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The Green Shuttle Business Plan

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The Green Shuttle Business Plan

By

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**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of
Science in International Business in International Business**

**Sam M. Walton College of Business
University of Arkansas
Fayetteville, Arkansas**

May 11, 2012

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Literary Review

While participating in a study abroad program in the spring of 2011, I was shocked to learn that the capital city of San Jose was far from “green.” This was so surprising to me because I had done some research into Costa Rica prior to choosing it as my study abroad destination and found that it was an eco-tourism hot spot and that the government had begun an initiative to become the first carbon neutral country in the world by 2021. While I was there, I asked several of my professors what were the main factors of pollution within the country. I consistently learned from everyone that I asked there were two main factors: emissions from diesel engines and waste run-off from coffee plantations. Keeping in mind that I needed to fill my thesis requirement before graduation, I began to think of viable business opportunities that could take advantage of the situation. Because I frequently traveled outside San Jose to tourist destinations; I knew that there were a lot of international tourists and I also knew that most of them wanted to travel to places outside of San Jose.

What I came up with is The Green Shuttle. I was not sure that this business would be a viable one until I wrote the business plan and forecasted financials. So the main research question addressed in the business plan is would a tourist transportation company utilizing vehicles fueled by waste vegetable oil (WVO) in Costa Rica be financially successful. As demonstrated in the business plan, yes, it would be viable and financially successful.

The research was a mix of primary and secondary. The primary research was mostly done while I was in Costa Rica during the spring of 2011 through direct communication with native Costa Ricans (Ticos). Also I did an extensive amount of internet research after I returned from the study abroad experience. I used several governmental documents published by both the U.S. and Costa Rican government, the World Travel and Tourism Council, sites dedicated to biodiesels, as well as Costa Rica tourism sites. Overall, this was a great learning experience and provided me with a possible business opportunity.

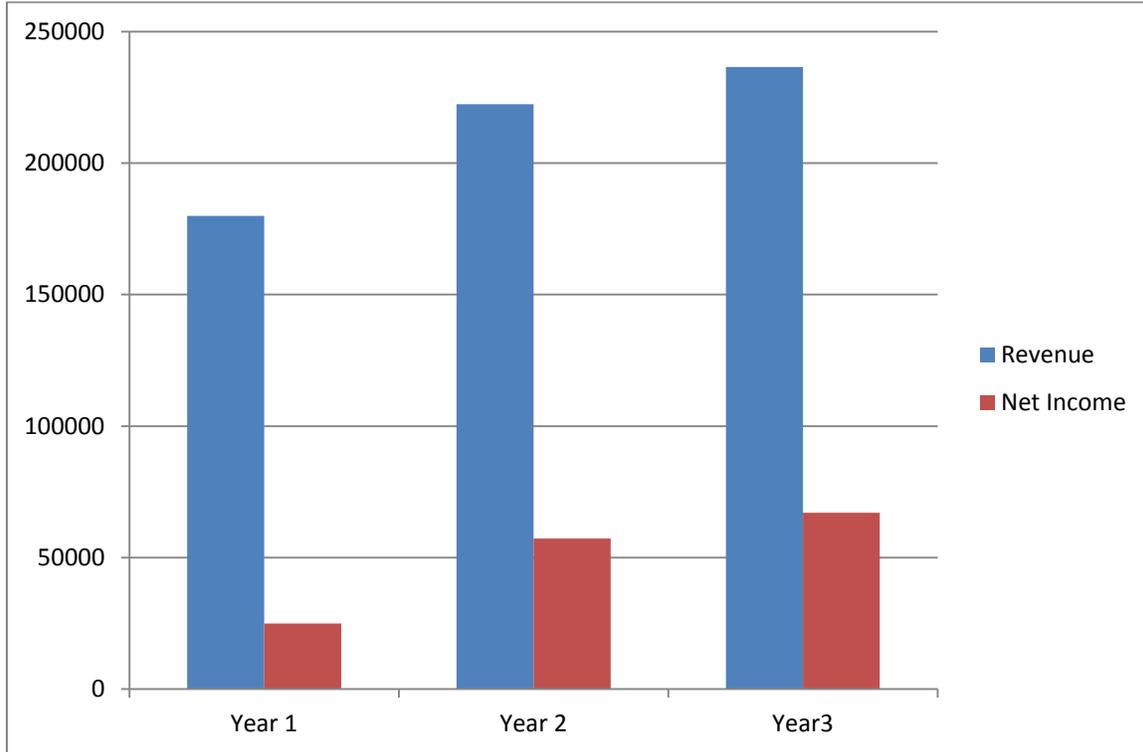
Executive Summary

The Green Shuttle is a Limited Liability Company (Sociedad de Responsabilidad Limitada in Spanish) to be established in Costa Rica in September 2012. We are offering an exciting opportunity to two family/friends to invest in a start-up company targeting an underserved market in a developing country. The office for the tourist transportation company will be located in San Jose, Costa Rica. The company is seeking funding of USD \$105,000 for the purpose of purchasing machinery, equipment, furniture, and fixtures necessary for operations and to cover estimated operating expenses for the first three months of operations.

