PROGRAMME: Master's Degree in Business Administration (MBA)

"Driving Success: Revolutionizing the Chilean shipping Industry through CarGo Share"

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Abstract

The business plan for CarGo Share, aims to revolutionize the Chilean shipping industry by leveraging the collaborative economy. This innovative platform connects microentrepreneurs seeking cost-effective shipping solutions with drivers looking to optimize their routes for additional income. By utilizing unused cargo space in vehicles, CarGo Share addresses the inefficiencies of traditional shipping methods, reducing costs and promoting sustainability.

The project's market analysis highlights the significant growth of e-commerce in Chile and the associated demand for efficient shipping solutions. The business model focuses on a dual approach, serving both microentrepreneurs and drivers. The platform's value proposition includes cost savings for microentrepreneurs, additional income for drivers, and reduced environmental impact through optimized logistics.

The marketing strategy aims to build brand awareness, acquire and retain customers, and expand operations initially in Viña del Mar before moving to Santiago and other regions. Financial projections show a steady increase in revenue, with the potential for significant profitability and positive cash flow over five years.

The project demonstrates significant potential for profitability and growth. Financial projections indicate a steady increase in revenue and positive cash flow over five years. The business model's flexibility and scalability, combined with advanced routing algorithms, ensure high operational efficiency. By fostering a collaborative community and leveraging innovative technology, CarGo Share aims to redefine the shipping industry in Chile, making it more efficient, accessible, and environmentally friendly.

Key Words: Collaborative economy, logistics, shipping industry, microentrepreneurs, Chile.

Market Analysis of Shipping Industry in Chile

Business Problems

In today's fast-paced marketplace, entrepreneurs encounter numerous hurdles, none more persistent than the inefficiencies of traditional shipping methods. These innovative individuals, crucial for driving economic growth, often struggle to navigate obstacles that impede their operations' efficiency and affordability. Traditional shipping services, notorious for their steep fees, lengthy delivery windows, and inflexible frameworks, pose a significant challenge to these small-scale business operators. This challenge is compounded by current economic conditions, where rising living expenses and fuel prices amplify shipping costs, squeezing profit margins, and hindering business expansion.

The problem extends beyond mere financial implications; it encompasses the operational inefficiencies that plague the traditional shipping ecosystem. Small businesses often grapple with the lack of flexibility in shipping options, leading to delays and missed opportunities in a market that demands agility and speed. Moreover, the one-size-fits-all approach adopted by many traditional shipping providers fails to address the unique needs and constraints of entrepreneurs, leaving them with services that are both ill-suited and uneconomical.

On the other side of the equation are drivers with established routes who regularly traverse our roads with unutilized cargo space. This underused capacity represents a lost revenue opportunity, a gap in the market that has yet to be adequately addressed. The disconnect between the availability of this untapped resource and the needs of entrepreneurs seeking efficient shipping solutions underscores a significant inefficiency in the current logistics and transportation model. It highlights a broader issue of resource underutilization that, if addressed, could unlock new efficiencies and value within the shipping and delivery ecosystem.

Factors affecting the Shipping Industry in Chile

In today's fast-paced, digital-first economy, the demand for efficient, cost-effective shipping solutions has reached unprecedented heights. With the surge in online retail, the rise of e-commerce platforms, and the increasing prominence of microentrepreneurs in the global marketplace, the limitations of traditional shipping methods have become glaringly apparent. This burgeoning demand is driven by several key factors that underscore the urgent need for innovative approaches like CarGo Share:

1. E-Commerce Growth in Chile

The rapid growth of e-commerce in Chile has fundamentally transformed the retail landscape, reshaping consumer behavior and driving significant changes in the shipping industry. Chile's ongoing technological infrastructure development, the launch of 5G service in December 2021, and the surge in e-commerce due to the COVID-19 pandemic have been pivotal. According to the Santiago Chamber of Commerce (CCS), business-to-customer (B2C) e-commerce sales reached $10.5 billion in 2022, despite a 12.5% decrease from 2021. This contraction resulted from reduced consumer demand due to lower income from government emergency subsidies and pension withdrawals, high inflation, interest rate hikes, and a return to physical stores as pandemic restrictions eased. However, 2023 e-commerce sales are predicted to increase by 5%, reaching $11 billion.

A study by Statista indicates that the number of e-commerce users in Chile in 2022 was 12.7 million, expected to reach 13.7 million by 2027. In 2022, 64.8% of Chileans shopped online, a figure projected to grow to 69.4% by 2027, driven by a high internet penetration rate of 91%. The largest demographic of online shoppers is aged 26-40 (33%), followed by those aged 41-55 (29%). Approximately 36% of buyers have a high household income, with low and middle incomes each accounting for 32%. The best-selling categories include clothing (50%), shoes (41%), food and beverages (30%), cosmetics and body care (26%), and consumer electronics (25%).

The rise of e-commerce has also led to changing consumer expectations regarding shipping and delivery. Today's consumers expect fast, reliable, and transparent shipping services that offer real-time tracking and flexible delivery options. As a result, there is growing demand for shipping solutions that can meet these expectations while providing a seamless end-to-end shopping experience. This shift in consumer behavior has created a pressing need for shipping companies to invest in technology and infrastructure to keep pace with evolving customer demands.

In response to the burgeoning e-commerce market, entrepreneurs in Chile are seizing new opportunities to enter the shipping industry and offer innovative shipping solutions tailored to the needs of online retailers and consumers. From logistics startups specializing in last-mile delivery to technology-driven platforms offering on-demand shipping services, entrepreneurs are leveraging digital technologies and collaborative economy models to disrupt the traditional shipping landscape and meet the growing demand for efficient shipping solutions.

2. Microentrepreneurial Challenges

Small businesses and independent sellers constitute the backbone of the global economy, yet they encounter distinct challenges, particularly concerning shipping logistics. In a highly competitive global market, where profit margins are often small, these entrepreneurs face the daunting task of managing shipping costs effectively. Unlike their larger counterparts, small businesses lack the economies of scale to negotiate favorable shipping rates, making shipping expenses a significant burden that can eat into their profit margins.

According to data from the National Institute of Statistics, by 2022, Chile had about 2 million microentrepreneurs, of whom 35% work in the commerce and manufacturing sectors. Each of these makes 80 shipments per month on average, with a transport cost of about 6 euros. The same survey indicates that 59% of microentrepreneurs are women, and around 1 million microentrepreneurs earn a minimum wage, which amounts to 500 euros.

The need for affordable and accessible shipping solutions is paramount for microentrepreneurs to remain competitive and sustainably grow their businesses. Affordable shipping options not only enable these entrepreneurs to reach a broader customer base but also allow them to compete more effectively with larger retailers that have greater resources and logistical capabilities. It's also important to know that many of these micro-entrepreneurs do shipments on a cash-on-delivery basis, so they cannot provide information on how much the shipment will cost until they arrive at the logistics company's branch to find out the cost and consult with the final customer if they accept it.

However, navigating the complex and often costly world of shipping logistics poses a considerable challenge for microentrepreneurs. The high cost of shipping can deter potential customers, particularly when compared to larger retailers that may offer discounted or free shipping options. Additionally, inefficient shipping practices can lead to delays in delivery times, negatively impacting customer satisfaction and eroding trust in the brand. For microentrepreneurs, who often rely on positive word-of-mouth and customer loyalty to drive sales, such setbacks can have detrimental effects on their business success.

To overcome these challenges, microentrepreneurs must seek out affordable and accessible shipping solutions that align with their business needs and budget constraints. This may involve partnering with third-party logistics providers or leveraging technology to optimize shipping routes and reduce costs.

3. Underutilized Resources

Every day, a significant amount of cargo space remains unused, representing a substantial untapped resource within the transportation sector. This underutilization presents a missed opportunity for increased efficiency and cost-effectiveness in shipping logistics. Innovative shipping solutions that harness these underutilized resources hold the potential to revolutionize the transportation sector, offering a path towards greater efficiency, affordability, and environmental sustainability. According to data from the National Institute of Statistics, in 2023 there were 6.12 million motor vehicles in Chile, marking a 9.3% increase since 2019. Additionally, CADEM reports that over 70% of households in Chile own automobiles. The abundance of unused cargo space highlights inefficiencies within the current transportation system, where vehicles often travel with empty or partially filled capacity. This inefficiency not only represents wasted resources but also contributes to increased transportation costs and environmental impact, as more vehicles are required to transport the same amount of goods. By leveraging underutilized resources, such as empty cargo space in vehicles, innovative shipping solutions can optimize transportation routes and maximize the utilization of available capacity.

