DIGI-GRENT Project

Digital & Responsible Business Model

GIMBUS sp. z o.o.

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1 The Problem and the Opportunity

There is a group of parents of schoolchildren who live in areas (including the outskirts of large cities, rural areas) of public transport exclusion. This situation requires them to devote considerable time and money to everyday personal car transport to school and extra-curricular activities.

The solution that some of them use is to create "parental groups" that share their responsibilities, so if deadlines are met, one parent will drive not one, but two, three or four children. However, such solutions require very high flexibility – different hours of classes and different hours of parents' work (especially in the case of free professions), require daily planning and several individual contacts between parents. An additional factor is the issue of the financial consequences of the uneven occupancy of individual parents' cars.

Presented proposal is an application that allows effective management of communication between parents as well as analysis and sharing of costs incurred by parents. The application allows you to set timetable for transporting children at any time in a clear and legible way for individual group members. It allows the use of cyclical terms, but also exceptions or single terms. In the economic layer, the application allows you to analyze the involvement of individual group members in the delivery of children and gives the ability to easily calculate the possible financial obligations of individuals.

2 The Context

Typical substitute for parents who want to save time instead of driving their children to school is mainly public transport, although it is not flexible and does not include changes in a daily routine. Alternatively, parents can "ask for help" in driving their children to school other parents. It takes place thanks to communication instruments (text messaging, mail or mobile communication apps). It is not optimal, does not necessary use the full possibility of families in the area of "car sharing". There are also Apps, but they are profit-oriented and involve professional drivers.
Presented here solution is based on social capital (incl. social trust between acquaintances) and rides will be executed by parents themselves (they will share with other parents the obligations respectively to their possibilities to ride on a particular day).

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The application is dedicated to:

- parents who live in areas unfavorable in terms of public transport and,
- parents at the age 30-50 of schoolchildren living in distant areas, obliged to drive their children to school or other extra cullicular activities and,
- parents with an important degree of social capital (incl. Trust) which allows to cooperate in such a "community of drivers" and
- parents who are interested in being socially and environmentally responsible and
- parents who feel that time and other costs of driving children to school are too high.

Benefits for users:

- saving time,
- lower / no costs associated with the delivery of children,
- the ability to perform other work, e.g. home,
- a longer rest period for the child.

3 The Solution

The offered solution is an IT tool (app) that supports decentralized management of a group of people – parents taking their children to school and out of school. This tool working on mobile and stationary systems has the following functionalities:

1. Long and short-term planning of transport tasks in changing conditions relating to the time of commencement of transport, destination (school, home, out-of-school activities), place of departure and various persons acting as guardians transporting children.
2. Long and short-term planning of additional tasks, such as childcare after or before transport.
3. Access to data on transport progress and child status.
4. Control over security issues:
    a. related to the verification (positive or negative) of individual group members by each parent
    b. data exchange between verified members of the group
5. Economic module – analysis of the costs incurred by individual members of the group, and their distribution, taking into account the intensity of use of services by a given parent and services rendered to the group.

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3.1 Technology and Operational Issues

The IT application will be prepared to work on major mobile platforms – Android and IOS, as well as on devices operating on the Windows operating system. Thanks to this, it will be able to operate within parental groups in which various types of communication devices (mobile phones, computers, tablets) are used.
Currently, the project is technically at the stage of designing individual functionalities and analyzes regarding the technical conditions for the use of "plugins" associated with sources of information on the functioning of public transport.
The application design is developed by our company, while technical preparation will be outsourced.

Effects related to social responsibility

- "Time savings" – the time which is usually spent on commuting can be dedicated to other family activities.
- Strengthening social links within the local community, strengthening the sense of collective identity – big potential for other initiatives in the area of sharing economy
- Reduced air pollution and congestion (positive externalities for all road network users)

3.2 Competitive Advantage

Classic alternative for parents driving their children to school is mainly public transport (eg. public railway transport), but they do not include mobile apps, are not flexible (responsive to changing needs of the customers), not strictly dedicated to the needs of families with young children. Alternatively, one can communicate with others via text messaging, mail or mobile communication apps (Messenger, WhatsApp).
Existing ready-to-use digital solutions mainly refer to "external" (professional) drivers who can be ordered (as an analogy to "UBER") to drive a child to school. Our solution is based on social capital (incl. social trust between acquaintances) and rides will be executed by parents themselves (they will share with other parents the obligations respectively to their possibilities to ride).
The features of the proposed application that give a competitive advantage are:

- complexity,
- readability,
- flexibility,
- expandability.

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These features allow:

- saving time,
- lower / no costs associated with taking children to school,
- the possibility of performing other work, e.g. home,
- more attention for children before they leave to school,
- more time for the child to rest,
- social integration of parents,
- satisfy the need of being environmentally friendly and socially involved,
- children social integration with schoolmates.

3.3 Description of the Target Market

The target are parents of schoolchildren who live in a distance from school or extra-curricular activities and have to drive children there and are willing to share this duty with other parents.
The size of the market is being estimated now but seems to be promising (several interviews have been conducted). The trend to live in suburbs but have children at schools in a city is visible. As some scientific research states, more and more parents tend to drive their children to school (eg. te survey conducted by the Heart Foundation's LiveLighter campaign, https://www.smh.com.au/healthcare/twothirds-of-children-driven-to-school-its-not-safe-to-walk-parents-report-in-livelighter-campaign-survey-20180122-hom6y2.html). "Research shows schoolchildren now spend an average of 26 hours a year being driven to school, compared with 18 in 1995." (https://www.theguardian.com/society/2014/sep/03/children-more-time-driven-school-parents)
"In 1969, 41% of all trips to school in the United States were made by walking or biking. By 2001, this had declined to 13%. Over the same time period, the proportion of children being driven or driving themselves to school rose from less than 20% to 55% (Ham, S., Martin, S. and Kohl, H. W. III. 2008. Changes in the percentages of students who walk or bike to school United States, 1969 and 2001.. Journal of Physical Activity and Health, 5(2): 205–215; McDonald, N. C. 2007. Active transportation to school: Trends among U.S. schoolchildren, 1969–2001.. American Journal of Preventive Medicine, 32(6): 509–516), https://www.tandfonline.com/doi/full/10.1080/01944360902988794.

