

Grind N' Ride

Business Plan



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Executive Statement

Kalib Geiger has been involved within the bicycle enjoyment for the past five years. He started riding when he was in the eighth grade and enjoyed it ever since. Ever since he wanted to open his own bike shop to help the people of the community get the best service and quality parts for their own machines. Kalib enjoyed going to local coffee shops and seeing what tasted good to the tongue and wanted people to taste his creations. After years of deliberation, he has decided to pursue marketing these services and cups of coffee in a different way than other shops & cafés.

Kalib Geiger had developed multiple ways to help with customer service and to get delicious cups of coffee while waiting for the bike in the shop. Some of these methods include a form of transportation for the bikes. This method goes to the client's house, picks up the bike, and takes it back for further maintenance. This is a very convenient way to get a bike worked on for the customer. Having a café in the shop allows customers to come in and enjoy their time in the shop while their bike is being worked on. Flavors that they can get in the coffee include cinnamon bun, white chocolate, caramel, mocha, cookies and cream, and vanilla.

The first shop will open in the upstate of South Carolina area. Grind N' Ride will have an established location and website upon opening. With the upstate growing in cyclery, there should be little to no resistance upon opening.

Financial analyses show that the company will have both a positive cash flow and profit in the first year.

Mission Statement

The goal for Grind N' Ride is to provide excellent bicycle repairs & service along with delicious cups of coffee to its customers' while having Customer Service being the #1 priority.



Keys to Success

Success is defined as many things as possible. However, for Grind N' Ride to be successful the main goal is to satisfy the customer and to improve customer relations as much as possible. Another great thing to have is a fully staffed shop. If there is a lot of things that need done in the shop, hire more people don't try to do it all yourself. Finally, the price is not the #1 goal, the convenience of the customer is.



Company Summary

COVID-19 has brought many opportunities to many bicycle shops all around the world. With this new influx of cyclists and bikes literally flying off the shelves, there is a huge margin for business to be had in the cycling industry. Grind N' Ride is here to add another shop to the community and to provide the best service around town. There is going to be no other shop like Grind N' Ride. With there being a café inside the shop, you can browse inventory to look at components to get on your bike but also be sipping on coffee waiting for your bike to be fixed up and ready to ride. Just coming in for a pre-ride drink? No problem, we got you covered. With over ten different flavors to choose from, there is no doubt that you will have the coffee best fit for you and ready to hit the trails or descent on the back roads!



Products

Coffee – Coffee refers to the beans, cups, syrups, milk, and machinery to make delicious cups of coffee. Typically, beans, cups, and milk are used to make a full cup of coffee to serve out to customers.

Bicycle Accessories – Parts generally refers to pieces or materials necessary to the basic functioning of the bicycle. Generally, parts are installed during service [see below] and are an additional charge beyond the service fees. Some, like cranksets, pedals, tires, derailleurs, or brakes, are both integral parts and upgrade accessories. Others, such as headsets, bottom brackets, spokes, chains, cables, and cable housings are strictly maintenance, though some will be sold to cyclists who prefer to work on their bikes themselves.

Accessories We offer a wide variety of accessories. Locks, computer speedometers, fenders, cargo racks, comfortable seats, headlights, helmets, water bottles, panniers/back packs/messenger bags, child seats and trailers, bike storage racks, and auto roof rack systems all fall in this category. It is not possible to carry every possible accessory, so we try to carefully chose those which will be most useful or desired by our target markets. When we receive special requests for a new item, we'll often order several to test the local demand, and if adequate, will add it to our regular stock.

Bicycles – Bikes! We sell new bicycles, predominantly in the mountain bike style, retro-cruiser is a close second, and sport/touring/racing road bikes a distant third. We also sell some used bikes which we take in on trade as a service to our customers who are buying new bikes.

