



CYCLE SHIELD, INC.  
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## EXECUTIVE SUMMARY

Cycle Shield Inc. manufactures and sells retractable, waterproof seat guards to commuters, athletes and recreational bicycle riders. Our simple, stylish and secure seat coverage solves the issue of having to sit on a wet bike seat or worse, suffer from a stolen bike seat cover. Cycle Shield believes that inclement weather should never prevent cyclists from getting to work on time, saving money on gas or seeking adventure.

The Cycle Shield eases the daily commute of urban cyclists who seek a waterproof shelter for their bike saddles in unreliable weather conditions. The Cycle Shield is also ideal for cyclists transporting their bike on a vehicle during rain, sleet or snow. It is a resilient, secure, weather-proof bike seat cover that allows bicyclists to confidently leave their bikes outdoors and exposed to the elements.

Unlike other bike seat covers on the market, the Cycle Shield is safe from theft because it is attached to the bicycle with a secure clamp. Another feature that makes the Cycle Shield unique is the retractable quality, allowing for convenient storage under the bike seat itself. The storage compartment has a rubber slot sewed into the seam of the opening that wicks away excess water accumulation on the seat cover when the rider wants to stow it after use. At only \$29.50, this easy-to-store feature makes the Cycle Shield ideal for anyone who rides a bike. Due to the unpredictability of weather, a cyclist can never be too safe when it comes to protecting their bike seat. With the Cycle Shield attached to a bike, it can be used at any time, rain or shine.

Other bike seat covers available in the US are not made of the same materials as the Cycle Shield and are not retractable. There is a product in the UK called The Retractable Cycle Seat Cover but the technology is not the same as the Cycle Shield. In the US, the product that comes closest to the Cycle Shield is Dry Ride, which is made of waterproof materials that protect the bike seat from water damage. This product does not attach to the actual bike except for the elastic casing, making it a burden to carry and store while not in use.

Because the Cycle Shield is a new product being introduced to the market, it has the advantage of being different from any other product. Customers who cycle are willing to spend money on bike accessories and the Cycle Shield is one that has a definite purpose and the benefits of it are clear to see. With bikeshare companies all around the world, there are many opportunities to expand and to get the Cycle Shield seen by a vast audience.

The initial concept of the Cycle Shield was developed in the summer of 2013, when co-owner, Danielle Brief, made a trip to Copenhagen, Denmark, one of the most bike friendly cities in the world. She wanted to fill the void in the market for a retractable bike seat cover. This cover would eliminate all issues associated with unpredictable inclement weather as a cyclist. Upon her return to Philadelphia, Danielle was thrilled to share her ideas with her future partner, Juliana Sardo. As a lifelong swimmer, Juliana used her wide knowledge on waterproof materials to develop a sustainable fabrication for the retractable bike seat cover. With over a year of planning, the two came up with the Cycle Shield.

Cycle Shield will be working with 616 Bicycle Fabrication in Michigan to fabricate the product.



Dupont is where we will be sourcing our fabrics from and so they will be sent straight to 616 Bicycle Fabrication. Inventory will be kept at that location and they will directly ship product to the retailers.

The Cycle Shield will be distributed through both retail and wholesale channels. Customers will be able to buy a Cycle Shield at their nearest Dick's Sporting Goods or local, independent bicycle store. In our second year of operation, we will launch an e-commerce site where customers will be able to purchase online. Through Cycle Shield's website, customers will be able to ask questions and engage with the brand, learn safe bike commuting tips and connect with other bike enthusiasts.

Brand awareness and product exposure will be achieved through advertising both online and in print. Whether people ride once a year or several times a day, the goal is to get all cyclists to want a Cycle Shield. There are many bicycling associations such as National Bicycle Dealer's Association that we will be members of. Cycle Shield staffers will attend tradeshows including Interbike in Las Vegas and Specialty Bike Expo in Tampa to show the product to potential customers. We will also attend events such as triathalons to support riders and make them aware of our product. In 2015, Cycle Shield will sponsor four cyclists to ride cross-country, making stops along the way at small bicycle shops and big retailers such as Dick's Sporting Goods. At these locations, the bike riders will act as brand representatives, giving lectures on sustainability, safe commuting tips and leading a healthy lifestyle. This will promote Cycle Shield to both the end consumer and the businesses who host our events. Fans will be able to keep with the cyclists' journey along the way on all social media platforms.

Cycle Shield realizes the importance of giving back to the community. Both partners, Danielle and Juliana, as well as the other staff members will partake in volunteer opportunities such as Neighborhood Bike works in Philadelphia, a charity geared to increasing opportunities for urban youth in underserved neighborhoods. Cycle Shield also plans to head their own fundraisers such as Cycling For a Cause once they are financially viable.

## COMPANY DESCRIPTION

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Cycle Shield is based in Philadelphia and caters to the national biking community including students, young professionals and families. The Cycle Shield is also an essential bike accessory



for mountain bikers, triathlon participants and extreme sports enthusiasts. Our goal is to enhance the bike riding experience with this easy-to-install, modestly priced improvement on what exists in the market currently. These same attributes will make the product attractive to retailers looking for a new SKU to round out their assortment.

## PRODUCT DESCRIPTION

Existing bike seat covers are easily removed from the bike saddle and must be stowed in the owner's backpack. This means that any common thief can steal the bike seat cover with ease. If the cover isn't stolen, the bike owner must find a way to carry and store the rain-soaked cover on their person throughout the remainder of their day. One of the best features of the Cycle Shield, which retails for \$29.50, is that it is not just a waterproof seat cover, it is retractable and can be securely attached to a bicycle, preventing theft. The simple-to-stow feature makes it easy for the owner to utilize. The security element alleviates cyclists' fears of having their seat cover stolen. As the seat is stowed after use, it rolls back into a lightweight, plastic storage compartment beneath the bike seat. When it retracts into its compact storage unit through a rubber slot, any remaining water droplets are wicked away to ensure dry storage. The storage compartment has a built-in reflector to increase protection after dark.

The Cycle Shield will be composed primarily of Neoprene, also known as Polychloroprene, which is a waterproof synthetic textile. It will be mixed with a Polyester/Lycra blend for maximum flexibility. It will be topped with a Polyurethane coating, which provides extra water repellency. The benefits of Neoprene are that it exhibits good chemical stability and maintains flexibility over a wide temperature range from -50 degrees Celsius to 120 degrees Fahrenheit. The Polyester/Lycra blend is hydrophobic meaning it does not absorb water; this is a key quality of the Cycle Shield. The combination materials can withstand any precipitation and has a fifteen year lifespan.<sup>i</sup> The Cycle Shield comes in three standard sizes that fit all bike styles and in a variety of colors and patterns to fit the needs and preferences of commuters, athletes and recreational bikers.

## INDUSTRY ANALYSIS

Cycling is a growing commuting trend in the US and has become a lifestyle rather than merely a way to get from point A to point B. As a popular leisure pastime, transportation method and exercise activity, quality cycling accessories are in high demand yet they only comprise 5% of the bike dealership's product and services segmentation.<sup>ii</sup> With gas prices projected to increase 1.4%, or \$10 per barrel<sup>iii</sup> over the next five years, cycling's appeal as a commuting method will continue to grow.<sup>iv</sup>

Another favorable trend in biking is due to the federally funded bike-friendliness efforts in cities across the nation, which includes the construction of more bike lanes and the introduction of bike share programs. Lobbying efforts by the American Bikes Coalition and other trade organizations are pushing for federally-funded, safe biking options for the public. These efforts have resulted in the rapid expansion of safe bike lanes in metropolises such as Chicago, which will be home to 100 miles of new bike lanes by 2015.<sup>v</sup> Any government support to make biking more sustainable will drive demand within the bike dealership industry.



The most powerful leader of the bike dealership and repair industry in the US is Dick's Sporting Goods, with a 16% market share.<sup>vi</sup> In fact, Dick's Sporting Goods employs 607 in-store bike mechanics. Aside from this retail giant, the \$6.3 billion industry is characterized by a large number of independent bike shops who maintain strong customer relations. The biggest threats to industry giants such as Dick's are mass merchants including Target and Walmart, who offer bikes and bike accessories at a lower price point. The most imminent threat to independent bike shops is the do-it-yourself biker who has the tools and knowledge to fix his or her own bicycle. The Cycle Shield would be available across all three of these categories, providing maximum accessibility to the consumer.

Aside from the various types of bike dealerships, bike-share programs are spreading nationwide, addressing environmental concerns, creating economic benefits and perpetuating active lifestyles. Across America, cities are investing in bike share programs. Houston, Boise, Minneapolis, Washington D.C., Austin and New York City have successfully installed bike sharing networks. Alta Bicycle Share and Capital Bikeshare make these initiatives possible. In December 2011, the New York City Department of Transportation announced that commuting by bike increased by 200% in the preceding four years.<sup>vii</sup>

Although bike sharing services are practical and beneficial for urban dwellers, they do not offer built-in seat protection during inclement weather. Cycle Shield intends to partner with companies like Alta Bicycle Share to provide and install the necessary retractable bike seat covers, which will benefit bike share programs by increasing daily ridership and year subscriptions.