The investment opportunity offers a 5% return on initial investments of USD \$52,500 for a total repayment of \$55,125. The investors will be paid the entirety of the \$55,125 at the end of year 3 (August 31, 2015).

The \$105,000 investment will allow The Green Shuttle to make all purchases and cover all operating costs, including marketing activities, while maintaining a positive cash flow at all times. The investment money will be needed as of September 1, 2012 in order to properly prepare for the busy tourist season in Costa Rica (December – May).

Revenue and Income for Years 1-3:



Problem Statement

Tourists who come to Costa Rica want to enjoy every minute of the time that they are there. They do not want to worry about transportation to and from destinations within the country. They want convenience and comfort from their transportation provider. Foreigners in Costa Rica want to feel safe and secure when traveling to different destinations in the ecologically diverse yet geographically small country. During my time in Costa Rica, I experienced first-hand the dangers of traveling in Costa Rica. The U.S. Department of State rates criminal threat for San Jose, the main hub for transportation in Costa Rica, as high and states that “criminals frequently prey on tourists through scams and robbery while transiting from the airport to their lodging” (Costa Rica Crime and Safety Report, 2011).

Many of those traveling to Costa Rica are of an eco-friendly mindset and want to experience several regions of the small country without damaging the environment. These tourists have a desire to help maintain the natural beauty and ecological diversity (due to their intrinsic eco-mindedness) that they traveled to experience. The Green Shuttle will offer tourists a convenient, safe, reliable, and eco-friendly way to experience Costa Rica.

Today, the eco-friendly transportation market in Costa Rica is woefully underserved. I believe that we can be very successful in attracting eco-tourists to patronize our services because of the added benefits of non-harmful emissions, safety, and convenience while charging a rate competitive to those in the traditional tourist transportation industry. We will provide travelers with a convenient, reliable, safe, and enjoyable traveling experience, while doing our part to meet Costa Rica’s initiative to be carbon neutral by 2021.

Business Description

The Green Shuttle will be a professional tourist transportation company designed to serve all people travelling through Costa Rica but especially eco-minded tourists. Our fleet of shuttle buses will be fueled by 100% waste vegetable oil (WVO) which will be collected from the many restaurants, hotels, and factories located in the popular tourist destinations as well as the bustling capital city of San Jose. Using WVO as the primary fuel source will allow The Green Shuttle to operate with zero carbon emissions while exceeding customer service expectations.

The customer value of our provided services greatly outweighs those of other transportation providers such as: mass transit buses, rental car providers, taxis, and other shuttle services. The Green Shuttle does not have many of the risks associated with these other providers. Some of these risks include the necessity to be at dangerous bus stops for extended periods of time, damage to rental cars or getting lost, being taken advantage of by taxi drivers, and harming the environment with toxic emissions. Also, we provide a service that no one else in the shuttle industry does: ecologically friendly travel.

The Green Shuttle will operate an aggressive online marketing campaign as well as rely on referrals from ecological resorts, hotels, hostels, online trip advisors, and previous customers to communicate with target customers. Also, relationships with other tourist service providers will be vital to reaching a consistently large number of those in our target market.

Several courteous drivers that have significant knowledge of local attractions, history, and culture will be employed and will have the majority of the interaction with our customers. Our lead automotive technician will be responsible for all mechanical conversions and repairs to the fleet of vans.

I. MARKETING PLAN

Target Market Assessment

What is the market and how big is it?

Costa Rica has become one of the premier places in the world to travel. It has also seen great growth as a destination for ecotourism and is now considered ecotourism's "poster child" (Buchsbaum, 2004). The twenty natural parks, eight biological reserves, and many protected areas make Costa Rica an ecotourism hotspot. The World Travel and Tourism Council expect approximately 2,213,000 international tourists to visit Costa Rica in 2012 and predict that number to grow by 35% over the next ten years (Travel and Tourism, 2012, p. 5). The Green Shuttle plans to target both tourists and eco-tourists; however, the plan is to more directly target, advertise to, and overall try to appeal to eco-tourists. Eco-tourists are a good "fit" with The Green Shuttle's strategy because they possess a certain sort of internal eco-mindedness. From Bernardo Duhá Buchsbaum's 2004 research on ecotourism and sustainable development in Costa Rica, we know that 39% of U.S. tourists that were surveyed in 1990 signified that nature-based attractions were the reason for their visit to Costa Rica (Buchsbaum, 2004). So, if we expect 2.2 million international tourists per year in Costa Rica in 2012 and also assume that at least 39% of those tourists have an interest in Costa Rican nature, we should therefore assume an initial target market of at least 858,000 people per year. Also, we expect to see continued growth in both tourism and ecotourism in Costa Rica. Tourism grew at an unbelievable rate in Costa Rica during

the 1990's, jumping from less than 700,000 in 1993 to almost 1,200,000 in 2001. The jump in numbers can be largely explained by the incentives offered to tourism investors by the Costa Rican government under the leadership of former president José María Figueres, who served from 1994-1998 (Buchsbaum, 2004). The Costa Rican government continues to offer tourism incentives and therefore, international tourist arrivals in Costa Rica are expected to grow every year over the next ten years, with an estimated 2,991,000 international tourist arrivals in 2022 (Travel and Tourism, 2012, p. 5).

