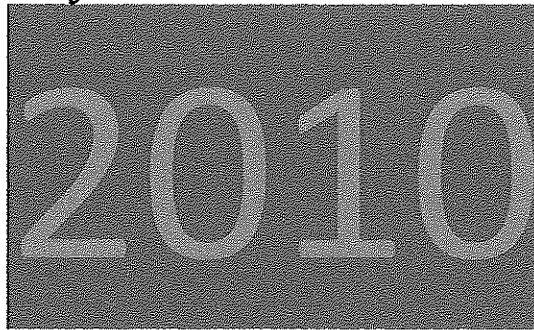


**Green Cab of Madison**

# **Green Cab Of Madison**

May 19



---

1621 Beld Street Madison Wisconsin 53715

Green Cab  
Business Plan

**TABLE OF CONTENTS**

**Introduction**

**Mission Statement**

**Vision Statement**

**Current Market Conditions**

Trends

Market Share

Anticipated Benefits

**City Licensing and Regulating Criteria – M.G.O. 11.06**

1. The financial capability and responsibility of the applicant.
2. The applicant's experience in operating public passenger services.
3. The level and quality of service provided by applicant in the past in areas in which it has operated.
4. The experience and competence of the applicant's drivers.
5. The applicant's prior record of compliance with applicable regulatory laws, ordinances and rules. This includes records of complaints and enforcement actions against drivers and vehicle owners.
6. The applicant's prior record of service complaints.
7. The age and condition of the vehicles proposed to be licensed to applicant.
8. The applicant's safety record, including records of accidents experience and record of employee safety training.

**Location**

**Organizational Structure**

**Our Investments**

The Hybrid

Maintenance

Technology & Safety

**Marketing**

(608)27-GREEN

#CAB OR # GREEN- US Cellular, Sprint, AT&T, Verizon

iPhone Application

Website - [www.greencabofmadison.com](http://www.greencabofmadison.com)

**References**

## **Introduction**

Co-owners, Michael P. Schmidt and John N. Schmidt will introduce the new cab company, Green Cab of Madison, Inc. ("Green Cab"). Green Cab will provide alternative public passenger transportation to Madison area residents and visitors. Green Cab will provide 24/7/365 coverage. Our fares will be zone based with ride share, when appropriate. The Green Cab fleet will consist (10) brand new 2010 and 2011 Toyota Prius Hybrid's in the first year of operation and 10 additional 2011 Toyota Prius Hybrid's will be added in 2011. Green Cab will be self-funded as a new venture for the Schmidt family. As the grandchildren of the late Norbert Schmidt who was one of the original founders of Badger Cab in 1946, Mike and John have been entertaining the idea to re-enter the cab business for quite some time. In 1985 they introduced their limousine business, Sir Michael's Limousines. The limo business operated from 1985 until 1995 when it was sold. Now, 15 years later, the two brothers are introducing a new, environmentally friendly alternative taxicab service for the Madison area.

## **Mission Statement**

To reduce the carbon footprint in the Madison area by offering the public the choice to take a taxicab that is environmentally friendly, technologically advanced, and less expensive for the consumer.

## **Vision Statement**

To become one of Madison's leading new green businesses that provides customer friendly and profitable taxicab service throughout the Madison area.

## **Current Market Conditions**

The number of taxicab riders is on the rise in Madison. Currently, the largest taxicab company in Madison is Union Cab with 65 cabs and 171 drivers. In 2009, Union Cab had 601,261 riders compared with 598,042 for Badger Cab and 407,080 riders for Madison Taxi.

To be a successful business, future trends must be anticipated. Individuals are seeking to reduce their energy use to help the environment and to save money. Green Cab is taking advantage of this trend by providing the public with the choice to use a service that utilizes less gasoline and produces far less pollution than the existing taxicabs in Madison. The current market trend is moving in a positive direction and we expect it to increase with Green Cab. Often, "going green" is more rhetoric than reality. However, with Green Cab, its hybrid vehicles will use approximately 30% of the gasoline used by existing cab companies.

The City of Madison has not issued a new taxicab license since 1986. The three existing cab companies provide reliable cab service for particular niches of the market. Union Cab has secured a share of business from the corporate community, along with consumer repeat riders which makes them the leader in total ridership. Badger Cab caters to the downtown market, capturing much of the student base. Most of Madison Taxi customers are appointment riders from throughout the Madison area.