## TARGET MARKET

Cycle Shield will be selling its products to an intermediary market of retail stores and bike sharing programs nationwide. To define the ultimate consumer, Cycle Shield has segmented the broad cyclist community into the following sub-categories: urban commuters, athletes and recreational bikers. The primary market consists of male and female urban commuters ages 25-39 who earn a yearly salary of less than \$50,000. The secondary market of athletes is composed of males ages 25-45 with a high disposable income. The tertiary market consists of mothers ages 29-49 who incorporate an active exercise routine into the lifestyle of their dual-income household. Across all three segments, consumers care about the environment and place an importance on sustainability.

### URBAN COMMUTERS:

The market for urban commuters is growing steadily as more bike lanes are being built in cities across the country. Within the Greater Philadelphia Area specifically, Cycle Shield is positioned for a smooth ride. The Central Philadelphia Development Corporation's 2013 online survey showed that 75% of workers in Center City commute to work without the luxury of a private vehicle, which provides Cycle Shield with an open landscape for potential growth. Of the 5,000 people surveyed, 54.1% use a bike or walk to work on a daily basis. Of the bike commuters surveyed, 57% bike 4-5 days per week. Even in inclement weather, 11% of bikers continue to commute via bicycle. (Appendix B) Transportation methods vary by age and income as well as





regionally, however biking offers the best no-fuel option for short distances.

Outside of Pennsylvania, the states with the highest bicycling commuter rates are Washington, Texas, Colorado, Illinois, Oregon, New York, Florida and California in ascending order, according to the 2011 U.S. Census Bureau's American Community Survey of bike riders in 375 U.S. cities.<sup>viii</sup> This widespread loyalty to commuting via bicycle is a direct result of the installation of bike lanes. Installing a mile-long protected lane on Ninth Avenue in New York City resulted in a 49% estimated potential increase in retail sales among merchants located along the path.<sup>ix</sup> This insight shows that heavy bicycle traffic leads to higher retail sales and is a positive influence on the community.

This year, Philadelphia joined other leading cities, including Washington, Boston, Chicago, New York, Denver, Toronto, Montreal, London and Paris, in deploying a bike sharing system that will provide convenient, on-demand access to bicycles for short distance trips.<sup>x</sup> With such a system in place, more people are afforded the opportunity to bike whether it is for leisure or commuting purposes.

Of all cycling commuters, 74% are male. In almost every state there are higher numbers of males commuting to work than females except in Idaho where the number is equal.<sup>xi</sup> Some businesses offer reimbursement to employees who commute by bicycle. This may even include the purchase of a bicycle, repairs and accessories.<sup>xii</sup> Any employer, if they chose to do so, may provide a reimbursement of up to \$20 per month for reasonable expenses incurred by the employee in conjunction with their commute to work by bike. The reimbursement is a fringe benefit paid by the employer and the employee does not get taxed on the amount of the reimbursement.<sup>xiii</sup> Bicycle commuting saves on parking fees, parking tickets, fuel costs, auto maintenance costs and transit fares. In some large urban areas, it is possible to save over \$200 per month on parking alone. A new bicycle and cycling gear would pay for itself in a few months.<sup>xiv</sup> This incentive is one factor that has led to the increase of bicycle commuters.

In Washington D.C., bike commuting is more common for whites males who belong to the top income quartile, and for trips shorter than 3 miles. The share of bike commuters is greater in the urban core, at higher population densities, and in areas with more bike paths and lanes.<sup>xv</sup> The University of Calgary conducted a survey of both students as well as staff and faculty and discovered that the typical student bicycle commuter is male, between the ages of 18 and 27, a full-time student, lives away from home, works less than 10 hours per week and earns less than \$20,000 a year in personal income and that the typical non-student bicycle commuter is male, between the ages of 43 and 52, and earns more than \$90,000 a year in personal income.<sup>xvi</sup>

Public transportation and walking have held steady in their share of overall commuting, at roughly 5% and 2.8%, respectively, while bicycling has increased from 0.45% to 0.61% since 2006. The share of 20 to 24 year old workers traveling to work via car has declined by 2.2 percent over the last six years. Bicycle commuting varies greatly throughout the country, typically being more common in densely populated areas. College towns, in particular, report high numbers of cyclists.<sup>xvii</sup>

In total, there were 864,883 bike commuters in the U.S in 2012.<sup>xviii</sup> These commuters take



considerable pride in the upkeep and appearance of their bikes, and appreciate the convenience of quickly being able to shield their bike seat from moisture. As biking becomes an increasingly viable commuting option, the market of urban cyclists will grow and possess an increased demand for bike accessories such as the Cycle Shield.

## ATHLETES

This sub-category includes mountain bikers and triathlon participants. Mountain bikes account for 31% of the industry's revenue and has been growing since the boom of the 1980s.<sup>xxix</sup> A recent SFIA study revealed that there were 1,992,000 triathlon participants in 2011, which represents 58% growth in participation from 2008.<sup>xx</sup> While mountain biking attracts a wide range of athletes, 75% of mountain bikers are male and over age 25.<sup>xxi</sup> Frequent mountain bikers seek out new trails and are willing to travel long distances to get there, and belong to associations or clubs. Mountain biking is popular in many parts of the world, but has especially dedicated followers in the US.

According to the USA Triathlon, Triathlon participation in the United States is at an all-time high, following unprecedented growth over the past decade. The most common participation in Triathlons is from men and women 35-44 years old.<sup>xxii</sup> The participation is male dominant, with a breakdown of 59.6% Males and 39.5% Females. The USA Triathlon states that of these participants, 63% are married, 49% report white-collar jobs, their average income is \$126,000 and while using their discretionary income, participants on average will spend \$2,274 on bikes and \$524 spent on bike equipment in a year's time. The intense amount of training required by athletes preparing for a triathlon will increase demand for reliable bike accessories that help increase performance during all weather conditions.

Accessible race locations, the media's attention and peer pressure from friends who have tried the sport are a few of the many factors that have bolstered the popularity of the triathlon. The reward of saying you're a triathlete boosts the ego and drives consumers to invest in bike accessories and maintenance - a small price to pay for a large reward. Cycle Shield aims to support all mountainbikers and triathletes as they train and travel to competitions by supplying them with a quality product they can afford and rely on.

## RECREATIONAL BIKERS

The third market segment that Cycle Shield will serve is the household who enjoys biking as a pastime and healthy activity. Consumers ages 25-54 are the largest portion of this market, which accounts for 93% of the industry's revenue.<sup>xxiii</sup> The Bureau of Labor Statistics revealed that women make up only 34% of cyclists, however Cycle Shield will not underestimate their purchasing power. The whole family can benefit from the Cycle Shield on family bike outings. While parked for a lunch break or while strapped to the back of a vehicle in transit to bike paths, poor inclement weather conditions could arise. The Cycle Shield would alleviate the worry of a wet seat and would protect the saddle from water damages while the bicycles are not in use by the recreational riders.

Men, women and children who cycle recreationally participate in healthier living habits than non-cyclists. Bicycling is the most popular outdoor activity for American youth. Approximately 29% of children (14.7 million individuals) ages 6 to 17 bicycled in 2009, for a total of 1.04 billion





bicycling outings (71 outings per bicyclist). Overweight adolescents who participate in bicycling 3 to 4 days per week are 85% more likely to become healthier adults. An adult cyclist typically has a level of fitness equivalent to someone 10 years younger and a life expectancy two years above the average.<sup>xxiv</sup> Recreational cycling creates a sense of community within an environment of families and individuals, which promotes healthy living and exercise in today's society.

Environmental concerns make cycling an eco-friendly family activity which adds to its appeal. Nearly half (47%) of those surveyed by Experian Simmons said that "It is important to me that others see me as being environmentally conscious."<sup>xxv</sup> A short, four-mile round trip by bicycle keeps about 15 pounds of pollutants out of the air we breathe.<sup>xxvi</sup> There are organizations around the U.S. that promote the recreational activity of cycling and organize community rides on the weekends to lower the use of gas emissions. One organization, People for Bikes, has been quoted, "We ride for fun. We ride for fitness. We ride to get from here to there, to free ourselves from the daily grind, and to make our world a better place through bikes. Sometimes we ride for no reason at all."<sup>xxvii</sup>

## COMPETITION

Dry Ride is a waterproof seat cover that keeps bicycle seats protected from the elements. It's available at REI and retails for \$16.00. It has a simple design consisting of a nylon case with an elastic perimeter. It comes in one size and one color: black. It does not attach to the bike in any way other than with the elastic that fits around the base of the bike seat. The Cycle Shield, however, can be securely attached to the bike and decreases the chance of it being stolen. The Cycle Shield is an improvement upon the existing seat covers such as Dry Ride because it is conveniently stored on the bike itself. Dry Ride fits most saddles, though may not work with wider saddles. The Cycle Shield will be available in different sizes to make dry, secure and convenient saddle coverage available to all bikers, even children. Dry Ride does not have a sufficient market share to be a long term threat for Cycle Shield.