4. Regulatory and Environmental Situation

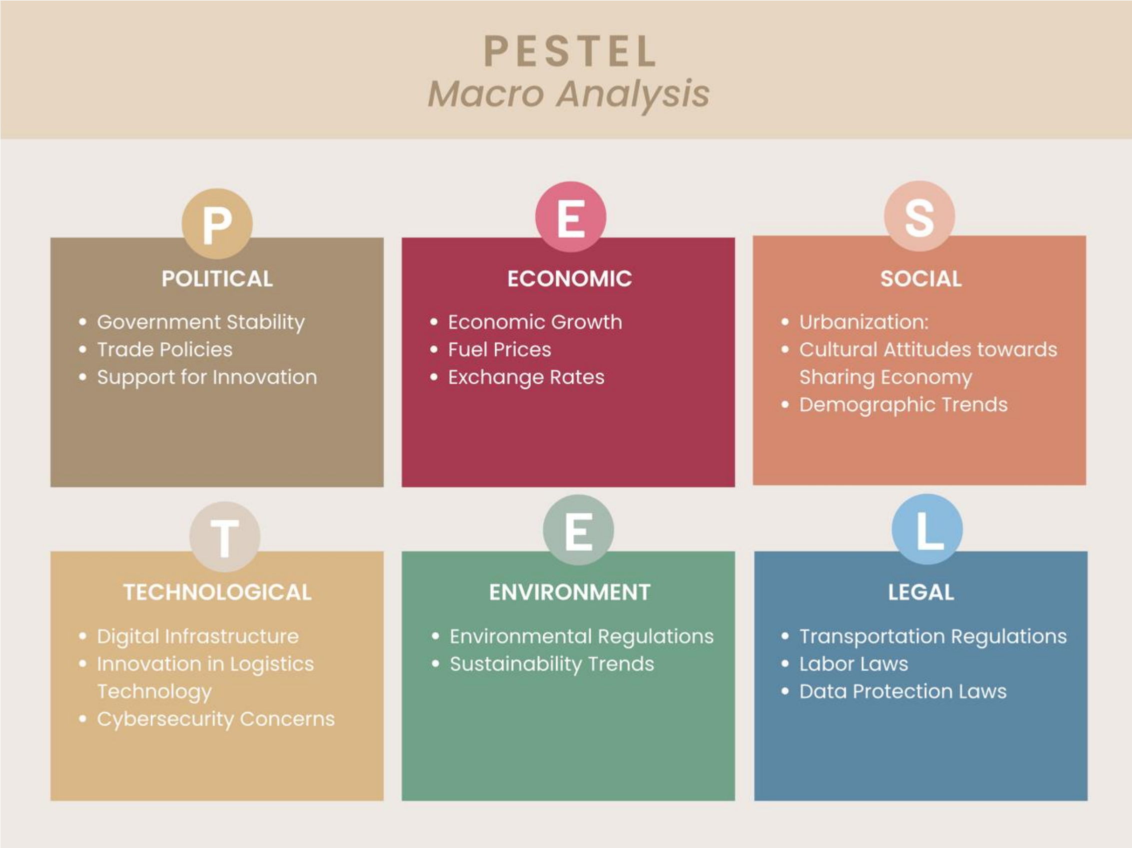
Environmental policies and regulations are another critical aspect of the regulatory landscape governing the shipping industry in Chile. With increasing awareness of environmental issues and concerns about climate change, there is growing pressure on businesses to adopt sustainable practices and reduce their carbon footprint. In response to these pressures, businesses in Chile are increasingly adopting eco-friendly shipping practices, such as carbon offsetting, alternative fuel usage, and packaging optimization.

Chile has committed to achieving net-zero emissions by 2050, as enshrined in its Climate Change Framework Law, passed in 2022. This ambitious goal covers all gases and sectors, excluding international shipping and aviation, and includes sectoral carbon budgets and interim targets. The law has decentralized climate policy implementation, assigning responsibilities to various government ministries and creating regional and municipal climate action plans.

Current efforts in the shipping industry include investing in projects that reduce or remove greenhouse gas emissions through carbon offsetting. Alternative fuel usage, such as biofuels and liquefied natural gas (LNG), offers cleaner and more sustainable alternatives to traditional fossil fuels, reducing emissions and mitigating environmental impact. Packaging optimization focuses on minimizing waste and using recyclable or biodegradable materials to reduce the environmental footprint of shipping operations.

While regulatory changes and reforms present challenges for entrepreneurs and shipping companies operating in Chile, they also create opportunities for innovation and differentiation. Businesses that proactively embrace sustainable shipping practices can gain a competitive edge by reducing costs, enhancing brand reputation, and attracting environmentally conscious customers. Moreover, regulatory compliance can serve as a catalyst for innovation, driving businesses to develop new technologies and solutions that address regulatory requirements while delivering value to customers.

PESTEL



Political

- Chile is known for its stable political environment, which is conducive to business operations and investment. However, regulatory changes related to transportation and logistics can directly impact CarGo Share's operations.
- Being a part of various free trade agreements, Chile's open trade policies can facilitate easier expansion if the company decides to import technology in the future.
- Government initiatives like, CORFO and Startup-Chile, that support technological innovation and startups can provide opportunities for partnerships and growth for the business.

Chile's engagement in free trade agreements (FTAs) is extensive, involving numerous countries and economic regions. These agreements can profoundly influence CarGo Share’s operations and its stakeholders in 3 main ways:

Impact on CarGo Share:

- Free trade policies can reduce tariffs and ease the import of vehicles, technology, and other logistics-related equipment, potentially lowering operational costs.
- While FTAs can provide growth opportunities, they may also introduce foreign competitors into the Chilean market, including international logistics and delivery firms that leverage similar business models.

Impact on Drivers:

- Free trade may lower the costs of vehicles and parts through reduced import tariffs, benefiting drivers by decreasing their overhead expenses. Similarly, any agreements impacting oil trade could influence fuel prices, affecting operational costs for drivers.
- Enhanced trade can lead to increased demand for shipping services, potentially boosting income opportunities for drivers associated with CarGo Share. However, this could also mean heightened competition from foreign or more technologically advanced delivery services.

Impact on Microentrepreneurs:

- Free trade can open up new markets for microentrepreneurs, allowing them to expand their customer base beyond Chile. This expansion can increase the demand for logistics and shipping services, directly benefiting platforms like CarGo Share.
- Reductions in import tariffs because of free trade agreements can decrease the cost of raw materials and goods, potentially increasing profit margins for microentrepreneurs.

Economic

- Chile's relatively strong economic position in Latin America could ensure a stable market for growth. However, fluctuations in economic growth can affect consumer spending and shipping volume.

- As an essential factor in transportation costs, fluctuating fuel prices can impact operational costs for the company and its network of drivers.
- Fluctuations in the Chilean Peso against other currencies could affect the costs of any technology or equipment imported for CarGo Share’s operations.

Social

- High levels of urbanization might increase demand for efficient delivery services in metropolitan areas but also present challenges like traffic congestion.
- The success of the collaborative model might depend on the cultural openness towards sharing economic principles. Understanding and adapting to these attitudes will be crucial.
- Trends such as an increasing number of young entrepreneurs and tech-savvy consumers could drive acceptance and usage of a platform like this.

Technological

- Continued improvements in digital infrastructure could enhance connectivity for CarGo Share’s app-based services, particularly in remote areas.
- Advances in logistics and AI technologies can provide us with tools to optimize routes and improve service efficiency.
- As a technology-driven platform, maintaining high cybersecurity standards to protect user data is essential.

Environmental

- Chile's strict environmental laws could influence our operational practices, particularly regarding vehicle emissions and energy use.
- There is a growing consumer preference for environmentally friendly services. Our business model of optimizing existing vehicle capacity aligns well with these preferences.

Legal

- Compliance with national and local transportation laws is essential, particularly those affecting freight transportation and commercial vehicle operations.
- Understanding and adhering to labor laws concerning drivers, especially if they are classified as independent contractors, is crucial.
- Compliance with Chile’s data protection regulations will be critical, especially as CarGo Share handles sensitive user data.

Competitive Landscape

The logistics and shipping industry is experiencing a transformative phase, spurred by technological advancements and evolving market demands. Understanding this landscape is crucial for identifying opportunities for differentiation and capturing market share.

- Established giants in the shipping industry have long dominated the market, offering extensive networks and a range of services. However, their operations often suffer from high overhead costs, inflexible pricing structures, and slower adaptation to technological innovations. This opens a gap for our company to provide more personalized, cost-effective, and agile shipping solutions tailored to the needs of microentrepreneurs.
- Peer-to-peer (P2P) delivery services have gained popularity by connecting individuals who need items shipped with those who are traveling to the same destination. While they share similarities with CarGo Share's model, they often do not focus on the commercial potential or the specific needs of microentrepreneurs, nor do they fully utilize the concept of established routes for regular income generation for drivers.
- Ride-sharing apps have expanded their services to include delivery options, tapping into their existing driver networks. While they present a form of competition, their primary focus remains on passenger transport, and delivery services are often a secondary function. CarGo Share's dedication to optimizing shipping specifically for microentrepreneurs and making efficient use of drivers' routes offers a distinct advantage.
- Large e-commerce platforms increasingly implement their in-house delivery systems to control the shipping process end-to-end. While efficient for the platforms themselves, these services often do not extend to smaller sellers or those outside the specific e-commerce ecosystem, leaving a significant portion of the market underserved.
- A surge in logistics startups has introduced innovative approaches to shipping and delivery, focusing on technology to optimize routes, reduce costs, and enhance customer experiences. While these companies present competition, many focus on specific niches or lack the comprehensive approach CarGo Share offers, especially in integrating the collaborative economy into the logistics framework.

Competitors

As we prepare to enter the Chilean market, it is crucial to understand both the traditional and emerging competitors within the logistics and shipping sector. This analysis will highlight the strengths, weaknesses, and market niches of each competitor to better position CarGo Share.

Traditional Competitors

1. Chilexpress: As one of the largest courier and logistics companies in Chile, Chilexpress offers extensive national coverage and a variety of services, including express parcel delivery and international shipping. While its extensive network is a strength, its service can be costly for microentrepreneurs, and it often lacks the flexibility smaller businesses require.

2. Starken: Previously known as TurBus Cargo, Starken provides parcel delivery services alongside its passenger transport services. It offers robust coverage across Chile, leveraging its bus network. Starken's model provides an economical option for heavier packages but may not offer the speed or the customization that e-commerce businesses might need.