What is Ecotourism?

Ecotourism is defined by the international ecotourism society as "Responsible travel to natural areas that conserves the environment and improves the well-being of local people." The Costa Rica tourism board gives a little more in depth definition "the development of sustainable tourism must be seen as the balanced interaction between the use of our natural and cultural resources, the improvement of the quality of life among the local communities, and the economic success of the industry, which also contributes to national development. Sustainable tourism is not only a response to demand, but also an imperative condition to successfully compete now and in the future" (Sustainability CST, 2011). The objectives of The Green Shuttle fit perfectly with both of these definitions. Our main objectives are to promote ecological conservation, environmental protection, and the responsible use of natural resources, especially scarce resources such as fossil fuels.

Who is an Eco-tourist?

The Green Shuttle will define an eco-tourist as anyone who comes to Costa Rica, from within the country or from abroad, with the specific purpose of seeing nature-based attractions. However, since operations are going to be small in the beginning, The Green Shuttle will only target those tourists that are going to one of the ecotourism destinations designated by The Green Bus. By our definition, all Green Shuttle customers will be eco-tourists.

The Green Shuttle's Designated Ecotourism Destinations:

The following destinations were chosen because they seem to be the most popular ecotourism destinations.

1. Arenal Volcano
 - a. <http://www.arenal.net/>
2. Monteverde Rainforest
 - a. <http://www.monteverdeinfo.com/>
3. Manuel Antonio Beach & National Park
 - a. <http://www.manuelantoniocostarica.com/cr/default.asp>
4. Puerto Viejo Beach (Carribbean)
 - a. <http://puertoviejosatellite.com/>
5. Tamarindo Beach
 - a. <http://www.tamarindo.com/info/>
6. Nicoya Peninsula beaches and nature reserves
 - a. <http://www.nicoyapeninsula.com/>

Market Needs:

The only busses currently operating in Costa Rica run on Diesel, but there is an obvious need for an alternate, more eco-friendly source of energy. As seen in the following graphs Costa Ricans are concerned about air quality in San José, the capital of Costa Rica and the main hub for The Green Shuttle. The following graphs show that there is a need and desire among Costa Ricans for a service such as The Green Shuttle will offer. We plan to use information such as this in our marketing campaigns to show tourists that they will be positively impacting the environment as well as the overall quality of life for Costa Ricans.

Figure 1: “Eighty-six percent of those surveyed about air quality and public buses responded that they believed that the air was not healthy” (Poglese, 2007)

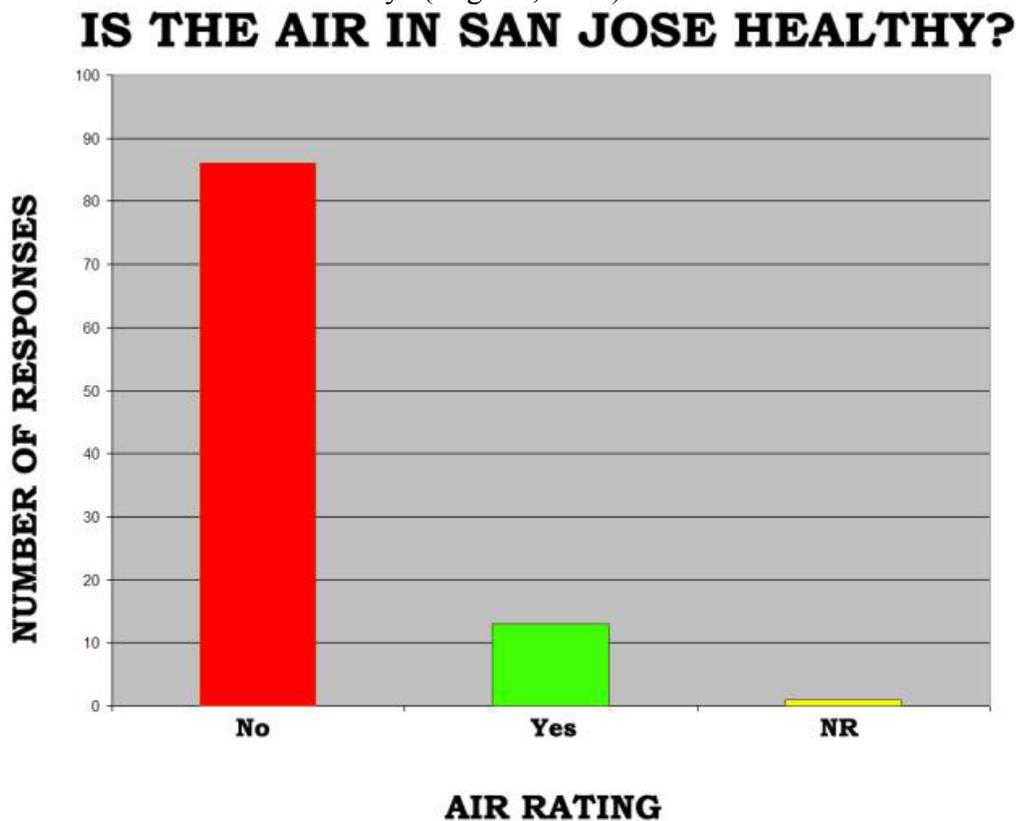
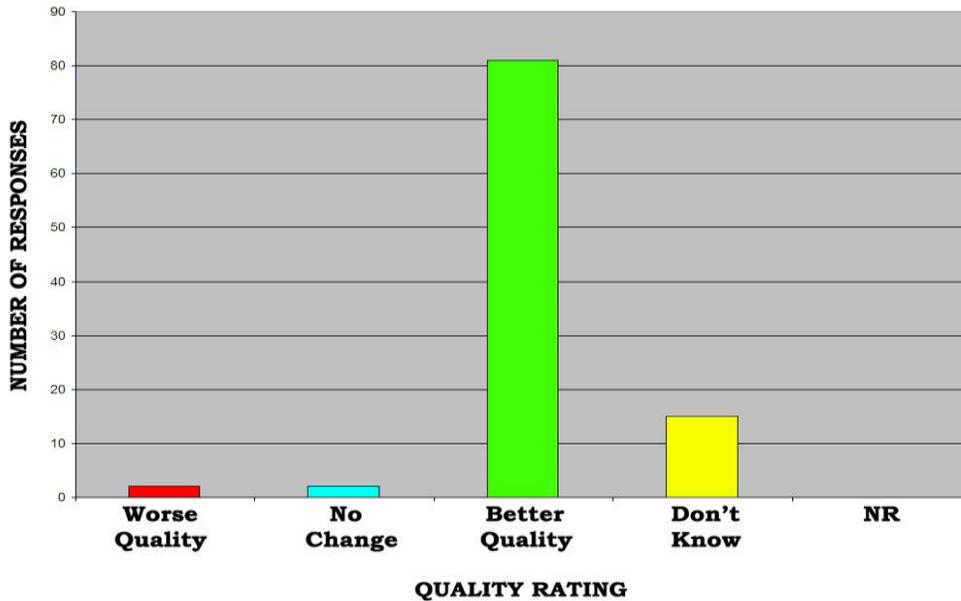