The product that most closely resembles the Cycle Shield is produced by a global competitor in the UK and is not available to consumers in the US. The Retractable Cycle Seat Cover<sup>xxviii</sup> is, as the name suggests, a seat cover that can be pulled over the saddle in the rain and retracted back into the dispenser that is clamped on the bike. It comes in one size and eight solid colors. The Cycle Shield operates with the same mechanics but will utilize high-tech textiles and a more attractive, sleek dispenser. The Cycle Shield is differentiated from the UK design in that it has a built-in reflector, comes in two standard sizes and is available to consumers in the US through a range of channels.

The Cycle Shield is an improvement upon the existing products because of several key features. It ensures the security of the seat cover when the bike is left unattended. The seat is easily stowed in the attachable storage compartment. Our widespread distribution system gives Cycle Shield a competitive advantage over our UK competitor. Because a retractable bike seat cover does not currently exist in the US market, Cycle Shield will gain the attention and loyalty of consumers. The high-tech textile, sleek storage compartment design and built-in reflector make this product the optimum choice for consumers who care about security, function and style.



We anticipate future competition and intend to maintain our market share through an innovative marketing and sales plan that will satisfy both our intermediary and ultimate customers. New competition will have to obtain patents for the design of the storage compartment and must engineer a flexible, waterproof textile. The barriers to entry that our future competition must face will help preserve Cycle Shield's market share. We believe that by making our product accessible, theft-proof and fashionable, we can address the needs of multiple market segments and fill a void in the bike dealership industry.

## SWOT ANALYSIS

<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>· first-mover advantage = can capture large market share early on, gain attention from the media, can secure strategic partners</li> <li>· aimed at 3 specific segments, a more focused target market that has the ability to grow and sustain us</li> <li>· branding, we are differentiated from other bike seats which will help achieve customer loyalty</li> <li>· exclusive proprietary design that is secure and not possibly replicated by competitors</li> <li>· partnerships with bike share programs</li> <li>· financially sound</li> <li>· unique and new, attractive to bicyclists</li> <li>· quality</li> </ul>	<p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>· understaffed sales team, the high cost of travelling to promote our brand</li> <li>· plenty of cheap DIY alternatives</li> <li>· wide distribution can lead to supply chain issues</li> <li>· safe places to park bikes that provide shelter</li> <li>· lack of experience because it is a new company and product</li> </ul>
<p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>· increase of federal funding for bike lanes</li> <li>· expansion when new cities establish bike share programs</li> <li>· can make custom bike seat covers with business's logos, an incentive for small restaurants to buy our product and have their own mobile billboard throughout a city</li> <li>· innovation in fabric technology development</li> <li>· expand to sell in other areas of the market</li> <li>· product line expansion</li> </ul>	<p><b>Threats:</b></p> <ul style="list-style-type: none"> <li>· production risk: the bike seat cover won't be finished on time or up to our standards</li> <li>· execution risk: as we expand our business we won't be able to grow gracefully.</li> <li>· loss of partnerships with bike share programs</li> <li>· weather- the Cycle Shield is not needed if it is sunny out</li> <li>· future competitors coming out with similar products</li> </ul>

## MARKETING PLAN

Our marketing message, "We've Got You Covered," ensures all of our target market segments



that they can rely on our products for dry and safe commuting, mountain biking and recreational cycling. This message tells our primary target market of urban commuters that we will always be there for them during the daily grind of their commute. It lets our secondary target market of athletes know that their performance will not be hindered by a wet bike seat. Our tertiary target market of recreational riders can rest assured that their bike saddles will be moisture-free. The play on words conveys humor and wit, which adds to the message of security and reliability.

Cycle Shield will market our collection of retractable bike seat covers to both the retailers who will carry our product and to the end consumer. In both marketing strategies, we will be concentrating on appealing to the bicycle enthusiast who isn't merely a "fair-weather" rider.

Our marketing strategy to reach the wide expanse of bike dealerships is to advertise our product through online and print trade publications such as *BikeBiz*, which has 87,000 individual web page visits per month and a mail circulation of 4,500. We will also be featured in the National Bicycle Dealers Association's Independent Bike Blog and their monthly newsletter, *Outspokin*. We will take advantage of the many bike associations that already have broad membership by advertising on their websites. This strategy will reach both retail leaders and bike enthusiasts.

Aside from digital and print medium to introduce our products to a large community of buyers in the industry, we plan to establish a strong customer base by attending USA triathlon events and conducting product demonstrations at major cycling events such as the premier season-long domestic road cycling series sanctioned by USA Cycling. The National Race Calendar is composed of 29 scheduled race series across the US, and determines the best male and female road cyclists by following a series point system.

Once buzz about our product begins to spread, we will launch a year-long campaign documenting a cross-country bike trip that customers can connect to on all social media platforms. In 2015, a team of four bikers will embark on the "365-Day Challenge" sponsored by Cycle Shield to cross the US in a van with a bike rack attached. At any given time during moments of transit, at least one of the bikers must be biking. The remaining team members will be blogging, tweeting, instagramming and filming the journey to start a dialogue with bike enthusiasts. The bikers will stop at 25 locations across the continental US, ranging from independent bike shops to Dick's Sporting Goods, to give lectures on sustainability, safe commuting tips and leading a healthy lifestyle. While on tour promoting the product and the Cycle Shield lifestyle, the four bikers will act as brand representatives as they meet fans who are following their progress. These strategic stops will provide an opportunity for both businesses and cyclists to engage with the Cycle Shield brand. This interaction will establish a dialogue that will continue on social media and drive traffic to our e-commerce site.

To leave a memorable trace of our brand, we will create a bumper sticker to hand out to our customers, followers and business associates. This bumper sticker will contain our brand logo and slogan, acting as a mobile billboard. It can be placed on a car window, a bicycle itself or computer case so that our name is being spread further into the community. Along with this idea, we plan to build better relationships with the businesses we interact with by providing a branding option on their Cycle Shield products. We will screenprint the business's logo along



with our logo on the actual shield so passer-byers can view the product, the logo of our brand and the logo of the business we are supporting. Dual marketing ploys like this will allow Cycle Shield to secure brand recognition while simultaneously benefiting the independent bike shops who sell our products.

Since our product directly correlates with keeping up with the current weather, we want to strategically buy into banner advertisements on websites that provide forecast information. Buying into too many websites can be very costly, so we would only focus on websites and apps such as Weather.com, Accuweather.com, and Intellicast.com. Having our advertisement banner on the side or top of these websites would show commuters, cycling athletes and cycle enthusiasts that even with the poor weather ahead, the Cycle Shield will always have them covered.

## SALES STRATEGY

In order to maximize sales for the Cycle Shield, we must primarily focus our sales strategy on business-to-business sales before business to consumer sales. Our B2B sales are critical for our growth in the bike market. Our product will thrive through individual efforts to our vendors, partners and customers, but we must plan a sustainable sales strategy for our product to stand out amongst competitors. The company delivers bike accessories through five channels: sporting goods stores, mass merchants, independent bike shops, bike-share programs and starting in our second year of operation, an e-commerce site. This range of distribution channels will increase accessibility. Our primary source of sales revenue will be generated through contracts with big box sporting goods stores, bike share programs, and through our e-commerce site. Cycle Shield's goal is to gain and maintain customer loyalty for future success through all forms of distribution.

A crucial partnership will be with Alta Bicycle Share, a bike sharing system located in eight major global cities: Columbus, Bay Area, Chicago, New York, Tennessee, Boston, Washington DC and Melbourne. In addition, Alta Bicycle Share is a major center for other bicycle sharing companies across the world including the Public Bike System Company, also known as Bixi. Bixi bikes and stations are used in some of the largest and most successful programs around the world, including New York City, London, Washington DC, Boston, Minneapolis, Montreal, Toronto and Ottawa. NYC Bike Share LLC is a subsidiary of Alta Bicycle Share, which operates Citi Bike, the largest bike share system in North America. Our plan is to visit Alta Bicycle Share office in Brooklyn and give a presentation on why bike share programs need the Cycle Shield. Our company will benefit because we will gain Alta as a partner, as well as being marketed across the world. In return, Alta will benefit through the increase in their customer membership during inclement weather. Alta's bikes will have a longer lifespan, so the company's upkeep will be significantly less.

Along with our partnership with Alta Bicycle Share, our business-to-business sales strategy extends to tradeshow attendance. Cycle Shield will attend multiple tradeshow across the country throughout the year, including Interbike in Las Vegas and Specialty Bike Expo in Tampa. Our goal at the tradeshow is to get as many bike store managers and buyers to come into our booth, give them a pitch on our product and sell to their store. Tradeshow are the



perfect method to increase exposure for a new product like the Cycle Shield. While getting out on the road to sell our product is important, we believe that cold calls can never do any harm. Our team will seek out independent bike stores who seek to offer the best possible assortment to their valued customers. If the storeowner is sold over the phone, our team of traveling Account Executives will personally visit their store, meet with the buyer, and tell him everything he or she needs to know about our product. By making the effort to visit them, we plan to gain account loyalty and build a relationship with them for future buys.