However, we have determined that there is a need above and beyond what the current companies provide. The current market size for taxicab riders in Madison is fairly small since only about 15% of commuters use taxicab services. With our aggressive marketing plans, which will emphasize the sustainable features, technological innovations and reduced cost to the public, we anticipate that rather than taking business away from the existing companies, Green Cab will increase "the size of the pie" significantly. We anticipate that the Madison community will welcome the choice provided by a new taxicab service.

## **Anticipated Benefits**

Green Cab selected the Toyota Prius Hybrid for a number of reasons, but most importantly the fact that its anticipated gas mileage is more than three times than what the gas mileage is of the existing taxicabs in Madison. We carefully analyzed the pros and cons of using the Prius, particularly because of the recent public concerns of the safety of the Prius brake system, but on balance, Green Cab feels very confident that these concerns have been addressed.

In addition to the significant environmental benefits that come with the introduction of Green Cab service, we see numerous benefits for the City and its residents. They include:

- Competitive fares because of significantly increased gas mileage.
- Providing additional choice for consumers.
- Improving the overall taxicab service performance.
- Incorporating advanced technology that will benefit the consumer as well as improving the operations of the business.
- Creating new green jobs.
- Engaging consumers in the “going green” initiative.
- Increasing the taxicab market by collaborating with the Regional Transit Authority, bicyclists and other stakeholders in the market.

**City Licensing and Regulation Criteria – M.G.O. 11.06**

**1. The Financial Capability and Responsibility of the Applicant.**

Green Cab will be self funded. The initial investment by the Schmidt family in the first twentyfour months is estimated to be as follows:

---

<b>Vehicles</b>	<b>\$500,000</b>
<b>Vehicle Lettering</b>	<b>\$26,000</b>
<b>Dispatch Software &amp; Hardware</b>	<b>\$75,000</b>
<b>Computer's/ Network</b>	<b>\$12,000</b>
<b>Landline Hardware</b>	<b>\$1,900</b>
<b>Install AT&amp;T-External</b>	<b>\$2,000</b>
<b>Install RGS Telecom Internal</b>	<b>\$1,000</b>
<b>Installation for ISP- PC Medic</b>	<b>\$2,500</b>
<b>Vehicle Insurance</b>	<b>\$70,000</b>
<b>Office Equipment &amp; Supplies</b>	<b>\$3,500</b>
<b>Website Design</b>	<b>\$6,500</b>
<b>Office Preparations</b>	<b>\$5,200</b>
<b>Marketing – Kick Off</b>	<b>\$70,000</b>
<b>Operating License</b>	<b>\$1,200</b>
<b>Vehicle Permits \$50/ea</b>	<b>\$1,000</b>
<b>Airport Fee</b>	<b>\$4,200</b>
<b>Miscellaneous</b>	<b>\$20,000</b>
<b>Legal</b>	<b>\$13,500</b>
<b>TOTAL</b>	<b>\$815,500</b>

---

**3. The Level and Quality of Service Provided by the Applicant in the Past in Areas in Which it Has Operated.**

Green Cab has included references which we encourage you to contact. We are confident that the references will attest to our reputation, both as an existing business owner in the service industry and as a new business owner.

In addition to being the co-founders of Green Cab, Schmidt's Auto has been professionally operated by John and Mike for 35 years. Among its clients is the City of Madison. We feel confident that you can contact the Madison Police Department and other City employees that oversee the Schmidt's Auto contract with the City, past or present.

**4. The Experience and Competence of Applicant's Drivers.**

Green Cab has developed a taxicab driver selection criteria based on research and recommendations from our insurance company. All drivers will be pre-drug tested and will be subject to random testing. This will be done via a pooling system from an outside vendor. Additionally, a motor vehicle record check will be conducted and analyzed for acceptable driving history, which will be rechecked semi-annually by Green Cab. Green Cab will ask drivers to report any tickets or accidents.

Since the quality of our drivers affects the entire fleet operation, as well as the safety of others and Green Cab's good reputation, it is imperative that Green Cab establish a driver selection program to contract with the best, most qualified drivers. Before the driver selection process begins, Green Cab will establish the following protocol:

- Establish realistic driver qualifications and criteria.
- Outline the essential functions of the driver position, experience and level of skills needed.
- Outline the physical and mental attributes necessary to perform tasks safely (Example: vision, hearing, substance abuse and health record).
- Describe requirements necessary for the position such as past training, driving experience and skill level.
- Determine the abilities that the driver must possess, such as: avoiding accidents, following traffic rules and vehicle care.
- Determine which, if any, violations drivers have had in the past that will not be accepted by our company (Example: driving under the influence of drugs and/or alcohol, hit and run, reckless driving, careless driving, failure to obey traffic laws and speeding).