Figure 2: “Eighty-one percent of participants indicated that they thought that using bio-diesel would better the air quality” (Poglese, 2007).

WHAT TYPE OF IMPACT DO YOU THINK BIO-DIESEL WOULD HAVE ON THE AIR QUALITY IN SAN JOSE?



Future Trends and Technology

Trends:

- Costa Rica’s initiative to become carbon neutral by 2021
- Ever increasing crude oil prices
- Large expected growth of international tourists arriving in Costa Rica over the next ten years (World Travel & Tourism Council, 2012, p. 5)
- Costa Rica is and will likely continue to be a premier ecotourism destination
- Escalating crime rate in Costa Rica, including crimes targeting tourists (U.S. Department of State, 2011, p. 1)

Technology:

- Conversion of diesel engines to use WVO as a primary fuel source
 As a tourist transportation company that utilizes a renewable biofuel with zero carbon emissions, The Green Shuttle has taken into account all of these trends and technologies and seems destined for success. We plan to take full advantage of the Costa Rican government’s carbon neutrality initiative in order to secure government incentives for establishing our carbon neutral business. In order to attain these incentives, it will be necessary to prove our success in using 100% WVO in all of our buses.

As a result of our carbon neutrality, we expect to be very popular among the growing number of eco-tourists. It is of the utmost importance that The Green Shuttle is perceived as a safer,

more convenient, and less ecologically harmful form of transportation than other forms of transportation in order to achieve our desired competitive advantage. Positioning The Green Shuttle in a way that allows us to capitalize upon these trends will be vital to the success of the company.

Competitor Analysis

1. Other shuttle services: Anywhere Costa Rica and Costa Rica Shuttle (direct competition)
 - a. Strengths
 - i. Existing companies with reputation
 - ii. Existing online presence
 - iii. Convenience
 - iv. Safety
 - b. Weaknesses
 - i. Expensive/confusing rates
 - ii. Ecologically harmful emissions from van/bus
2. Mass transit buses: Grayline and Interbus (direct competition)
 - a. Strengths
 - i. Cheap
 - ii. Several scheduled departure times
 - b. Weaknesses
 - i. High crime rate at terminals
 - ii. Inconvenient
 - iii. unreliable
 - iv. Confusing for non-Spanish speakers
 - v. Uncomfortable seating/standing
 - vi. Ecologically harmful emissions
3. Rental car agencies (indirect competition)
 - a. Strengths
 - i. Convenience
 - ii. Comfortable
 - iii. Familiar brands
 - b. Weaknesses
 - i. Expensive
 - ii. Navigating through Costa Rica is very confusing
 - iii. Owner is responsible for vehicle damage/theft

Differentiation from Competition:

The Green Shuttle will offer services similar to existing shuttle services; however, our social responsibility and customer service will far exceed these other companies. We will offer prices that are very competitive, and more straight-forward, with these other shuttle services while maintaining 100% carbon neutrality. The value derived from our services should greatly outweigh any potential discrepancies in price. Also, the fact that there are no direct costs with our main fuel source gives us a huge competitive advantage and allows us to remain small will be very profitable.

