

Pluto Company Business Proposal

Posted on September 27, 2019

The PLUTO Business Proposal is confidential and entails PLUT's proprietary information. The information in this document should not be reproduced or disclosed to any person without approval from the PLUTO.

Introduction

Pluto Inc. is a Bike manufacturing company founded in 2010 in New York City, United States. The company manufactures, repairs and sells bicycles. The company offers a special type of bicycle, which is centred on customers' posture and health issues. Back pains are an issue associated with recreational and professional cyclists. The company's intention is to address the health issues associated with normal bikes, such as lower back pain. Therefore, this presents the company's business proposal.

Company Concept And Overview

Pluto's is a new company focusing on manufacturing advanced sporting bikes. The company was formed in 2010 in New York City. After conducting market research from the bike riders, potential customers and experts with knowledge in the industry, we realized the need to develop new racing bicycles and recreational bicycles. Currently, we are working on creating a functioning company that manufactures and sells racing bicycles.

Problem: Back pain is an issue associated with recreational and professional cyclists. Therefore, every cyclist is complaining about the lower back pains associated with cycling bicycles. The cyclists have complained that the bicycles are too long and their flexibility and core strengths. Due to these problems, cyclists and lovers are abandoning their recreational activities while others are using bicycles in the market due to the lack of an option. Also, riding a bike is becoming so tiresome due to the fact the bikes are too long, making the cyclists and riders ride for a short period. The lower back pain associated with the bikes in the market is caused by the lack of flexibility in the bicycle's core system. Lack of flexibility causes the riders to spend time in the same position for a long time without a break, causing muscle pain. This develops more problems for the rider since the natural position of being on the bicycle implies that a lot of stress goes through the spine. Thus, for the pedal strokes to work properly, the body must be in a flexed position, which results in lower back pain. Therefore, our company intends to make things easier for riders.

Pluto Solution

Pluto's solution to the problem stated above is our main competitive advantage, and we intend to penetrate the market with it. We shall use the sensory device to notify the riders when to change their position a bit so they do not experience lower back pain. The proprietary "sensory device" will be bike peddles, and it will provide positional awareness to the riders. Thus, at some point, after the rider has travelled for five miles, he or she gets a notification from the sensory device to change his or her position. Therefore, the bicycles will allow flexibility, which is not common with the bicycles in the current market. Also, the advanced technological bicycle will be manufactured with a Heart Rate Monitor Device. When riders are cycling, the body temperatures rise, which then causes blood pressure to increase, which can cause heart problems. Pluto intends to make it possible for riders to have heart rate monitors to ensure that their health is intact while riding. The heart rate monitor devices measure the rate of the rider's heartbeat. The device is essential since it ensures that riders know that they are in good health before, during and after racing.

Pluto will incorporate GPS features on the bikes we produce. Normally, riders go to places with which they are not familiar. Thus, the GPS feature will help the rider know where and where they want to go. The GPS feature will give the rider's direction. Also, the GPS feature will help the riders from getting lost.

Pluto Innovative and proprietary automatic seat height will be flexible, and it will set itself depending on the weight and height of the rider. The seat height of the Pluto bikes will ensure that the lower back pain problem is completely eliminated. Also, Seat Angle will ensure that cyclists are in the right positions, and it allows positional change to ensure that riders are not that exhausted compared to the normal bikes. Due to the comfort and flexibility of the bike, the riders will be able to burn up to 75 calories per mile. Our products ensure that they reduce lower back pains by 70% and offer flexible seats that are not too long.

The Opportunity

Research has shown that there is steady growth in the number of people who commute using bikes. The overall growth of bike commuting is recorded as follows: there is an increase in the growth of commuters who are not friendly with cycling by 31% in the United States. Also, all over the United States, the number of people commuting by bicycle has increased by 62%, and the number of people who are friendly with a bicycle has increased by 105%. Thus, the increase in people using bicycles implies there is a gap in the market which needs to be filled. Also, the research shows that different states consume different types of bikes. There is an increase in the market for bikes and use of bicycles in Washington DC by 498% while a place like Austin Texas the people commuting with bikes has increased by 77%.