Our last B2B sales strategy is pivotal for our survival in the bike market. Our team will build a healthy professional relationship with Dicks Sporting Goods and Target. These two big box retailers carry bike accessories, yet have a glaring gap in their product assortment that the Cycle Shield would fill. We envision our partnership with these two retailers to be a very profitable one on both ends. Selling to Dicks Sporting Goods and Target will be our primary source of B2B sales revenue.

In addition to our business-to-business sales strategy, Cycle Shield will also gain sales revenue by selling directly to consumers. In 2016, we will launch an e-commerce website that is user friendly, makes the purchase an exciting experience and can be accessed 24/7 for our customers who can't make it to the store. Our website customer service team will provide superior service for our customers so that they know that they can rely on us as a company at all times. While our B2B sales make up a large portion of our revenue, our B2C sales are what we value as a company. We want our customers to know that we are always by them, and can provide a product that will deliver.

## OPERATIONS

For the initial start up of our company's operations, Cycle Shield Inc. will operate out of the apartment of one of our owners in Philadelphia, PA. This office will operate between the hours 9am-5pm and will serve as the company's headquarters. The owners, Juliana Sardo and Danielle Brief, will be responsible for specific duties. Juliana and Danielle will work together to execute all components of the marketing plan and sales strategy for the first couple of years before hiring a team. Sales within the first year of operations will give a benchmark for success for years to come and both partners keep this as a first priority in the business. Juliana will solely be responsible for the development of the company website, production operations between the manufacturers and distribution center and gaining new vendors for brand growth. This also includes updating the website with any changes that may arise. Danielle will be responsible for keeping track of the accounting and financials, including management of new hires and payroll. Invoices and bills will have to go through Danielle's approval before making any decisions.

616 Bicycle Fabrication is located in Michigan and is well known for the quality of the bicycle products that it manufactures. At 616, everything produced is manufactured right in their facility or locally made by skilled workers who are dedicated to producing the best products available. Their goal is to utilize the best resources, people and talent that West Michigan has to offer in an effort to produce some of the most progressive, detailed and best riding hand-built custom bicycles and accessories on the market today.





Our thorough inventory management practices will require 616 Bicycle Fabrication in Michigan to scan all inventory with a TaoTronics barcode scanner that will upload information directly to our inventory software. Using inFlow Inventory Software, we will be able to reorder inventory that is running low. This will allow open communication between our fabric and plastic supplier, Dupont, our factory and our home office. We will have daily email correspondence to monitor progress, address production setbacks, and track shipments of materials and products. We will also schedule a weekly conference call with our vendor at Dupont and our partner at 616 Bicycle Fabrication to further ensure that all three parties are working together to move Cycle Shield forward.

Dupont will be the supplier of the fabric and plastic needed for the Cycle Shield and 616 will put them together to fabricate the finished product. 616 Bicycle Fabrication has assured us that there will be a 30-day lead time and that inventory will be shipped directly to our business partners.

Cycle Shield regards customer service with the utmost importance, and our goal is to keep our customers moving forward. To ensure the happiness of our customers, we will have a 24-hour website where they can submit questions or concerns and a Cycle Shield staff member will promptly reply during business hours. There will also be a customer service representative to answer urgent questions on the customer service line. Cycle Shield knows that the customer is always right, and will do everything in their power to keep them satisfied. All staff will be fully trained in communicating on behalf of Cycle Shield with customers. Employees will also be in a positive environment where their highest quality of work can be achieved. Training will be a bi-monthly procedure where staff has the opportunity to better themselves and their skills so that each professional interaction is a positive experience that helps move Cycle Shield forward.

We will work with the businesses and bike share programs who place purchase orders in order to create a guarantee and return policy. Retailers that have a standard return policy in place will apply their protocol to Cycle Shield products, however if a customer has an issue with a product after the return date, Cycle Shield will deal with the issue on a case by case basis. Customer service will be ever evolving and Cycle Shield executives will constantly be evaluating the reaction of customers and third parties. When necessary, changes will be made in order to better the company and the experience for the customers as we accelerate and establish our foothold in the bike accessories industry.

## TECHNOLOGY

Technology plays an integral role in Cycle Shield's daily operations and allows the leadership team and sales staff to perform at the highest level. Our home office will be furnished with an Apple desktop computer, three MacBook Pro laptops, an iPad and a multi purpose copier/printer/scanner. These devices, along with personal smart phones, are already possessed by the employees and are synced on a secure network. To assist us in maintaining and tracking our inventory and products, we will utilize inFlow Inventory Software. We will also use Microsoft Office, Adobe Creative Suite 6.5 and a TaoTronics wireless barcode scanner.





InFlow Inventory Software will allow us to manage our inventory quickly and accurately and can manage up to 10,000+ products on a personal computer. Using inFlow, we can track shipping information, returns, and view a full history of inventory adjustments. We will also have the ability to email invoices and purchase orders to our clients and save them for our records. One of the best features of this software program is that we can easily import reports into Excel, integrating our inventory management system with our weekly sales tracking. InFlow provides and stores the necessary data that we will need to make sound business decisions and presents this information on a user-friendly interface.

We will use Microsoft Outlook to plan our calendar, schedule meetings, and correspond with production and all of our accounts. We'll use Excel to create our line list, import sales data from inFlow, and prepare our budget. Our management team will use Adobe Creative Suite to design all marketing materials and technical drawings of our products. Our production partners at 616 Bicycle Fabrication will use the TaoTronics barcode scanner to track the shipment of our products from warehouse to the customer.

Our website ([cycleshield.com](http://cycleshield.com)) will serve as a portal to the Cycle Shield lifestyle and will be hosted by the InMotion hosting provider, a hosting site that offers 24/7 tech support, has a commitment to reducing their carbon footprint and is CNET certified. As technological advancements are made, Cycle Shield is open to adopting new technologies to help our business thrive.

## MANAGEMENT

Juliana Sardo, a partner of Cycle Shield, has been recognized for her highly developed communication skills, both written and verbal, developed collaborative relationships, customer service orientation and passion to successfully achieve her goals. With her multiple experiences in sales roles with Ann Taylor LOFT and Nicole Miller Philadelphia, she thrives in a fast paced environment. She uses a solution-based approach and demonstrates eagerness to provide strong results to her team of coworkers and clients. In addition to her long term sales experience in a retail environment, Juliana also has a thorough understanding of waterproof textiles with her thirteen years as a competitive swimmer, coach and instructor of an established private lesson clientele. The active life she leads and her knowledge of the product inspired her to begin her journey with Cycle Shield.

Danielle Brief's concept for the retractable bike seat cover was inspired by a trip to Copenhagen, Denmark, one of the most bike-friendly cities in the world. As a partner and founder of Cycle Shield, she applies the retail knowledge she has attained by working in sales, merchandising, buying and design at Ann Taylor LOFT, Michael Kors, Barneys New York and Anthropologie, respectively. As a dedicated recreational biker and daughter of a mountain biker, Danielle has a deep connection to and understanding of the cyclist community. She is a committed team leader, excels in community engagement and demonstrates a strong passion for product development.

The management team will consult Sheldon Palmer of Galvin & Palmer on all legal advice regarding international property and patent-related matters.



## SOCIAL RESPONSIBILITY

The cyclist community and the issues that affect their active lifestyle is at the heart of every decision that Cycle Shield makes. Social responsibility drives the company forward and allows us to engage with our consumers and partners on a platform that uses the power of cycling to give back to the urban community in which they live, commute and cycle. We take social responsibility very seriously and contribute to the community by volunteering locally, holding an annual fundraising event and contributing to a national philanthropy.

Locally, we work with Neighborhood Bike Works (NBW), a charity geared to increasing opportunities for urban youth in underserved neighborhoods in Philadelphia. They offer educational, recreational and career-building opportunities through bicycling. The Cycle Shield management team will volunteer at NBW once every quarter, engaging the urban youth community and providing positive biking experiences for those who would otherwise not have access to it. We will partake in “Earn a Bike” Classes, which is NBW’s flagship program where over the course of 15 sessions, youth learn the basics of bike repair and maintenance, safe urban riding and health and nutrition while refurbishing an abandoned bike. Another influential NBW program is Ride Club, a four week after-school program that enables youth ages 8-18 to explore Philadelphia by bike. Through group rides, program participants will engage with natural, historic and artistic resources in their communities. Both of these programs pertain to educating the youth on bike mechanics and bike safety.

Aside from regular volunteering with Neighborhood Bike Works, Cycle Shield aims to fundraise once we are financially viable and have a sturdy foothold in the bike dealership industry. In our second year of operation, we will model an event after Cycle 4 Hope, which takes place in New York State at various fitness centers. During the month of May, which is National Bike Month, we will hold spin classes throughout Philadelphia for a \$20 donation. These spin classes would appeal to our customers who care about fitness as well as raising money for a good cause. Urban bikers who cycle to work everyday see homeless people in Philadelphia on a daily basis, so the charity that would benefit from the spin class is the Bethesda Project. The Bethesda Project’s mission is to find and care for the abandoned poor and to be family to those who have none.

Biking is the most sustainable way to commute long distances and Cycle Shield is a strong supporter of biking to work. We promote city-wide participation in Bike to Work Day every May 16th and provide maps of bike-friendly commuting routes on our website, which will serve as a hub for safe and useful commuting tips. As a young company whose product is centered around a sustainable lifestyle, we are working to reduce our carbon footprint and plan to qualify as a BSR certified company by 2020.