To summarize, The Green Bus will differentiate from the competition through the services offered to customers. We take the worry out of customers' vacations. We know the way to all the popular tourist destinations, charge a fair and straight forward fee, have friendly and knowledgeable staff, never require the customer to be in dangerous places or situations, and are helping to achieve a carbon neutral Costa Rica.

PRODUCT

The Green Shuttle will offer eco-friendly transportation services to tourists in Costa Rica unique to all others currently serving the tourist transportation industry. The actual tangible service offered, driving customers from point A to point B, will be similar to those offered by existing transportation companies. However, the intangibles will be what differentiate The Green Shuttle apart from all others in the industry. We will use friendly, knowledgeable, local drivers with strong people skills in order to provide the most enjoyable ride from point A to point B possible. What will really add customer value though will be our ability to transport the customer to their destination with zero harmful emissions- 100% carbon neutrality.

Waste Vegetable Oil (WVO) as a Fuel

Historical Background:

The idea of vegetable oil as a fuel has been around since the early 20th century, nearly as long as the diesel engine itself. It has gained and lost popularity in the U.S. and Europe many times since Rudolph Diesel, inventor of the diesel engine, fueled his diesel engine with peanut oil during a demonstration at the 1900 World Fair ("Wvo History", 2011). In fact, Mr. Diesel believed so much in the potential of these renewable fuels that he stated in a 1912 speech that "such [vegetable] oils may become as important as petroleum products" (Esteban, Baquero, Puig, Riba, & Rius, 2011, p. 3006). Vegetable oil as a fuel has gained and lost popularity several times in both the U.S. and Europe; however, political and economic agendas have kept large scale research to a minimum. Recently, small scale, personal use has increased wildly among enthusiasts and has reached somewhat of a cult following. Currently there are several U.S. companies that sell "do it yourself" kits to convert almost any diesel engine to accept vegetable oil as the primary source of fuel. One of the most attractive features of these "converted" engines is the ease with which one can use traditional diesel, biodiesel, unused vegetable oil, or waste vegetable oil.

How It Works:

Before it is ready to be used as a fuel source, WVO must first be filtered. Filtration is vital to ensure that the WVO runs as smoothly and efficiently as diesel fuel. The filtration process has several fairly easy and straight forward steps:

1. Pre-filtration- removes all large contaminants, such as food particles. We plan to use a 200 micron strainer.
2. Heat filtration- a heating element is used to heat the oil to approximately 180 degrees and remain heated for about three hours. Then, the oil is removed from heat and allowed to cool and settle for an extended period of time (about eight hours is recommended). This

process removes all of the water and hydrogenated oils from the vegetable oil. It is the longest step in the filtration process and will be seen as a bottleneck for our company.

3. Inline filtering- two inline filters (one 20 micron filter and one 5 micron filter) are used to “polish” the oil during this step.
4. Post-filtration- the oil is then filtered one final time using a 1 micron filter to ensure that no contaminants have accidentally fallen or gotten into the oil during the filtration process (Simplify the WVO, 2012).

At this point the WVO is ready to be used as a fuel source in a modified diesel engine.

Engine Conversion:

The process of converting a diesel engine to accept 100% SVO as a fuel source is not so much a mechanical engine conversion, but rather a process of incorporating the additional hardware necessary to heat and filter the WVO before it reaches the engine. The WVO must be heated in order to reduce viscosity and allow for easier flow. The high viscosity level is the main disadvantage of WVO as a fuel source but can easily be remedied by the addition of heat. Our vans will utilize a two fuel tank system which allows for the vehicle to easily switch between diesel and WVO. The necessary hardware includes:

1. Separate fuel tank with a heating element- stores and heats the WVO. We plan to use electric heating pads underneath the tank.
2. New fuel line- runs the heated WVO to the fuel filter in the engine. The new fuel line should be in between hot coolant lines to maintain proper temperature.
3. 3-way solenoid valve- for switching between fuels
4. WVO bypass switch- to engage the valve and switch fuels
5. 10 micron fuel filter- also wrapped in electric heating pad.

Carbon Neutrality:

The Ithaca Biodiesel Cooperative explains that “[vegetable] oil comes from plants, so the carbon dioxide that is released when the oil is burned is the same carbon dioxide that was absorbed by the plant from the atmosphere during the plant’s lifetime. Thus, unlike fossil fuels, biodiesel and WVO release no **new** carbon into the atmosphere when they’re burned. The carbon was in the atmosphere already” (Frequently Asked Questions, 2012). This means that a vehicle fueled by WVO is carbon neutral.

PLACE

Costa Rica:

Costa Rica was chosen as the place for operations for four main reasons. First, because there are well over two million international tourists that enter Costa Rica every year and that number is predicted to approach three million within ten years (Travel and Tourism, 2012, p. 5). Many of these tourists travel to Costa Rica in order to see the many nature based attractions within the small, ecologically diverse country. Eco-tourists are captivated by Costa Rica’s natural parks, biological reserves, and protected areas (Ecotourism 2012). I assume that these eco-tourists are conscious of the fact that harmful emissions from tourism transportation vehicles

are endangering the very nature-based attractions that they are taking tourists to see and enjoy. I further assume that eco-tourists in Costa Rica will take this into consideration when choosing which transportation service to patronize.