3. Blue Express: Part of the larger Grupo Bethia conglomerate, Blue Express specializes in e-commerce logistics, offering fulfillment and last-mile delivery services. While it provides solutions tailored to online businesses, its price point and service offerings might not be accessible to all microentrepreneurs.

New Competitors

1. Ninja Hubs: Emerging as a significant player in the urban logistics space, Ninja Hubs focuses on micro-fulfillment centers to expedite local deliveries. Their model is highly innovative, reducing delivery times through strategically located

hubs. However, their focus is predominantly on urban centers, potentially leaving out microentrepreneurs located in less densely populated areas.

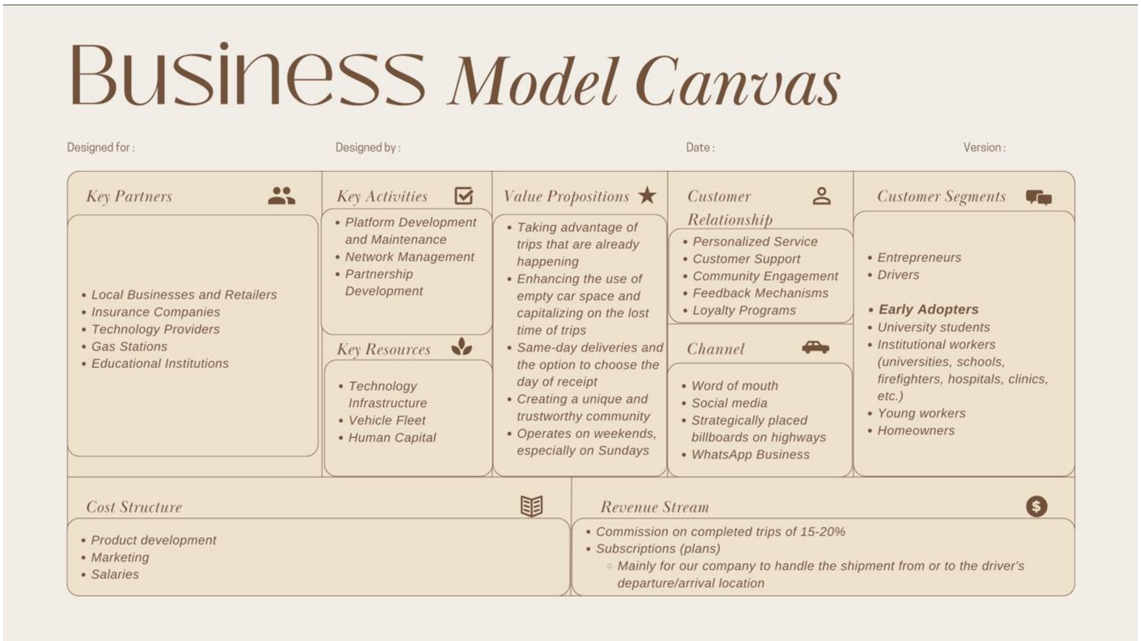
2. Warehouse: A newer entrant, Warehouse is carving out a niche by offering shared warehousing and logistics services tailored to small and medium-sized enterprises. This approach helps reduce costs for its clients by sharing overhead expenses. While Warehouse is innovative in addressing warehousing issues, its service might not fully integrate the transportation needs that we aim to fulfill.

Business Model

CarGo Share revolutionizes the traditional shipping landscape by leveraging the collaborative economy, connecting microentrepreneurs requiring affordable shipping solutions with drivers looking to optimize their routes for additional income. Through this visionary platform, we want to address the inefficiencies of traditional shipping methods while maximizing resource utilization.

At its core, this business embodies the principles of the collaborative economy, offering a win-win solution for both microentrepreneurs and drivers. By utilizing community resources, we want to introduce a more sustainable, cost-effective, and interconnected shipping ecosystem responsive to dynamic market demands.

The platform's innovative concept seamlessly integrates the collaborative economy with the logistics and transportation industry. Through a user-friendly digital platform, CarGo Share's sophisticated app will connect senders and receivers with drivers in real-time, optimizing each delivery for speed, cost, and convenience. This approach fundamentally transforms shipping, making it more accessible, affordable, and environmentally friendly.



Value Propositions

- Advantage of Existing Trips: Using trips that drivers are already taking to deliver packages.
- Optimizing Empty Space: Utilizing unused space in vehicles.
- Same-Day Deliveries: Offering customers the option of quicker delivery.
- Community: Building a trusted network of users.
- Weekend Operations: Extending service availability, especially on Sundays.

Customer Segments

This platform works as a Marketplace, so we have two main segments:

1. Entrepreneurs: Who need to ship their products.
2. Drivers: Who will carry out the deliveries.

Early Adopters

For drivers:

- University Students: Likely looking for flexible work.
- Institutional Workers: Such as those at universities or hospitals who have regular commuting patterns.
- Young Workers and Homeowners: Who might be looking for extra income or services.

For entrepreneurs:

- Small business owners
- Online retailers
- Independent sellers

Channels

- Word of Mouth: Relying on users to share their positive experiences.
- Social media: Engaging with customers online.
- Strategically Placed Billboards: Advertising in locations with high visibility to the target audience.
- WhatsApp Business: Using the platform for direct communication and customer service.
- Blog: Providing valuable content related to the service.

Customer Relationships

- Personalized Service: Customizing user experiences.
- Customer Support: Helping and support for users.
- Community Engagement: Creating a community around the service.
- Feedback Mechanisms: Collecting and acting on customer feedback.
- Loyalty Programs: Encouraging continued use of the service.

Revenue Streams

- Commission: Earning a percentage of each delivery made.
- Subscriptions (Plans): Charging businesses for a subscription service to handle their deliveries.

Key Resources

- Technology Infrastructure: The digital backbone of the service, like the app and the website.
- Vehicle Fleet: Drivers themselves.
- Human Capital: The employees and drivers that keep the service running.

Key Activities

- Ensuring the digital platform is user-friendly, reliable, and secure.
- Coordinating the network of drivers and businesses.
- Forming and maintaining strategic alliances with our key partners.

Key Partners

- Local Businesses and Retailers: Help generate demand and provide cargo for the platform.
- Insurance Companies: Offer necessary coverage for the transportation of goods.
- Technology Providers (Bubble or other no-code platform): Supply the essential tech infrastructure for the platform's operation.
- Gas Stations: Provide fuel, potentially at discounted rates for our drivers.
- Universities: Can be sources of drivers and serve as partners for potential pick-up/drop-off locations.

Cost Structure

- Product Development: Designing and creating the service platform.
- Marketing: Promoting the service to attract users.
- Salaries: Compensation for employees.

Plans to Achieve Business Model

<u>A Dual-Focused Approach</u>

CarGo Share is uniquely designed to serve two primary stakeholders: microentrepreneurs in need of reliable and affordable shipping solutions, and drivers seeking to optimize the use of their vehicles and generate additional income. By facilitating connections between these groups, we not only address the critical challenges faced by small businesses but also open up new opportunities for drivers to fully utilize their existing routes.

<u>The Power of Collaboration</u>

At the heart of the company's solution is the power of the collaborative economy. This innovative approach capitalizes on the sharing of resources, specifically the unused cargo space in vehicles, to meet the shipping needs of microentrepreneurs. By doing so, we maximize resource efficiency and minimize wastage, contributing to a more sustainable and economical shipping process.

<u>Technology-Driven Efficiency</u>

Our platform is built on cutting-edge technology, offering an intuitive app that simplifies the process of matching microentrepreneurs with suitable drivers. This seamless integration of technology ensures that packages are delivered more swiftly and economically than ever before. The app's sophisticated algorithms consider factors such as route optimization, delivery urgency, and cargo specifications to ensure the best match between shipments and drivers, reducing door-to-door delivery times significantly.

Cost Reduction and Enhanced Accessibility

One of the paramount advantages of the business is the substantial reduction in shipping costs it offers microentrepreneurs. By utilizing existing routes and capitalizing on the collaborative economy model, we minimize the expenses associated with traditional shipping methods. This affordability is a game-changer for small businesses, enabling them to allocate resources more effectively and compete more vigorously in the marketplace.

A Revenue-Generating Opportunity for Drivers

For drivers, CarGo Share presents an invaluable opportunity to monetize their journeys. By filling unused cargo space with packages, drivers can earn extra income without deviating from their established routes. This model not only optimizes their earning potential but also contributes to a more efficient and less congested transportation network.

Commitment to Sustainability

Beyond the immediate benefits of cost savings and additional income, the company is deeply committed to promoting environmental sustainability. By optimizing route planning and reducing the number of trips required to transport goods, CarGo Share significantly lowers fuel consumption and carbon emissions, contributing to a greener planet.

In summary, CarGo Share emerges as a trailblazer in the shipping and delivery sector, presenting a solid solution that resonates with the demands of the modern economy. By nurturing a collaborative community, we not only transform the transportation of goods but also set the stage for a more connected, streamlined, and eco-friendly tomorrow. With this platform, both microentrepreneurs and drivers can envision a future where shipping is not a barrier but a pathway to prosperity and achievement.

Elaborated Customer Segments

We cater to two distinct yet interdependent groups, creating a comprehensive solution that addresses the unique challenges and opportunities each face:

Microentrepreneurs: Small business owners, online retailers, and independent sellers form the primary user base on the sending end. These individuals often struggle with the high costs and inefficiencies of conventional shipping methods. They are looking for reliable, timely, and cost-effective ways to distribute their products to a broad audience without compromising their budget or service quality.