Apparel – Clothing is subjective to all cyclists, regardless of if it's a hat or a waterproof jacket. At Grind N' Ride, we rotate our clothing based on the weather outside. Just before the fall coldness we stock jackets and more long sleeve jerseys. When winter rolls around we offer liners, insulated pants and jerseys, gloves, and shoe covers. And when spring arrives and the first crocus appears through the melting snow, we start displaying summer jerseys, and racing shorts.



Market Analysis

The predominant market segment for Grind N' Ride is the typical cyclist population. We also cater to coffee enthusiasts, and, along with every other bicycle shop in town, the greater Greenville & Spartanburg area population.

In part the local market is driven by the lack of part availability and large "turnaround time" for repairs and upgrades. Bicycle transportation is more economical, as well as time and space efficient in the university neighborhood. Part of the market is price constrained and another part is hooked on the latest fad, be it frame style, number of gears, or portrayed image. As long as new students arrive each year at the State University at Greenville & Spartanburg area, our market segment growth is assured.

Cyclists are our main target market.

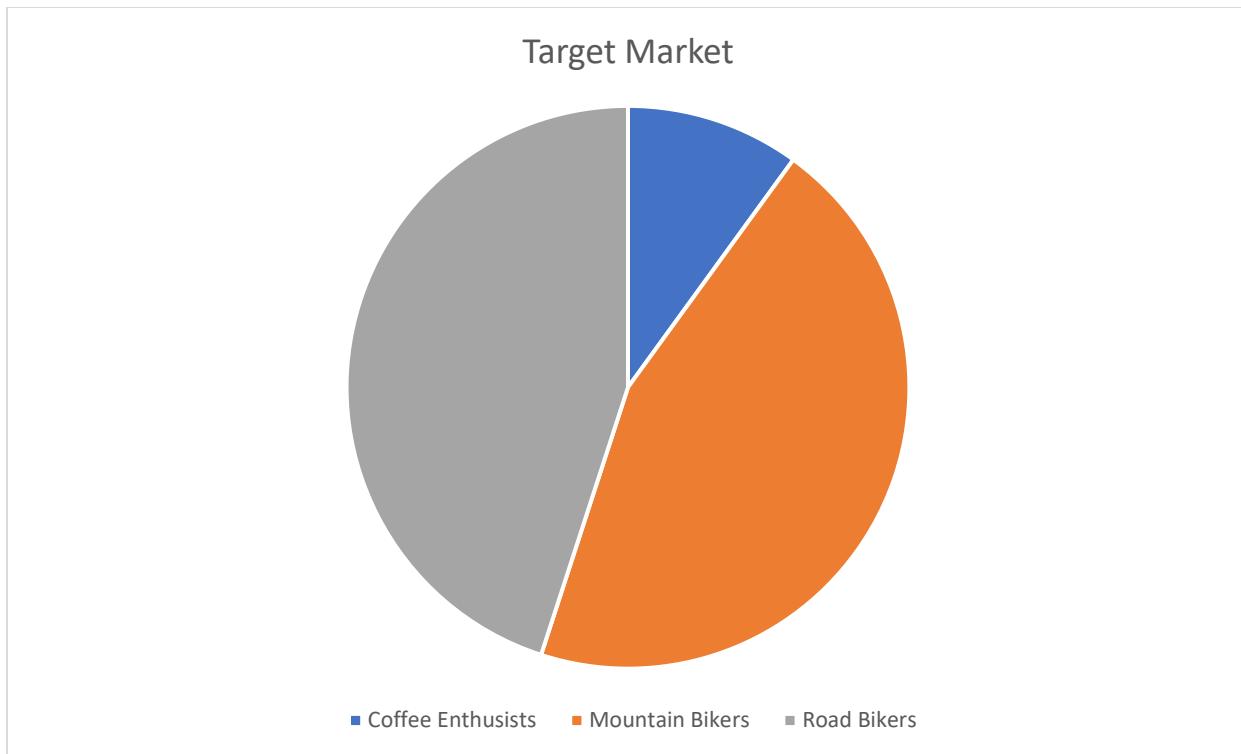
1. The long waits for bicycle service right now is tremendous.
2. There are many new components coming out with all new high-pivoting technologies and the goal is to make it more accessible for consumers.
3. Also, main market for racks, locks, throughout, pannier/bags, fenders, rainwear, etc.
4. They want convenience for sales and service.

