend and Canal.

The questionnaire was based on twelve questions. The responses of filter question reveal that majority of the respondents i.e. 95% travel by rickshaw which authenticates the analysis further.

Of these 95% respondents, majority i.e. 55% travel by rickshaw on monthly basis. This statistic helped in judging the market trends of traveling by rickshaws. The figure indicating majority supports the idea of 24 hour rickshaw service on a single call.

In order to be clearer on the market trends, customers were probed further to know the number of kilometers they travel on average by rickshaws. The results reveal a mixed response stating 29% of the respondents travel about 6 km – 9 km, 27% of the respondents travel more than 9 km, 20% of the respondents less than 3 km and a minority of 19% of the respondents from 3 km – 6 km.

Adding up the responses of the majority about 56% of the respondents travel from about 6 km – 9 km and above. This statistic is a positive sign for the startup of Meter Rickshaw.

Further judging the scope of the business idea, the respondents were inquired about the consumption of time in reaching the desired destination and a majority of 41% respondents responded 10 minutes to 20 minutes. This figure authenticates the above finding of the kilometers traveled coupled with the time taken giving an optimistic view of market trends to launch Meter Rickshaw. Signifying flaws in the existing transportation system with respect to rickshaws, customers were asked about the ease of its accessibility and 36% of the respondents answered it to be somewhat easy. This response leaves room for improvement in terms of accessibility i.e. for converting it to very easy.

Probing the customers further, responses revealed that a majority of 39% feels uncomfortable in negotiating with rickshaw drivers, 37% neither feel comfortable nor uncomfortable whereas the percentage accounting for being comfortable is just 18.5%.

Leading in the same direction, customers were asked if the fares being charged were justified and approximately 34% of the respondents did not agree to this where as 32% agreed them to be fair. The revelations regarding the comfort in negotiation process coupled with the fares being justified strongly support the idea of introducing a rickshaw service on a single phone call charging the customers on per kilometer basis.

We asked customers about their perceptions regarding current rickshaw driver's driving that whether they are satisfied with their driving or not. 33.5% people responded that they are not

satisfied with rickshaw driver's driving for various reasons. One of them was that drivers drive very carelessly without taking care of traffic around them. Another reason could be lack of training that the rickshaw driver has while they drive on roads. One reason is the lack of awareness in rickshaw drivers regarding road signs and other traffic rules and regulations that they have to abide by while on road. Forth reason is that most of the times these rickshaw drivers are working over time to earn their living, as they have to support a large number of people , that is why they are stressed out and drive carelessly. Later we asked the customer about their personal experience of any sort of accidents while traveling in rickshaw. Only 7% people said that they had an accident which clearly depicts that rickshaws can be considered as a safe mode of transportation. The rate of accidents is very low as 88% of our sample customer never had any accident in their lives.

We made our sample to rank other modes of transportation they prefer if not rickshaw. It is a simple raking question in which likert scale is there 1 stands for most preferred vehicle while 5 stands for least preferred. As a combined figure more than half of our sample showed preference for motor car and motor bike while only 12% people preferred bus as an alternate to rickshaw. If we consider all the options respectively, bus have only 18% sample's preference while 55.5% people consider it as least preferred option for traveling other than rickshaw. One of the reasons of this polarized result could be that rickshaws provide access to the desired location at the door step while bus has its specific routes. If we see the results for taxi, there is a neutral result 26.5% people says they prefer taxi while 41% people are neutral if they get taxi as a second option. For motor bike and motor car we have got a high percentage of people that prefer them as an alternative, 54.5% and 75% respectively.

Some specific characteristics of rickshaw that a customer considers while taking the rickshaw service were asked. Five characteristics were taken for ranking as preferred by the sample. These characteristics are price, condition of rickshaw, comfort level of rickshaw, capacity of rickshaw and physical appearance of rickshaw drivers. Price and comfort level of rickshaw are the two factors that have gained high percentage among all characteristics. For the sake of detailed analysis if we consider all characteristics separately we can see that for the price factor 55% respondents have considered it as an important factor while choosing rickshaw. That is because in current rickshaw system prices are negotiable and the one who is good at this art can take benefit while those who are introvert sort of person will loose some money in it. If we consider condition of rickshaw as a factor in rickshaw selection then we can see that 45% people consider it as an important factor while only 18% people give no or less importance to the condition of rickshaw. Comforts level of rickshaw is it yet another important factor in selection of rickshaw as 41.5% respondents have given importance to this factor. This is so because while traveling even for short distances comfort is considered as an important element. For the capacity of rickshaw as a selection factor there is a neutral response from sample as percentages given are almost similar, 28% people consider it important, 31% remains neutral to this factor while 36% doesn't consider it important for selecting a rickshaw. Driver's appearance is the last attribute which has got a high percentage in less or least preferred factor which shows that people are indifferent to the physical appearance of rickshaw driers.

At the end of the questionnaire we asked two questions specifically regarding our meter rickshaw service and got very supportive results. When we asked about the concept of rickshaw at doorstep on a call 57.5% says that they consider this service appealing and will use it if they get

any chance to do so. Only 9.5% ranked it as a non appealing idea. In last question we asked about charging a fixed per kilometer fare 46.5% respondents says that they will avail this opportunity of per kilometer fare charges in order to avoid the hassle of negotiating with rickshaw drivers.

(Refer Exhibit 5 in appendix for graphs of customer survey results)

RICKSHAW DRIVER'S ANALYSIS

This questionnaire was run between 50 rickshaw drivers within the city of Lahore. The sampling techniques used were convenience sampling.

Table 2: Measurement scales of driver's questionnaire

Questions	Type of measurement scale used	Questions	Type of measurement scale used
Question 1	Nominal	Question 10	Nominal
Question 2	Ratio	Question 11	Nominal
Question 3	Nominal	Question 12	Nominal
Question 4	Ratio	Question 13	Nominal
Question 5	Ratio	Question 14	Nominal
Question 6	Nominal	Question 15	Ordinal
Question 7	Nominal	Age	Interval
Question 8	Nominal	Driving location	Nominal
Question 9	Nominal		

Source: Author's calculation

(Refer Exhibit 6 and Exhibit 7 in appendix for driver's code book and driver's code sheet)

Our overall analysis was run into different age groups of which 26% represented the age group of 20 – 30 years whereas 46% represented the age group of 31 – 40 years. 18% of them were from 41 – 50 years and rest 10% were above 51 years of age. Driving location was also very important that mainly in which areas drivers drive. Around 75% of the drivers drive at any location in Lahore whereas the remaining 25% drove on specific locations only.

The driver questionnaire was based on fifteen questions. The questionnaire started with the ownership status of the rickshaw. Around 48% of the respondents said that they owned their rickshaw whereas 52% said that they are using a rented rickshaw. 44% said that the rent of their rickshaw is between Rs 100 – 300, whereas 10% paid a rent between Rs 301 – 400 and rest 10% paid a rent above Rs 400. On the other hand 36% didn't pay rent coz they owned their rickshaw.

Rickshaw drivers were asked that how many days they work in a week. 28% of them work 3 – 5 days and 72% worked 7 days a week. None of them worked for less than 3 days a week. Cost incurred on a rickshaw is a very important element. On repair and maintenance 48% of the drivers spend less than Rs 500 per month whereas 24% spends between Rs 500 – 1000 per month and only 28% spends more than Rs 1000 per month. On fuel 26% of them spend less than Rs 250 per day whereas 54% of them spend between Rs 250 – 500 per day and 20% of them spend more than Rs 500 per day. There aren't any parking charges for the rickshaws to park on bus stands so it is free of cost. In case of fines and challans 56% of them pay less than Rs 300 per month on average whereas 40% pay between Rs 300 – 600 per month and only 4% pay above Rs 600 per month. For fines and challans amount is not sufficient but its frequency is also important.

30% of them get challaned once or less per month whereas 42% are challaned 2 – 3 times a month and remaining 28% are challaned 4 or more times a month.

Another important question that was asked by the rickshaw drivers was that how many hours they drive daily. Around 10% of them drove less than 8 hours a day whereas 80% of them drove between 8 -12 hours a day and only 10% drove more than 12 hours. A rickshaw driver per day take home salary also varies from driver to driver. 72% of them took less than Rs 1000 whereas 25% took between Rs 1000 – 1500 and only 3% took above Rs 1500.

Driving without license and registration booklet also increases the frequency of fines and challans. Around 96% of the drivers carried their license while driving whereas according to our survey only 2% of them didn't have a license. For the remaining 2% their license was in process. In case of registration booklet 86% of them always carried their registration booklet while driving whereas 10% never carried it. 4% of them sometimes carried their booklet.

Practice comes with an experience. Drivers were asked that for how long they have been driving rickshaw. Around 50% of them have been driving for more than 5 years. Around 36% of them have been driving for the past 3 – 5 years and 14% of them have been driving for less than 3 years. Now the question arises that how did they learn driving. Around 22% of them self-learned whereas 72% of them learnt it from their friends or family. Only 6% of them learnt it from some training institute.

Rickshaw drivers were told about this meter rickshaw service and their opinion was noted down. Around 74% of them found this idea appealing and as well as very appealing, whereas 12% found it somewhat appealing and remaining 14% didn't found it appealing. Salary is the main attraction for which everyone works. 68% of the drivers demanded that they should get their salaries on daily basis whereas 14% asked for weekly salaries, 4% said fortnightly and 14% said on monthly basis. Working hours also vary from driver to driver. 72% of them like to work between 14:00 – 22:00 whereas 16% preferred working between 06:00 – 14:00 and only 12% liked to work at night between 22:00 – 06:00.

Some questions were asked from drivers regarding their contract with the company. Their preferences were being noted. Around 68% of them preferred wearing a uniform, 16% had a neutral opinion, 12% had a lesser preference and only 4% did not preferred wearing a uniform. Around 88% of them preferred that company owned mobile phone, 6% had a neutral response and remaining 6% didn't preferred having a company owned mobile phone. 82% of the drivers preferred that repair and maintenance should be provided by the company, 6% had a neutral response and remaining 12% came in category of less and least preferred. Astonishingly 94% of them preferred that the fuel expense should be managed by company and the remaining 6% had a neutral response but none of them went for the least preferred option. 68% of the drivers preferred taking training of driving and communication skills, 16% were least preferred and remaining 16% gave a neutral response. Drivers weren't satisfied with the concept of shift rotation as only 38% preferred shift rotation. Remaining 38% weren't sure about it so they gave a neutral response and the rest 24% were least preferred. 78% preferred the concept of fixed salary whereas 8% neglected this fixed salary concept and the remaining 14% were neutral about

it. The idea of providing guaranteed customers to the drivers also showed a high percentage as 82% of them preferred it 10% gave a neutral response and remaining 8% were least preferred about it. Last but not the least 92% of them preferred getting bonus and commissions and the remaining 8% were neutral about it but none of them were least preferred about this option.

(Refer Exhibit 8 in appendix for graphs of driver's survey results)

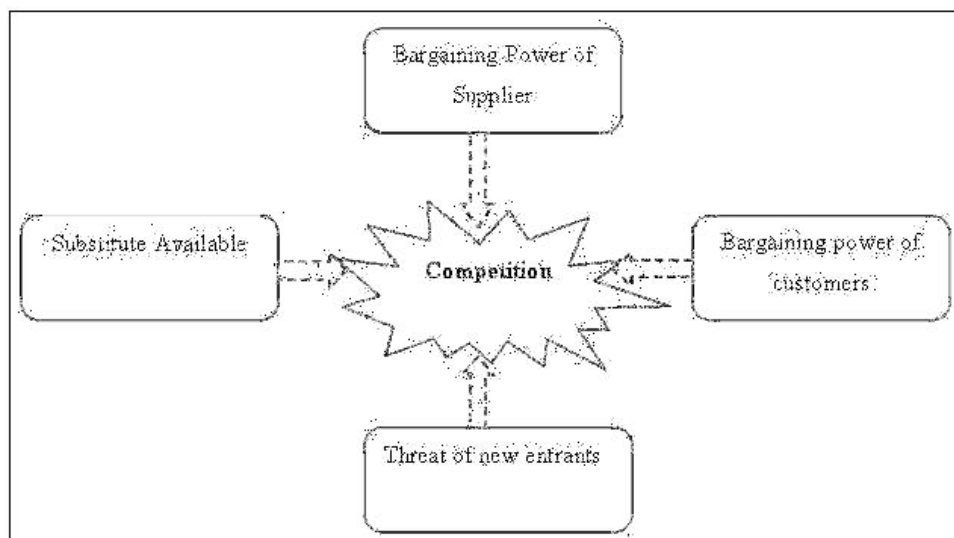
COMPETITOR ANALYSIS

PORTER FIVE FORCES MODEL

Michael porter's five forces model may be termed as competitive position model that provides a simple perspective for assessing and analyzing competitive position of a business. Porter identified five distinctive forces that can have an impact on an organization's behavior more precisely in a competitive market. These include the following:

- Rivalry between existing players in the market
- Power exerted by the customers
- Impact of supplier in the market
- Potential threat of new player entering in market
- Threat of substitute products becoming available.

Figure 1: Porter five forces model



Source: Michael E. Porter – Five forces model

While explaining Porter's Five Forces model according to our business we would go through each force one by one.

BARGAINING POWER OF SUPPLIERS

Here in our transportation industry bargaining power of supplier is high as number of suppliers of rickshaw is less in number. As a limited number of suppliers are producing rickshaws our company has to have, our company has little leverage. One of the peculiar facts about this industry is that in spite of having limited suppliers customer can take the advantage of bulk buying as prices are negotiable if customer buys in bulk. Major suppliers are Sazgar and Commando and we will purchase our rickshaw keeping in view the advantage of bulk buying in the industry.

BARGAINING POWER OF CUSTOMERS

For our service, bargaining power of customers is high because cost of switching to other modes of transport is somehow low. As there are two types of buyer power. First is related to customer's price sensitivity, as our service is somewhat similar to the substitutes available thus our customers will base the purchase decision mainly on price. Second type of buyer power relates to their negotiating power. As we have large number of small buyers of our service we will have higher prices and higher margins as well. Although we are providing unique service with relatively cheap and justified fares our customers' bargaining power is present as there are large numbers of undifferentiated rickshaws available.

COMPETITORS

We don't have any direct competitor in the industry as we are providing a differentiated service but indirectly existing rickshaws and other public transport can be considered as our competitor. Competition is a major consideration for us because we are new in the market thus has to tackle competition vigilantly. Here in our case, our core service is relatively same thus we will compete on the basis of product differentiation that we are offering 24 hours service on customers doorstep.

SUBSTITUTE AVAILABLE

Availability of substitutes in market represents a threat to the company that a customer can switch product / service on the basis of quality, relative price or performance. There may be direct substitutes or indirect substitute available in market and for our service these are as follows:

- Direct substitutes:
 - Existing rickshaws
- Indirect substitutes:
 - Buses
 - Taxis
 - Personal transport (motor bikes, motor car)

BARRIERS TO ENTRY

In public transportation industry there are high barrier to entry thus the threat of new entrants is very minimal because capital / investment requirements are very high in this industry. Fixed cost

of running a business is high too. One of the worth mentioning point here is that there are stringent government regulations applied on transportation. Access to industry's distribution channels is very limited and there is always a likelihood of retaliation from existing industry players.

MARKETING PLAN

Across the globe segmental innovation has been considered as a success factor for small and medium size organizations. For instance Microsoft Corporation has launched many segmental innovation products/services, like mobile windows, to better penetrate in highly competitive and established markets. In developing economies, such as Pakistan, the success of segmental innovative service is not solely dependent on service per se. Infact the scope of service goes beyond service plan; it entails better understanding of demographics, geographics and psychographics of market and customers. Marketing plan here revolves around these factors. Our detailed marketing plan has following steps:

- Marketing plan objective
- Situation Analysis
- Market Segmentation
- Marketing Strategy

MARKETING PLAN AND OBJECTIVE

Here in this step we will explain the service to be marketed very briefly and the associated goal in order to have a clear idea about what we are going and how we make our marketing plan. Our service is a 24 hours rickshaw service that is just a call away. What the customer has to do at the time of need is that he / she have to make a call on our toll free number and we will send rickshaw at his / her doorstep. This service is being charged at per kilometer basis which actually helps in making our service have fair and justified charges for the services rendered. This will also reduce the opportunity cost of time spent in negotiating fares with rickshaw drivers before

using rickshaw as mode of transportation. Our initial goal is to gain acceptance from our target market and then gradually have an escalation in our revenues.

SITUATION ANALYSIS

Situation analysis is a critical step as it covers a lot of the things present in marketing plans. Situational analysis is an essential step in developing a marketing plan. Situation analysis is important as it focuses on three key forces: the customer, the competition and the corporation. The strategic role of situational analysis is to:

- Define market clearly
- Making a match between company strengths and needs of market
- Performing better relative to competition

Source: Jain Ross (2004). Situation Analysis in marketing plan

There are five different areas that we will cover in this section

- COMPANY ANALYSIS

As our company is a new start-up we don't have any historical data upon which we can analyze our company working. Meter Rickshaw service is the pioneer service being offered by our company thus giving any prior service description, its pricing promotion and placement is not possible at the moment.

- CUSTOMER ANALYSIS

Coming on to our service customers, our customers belong to middle and lower middle class. Mostly students and those families which don't have their personal transport are there in our customer segment. Customer categories could be:

- Students
- Lower office staff
- Shop keepers
- Teachers
- House wives
- Anyone else who uses rickshaws

- COMPETITOR ANALYSIS

In this part we analyze who are the main competitors, who they are and what are the competitive advantages of competitors. While answering these questions, current modes of public transportation in Lahore that can be considered as competitor are:

- Motor cycle rickshaw
- Existing rickshaws
- Suzuki pickups
- Buses

To our service we don't have any direct competitor as we are offering a unique service but if we have a look on indirect competitors we have existing rickshaws in our competition.

- **COLLABORATORS ANALYSIS**

As all other businesses we do have a number of collaborators that will help us in conducting our business. First of all we would like to mention our rickshaw suppliers, the companies Sazgar and Commando that will give us rickshaws. Then we have collaboration with Moon autos for having repair and maintenance services. Technical support for our GPS system installation and maintenance will be provided by our collaborator.

MARKET SEGMENTATION

Market segmentation involves dividing a larger market into small group which essentially have same needs and mostly same applications of the product / service that is offered to them. Why do we need this segmentation process is to understand completely the needs of a specific group and then try to fulfill their needs rather than going for mass market. For our service targets people who belong to middle and lower middle class. Our target customers are those who may:

- Be dependent on transportation for their daily activities
- Not have their personal transportation
- Be facing parking problems
- Be facing financial difficulties in managing their mode of transportation
- Be desiring a safe and comfortable mode of transportation
- Be desiring justified transportation costs

Our market segment is ranked well in all the evaluation criteria that are made for evaluating segments to be practical.

Table 3: Evaluation criteria for segments

Evaluation Criteria	Explanation
Identifiable	The differentiating attributes of the segments are measurable as we can easily differentiate among those who have their own transport and who have not.
Accessible	Our segment is easily reachable by all the communication means and distribution facilities can also be rendered.
Substantial	The segment which we have chosen is significantly large to justify all the resources that are required to target them.
Unique needs	Our segment can justify this separate offering as we are providing them the service at their doorstep, accessibility and reasonable fares will serve the need
Durable	This segment is relatively stable thus it can minimize the cost of frequent changes required by customers.

