
SKI AND BOARD RENTAL CO-OP

**NEED
FOR SKI
X
VANCITY**
2017



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123 SESAME STREET

Need for Ski Vancouver

Business Plan Challenge

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Of all the defining characteristics of Vancouver, the slopes loom above all else. From casual weekend skiers to those seeking adventure, from self declared pros to olympians, people around the world flock to see Whistler and our Coastal Mountains. As effervescent students in Vancouver, we recognize the importance of an active lifestyle - skiing is just one of many sports and activities we pursue. However, upon closer inspection of our peers, we realized that many members of our community are turned away from skiing due to their belief that equipment is difficult to acquire or is expensive. Hence, Need for Ski is based upon the ideology that ski/equipment rentals should be easy to obtain, with minimal hassle and a process that is easily integrated into your itinerary.

The target market will be the active families and students of Greater Vancouver. The community would benefit from an alternative choice for renting skis. Less hassle and more flexibility are key aspects that potential skiers and snowboarders look for, and Need for Ski would provide both. Our main competitors are the rental facilities on the mountains and the ski resorts that may offer rentals. One of the minor consequences of competing with on-location rental services is that the level of convenience cannot be matched. However, Need for Ski is a co-op business, and therefore members who visit regularly may find that the member benefits that a co-op business can offer outweigh this convenience. This is further amplified by the fact that most clients will be from the area, and will rely less on resorts/on location facilities. Local ski and snowboard enthusiasts will appreciate the services and benefits that a co-op rental business can offer.

Need for Ski will be both a consumer and worker co-operative. We believe that it is crucial to give back and reward frequent customers for their business, and a perfect way to do so is by issuing a membership card which would allow for a discount every time a transaction is made. A point system can also be implemented for longer term investments, acting as a premium currency which can purchase certain exclusive offers. The range of these offers and the discount will change as the co-op grows in size. We believe that the worker side of this business is also imperative to the success of the co-op - investing into our employees will allow for their participation in these activities that we encourage. As for protecting the

planet, ski rentals are often superior to ski purchases since our co-op business can reuse these skis and snowboards, reducing our impact on the landfill.

Since this is a pilot co-op, the employees will initially just be the founders; about five or so people total, with three during the peak of the season at the storefront. Since all of us are passionate about skiing and snowboarding, none of us would have any problems understanding the sport. Some of us, with experience in the retail business, will have already acquired some management skills useful for this co-op. We will rent skis and snowboards for those individuals, groups, and families who choose to spend time on our mountaintops. The setup for this entire business will take less than a month to set up, excluding the time it takes to acquire the property.

It will mostly be individuals, groups and families who choose to utilize the service, as we will market very close to the target communities, such as the neighbourhoods of Vancouver city. The rental storefront will be strategically located off the north end of the Lions Gate bridge, as this provides flexibility when travelling to all west coast mountains and Whistler, while avoiding the hassle of driving with skis in downtown Vancouver. The business will take place on location, as the only item that takes up space will be the storage of the skis which can be towed around as needed.

Fundamentally co-operative, Need for ski will follow the intrinsic principles of co-operative business. Membership will of course be open to people of all backgrounds, as discriminating against some will result in a loss of profit. Our membership card holders will enable all employees and customers to have a say in the direction of the business growth. Following this principle, members will vote and decide on the autonomy and independence of the business, deciding whether to engage in agreements with other companies, perhaps leading to cooperation among cooperatives. Finally, being located in the ecology-conscience city of Vancouver, our concern for the community will be reflected upon our dedication to provide services with a sustainable approach.

Our co-op is for profit, but we do not expect to be profitable for a few years. We require an initial investment of \$75,500 to cover startup costs such as purchasing skis, snowboards, and helmets, as well as covering the cost of labour and rent for twelve months. Below is a list of materials with the price and quantity we will need to purchase.

Materials:

- Skis: \$400 X 35 pairs = \$14'000
- Helmets: \$75 X 75 = \$22,500
- Goggles: Womens: \$75 Men: \$75 Childrens: \$50 Total= \$10'000
- Snowboards: \$400 X 35 = \$14'000
- Snow/ski boots: \$200 X 75 pairs = \$15'000

At any given time there will be two employees working, earning \$12.00 per hour. These employees will earn more than minimum wage as they will have additional training in waxing skis, fitting bindings, and choosing the correct skis/snowboard based on customer's height, weight, and ability. Rent will cost \$4000 per month and will be located near the Lions Gate Bridge in North Vancouver. We predict utilities to cost \$300 a month, with this number

fluctuating due to season and if the waxing machine or hand wax is used to wax skis. Our sources of revenue will come from renting skis and snowboards, selling ski accessories such as hand warmers, balaclavas, gloves, and waxing services for skis and snowboards. The following is a chart with the cost of our services.

Daily rental rates for adults (Age 13+)

- \$42 Ski or Snowboard w/boots
- \$10 for Helmet
- \$29 Jack and Pants

Daily rental rates for children (Age 12 and under)

- \$26 Ski or Snowboard w/ boots
- \$8 for Helmet
- \$15 Jacket and Pants

After purchasing the initial equipment to start our co-op, we predict our revenue to exceed our expenses. We expect to have expenditures of approximately \$21,540 to cover rent, labour, and utilities. If we rent 25 adults and 25 children ski or snowboards per day for the first three months, our revenue would be \$153,000. This figure does not include additional revenue from helmet, jackets and pants rentals, and sales from our store. Any profit made will go towards reimbursing the financier.

Need for ski's unique approach to provide ski and snowboard rentals off the mountain, and therefore geographically closer to the target community will entice members to explore our options. Furthermore, the members rewards program will create longer lasting and more loyal customers, that will be enfranchised to take part in discussions and votes to direct the growth of our co-op.