

Greetings,

Attached to this letter you will find the business plan for the Cypress Motors Tropeco C10. Having being self-employed as a Uber driver and a wedding photographer, and having more than 12 years of work experience, Mr. Philippe Demers is now pursuing a formal business in the automotive sector. Using a unique approach, Cypress Motors and its Tropeco electric car would offer a highly differentiated driving experience. As an investor with industry experience, this company hopes you can endow a loan totaling \$25,000 CAD to expand upon this growing business venture. Furthermore, this firm hopes to lend from your extensive professional network to establish relationships with other providers in the automotive sector operating in the local marketplace as well as to employ any other direction you may be willing to provide.

We thank you for taking the time to examine this business plan and look forward to your reply.

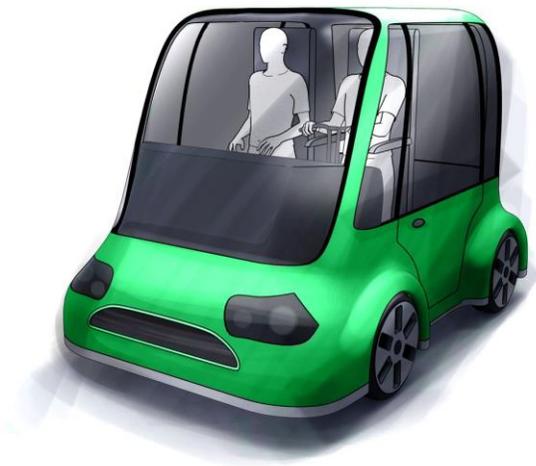
Kind regards,

Philippe Demers

Cypress Motors



Cypress Motors





Executive Summary

Cypress Motors is a startup company based in Vancouver, Canada. The company plans to create the first multipositional electric car.

The best positioning strategy for the company to use in order to succeed is a highly differentiated service. Using word-of-mouth (WOM) and electronic word-of-mouth (eWOM) promotion, Cypress Motors will gain the exposure and positioning necessary to successfully penetrate the market. Targeted advertising will also be employed on automotive industry consumer media, such as websites, blogs, and online magazines.

The company estimates to cover the cost of its capital investment and the cost of implementing the marketing plan within 3 years of normal operations. It then plans on extending the range of services by investing in creating new models. These new models could complement the business and bring additional revenues. Ultimately, the company is planning on growing by establishing brand awareness in the operation geographical area, and by hiring additional workforce.

Concept/ Objectives

Mission Statement

Cypress Motors is a specialized automotive venture that is committed to providing the best and most comfortable driving experience to its clientele. Cypress Motors will handle every deliverable car with the utmost attention to detail in order to insure the highest degree of customer satisfaction.

Product and Pricing

Cypress Motors will start with the Tropeco, that allows the person to sit down or stand up while driving. The price will be around at \$20,000, with financing available. In the long-

term, prices for the same model will decrease as demand for the service and for the brand goes up.

Team

At present, Cypress Motors is characterized by an informal one-man show structure; the entrepreneur is handling all aspects of the business on his own as his past experience permits it. Furthermore, since Demers possesses relevant expertise and understands how his business can utilize current trends for the purpose of growth, incorporating a manager into the picture, at this stage, is not necessary and too costly.

However, we do include the hiring of qualified personnel, to sustain expansion. A qualified engineer with automotive experience is urgently needed at the moment.

Goals and Objectives

Cypress Motors launched in March of 2016 and while still in a developmental stage, the company has just completed a very basic website, found at <http://cypresstropeco.weebly.com/>. There is also a Twitter account to build traction, which can be found at [@CypressTropeco](https://twitter.com/CypressTropeco). Objectives for 2016 and 2017 revolve around building solid contacts in hopes of attracting a larger clientele. We also would like to make a list of all the people who would like to test drive the futuristic Tropeco.

By the end of 2016, the management at Cypress Motors is confident that it will have signed up over 100 people for an initial test drive, when the final product is available (estimated around 2019 or 2020). If just 10% of those decide to preorder one, it would yield an approximate annual return of \$200,000. This amount will mostly be used to cover building costs and development for the previous years and the purchase of the professional equipment needed (which costs around \$10,000). The main part will be the **TABBY EVO**, by <http://osvehicle.com/>. They enable businesses and startups to design,

prototype, and build electric vehicles and transportation services. The main focus in 2017 and 2018 will be to stimulate revenue.

An analysis of sales prospects coupled with the impressive ingenuity of the Tropeco electric model, certainly guarantees that second-year operations will involve higher customer traffic and increased revenues. With word-of-mouth, sales will be exponential.

Cypress Motors' long-term goal consists in expanding its business into others models, like a car-motorcycle bridge, as well a small, IoT-enabled electric buses for commuting.