Coffee Enthusiasts are another prime market segment.

1. While the cyclist is shopping, they can get a nice cup of coffee while browsing other merchandise within the store.
2. Many new flavors and combinations are within the shop.
3. People want a cheaper price and a higher quality beverage.

Greenville & Spartanburg area Population.

With all of the bike shops within Greenville & Spartanburg county, customers will probably choose a shop located closer to their home. They are not the main target market segment of Grind N' Ride, and we market to them casually.





Strategy & Implementation

Information on our sales and marketing efforts are discussed in the following sections.

The foremost competitive advantage of Grind N' Ride is our customer service. The service we provide our customers with is like no other bike shop experience. Yes, you can get your bike worked on but would you rather have a tech explain everything they did and why they did it rather than a bill saying that those parts were replaced. The customer is the number one priority at Grind N' Ride.

After that first visit to the shop, we are the first bike shop the new pedestrian sees. Customers want everything to be convenient for themselves. Most customers would rather pay five dollars more for a part they can get today and not have to wait for rather than saving those five dollars and getting it two months later. Parts are in very short supply currently and it is unknown when this shortage will no longer be an issue.

Our marketing strategy seeks to optimize our advantage of customer service. We want the people to see us as their bike shop and local coffee shop, even our name says so, Grind N' Ride. We want them to see us as part of their daily experience, and a shop they can depend on for quick repair, maintenance service, and a delicious cup of coffee before or after the ride!

Marketing Programs

Our marketing programs are locally focused, where we can affect our main target market.

Spring special. This marks the beginning of a warmer riding season, but we start marking things as putting up the snowboards and heavy jackets for bikes.

Coupons. With a frequent shopper's online card within the store computer system, customers can accumulate store credit to go towards their own purchases with the store. For each \$10 spent, that is equal to \$1 for store credit. This can not be used on labor or parts.

Website. Our content site will also serve as a marketing medium. We offer maps of the local trails, maps of rides outside the city area, give information about the store, and announce new sales. We believe that cyclists will regularly access our site for the valuable information we will provide, and this will reinforce their awareness of Grind N' Ride, and we will become their bike shop of choice.



Grind N' Ride' website is designed to be a content site to push information to customers. We have do not have the desire to attempt a full-blown e-commerce site. There are several large mail order/e-commerce companies, such as Performance, Bike Nashbar, and REI, and many smaller companies who are well established in the marketplace. We could never compete successfully against them.

Our target markets are immediate. They are within cycling and walking distance of us, so we are providing locally topical information to them. Our goal is to use google and keep our website up-to-date for search engine optimization for our shop. With other online ads along with a Strava Club to push out information to our members for sales and new items in the shop.

We will have our store information: hours, location, phone number, brands sold, etc. Current promotions and sales will also be featured.

Pricing of bicycles is very tight with a markup of between 20% and 40% depending upon the brand and model. The shops have little leeway here. Many people believe that bicycles are priced like automobiles and are open for negotiation, and make almost insulting offers.

Parts and accessories are generally keystone priced. Some small items cost more in handling and sales than they do to buy from supplier. These can be double and triple keystoned, because customers won't buy them if they don't have a minimum perceived value. On the plus side, these are great "throw-in" items used to close the sale of a bike. When new technology arrives in bicycles, and if the supply is limited, almost any price can be demanded. This was the case in the mid-1990s when RockShox introduced suspension forks for mountain bikes. The bike nobs would pay whatever was asked just to get those forks. Of course, in this type of situation the price, both wholesale and retail, lowers.