Source: O. C. Ferrell, Michael D. Hartline – Marketing Strategy (4th edition).

Evaluation criteria for segments

Bases for market segmentation are large in number, four of major distributions are:

- Geographic
- Demographic
- Psychographic
- Behavioralistic

For our service we have segmented our market on the basis of demographics as we are targeting middle and lower middle class which shows we are segmenting on the basis of income groups.

MARKETING STRATEGY

The major marketing management decisions are termed as marketing mix. Neil Borden of Harvard Business School termed a set of marketing activities as marketing mix. Marketing mix comprises of the following “4 P’s”:

- Product
- Price
- Placement
- Promotion

Source: Neil Borden – Harvard Business School. Marketing strategy

PRODUCT / SERVICE

In this head we start off with the brand name, our service name is meter rickshaw. The quality of services is in the core of our business model for which we will have our privately owned rickshaws. Coming on the scope of our service, initially we will be offering our service in Lahore

only, later we will increase the scope of service to other major stations. This is a 24 hour service which the customer can avail on giving just a phone call on our toll free number. We will charge for our service on per kilometer basis as our fares are fixed and justified. GPS navigators will be there for tracking rickshaws and routing them to the customers, electronic meters will also be installed in rickshaws to have accurate distance measurement. We will purchase only 4-stroke CNG rickshaws in order to remain environmentally friendly.

PRICE

As we are providing per kilometer charges facility to our customers, we have incorporated all the expenses to set the price that would be charged for a kilometer. There are two pricing strategies that are available:

- Skimming pricing
- Penetration Pricing

From these two techniques we are using skimming pricing techniques as we are charging high prices from our customers. We are providing service at the doorstep of our customer and our service is available 24 hours a day.

Coming on to the pricing techniques, we have three different pricing methods to choose one from it. These are:

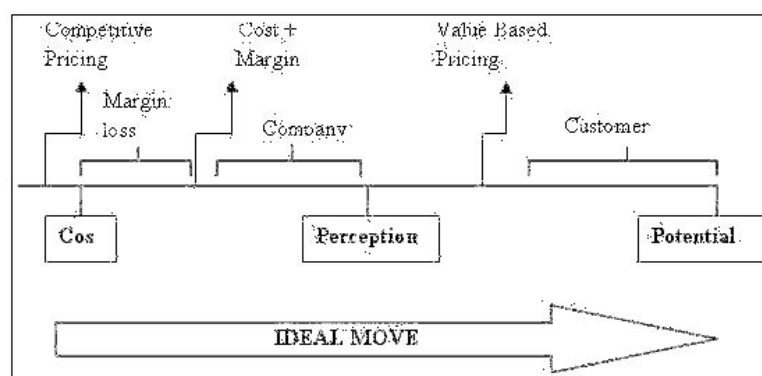
- Cost + Margin pricing
- Value Based pricing
- Competitive pricing

Form these three techniques we have chosen cost + margin pricing technique. The primary reason for using this pricing method is that we are using integrated pricing model in which we have to cover all the running expenses from the price of our service. Our major expenses given importance in this regard are:

- Depreciation of asset
- Services charges
- Maintenance
- Variability in fuel charges
- Obnoxious or fake calls
- Operational expenses
- The Investment

If we give a look on pricing grid, we are present in the middle by charging cost + margin price. The ideal move is from perception point to perceived to potential. Thus we have to be vigilant that we remain near perception point so that we may not loose sales.

Figure 2: Pricing grid



Source: Michael V. Marn, Scott Davis. *Managing price, gaining profits* (2008). Harvard Business Review

Therefore based upon this the price charged to customers will be Rs. 15 per kilometer.

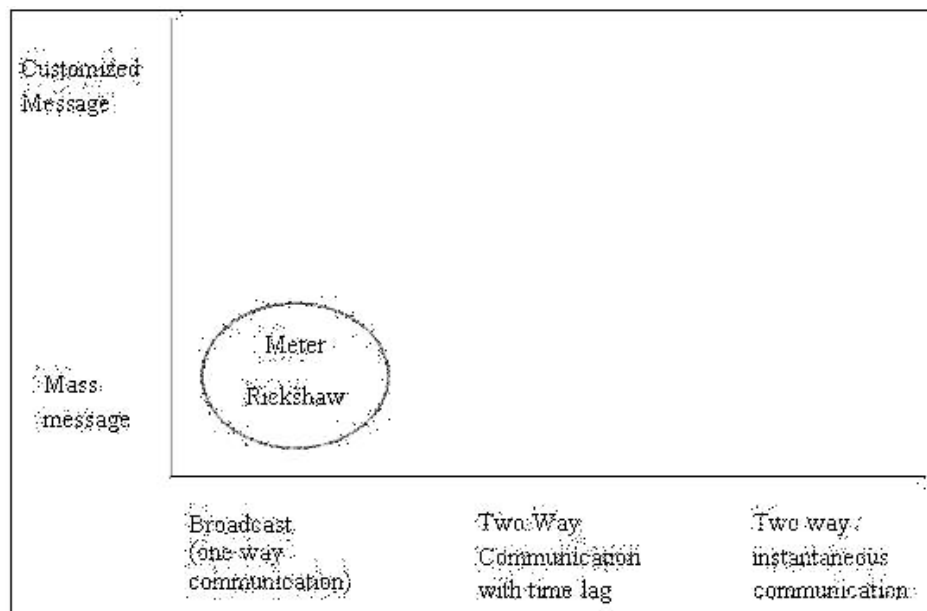
PLACEMENT

Placement is of vital importance in case of product, as we are offering service and more precisely a door to door service placement is not that important. Our central office and parking stand would be in Kot Lakhpat and our service will be available in all major areas of Lahore.

PROMOTION

Coming on to the most strategic part of marketing plan, we have designed a well integrated communication plan to pass from cognitive stage to affective stage to behavioral stage. This is explained by Communication model shown below:

Figure 3 (a): Communication model



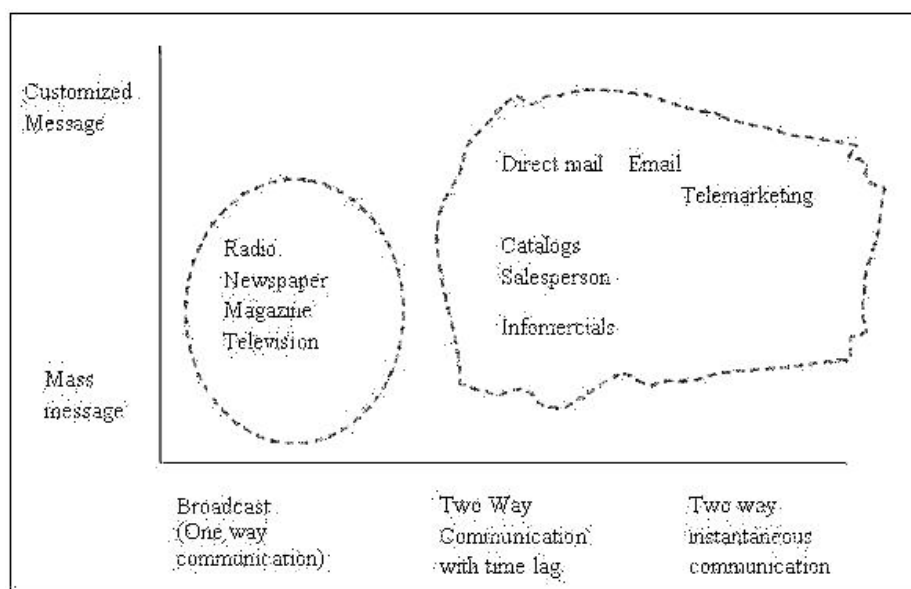
Source: John R. Rossiter (2005). Advertising Communication Model

The figures tell that there is a sequential process on effective combination process that starts from unawareness to liking to purchase and then repeat purchases.

While selecting the communication options we have a formal grid that have Broadcast vs. Interactive communication on one axis while Mass vs. Customized on the next Figure 3 (b). We can see that we lie near the origin as our target market is broad and we will be using one way communication. In this Figure 3 (b) major communication vehicles are clustered on this grid and we can see the media options that we can use for our services.

It is clearly depicted by Figure 3 (b) that we can go for television, magazines, newspaper and radio.

Figure 3 (b): Communication model



Source: John R. Rossiter (2005). *Advertising Communication Model*

The communication mix that we will be using is as follows:

- Television Advertisement

TV commercials will be used, a television ad will be brought on channel City 42 as in the start our service is available in Lahore only. Frequency of ad will be 90 ads per month concentrating more ads on weekends in order to increase viewer-ship of the ad. Cost of an ad per min is Rs.8000 as we are going to have 30 second ad it will cost Rs.4000 and the monthly expense would be Rs.360,000. The production cost for advertisement will be Rs. 120,000 under the productions of WAM Productions.

Source: WAM Productions

- Cable Advertisement

Cable TV is a growing communication vehicle these day, we will have 30 seconds ad on cable with frequency of 24 ads per day. Scroll will also be purchased as a package with ad on cable channels. For this we will get a package from cable providers having access to broader areas. Rs.8000 per month will be charged for ads and scroll on five cable channels.

(Refer Exhibit 9 in appendix for storyboard of television and cable advertisement)

- Brochure and flyers

Another growing communication means is distribution of brochure and flyers. We will have used an A4 size brochure. Its printing cost is Rs. 0.75 per brochure whereas

distribution cost Rs. 0.25 per brochure. Since we will be printing 72,500 brochures a month therefore total cost will be Rs 72,500 per month.

Source: Syed Kashif Press

(Refer Exhibit 10 in appendix for printed brochure)

- Transit Marketing

We plan to use our rickshaws as a communication mean, on our rickshaws we will have our name and toll free number. We will get our name “meter rickshaw” and toll free number printed at the top of our rickshaw. This will be a double faced strip with flex printed on it. Estimated cost for this is Rs.250 / unit.

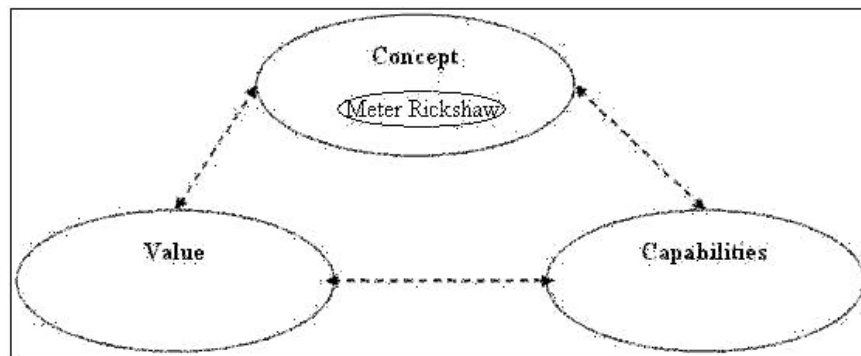
(Refer Exhibit 11 in appendix for transit marketing)

LINKING BUSINESS IDEA WITH THEORY

There are three basic business evolution points which means there are three basic reasons from which a business idea is generated. These points are:

- Concept
- Value
- Capabilities

Figure 4: Business evolution triggering points



Source: David Court (2002). Building Strong Brands Better, Faster, and Cheaper – Mckinsey & Company

A business idea comes from a conceptual point. It could be an innovative idea or it could be an extension of an existing concept prevailing in industry. Business may generate from the perspective of delivering any specific value a third reason could be the proper usage of a company's capability. It could be an additional capability that is added to current capabilities of a company or it can be any additional capability that is not under existing business's use.

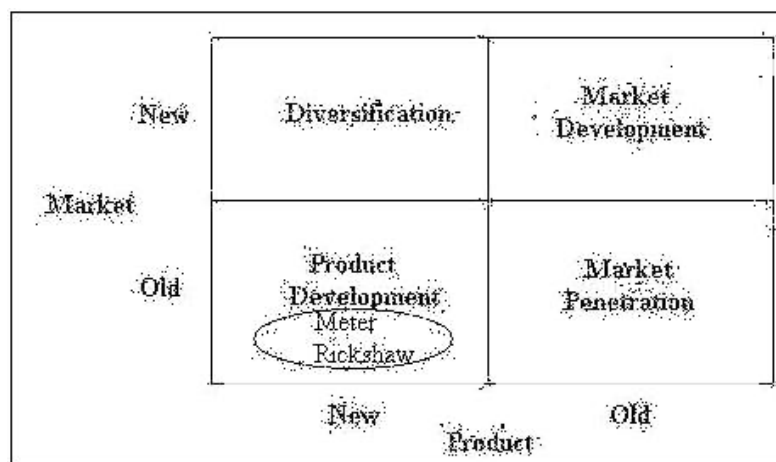
Implication: In our case business evolution revolves around implementation of a concept that in its core sense is not novel but for Pakistan it's a new concept introduction.

ANSOFF'S GROWTH MODEL

The Product-Market grid of Ansoff's growth model is an important tool to determine various alternatives that are available to a business; we may term them as growth opportunities. This grid has two dimensions, product and market, over which four growth strategies can be formed.

Implication: For our service the market is old as rickshaws are available in the transportation industry but the service that we will be offering is different from the current one. We will be providing new service in current market to regular clients of the industry. Thus we will be focusing on product development growth strategy.

Figure 5: Ansoff growth model



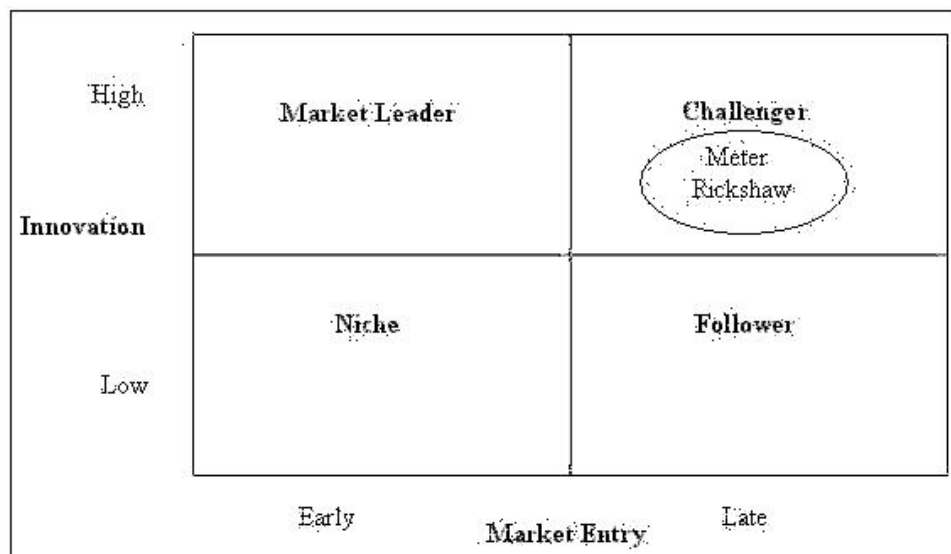
*Source:*Ansoff, I. H. (1957), *Strategies for diversification*, *Harvard Business Review*, Vol. 35, No. 2, p. 113-124.

COMPETITIVE POSITIONING MODEL

Competitive positioning model revolves around two dimensions market entry and how much innovative a product or service is. This model helps a company in positioning itself relative to its competitors in accordance with their entry into market and the flow of innovation that they are providing to their product line.

Implication: By market entry we can see that meter rickshaw is a late entrant in the market as we have other players in the market that are operating here in public transport sector but on the scale of innovation our business idea has high scores. This business idea it not a new idea but replication of an existing idea. Thus we become challenger according to this grid. We have come up with such strategies that we can compete in market and trigger thought process in market leaders business operations.

Figure 6: Competitive positioning model



Source: Yin-Ching Jan (2002). Competitive Profile Matrix. Marketing intelligence and planning

DIRECTIONAL POLICY MATRIX

In directional policy matrix we have market attractiveness at one axis and competitive position of the company at the other. This matrix measures health of a company relative to its market and indicates few options for future investments. These recommendations may direct company to invest, grow, harvest or divest.

Implication: In our case as we are a new entrant we have very weak competitive position and the market attractiveness lies between medium and high. Thus the strategic options we have are limited expansion and building selectively so that we can penetrate in the market well.

Figure 7: Directional Policy Matrix

MARKET ATTRACTIVENESS	High	Protect Position	Invest to Build	Build Selectively <div>Meter Rickshaw</div>
	Medium	Build Selectively	Selectivity/ Manage for Earnings	Limited Expansion or Harvest
	Low	Protect and Refocus	Manage for Earnings	Divest
		Strong	Medium	Weak
		COMPETITIVE POSITION		

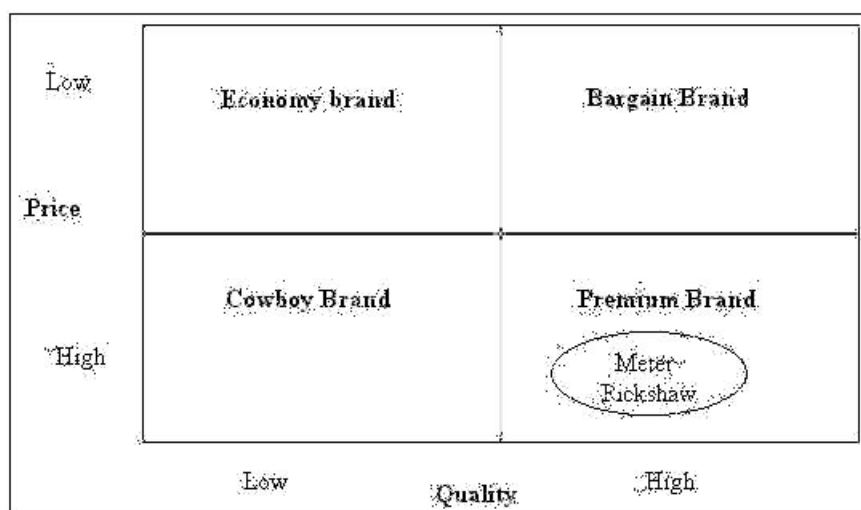
Source: General Electric (1970). Directional Policy Matrix

PRICE QUALITY RELATIONSHIP

As the name suggests that in this grid we have two dimensions; price and quality. In case of price we charge high price from our customers on giving them services. Here price actually stands for the relative price that a company is charging in any industry and quality depicts the value being offered to customers by a particular company in comparison to its competition.

Implication: We are providing services to our customer at a price higher to the market reason being we are charging them for the services that we are giving them like rickshaw availability at the doorstep and 24 hours service. Coming on to the quality we are providing them a unique service with high quality, our company will be taking care of repair and maintenance of our rickshaws. As our customer gave high rating to comfort level of rickshaws we have worked upon this factor in order to provide quality service. Thus we become premium brand in this matrix.