The Opportunity

A substantial segment of the automotive industry still practices traditional methods of delivering products and services to the market but analysis of trends indicate a less significant interest in the classic approach. Cypress Motors will be able to distinguish itself based on this technique and also based on very fast high-quality delivery.

Industry and Market Analysis

Industry Traits and Performance

The automotive industry is characterized as mature and labour-intensive. Until recently, the industry performance slowed considerably due to the economic recession (from 2008 through 2011). As oil prices went up, many consumers opted for hybrid and electric cars.

Both the supply and demand for different types of cars are increasing. As such, the industry is becoming highly competitive.

Industry Forecasts

There are several trends suggesting a consolidation of certain subsectors of the electric automotive industry, particularly the acquisition of smaller firms in areas that compete with major players. However, this trend does not affect the providers.

As technology continues to advance at an exponential pace, costs will be driven down.

Primary Market Segment

The target market segment for Cypress Motors consists of Thirty-Somethings. The marketplace can be well served with little geographic hindrance.

Furthermore, the Thirty-Somethings demographic in Canada, synonymous with the latter half of Generation X, is the second largest age group following Baby Boomers. There are currently 4.67 million Canadians in their thirties, with a project growth of 10.9% by 2020, second only to those 65+ years old. As such, Thirty-Somethings are definitely the most attractive market segment for Cypress Motors.

Consumer Trends and Buying Habits

This consumer analysis will focus on the subgroup of the market segment interested in an electric car. The annual income of individuals in their thirties rose by 5.5%, again second only to individuals in their fifties, which rose to 7.5%.

The average income of Canadian 30-34 years of age was \$46,404. 35-39 year-olds brought an average of \$51,809. This is more than enough to get financing for an electric car in most cases.

Review of Market Segment Attractiveness and Industry Outlook

Canadian Thirty-Somethings are highly attractive for automotive companies. They earn above average income, which is steadily growing. Many view fuel-efficient and electric cars as desirable and necessary, and continue to pursue information. The industry's technology advancements offer a viable market if the business is properly localized and the service offering is well positioned. A strong network and premium offering should be established to differentiate from the highly competitive field. Nonetheless, the electric car industry and market present a viable and attractive business opportunity.

Master Plan

Cypress Motors is an unequivocally differentiated electric car company. The combined offering of a unique driving experience, value-added pricing strategy and strategic cost-effective promotion, the company can excel in the highly competitive local geography.

Product Positioning

As evidenced by its sketches thus far, Cypress Motors Tropeco's portfolio holds greater promotional value stemming from its originality and aesthetic superiority. Cypress Motors boldly positions its services above the industry standard.

Localism & Electric Cars

The place of focus should not exceed the limits of the province of British Columbia in the initial phase of the project. After, we can expand to Ontario & Quebec, having good infrastructure for electric cars. The state of Washington and the city of Seattle may follow shortly after. Central Canada is not worth pursuing at this time, as to maintain viability we cannot operate in provinces where gasoline is king.

Distribution Channels & Promotional Tactics

The most strategic approach would be affiliation with government-funded and private corporations in the energy and transportation sectors, such as car rental companies and transportation for new cities that have charging stations readily available. By partnering with agents, brand exposure will increase exponentially, driving market share and thus business.

Operations plan

Human resources

Cypress Motors is a sole proprietorship managed by its founder, as the business has only been active for less than a year, and it does not have personnel. Philippe Demers is presently working alone at insuring the success of his venture and is in the process of building awareness and traction for the project.

Facilities

The company does not operate in an official facility at the moment, although we are looking for one, in order to have enough space to build the first vehicle.

The company hopes to grow the business by relocating it to a collaborative automotive or aerospace block that he intends to rent at a monthly costs inferior to 1500\$.

Supplier Relationships

Cypress Motors will enjoy excellent relationships with city officials and electric car dealerships. The maintenance of these relationships is essential to this business as there is a tremendous potential for acquiring new customers through referrals from other industry providers.

Financial plan - Start up funds and deal structure

As the business develops, Cypress Motors intends to expand operations by renting a space in a hangar; the space will also be used to meet with clients and other people of interest. It is not until this point that financing will be required. Rent of this office space is estimated to be \$1,000 / month which equates to \$12,000 per year. Financing for the first two years of rent will be sought in the form of a loan.

The Business Development Bank of Canada (BDC) provides loans to small businesses like Cypress Motors' with favorable terms. It is in the company's best interest to seek financing from the BDC. BDC loans offer long-term repayment plans and the option to defer payments on the principle amount for up to 12 months; options that help maintain stable cash flows throughout the repayment of the loan. Cypress Motors would be asking for a \$24,000 loan, which it can expect to repay.

Additionally, we would like to start a crowdfunding campaign on both **Kickstarter.com** and **Indiegogo.com**, which are platforms that welcome Canadian projects.

Risk Management and Contingency Plans

The company is yet to take on debt. However, the expansion plan, which involves the rental of hangar space, requires us to take a first loan.