## MILESTONES

Cycle Shield’s short-term goals will come to fruition by the end of year one as we establish strong partnerships in the national bike dealership industry and bike share programs. After we attend our first trade show in September 2015, exposing our brand and products to bike



industry professionals, we will grow our distribution to sporting goods stores of all scales in all major US cities where a bike share system is in place. By 2018, we hope to make the Cycle Shield available in all 50 states through our e-commerce site.

In our second year of operation, we will launch our e-commerce site for our commuting bike seat cover and racing bike seat cover, which will gain traction after consumers encounter our product in city bikeshare systems and their favorite sporting goods stores. Further into our second year of operation, after the e-commerce site is established, we plan to have a customizable feature for our customers to create their own Cycle Shield in the color or pattern that they choose. This will allow for our customers to have something unique unlike the Cycle Shields sold in stores.

Another anticipated milestone is taking our first steps towards international expansion by tapping into bike share programs abroad. At the end of 2018, we aim to provide and install Cycle Shield in 67% of bikes in the bike share programs of Montreal, Mexico City, Copenhagen, Stockholm, the Netherlands, Paris, Beijing, Hong Kong and Wuhan. By 2018, we aim to cover all bicycles in domestic bike share programs.

In line with our sustainable vision, we hope to become BSR certified and become paperless by 2020. We hope to raise \$100,000 cumulatively for the Bethesda Project through our annual Cycle 4 Hope events.

## GROWTH STRATEGIES

Cycle Shield is a company that knows how to keep moving forward. We plan to grow our business by initiating a rapid expansion in providing bike share programs with our products beginning in our first month of operation. Our market research shows projected growth of biking as a commuting method and recreational activity, bolstered by increased federal funding for bike share programs. We plan on installing a Cycle Shield seat cover in every bike share program in the United States. In an advertising effort, we will offer the option of screen printed logos and ads on the seat covers. This tactic will allow for sponsors to fully fund or subsidize the cost of the seats in exchange for gaining a mobile platform for advertising.

In 2016, we will launch our e-commerce site, making our products available directly to the consumer. In the fourth quarter of 2017, we will add the feature of customization to the Cycle Shield in time for the holiday season.

Our most aggressive growth strategy is to install the Cycle Shield in two thirds of all bikes in the most prominent bike sharing programs of Canada, Central America, Europe and China. As bike share programs grow in number and scale, we will continue to develop partnerships with these programs. It is our hope that by our 10th year of operation, every bike in every bike share program domestic and abroad will feature a Cycle Shield seat cover.

## EXIT STRATEGIES

Cycle Shield is confident that the demand for dry and secure bike seats will increase as



biking becomes a more common pastime and commuting method. As our business grows throughout the nation, continent and world, it may be possible that one of our wholesale partners would look to purchase our company and integrate our mission into their own. If Alta Bicycle Share or any of our other wholesale partners, clients or stockholders were to make an offer to purchase the company, we would work with them to ensure a seamless transition between management.

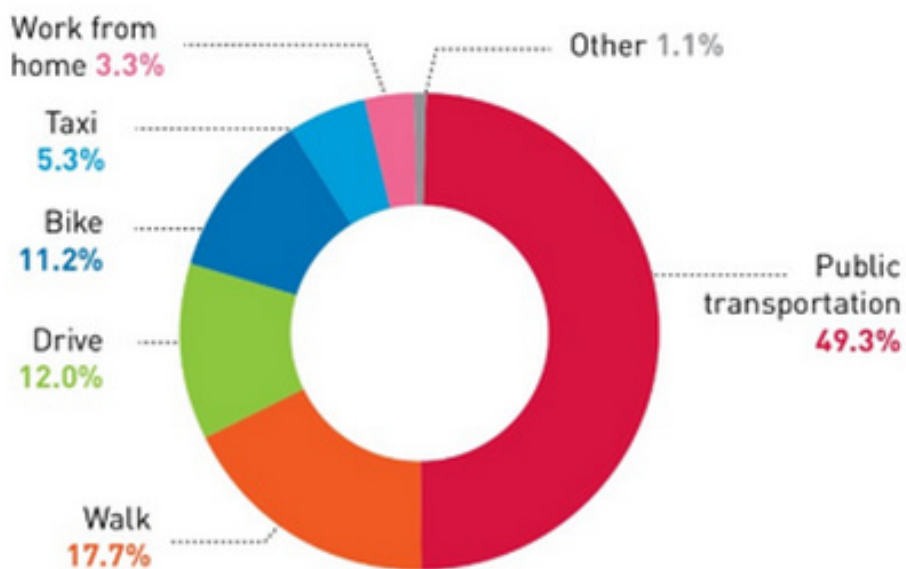
## FINANCIALS

Cycle Shield's start-up costs will derive from the cost of production, marketing and securing our patent. We are asking the bank for a loan of \$40,000 so that we can launch our company and strive for maximum growth. Sardo and Brief will be putting in \$10,000 of their own savings. The \$40,000 loan will be over 60 months at a 5% interest rate. We expect to break even in December 2016.