Drivers with Established Routes: This group includes independent drivers, commuters, and commercial delivery personnel who regularly travel predetermined routes and possess unused vehicle space. They seek supplementary income and ways to maximize the utility of their journeys without significant deviations from their routine paths.

For each group, we developed a buyer persona to more accurately identify or classify the profile we are targeting in the initial stage of the business. For microentrepreneurs, they are primarily women, aged between 25 and 50 years old, residing in Viña del Mar/Con-Con/Valparaíso. They typically use traditional shipping systems, which in these cases are cash on delivery for the recipient, they look for the most economical option and tend to be quite organized. Among their main needs or goals is to support their family and children or to be an independent woman. Lastly, their greatest frustrations or pains in their businesses are the uncertainty in the cost of their shipments until after completing the entire process with traditional shipping methods, as being small-scale businesses, they cannot automate their shipments.

For the drivers, they are both women and men aged between 19 and 40, residents of Viña del Mar/Con-Con/Valparaíso. The primary occupations of these individuals are university students, workers in institutions (such as hospitals, clinics, firefighters, or academics), young workers, homeowners, people with flexible schedules, and long-distance commuters. Key characteristics include being reliable, honest, having no criminal records, possessing a valid driver's license, and having up-to-date vehicle documents. Typically, these individuals travel extensively by car. Their main need is to reduce monthly costs, as one of their principal frustrations is the constant increase in their cost of living.

Lastly, it is also important to define what product will initially be shipped, for which the following standard has been set: a maximum size of 50x50x50cm with a maximum weight of 5kg and a maximum value of 50 dollars. This is primarily because, at the start, we do not want to handle very valuable objects until we develop strategic and commercial partnerships with insurance companies.

Elaborated Unique Value Proposition

CarGo Share's unique value proposition lies in its innovative approach to reducing shipping costs, improving delivery efficiency, and fostering economic and environmental sustainability:

1. Cost-Effective Shipping Solutions: By leveraging the unused capacity in vehicles already on the road, we drastically reduce shipping expenses for microentrepreneurs, enabling them to enhance their competitiveness.
2. Additional Revenue Stream for Drivers: It offers drivers a straightforward way to earn extra income by utilizing their available cargo space, thereby increasing their earning potential without disrupting their regular schedules.
3. Reduced Environmental Impact: It contributes to a greener planet by optimizing delivery routes and maximizing vehicle capacity utilization, leading to fewer trips, reduced fuel consumption, and lower carbon emissions.
4. Community and Collaboration: At its core, the business promotes a community-centric model of doing business, where mutual benefits and collaborative efforts lead to shared success. It fosters a sense of belonging and contribution among its users, reinforcing the strength and potential of the collaborative economy.

5. Innovative Technology: The use of cutting-edge technology for real-time matching, route optimization, and transaction processing ensures a seamless, efficient, and secure experience for all parties involved.

The company will stand out in the crowded logistics market with its dual focus on economic empowerment and environmental responsibility. It not only addresses the immediate logistical needs of microentrepreneurs and drivers but also aligns with broader societal values of sustainability and community support. Through this unique blend of benefits, we are poised to redefine the standards of shipping and delivery, making it an indispensable tool for anyone looking to navigate the challenges of modern commerce.

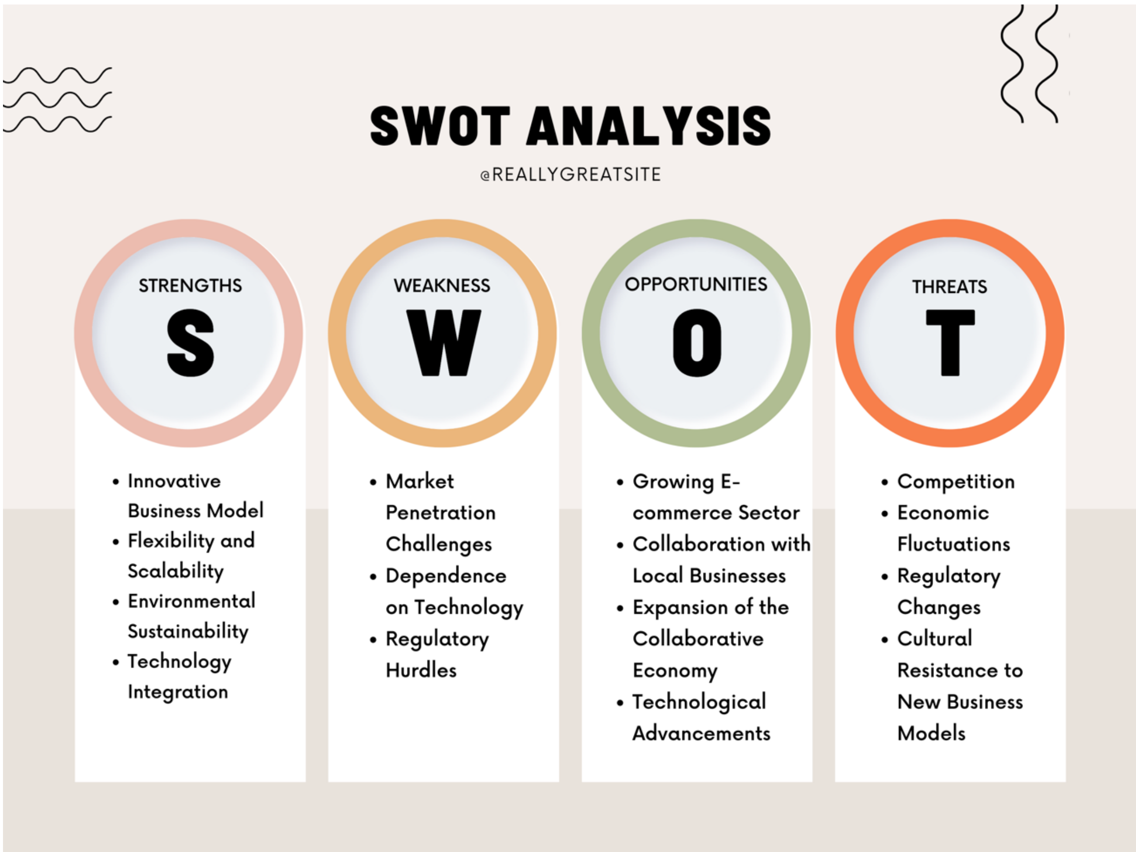
Entrepreneurship Goals

The entrepreneurship goals of CarGo Share are deeply rooted in its vision to revolutionize the shipping and delivery industry. At the core of these aspirations lies a commitment to penetrating the market effectively, acquiring and retaining a loyal customer base, and fostering sustainable growth. It aims to expand its operations beyond Chile, establishing a global presence while making a positive social and environmental impact. Through strategic partnerships, continuous platform development, and a focus on customer satisfaction, we seek to redefine the standards of shipping and delivery, becoming a beacon of innovation and reliability in the dynamic world of logistics.

1. Market Penetration: Our primary goal is to penetrate the shipping and delivery market in Chile effectively. This involves capturing a significant share of the market by providing superior shipping solutions that address the pain points of microentrepreneurs and drivers.
2. Customer Acquisition and Retention: Another crucial goal is to acquire a substantial customer base comprising microentrepreneurs in need of affordable shipping solutions and drivers looking to optimize their routes for additional income. Moreover, we aim to retain these customers by consistently delivering value through cost-effective, efficient, and reliable shipping services.
3. Expansion and Growth: The company aspires to expand its operations beyond Chile and establish a presence in other Latin America markets where there is a demand for innovative shipping solutions. This expansion plan aligns with the

company's vision of becoming a global leader in the shipping and delivery industry.

SWOT



Strengths

- Innovative Business Model: CarGo Share leverages the unused space in vehicles already on established routes, which introduces significant cost savings and operational efficiencies not offered by traditional shipping companies.
- Flexibility and Scalability: The platform's flexible model can easily adapt to varying demand levels without the need for extensive capital investment in vehicles or warehouses, making scaling up operations more feasible.
- Environmental Sustainability: Emphasizing reduced carbon emissions by maximizing vehicle usage appeals to environmentally conscious consumers and businesses, aligning with global sustainability trends.

- Technology Integration: Advanced routing algorithms and app functionalities enhance the user experience by providing quick matching, route optimization, and real-time updates.

Weaknesses

- Market Penetration Challenges: As a new entrant in the Chilean market, we may face challenges in building trust and recognition among local microentrepreneurs and drivers unfamiliar with the collaborative economy model.
- Dependence on Technology: The reliance on app functionality and internet connectivity can be a limitation in areas with poor digital infrastructure.
- Regulatory Hurdles: Navigating the complex regulatory environment of Chile's transportation and logistics sector can be challenging and might slow down rapid deployment or adaptation of the service.

Opportunities

- Growing E-commerce Sector: The booming e-commerce industry in Chile provides a significant opportunity for us to offer tailored logistics solutions to small and medium-sized enterprises that are underserved by traditional logistics providers.
- Collaboration with Local Businesses: Partnerships with local businesses and other stakeholders can enhance service offerings and expand the user base.
- Technological Advancements: Utilizing emerging technologies such as AI and IoT to further optimize delivery routes and improve service reliability can set us apart from competitors.