Second, because Costa Rica has such a large number of ecologically diverse nature-based attractions in such a small geographical area, transportation costs and miles traveled will be minimal. Geographically, Costa Rica is only 19,730 square miles, roughly the size of New Hampshire and Vermont combined (Background Note: Costa Rica, 2011). This tiny Central American country contains 5% of the world's plant and animal species within .1% of its landmass (Hickman, 2007). There are actually more species of birds in Costa Rica than in the U.S., Canada, and Northern Mexico combined (Why Costa Rica, 2012). For these reasons, Costa Rica has gained a worldwide reputation as an ecotourism hotspot.

Third, the main objectives of The Green Shuttle align perfectly with Costa Rica's initiative to be completely carbon neutral by 2021. The Green Shuttle's operations will be 100% carbon neutral. For this reason, I fully expect to receive free publicity and advertising in governmental publications and newspapers. I base this expectation on this statement by Costa Rica's Environment and Energy Minister, Roberto Dobles "Costa Rica aims to achieve this goal [carbon neutrality by 2021] using budgeting, law, and incentives, including measures to promote biofuels, hybrid cars, and clean energy (Herro, 2011). In short, Costa Rica desires a company with our objectives- to make Costa Rica a cleaner and more efficient country.

Fourth and finally, Costa Rica has historically had a safe and open business environment. Companies operating in Costa Rica have no limitation of foreign ownership and foreigners are free to conduct business. Furthermore, Costa Rica has free capital movement and no foreign exchange controls. The government also makes it easy for foreigners conducting business in Costa Rica to obtain a temporary residents visa. Another attractive characteristic of the Costa Rica business environment is that they have a strong and educated workforce. The workforce literacy rate is 96% and the labor pool is expected to grow 3.7% annually (Setting up a Business, 2012). Also, Costa Rica was ranked 2nd in Latin America by the World Bank's 2010 Political Stability and Absence of Violence Index (Business Climate, 2009). This is likely due to the fact that Costa Rica has enjoyed more than 100 years of democracy and more than 80 years without a national military force.

San Jose:

Costa Rica's capital city was chosen as the base site for operations for the primary reason that the only international airport in Costa Rica is located in San Jose. The Green Shuttle office will be located in a section of San Jose called Rohrmoser, which is approximately 10 miles from the Juan Santamaria International Airport (SJO) in Alajuela, San Jose. We need to be based in San Jose because almost all of our customers will be arriving at SJO by plane and on days that our services are not reserved, we plan to try and find customers at the airport.

PRICE

The Green Shuttle will implement a flat rate pricing policy of \$30 per person/ticket for customer convenience. We do not want the customer to think they are being taken advantage of in any way, as they may feel about taxi, rental car, and other shuttle services. The customer should feel comfortable asking the driver to stop at scenic locations or rest stops along the way

without wondering if they will be charged for the extra time or distance. Our only requirement is that at the least \$150 is collected per trip, the equivalent of five tickets.

PROMOTION

The Green Shuttle plans to use an aggressive online marketing campaign, free governmental publicity, and partnerships with others participating in the Costa Rican tourism industry to communicate with potential and existing customers.

Online Marketing:

The company website will be the primary tool used in the online marketing campaign. Initially, the website will have several sections, including: about us, about the problem (toxic emissions from tourist transportation industry), about Costa Rica, ecotourism destinations in Costa Rica, contact us, and frequently asked questions. After operations begin we will incorporate press, photo, and customer review sections. The contact us section will include phone number, Skype information, and e-mail address.

The Green Shuttle will also utilize social media sites such as Facebook and Twitter to access potential customers. I believe that many of those in our target market are already using Facebook and Twitter, especially those eco-tourists who use these social media sites to keep in touch with friends and family while traveling internationally.

Free Publicity:

Because The Green Shuttle will be registered as a tourism company with the Costa Rica Tourism Board (Spanish acronym ICT), they are obligated to:

1. "Give protection, offer technical assistance, and include The Green Shuttle in their promotion, advertising, and training programs."
2. "Recommend promotion and protection measures"
3. "Publish [The Green Shuttle] in massive communication media" (Regulations for Tourism Companies, 2000, p. 6).

Strategic Partnerships:

The Green Shuttle will rely on partnerships with other companies in the Costa Rica tourism industry for marketing purposes. Such companies include but are not limited to:

- Eco lodges, hotels, and hostels- I predict they will be very willing to inform their customers that we will provide transportation services to and from their places of business. The Green Shuttle will also rely on these companies to communicate when one of our shuttle vans will be in the area and available for transportation back to San Jose.
- Online trip advisors- There are many of these companies that have strong online presences. We hope they will publish our company under their "getting around/transportation" sections. Currently in these sections they list the disadvantages of different transportation options, such as the ones mentioned in the competitor analysis. Hopefully we will capitalize on this as we do not have any of these disadvantages/risks.

- Previous customers- The plan is to make such a positive impression with our customer service and social responsibility that they will recommend our services to friends and patronize our services again.