Figure 8: Price-quality relationship



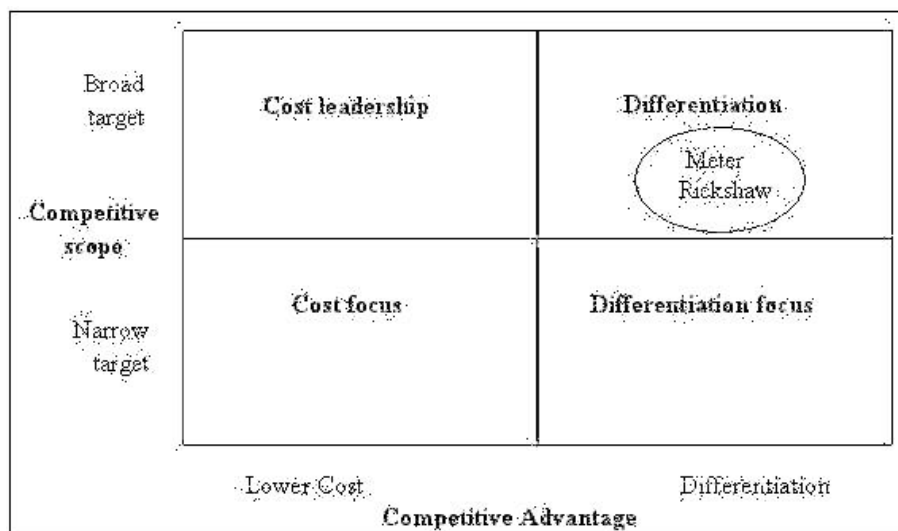
Source: VA Zeithaml (1999). Price-quality relationship

GENERIC STRATEGY MATRIX

Generic strategy matrix is used by companies to evaluate the strategic options that are available to them that where they are actually standing and what are thee future options they have. We have competitive scope as one dimension which tells about the target market of the company.

Implication: Meter rickshaw has broad target market as we are targeting people belonging to middle income group. Other dimension of this grid is competitive advantage. There are two sources of competitive advantage; lower cost and differentiation. In our business idea we are focusing on differentiation as we are providing different services to our customers. Thus it is supported by this model as well that we are using differentiation as our strategy.

Figure 9: Generic Strategy Matrix



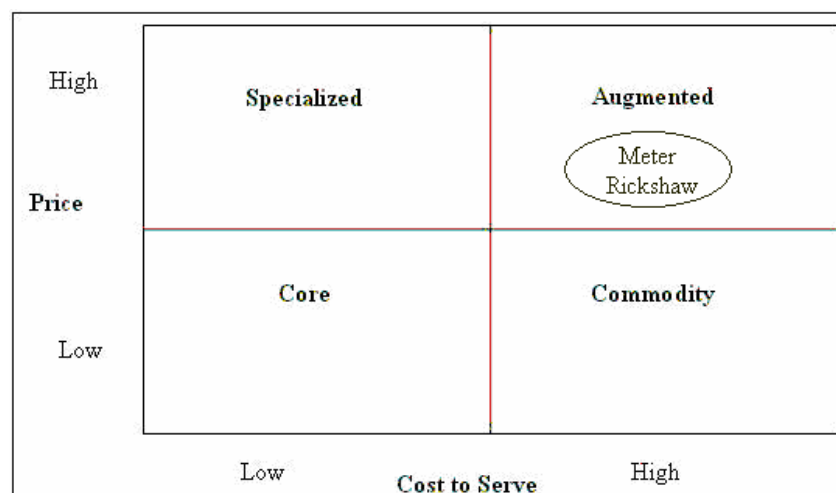
Source: Michael E. Porter. Generic Strategy Matrix.

THE COMMODITY MAGNET

Cost to serve is the other factor in this matrix, by this we mean the transaction cost that a company incurs in reaching to its customers.

Implication: In the case of meter rickshaw cost to serve is high as we are providing differentiated product and the operating cost is high. The price here is what we charge from our customer for the services rendered. We are giving them value added service thus we fall in the augmented segment of market cycle.

Figure 10: The Commodity Magnet



Source: Jane Denial (2008). The Commodity Magnet

OPERATIONAL STRATEGY FOCUS FACTORS

We can use operational strategy focus factors here in our case in order to see the ranking of the factors done by meter rickshaw while making decisions

Table 4: Operational strategy focus

Factors	Ranking	Reason
Quality	03	In order to build their brand name meter rickshaw is focused on their product quality for that they have purchase their own rickshaws to keep a check on the condition of rickshaws.
Cost	04	Cost is of less importance for meter rickshaws as we are using cost + margin technique we will cover the cost.
Service	01	As they are service oriented company they render high focus on service part because it's their core product.
Delivery	02	For delivery meter rickshaw pays attention as on time availability of rickshaws is one of their claims.
Flexibility a) Volume b) Variety	05	Volume is not the focus of meter rickshaw, as they are providing services to masses and variety in terms of service offered is not there as the service model is same for all the customers.

Source: Schmenner, Roger W. (1986). "How Can Service Businesses Survive and Prosper."

Operational Strategy Focus. Sloan Management Review.

ORIGIN OF STRATEGIC POSITION

Strategic positioning is a hard task. To achieve a strategically sound position one has either to perform different activities from competitors or perform same activities in a different manner.

There are three basic origins of strategic position for a company, from which we can choose our source of competitive strategic position. These are:

- Variety based position
- Need based position
- Access based position

Source: Michael E. Porter (1996). What is strategy? Harvard Business Review

Implication: For meter rickshaw there is an amalgam of variety and access based position as we are providing our customers specific advantage and using a pure service based approach. Availability is another factor that can be our strategic position provider as we are rendering our service at customer's doorstep.

SWOT ANALYSIS

Table 5: SWOT Analysis

Strength	Weakness
Unique service Affordable fares Availability at door step Environment friendly	Customer mindset regarding current modes of transportation
Opportunity	Threat
No direct competitor Collaboration with transportation authorities Expansion into other stations as well.	Competition Restriction on rickshaws in some areas

Souce: Authors' calculation

HUMAN RESOURCE PLAN

HIERARCHY

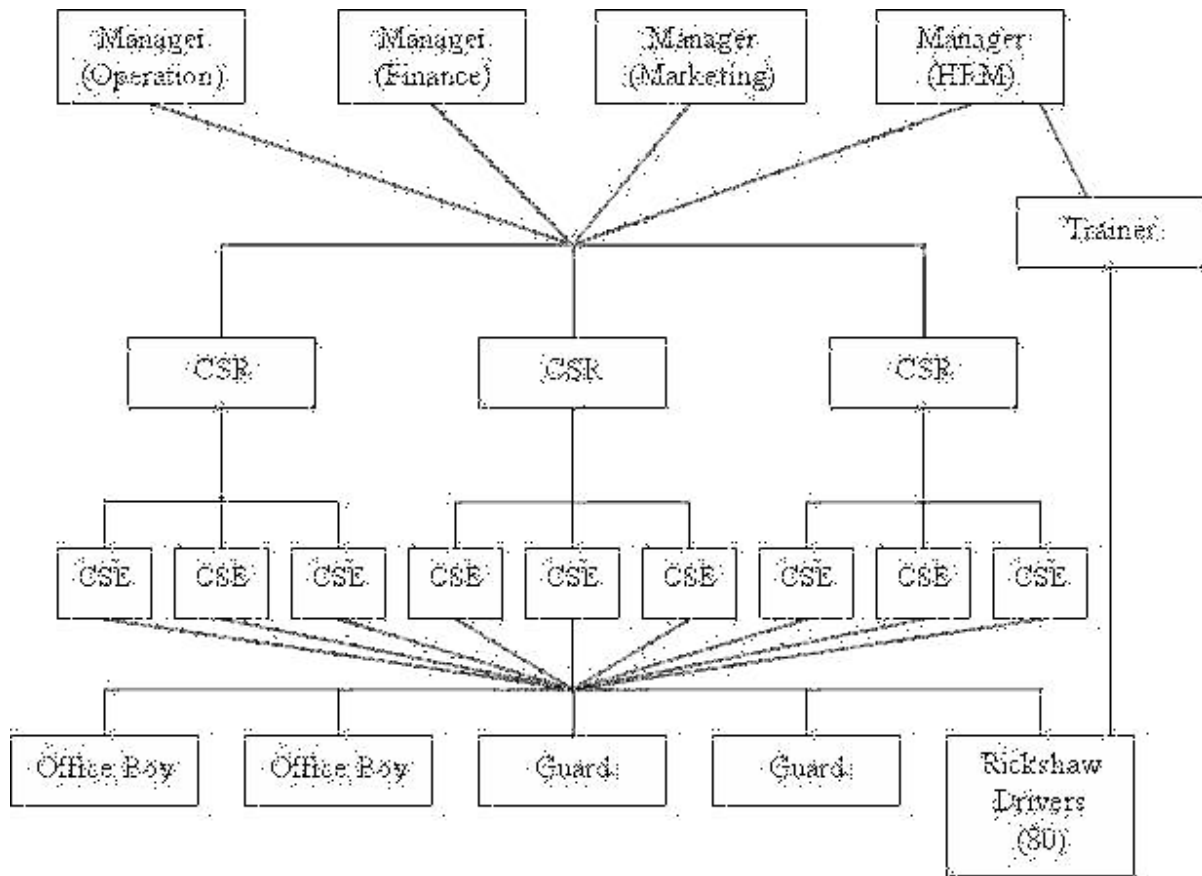
The company would have four managers looking after their entire departments i.e. Human Resource Management, Marketing, Finance and Operations department.

Being a 24 hour service, the staff would be called in three shifts a day i.e. morning, evening and night. Each shift would have one CSR (customer services representative) and three CSEs (customer services executive). The CSEs will report to the CSR of the respective department and the CSR would in return report to the manger of the particular shift.

Apart from this, there will be 2 personnel assistant responsible for the other office jobs etc, each working for a 12 hour shift. There will also be two guards which will be taking care of rickshaws and noting their meter readings. Each guards will be working for a 12 hour shift.

Since the company would start its operation with eighty owned rickshaws, equal number of rickshaw drivers will be hired on competitive fixed salary.

Figure 11: Organizational Hierarchy



Source: Authors' calculation

RECRUITMENT MANAGEMENT

The company would follow a formal procedure for obtaining the required human resource.

JOB ADVERTISEMENT

The vacancies at the company would be advertised through newspaper.

(Refer Exhibit 12 in appendix for job hiring advertisement)

INTERVIEW PROCESS

The candidates would be short-listed in accordance to the job requirements and then their interviews would be carried out respectively.

SELECTION CRITERIA

The candidates would be selected on basis of their knowledge and skill with respect to the job description.

JOB DESCRIPTIONS

Managers

The company would have four managers responsible for four major departments. They would be responsible for supervising their specific team of customer service representatives liable for a specific area.

Job Description of Operations Manager

- Plan performance and safety improvements against targets set down in accordance to the goals
- Attend incidents and conduct safety and performance investigations
- Ensure health and safety regulations are adhered to and make recommendations for improvements
- Managing and supervising staff, organizing work shift rotations and coordinating staff training

- Minimizing disruption and resolving any unscheduled delays, making decisions in difficult situations
- Dealing with customer complaints and areas of concern
- Analyzing results of surveys on passenger / customer satisfaction, instigating new projects to improve performance
- Liaising and negotiating with different stakeholders including planning and highways authorities, residents, councilors / politicians, developers and transport providers
- Identifying existing and possible future transport problems and investigating the feasibility of alternative means of transport
- Using IT systems for tasks such as timetabling and managing usage flows

Eligibility Criteria

Should have an experience in Transport management:

- Capacity for looking at problems in a new way
- Good sense of direction
- Ability to stay focused in the face of criticism
- IT skills
- Ability to remain calm under pressure and make logical decisions
- A methodical approach, particularly when dealing with lots of incoming data
- Excellent interpersonal skills

Job Description of Marketing Manager

- Manage and coordinate all marketing, advertising and promotional activities
- Conduct market research to determine market requirements for existing and future needs
- Analysis of customer research, current market conditions and competitor information
- Develop and implement marketing plans and projects for new and existing products
- Manage the productivity of the marketing plans and projects
- Monitor, review and report on all marketing activity and results
- Determine and manage the marketing budget
- Deliver marketing activity within agreed budget
- Develop pricing strategy
- Liaison with media and advertising

Eligibility Criteria

- Business/ marketing-related degree or equivalent professional qualification
- Experience in all aspects of developing and maintaining marketing strategies
- Technical marketing skills
- Relevant product and industry knowledge
- Excellent written and verbal communication skills
- Organization and planning
- Problem analysis and problem-solving
- Qualities of Team-leadership, Persuasiveness, Adaptability
- Ability to innovate
- Decision-making ability

Job Description of HR Manager

- The main responsibility of a human resource manager includes conducting interviews, job postings and employee offers.
- He needs to keep in touch with recruitment agencies, local organizations, educational institutions, etc.
- To guide the managers and other employees in matters related to career development, staffing initiatives, employee relations, workplace ethics and performance management. For this to happen systematically, the manager may need to provide the employees with suitable training.
- Ensure smooth functioning of the operations of the company.
- Planning, supervising and coordinating the activities related to employment, compensations and employee relations.
- Designing and organizing employee training programs for safety issues, language training and health, etc.
- Investigation and reporting of the road accidents if any, that take place due to mistake on drivers' part.
- In order to determine the reasons or causes behind personnel problems, the human resource manager needs to analyze the statistical data and generate reports. Based on the reports generated, he can provide recommendations to improve company policies.

Eligibility Criteria

- Degree in HR
- Good communication skills

- Ability to manage responsibility with faith being unbiased

Job Description of Finance Manager

- Develop and analyze information to assess the current and future financial status of the company
- Establish procedures for custody and control of assets, records and loan collateral in order to ensure safekeeping
- Evaluate data pertaining to costs in order to plan budgets
- Evaluate accounting, collection procedures and investment activities, making recommendations for changes to procedures, operating systems, budgets, and other financial control functions
- Network within communities to find and attract new business
- Plan, direct, and coordinate risk and insurance programs of establishments to control risks and losses
- Prepare financial and regulatory reports
- Prepare operational and risk reports for management analysis
- Communicate with investors to provide information, and to raise capital
- Analyze and classify risks and investments to determine their potential impacts on companies
- Examine, evaluate, and process loan applications
- Review the running financials to determine the status of collections and the amounts of outstanding balances

Eligibility Criteria for Finance Manager

- Grip on financial knowledge.
- Willingness to travel to financial institutions on short notices
- Experience of developing financial systems and audits
- Experience of working with automated financial softwares
- Experience of making project budgets and financial planning and forecasting

Customer Service Representative

He will be receiving calls from customers and enter the data in computer and pass it on to Customer Service Executives. There will be total three Customer Service Representative, each working for different shift.

Job Description of Customer Service Representative

- Deal quickly and efficiently with customer enquiries or complaints by phone, post or email
- Expedite customer requests, including keeping them informed of delays etc.
- Proactively foresee possible delays or complications and plan strategies to avoid or minimize them
- Develop and implement new systems, procedures or working practices to improve customer service efficiency

Eligibility Criteria for Customer Service Representative

- Self motivation
- Diplomacy and reliability
- Enthusiastic and effective team member
- Good communication
- Investigative and problem solving skills

Customer Service Executive

He will be responsible for locating rickshaw drivers and then calling them to direct them to the customer. There will be total nine Customer Service Executives. Three of them will be working in each shift.

Job Description of Customer Service Executives

- Selecting the appropriate rickshaw zone in accordance to the customer's location
- Allocating rickshaws for the customers
- Assuring the delivery of service in time
- Assuring customer convenience and satisfaction

Eligibility Criteria for Customer Service Executive

- Good sense of direction
- Clear understanding of Lahore's routes
- Self motivation

- Diplomacy and reliability
- Enthusiastic and effective team member
- Good communication

Trainer

There will only be one trainer who will be responsible for training rickshaw drivers

Job Description of a Trainer

- Conducting training sessions for the staff of the organization.
- Testing the transfer of skills after the training session.

Eligibility Criteria

- Possession of an MBA degree
- Knowledge of marketing and financial skills
- Considerable experience in conducting training
- Good communication skills

Guard

There will be two guards each working for a 12 hour shift.

Job Description of Guard

- Open gate to allow entrance or exit of employees and authorized visitors.

- Check credentials before admitting anyone.
- Issue passes at own discretion or on instructions from superiors.
- Direct visitors to the concerned departments.
- Inspect outgoing traffic to prevent unauthorized removal of company property or products.
- Record number of carriers entering and leaving.
- Require permits from employees for tools or materials taken from premises.
- Supervise use of time clocks for recording arrival and departure of employees

Eligibility criteria for guard

- Possession of a licensed weapon
- Possession of a national identity card
- Good controlling skills

Coordinator – Office boy

There will be two office boys, each working for a 12 hour shift

Job descriptions of Coordinator – Office boy

- Organizing and maintaining electronic and paper files.

- Answering office telephone, direct, screen calls, taking and relaying messages.
- Providing information to callers, greeting persons entering organization and directing individuals to correct destination.
- Monitoring the use of equipment and supplies within the office.
- Dealing with queries or requests from the visitors and employees.
- Coordinating the maintenance and repair of office equipment.
- Collecting and distributing couriers or parcels among employees and opening and sorting emails.
- Updating appointment calendars, creating travel vouchers, performing word processing, basic bookkeeping, and filing.
- Cooperating with office staff to maintain proper interaction and a friendly environment within the office.

Eligibility Criteria

- Should be qualified with an intermediate degree.
- Good communication skills.
- Good administrative skills.

Rickshaw drivers

There will be a total of 80 rickshaw drivers working in different shifts (morning, evening and night)

Job descriptions of rickshaw drivers

- Abide by the safety procedures.
- Operates assigned vehicle in a safe and courteous manner
- Maintains defensive driving
- Assists passengers, including handicapped, in and out of the vehicle
- Reads and interprets maps and driving directions to plan the most efficient route service for customers, and reads and interprets road signs.
- Keeps the assigned vehicle clean inside and outside
- Maintains accurate, up-to-date records on trip sheets, customer transportation forms, vehicle maintenance, fuel purchases, incident reports, accident reports, vehicle condition reports and other records that are requested from management
- Performs minor maintenance tasks on assigned vehicle as required;
- Fuels the assigned vehicle
- Responds immediately to accident or medical emergencies by notifying emergency response providers
- Provides customers with peer counseling and serves as a positive role model while providing transportation service

Eligibility criteria for rickshaw drivers

- Ability to drive a multi-passenger vehicle safely and appropriately
- Ability to read and interpret road signs in English; Ability to read, understand, and adhere to the traffic rules and regulations

- Ability to communicate effectively orally and in writing; ability to establish effective professional relationships with customers, co-workers, and upper level staff and employees
- Ability to recognize vehicle maintenance needs
- Ability to perform minor vehicle repairs
- Skilled in reasoning skills to interpret policies and procedures, maps, and route directions

TRAINING MANAGEMENT

IDENTIFICATION OF TRAINING NEEDS FOR THE STAFF

Each employee at Meter Rickshaw will be subject to a formal performance evaluation in the form of performance appraisals conducted annually. The employees would be judged in accordance to their job description. Since the drivers do not have a formal specific job description, they will be judged on some specific attributes mentioned below.