Threats

- Competition: Established courier services and emerging logistics startups might quickly adapt or lower prices to counter CarGo Share’s entry. Competition with other peer-to-peer delivery models could also intensify.
- Economic Fluctuations: Economic instability can impact consumer spending and subsequently affect the volume of goods needing transportation.
- Regulatory Changes: Changes in transportation and labor laws could impose new restrictions or costs on the company’s business model, impacting profitability.

- Cultural Resistance to New Business Models: There may be initial resistance to adopting a new model, especially from businesses accustomed to traditional shipping methods.

Operational Strategy

Customer Journey

1. **Service Initiation and Matchmaking:**
    a. Microentrepreneurs: They register on the CarGo Share platform, detailing their shipping needs, including package sizes, destination, and preferred delivery timings.
    b. Drivers: Drivers sign up, entering details about their vehicle capacity, existing routes, and availability.

2. **Confirmation and Scheduling:**
    a. Once a match is made, both the microentrepreneur and the driver receive notifications. The microentrepreneur confirms the match based on the estimated delivery time and cost.
    b. The driver also confirms acceptance of the delivery task, securing the agreement to carry the package along their route.

3. **Package Pickup:**
    a. The driver visits the microentrepreneur's location to pick up the package. This interaction is facilitated by the app, which provides the driver with the pickup location and preferred timing.

4. **Delivery and Customer Interaction:**
    a. Upon delivery, the final client confirms receipt to the microentrepreneur, signaling the completion of the delivery process.

5. **Payment Processing and Feedback:**

a. The payment is processed through the CarGo Share platform, which securely handles the transaction. A predefined portion of the payment is allocated to the driver, and another portion is retained by CarGo Share as a service fee.
b. Following the transaction, all parties are encouraged to provide feedback on their experience. This feedback is crucial for improving service quality and fostering a community of trust. Microentrepreneurs and drivers rate each other, which helps maintain high standards and accountability.

First Phase Plan (6 Months)

First, the business would begin operations in Viña del Mar, Chile, due to the familiarity with this market, the behavior of the drivers, and the ease with which any unforeseen issues during a delivery can be resolved. To operate the platform, we will start with an MVP (Minimum Viable Product) developed using no-code or low-code platforms, like Bubble, aiming to minimize costs and time, with the goal of having a free MVP. Once this product is available, the next step will be to recruit microentrepreneurs and drivers who match the profile defined in the target audience. In the first six months, we will start working with one new microentrepreneurs per month to fulfill their delivery needs, assisting ourselves if necessary to meet them. The idea is to work directly with our users to improve our platform, adding new functionalities or resolving issues that may arise, as we attract new drivers, and the rate of successful shipments is high, new entrepreneurs can be incorporated to send their products, the idea is not invest a significant amount in marketing in this phase, because it's a period to test the market and the engagement of the clients. This will be done through social media campaigns and flyers.

During these first year period there are no expenses of personal cost on Operations, IT and Administration because there are 3 Co-Founders who will work together to fund the initial project, after this year is expected to receive the minimum salary in Chile, that is around 500 euros monthly, when the company generate enough income the salaries of the founders will also increase.

Second Phase Plan (4 Years)

Once this is achieved, which is expected within the first 6 months of operation, we will look to expand to new markets, mainly the Santiago market, Chile's largest, as around 50% of the population lives in that region, reaching almost 9 million inhabitants. For this the marketing expense is expected to increase to 27.000 euros for 30 months period, after this, it will decrease again because it’s assumed that we have established brand presence and awareness already. In this phase it’s also expected to make changes in our digital platform and with the traffic that we will have, due to this the infrastructure’s cost will increase 4x, reaching 500 euros monthly.

If this expansion goes well and the rate of successful shipments is high, we will look to continue expanding throughout Chile. Since fixed costs are low, expansion could develop quite rapidly while maintaining the platform and employee salaries. The most important or difficult task will simply be attracting both drivers and microentrepreneurs who want to use our services.

Insurance Plan

Forming partnerships with insurance companies like MAPFRE to offer additional services, such as shipment insurance, will significantly enhance user confidence in the platform and increase its attractiveness. Partnering with MAPFRE, a well-established and reputable insurance provider, will provide a layer of security for both the microentrepreneurs and their customers, ensuring that goods are protected against loss, theft, or damage during transit. This added assurance can be a key differentiator in attracting more users to the platform.

With MAPFRE as a potential insurance partner, CarGo Share can offer insured shipments, which will enable the handling of a wider range of products, including high-value items that might otherwise be risky to transport. This capability not only expands the potential market for the service but also positions CarGo Share as a reliable and secure logistics partner. MAPFRE’s comprehensive insurance solutions can cover various scenarios, from minor damages to complete loss, providing the necessary coverage that reassures both senders and receivers.

In addition to boosting confidence, a partnership with MAPFRE can streamline the claims process in the event of any issues. Quick and efficient handling of claims will further enhance the user experience, making CarGo Share a preferred choice for logistics needs.

Future Growth and Expansion

As CarGo Share matures, the introduction of more sophisticated technologies will be critical. Artificial intelligence (AI) will be employed for optimizing logistics such as route planning and load management, enhancing efficiency and reducing operational costs. Machine learning algorithms will refine the matching process between shipments and drivers, improving accuracy and user satisfaction. Digital tools will also play a crucial role in streamlining operations. Real-time tracking systems, automated billing, and dynamic scheduling will enhance operational transparency and efficiency. These tools will not only improve the user experience but also help in managing the increased complexity as the service scales.

Finally, with a well-developed product, we will look for international expansion to other Latin American countries, such as Mexico and Colombia. These countries have a very interesting market; Mexico is a market 5 times larger than Chile and Colombia is quite similar, which means good growth opportunities.

It is essential to have a skilled recruitment team to find drivers with values such as trust and honesty to build a collaborative environment and a committed community in the collaborative economy, a fundamental pillar of the business.

Marketing Plan

To effectively launch and scale CarGo Share in the Chilean market and beyond, a comprehensive marketing strategy is essential. This plan outlines the steps to build brand awareness, attract and retain users, and establish our platform as a leader in collaborative logistics solutions.

Market Segmentation and Targeting

- Geographic Segmentation: Initially focus on urban areas in Viña del Mar, Con-Con, and Valparaíso, where logistics and shipping demands are high due to active commercial activities. Following the initial success, expand to Santiago, capturing the larger urban market before branching out nationally.
- Demographic Segmentation: Target two main groups: microentrepreneurs (primarily women aged 25-50) and drivers (men and women aged 19-40). These segments will be further refined based on their logistics needs, availability, and engagement with the sharing economy.
- Behavioral Segmentation: Focus on users who are already utilizing digital platforms for their business or personal needs, are environmentally conscious, and are open to collaborative economic solutions.

Marketing Objectives for first 18 months of operations

1. Brand Awareness: Establish CarGo Share as a trusted, innovative brand within the first two years of operation.
2. User Acquisition: Onboard 300 microentrepreneurs, sending more than 9.000 packages per month.
3. User Retention: Achieve a user retention rate of 70% or higher after the first year.
4. Market Expansion: Successfully expanded to Santiago within the first 18 months.

Marketing Strategies

Inbound Marketing:

- Content Marketing: Develop valuable content that addresses common shipping challenges, tips for microentrepreneurs, and benefits of the sharing economy. This content will be distributed through blogs, eBooks, and whitepapers.
- SEO: Optimize all online content to rank high in search results for logistics solutions in Chile, collaborative economy opportunities, and eco-friendly shipping solutions.
- Social Media Marketing: Leverage platforms like Instagram, Facebook, and LinkedIn to engage with both target groups. Use these platforms for brand storytelling, sharing user testimonials, and highlighting unique value propositions.

Outbound Marketing:

- Email Campaigns: Send personalized email newsletters to potential and existing users with updates, promotions, and useful information about maximizing their experience with us.
- Paid Advertising: Utilize Google AdWords and social media advertising targeting specific demographics in designated geographic areas. Ads will focus on the cost-saving benefits for microentrepreneurs and income opportunities for drivers.

Partnership and Community Building:

- Strategic Partnerships: Collaborate with local business networks, e-commerce platforms, and environmental organizations to promote CarGo Share's services.

Public Relations:

- Influencer Collaborations: Partner with local influencers who can authentically promote the benefits of our platform to their followers.

Promotional Tactics

- Launch Event: Organize a launch event in Viña del Mar to introduce CarGo Share, demonstrate the platform, and engage directly with potential first users.
- Referral Program: Implement a referral program that rewards users with free credits or discounts for referring new users to the platform.
- Limited Time Offers: Provide introductory offers to new users, such as discounted service fees for the first three months.

Performance Evaluation

- KPIs: Key performance indicators will include number of new sign-ups, activity rates, customer acquisition costs, retention rates, average revenue per user, and customer satisfaction scores.
- Feedback Mechanisms: Regularly gather user feedback through surveys, focus groups, and direct communication to measure satisfaction and identify areas for improvement.
- Analytics Tools: Use analytics tools to track website traffic, user engagement, conversion rates, and the effectiveness of marketing campaigns.

This marketing plan aims to establish our company as a pioneering force in the logistics industry, leveraging targeted marketing strategies to build a solid user base and expand the brand's reach across Chile and potentially into other markets.

Marketing Budget for the first 18 months

$27,000

1. Digital Marketing - $15,000
   - Social Media Advertising: $10,000
     - Allocate funds to targeted ad campaigns on Facebook and Instagram to reach microentrepreneurs and drivers in Viña del Mar and surrounding areas. Use geographic and demographic targeting to maximize effectiveness.
   - Google AdWords: $5,000
     - Invest in PPC (pay-per-click) campaigns targeting specific keywords related to logistics services, collaborative economy, and eco-friendly shipping solutions in Chile.