The bicycle market is available in the United States. Therefore, entry for modernized and

technologically advanced bicycles will be accepted in the market. Across the globe, the number of bikes has increased tremendously in terms of their capability and flexibility. This growth has created a market for our product, and we intend to address this need in the market. Furthermore, the uniqueness of our product and competitive advantages of the health-oriented bikes will offer different opportunities for our company products. (Osterwalder & Pigneur, 2010) Moreover, our bikes intend to offer a solution and improve the bike's operation, which will help to increase the demand for our product. Also, due to traffic jams in cities, there is a prediction that people will be using bikes to report to their jobs, this prediction presents the company with a perfect of opportunity since the demand for the bikes will increase; thus, our company will feel the gap on the market. There is already a ready market for bikes. Therefore, the time for market entry is perfect and helps the company gain market share and increase its sales. Thus, the increasing community of bike users offers the company the perfect opportunity.

Business Model

Pluto's business model is to manufacture within the company and partner with an established electrical manufacturer, bike manufacturer and electrical retailers to ensure smooth distribution of the sales in the market. Our model will focus on key activities, which include hardware design, marketing, maintenance, and upgrades. Our value proposition will be based on health issues by reducing risk, promoting health, and offering comfortable experiences. Our products will help ensure the bike community is happy and offer a product to the mass market, racing riders and trainers. We intend to have the best customer service to help create customer relations.

Pluto Mission Statement

Our mission is to deliver an innovative solution to the persistent problem of back pain caused by bad posture while providing various degrees of performance measurement tools tailored to whatever recreational, therapeutic, or professional need the customer requires. Our business is to create a customer-based business. We intend to achieve this by offering and providing the highest quality bike. We also improve our service and all aspects of the business in order to have long-term success and satisfy our customers and ourselves. We will create a friendly environment for our employees and customers. Our delivery services to our clients will be timely and quick.

Product Offering

Pluto's bike enables riders to change position while cycling. Thus, at some point, after the rider has gone for five miles, he or she gets a notification from the sensory device to change his or her position. The bikes will allow flexibility, which is not common with the bicycles in the current market. Also, the advanced technological bikes will incorporate a Heart Rate Monitor Device into their system. When

riders are cycling, the body temperatures rise, which then causes blood pressure to increase, which can cause heart problems. Pluto intends to make it possible for riders to have heart rate monitors to ensure that their health is intact while riding. The heart rate monitor devices measure the rate of the rider's heartbeat. The device is essential since it ensures that riders know that they are in good health before, during and after racing. Pluto will incorporate GPS features on the bikes we produce. Normally, riders go to places with which they are not familiar. Thus, the GPS feature will help the rider know where and where they want to go. The GPS feature will give the rider directions. Also, the GPS feature will help the riders from getting lost.

Pluto Innovative and proprietary automatic seat height will be flexible, and it will set itself depending on the weight and height of the rider. The seat height of the Pluto bikes will ensure that the lower back pain problem is completely eliminated. Also, Seat Angle will ensure that cyclists are in the right positions, and it allows positional change to ensure that riders are not that exhausted compared to the normal bikes. Due to the comfort and flexibility of the bike, the riders will be able to burn up to 75 calories per mile. Our products ensure that they reduce lower back pains by 70% and offer flexible seats that are not too long. Our product is customer-centred and looks at the bikers' health and posture. Thus, it offers more benefits to our clients.

Benefits

The company's product will benefit riders on different fronts. Our product intends to help current bikers get comfortable bikes. Also, our bikes, in cases of falls, sensors will help to reduce the impact of cyclists' falls. Also, our product is designed to monitor the posture and health of the bikers. The GPS ensures the security of the Bike. The bike sensors are accurate, which protects the cyclist.

Intellectual Property

Engineer Phillips is the brain behind this project and is the inventor of the underlying technology. Our technology is new, and it is being applied to bikes for the first time. The seating posture and flexibility and the heart rate monitor sensor are discoveries that are being used on the bikes. Under the patent statute, the owner of the patented product, service, or process is the only one with the right to sell and offer services for the invention until the end of the entire term of the patent expires. Thus, the requirement for the invention to be patented must be new and non-obvious. Also, the inventor must give a detailed written description of the invention and the process to use in full context. Also, the patent statute is classified as matter-processes or machines or the composition of the matter. Thus, for the product to be patented, it must follow at least one of the statutory classifications. Our technology qualifies for patent application.