Other accessories, such as step-in pedals, pannier racks, helmets, or headlights are sometimes heavily marketed by the manufacturers. While this drives demand and brings people into the shop to get these items, the suggested manufacturer's retail price may limit markup.

Depending on the goods, manufacturer, country of origin, and customer sense of value, the markup on garments, shoes, coats, and gloves can range from keystone to triple keystone. Pearl Izumi and Burley Design rainwear can demand premium prices as top-of-the-line garments, but many budget conscious students can only afford a \$35 nylon windbreaker. It has been and always will be a demanding job for us to adequately stock garments at the various price points.

Service

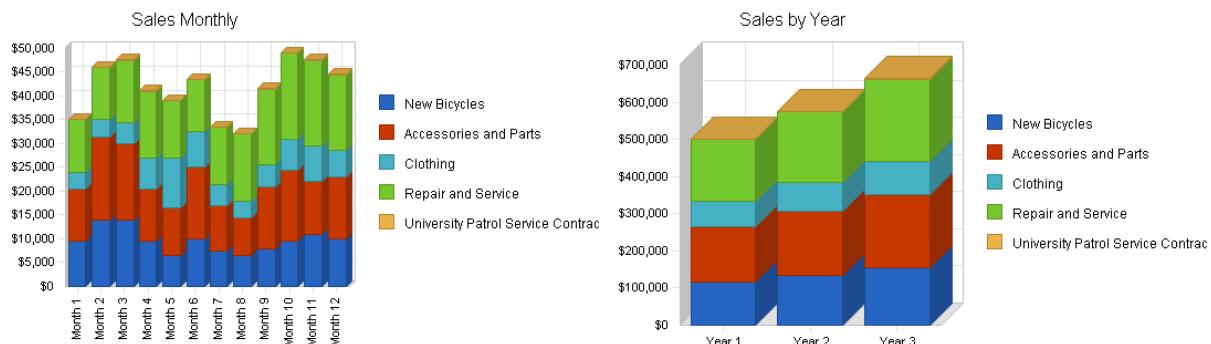
We try to maintain a basic "Hourly shop rate" at \$45/hour. Standard repairs are then priced based upon an average time for completion. Some repairs, such as a brake adjustment, are limited by customer perception of difficulty. Examples:

- Flat Tire — \$8.50
- Install Fenders — \$12.00
- Brake Adjustment — \$25.00
- Tune-up — \$65.00
- Overhaul — \$100.00

*All parts used in repairs are priced at keystone, and added to the labor service charge.

There are certain price limits due to competition, as there are several other bicycle shops in the city. By attracting customers, coupons and discounts can help to balance price ceilings.

Seasonally and according to the current race schedule, sales vary. Summer is the slowest season, despite the fact that there are fewer races owing to the heat. With the resumption to racing in August, business takes up and peaks in December. In the autumn and early winter, sales of accessories and rainwear grow. Repairs and upkeep have remained consistent. Holiday sales are strong, with a focus on accessories, components, rainwear, gloves, helmets, and headlights. Winter sales are minimal, but spring purchases pick up as people put away their coats and anticipate local outdoor activities, longer daylight hours, and dryer weather. We have three large sales promotions each year.



Revenue Summary (\$'000) - 5 Years to December 2028									
	2024	2025	2026	2027	2028		2024	2025	2026
Mountain Bikes	695	1,036	1,320	1,612	1,901		15.3%	15.3%	15.3%
Hybrid/Comfort Bikes	1,235	1,841	2,347	2,865	3,379		27.2%	27.2%	27.2%
Road Bikes	926	1,381	1,760	2,149	2,538		20.4%	20.4%	20.4%
BMX/Trick Bikes	502	748	953	1,164	1,373		9.2%	9.2%	9.2%
Coffee	90	135	171	210	247		1.8%	1.8%	1.8%
Commuting Bikes	1,189	1,772	2,259	2,758	3,253		26.1%	26.1%	26.1%
Total Revenue	4,637	6,913	8,810	10,757	12,688		100.0%	100.0%	100.0%
									100.0%