Sales:

The green Shuttle will initially own and operate four 11 passenger eco-friendly vans offering transportation services from/to San Jose to/from tourism destination sites within Costa Rica. During Year 1, only three vans will be in operation daily to conserve WVO fuel. The price per person will be higher than that of a mass transit bus but significantly lower than that of rental car and about the same as other private shuttle/taxi services. The initial price will be \$30 per person. Special pricing will be afforded to groups of at least 10 and to groups of five or more that select and prepay the roundtrip option.

Because there are many more tourists in Costa Rica during the summer months (December – April) than winter months (May – November), The Green Shuttle will only offer transportation services during the most popular tourist season (December – May). Daily capacity during the first year of operation will be 33 (3 vans with 11 passenger seats). We will own four vans but only operate three daily during Year 1.

I expect that it will take about three months to convert the fleet of vans to use WVO as primary fuel, train the staff, attain a reputation as a trustworthy and reliable service provider, acquire a sufficient amount of WVO, and to form the vital, mutually beneficial relationships with tour guides, eco-lodges, hotels, hostels, and online travel advisors. Because it will take three months to prepare for operations there will be no revenue during the first 3 months (September - November).

We will primarily rely on our website to drive sales. The website will offer The Green Shuttle contact information with the idea that customers will call or e-mail us to make reservations. Advertising at the airport will also be important in order to fill vacant seats. Our services should stand out greatly over the hundreds of aggressive taxi drivers at the airport.

SWOT Analysis

Strengths:

- The Green Shuttle will be the only transportation company in Costa Rica whose vehicles do not emit toxic emissions
- Primary fuel source, WVO, will be collected locally, free of charge
- Our target market is large and already there
- Relatively cheap labor
- Low operating costs
- Operations promote ecological conservation and the efficient use of natural resources
- Costa Rica is an ecologically diverse yet geographically tiny country
- Costa Rica has business environment similar to the U.S. and is suitable for foreigners
- Costa Rica has a friendly and educated workforce
- Costa Rica has a warm tropical climate- good for WVO storage

Weaknesses:

- Limited supply of WVO
- WVO sources are spread throughout the country
- Employees are currently unknown
- Slow tourist season May – November
- WVO filtration is a time consuming process

Opportunities:

- Monetary incentives from Costa Rican government for tourism and eco-friendly
- Free promotional activities from Costa Rican Tourism Board
- Expansion into other popular eco-tourism destinations
- New technologies resulting from biodiesel research and development
- First mover advantage
- Repeat customers and referrals
- There are international flights arriving to SJO daily

Threats:

- Running out of fuel due to limited supply and time consuming filtration
- Possibility of injury or death to customers and damage to vehicles
- No revenue from June – November
- Possibility of unreliable employees
- Lack of technical WVO knowledge within workforce

II. PERSONNEL PLAN

During Year 1, The Green Shuttle will employ a total of 8 people: 1 part time WVO collector, 4 full time drivers that will also assist with advertising, 1 part time advertiser, 1 mechanic who will also assist with daily operations and act as an assistant manager, and myself- I will as general manager and primarily take care of daily operations and marketing.

Part-time WVO Collector:

This individual will primarily be responsible for driving to collection sites (restaurants, hotels, factories) in San Jose and throughout Costa Rica, collecting the WVO, and bringing it back to the office in San Jose. This person must keep a sound relationship with current suppliers and will be expected to actively seek new supplier possibilities. The green bus will offer these companies free collection of this waste oil. I believe they will be more than happy to give the oil away because currently most have to pay to have it removed. Also, they have no use for it, the waste oil is exactly that, waste- byproduct of cooking. This individual will work 15 days/month year round. This person will be paid the equivalent of USD \$25/work day, which equates to USD \$375/month and USD \$4500/year, which is well above minimum wage. This position will require a valid Costa Rican driver's license and a clean driving record.

Full-time Drivers:

The drivers will drive customers to their destination in the WVO powered shuttle vans. Since there are 4 drivers and only 3 vans in Year 1, one driver per day will be expected to advertise our services at the SJO airport. They will work 23 days per month during the 6 months of operation (December – May) and will not be employed during non-operating months (June – November). They will be paid the equivalent of USD \$21/work day each, which equates to USD \$483/operating month and USD \$2898/year, which is above minimum wage. This position will require a valid Costa Rican Driver's license and a clean driving record. Drivers must be very friendly, knowledgeable about local attractions and culture, and have some English speaking abilities with the desire to improve on them.

Part-time Advertiser:

This person will be required to actively seek out tourists arriving at the SJO airport and inform them of The Green Shuttle services. During Year 1, this employee will work 10 days per month during the 6 months of operation (December – May) and will not be employed during non-operating months (June – November). This person will be paid the equivalent of USD \$17.2/work day, which equates to USD \$258/operating month and USD \$1548/year, which is above minimum wage. This position will require strong people skills and a solid foundation of the English language. For Years 2 and 3 this person will be required to work 12 days per month and 15 days per month in Years 4 and 5.