Once the driver selection process begins, Green Cab will follow the following protocol:

- Select well-qualified drivers by highlighting certain criteria.
- Enter into an Independent Contractor Agreement with the company.
- Check the validity of the candidates' drivers' licenses to make sure they are valid, current and the correct type for the position. Photocopy this information for their Independent Contractor Contract file.
- Obtain a Motor Vehicle Record ("MVR") from the state in which the candidates hold a license. This will list their violation and accident history for the previous three years. (Note: Some states do not list all accidents and violations on MVRs. Some states will also require written consent from the candidate to have their MVRs released.)

As part of Green Cab's driver training program we will work with Smart Motors which will conduct driver training on the functionality of the hybrid as it is today and as new technological improvements occur. Contractors will also have the opportunity to attend regular classes offered by our insurance company on safe driving techniques. For example; winter weather driving classes and defensive driving. All City required training programs, such as sensitivity training will be mandatory and part of our Independent Contractor's Contract.

**5. The Applicant's Prior Record of Compliance with Applicable Regulations Laws, Ordinances and Rules. This Includes Records of Complaints and Enforcement Actions Against Drivers and Vehicle Owners.**

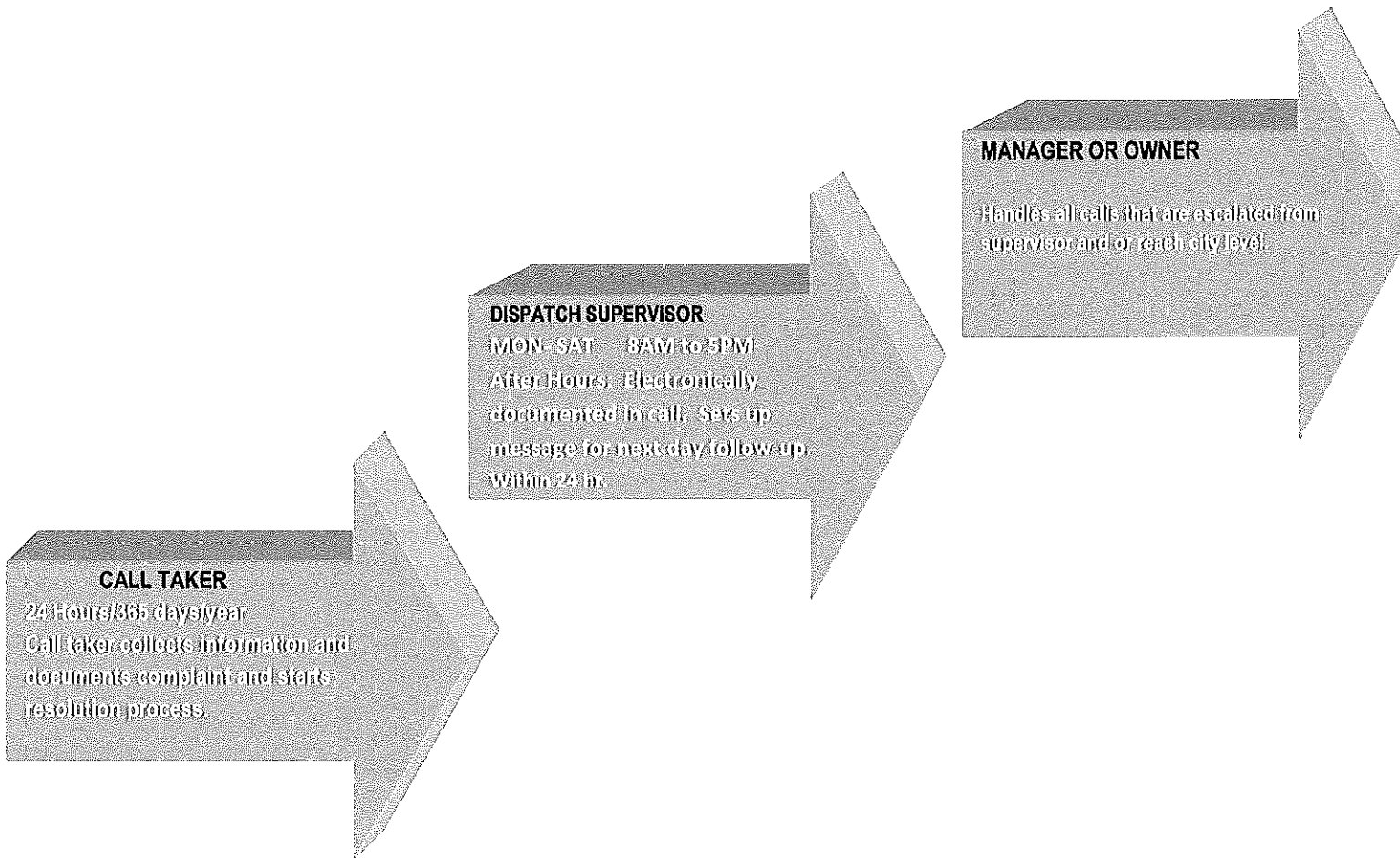
Green Cab is a startup company, therefore we have no prior history, but it is our intent to strictly adhere to all applicable regulatory laws, ordinances and rules. As owners of a current business in the City of Madison, we have an excellent record for complying with City safety and environmental regulations.