Management Team

[Bio on Kalib]

The staff will consist of Kalib Geiger, the Owner, and two other full-time employees. To meet the need for additional help during the year, Grind N' Ride hires two to four part-time employees from the local community. We look for people who are enthusiastic about cycling, and who have a mechanical aptitude. Some of these folks have worked for us throughout. Their hours vary depending on the stores' needs and their schedules.

Annual Base Salaries, \$

Categories	Annual Salary, \$				
	2024	2025	2026	2027	2028
CEO	50,000	52,500	55,125	57,881	60,775
Administrator	40,000	40,400	40,804	41,212	41,624
Seller assistant	35,000	35,350	35,704	36,061	36,421
Seller	60,000	60,600	61,206	61,818	62,436
Accountant	35,000	35,350	35,704	36,061	36,421



Financial Plan

Below is the projected income statement for Grind N' Ride.

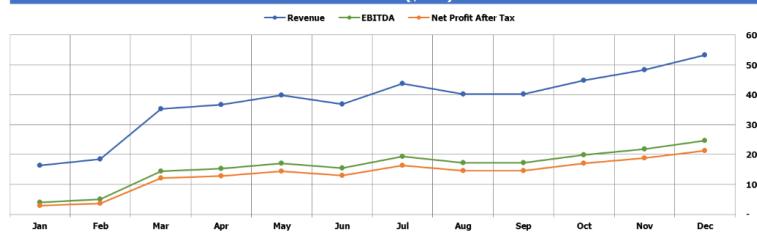
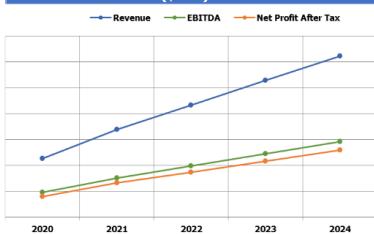
Financial Statements Summary

Grind N' Ride

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Income Statement (\$'000) - 5 Years to December 2028						
Year Ending	2024	2025	2026	2027	2028	
Revenue	4,547	6,778	8,639	10,547	12,444	
Growth %		49%	27%	22%	19%	
COGS	(1,139)	(1,698)	(2,164)	(2,642)	(3,118)	
% of Revenue	(25%)	(25%)	(25%)	(25%)	(25%)	
GROSS MARGIN	3,408	5,080	6,475	8,905	10,326	
GROSS MARGIN %	75%	75%	75%	75%	75%	
Variable Expenses	(864)	(1,288)	(1,641)	(2,004)	(2,367)	
% of Revenue	(19%)	(19%)	(19%)	(19%)	(19%)	
Salaries & Wages	(538)	(662)	(789)	(918)	(1,046)	
% of Revenue	(12%)	(12%)	(12%)	(12%)	(12%)	
Factory Expenses	(91)	(91)	(91)	(91)	(91)	
% of Revenue	(2%)	(2%)	(2%)	(2%)	(2%)	
EBITDA	1,915	3,039	3,954	4,892	5,822	
EBITDA %	42%	45%	46%	46%	47%	
Depreciation & Amortization	(70)	(63)	(63)	(63)	(63)	
EBIT	1,844	2,976	3,891	4,828	5,759	
Interest & Capital Expenses	(40)	(40)	(40)	(40)	(40)	
Net Profit Before Tax	1,796	2,941	3,877	4,829	5,759	
Tax Expense	(180)	(294)	(388)	(483)	(571)	
Net Profit After Tax	1,616	2,647	3,489	4,346	5,188	
Net Profit After Tax %	36%	39%	40%	41%	42%	

