



# Transportation Services



**KEEP ROLLIN'**

## **OVERVIEW**

The transportation services opportunity is aimed at both residents of Camrose and visitors. The opportunity is centered on the current gap in the marketplace and demand for charter and event transportation services in and around Camrose.

Two components to the business have been developed for financial projections – full bus charter and package events that are sold on a per-seat basis. The full bus charter is based on a day rental service with maximum distance limits unless fuel charges are added. This option is best for team and school charters, wedding support, special event support (Christmas parties, stags, Big Valley Jamboree), and others.

The events component allows the operator to develop and expand any packages for specific groups of guests that prove to be popular. This can include wine and distillery tours, Oilers hockey games, shopping tours, concerts, heritage events, and many others – only the imagination of the operator and the willingness of any groups to purchase that particular package limit the types of packages that can be developed.

## **LOCATION**

On or immediately adjacent to main street in Camrose.

## **INITIAL CAPITAL "D" INVESTMENT**

\$ 463,540

## Market Opportunity

The market opportunity for a transportation service business is extremely uncomplicated and is based upon five main realities:

1. The majority of the guests using this service will be from within a 2–5-hour catchment area which is one of the densest population areas in Canada and has been proven to have both an above average household income and an above average predilection towards spending on recreation and entertainment.
2. This service will be attractive to both Camrose residents wishing to explore outside their region as well as the folks coming from outside the local region.
3. Camrose and the surrounding region provide a plethora of great tourism offerings from shows at the spectacular Peter Lougheed Performing Arts Centre and other cultural venues to the fashion retail hub located downtown.
4. This business requires a very low capital investment, allows for extremely flexible hours, provides a significant return on the investment and is very scalable.
5. Most importantly, this space has only one competitive comparator operating in the region currently (Whisk'd Away by Lindsay – Facebook), and that operator is growing the business rapidly due to the large market demand.

## The Experience

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Very little infrastructure is required other than secure parking and equipment racking for the luxury 24 passenger coach. The coach will be equipped with an excellent sound system and headset mike system so that the driver can talk to the guests on board. The projected financials assume that a minimum down payment/five-year lease to own option will be used, however the operator may choose to purchase or increase the down payment, reducing the monthly costs or time to pay off the vehicle. The estimates are based on a 4-wheel drive bus version. A 2-wheel drive version is approximately 2/3 the cost and would reduce the lease payments by approximately \$22,000 annually.

## Financial Projections

### THE SEASON

The financial projections assume a 365-day season for the transportation business.

### OPERATING CAPACITY/OCCUPANCY

Sales have been projected based on a luxury 24 passenger bus. Projections are for bus and driver charters as well as per seat event transportation.

- Full Bus and Driver Charter Blended Sales Rate: Year One 28.8%; Year Two 35.8%; Year Three 42.8%; Year Four 47.8%; Year Five 52.8%.
- Special Events Blended Sales Rate: Year One 26.3%; Year Two 33.3%; Year Three 40.3%; Year Four 45.3%; Year Five 50.3%.
- Retail Sales are set at 10% of guests.

**CAPITAL COSTS**

<b>Equipment</b>	<b>Number</b>	<b>Cost per unit</b>	<b>Total</b>
Bus Custom Racking for luggage and sports equipment	1	\$ 5,500	\$ 5,500
24 passenger luxury coach deposit	1	\$ 20,000	\$ 20,000
Headset microphone/speaker system for guided activities	1	\$ 2,000	\$ 2,000
Office and Associated Equipment	1	\$ 3,500	\$ 3,500
<b>Soft Costs</b>			
Pre-Opening Marketing	1	\$ 40,000	\$ 40,000
10% Contingency			\$ 7,100
<b>Class "D" Capital Budget Estimate Total</b>			<b>\$ 78,100</b>