2. Public Relations - $4,000
   - Influencer Collaborations: $4,000
     - Partner with local influencers who align with our values (sustainability, entrepreneurship) to promote the platform to their followers.

3. Community and Event Marketing - $4,000
   - Launch Event: $4,000
     - Host a launch event to introduce us to the local community. Budget covers venue rental, basic catering, and promotional materials.

4. Promotional Tactics - $4,000
   - Referral Program: $1,500
     - Implement a referral program that rewards current users for bringing in new users, with incentives such as discounts or service credits.
   - Limited Time Offers: $2,500
     - Provide promotional discounts or free trials for the first three months to encourage sign-ups and trial of the service.

Managing Customer Feedback

To effectively respond to customer feedback, we can follow a streamlined plan:

1. Collect Feedback: Use surveys, app reviews, and direct communication to gather feedback.
2. Develop Action Plans: Create specific plans to address customer concerns and improve the customer experience.
   a. Identify Root Causes: Analyze feedback to determine specific issues causing delivery delays or unreliability. Common causes may include inefficient route planning, communication breakdowns, or driver availability issues.
   b. Implement Route Optimization Tools: Invest in advanced route optimization software to streamline delivery routes and minimize transit times. This can improve delivery efficiency and reduce the likelihood of delays.
   c. Enhance Driver Communication: Implement real-time communication tools within the CarGo Share app to enable seamless communication between drivers and customers. This allows for updates on delivery status and any potential delays, improving transparency and trust.
   d. Provide Customer Compensation: Develop a policy for compensating customers in cases of significant delivery delays or missed deliveries. This could include offering discounts on future shipments or providing refunds for affected orders to mitigate any negative impact on customer satisfaction.
   e. Feedback Loop: Encourage customers to continue providing feedback on delivery experiences through post-delivery surveys or ratings within the app. Use this feedback to identify further areas for improvement and refine the delivery process iteratively.

Financial Structure

P&L Statement

Revenue is calculated based on the number of paying shipments multiplied by the ticket price. Over the five years, the ticket price gradually increases from 1 € in Month 12 (M12) to 1.12 € in Month 60 (M60). Specifically, the revenue rises from 1,382 € in M12 to 22,968 € in M60. The number of paying shipments also shows a consistent increase, starting from 1,382 in M12 and reaching 20,407 by M60.

The statement also details the shipments at the end of each period (EoP), with new shipments and churned shipments being key components. New shipments increase from 240 in M12 to 800 in M60, while churned shipments also grow, from -35 in M12 to -400 in M60. Despite the churn, the net addition of shipments remains positive, contributing to the overall growth in revenue. The percentage of shipments churned at the beginning of the period (BoP) stabilizes around 2-3% monthly throughout the years.

Cost of sales includes infrastructure in a no-code platform and payment commission expenses. These costs rise from -198 € in M12 to -1,677 € in M60. The margin, which is the difference between revenue and cost of sales, shows substantial growth from 1,184 € in M12 to 21,291 € in M60. This increase in margin highlights improved operational efficiency and profitability, with the margin percentage improving from 86% to 93% over the five years.

Personnel costs are broken down into operations and sales, IT, admin, and other expenses. These costs start at zero and grow significantly, reaching 5,000 € in the second year and stabilizing at this amount through M60. The "other" personnel costs increase from 1,000 € in the second year to 2,000 € in subsequent years, reflecting additional workers as the company grows.

Operating costs, which include expenses for operations, marketing, IT, and admin, show a slight increase from 2,700 € in M12 to 3,150 € in subsequent years. Marketing takes the largest share of these costs, followed by operations, IT, and admin. These costs remain relatively stable after an initial increase, indicating controlled spending in operational activities.

EBITDA transition from negative to positive over the five years. Initially, However, by M36, EBITDA turns positive at 246 €, further growing to 13,891 € in M60. The EBITDA margin improves dramatically from -110% in M12 to 60% in M60, showcasing the company's journey to profitability and efficient cost management.

	M12	M24	M36	M48	M60
Revenue	**1.382.208**	**4.173.929**	**9.394.810**	**16.425.902**	**22.968.500**
Ticket	1.000	1.030	1.061	1.093	1.126
% growth	0%	0%	0%	0%	0%
Paying shipments	1.382	4.052	8.856	15.032	20.407
% paying shipments	100%	100%	100%	100%	100%
Shipments EoP	**1.382**	**4.052**	**8.856**	**15.032**	**20.407**
New shipments	240	320	640	800	800
Churned Shipments	-35	-76	-168	-290	-400
% of Shipments churned BoP	3%	2%	2%	2%	2%
Shipments BoP	1.178	3.809	8.383	14.522	20.007
New entrepreneurs	6	8	16	20	20
Entrepreneurs	38	120	276	500	740
Cost of sales	**-198.110**	**-737.696**	**-998.741**	**-1.350.295**	**-1.677.425**
Infrastructure No-code	-129.000	-529.000	-529.000	-529.000	-529.000
Payment comission	-69.110	-208.696	-469.741	-821.295	-1.148.425
% on revenue	5%	5%	5%	5%	5%
Margin	**1.184.098**	**3.436.232**	**8.396.070**	**15.075.607**	**21.291.075**
%	86%	82%	89%	92%	93%
Personnel costs	**0**	**-2.500.000**	**-5.000.000**	**-5.000.000**	**-5.000.000**
Operations & Sales	0	-500.000	-1.000.000	-1.000.000	-1.000.000
IT	0	-500.000	-1.000.000	-1.000.000	-1.000.000
Admin	0	-500.000	-1.000.000	-1.000.000	-1.000.000
Other		-1.000.000	-2.000.000	-2.000.000	-2.000.000
Operating costs	**-2.700.000**	**-3.150.000**	**-3.150.000**	**-2.400.000**	**-2.400.000**
Operations	-300.000	-500.000	-500.000	-500.000	-500.000
Marketing	-2.250.000	-2.250.000	-2.250.000	-1.500.000	-1.500.000
IT	-100.000	-100.000	-100.000	-100.000	-100.000
Admin	-50.000	-300.000	-300.000	-300.000	-300.000
EBITDA	**-1.515.902**	**-2.213.768**	**246.070**	**7.675.607**	**13.891.075**
%	-110%	-53%	3%	47%	60%

NPV - Realistic scenario

The Net Present Value (NPV) calculation presented here outlines the financial performance of the project over a five-year period. The NPV of 423,212 € indicates the profitability of the project when accounting for the time value of money.

Over the five-year period, revenues grow significantly from 6,290 € in Year 1 (Y1) to 256,635 € in Year 5 (Y5). This growth can be attributed to an assumed consistent increase in shipments, coupled with the average shipment cost and fee per shipment.

The Cost of Goods Sold (COGS) is subtracted from revenues to calculate the margin. The COGS increases proportionately with revenue, from -1,944 € in Y1 to -19.514 € in Y5. This rise reflects higher production and operational costs associated with increased business activities. The margin, representing the gross profit, shows a positive trend, growing from 4,346 € in Y1 to 237,121 € in Y5. The margin percentage also improves over time, indicating better efficiency and cost management.

Personnel costs are a significant expense category, crucial for understanding the project's financial health. Interestingly, there are no personnel costs in Y1, as mentioned in the operational plan. However, from Y2 onwards, personnel costs are consistently high, at 31,579 € annually, doubling to 63,158 € from Y3 to Y5. This increase reflects the hiring of two employees necessary to manage growing operations and sales activities plus the Co-Founders. The stable personnel costs from Y3 onwards suggest a plateau in hiring.

Operating costs, another major expense, also rise significantly from 19,263 € in Y1 to 39,789 € in Y2 and Y3, before stabilizing at 30,316 € from Y4 onwards. These costs include expenses related to running the business, such as marketing as mentioned in the marketing plan, utilities, and administrative expenses. The slight decrease in operating costs from Y3 to Y4 and their subsequent stability is due to the decrease in marketing expenses as explained before.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) transitions from negative to positive over the five-year period. Starting at -14,917 € in Y1 and worsening to -42,209 € in Y2, EBITDA then improves to -28,316 € in Y3, turning positive at 58,673 € in Y4 and further increasing to 143,647 € in Y5.

Tax implications are also considered, with a tax rate of 25% applied to the profits. Additionally, the terminal value (TV) of 924,729 € represents the project's value beyond the five-year period, indicating its long-term viability and potential for sustained profitability.

The Weighted Average Cost of Capital (WACC) of 15% is used to discount future cash flows, ensuring that the NPV calculation accurately reflects the time value of money. The WACC was calculated considering that the company doesn't have any debt, which basically lead us to the cost of equity, calculated with the CAPM formula, for this I considered a risk free rate of 5% a market premium of 7% and a unlevered beta of the transportation industry of 1,01 giving a rate of 12%, due to this project is more risky as a new business, I add a 3% to that rate obtaining a WACC of 15%. The shipments per entrepreneur and initial investment are also factored into the overall financial model, influencing the project's cash flows and NPV.