The customers of meter rickshaw will be provided with a feedback form in order to obtain their remarks. Based on the comments and complaints received, an analysis will be conducted, recognizing the training needs consequently.

The feedback form would include questions on:

- Driving skills of rickshaw drivers
- Compliance with the safety procedures
- Communication skills of the rickshaw drivers

- Comfort level of the journey
- Time management of the rickshaw drivers

The trainers on panel would provide training to the rickshaw drivers with respect to the above mentioned perspectives.

PREPARATION OF TRAINING STRATEGY

In accordance to the above mentioned aspects of drivers' job descriptions, their performance would be judged and training strategy will be formulated. The training session range from a period of 2 weeks minimum to 6 weeks maximum depending upon the level of training required. The training days will be equally divided for the commencement of two processes that is transferring skills and testing skills.

The following are the levels of training:

Level One Training - Lasts for a period of 2 weeks.

Level Two Training - Lasts for a period of 3 weeks.

Level Three Training - Lasts for a period of 4 weeks.

Level Four Training - Lasts for a period of 5 weeks.

Level Five Training - Lasts for a period of 6 weeks.

The HR manager would conduct the performance analysis and convey the training needs to the Trainer. Then it is among the tasks of the trainer to identify the level of training suitable to the concerned employee.

The trainer himself would be a qualified individual who would have an adequate know-how on the following

- Driving principles
- Safety procedures
- Directions of the city
- Marketing procedures
- Financial processes (Basics)

IMPLEMENTATION OF TRAINING STRATEGY

After the identification of the training strategy the trainer is responsible for its implementation as well. The implementation will be conducted in two phases:

- Transferring skills
- Testing skills

Dividing the training tenure into two phases will ensure its effectiveness in accordance to its needs.

PERFORMANCE MANAGEMENT

SALARY PACKAGE

Table 6: Employees salaries

Post	Salary per month
Manager	Rs. 25,000
Customer Service Representative	Rs. 15,000
Customer Service Executive	Rs. 12,000
Trainer	Rs. 18,000
Rickshaw Driver	Rs. 12,500
Guard	Rs. 7,000
Coordinator (Office boy)	Rs. 7,000

Source: Authors' calculation

ANNUAL APPRAISALS

Since no specific job description is maintained for rickshaw drivers, their performance would be judged on the basis of the following factors relating to driving efficiency:

- Number of accidents
- Number of challans
- Customer satisfaction rate
- Tardiness of the rickshaw drivers
- Communication skills
- Ability to reach on time
- Ability to understand directions

The appraisals for the rest of the staff would be conducted by the regular process of evaluating the performance in comparison with the job description maintained.

PERFORMANCE COACHING AND COUNSELING

The performance appraisals would unveil the dark areas in terms of employee's performance. Considering the appraisal results, the employees would undergo a coaching and counseling process during which they would be trained to overcome the performance deficiency.

The coaching process would approximately prolong for a week, depending on the number of employees identified for a session along with the complexity of dark performance areas identified.

COMPENSATION MANAGEMENT

RECOGNITION AND AWARDS

Employees would be given increments based on the outstanding performance levels. Every year months after two successful appraisal processes, best 10 employees would be chosen for 5% increment and the rest of the staff would be awarded 2 - 3% increment on salaries subject to their performance.

Apart from this, they would be awarded with certificates and shields after every year based on their performance after the formal annual appraisal process.

CAREER MANAGEMENT

The staff would be guided for the development of their career paths in order to progress in the organization.

As per the defined policy employees would be awarded increments on outstanding performance. Once the excellent performance increments are awarded 5 times, their salary would automatically reach up to manager level and their rank would be raised in accordance to the hierarchy.

SAFETY PROCEDURES

The rickshaw drivers shall abide by the following safety principles:

- Drivers shall not cross the average speed level in accordance to the respective area.
- More than two over speeding tickets in a month shall be deducted from the driver's salary and would have a negative impact on their performance appraisal.
- Drivers shall check the fuel tank before leaving for any route.
- An extra rickshaw wheel present in the vehicle should be in a perfect condition.
- The vehicle shall not emit any smoke injurious to the health of people.

OPERATION PLAN

RESOURCES AND PRODUCTION

RICKSHAW

Company will be buying 80 rickshaws. All of them will be four stroke CNG fitted rickshaws which will be purchased on cash from two well known companies which are Sazgar and Commando. Cost for each rickshaw will be Rs 120,000.

Source: Sazgar Pvt Ltd and Commando Pvt Ltd.

GPS DEVICES AND ELECTRONIC METER

Since we are buying 80 rickshaws so we will be purchasing 100 GPS devices. Some of them will be kept as a buffer stock. If any of the GPS device get damage or is unable to work due to some problem then we will use the buffer stick. Each device will be attached in a rickshaw which would help us track the location of rickshaw. Along with this comes another chip which will be attached to the computer systems in the head office. Like this we will be able to monitor each rickshaw movement through satellite. Complete set of chips for single rickshaw would cost us Rs 11,000. These chips will be purchased from the company Zoombak and the model will be ZMBK-200. We also need electronic meters which will be attached in each rickshaw for the customer. These meters would show the distance covered by the rickshaw along with the rate. Like this customer can be exactly charged for the kilometer traveled. These meters will be linked with GPS device and like this we will also be getting the meter reading. Cost for these meters would be Rs 2200 for each rickshaw. These meters will be bought from a Korean company

named 'Joong Ang San Jun Co Ltd' and the model number will be Watta 21-CD. On the other hand wiring and connectors would cost us Rs 250 per rickshaw. Monthly subscription fee for GPS is Rs 700 per month for a single rickshaw.

Source: Zoombak Co Ltd, Joong Ang San Jun Co Ltd.

(Refer Exhibit 13 in appendix for GPS trackers and rickshaw electronic meter)

RICKSHAW ROUTES

Areas of Lahore will be divided into six zones. Numbers of rickshaws in each zone are as follows:

Zone 1: DHA, Cantt, Cavalry = 13

Zone 2: Gulberg, Garden Town, Muslim Town = 14

Zone 3: Faisal Town, Johar Town, Model Town = 13

Zone 4: Township, Green, Wapda Town, Iqbal Town = 13

Zone 5: Old City, Mall, Shadman = 13

Zone 6: Thokar, Bahria Town, Raivend, Canal = 14

In each zone there will be a contracted gas station through which we will get our gas

SOFTWARE

To run all of these devices we need tracking software which would show us all the Lahore maps. This will be purchased for Rs 50,000. To run our daily operations we need a Database Management System which will be purchased at Rs 30,000. Both of these softwares will be purchased from the company Etrix.

Source: Erix Technology Ltd

HEAD OFFICE

Our head office will be located at Kot Lakhpat which would be on an area of 2250 sq ft (0.5 kanal). We also need an open garage (plot) for rickshaws which will be near our office covering an area of 4500 sq ft (1 kanal). Therefore rent for both of them on average will be Rs 60,000 per month.

Source: Naveed Estates

CONTRACT WITH RICKSHAW DRIVERS

When a rickshaw driver will be hired a proper contract will be signed with him. He will not be allowed to give resignation letter before the notice period of one month. At the time of hiring a copy of National Identity Card of driver and his parents will be kept in our record. A copy of drivers driving license will also be kept in our record. Contract will also state that drivers' working hours will rotate on weekly basis. Each time slots will be eight hours a day (06:00 – 14:00, 14:00 – 22:00 and 22:00 – 06:00). Drivers will be given salary on weakly basis in a form of cash. Apart from this rickshaw drivers will also be given a mobile phone and a uniform (company cap and jacket).

MISCELLANEOUS

Some of the other stuff will also be purchased like giving mobile phones to rickshaw drivers along with mobile connections. We need 80 cell phones with connections. Each cell phone with a connection would call cost us Rs 2000. A toll free UAN number is also required with a monthly cost of Rs 25,000. The UAN number that we will purchse will be 11 – 11 – 69291 which is 11 – 11 – METER. We need five computer systems each costing Rs 18,000 whereas

other electronics like calculator etc would cost us around Rs 5000. Office furniture and fixtures would cost us around Rs 150,000. A generator is also required which would cost around Rs 50,000. Rickshaw drivers will be given uniform which include a sleeveless jacket with a meter rickshaw logo along a cap with meter rickshaw logo, each costing Rs. 650. Each uniform would cost us Rs 650. All of our rickshaw drivers will be taught how to repair a minor fault in a rickshaw. If there are some serious issues then we will take our rickshaw to mechanics which in our case is Moon Autos.

(Refer Exhibit 14 in appendix for rickshaw driver's uniform)

Apart from this when a rickshaw will be bought it must get registered and its tax must be paid which at the time of purchase will be Rs. 2113 for each rickshaw.

Source: Motor Transport Management Information System

Moreover a monthly expense on stationary, food and other stuff is expected to be Rs. 2000, Rs. 10,000, Rs. 2000 respectively. Maintenance for each rickshaw would be Rs. 500 per month whereas its service will be Rs. 100 per month.

LEGAL ISSUES

In legal issues there are taxes and token for rickshaw which would cost us Rs 400 per year. We need to register our company name, logo and license which would cost Rs 2200.

Source: Securities & Exchange Commission of Pakistan, Board of Investment

(Refer Exhibit 15 in appendix for company name and logo)

FINANCIAL PLAN

INVESTMENT

Overall investment of the project is as follows:

Table 7: Investment

Item	Quantity	Cost per Item	Total
Rickshaws	80	Rs.120,000	Rs.9,600,000
Uniforms (jacket and cap)	80	Rs.650	Rs.52,000
Computer Systems	5	Rs.18,000	Rs.90,000
Other Electronics	1	Rs.5,000	Rs.5,000
Generator	1	Rs.50,000	Rs.50,000
Tables, Chairs and Other Fixtures	1	Rs.150,000	Rs.150,000
GPS trackers	100	Rs.11,000	Rs.1,100,000
Electronic Meters	100	Rs.2,200	Rs.220,000
Connectors	100	Rs.250	Rs.25,000
Tracking Software	1	Rs.50,000	Rs.50,000
Database Management System	1	Rs.30,000	Rs.30,000
Employee / Drivers Hiring (advertisement)	4	Rs.1,450	Rs.5,800
Rickshaw Registration and Tax	80	Rs.2,113	Rs.169,040
Transit Advertising (one time)	80	Rs.250	Rs.20,000
Company Registration, License, Logo	1	Rs.2,200	Rs.2,200
Television Advertisement Production Cost	1	Rs.120,000	Rs.120,000
Rickshaw drivers SIM and Mobile Phones	80	Rs.2,000	Rs.160,000
Total			Rs.11,849,040

Source: Authors' calculation

MONTHLY COST

ADVERTISEMENT COST

Table 8: Television advertisement

TV Mode	Time (seconds)	Cost per min	Total
City 42	30	Rs.8,000	Rs.4,000
Local Cable TV	30	Rs.8,000	Rs.8,000

Source: Authors' calculation

Table 9: Brochure advertisement

Type	Printing Cost	Distribution cost	Quantity	Total
A4 size	Rs.0.75	Rs.0.25	72,500	Rs.72,500.00

Source: Authors' calculation

Table 10: Total marketing cost per month

Advertising Mode	Cost	Frequency	Total cost per month
City 42	Rs.4,000	90	Rs.360,000
Local Cable TV	Rs.8,000	1	Rs.8,000
Brochure	1.00	72,500	Rs.72,500
Total			Rs.440,500

Source: Authors' calculation

MONTHLY OPERATIONAL COST

Table 11: Total monthly expense

Items	Quantity	Cost per	Total
Office Rent	1	Rs.60,000	Rs.60,000
Electricity	1	Rs.25,000	Rs.25,000
Telephone & UAN	1	Rs.25,000	Rs.25,000
Water & Gas	1	Rs.1,000	Rs.1,000
Office Maintenance	1	Rs.3,000	Rs.3,000
Manager Salary	4	Rs.25,000	Rs.100,000
Coordinator (Office boy) Salary	2	Rs.7,000	Rs.14,000
CSR Salary	3	Rs.15,000	Rs.45,000
CSE Salary	9	Rs.12,000	Rs.108,000
Guard Salary	2	Rs.7,000	Rs.14,000
Trainer Salary	1	Rs.18,000	Rs.18,000
Rickshaw Drivers Salary	80	Rs.12,500	Rs.1,000,000
Stationary	1	Rs.2,000	Rs.2,000
Food & Drink	1	Rs.10,000	Rs.10,000
Others	1	Rs.2,000	Rs.2,000
GPS Service Subscription Fee	80	Rs.850	Rs.68,000
Maintenance - owned rickshaws	80	Rs.500	Rs.40,000
Rickshaw Service & Maintenance	80	Rs.100	Rs.8,000
Token	80	Rs.33	Rs.2,640
Marketing Cost Per Month			Rs.440,500
Total			Rs.1,986,140

Source: Authors' calculation

Table 12: Fuel cost per rickshaw

Item	Cost
CNG Rate / kg	Rs.55.00
Rickshaw Mileage per Kg in km	18
Cost per Km	Rs.3.06

Source: Authors' calculation

Fuel cost per kilometer is calculated by dividing Rickshaw Mileage per Kg in km to CNG rate per kg which comes out to be Rs. 3.06

Table 13: Price per kilometer charged to customers

Item	Amount
Total Meter Rickshaws	80
Cost per km (operation)	Rs.7.07
Cost per km (fuel)	Rs.3.06
Average km Per day per Rickshaw	117
Margin per km	Rs.4.87
Price charged per km	Rs.15.00

Source: Authors' calculation

Operational cost per kilometer is calculated by taking an assumption that each rickshaw will run an average of at least 117 kilometers per day when it's working on full capacity. Business currently owns 80 rickshaws. Total monthly expense to run our operations is Rs.1,986,140. Each rickshaw work for 30 days a month. Therefore operational cost per kilometer will be as follows:

$$\begin{aligned}
 \text{Operational cost per kilometer} &= \frac{\text{Total Monthly cost}}{(\text{Average km per day per rickshaw}) \times (\text{Total rickshaws}) \times (\text{Number of days in a month})} \\
 \text{Operational cost per kilometer} &= \frac{1,986,140}{(117 \times 80 \times 30)} \\
 \text{Operational cost per kilometer} &= 7.07
 \end{aligned}$$

Margin per km is calculated by subtracting operational cost per km and fuel cost per km from price charged per km. Thus margin per km is Rs. 4.87

ASSUMPTIONS

So far the cost being calculated was for year one. For the second year the monthly cost which is as follows

- Price of CNG is assumed to increase to Rs. 70 per kg. Therefore fuel cost per km may increase to Rs. 3.89.
- Office rent will increase to Rs. 65,000.
- Electricity bill may increase to Rs. 30,000 per month and water / gas bill may rise to Rs. 1,200.
- Office maintenance charges may increase to Rs. 3,100.
- Salaries of employees will also increase. Now coordinator will be earning Rs. 7,500; CSR will be earning Rs. 15,500; CSE will be earning Rs. 12,500; Guard will be earning Rs. 7,500; Trainer will be earning Rs.19,000 and rickshaw drivers salary will increase to Rs, 13,000.
- Accounts for stationary, food and drinks and others will increase to Rs. 2,100; Rs.11,000 and Rs. 2,100 respectively.
- Rickshaw maintenance and service will increase to Rs. 550 and Rs. 125. On the other hand token for each rickshaw would increase to Rs. 36 per month.
- Marketing expense would reduce next because many people will be now aware of our service so lesser expense will be spent on marketing. Now the company will only be advertising on city 42 and through brochures only. For city 42 cost for 30 seconds ad is expected to rise to Rs. 4,100 and we will be reducing the frequency to 21 per month. Cost of brochure is expected to remain constant but its frequency will be reduced to half that is 36,250. Therefore total marketing cost per month will be Rs. 138,750.

- Since prices will rise for second year so now Meter Rickshaw will charge Rs. 16 per kilometer. Our operational cost per km will be Rs. 6.24 for 80 rickshaws. Therefore our margin will rise to Rs. 5.87 per km. Minimum capacity will remain same that is 117 km per day per rickshaw.
- Value of other items will remain same as the year one.

REVENUES

Revenues for two years of Meter Rickshaw are shown as follows

Table 14: Monthly revenues for two years

Months	Weeks	Number of km covered by 1 rickshaw	Number of km covered by 80 rickshaws	Revenue	Fuel Cost
1	1	35	2,800	Rs.42,000	Rs.8,568
	2	60	4,800	Rs.72,000	Rs.14,688
	3	85	6,800	Rs.102,000	Rs.20,808
	4	120	9,600	Rs.144,000	Rs.29,376
2	5	160	12,800	Rs.192,000	Rs.39,168
	6	220	17,600	Rs.264,000	Rs.53,856
	7	280	22,400	Rs.336,000	Rs.68,544
	8	350	28,000	Rs.420,000	Rs.85,680
3	9	400	32,000	Rs.480,000	Rs.97,920
	10	450	36,000	Rs.540,000	Rs.110,160
	11	550	44,000	Rs.660,000	Rs.134,640
	12	700	56,000	Rs.840,000	Rs.171,360
4		3,000	240,000	Rs.3,600,000	Rs.734,400
5		3,500	280,000	Rs.4,200,000	Rs.856,800
6		3,500	280,000	Rs.4,200,000	Rs.856,800
7		3,500	280,000	Rs.4,200,000	Rs.856,800
8		3,500	280,000	Rs.4,200,000	Rs.856,800
9		3,500	280,000	Rs.4,200,000	Rs.856,800
10		3,500	280,000	Rs.4,200,000	Rs.856,800
11		3,500	280,000	Rs.4,200,000	Rs.856,800
12		3,500	280,000	Rs.4,200,000	Rs.856,800
13		3,500	280,000	Rs.4,480,000	Rs.1,089,200
14		3,500	280,000	Rs.4,480,000	Rs.1,089,200
15		3,500	280,000	Rs.4,480,000	Rs.1,089,200
16		3,500	280,000	Rs.4,480,000	Rs.1,089,200
17		3,500	280,000	Rs.4,480,000	Rs.1,089,200
18		3,500	280,000	Rs.4,480,000	Rs.1,089,200
19		3,500	280,000	Rs.4,480,000	Rs.1,089,200
20		3,500	280,000	Rs.4,480,000	Rs.1,089,200
21		3,500	280,000	Rs.4,480,000	Rs.1,089,200
22		3,500	280,000	Rs.4,480,000	Rs.1,089,200
23		3,500	280,000	Rs.4,480,000	Rs.1,089,200
24		3,500	280,000	Rs.4,480,000	Rs.1,089,200
Total		76,410	6,112,800	Rs.95,052,000	Rs.21,493,968

Source: Authors' calculation

Revenue is calculated by multiplying number of kilometers covered by 80 rickshaws to Rs. 15 which the price is charged per kilometer for first year and Rs. 16 for second year. Fuel cost is calculated by multiplying number of kilometers covered by 80 rickshaws to cost of fuel per kilometer which is Rs. 3.06 for first year and Rs. 3.89 for second year.