**6. The Applicant's Prior Record of Service Complaints.**

Green Cab will implement the following customer complaint process and conduct daily reviews for any failure in services. We welcome any and all site visits, ride along and audits that the City requires or desires to do. Management at Green Cab will perform regular ride alongs, secret shoppers and vehicle inspections to ensure the highest level of service is being experienced by our customers.

Each cab will have a city approved sticker inside which will provide the customer with a number to Green Cab and a City complaint phone number to the appropriate department.



**7. The Age and Condition of the Vehicles Proposed to be Licensed by Applicant.**

The vehicles in Green Cab’s fleet will consist of 2010 and 2011 Toyota Prius’s, and a 2009 GMC 14 passenger van. It will be Green Cab’s intent to contract with Union Cab for the initial compliance of M.G.O. Section 11.06(7)(a). An agreement will be forwarded to the City upon signature. Upon completion of our initial order of Prius’s, Green Cab will forward a complete fleet list. See also Taxicab License Application- Schedule A.

Cab #	Class & Make	Year	License	VIN#	Permit#	Type of Service
1	Toyota Prius	2010 OR 2011				
2	Toyota Prius	2010 OR 2011				
3	Toyota Prius	2010 OR 2011				
4	Toyota Prius	2010 OR 2011				
5	Toyota Prius	2010 OR 2011				
6	Toyota Prius	2010 OR 2011				
7	Toyota Prius	2010 OR 2011				
8	Toyota Prius	2010 OR 2011				
9	Toyota Prius	2010 OR 2011				
10	Toyota Prius	2010 OR 2011				
11	GMC Express Van 14 pass	2009		1GJHG39K191103223		
12	Toyota Prius	2011				
13	Skipping					
14	Toyota Prius	2011				
15	Toyota Prius	2011				
16	Toyota Prius	2011				
17	Toyota Prius	2011				
18	Toyota Prius	2011				
19	Toyota Prius	2011				
20	Toyota Prius	2011				
21	Toyota Prius	2011				

**8. The Applicant’s Safety Record, Including Records of Accident Experience and Record of Safety Training.**

Green Cab, along with our insurance company, has developed Standard Operating Procedures (“SOP”) on how to handle accident/incidents. The SOP will be part of the dispatcher’s handbook. Green Cab’s dispatch software will allow for accident/incident notes to be documented immediately and is part of the SOP for dispatchers. Each driver will have the opportunity to participate in the City sensitivity training and all Green Cab sponsored training courses as described in Paragraph 4.

## **Location**

The Main offices for Green Cab will be at 1621 Beld Street in Madison. Green Cab's dispatch office and support personnel along with all managers and supervisors will be at this location.

The taxicabs will be parked at our 2213 South Beltline Court, Madison location. Cab drivers will start and finish their day at this location. This location has a building and is fenced.

## **Organizational Structure**

Co-founder - Mike Schmidt

Co-founder - John Schmidt

Jodie Schmidt – Operations Manager - BS Business University Wisconsin Madison.

Jodie oversees all business operations for Schmidt's Auto, including contracts, accounts, personnel and communications. She has over ten years experience with Schmidt's Auto. Prior to Schmidt's Auto, Jodie spent 15 years in the wireless telecommunications business and 5 years with a startup e-commerce business.

Amanda Schmidt –Project Manager - BS Marketing & Spanish Edgewood College Madison.