The target segments are people at the approximate age 30-50 who possess a significant social capital (ready to trust others), use mobile apps and drive schoolchildren to schools.
First customers will be Polish (initial pilot recruitment). Their role will be to report the functionality of the app. Subsequently, the app will be distributed in more languages.

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The raising level of app users will be a proof that the solution meets customers needs. The app will also include the possibility of rating and expectations towards further improvements reporting.

3.4 Product/service snapshot

The application in the basic version will allow to manage logistic issues of the participants, although it will be deprived of additional features.
The additional features (additional investment) will include in the app the location of the passenger, optimization of the route (traffic jam in real-time), local news.
The USP of this solution refers to its social and environmental responsibility. The app not only concentrates on reducing costs of parents driving kids to schools but reduces environmental and social cost which are born not only individually but also collectively.

4 The Strategy (Scaling Strategy)

As part of the company's strategy, transferring value to users will be key, consisting in significantly facilitating the organization of activities related to bringing children to school. This support will be available through the use of a functional, flexible and easy-to-use application providing communication, organizational and analytical support. Application features will ensure stable communication between different development environments. They will also provide various forms of providing information to parents as well as support for people bringing children to school.
Downloading and using the application will be free for end users, which means that they will not be charged any additional fees, and there will be no need to buy new equipment. It will be possible to use previously existing electronic devices such as mobile phones, desktops, laptops and tablets.
There are plans to prepare tutorials in writing and in video form (e.g. YouTube, website) to support users in learning about the functionalities of the application, as well as strategies for using the application in various situations.
The operating income of the new company will be provided thanks to advertisers interested in providing market information for the target group of the application.

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5 Entry and Growth Strategy

The application will be sold via the AppStore (IOS), GooglePlay (Android) and own website (Windows). Due to the forms of sales that give access to potential customers on a global scale, limitations in geographical access occur mainly due to the languages in which the application is offered.

The first language version offered on the market will be the Polish version. This is due to the following factors:

1. The need to test the application in terms to evaluate its reception by customers and to identificate possible market related problems and technical conditions. The market of applications used in Polish provides a relatively moderate size, in addition, due to the specificity and low prevalence of Polish, it provides the opportunity to operate in the short initial period (market testing period) in niche conditions.
2. After the market test period, the application will be accompanied by a social information campaign using the Librus system – a nationwide tool in Poland available to almost all parents of children studying in Polish public and private schools. as a tool supporting parents through software

Further language versions will be offered on the market after the market test period. Their order and pace of sharing will be related to:

1. Market analysis results
2. Assessment of the possibilities of acquiring advertisers and development of the possibilities of market representatives serving advertisers in given markets.
3. Assessment of the technical capabilities of the new company's staff in the field of application support (update, making corrections, including language corrections, server capabilities)

6 The Marketing Plan

After the market test period, the application will be promoted via Librus (a tool available to almost all parents of schoolchildren in Poland which supports communication between school and parents). The application will be distributed via the AppStore (IOS), GooglePlay (Android)

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and own website. These channels allow the access to potential customers on a global scale, although language versions can be an obstacle.
The main issue in terms of winning this market is consequently monitor customers' needs and changing expectations which will be possible via app improvements system (interactive, instant). The challenge will be to maintain the interest of application partners (companies which will advertise). Their involvement is crucial as the app is supposed to be free.

Promotion tools:

- Messaging to parents via apps used by parents within the school system – Librus (Poland)
- Via social network apps – primary: Facebook
- Webpage showing the application functionality (manual) and best practice cases.

Main promotion challenges:

- National market differentiation regarding various needs of advertise providers
- Language versions

7 The Economics of the Business

7.1 Financial Highlights

Main revenue stream will be related to advertisements sale embedded into application. Other – minor revenue streams will encompass marketing data sale, or public support on national/regional level.
Costs structure will be dominated by technical requirements of the application maintenance (labour cost related to updates/bugs fixes) as well as hardware maintenance (servers used for calculation and communication services provision). The second cost structure element will constitute spending related to promotion and marketing. They will be related to new clients and new advertise providers acquisition. The second is particularly important for company revenue stream and this cost category will increase significantly due to national market differentiation (e.g. Polish, German, French others) and language issues.
Financial plan assumes that operational breakeven will be achieved in the second year after the market introduction of the application.

7.2 Financial Need

Initial investments are related to:

1. Application design and application development which relates to labour costs of IT team and investments in IT equipment.

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2. Initial marketing
    a. in the first phase – market analysis and promotion design
    b. in the phase before market entrance – promotional activities focused on target users' market as well as on advertisement providers target group (companies).

The investment is estimated at EUR 500,000 until it receives a functional application and introduces it to the Polish market (the first of the markets). At the same time, it is assumed that EUR 800,000 will have to be invested until an operational breakeven point is obtained. Further investments will be necessary to prepare and fulfil new national market entrances.

8 Conclusions

The project "Gimbus" is related to the intention to utilise the identified market opportunity in the use of digital technology on dispersed market. It demonstrates the essential features of a commercially effective project, while demonstrating also the potential to reduce some social problems. Thanks to its advantages, it will be developed by the project team to plan the conditions of its implementation in detail.

Appendix – Business Canvas

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