Income Statement (\$'000) - 2024												
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
164	184	353	367	400	370	439	402	449	484	533		
-	13%	91%	4%	9%	8%	19%	(8%)	(6%)	(12%)	8%		
(41)	(46)	(88)	(92)	(100)	(93)	(110)	(101)	(103)	(113)	(121)		
(25%)	(25%)	(25%)	(25%)	(25%)	(25%)	(25%)	(25%)	(25%)	(25%)	(25%)		
123	138	264	307	329	300	359	360	353	363	400		
75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%		
(31)	(35)	(67)	(70)	(76)	(70)	(83)	(76)	(76)	(85)	(92)		
(19%)	(19%)	(19%)	(19%)	(19%)	(19%)	(19%)	(19%)	(19%)	(19%)	(19%)		
(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)		
(29%)	(29%)	(29%)	(29%)	(29%)	(29%)	(29%)	(29%)	(29%)	(29%)	(29%)		
(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)		
(5%)	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)		
39	51	145	153	171	154	193	173	172	199	218		
24%	28%	41%	42%	43%	42%	44%	43%	43%	44%	45%		
(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)		
33	45	139	147	165	148	181	167	167	193	213	241	
(3)	(4)	(13)	(14)	(16)	(14)	(18)	(16)	(16)	(19)	(21)		
30	36	121	128	144	129	164	146	146	170	188		
18%	20%	34%	35%	36%	35%	37%	36%	36%	38%	39%		



Below is the projected Balance Statement for Grind N' Ride.

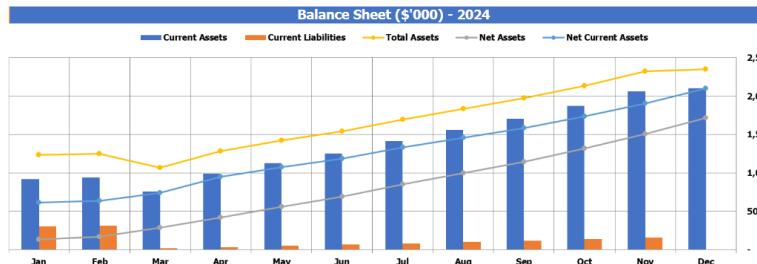
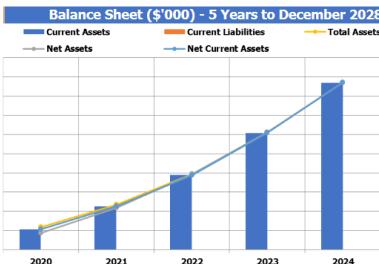
Financial Statements Summary

Grind N' Ride

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Balance Sheet (\$'000) - 5 Years to December 2028					
Year Ending	2020	2021	2022	2023	2024
Current Assets	2,098	4,509	7,761	12,137	17,388
Non-Current Assets	252	188	125	62	62
Total Assets	2,350	4,697	7,886	12,199	17,388
Current Liabilities	-	-	-	-	-
Non-Current Liabilities	633	333	33	(0)	(0)
Total Liabilities	633	333	33	(0)	(0)
Net Assets	1,716	4,364	7,853	12,199	17,388
Net Current Assets	2,098	4,509	7,761	12,137	17,388
Ordinary Equity	100	100	100	100	10
Other Equity	-	-	-	-	-
Retained Profits	1,616	4,264	7,753	12,099	17,388
Total Equity	1,716	4,364	7,853	12,199	17,388

Balance Sheet (\$'000) - 2024											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
919	941	759	985	1,126	1,251	1,415	1,558	1,701	1,871	2,060	2,250
316	310	304	299	293	287	281	275	269	263	257	250
1,325	1,251	1,063	1,284	1,419	1,538	1,696	1,833	1,970	2,134	2,318	2,500
305	307	21	35	51	65	84	100	116	135	156	175
800	778	756	833	808	783	758	733	708	683	658	630
1,105	1,085	776	868	859	849	842	833	825	818	814	800
130	166	287	415	560	689	853	1,000	1,146	1,316	1,504	1,700
614	634	758	950	1,025	1,188	1,334	1,458	1,585	1,736	1,905	2,050
100	100	100	100	100	100	100	100	100	100	100	100
(0)	(0)	0	0	0	0	0	0	0	0	0	0
30	66	187	315	460	589	753	900	1,046	1,216	1,404	1,570
130	166	287	415	560	689	853	1,000	1,146	1,316	1,504	1,700



Below is the projected Cash Flow Statement for Grind N' Ride.