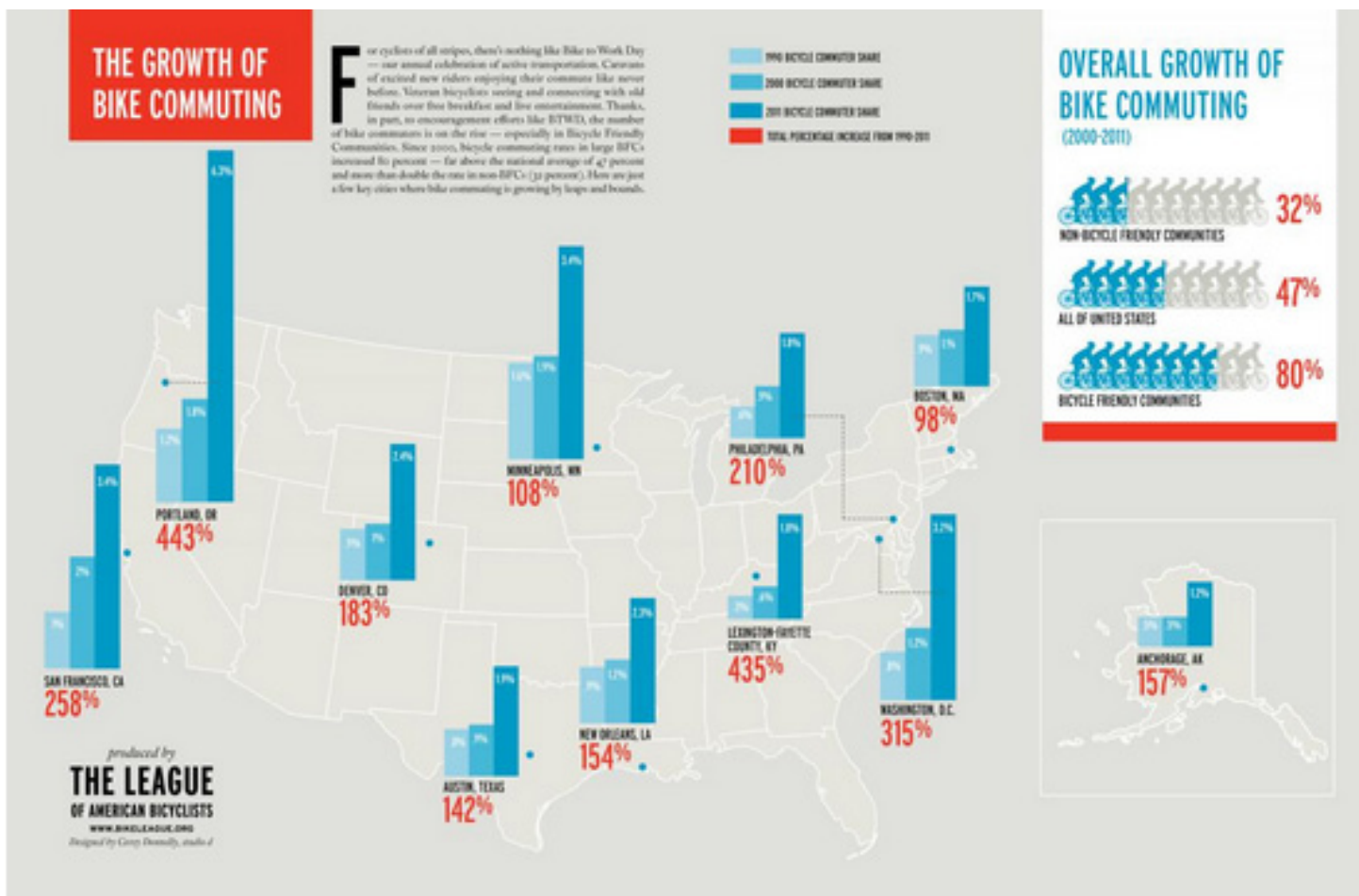
## APPENDIX A

**Figure 19: Bicycle Rider Commuting Mode in Inclement Weather**



Source: 2013 Commuting Survey,  
Central Philadelphia Development Corporation

## APPENDIX B



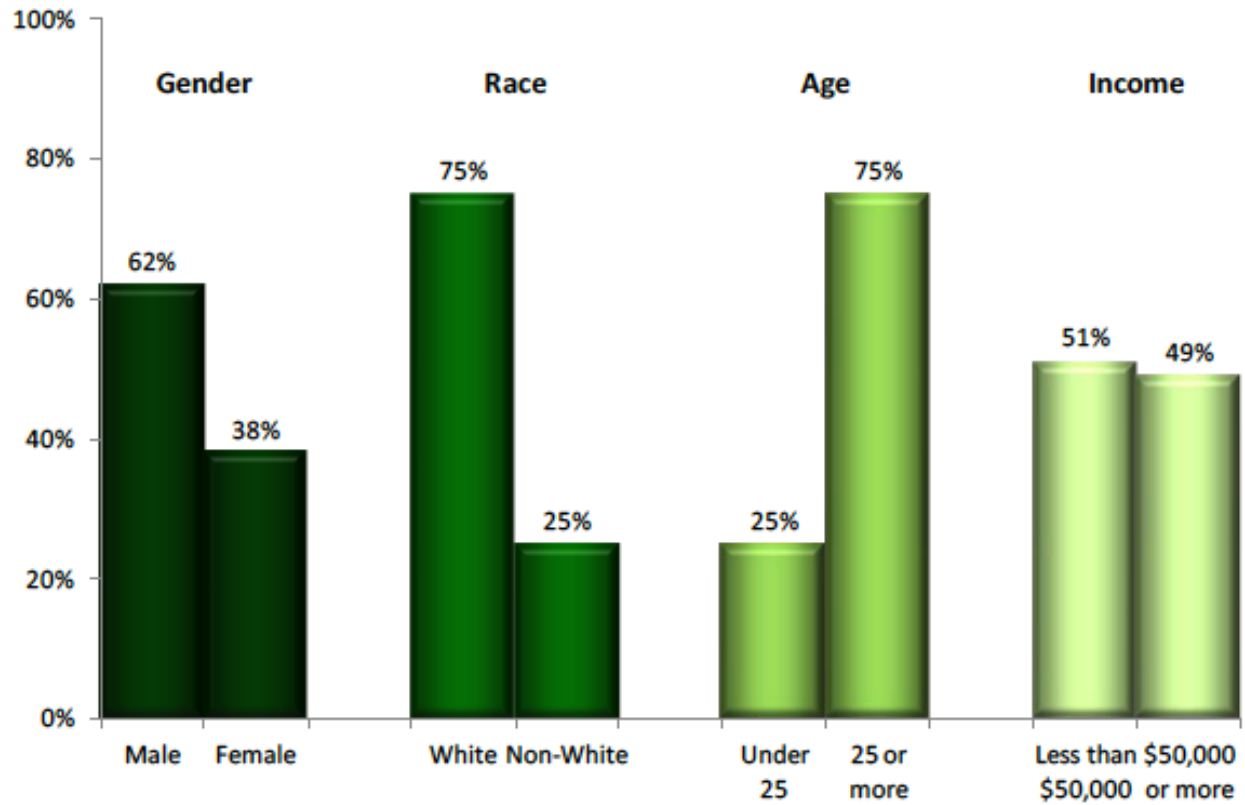




## APPENDIX C

### Demographics of Mountain Biking Enthusiasts

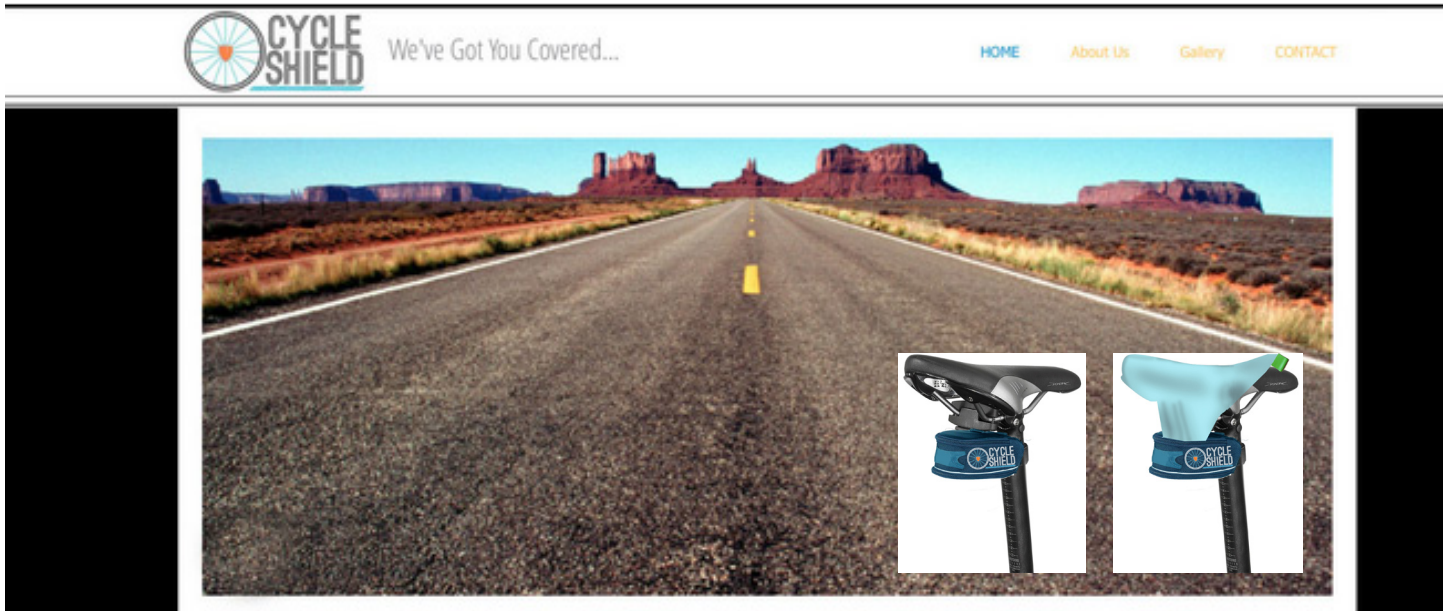
25+ Times Per Year



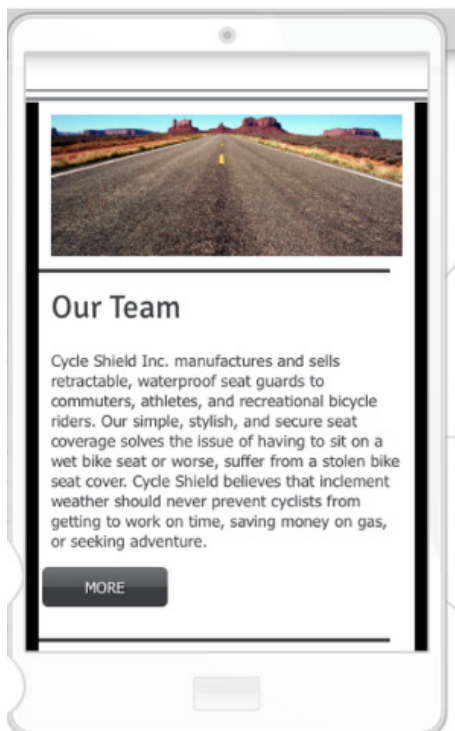


## APPENDIX D-VISUALS

### CYCLE SHIELD WEBSITE



### CYCLE SHIELD MOBILE APP



### CYCLE SHIELD TWITTER PAGE



## CYCLE SHIELD BANNER AD



## CYCLE SHIELD PRODUCT DEMO



**JULIANA SARDO**  
 3409 Baring Street, Philadelphia, PA 19104  
 (856) 495-9541 ~ jul.sardo@gmail.com

**Accomplished Design, Merchandising and Marketing Graduate with retail and Drexel University Co-Op experience.**

- Self-motivated, driven professional with highly developed communication skills, both written and verbal.
- Recognized by peers and supervisors for possessing exceptional collaboration and influencing skills, customer service orientation and passion to successfully achieve goals.
- Demonstrated track record of assuming leadership roles in academic, social and professional situations.
- Thrives in a fast paced environment deploying solutions-based approach to provide sustainable results.
- Possesses ability to balance creative competency with pragmatic business discipline.
- Consistently selected for special projects and expanded responsibilities by peers and supervisors to reward positive energy, commitment and drive to learn attitude.