Developmental Stages

We have determined how the technology is going to fit the bike system. Posture is the minimum viable product; thus, seat angles and heights are the main features of the bikes. Also, to track performance, measuring the vital signs, speed, and GPS navigation technology will help ensure that riders are aware of their cycling conditions. Pluto will incorporate GPS features on the bikes we produce. Normally, riders go to places with which they are not familiar. Thus, the installation of the GPS feature will help the rider to know where they are and where they want to go. The heart rate monitor sensor will have an audio notification voice. The device is essential since it ensures that riders know that they are in good health before, during and after racing. Thus, the earpiece of the device will be put on the rider's helmet.

Customers Analysis

We have identified our target market for our products, and we have classified the market as follows:

- Recreational cyclists
- People going through physical therapy
- Trainers
- Professional teams
- Commuters

Recreational cyclists are the victims of the current bikes in the market since 50% of recreational cyclists suffer lower back pain. Thus, our target will be them since our products care about their posture and health status. Also, from the research, recreational cyclists are eager to buy new bikes that will improve their posture and that have health rate monitors as well as GPS devices. (Van Hoof et al., 2012)

Our product is centred on bikers' posture and health; thus, it offers a perfect solution to people going to physical therapy. People are improving their physical strength. The bike offers health devices and posture that help them achieve their objectives.

Our product features are perfect for professional cyclists. The posture and other technological devices in our bikes will help professional bike racers to compete effectively and efficiently. Therefore, professional cyclists are also our target market. Also, the bike enables the trainers to train effectively.

Our main market is commuters' consumers. Research has shown that the number of commuter cyclists is increasing every day. Thus, our product features are unique in the market due to its unique features. We intend to market and advertise our product to reach the commuter market.

Interviews & Results

- How hard is it to figure out the cause of back pain?

Approximately 66% of the respondents acknowledged that it is very hard to know the cause of the lower back pain, while the remaining respondents offered different opinions, as indicated in the graph above.

- How often do you face this problem?
- Have you ever been a beta tester for any product, service or app?
- Do you want to have a solution to this problem?
- How likely are you going to use this service?
- How likely are you going to recommend this service to other clubs?
- Would you be willing to pay a little more to find a solution to this problem?

Results Analysis

From the research, it is clear that our product is destined for success. Consumers are ready for a new product that values them due to the product's health stand and ability to show that it's consumer-centered. Thus, the consumer has a negative attitude toward the existing substitute products in the market. The respondents associated the problem they face while riding the bikes with current bikes in that market. Our product will address the issues associated with bikes on the market.

Sales Strategy & Promotion

Our company will adopt different strategies to promote and advertise Bike to the market. Our objective is to gain market share and create brand loyalty among customers. First, we will use a break-even pricing strategy to penetrate the market. By using this pricing strategy, we lower the cost of our product to attract more customers and as well be able to reduce competition from the market, hence earning more clients in a short period. Also, we will make sure that our product is different from that of the existing customers. Thus, product differentiation marketing strategy will be our core strategy in creating brand loyalty as well as earning market share in the market.

Also, strengthening customer relationships and using their ideas to create a friendly environment for the clients will attract more customers to our business. Also, we will ensure the employees and customer relationship is better to help attract more clients and maintain the existing ones. Furthermore, we will base our business on an innovative background, thus creating room for continuous improvement and helping to keep the customer satisfied. Also, we will embark on creating smart hiring practices that will help to create an innovative business.

We will use social media as an advertising channel for our business. Advertising on social media is an effective method since it is a cost-effective method. Also, social media offers a better platform to market our product to cyclists. Moreover, we will use networking to attract more customers to our business as well as create customer loyalty.

The Company intends to have at least eight major events in a month apart from its daily activities. Thus, our organization will have those major events hosted every weekend, i.e. Saturday and Sunday and public holidays. Management communicates the location of the event three weeks prior to the event. Also, the events are advertised on local dailies, TV shows, and radio stations. Moreover, the company offers services every day in the morning and evening apart from the weekend. These events will help us market our product to the public.

References

Osterwalder, A., & Pigneur, Y. (2010). *Business model generation*. John Wiley & Sons.
<https://www.strategyzer.com/books/business-model-generation>

Van Hoof, W., Volkaerts, K., O'Sullivan, K., Verschueren, S., & Dankaerts, W. (2012). Comparing lower lumbar kinematics in cyclists with low back pain and healthy controls. *Manual Therapy*, 17(6), 593-599. <https://doi.org/10.1016/j.math.2012.05.003>