Financial Statements Summary Grind N' Ride

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Select detailed year: 2024

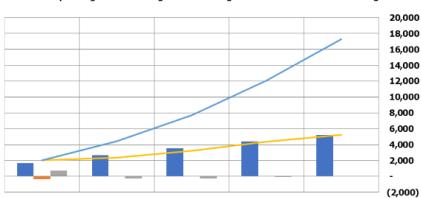


Cash Flow Statement (\$'000) - 5 Years to December 2028						
Year Ending	2020	2021	2022	2023	2024	
Cash Receipts	4,547	6,778	8,639	10,547	12,441	
Capital Expenditure	(2,072)	(3,753)	(4,698)	(5,656)	(6,629)	
Other Operating Cash Flows	(728)	(529)	(461)	(483)	(576)	
Operating Cash Flows	1,647	2,696	3,546	4,397	5,236	
Capital Expenditure	(322)	-	-	-	-	
Other Investing Cash Flows	-	-	-	-	-	
Investing Cash Flows	(322)	-	-	-	-	
Debt Drawdowns/(Repayments)	633	(300)	(300)	(33)	-	
Equity Raisings/(Drawdowns)	100	-	-	-	-	
Other Financing Cash Flows	-	-	-	-	-	
Financing Cash Flows	733	(300)	(300)	(33)	-	
Change in Cash Held	2,058	2,396	3,240	4,364	5,236	
Closing Cash	2,058	4,454	7,694	12,088	17,293	

Cash Flow Statement (\$'000) - 2024												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
164	184	353	367	400	370	439	402	402	449	484	534	
(137)	(135)	(200)	(215)	(210)	(213)	(227)	(220)	(220)	(254)	(260)	(291)	
			(5)	(4)	(5)	(5)	(4)	(4)	(4)	(4)	(163)	
27	44	128	147	164	152	183	171	168	191	212	59	
(20)	(2)	(300)	-	-	-	-	-	-	-	-	-	
800	(22)	(22)	78	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	
100	-	-	-	-	-	-	-	-	-	-	-	
900	(22)	(22)	78	(25)								
907	927	732	958	1,096	1,223	1,382	1,528	1,671	1,837	2,024	2,058	

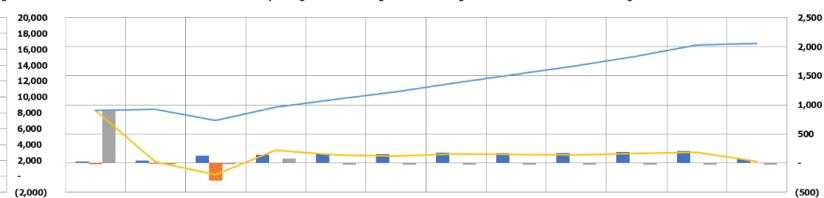
Cash Flow Statement (\$'000) - 5 Years to December 2028

■ Operating ■ Investing ■ Financing ■ Net Cash Flow ■ Closing Cash



Cash Flow Statement (\$'000) - 2024

■ Operating ■ Investing ■ Financing ■ Net Cash Flow ■ Closing Cash





Appendix

Kalib's Resume

Processing Flowchart

Management Hierarchy

Intent to purchase from buyers

Advertisement Materials

(Emails, Newsletters, Flyers)

Training Completion Certificates