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End of Summer Report
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End of Summer Report “Campus Cab”

Over the course of the summer I engrossed myself in the inner workings of building a business. This study aimed to explore how campus transportation affected students at two institutions in Michigan and would explore my business idea, Campus Cab. Campus Cab would be like the current Uber app where students could request a ride and pay via a system similar to our Albion College BritBooks payment. I looked to compile qualitative data to investigate the efficacy of offering this campus-wide transportation system to students and further explore my personal business idea of Campus Cab. This company would be used on college campuses with the goal of convenience for students and faculty, low upfront cost, as well as a reasonable profit for the company.

My research was successful in regard to understanding that Campus Cab would not be successful at an institution like Albion College. After calculating the total revenue, minus the employee payment, vehicle maintenance, income tax, and insurance, it would not be profitable enough to pursue. That being said, it would find much success at a larger institution like Michigan State University because of the acreage and student population. Most of my research was on the basis of hypotheticals as I could only assume who would pay and use the service. Payment would be presented as three tiers. Tier one would be paid by trip. Within 10 miles it would cost \$8, over 10 miles and within 30 miles it would cost \$20. Tier two was \$250 per semester for 20 trips. Tier three offered 50 trips for \$500. These costs took into account employee payment, fuel and maintenance costs. I debated on paying student workers hourly or

per trip and I settled on per trip. Even though the workers would make less money per trip, they would also receive free brit books and a discount on the 21 meal swipe plan.

During my research, I developed a few incentives for parents to justify the cost of Campus Cab instead of allowing their son or daughter to keep driving their vehicle. I crunched numbers and the average annual car insurance in Michigan was \$2,133 dollars. Students could save a lot of money by not driving their own vehicle! An environmental incentive was the idea of providing the Cab service and encouraging students to not drive their own vehicle. If each student relied on their own vehicle, it would be a high number of harmful emissions being released into the atmosphere daily. Campus Cab is a great combatant to this problem!

Keeping the environmental factor in mind, I chose the 2024 Nissan Vera as the chosen company car. Looking at many vehicles and its specs, I concluded that this Nissan had the best fuel economy for the cheapest cost. A 10.8 gallon tank size that with one \$37 fill up at the pump, could get you 345 city miles! Those are incredibly efficient numbers for a company looking to use them for taxiing.

As I built the financial layout, I took into consideration Nissan's depreciating value, annual maintenance cost, and insurance. I knew going into this business plan that for a cab company, liability would be necessary and expensive. I partnered with one of the insurance agencies in Albion to get an estimate for five vehicles picking up and dropping students off on Albion's campus. The total to insure one vehicle annually was \$24,182. This fact led to the downfall of any hope of Campus Cab finding lucrative success at a small Liberal Arts college like Albion. That being said, throughout my summer research I developed a deep understanding of how much it truly takes to build a company. Much commitment and the belief that your idea will be a success, is the key to success. There are many other avenues of my research that allowed me to further develop Campus Cab like understanding the competitors in this market; i.e Uber, Lyft. Another avenue was driver screening to ensure safety for the students.

Overall, I'd like to thank the Gerstacker Institute as well as Professor Stephen Young for overseeing my progress. I am extremely grateful for the donors that donated money to help pay for my stay, as well as supporting me in my pursuit. This summer made a lasting impact on the way I view businesses of any kind. As you are starting a business, you face a lot of risk. I am extremely grateful for the college to give me the opportunity through FURSCA to develop a business idea without any risk. Even though it did not work out as well as I hoped, I still learned a laundry list of strategies and points to think about when developing a business. The next step is to continue interviews with students and prepare for the Elkin Isaac presentation in the spring of 2025.