**EXPERIENCE****ANN TAYLOR LOFT, Philadelphia, PA**

December 2011- Present

**Sales Associate**

- Maintain loyal customers as well as attract new clients through superior customer service
- Create monthly floor sets and merchandising based on company's vision
- Collaborate with sales team to execute stretch net goals
- Process cash and credit transactions of approximately \$6,000 per shift and administer bank deposits
- Achieve and recognized for reaching weekly goal of new LOFT Reward Credit Card holders

**MARY K. DOUGHERTY & ASSOCIATES, Philadelphia, PA**

September 2012- March 2013

**Wholesale Assistant (Nicole Miller Philadelphia)**

- Reported to Director of Wholesale, Sales Representative, and CEO
- Coordinated and acted as a liaison between Wholesale and Corporate functions
- Led ongoing projects as well as built collaborative relationships with corporate accounts payable, social media coordinator, account executive, and merchandising coordinator
- Demonstrated high demand responsibilities by checking and placing orders for 100 plus accounts throughout a 10 state territory to corporate office
- Worked in AS400 program to process order maintenance and place return authorizations
- Presented Nicole Miller's collections from multiple delivery dates to buyers from upscale boutiques at ENK International Coterie and Intermezzo Collections Tradeshows
- Proactively volunteered in other functions of the company such as XIX Most Fashionable Women in Philadelphia by putting together event favors, and welcoming VIP guests

**KINGSTON ESTATES, Cherry Hill, NJ**

May 2011-August 2011

**Assistant Swim Coach**

- Coached children, ages of four to eighteen, leading the team to first place in the Tri-County Cherry Hill Division
- Collaborated with a team of coaches on a daily basis to assist in improving team dynamics
- Recorded race times for more than 100 swimmers during competitions
- Built private swim lesson clientele through swim coach reputation

**EDUCATION**

DREXEL UNIVERSITY, Philadelphia, PA  
 Bachelor of Science in Design and Merchandising  
 Minor in Marketing

Anticipated Graduation: March 2014

**RELEVANT ACTIVITIES****DELTA PHI EPSILON SORORITY, Philadelphia, PA**

October 2010- Present

**Vice President of Recruitment**

- Planned entire Panhellenic Formal Recruitment executing the theme in a designed, strategic, and professional manner for over 300 guests
- Managed the Public Relations for our Informal Recruitment events by creating and distributing flyers all throughout the campus and raising awareness of these events through social media

**SA VA FASHION SHOW, Philadelphia, PA**

September 2011

**Volunteer**

- Prepared event favors for VIP guests
- Organized set up of show and registered guests upon arrival

**COMPUTER INTEGRATED MERCHANDISING MANAGEMENT, Drexel University**

Spring 2013

**Student**

- Created a hypothetical Shop-In-Shop Menswear collection for JC Penney beginning with extensive market research, look book, visual creation of the store, and development of 29 pieces, allocations, and marketing campaigns

**COMPUTER SKILLS**

MAC OS, Microsoft Office, Adobe Creative Suite, AS400, Visual Retailing





Danielle Leigh Brief  
3500 Powelton Avenue, Apartment C402, Philadelphia, PA 19104  
(908)-625-4598 ♦ dlb89@drexel.edu

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## Education

Drexel University, Philadelphia, PA  
Bachelor of Science in Design & Merchandising, Anticipated Graduation: June 2014  
Minor in Spanish, **Cumulative GPA: 3.9**

Dublin Business School, Dublin, Ireland  
Pursued courses in Irish Studies, June 2012 - July 2012

## Awards

- NRFSA Ray Greenly Scholarship Recipient, 2013
- A.J. Drexel Scholar, Drexel University, Fall 2010 to Present
- Dean's List, Drexel University, Fall 2010 to Present
- Performing Arts Scholar, Drexel University, Fall 2010 to Present

## Leadership

- Editorial Editor, D&M Magazine October 2013 to Present
- President, TOMS Campus Club, Fall 2012 to Present
- New York Cares Volunteer, June 2013 to September 2013

## Industry Experience

### **URBN Inc., Philadelphia, PA**

#### **Anthropologie Home Design Coordinator Intern, December 2013 to Present**

- Managing samples from all product categories
- Assisting the Product Development Manager and Design Coordinator team
- Preparing and sending design briefs to overseas vendors

### **URBN Inc., Philadelphia, PA**

#### **Anthropologie Home Buying Intern, September 2013 to December 2013**

- Managed samples for web photo studio, press preview, and catalog
- Assisted the Decorative, Bath and Tabletop Buying teams
- Researched trends and analyzed competitors

### **Barneys New York, New York, NY**

#### **Women's Designer RTW Buying Intern, June 2013 to August 2013**

- Assisted the Buyers with Market Week preparation
- Authorized purchase orders and transfers
- Analyzed weekly and daily selling reports for 13 luxury vendors

### **Michael Kors, New York, NY**

#### **Merchandising Intern, April to June 2013 and August to September 2013**

- Managed showroom samples for Summer 2013 through Summer 2014
- Made presentation boards to be used by the Merchandising team
- Trained incoming Merchandising and Sales interns

### **ANN INC., Philadelphia, PA**

#### **Sales Associate at LOFT, August 2012 to March 2013**

- Assisted the management team to capitalize on daily traffic
- Styled clients of all sizes for a variety of occasions
- Filled online orders and processed sales transactions, returns, and exchanges

## Skills

Software: Adobe Creative Suite, Microsoft Excel, MicroStrategy, MTS, Island Pacific  
Language: Proficient in Spanish



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# APPENDIX G-FINANCIALS



Income Statements														2015											
	May	June	July	August	September	October	November	December	January	February	March	April	TOTAL												
EXPENSES - General and Administrative																									
Marketing and advertising	\$611	\$250	\$250	\$771	\$8,771	\$771	\$250	\$250	\$250	\$450	\$450	\$450	\$13,524												
Insurance	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000												
Telephone service	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200												
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
Office supplies	\$130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$130												
Postage and shipping	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$240												
Travel	\$0	\$0	\$0	\$0	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800												
Interest on loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
TOTAL EXPENSES	\$3,861	\$370	\$370	\$891	\$9,691	\$891	\$370	\$370	\$370	\$570	\$570	\$570	\$18,894												
Net income before taxes	-\$3,861	\$3,317	\$3,642	\$3,574	-\$5,837	\$4,937	\$6,116	\$5,458	\$2,168	\$1,968	\$1,968	\$5,258	\$28,708												
Provision for taxes on income	\$0	\$829	\$911	\$894	\$0	\$1,234	\$1,528	\$1,365	\$542	\$492	\$492	\$1,315	\$7,177												
NET PROFIT	-\$3,861	\$2,488	\$2,732	\$2,681	-\$5,837	\$3,703	\$4,587	\$4,094	\$1,626	\$1,476	\$1,476	\$3,944	\$21,531												



2015													
Cash Flow	May	June	July	August	September	October	November	December	January	February	March	April	TOTAL
CASH RECEIPTS													
Income from Sales													
Cash Sales	\$0	\$5,625	\$6,113	\$7,125	\$6,150	\$9,300	\$10,350	\$9,300	\$4,050	\$4,050	\$4,050	\$9,300	\$75,413
Collections	\$0	\$0	\$1,875	\$2,038	\$2,375	\$2,050	\$3,100	\$3,450	\$3,100	\$1,350	\$1,350	\$1,350	\$22,038
Total Cash from Sales	\$0	\$7,237	\$7,837	\$8,924	\$7,760	\$11,834	\$13,192	\$11,834	\$5,044	\$5,044	\$5,044	\$11,834	\$95,584
Income from Financing													
Interest Income		\$31	\$28	\$28	\$17	\$15	\$17	\$20	\$15	\$13	\$8	\$4	\$198
Loan Proceeds	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000
Equity Capital Investments	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Total Cash from Financing	\$50,000	\$31	\$28	\$28	\$17	\$15	\$17	\$20	\$15	\$13	\$8	\$4	\$50,198
Other Cash Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CASH RECEIPTS	\$50,000	\$7,268	\$7,865	\$8,952	\$7,777	\$11,849	\$13,209	\$11,854	\$5,059	\$5,057	\$5,052	\$11,838	\$145,782
CASH DISBURSEMENTS													
Inventory	\$3,750	\$4,075	\$4,750	\$4,100	\$6,200	\$6,900	\$6,200	\$2,700	\$2,700	\$2,700	\$6,200	\$8,800	\$59,075
Operating Expenses	\$3,861	\$370	\$370	\$891	\$9,691	\$891	\$370	\$370	\$370	\$570	\$570	\$570	\$18,894
Commissions/Returns & Allowances	\$0	\$63	\$63	\$285	\$246	\$372	\$414	\$372	\$162	\$162	\$162	\$372	\$2,673
Capital Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Payments	\$0	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$8,506
Income Tax Payments	\$0	\$0	\$1,683	\$0	\$0	\$2,069	\$0	\$0	\$3,366	\$0	\$0	\$2,229	\$9,347
Investor Dividend Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owner's Draw	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
TOTAL CASH DISBURSEMENTS	\$11,111	\$8,781	\$11,139	\$9,549	\$20,410	\$14,505	\$11,257	\$7,715	\$10,871	\$7,705	\$11,205	\$16,244	\$140,495
NET CASH FLOW													
	\$38,889	-\$1,513	-\$3,274	-\$597	-\$12,633	-\$2,656	\$1,951	\$4,139	-\$5,812	-\$2,648	-\$6,153	-\$4,406	\$5,287
Opening Cash Balance	\$0	\$38,889	\$37,376	\$34,102	\$33,504	\$20,872	\$18,215	\$20,167	\$24,306	\$18,494	\$15,846	\$9,693	
Cash Receipts	\$50,000	\$7,268	\$7,865	\$8,952	\$7,777	\$11,849	\$13,209	\$11,854	\$5,059	\$5,057	\$5,052	\$11,838	
Cash Disbursements	\$11,111	\$8,781	\$11,139	\$9,549	\$20,410	\$14,505	\$11,257	\$7,715	\$10,871	\$7,705	\$11,205	\$16,244	
ENDING CASH BALANCE	\$38,889	\$37,376	\$34,102	\$33,504	\$20,872	\$18,215	\$20,167	\$24,306	\$18,494	\$15,846	\$9,693	\$5,287	\$5,287