	Y1	Y2	Y3	Y4	Y5
Revenues	**6.290 €**	**35.955 €**	**85.593 €**	**167.188 €**	**256.635 €**
COGS	-1.944 €	-6.796 €	-10.962 €	-15.042 €	-19.514 €
Margin	**4.346 €**	**29.160 €**	**74.631 €**	**152.146 €**	**237.121 €**
%	**69%**	**81%**	**87%**	**91%**	**92%**
Personal Cost	0 €	-31.579 €	-63.158 €	-63.158 €	-63.158 €
Operating Cost	-19.263 €	-39.789 €	-39.789 €	-30.316 €	-30.316 €
EBITDA	**-14.917 €**	**-42.209 €**	**-28.316 €**	**58.673 €**	**143.647 €**
%	**-237%**	**-117%**	**-33%**	**35%**	**56%**
TV					924.729
	-14.917	-42.209	-28.316	44.005	1.032.465
NPV	**396.971**				

Tax	25%
growth	3%
Average shipment cost	5000
fee	20%
WACC	15%
Shipments per entreprenuer	40
Initial Investment	78.000

Break-even analysis – Realistic scenario

Fixed costs are expenses that do not change with the level of production or sales. These costs start at 19,263 € in Y1 and increase significantly to 71,368 € in Y2 and then reach 93,474 € in Y5.

Variable costs, which vary directly with the level of production, also increase progressively from 1,944 € in Y1 to 19,514 € in Y5. This rise is indicative of higher number of shipments and associated costs, such as commission from the payment platform, which correlate with the increasing number of shipments each year.

The contribution margin represents the revenue remaining after subtracting variable costs, which contributes to covering fixed costs and generating profit. This margin grows significantly over the years, starting from 4,346 € in Y1 and reaching 237,121 € in Y5. The contribution margin percentage (CM%) also improves, from 69% in Y1 to 92% in

Y5, reflecting better cost management and increased efficiency in generating revenue from shipments.

The number of shipments, a key driver of revenue, shows a consistent upward trend, starting from 1,382 in Y1 and reaching 20,407 in Y5. This increase underscores the project's growth and market expansion. Correspondingly, the unitary contribution margin (CM Unitary), which is the contribution margin per shipment, also rises from 3.14 € in Y1 to 11.62 € in Y5. This indicates that each shipment is becoming more profitable, due to economies of scale and better pricing strategies..

The break-even point is a crucial metric that indicates the level of sales needed to cover all fixed and variable costs. It is calculated both in terms of shipments and euros. In Y1, the project needs 6,127 shipments to break even, equivalent to 27,880 €. This break-even point increases in Y2 to 9,918 shipments (88,001 €), reflecting higher fixed and variable costs. However, it peaks in Y3 at 12,215 shipments (118,068 €) before declining in Y4 and Y5 to 9235 shipments (102,715 €) and 8,045 shipments (101,166 €) respectively.

The decline in the break-even point in the latter years despite increasing shipments and revenue indicates improved operational efficiency. The project becomes capable of covering its costs and achieving profitability at lower sales volumes compared to previous years.

	Y1	Y2	Y3	Y4	Y5
Fixed Cost	19.263 €	71.368 €	102.947 €	93.474 €	93.474 €
Variable Cost	1.944 €	6.796 €	10.962 €	15.042 €	19.514 €
Contribution Margin	4.346 €	29.160 €	74.631 €	152.146 €	237.121 €
# of shipments	1.382	4.052	8.856	15.032	20.407
CM Unitary	3,14 €	7,20 €	8,43 €	10,12 €	11,62 €
CM%	69%	81%	87%	91%	92%
BE in shipments	**6.127**	**9.918**	**12.215**	**9.235**	**8.045**
BE in euros	**27.880 €**	**88.001 €**	**118.068 €**	**102.715 €**	**101.166 €**

NPV – Pessimistic scenario

The Net Present Value (NPV) analysis in this scenario provides a financial forecast over five years under a pessimistic outlook. Revenues show a significant increase from 4,717

€ in Y1 to 192,476 € in Y5 due a lower number of shipments per entrepreneur. COGS increases from -1,865 € in Y1 to -16,306 € in Y5. The gross margin improves from 2,852 € in Y1 to 176,170 € in Y5. The personnel costs are zero in Y1, starting from Y2, personnel costs stabilize at -31,579 €, then double to -63,158 € from Y3 to Y5. Operating costs rise from -19,263 € in Y1 to -39,789 € in Y2 and Y3, stabilizing at -30,316 € from Y4 to Y5.

EBITDA starts deeply negative at -16,411 € in Y1, worsening to -50,748 € in Y2. It remains negative at -48,645 € in Y3 before turning positive at 18,966 € in Y4 and increasing to 82,696 € in Y5. The terminal value (TV) of 532,359 € reflects the project's value beyond the forecast period. The NPV of 141,017 € is positive despite the lower shipments through the years. Slower revenue growth, and longer timelines to profitability contribute to a lower NPV.

	Y1	Y2	Y3	Y4	Y5
Revenues	**4.717 €**	**26.966 €**	**64.195 €**	**125.391 €**	**192.476 €**
COGS	-1.865 €	-6.346 €	-9.892 €	-12.952 €	-16.306 €
Margin	**2.852 €**	**20.620 €**	**54.303 €**	**112.439 €**	**176.170 €**
%	**60%**	**76%**	**85%**	**90%**	**92%**
Personal Cost	0 €	-31.579 €	-63.158 €	-63.158 €	-63.158 €
Operating Cost	-19.263 €	-39.789 €	-39.789 €	-30.316 €	-30.316 €
EBITDA	**-16.411 €**	**-50.748 €**	**-48.645 €**	**18.966 €**	**82.696 €**
%	**-348%**	**-188%**	**-76%**	**15%**	**43%**
TV					532.359
	-16.411	-50.748	-48.645	14.224	594.381
NPV	**141.017**				

Tax	25%
growth	3%
Average shipment cost	5000
fee	20%
WACC	15%
Shipments per entreprenuer	30
Initial Investment	78.000

NPV – Optimistic scenario

The Net Present Value (NPV) analysis in this scenario provides a financial forecast over five years under a optimistic outlook. Revenues show a significant increase from 8,648 € in Y1 to 352,873 € in Y5 due a higher number of shipments per entrepreneur. COGS increases from -2,062 € in Y1 to -24,326 € in Y5. The gross margin improves from 6,587 € in Y1 to 328,547 € in Y5. The margin percentage also increases from 76% to 93% over the five years. The personnel costs are zero in Y1, starting from Y2, personnel costs stabilize at -31,579 €, then double to -63,158 € from Y3 to Y5. Operating costs rise from -19,263 € in Y1 to -39,789 € in Y2 and Y3, stabilizing at -30,316 € from Y4 to Y5.

EBITDA starts deeply negative at -12,677 € in Y1, worsening to -29,400 € in Y2 before turning positive at 2,176 € in Y3, 118,233 € in Y4 and increasing to 235,073 € in Y5. The terminal value (TV) of 1,513,285 € reflects the project's value beyond the forecast period. The NPV of 780,545 € is positive because of the higher shipments through the years.

	Y1	Y2	Y3	Y4	Y5
Revenues	**8.648 €**	**49.439 €**	**117.690 €**	**229.883 €**	**352.873 €**
COGS	-2.062 €	-7.470 €	-12.567 €	-18.176 €	-24.326 €
Margin	**6.587 €**	**41.969 €**	**105.124 €**	**211.707 €**	**328.547 €**
%	**76%**	**85%**	**89%**	**92%**	**93%**
Personal Cost	0 €	-31.579 €	-63.158 €	-63.158 €	-63.158 €
Operating Cost	-19.263 €	-39.789 €	-39.789 €	-30.316 €	-30.316 €
EBITDA	**-12.677 €**	**-29.400 €**	**2.176 €**	**118.233 €**	**235.073 €**
%	**-147%**	**-59%**	**2%**	**51%**	**67%**
TV					1.513.285
	-12.677	-29.400	1.632	88.675	1.689.590
NPV	**780.545**				

Tax	25%
growth	3%
Average shipment cost	5.000
fee	20%
WACC	15%
Shipments per entreprenuer	55
Initial Investment	78.000

Comparative analysis of the three scenarios

Revenue growth varies significantly across the three scenarios. In the realistic scenario, revenues grow steadily from 6,290 € in Y1 to 256,635 € in Y5, driven by moderate market expansion and consistent shipment increases. The pessimistic scenario, however, shows a slower growth trajectory, with revenues reaching only 192,476 € in Y5, reflecting market challenges and operational inefficiencies. Conversely, the optimistic scenario exhibits robust revenue growth from 8,648 € in Y1 to 352,873 € in Y5, showcasing aggressive market penetration and effective scaling.

The contribution margin percentage (CM%) reflects the efficiency of converting revenue into profit after covering variable costs. In the realistic scenario, CM% improves from 69% in Y1 to 92% in Y5, indicating increasing efficiency. The pessimistic scenario shows a similar trend but starts lower and grows more slowly, from 60% to 92%. The optimistic scenario, however, boasts the highest margins, starting at 76% in Y1 and reaching 93% in Y5, highlighting superior cost management and operational efficiency despite higher costs.

Break-even points (BEP) illustrate the number of shipments or revenue required to cover costs. In the realistic scenario, the BEP in shipments peaks at 12,215 in Y3 before declining, indicating a steady path to profitability. The pessimistic scenario sees higher BEP figures, peaking later and declining more slowly, reflecting greater difficulty in covering costs due to slower revenue growth and higher inefficiencies. The optimistic scenario shows a more favorable trend, but in almost all the cases the BEP is similar, in the last two years on the realistic scenario is around 9,000 of shipments or 102,000 € in a year.