Amanda Schmidt, daughter of Mike Schmidt, will be the Project Manager for Green Cab. Amanda is a 2009 graduate from Edgewood College with a degree in Marketing and Spanish. Amanda has experience in the marketing industry through working at Clear Channel and currently works at Schmidt's Auto.

Green Cab will hire three employees to join the management team. Those positions would include a Manager and a Dispatch Supervisor. The Manager will have experience in managing people preferably with background in the taxi industry and our Dispatch Supervisor will have experience in managing a call center. Green Cab dispatchers will be both full and part time. All will have excellent communication and computer skills and be able to multi-task.

TBD- General Manger

TBD – Safety Manger

TBD - Dispatch Supervisor

TBD – Dispatcher(s)

TBD - Accountant

Attorneys - DeWitt Ross & Stevens S.C.

## **The Hybrid**

As a new and innovative eco-friendly company, Green Cab of Madison Inc., will be using the new 2010-2011 Toyota Prius hybrids in our taxicab fleet. A hybrid car is a vehicle that uses 2 different sources to make the car move. One of the sources of power comes from a battery and the other source is fuel. Toyota Prius is the most fuel efficient hybrid in the U.S. with 51 mpg. The cruising range of the Prius is 595 miles. Its fuel capacity is 11.9 gallons. Other features of the Toyota Prius, besides the benefit of being fuel efficient, it has a cargo volume of 21.6 cubic feet. The leg room in the front is 42.5 inches and the leg room in the rear is 36 inches. All the brakes on the car are disc brakes, which keep the brakes cooler longer. Another feature is child safety door locks and traction control. The Toyota Prius has front and side airbags, as well as front knee airbags and side head curtain airbags. Green Cab will install bicycle racks from SARIS. It is important to Green Cab to be environmentally friendly as well as safe. Also in our fleet is our 1999 GMC 14-passenger express van. The van will be outfitted with a "Hydro Cell System" to improve fuel economy. <http://alternativegassolutions.com>

## **Maintenance**

Green Cab will utilize a manufacture warranty for the first 3 years. Additionally, Green Cab has in place a preventative maintenance program. This program is mileage based, and weather based, meaning all tires, windshield wipers, door hinges, cleanliness, ext. are maintained internally with certified technicians according to the vehicles mileage and as seasons change. Management has extensive experience with perform maintenance with their current business running a fleet of over 45 vehicles.

## **The Technology**

Green Cab is making a significant investment in our digital dispatch equipment. Each cab will be equipped with mobile digital terminal (MDT), GPS and credit card capability. Additionally, all rates of fares, mileage, accounts, incidents, rest period, fuel and any promotions will be maintained by our software. Reports on driver history, and all calls can be generated for review and performance tracking. As a safety measure, each cab's notebook will include a "Panic button" should for any reason the driver need immediate assistance due to an emergency situation.

**Marketing (608) 27-GREEN)**

Green Cab of Madison Inc. will work with Kennedy Communications to produce an advertising campaign that will jump start our new company into the public passenger industry. We plan to have our name on the radio, in newspapers, and on the morning and evening news. Green Cab wants to bring attention to our new business as well as to bring knowledge about becoming more environmentally aware. We want to organize brand positioning for our new service as being an economical and eco-friendly way of transportation. Green Cab will advertise its ideas throughout the Madison area.

Additionally, Green Cab will look to alternative media opportunities to get our name and message out like organizing special promotions with other businesses that support our mission of being an eco-friendly company. For example, Green Cab might work with the restaurant industry, specifically those restaurants that purchase their foods locally and take part in helping the community of Madison be eco-friendly. In this scenario, we may offer the consumer who dines at these restaurants a discount off their Green Cab ride to and from the restaurant.

Green Cab will form relationships with wireless carrier's and the iphone applications providers that are aligned with our goals and use these relationships to communicate our image of a new, clean, innovative cab company with a great value.

**References**

Debbie Kapetanovic – Account Manager AAA of Wisconsin - (262) 646-6111

John Hansen - Owner of Madison business: Hansen's Auto Care - (608) 256-0713

James L. Harden, Jr. - Investigator, Field Investigation Unit. Wisconsin Department of Transportation - (608) 267-6973

Joe Jackson - Retired Wisconsin State Journal - (608) 835-6700

Sheriff David J. Mahoney - Dane County Sheriff Department - (608) 284-6800

Captain Richard Bach- Madison Police- Traffic & Parking – (608) 266-4622