Income Statements														2016											
	May	June	July	August	September	October	November	December	January	February	March	April	TOTAL												
GROSS PROFIT	\$8,272	\$12,689	\$13,275	\$13,415	\$16,967	\$18,051	\$20,122	\$15,011	\$14,758	\$14,422	\$17,123	\$17,989	\$182,094												
EXPENSES - General and Administrative																									
Marketing and advertising	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$450	\$450	\$3,400												
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000												
Telephone service	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200												
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
Office supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
Postage and shipping	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$240												
Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
Interest on loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
TOTAL EXPENSES	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,570	\$3,570	\$40,840												
Net income before taxes	\$4,902	\$9,319	\$9,905	\$10,045	\$13,597	\$14,681	\$16,752	\$11,641	\$11,388	\$11,052	\$13,553	\$14,419	\$141,254												
Provision for taxes on income	\$1,226	\$2,330	\$2,476	\$2,511	\$3,399	\$3,670	\$4,188	\$2,910	\$2,847	\$2,763	\$3,388	\$3,605	\$35,314												
NET PROFIT	\$3,677	\$6,989	\$7,429	\$7,534	\$10,198	\$11,011	\$12,564	\$8,730	\$8,541	\$8,289	\$10,165	\$10,814	\$105,941												



2016													
Cash Flow	May	June	July	August	September	October	November	December	January	February	March	April	TOTAL
CASH RECEIPTS													
Income from Sales													
Cash Sales	\$13,200	\$20,248	\$21,184	\$21,407	\$27,075	\$28,805	\$32,110	\$23,953	\$23,014	\$23,014	\$27,324	\$28,706	\$290,040
Collections	\$3,100	\$4,400	\$6,749	\$7,061	\$7,136	\$9,025	\$9,602	\$10,703	\$7,984	\$7,671	\$7,671	\$9,108	\$90,211
Total Cash from Sales	\$39,241	\$35,008	\$29,320	\$26,736	\$33,879	\$36,101	\$40,360	\$29,786	\$28,896	\$28,580	\$34,124	\$35,878	\$397,909
Income from Financing													
Interest Income	\$19	\$29	\$25	\$25	\$30	\$26	\$39	\$43	\$38	\$40	\$45	\$42	\$402
Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Capital Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash from Financing	\$19	\$29	\$25	\$25	\$30	\$26	\$39	\$43	\$38	\$40	\$45	\$42	\$402
Other Cash Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CASH RECEIPTS	\$39,260	\$35,037	\$29,345	\$26,761	\$33,909	\$36,127	\$40,399	\$29,829	\$28,934	\$28,620	\$34,169	\$35,920	\$398,311
CASH DISBURSEMENTS													
Inventory	\$13,499	\$14,123	\$14,271	\$18,050	\$19,203	\$21,407	\$15,969	\$15,343	\$15,343	\$18,216	\$19,138	\$19,138	\$203,699
Operating Expenses	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,570	\$3,570	\$40,840
Commissions/Returns & Allowances	\$528	\$810	\$847	\$856	\$1,083	\$1,152	\$1,284	\$958	\$584	\$921	\$1,093	\$1,148	\$11,265
Capital Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Payments	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$9,280
Income Tax Payments	\$0	\$0	\$12,050	\$0	\$0	\$11,162	\$0	\$0	\$11,445	\$0	\$0	\$11,230	\$45,887
Investor Dividend Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owner's Draw	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
TOTAL CASH DISBURSEMENTS	\$21,670	\$22,576	\$34,812	\$26,550	\$27,929	\$41,365	\$24,897	\$23,944	\$35,015	\$26,780	\$28,074	\$39,359	\$352,971
NET CASH FLOW													
	\$17,590	\$12,461	-\$5,467	\$211	\$5,980	-\$5,238	\$15,502	\$5,885	-\$6,081	\$1,840	\$6,095	-\$3,439	\$45,340
Opening Cash Balance	\$5,287	\$22,876	\$35,338	\$29,871	\$30,082	\$36,062	\$30,824	\$46,326	\$52,211	\$46,130	\$47,970	\$54,065	
Cash Receipts	\$39,260	\$35,037	\$29,345	\$26,761	\$33,909	\$36,127	\$40,399	\$29,829	\$28,934	\$28,620	\$34,169	\$35,920	
Cash Disbursements	\$21,670	\$22,576	\$34,812	\$26,550	\$27,929	\$41,365	\$24,897	\$23,944	\$35,015	\$26,780	\$28,074	\$39,359	
ENDING CASH BALANCE	\$22,876	\$35,338	\$29,871	\$30,082	\$36,062	\$30,824	\$46,326	\$52,211	\$46,130	\$47,970	\$54,065	\$50,626	



## Balance Sheet

Cycle Shield, Inc.  
2015

### ASSETS

#### Current Assets

Cash	\$5,287	
Accounts Receivable	\$0	
Inventory	\$17,700	
Other Current Assets	\$0	
<b>Total Current Assets</b>		<b>\$22,987</b>

#### Fixed Assets

Land	\$0	
Facilities	\$0	
Equipment	\$0	
Computers & Telecommunications	\$0	
(Less Accumulated Depreciation)	\$0	
<b>Total Fixed Assets</b>		<b>\$0</b>

#### Other Assets

	\$0	
<b>TOTAL ASSETS</b>		<b>\$22,987</b>

### LIABILITIES

#### Current Liabilities

Short-Term Notes Payable	\$0	
Income Taxes Due	\$70	
Other Current Liabilities	\$0	
<b>Total Current Liabilities</b>		<b>\$70</b>

#### Long-Term Liabilities

Long-Term Notes Payable	\$0	
Other Long-Term Liabilities	\$37,877	
<b>Total Long-Term Liabilities</b>		<b>\$37,877</b>

### NET WORTH

Paid-In Capital	\$10,000	
Retained Earnings	-\$24,960	
<b>Total Net Worth</b>		<b>-\$14,960</b>

<b>TOTAL LIABILITIES AND NET WORTH</b>		<b>\$22,987</b>
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## Balance Sheet

Cycle Shield, Inc.  
2016

### ASSETS

#### Current Assets

Cash	\$50,626	
Accounts Receivable	\$0	
Inventory	\$203,699	
Other Current Assets	\$0	
<b>Total Current Assets</b>		\$254,325

#### Fixed Assets

Land	\$0	
Facilities	\$0	
Equipment	\$0	
Computers & Telecommunications	\$0	
(Less Accumulated Depreciation)	\$0	
<b>Total Fixed Assets</b>		\$0

#### Other Assets

\$0

#### TOTAL ASSETS

**\$254,325**

### LIABILITIES

#### Current Liabilities

Short-Term Notes Payable	\$0	
Income Taxes Due	-\$10,573	
Other Current Liabilities	\$0	
<b>Total Current Liabilities</b>		-\$10,573

#### Long-Term Liabilities

Long-Term Notes Payable	\$0	
Other Long-Term Liabilities	\$28,601	
<b>Total Long-Term Liabilities</b>		\$28,601

### NET WORTH

Paid-In Capital	\$10,000	
Retained Earnings	\$226,297	
<b>Total Net Worth</b>		\$236,297

#### TOTAL LIABILITIES AND NET WORTH

**\$254,325**





Break-even Estimates	
<b>Year 1 (2015-2016)</b>	
May	\$0
June	\$753
July	\$752
August	\$1,896
September	\$20,619
October	\$1,896
November	\$787
December	\$787
January	\$787
February	\$1,213
March	\$1,213
April	\$1,213
<b>Monthly Average</b>	<b>\$2,660</b>
<b>Year 2 (2016-2017)</b>	
May	\$7,170
June	\$7,170
July	\$7,170
August	\$7,170
September	\$7,170
October	\$7,170
November	\$7,170
December	\$7,170
January	\$7,007
February	\$7,170
March	\$7,596
April	\$7,596
<b>Monthly Average</b>	<b>\$7,228</b>
<b>Year 3 (2017-2018)</b>	
1st Quarter	\$8,745
2nd Quarter	\$2,362
3rd Quarter	\$2,362
4th Quarter	\$2,362
<b>Quarterly Average</b>	<b>\$3,957</b>
<b>Year 4 (2018-2019)</b>	
1st Quarter	\$8,745
2nd Quarter	\$2,362
3rd Quarter	\$2,362
4th Quarter	\$2,362
<b>Quarterly Average</b>	<b>\$3,957</b>
<b>Year 5 (2019-2020)</b>	
<b>Annual Average</b>	<b>\$15,830</b>