DEPRECIATION

Depreciation charged per month is calculated using a straight line method is as follows:

Table 15: Depreciation per month

Items	Cost	Salvage Value	Useful Life	Depreciation per month
Rickshaws	9,600,000	1,200,000	5	140,000
Computer Systems	90,000	10,000	3	2,222
Other Electronics	5,000	500	3	125
Generator	50,000	5,000	5	750
Tables, Chairs and Fixtures	150,000	15,000	3	3,750
GPS Trackers	1,100,000	100,000	5	16,667
Electronic Meters	220,000	40,000	5	3,000
Connectors	25,000	15,000	5	67
Rickshaw drivers SIM and Mobile Phones	160,000	64,000	4	2,000
Total	11,400,000	1,449,500		168,681

Source: Authors calculation

$$\text{Depreciation per month} = \frac{\text{Cost} - \text{Salvage value}}{\text{Useful life} \times 12}$$

INCOME STATEMENT

Monthly income statement of Meter Rickshaw for two years is as follows:

Table 16: Monthly income statement

	1	2	3	4	5	6
Revenues	360,000	1,212,000	2,520,000	3,600,000	4,200,000	4,200,000
Expenses:						
Fuel Cost	(73,440)	(247,248)	(514,080)	(734,400)	(856,800)	(856,800)
Depreciation	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)
Office Rent	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Electricity	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Telephone & UAN	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Water & Gas	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Office Maintenance	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Manager Salary	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Coordinator (Office boy) Salary	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
CSR Salary	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
CSE Salary	(108,000)	(108,000)	(108,000)	(108,000)	(108,000)	(108,000)
Guard Salary	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
Trainer Salary	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
Rickshaw Drivers Salary	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Stationary	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Food & Drink	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Others	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
GPS Service Subscription Fee	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
Maintenance - owned rickshaws	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Rickshaw Service & Maintenance	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Token	(2,640)	(2,640)	(2,640)	(2,640)	(2,640)	(2,640)
Marketing Cost	(440,500)	(440,500)	(440,500)	(440,500)	(440,500)	(440,500)
Total Expenses	(2,228,261)	(2,402,069)	(2,668,901)	(2,889,221)	(3,011,621)	(3,011,621)
Net Income Before Tax	(1,868,261)	(1,190,069)	(148,901)	710,779	1,188,379	1,188,379
Tax Rate	0	0	0	20,731	34,661	34,661
Net Profit After Tax	(1,868,261)	(1,190,069)	(148,901)	731,510	1,223,040	1,223,040

	7	8	9	10	11	12
Revenues	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
Expenses:						
Fuel Cost	(856,800)	(856,800)	(856,800)	(856,800)	(856,800)	(856,800)
Depreciation	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)
Office Rent	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Electricity	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Telephone & UAN	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Water & Gas	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Office Maintenance	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Manager Salary	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Coordinator (Office boy) Salary	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
CSR Salary	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
CSE Salary	(108,000)	(108,000)	(108,000)	(108,000)	(108,000)	(108,000)
Guard Salary	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
Trainer Salary	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
Rickshaw Drivers Salary	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Stationary	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Food & Drink	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Others	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
GPS Service Subscription Fee	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
Maintenance - owned rickshaws	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Rickshaw Service & Maintenance	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Token	(2,640)	(2,640)	(2,640)	(2,640)	(2,640)	(2,640)
Marketing Cost	(440,500)	(440,500)	(440,500)	(440,500)	(440,500)	(440,500)
Total Expenses	(3,011,621)	(3,011,621)	(3,011,621)	(3,011,621)	(3,011,621)	(3,011,621)
Net Income Before Tax	1,188,379	1,188,379	1,188,379	1,188,379	1,188,379	1,188,379
Tax Rate	34,661	34,661	34,661	34,661	34,661	34,661
Net Profit After Tax	1,223,040	1,223,040	1,223,040	1,223,040	1,223,040	1,223,040

	13	14	15	16	17	18
Revenues	4,480,000	4,480,000	4,480,000	4,480,000	4,480,000	4,480,000
Expenses:						
Fuel Cost	(1,089,200)	(1,089,200)	(1,089,200)	(1,089,200)	(1,089,200)	(1,089,200)
Depreciation	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)
Office Rent	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Electricity	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Telephone & UAN	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Water & Gas	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Office Maintenance	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)
Manager Salary	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Coordinator (Office boy) Salary	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
CSR Salary	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)
CSE Salary	(112,500)	(112,500)	(112,500)	(112,500)	(112,500)	(112,500)
Guard Salary	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Trainer Salary	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)
Rickshaw Drivers Salary	(1,040,000)	(1,040,000)	(1,040,000)	(1,040,000)	(1,040,000)	(1,040,000)
Stationary	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Food & Drink	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Others	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
GPS Service Subscription Fee	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
Maintenance - owned rickshaws	(44,000)	(44,000)	(44,000)	(44,000)	(44,000)	(44,000)
Rickshaw Service & Maintenance	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Token	(2,880)	(2,880)	(2,880)	(2,880)	(2,880)	(2,880)
Marketing Cost	(138,750)	(138,750)	(138,750)	(138,750)	(138,750)	(138,750)
Total Expenses	(3,009,011)	(3,009,011)	(3,009,011)	(3,009,011)	(3,009,011)	(3,009,011)
Net Income Before Tax	1,470,989	1,470,989	1,470,989	1,470,989	1,470,989	1,470,989
Tax Rate	42,904	42,904	42,904	42,904	42,904	42,904
Net Profit After Tax	1,513,893	1,513,893	1,513,893	1,513,893	1,513,893	1,513,893

	19	20	21	22	23	24
Revenues	4,480,000	4,480,000	4,480,000	4,480,000	4,480,000	4,480,000
Expenses:						
Fuel Cost	(1,089,200)	(1,089,200)	(1,089,200)	(1,089,200)	(1,089,200)	(1,089,200)
Depreciation	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)	(168,681)
Office Rent	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Electricity	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Telephone & UAN	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Water & Gas	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Office Maintenance	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)
Manager Salary	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Coordinator (Office boy) Salary	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
CSR Salary	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)
CSE Salary	(112,500)	(112,500)	(112,500)	(112,500)	(112,500)	(112,500)
Guard Salary	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Trainer Salary	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)
Rickshaw Drivers Salary	(1,040,000)	(1,040,000)	(1,040,000)	(1,040,000)	(1,040,000)	(1,040,000)
Stationary	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Food & Drink	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Others	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
GPS Service Subscription Fee	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
Maintenance - owned rickshaws	(44,000)	(44,000)	(44,000)	(44,000)	(44,000)	(44,000)
Rickshaw Service & Maintenance	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Token	(2,880)	(2,880)	(2,880)	(2,880)	(2,880)	(2,880)
Marketing Cost	(138,750)	(138,750)	(138,750)	(138,750)	(138,750)	(138,750)
Total Expenses	(3,009,011)	(3,009,011)	(3,009,011)	(3,009,011)	(3,009,011)	(3,009,011)
Net Income Before Tax	1,470,989	1,470,989	1,470,989	1,470,989	1,470,989	1,470,989
Tax Rate	42,904	42,904	42,904	42,904	42,904	42,904
Net Profit After Tax	1,513,893	1,513,893	1,513,893	1,513,893	1,513,893	1,513,893

Source: Authors' calculation

Yearly income statement of Meter Rickshaw for two years is as follows:

Table 17: Yearly income statement

	Year 1	Year 2
Revenues	41,292,000	53,760,000
Expenses:		
Fuel Cost	(8,423,568)	(13,070,400)
Depreciation	(2,024,172)	(2,024,172)
Office Rent	(720,000)	(780,000)
Electricity	(300,000)	(360,000)
Telephone & UAN	(300,000)	(300,000)
Water & Gas	(12,000)	(14,400)
Office Maintenance	(36,000)	(37,200)
Manager Salary	(1,200,000)	(1,200,000)
Coordinator (Office boy) Salary	(168,000)	(180,000)
CSR Salary	(540,000)	(558,000)
CSE Salary	(1,296,000)	(1,350,000)
Guard Salary	(168,000)	(180,000)
Trainer Salary	(216,000)	(228,000)
Rickshaw Drivers Salary	(12,000,000)	(12,480,000)
Stationary	(24,000)	(25,200)
Food & Drink	(120,000)	(132,000)
Others	(24,000)	(25,200)
GPS Service Subscription Fee	(816,000)	(816,000)
Maintenance - owned rickshaws	(480,000)	(528,000)
Rickshaw Service & Maintenance	(96,000)	(120,000)
Token	(31,680)	(34,560)
Marketing Cost	(5,286,000)	(1,665,000)
Total Expenses	(34,281,420)	(36,108,132)
Net Income Before Tax	7,010,580	17,651,868
Tax Rate	298,019	514,846
Net Profit After Tax	7,308,599	18,166,714

Source: Authors' calculation

NET PRESENT VALUE

Net present value is calculated as follows

Table 18: Interest rate for Net present value

Interest Rate	Rate
KIBOR Rate	13.25%
Spread	5.00%
Total Interest rate (yearly)	18.25%
Total Interest rate for one month	1.52%

Source: Karachi Inter Bank Offered Rate. Data retrieved on December 21, 2010

Table 19: Operating cash flows for NPV

Months	Cash flows	Depreciation	Discounted Operating Cash flow
1	(1,868,261)	169,681	(1,673,134)
2	(1,190,069)	169,681	(990,045)
3	(148,901)	169,681	19,860
4	731,510	169,681	848,391
5	1,223,040	169,681	1,291,482
6	1,223,040	169,681	1,272,135
7	1,223,040	169,681	1,253,077
8	1,223,040	169,681	1,234,306
9	1,223,040	169,681	1,215,815
10	1,223,040	169,681	1,197,602
11	1,223,040	169,681	1,392,721
12	1,223,040	169,681	1,161,989
13	1,513,893	169,681	1,383,614
14	1,513,893	169,681	1,362,887
15	1,513,893	169,681	1,342,470
16	1,513,893	169,681	1,322,359
17	1,513,893	169,681	1,302,549
18	1,513,893	169,681	1,283,037
19	1,513,893	169,681	1,263,816
20	1,513,893	169,681	1,244,883

21	1,513,893	169,681	1,226,234
22	1,513,893	169,681	1,207,865
23	1,513,893	169,681	1,189,770
24	1,513,893	169,681	1,171,947
Total	25,475,314	4,072,344	23,525,630

Source: Authors' calculation

Net income is assumed to be same as cash flows. Monthly cash flows are added to depreciation to calculated operating cash flows. The operating cash flows are discounted back on KIBOR rate.

$$\text{NPV} = \text{Sum of discounted operating cash flows} - \text{Initial investment}$$

$$\text{NPV} = 23,525,630 - 11,849,040$$

$$\text{NPV} = \text{Rs.}11,676,590$$

Since NPV is positive therefore investor should go for this project.

BREAKEVEN ANALYSIS

Breakeven analysis is as follows:

$$\text{Fixed cost of the project} = \text{Rs.}11,849,040$$

$$\text{Revenue per kilometer} = \text{Rs. } 15$$

$$\text{Variable cost per kilometer} = \text{Operational cost per km} + \text{Fuel cost per km}$$

$$= \text{Rs. } 7.07 + \text{Rs. } 3.06$$

$$= \text{Rs. } 10.13$$

$$\text{Break even in kilometers} = \frac{\text{Fixed cost of project}}{\text{Revenue per kilometer} - \text{Variable cost per kilometer}}$$

$$\text{Break even in kilometers} = 2,433,068$$

PAYBACK PERIOD

Operating cash flows for payback period are as follows:

Table 20: Operating cash flows for payback period

Months	Operating cash flows	Cumulative Operating cash flows
1	(1,698,580)	(1,698,580)
2	(1,020,388)	(2,718,968)
3	20,780	(2,698,188)
4	901,191	(1,796,997)
5	1,392,721	(404,276)
6	1,392,721	988,445
7	1,392,721	2,381,166
8	1,392,721	3,773,887
9	1,392,721	5,166,608
10	1,392,721	6,559,329
11	1,392,721	7,952,050
12	1,392,721	9,344,771
13	1,683,574	11,028,345
14	1,683,574	12,711,919

Source: Authors' calculation

As we can see that the total investment of this project Meter Rickshaw is Rs. 11,849,040. This amount equates operating cash flows at fourteenth month. Therefore the payback period is 1.17 years (14 months).

CONTINGENCY PLAN

Overall investment of this project 'Meter Rickshaw' is Rs. 11,849,040. Around 81% of the investment is the price of 80 rickshaws which is Rs. 96,00,000. By any chance if business fails we can sell these rickshaws in market. Each of these rickshaws is bought at the rate of Rs. 120,000. Even after five months these rickshaws can be sold back at a good resale value of Rs. 80,000 – 90,000 if they are well maintained. If on average each rickshaw is sold back at Rs. 85,000 we can cover a cost of 80 rickshaws for Rs. 6,800,000 which is 57.4% of the investment. On the other hand head office and our rickshaw garage are on rental basis which won't effect the investment.

These rickshaws can be sold to following heads:

- Government of Pakistan

Few years back government of Pakistan started a scheme named as President's Rozgar Scheme. Through this scheme rickshaw drivers can buy new as well as second hand rickshaws on an interest rate. Drivers pay monthly installments by driving this rickshaw and within a period of 3 – 5 years rickshaw comes under their ownership

- Rickshaw manufacturers

Companies like Sazgar Pvt Ltd and Commando Pvt Ltd also deals in second hand rickshaws. If in case our business fails we can sell our rickshaws to these companies as well.

- Direct rickshaw drivers

Another option can be that company can advertise in news paper about these second hand rickshaws and we can sell them to rickshaw drivers at a very low interest rate. This interest rate will be less than the President's Rozgar Scheme which can attract a lot of rickshaws drivers.

CONCLUSION

Any business plan covers seven main areas which are market research, competitor analysis, marketing plan, human resource plan, operational plan, financial plan and contingency plan.

Two questionnaires were developed for market research. A survey of 50 questionnaires was filled from rickshaw drivers' was and analyzed. On the other hand a survey of 75 questionnaires was filled from rickshaw users (customers) and was analyzed. Based upon these survey results a thorough business plan was developed.

A competitor analysis was done using Porter's Five Forces Model. Five different forces were being analyzed which were bargaining power and customer and supplier is high. On the other hand there isn't any direct competition because no one is offering such a service like Meter Rickshaw but indirect competition does exist. Substitutes are also present in the market whereas a barrier to entry is high for this industry.

Marketing plan focuses on four major areas which are marketing plan objective, situation analysis, market segmentation and marketing strategy. In situation analysis a thorough company analysis is done followed by customer target market which are students, lower office staff, shop-keepers, teachers, house wives and anyone else who uses rickshaws. Competitors and collaborators analysis also comes under situation analysis. Market is being segmented based on demographics (income levels). A proper marketing strategy is being developed in which product,

price, placement and promotions have been discussed. Different marketing models have been applied to analyze Meter Rickshaw from every possible angle.

Human resource plan starts with organizational hierarchy. A recruitment plan is also developed in which 4 Managers, 3 Customer Service Representatives, 9 Customer Service Executives, a trainer, 2 guards, 2 office boys and 80 rickshaw drivers are hired. Job descriptions for every post have been stated. Training management has been also added followed by performance management, compensation management, career management and safety measures have been stated.

Operational plan begins with buying 80 new rickshaws which will be owned by company. Electronic meters along with GPS trackers will be purchased. Head office along with a garage will be at Kot Lakhpat. Database management software along with GPS tracking software will also be purchased along with other office equipment to run the operations will be purchased. A formal contract has will be signed by rickshaw drivers at the time of hiring.

Financial plan cover areas like monthly expenses, depreciation, income statement (monthly and yearly). Overall investment of this project is Rs. 11,849,040. Monthly cost to run the operations is Rs. 1,986,140. Payback period of this project 'Meter Rickshaw' is 1.17 years (14 months) whereas NPV of the project is positive which is Rs. 11,676,590.

Last but not the least the contingency plan tells us that if in case a business fails we can cover around 60% of the investment by selling back all the rickshaws.

LIMITATIONS OF THE PROJECT

There are certain limitations in this project which we need to discuss. These limitations are as follows

- Pricing of Meter Rickshaw totally depends upon fuel price. As the CNG rate increases it effects our profits thus we have to increase our price charges per kilometer as well. Factor of inflation has been accommodated in the income statement but still unpredictable situation in Pakistan can affect the business.
- Country is currently going through economic recession. Profits do shrink in recession. Duration of this recession is unpredictable in Pakistan.
- Political situation of the country is also unstable, it can also effect our business operations
- Taxes and regulations also play an important role in a company. In a country like Pakistan sudden taxations can affect business profits.

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APPENDIX

EXHIBIT 1: CUSTOMER QUESTIONNAIRE

Interview Number: _____

My name is _____. I am from FAST National University. We are here to conduct a survey about the launching Meter Rickshaw Services. We will take ten minutes of your precious time. Kindly assist us with the following information.

Do you travel by rickshaw? (Filter Question)

- a) Yes
- b) No (If a respondent answers No then move on to Question 9, 11 and 12)

Q1. How often do you travel by rickshaw?

- 1 Daily
- 2 Weekly
- 3 Twice a week
- 4 Monthly

Q2. How many kilometers on average do you travel by rickshaw?

- a) Less than 3 km
- b) 3 km – 6 km

- c) 6 km – 9 km
- d) More than 9 km

Q3. How many minutes does it usually take to reach your destination?

- a) Less than 10 minutes
- b) 10 minutes – 20 minutes
- c) 20 minutes – 30 minutes
- d) More than 30 minutes

Q4. How easily rickshaws are accessible to you when you need them?

- a) Very easy
- b) Easy
- c) Somewhat easy
- d) Not easy

Q5. How do you feel while negotiating with rickshaw Drivers?

- a) Very comfortable
- b) Somewhat comfortable
- c) Neutral
- d) Somewhat uncomfortable
- e) Discomfortalbe

Q6. Do you agree with the statement that fares charged by rickshaw drivers are justified?

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Q7. Are you satisfied with rickshaw drivers' driving?

- a) Very satisfied
- b) Satisfied
- c) Neither satisfied nor dissatisfied
- d) Dissatisfied
- e) Very dissatisfied

Q8. Have you ever had any accident while traveling in rickshaw?

- a) Yes
- b) No

Q9. Other than using rickshaw which transport do you prefer?

Rank them according to your usage preference (1 = most preferred, 5 = least preferred)

- a) Bus _____

- b) Taxi _____
- c) Motor Bike _____
- d) Motor Car _____

Q10. While choosing a rickshaw what do you prefer?

Rank them according to your usage preference (1 = most preferred, 5 = least preferred)

- a) Price _____
- b) Condition _____
- c) Comfort level _____
- d) Capacity _____
- e) Driver's Appearance _____

Q11. How does the concept of rickshaw at your door step on a single call appeals you?

- a) Very appealing
- b) Appealing
- c) Somewhat appealing
- d) Not appealing

Q12. Would you avail this service if rickshaw fares are charged on per kilometer basis?

- a) Yes
- b) Neutral
- c) No

Name: _____

Age: _____

Location: _____

Occupation: _____

Income: _____

Thanks a lot for your precious time. Your identity will be kept confidential. Your information
really matters a lot for our research.