Full-time Mechanic/Assistant Manager:

During October and November of Year 1, the mechanic will be required to assist in the van buying process and complete the necessary conversions to allow the vans to use WVO as a primary fuel source. From December – May, this person will perform all van maintenance and unexpected repairs as well as perform daily operating activities when I have obligations outside the office. This person will be paid a monthly salary equivalent USD \$3125 for the 8 months of his employment (October – May) during Year 1, which equates to USD \$25,000. This position will require a thorough understanding of diesel mechanics and ability to quickly learn WVO mechanics. This person must also possess good English and customer service skills. If the mechanic chooses to return for Year 2, the monthly salary will be increased to the equivalent of USD \$3286 and will only be required to work 7 months (November – May).

General Manager:

As General Manager, I will primarily take care of daily operations, marketing, and customer service. Daily operations will consist of communicating with customers, scheduling reservations, and dealing with human resource issues. During the first three months (September – November) of Year 1, I will take all necessary steps to legally form the business, secure as many WVO suppliers as possible, and concentrate on marketing activities. Marketing activities will consist of setting up the company website, forming partnerships with others in the tourism industry, and communicating with potential customers. I plan to only take a salary during those months in which the company enjoys a profit from operating activities (projected to be

December – May). During Year 1, I plan to take a meager annual salary equivalent to USD \$6,000 (\$1,000/month December – May) with the intent of growing that number along with profit

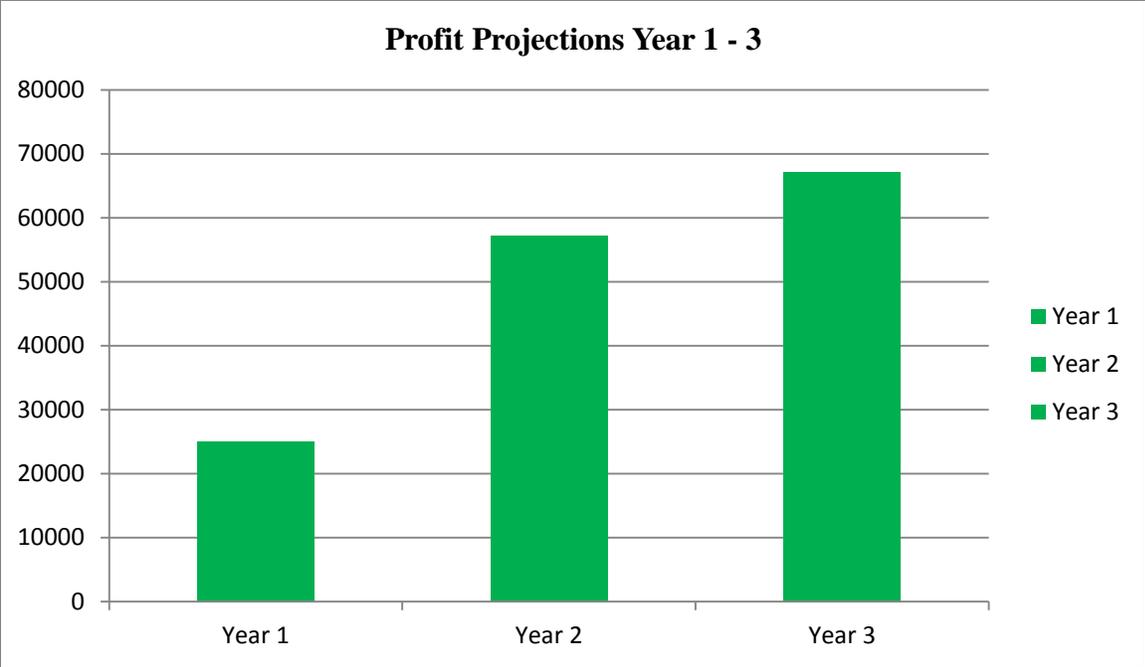
III. FINANCIAL DOCUMENTS

Summary of Financial Needs

- I. The Green Shuttle is seeking funding in the amount of \$105,000 for start-up purposes.
- II. Provided below is a breakdown of the use of funds.

	First Quarter of Operations	Projected Expense
1)	Salaries & Wages Expense	\$ 7,375
2)	Payroll Tax Expense	\$ 1,930
3)	Business license expense	\$ 200
4)	Cell phone expenses	\$ 655
5)	Rent Expense	\$ 3,600
6)	Utilities Expense	\$ 600
7)	Lawyer expense	\$ 5,000
8)	Supplies Expense	\$ 600
9)	Advertising Expenses	\$ 1,563
10)	Travel Expenses	\$ 2,400
11)	Filtration System Parts Expense	\$ 130
12)	Unexpected Repairs Expense	\$ 2,100
13)	Insurance Expense	\$ 1,500
14)	Miscellaneous Expense	\$ 900
15)	machinery and equipment	\$ 71,500
16)	Furniture and fixtures	\$ 2,600
17)	Working Capital	\$ 2,348
	Total	\$ 105,000

The \$105,000 investment will allow The Green Shuttle to make all purchases and cover all operating costs, including marketing activities, while maintaining a positive cash flow at all times. The investment money will be needed as of September 1, 2012 in order to properly prepare for the busy tourist season in Costa Rica (December – May).



*See accompanying excel files for complete financial statements

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