Life Time Value and Cost of acquisition

LTV represents the total revenue expected from a customer throughout their relationship with your company. Initially, the LTV starts at a negative value of -3,033€ in M1, indicating a significant initial cost or loss. This negative trend continues, albeit reducing in magnitude, until it turns positive in M4 at 142€. The positive LTV indicates that customers start generating more revenue than the costs associated with them. This upward trajectory continues, with LTV reaching 2,086€ by M60. The increase in LTV over time signifies that your customers are becoming more valuable, likely due to improved retention rates and increased spending per customer. For instance, by M25, the LTV is 1,773€, showing a consistent rise from earlier months, which is a positive sign of growing customer loyalty and engagement.

CAC measures the cost incurred to acquire a new customer. Initially, CAC is quite high at -100€ per month, reflecting significant investment in marketing and sales efforts to attract new customers. This high expenditure is necessary in the early stages to build a customer base. However, there's a notable spike in CAC to -225€ from M7 to M36, indicating intensive marketing campaigns. Despite these high initial costs, there is a considerable reduction in CAC to -75€ from M37 onwards. This decrease suggests that the company has become more efficient in its acquisition strategies, due to better-targeted marketing, improved customer segmentation, or enhanced brand recognition.

The ratio of LTV to CAC is a critical metric for assessing the efficiency of your customer acquisition efforts. In the initial months, the LTV/CAC ratio is very low or negative, such as -30.3 in M1 and -9.2 in M2, indicating that the cost of acquiring customers far exceeds the revenue generated from them. This is typical in the early stages of a business when substantial investments are required to build a customer base. However, as time progresses, this ratio improves significantly. By M12, the ratio reaches 3.0, and it continues to rise, reaching 27.8 by M60.

Biggest Risks

Risk 1: Dependence on External Partnerships

The dependence on external partnerships, such as local businesses, insurance companies, and technology providers, for its essential resources and services could leave us vulnerable to disruptions or conflicts that may arise. To mitigate this risk, we can implement several strategic actions. Firstly, the company can diversify its network of partners to reduce reliance on any single entity. By forming partnerships with multiple businesses in different sectors, we can spread its risk and ensure continuity of operations in the event of issues with one partner. Additionally, we can establish clear contractual agreements with its partners, outlining expectations, responsibilities, and dispute resolution mechanisms. These contracts can provide legal safeguards and ensure that all parties are aligned in their objectives. Furthermore, CarGo Share can invest in building strong relationships with its partners through regular communication, collaboration, and mutual support. By fostering a sense of trust and reciprocity, the company can strengthen its partnerships and minimize the risk of disruptions.

Risk 2: Technological Vulnerabilities

As a technology-driven business, the business relies heavily on its digital infrastructure to facilitate transactions, connect users, and manage logistics operations. Any disruptions or breaches in this technology could lead to service interruptions, data breaches, or loss of customer trust. To mitigate this risk, we can implement robust cybersecurity measures to protect its platform from potential threats. This may include regular security audits, encryption protocols, and multi-factor authentication mechanisms to safeguard sensitive data and prevent unauthorized access. Also, as we want to start with a No-code platform, it can happen that our provider changes their business model or some features that they offer, this could impact the operations but also the financials of this project. Additionally, the company can invest in redundant systems and backup protocols to ensure continuity of operations in the event of system failures or cyberattacks.

Risk 3: Regulatory Compliance

A significant risk is regulatory compliance, particularly concerning transportation regulations, data privacy laws, and consumer protection regulations. As a logistics and transportation platform, CarGo Share must navigate a complex regulatory landscape that governs its operations and protects the rights of its users. Non-compliance with these regulations could result in legal liabilities, fines, or reputational damage. To mitigate this risk, we can establish a comprehensive compliance program that ensures adherence to relevant laws and regulations. This program may include regular audits, compliance training for employees, and the appointment of a dedicated compliance officer responsible for monitoring regulatory developments and implementing compliance measures. Additionally, we can collaborate with legal experts and industry associations to stay informed about regulatory changes and proactively address compliance issues.

Risk 4: Economic Instability

Economic downturns or disruptions could impact consumer spending habits, transportation costs, and business operations, affecting CarGo Share's revenue and profitability. To mitigate this risk, we can implement financial risk management strategies, such as hedging against currency fluctuations, diversifying revenue streams, and maintaining sufficient cash reserves to weather economic uncertainties. Additionally, we can monitor economic indicators and market trends to anticipate potential risks and adjust its business strategies accordingly.

Risk 5: Competitive Pressures

Finally, we face the risk of competitive pressures from rival shipping and logistics companies, as well as emerging startups and disruptors in the market. Competitors may offer similar services, lower prices, or innovative features that attract our customers and erode its market share. To mitigate this risk, we can focus on differentiation through unique value propositions, such as superior customer service, eco-friendly practices, or innovative technology solutions. Additionally, we can invest in marketing and branding initiatives to enhance its visibility and reputation in the market, differentiate its offerings, and attract new customers. Furthermore, we can continually innovate and adapt its business model to stay ahead of competitors, anticipate market trends, and meet evolving customer needs.

Impacts to United Nations Sustainable Development Goals

SDG (sustainable development goals) 9: Industry, Innovation, and Infrastructure

This innovative platform embodies the essence of SDG 9 by revolutionizing traditional shipping logistics and contributing to the development of sustainable and resilient infrastructure. Through its unique approach, it addresses the pressing need for more efficient transportation systems while promoting economic growth, job creation, and technological innovation.

One key aspect of our contribution to SDG 9 is its utilization of underutilized resources. By tapping into the unused cargo space in vehicles, we maximize resource efficiency and minimize waste within the transportation sector. This not only optimizes the utilization of existing infrastructure but also reduces the need for additional infrastructure investments, thereby promoting more sustainable industrialization.

Furthermore, CarGo Share's emphasis on technology-driven solutions plays a pivotal role in fostering innovation within the transportation industry. Through its sophisticated digital platform, the company facilitates real-time connections between senders, receivers, and drivers, optimizing delivery routes and streamlining logistics operations. This innovative approach not only improves the efficiency and effectiveness of transportation systems but also drives technological advancement within the sector.

Moreover, our collaborative model promotes inclusive and sustainable industrialization by fostering partnerships and cooperation among stakeholders. By connecting microentrepreneurs in need of shipping solutions with drivers seeking to optimize their routes, we create a mutually beneficial ecosystem that enhances the resilience of the transportation infrastructure. This collaborative approach not only promotes economic inclusivity but also fosters innovation and entrepreneurship within the industry.

SDG 11: Sustainable Cities and Communities

CarGo Share plays a significant role in promoting sustainable cities and communities by addressing key challenges related to urban transportation and logistics. Through its operations, we directly impact urban sustainability by reducing traffic congestion, emissions, and environmental pollution, thus contributing to the creation of more livable and resilient cities.

One of the primary ways the company contributes to SDG 11 is by optimizing transportation routes and maximizing vehicle capacity. By efficiently matching senders with drivers and utilizing existing routes, we can minimize the number of vehicles on the road, thereby reducing traffic congestion and emissions in urban areas. This not only improves air quality and reduces noise pollution but also enhances the overall quality of life for urban residents.

Additionally, CarGo Share's focus on community engagement and collaboration further promotes social cohesion and resilience within urban communities. By connecting microentrepreneurs with drivers and fostering a sense of community among users, we strengthen social ties and build trust among stakeholders. This collaborative approach not only improves the efficiency of logistics operations but also enhances the resilience of urban communities in the face of challenges such as natural disasters or economic disruptions.

Furthermore, the company operations contribute to the creation of inclusive, safe, and sustainable cities by providing affordable and accessible shipping solutions to businesses and individuals. By offering same-day deliveries and flexible shipping options, CarGo Share meets the diverse needs of urban residents while reducing reliance on traditional shipping methods that may be less efficient or environmentally friendly.

Conclusions

Based on the findings, it is evident that CarGo Share has the potential to make a substantial impact on the Chilean shipping industry. The research question, which centered on whether a collaborative economy model could provide a sustainable, cost-effective, and efficient shipping solution, is answered affirmatively. CarGo Share not only meets these criteria but also introduces a new paradigm in logistics that can be replicated in other regions with similar market dynamics.

From a social impact perspective, CarGo Share empowers microentrepreneurs by providing them with affordable shipping options, enabling them to compete more effectively in the market. This is particularly significant in Chile, where small businesses form a crucial part of the economy. By lowering shipping costs and improving delivery efficiency, CarGo Share helps these businesses to expand their reach and grow sustainably. Additionally, the platform offers drivers a new revenue stream, promoting economic inclusivity and providing financial benefits to a broader section of society.

The environmental impact of CarGo Share is equally noteworthy. By optimizing vehicle usage and reducing the number of trips required for deliveries, the platform significantly lowers fuel consumption and carbon emissions. This aligns with global sustainability goals and positions CarGo Share as a green alternative in the logistics sector. The company's commitment to sustainable practices, such as promoting the use of eco-friendly vehicles and optimizing delivery routes, further enhances its environmental credentials.

To fully realize its potential, CarGo Share should consider several recommendations. Firstly, expanding the platform's technological capabilities to include advanced features such as real-time tracking, dynamic pricing, and AI-driven route optimization will enhance user experience and operational efficiency. Secondly, forming strategic partnerships with local businesses, e-commerce platforms, and environmental organizations can help to build a robust ecosystem that supports the platform's growth and sustainability goals. Thirdly, a targeted marketing strategy that emphasizes the cost savings, environmental benefits, and community-building aspects of CarGo Share will help to attract and retain users.

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