EXHIBIT 2: DRIVER QUESTIONNAIRE

Interview Number: _____

My name is _____. I am from FAST National University. We are here to conduct a survey about the launching Meter Rickshaw Services. We will take ten minutes of your precious time. Kindly assist us with the following information.

Q1. What is the ownership status of your rickshaw?

- a) Owned (If a respondent answers Owned then move on to Question 3)
- b) Rented

Q2. If you are using a rented rickshaw then how much rent do you pay per day? _____

Q3. How many days do you work in a week?

- a) 2 days
- b) 3 days to 5 days
- c) 7 days a week

Q4. What is your cost for driving a rickshaw?

- a) Repair and maintenance (per month)_____
- b) Petrol / CNG (per day)_____
- c) Parking stand charges (per day)_____

d) Fines and challans (per month)_____

Q5. What is the frequency of your fines and challans per month? _____

Q6. How many hours do you drive daily?

- a) Less than 4 hours
- b) 4 – 8 hours
- c) 8 – 12 hours
- d) More than 12 hours

Q7. What is your take home amount per day?

- a) Less than Rs 1000
- b) Rs 1000 – Rs 1500
- c) Rs 1500 – Rs 2000
- d) More than Rs 2000

Q8. Do you have a driving license?

- a) Yes
- b) No
- c) In process

Q9. Do you carry your rickshaw registration booklet?

- a) Yes
- b) No
- c) Sometimes

Q10. For how long have you been driving rickshaw?

- a) Less than a year
- b) 1 year – 3 years
- c) 3 years – 5 years
- d) More than 5 years

Q11. How did you learn rickshaw driving?

- a) Self
- b) Family / Friends
- c) Training institute

Q12. How does the concept of rickshaw at customers' door step on a single call appeals you?

- a) Very appealing
- b) Appealing
- c) Somewhat appealing
- d) Not appealing

Q13. When do you want to get salary?

- a) Daily
- b) Weekly
- c) Fortnightly
- d) Monthly

Q14. In which working shift would you like to work?

- a) 06:00 – 14:00
- b) 14:00 – 22:00
- c) 22:00 – 06:00

Q15. Rank the following terms and conditions of the contract according to your preferences

(1 = most preferred, 5 = least preferred)

	Terms and Conditions	Rank				
		1	2	3	4	5
1	Wearing uniform					
2	Company owned mobile					
3	Maintenance / Repair					
4	Fuel					
5	Training (driving and communication)					
6	Shift rotation					
7	Fixed salary					

8	Guaranteed customers					
9	Bonus and commission					

Name: _____

Age: _____

Driving Location: _____

Thanks a lot for your precious time. Your identity will be kept confidential. Your information
really matters a lot for our research.

EXHIBIT 3: CUSTOMER CODE BOOK

Interview Number: _____

Do you travel by rickshaw? (Filter Question)

- | | | |
|---|---|---|
| 1 | = | Yes |
| 2 | = | No (If a respondent answers No then move on to Question 9, 11 and 12) |

Q1. How often do you travel by rickshaw?

- | | | |
|---|---|--------------|
| 1 | = | Daily |
| 2 | = | Weekly |
| 3 | = | Twice a week |
| 4 | = | Monthly |

Q2. How many kilometers on average do you travel by rickshaw?

- | | | |
|---|---|----------------|
| 1 | = | Less than 3 km |
| 2 | = | 3 km – 6 km |
| 3 | = | 6 km – 9 km |
| 4 | = | More than 9 km |

Q3. How many minutes does it usually take to reach your destination?

- 1 = Less than 10 minutes
- 2 = 10 minutes – 20 minutes
- 3 = 20 minutes – 30 minutes
- 4 = More than 30 minutes

Q4. How easily rickshaws are accessible to you when you need them?

- 1 = Very easy
- 2 = Easy
- 3 = Somewhat easy
- 4 = Not easy

Q5. How do you feel while negotiating with rickshaw Drivers?

- 1 = Very comfortable
- 2 = Somewhat comfortable
- 3 = Neutral
- 4 = Somewhat uncomfortable
- 5 = Discomfortable

Q6. Do you agree with the statement that fares charged by rickshaw drivers are justified?

- 1 = Strongly agree
- 2 = Agree
- 3 = Neither agree nor disagree

- 4 = Disagree
- 5 = Strongly disagree

Q7. Are you satisfied with rickshaw drivers' driving?

- 1 = Very satisfied
- 2 = Satisfied
- 3 = Neither satisfied nor dissatisfied
- 4 = Dissatisfied
- 5 = Very dissatisfied

Q8. Have you ever had any accident while traveling in rickshaw?

- 1 = Yes
- 2 = No

Q9. Other than using rickshaw which transport do you prefer?

Rank them according to your usage preference (1 = most preferred, 5 = least preferred)

B = Bus (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

T = Taxi (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

M = Motor Bike (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

C = Motor Car (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

Q10. While choosing a rickshaw what do you prefer?

Rank them according to your usage preference (1 = most preferred, 5 = least preferred)

Pr = Price (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

Cn = Condition (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

Cl = Comfort level (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

Cp = Capacity (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

Da = Driver's Appearance (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

Q11. How does the concept of rickshaw at your door step on a single call appeals you?

- | | | |
|---|---|--------------------|
| 1 | = | Very appealing |
| 2 | = | Appealing |
| 3 | = | Somewhat appealing |
| 4 | = | Not appealing |

Q12. Would you avail this service if rickshaw fares are charged on per kilometer basis?

- 1 = Yes
- 2 = Neutral
- 3 = No

A = Age

- 1 = 15 – 25
- 2 = 26 – 35
- 3 = 36 – 45
- 4 = 46 and above

O = Occupation

- 1 = Student
- 2 = Teaching
- 3 = Management
- 4 = Housewife

L = Location

- 1 = DHA, Cantt, Cavalry
- 2 = Gulberg, Garden Town, Muslim Town
- 3 = Faisal Town, Johar Town, Model Town
- 4 = Township, Green, Wapda Town, Iqbal Town
- 5 = Old City, Mall, Shadman
- 6 = Thokar, Bahria Town, Raivend, Canal

I = Income

- 1 = Rs 0 – Rs 15000
- 2 = Rs 15001 – Rs 30000
- 3 = Rs 30001 – Rs 45000
- 4 = Rs 45001 and above

EXHIBIT 4: CUSTOMER CODE SHEET

Questions →	FQ	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9				Q10					Q11	Q12	A	L	O	I
Respondents ↓										B	T	M	C	Pr	Cn	Cl	Cp	Da						
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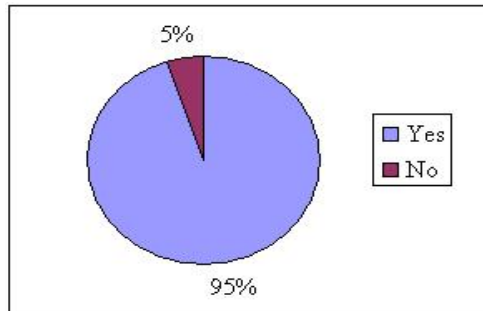
 Respondents who never travelled on rickshaw therefore didn't answer Question 1 - 8, 10

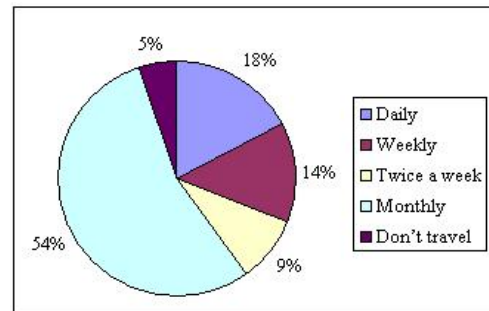
EXHIBIT 5: GRAPHS OF CUSTOMER SURVEY RESULTS

Figure A: Customer traveled on rickshaw



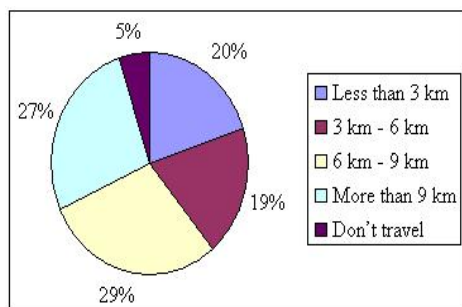
Source: Authors' calculation

Figure B: How often customer travels on rickshaw



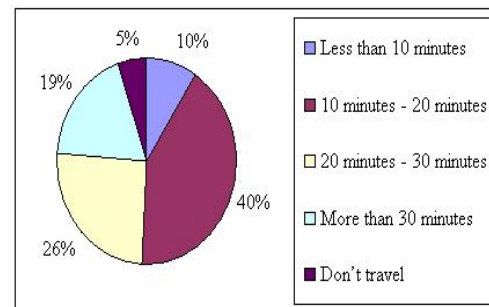
Source: Authors' calculation

Figure C: Average kilometer traveled on rickshaw



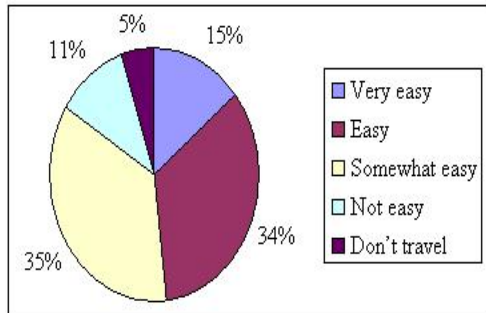
Source: Authors' calculation

Figure D: Number of minutes taken to reach destination



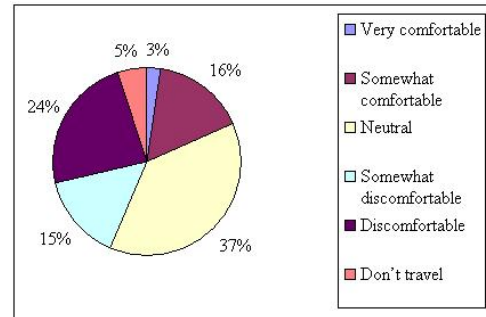
Source: Authors' calculation

Figure E: Accessibility of rickshaw on need



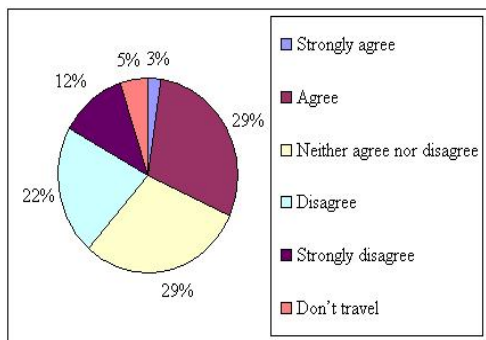
Source: Authors' calculation

Figure F: Feeling while negotiation with rickshaw drivers



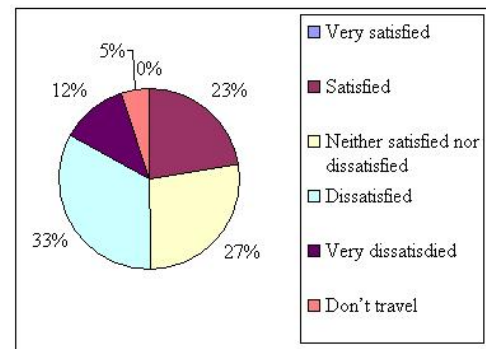
Source: Authors' calculation

Figure G: Fares charged by rickshaw drivers are justified



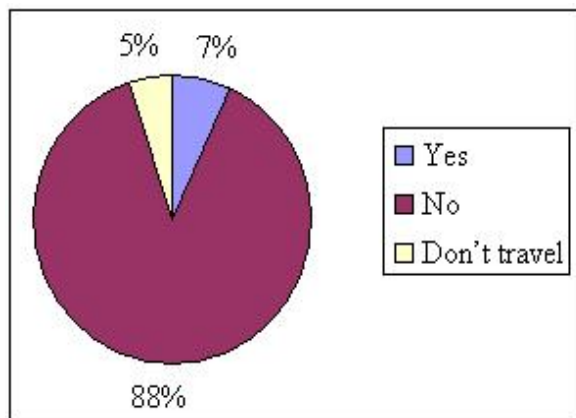
Source: Authors' calculation

Figure H: Rickshaw driver's driving



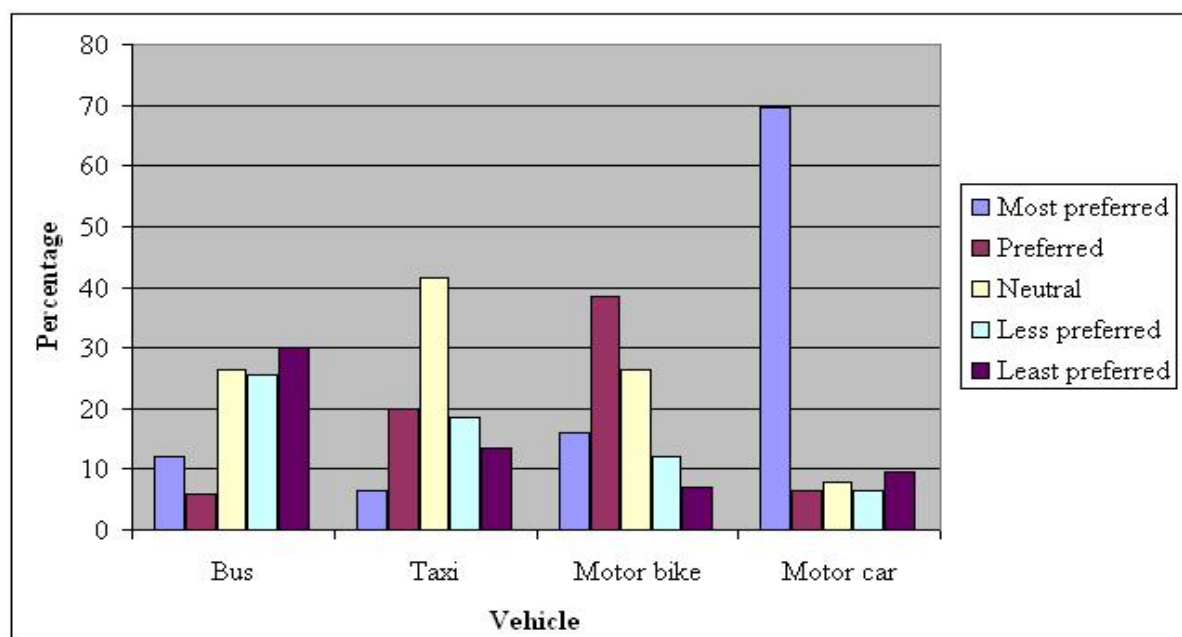
Source: Authors' calculation

Figure I: Ever had any accident while traveling in rickshaw



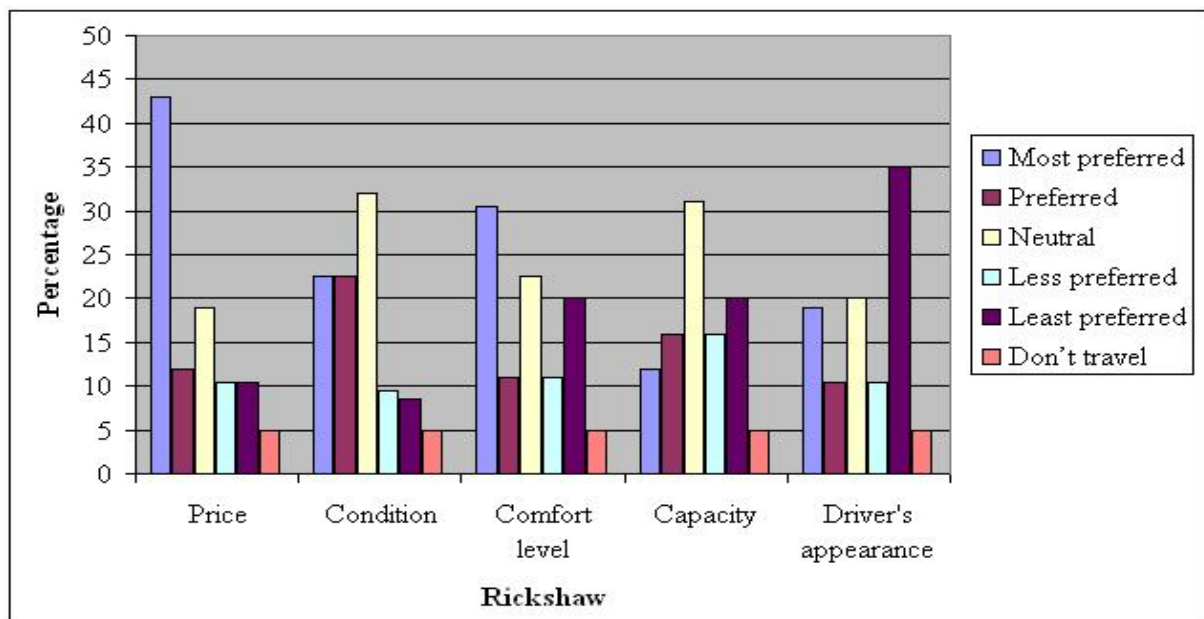
Source: Authors' calculation

Figure J: Transport preference other than rickshaw



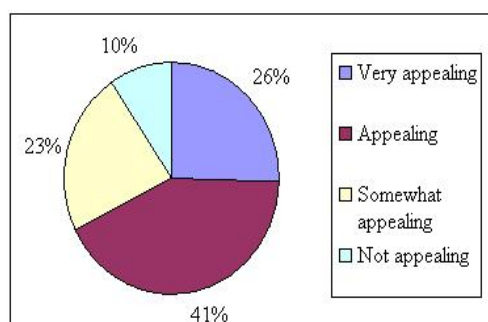
Source: Authors' calculation

Figure K: Attributes chosen while taking a rickshaw



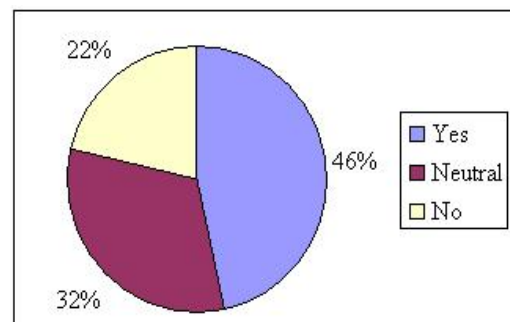
Source: Authors' calculation

Figure L: Concept of rickshaw at your door step on a single call



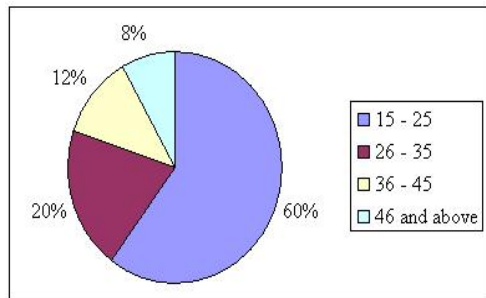
Source: Authors' calculation

Figure M: Availing this service if rickshaw fares are charged on per kilometer basis



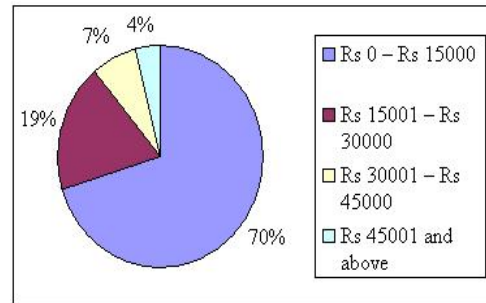
Source: Authors' calculation

Figure N: Age group



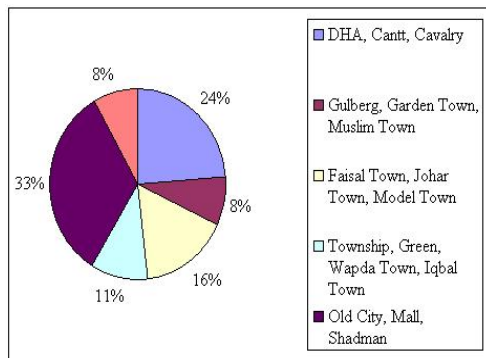
Source: Authors' calculation

Figure O: Income level



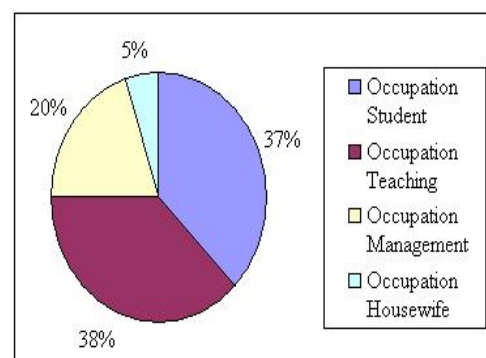
Source: Authors' calculation

Figure P: Location



Source: Authors' calculation

Figure Q: Occupation



Source: Authors' calculation

EXHIBIT 6: DRIVERS CODE BOOK

Interview Number: _____

Q1. What is the ownership status of your rickshaw?

- 1 = Owned (If a respondent answers Owned then move on to Question 3)
- 2 = Rented

Q2. If you are using a rented rickshaw then how much rent do you pay per day?

- 1 = Rs 100 – Rs 200
- 2 = Rs 201 – Rs 300
- 3 = Rs 301 – Rs 400
- 4 = Rs 401 – Rs 500

Q3. How many days do you work in a week?

- 1 = 2 days
- 2 = 3 days to 5 days
- 3 = 7 days a week

Q4. What is your cost for driving a rickshaw per day?

Rm = Repair and maintenance (per month)

- 1 = Less than Rs 500
- 2 = Rs 501 – Rs 1000

3 = Rs 1001 and above

P = Petrol / CNG (per day)

1 = Less than Rs 250

2 = Rs 251 – Rs 500

3 = Rs 501 and above

Pc = Parking stand charges (per day)

1 = No charges

Fc = Fines and challans (per month)

1 = Less than Rs 300

2 = Rs 301 – Rs 600

3 = Rs 601 and above

Q5. What is the frequency of your fines and challans per month?

1 = Less than equal to 1

2 = 2 – 3

3 = 4 and above

Q6. How many hours do you drive daily?

1 = Less than 4 hours

2 = 4 – 8 hours

3 = 8 – 12 hours

4 = More than 12 hours

Q7. What is your take home amount per day?

- 1 = Less than Rs 1000
- 2 = Rs 1000 – Rs 1500
- 3 = Rs 1500 – Rs 2000
- 4 = More than Rs 2000

Q8. Do you have a driving license?

- 1 = Yes
- 2 = No
- 3 = In process

Q9. Do you carry your rickshaw registration booklet?

- 1 = Yes
- 2 = No
- 3 = Sometimes

Q10. For how long have you been driving rickshaw?

- 1 = Less than a year
- 2 = 1 year – 3 years
- 3 = 3 years – 5 years
- 4 = More than 5 years

Q11. How did you learn rickshaw driving?

- 1 = Self
- 2 = Family / Friends
- 3 = Training institute

Q12. How does the concept of rickshaw at customers' door step on a single call appeals you?

- 1 = Very appealing
- 2 = Appealing
- 3 = Somewhat appealing
- 4 = Not appealing

Q13. When do you want to get salary?

- 1 = Daily
- 2 = Weekly
- 3 = Fortnightly
- 4 = Monthly

Q14. In which working shift would you like to work?

- 1 = 06:00 – 14:00
- 2 = 14:00 – 22:00
- 3 = 22:00 – 06:00

Q15. Rank the following terms and conditions of the contract according to your preferences

(1 = most preferred, 5 = least preferred)

- 1 = Wearing uniform (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 2 = Company owned mobile (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 3 = Maintenance / Repair (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 4 = Fuel (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 5 = Training (driving and communication) (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 6 = Shift rotation (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 7 = Fixed salary (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 8 = Guaranteed customers (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)
- 9 = Bonus and commission (1 = most preferred, 2 = preferred, 3 = neutral, 4 = less preferred, 5 = least preferred)

A = Age

1	=	20 – 30
2	=	31 – 40
3	=	41 – 50
4	=	51 and above

DL = Driving Location

1	=	Any
2	=	Specific One

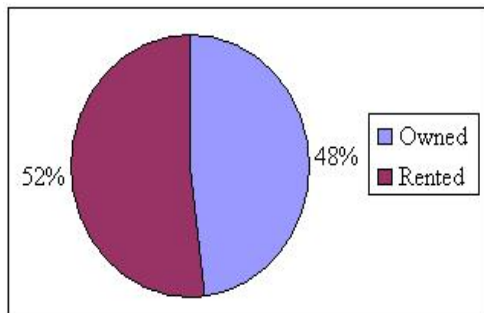
EXHIBIT 7: DRIVER CODE SHEET

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Respondents who owned their rickshaw didn't answer Question 2

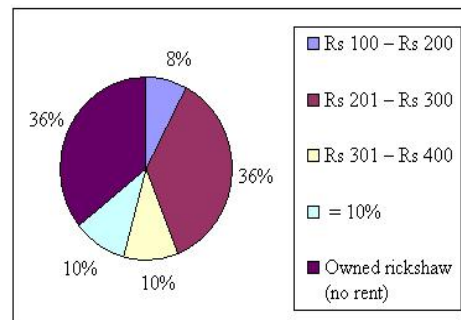
EXHIBIT 8: GRAPHS OF DRIVER'S SURVEY RESULTS

Figure A: Rickshaw ownership status



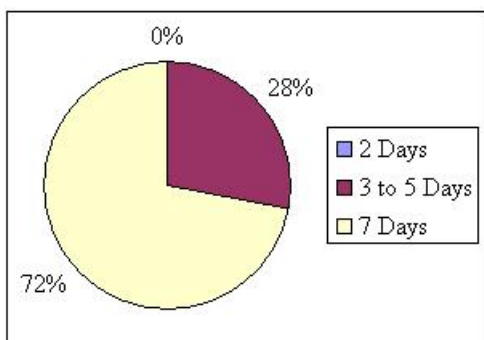
Source: Authors' calculation

Figure B: Daily rent paid by rickshaw drivers



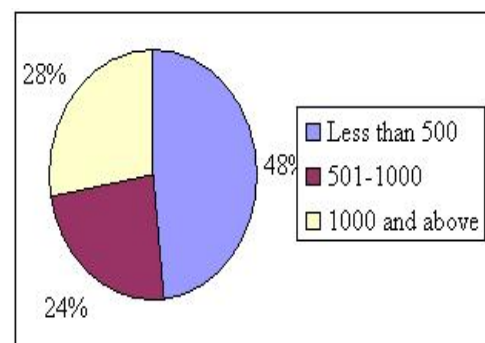
Source: Authors' calculation

Figure C: Number of days drivers work in a week



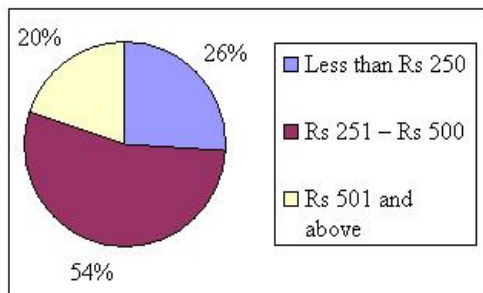
Source: Authors' calculation

Figure D: Repair and Maintenance cost per month



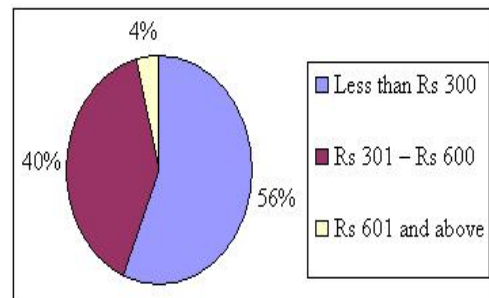
Source: Authors' calculation

Figure E: Petrol / CNG cost per day



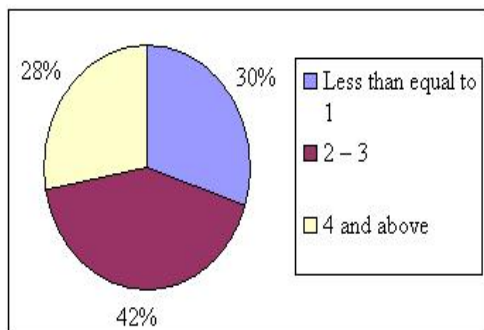
Source: Authors' calculation

Figure F: Fines and challans cost per month



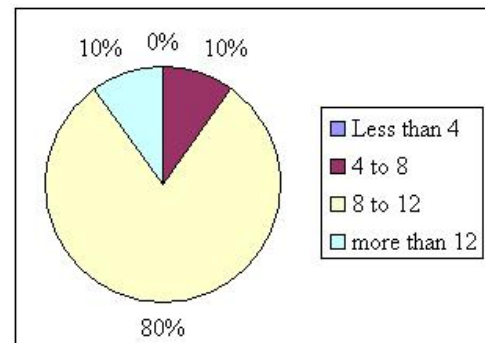
Source: Authors' calculation

Figure G: Frequency of challans per month



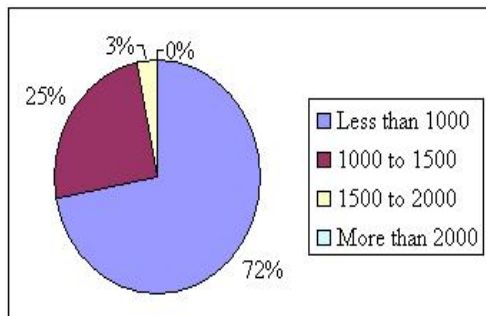
Source: Authors' calculation

Figure H: Number of hours spend on driving rickshaw



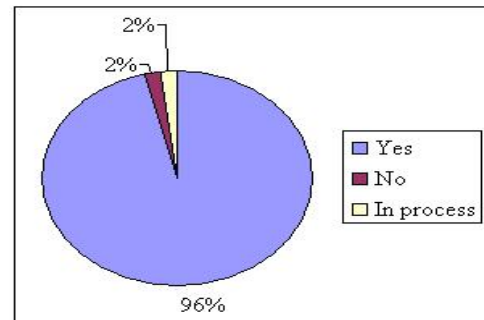
Source: Authors' calculation

Figure I: Take home salary per day



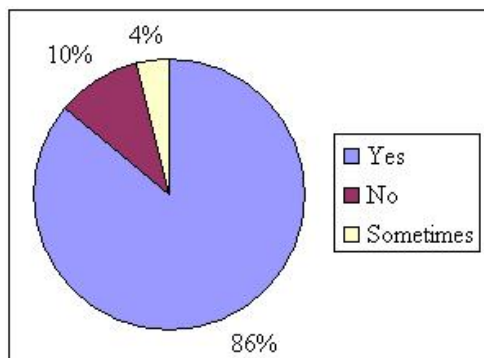
Source: Authors' calculation

Figure J: Driving license



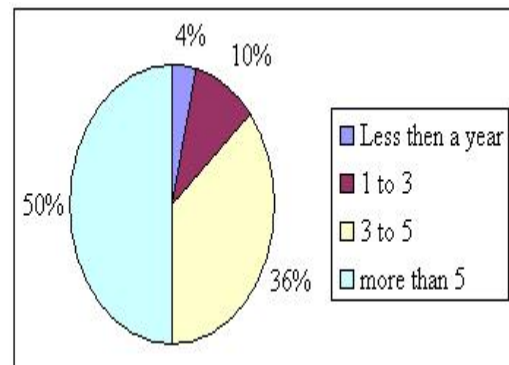
Source: Authors' calculation

Figure K: Carry your rickshaw registration booklet



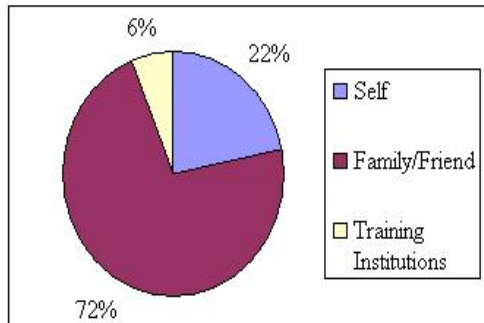
Source: Authors' calculation

Figure L: How long have you been driving rickshaw



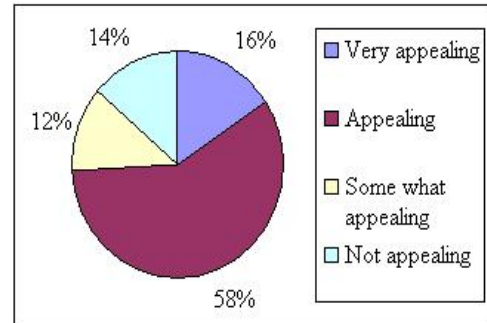
Source: Authors' calculation

Figure M: How did driver learn to drive rickshaw



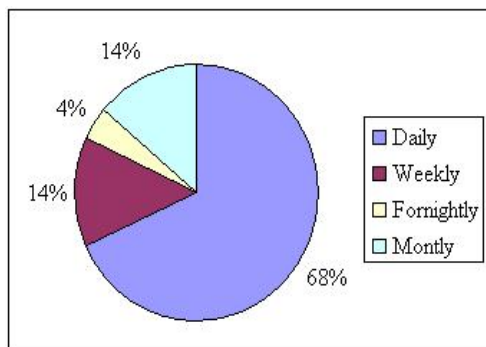
Source: Authors' calculation

Figure N: Concept of rickshaw at customers' door step on a single call



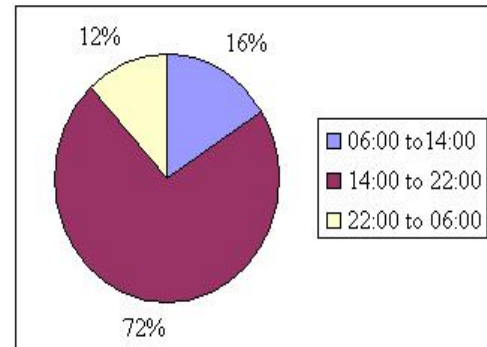
Source: Authors' calculation

Figure O: Salary demand



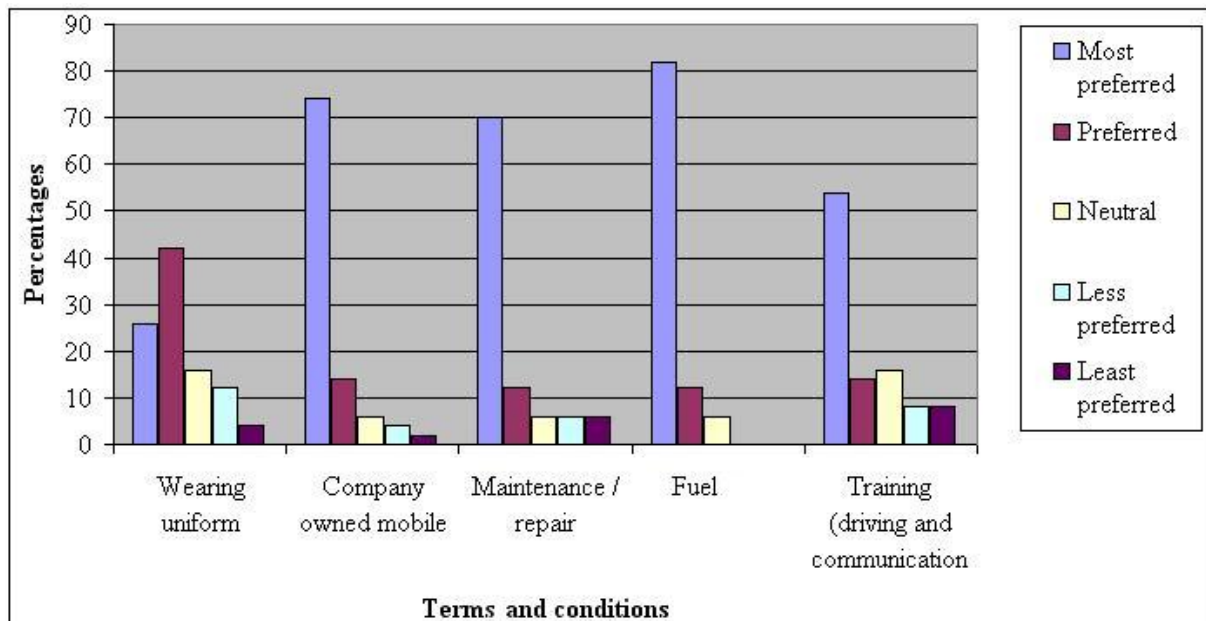
Source: Authors' calculation

Figure P: Working shift preference



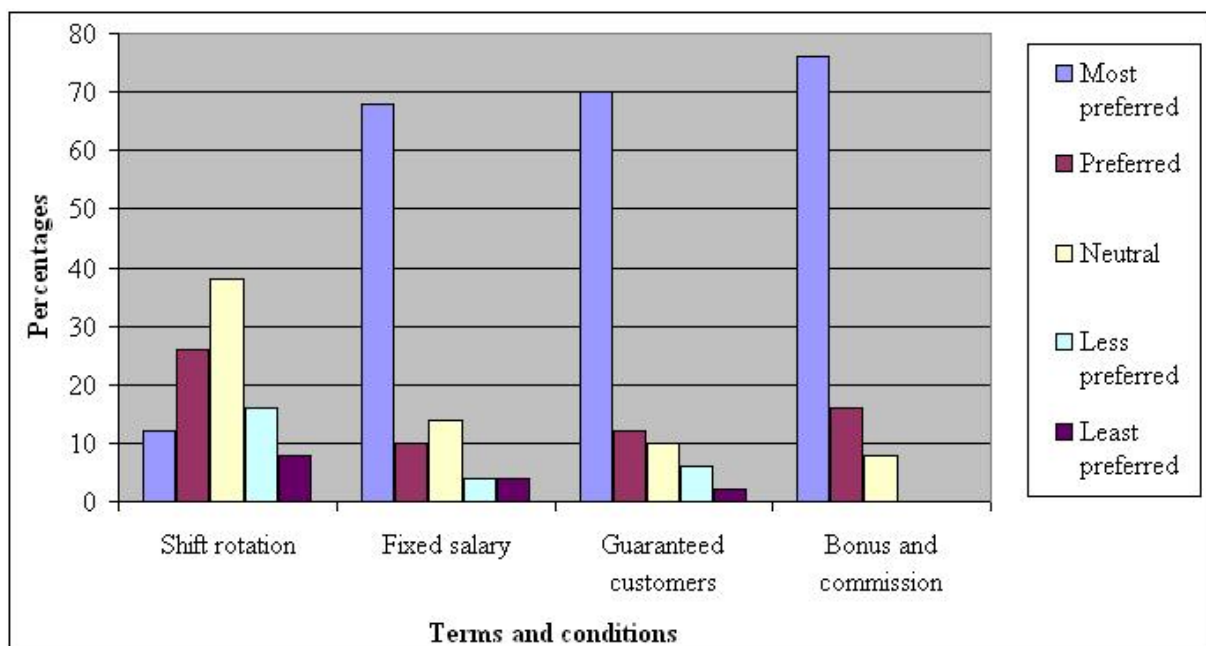
Source: Authors' calculation

Figure Q (part 1): Contract terms and condition preference



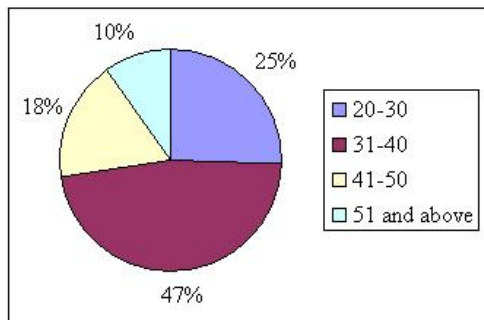
Source: Authors' calculation

Figure Q (part 2): Contract terms and condition preference



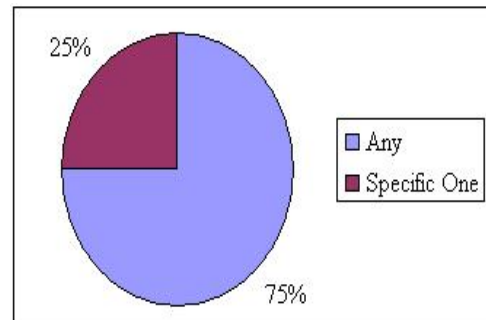
Source: Authors' calculation

Figure R: Age group



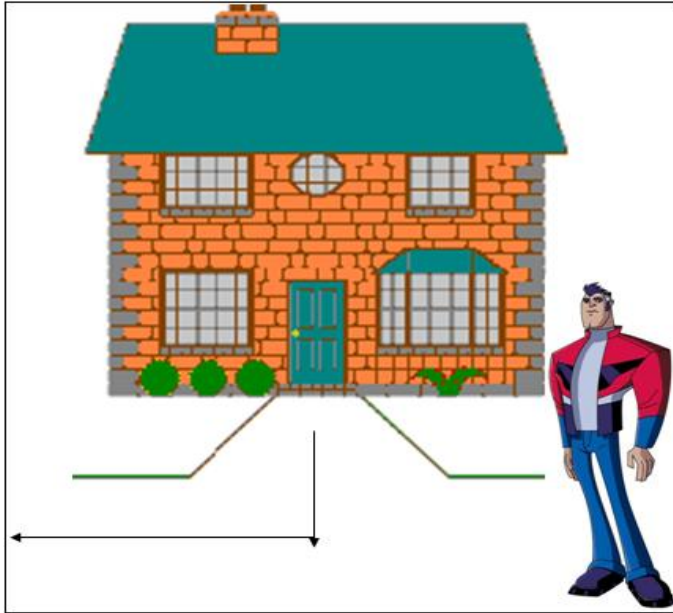
Source: Authors' calculation

Figure S: Driving location

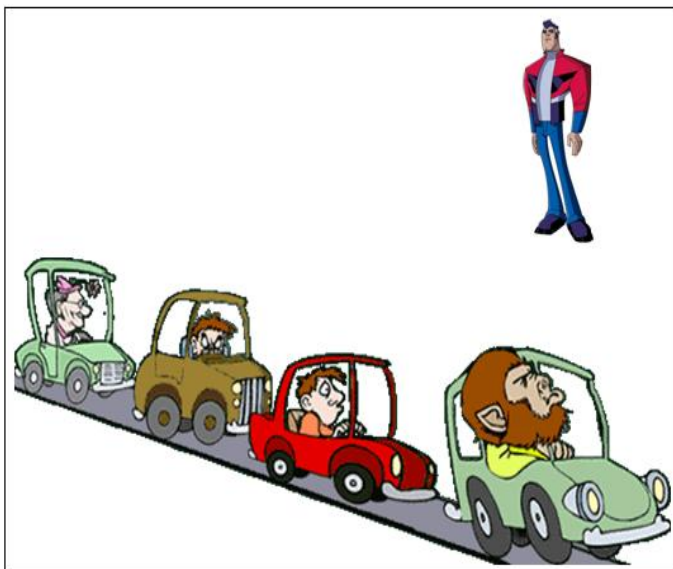


Source: Authors' calculation

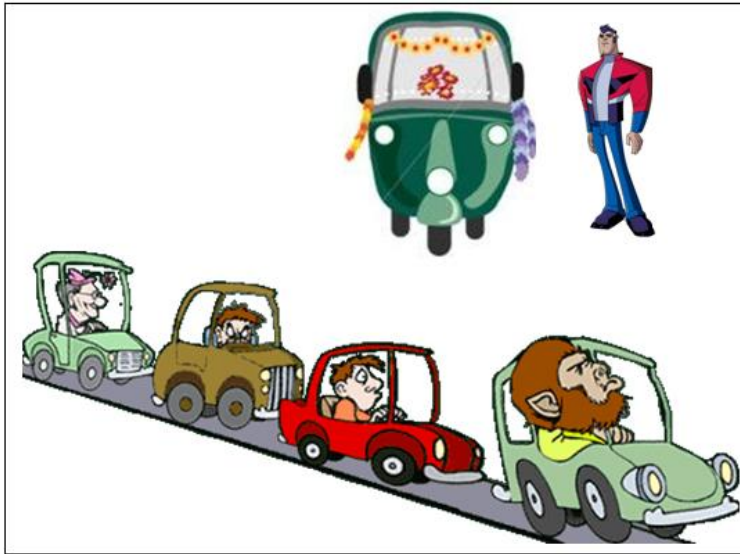
EXHIBIT 9: STORYBOARD OF TELEVISION AND CABLE ADVERTISEMENT



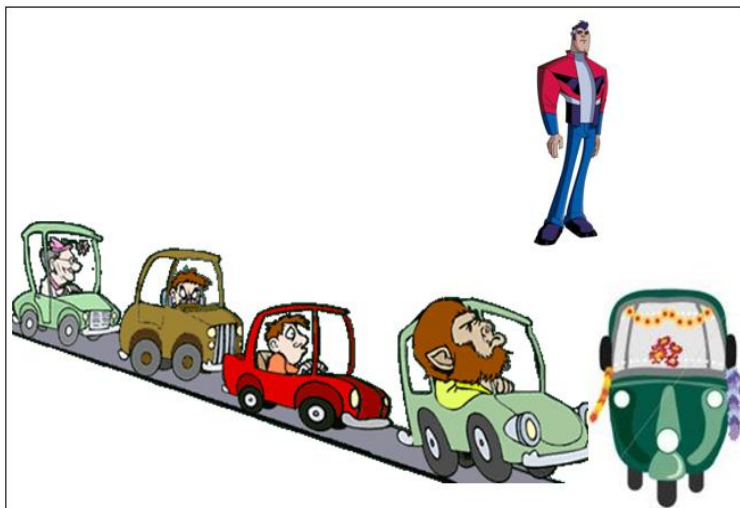
A man walks out of his house and goes to the main road to get a rickshaw.



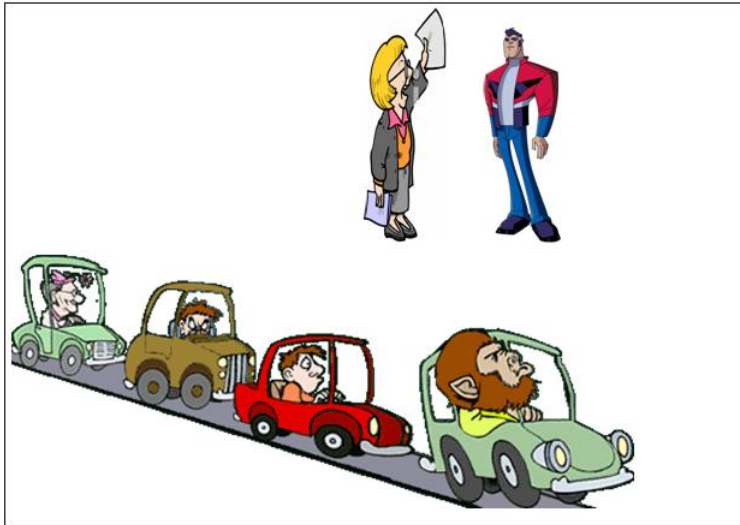
A man waits for any rickshaw to come.



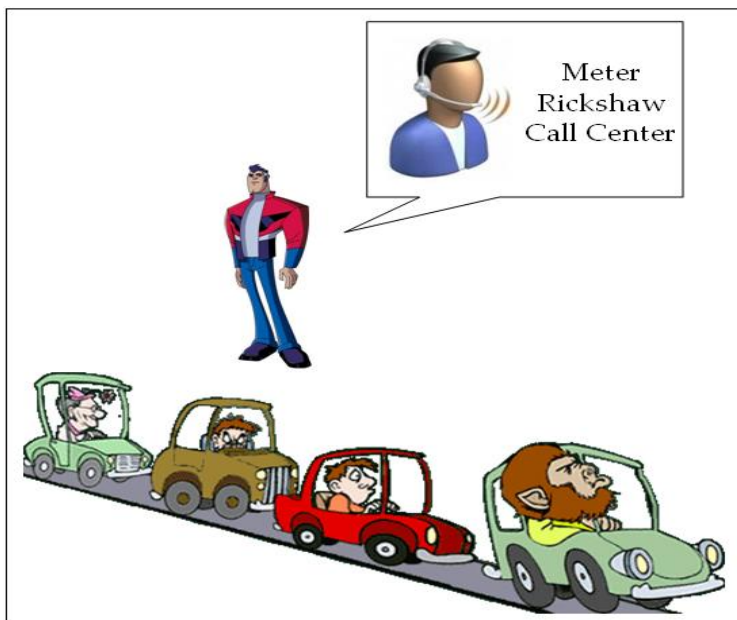
Finally a rickshaw arrives and the man tells him his destination after which the rate negotiation starts.



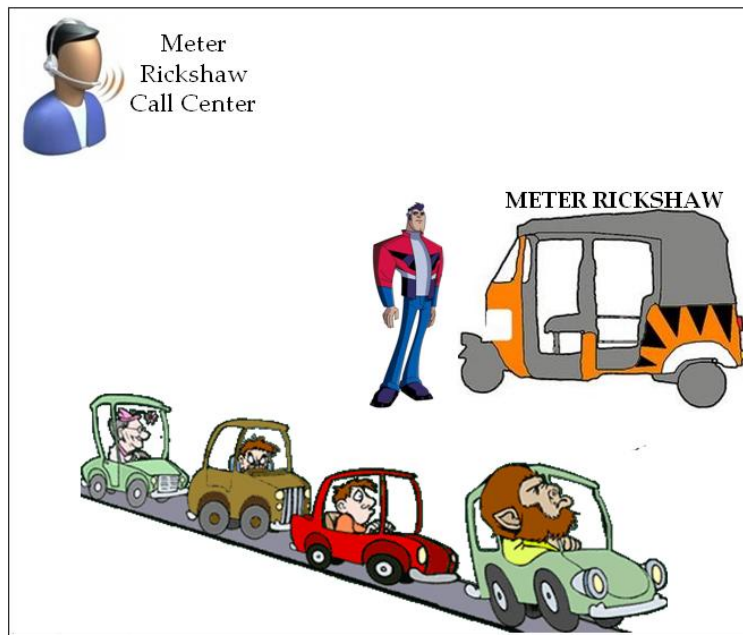
Rickshaw driver doesn't accept the last offered price by the man and thus drives away.



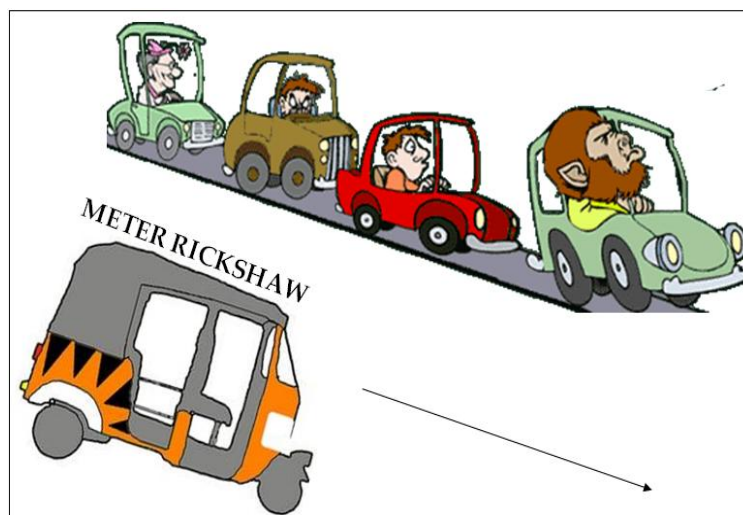
A lady sees all of this and approaches the man and gives him a brochure. She tells him that she has started using this new Meter Rickshaw service and she is satisfied with it as it has fix and low rates per kilometer, no hassle of rate negotiation, 24 hour service and just by a call rickshaw comes at your doorstep within 10 minutes.



Man calls the Meter Rickshaw service at 11 – 11 – 63837 to avail this service.



The customer service agent informs the Meter Rickshaw driver about the customer's location and within 10 minutes Meter Rickshaw arrives.



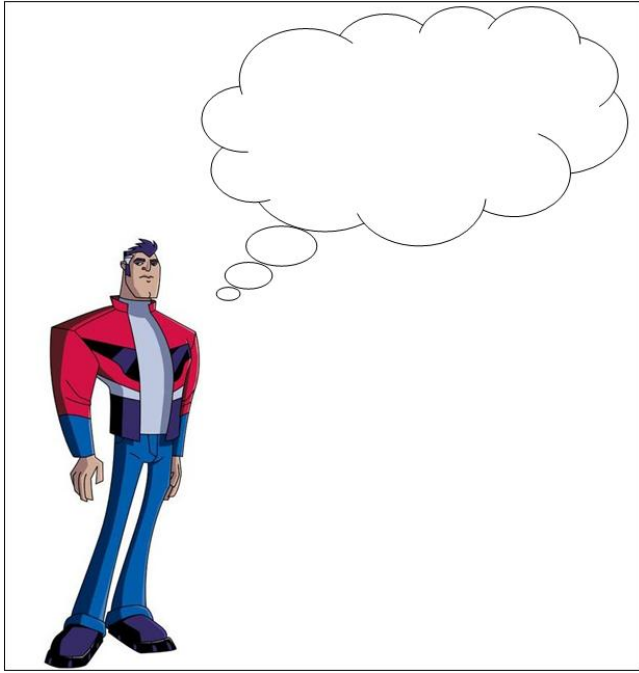
The man sits in the rickshaw and moves on to his desired destination.



During his journey he notices that there is a meter attached in the rickshaw showing number of kilometers covered so far, rate per kilometer and amount charged so far. He also notices the smooth and safe driving of rickshaw driver.



The man arrives at his destination and he gives rickshaw driver the money charged for the kilometers traveled.



The man thinks that from now onwards when ever he needs a rickshaw he will definitely call
Meter Rickshaw.

EXHIBIT 10: PRINTED BROCHURE



**METER
RICKSHAW**

Tired of negotiating rates
with rickshaw drivers?

Meter Rickshaw now introduces

- Rickshaws with fare meters
- Justified and fix rate per kilometer
- 24 hour rickshaw service

**Call now and rickshaw will be
at your doorstep within 10 minutes**

To avail our service call now
11 – 11 – METER
11 – 11 – 63837



**Har Jagah
Har Waqt !!**

EXHIBIT 11: TRANSIT MARKETING



EXHIBIT 12: JOB HIRING ADVERTISEMENT

METER RICKSHAW PVT LTD

Meter Rickshaw Pvt Ltd seeks to work with a committed staff and looks forward for superior level of dedication in its potential employees.

The following vacancies are open:

Operating Manager

Skills Required:

- Should have an experience in Transport management
- Capacity for looking at problems in a new way
- Excellent interpersonal skills
- IT skills

Marketing Manager

Skills Required:

- Business or marketing-related degree or equivalent professional qualification
- Experience in all aspects of developing and maintaining marketing strategies
- Technical marketing skills
- Excellent written and verbal communication skills

- Team-leadership, Persuasiveness, Innovation, Judgment and Decision-making skills.

Finance Manager

Skills Required

- Grip on financial knowledge.
- Experience of developing financial systems and internal audits
- Ability to provide technical support to the partner organizations
- Experience of handling external audits
- Experience of working with automated financial softwares
- Experience of making project budgets and financial planning and forecasting

HR Manager

Skills Required

- Degree in HR
- Good communication skills
- Ability to manage responsibility with faith being unbiased

Customer Services Executive (9 positions)

Skills Required

- Self motivation
- Diplomacy and reliability

- Enthusiastic and effective team member
- Good communication
- Investigative and problem solving skills

Customer Services Representative (3 positions)

Skills Required

- Good sense of direction
- Clear understanding of Lahore's routes
- Self motivation
- Diplomacy and reliability
- Enthusiastic and effective team member
- Good communication

Coordinator - Office boy (2 positions)

Skill Required

- Dealing with queries or requests from the visitors and employees.
- Coordinating the maintenance and repair of office equipment.
- Collecting and distributing couriers or parcels among employees and opening and sorting emails
- Should be qualified with an intermediate degree.
- Good administrative skills.

Rickshaw drivers (80 positions)

Skill Required

- Ability to drive a rickshaw safely and appropriately
- Ability to read and interpret road signs in English;
- Ability to read, understand, and adhere to the traffic rules and regulations
- Ability to communicate effectively orally and in writing; ability to establish effective professional relationships with customers, co-workers, and upper level staff and employees
- Willingness to work in different time shifts

Guard (2 positions)

Skill Required

- Ability to read and write
- Inspect outgoing traffic to prevent unauthorized removal of company property or products.
- Record number of carriers entering and leaving.
- Supervise use of time clocks for recording arrival and departure of employees
- Good controlling skills

Trainer

Skill Required

- Having a good knowledge about safety procedures, driving rules/regulations and rickshaw maintenance
- Knowledge of marketing and financial skills
- Considerable experience in conducting training
- Good communication skills

EXHIBIT 13: GPS TRACKER AND RICKSHAW ELECTRONIC METER

Zoombak: ZMBK-200 Advanced GPS tracker



Joong Ang San Jun: Watta 21-CD



EXHIBIT 14: RICKSHAW DRIVER'S UNIFORM



EXHIBIT 15: COMPANY NAME AND LOGO

