

**NATIONAL UNIVERSITY OF SCIENCES & TECHNOLOGY
(NUST)
NUST BUSINESS SCHOOL**



**BUSINESS PROJECT REPORT:
“DRIVING SERVICES IN ISLAMABAD”**

By:

NUMAN ALI

EMBA 2K 12

NUST REGISTRATION No: NUST201260029MNBS75112F

Executive Summary

The purpose of this study is to design and formulate a business model for offering Driving Services in Islamabad. The function of this services business will be to fulfill the need of drivers for individual customers as well as commercial and corporate entities. Thus this study will be used to start this one of a kind entrepreneurial venture which will not only be a profitable business entity but will also help solving a problem in society. This study will identify the potential customers and will finalize the target market for this business. A comprehensive value proposition is designed which will not contain services being given to the customers only, but will also help in creating point of differentiations for the proposed business. The study will also look into the hiring processes for the drivers and will further design training procedures for the hired drivers. A basic set of financial requirements to start the business are identified and presented including monthly expenses for maintenance and operations. Finally, to kick start the business, initial set of marketing and advertising activities is designed to communicate to the target market.

Acknowledgment

During the course of preparation of this dissertation, I have been lucky enough to have the support and guidance of my classmates of EMBA2K12 and faculty members of NUST Business School. It would have been very difficult to perform the level of research and in-depth analysis, which I have been successful in performing, without their help.

I would especially like to acknowledge my project supervisor Mr. Bilal Chauhan for his valuable attention, advice and backing. Not only his grip on the subject; excellent coaching methodology facilitated my learning of and its practical application, but also helped me get a better insight of the market and consumer behavior.

Table of Contents

Executive Summary..... 1

Acknowledgment 2

Driving Services..... 6

 Introduction 6

 Brand Name 6

 Service Offering..... 6

 Target Market 6

 Value Proposition..... 7

 Value for Customers 7

 Value for Drivers 8

 Unique Selling Proposition (Point of Differentiation)..... 8

 Point of Parity 9

 Business Set-up..... 9

 Recruitment and Selection of Drivers 9

 Newspaper Advertisement 9

 Initial Hiring:..... 9

 Second Phase (Referential Hiring) 10

 Selection Criteria..... 10

 Driving Test Evaluation 10

 Database of Drivers Information 10

 Training 11

 Performance Evaluation..... 11

 Developing Customer Base 11

 First Phase 11

 Second Phase (References)..... 12

 Free Service Trial for 2 days 12

 Database of Customer’s Information..... 12

 Formal Contract 13

 Competition 13

 Service Experience 13

Customer Management	14
Customer Variability	14
Request Variability (Special Requirements).....	14
Arrival Variability.....	14
Effort Variability	14
Perception Variability.....	15
Employee Management.....	15
Employee Appraisal	15
Normative Controls.....	15
Monetary Rewards (Instrumental Controls).....	15
Funding Mechanism.....	15
Charging Premium Price.....	16
Operational Excellence	16
Financial Requirement	16
Monthly Costs	16
Business Sustainability	16
Challenges & Risks	17
Management of Risks.....	18
Extending the Core.....	18
Service Experience Fit	18
Operational Fit	18
Income through additional services (Pick and Drop).....	18
Funding Mechanism.....	19
Tax Registration	19
Exhibit 1: Driver Information Form.....	20
Exhibit 2: Driver’s Database	21
Exhibit 3: Driver Performance Evaluation Form	22
Exhibit 4: Driving Services Advertisement	23
Exhibit 5: Customer Information Form	24
Exhibit 6: Customer’s Database	25
Exhibit 7: Service Contract	26

Exhibit 8: Competitive Analysis.....	29
Exhibit 9: Setup and Monthly Business Costs	30
Exhibit 10: Drivers average salary	31
Exhibit 11: Comparison of Cab Services.....	32
Exhibit 12: Tax Registration	33

Driving Services

Introduction

Our business model of offering Driving Services is based on rigorous analysis of identifying supply and demand gap in the market. Although there is availability of drivers from the informal sector there are many factors making it difficult to find out a driver. Following are the key reasons which make it difficult to hire a suitable driver.

There are certainly few concerns with respect to trust and keeping security in presence of these drivers from the informal sector. Families normally take service of a driver in order to provide pick and drop to their children or females of the family, which makes the driver responsible for the person he is driving for. Therefore while looking for a driver the most vital screening qualification is that one needs to hire someone he can trust. Traditionally, hiring takes place through referrals from reliable and trustworthy servants, who are working for a family for a long time.

Another major concern is that drivers are not available on a consistent basis; there is no formal channel to source them and they might leave their jobs anytime without any prior notice to the employers. Moreover, families are dependent on these drivers for their basic commuting requirements on daily basis, therefore any interruption in the services could cause imbalance to pre-scheduled activities of life.

Brand Name

We have decided to that the company's name would be "Driving Hand". The company "Driving Hand" will help its customers just as "Helping Hand", to fulfill their needs and problems.

Service Offering

We are intending to provide services of professional drivers to the Higher Income segment of Islamabad. Higher Income people are the segment that requires drivers for their need and are willing to pay for them. We will mainly be looking to recruit professional drivers and negotiate with people requiring permanent driving services. In essence, we are trying to provide permanent opportunities and permanent resources for drivers and employers respectively. We will be managing all the negotiation essentials between employees and employers.

Target Market

Our target markets to provide these services are

1. Initially we will be targeting **residents of Islamabad only, from I-11, G-11, F-11 and E-11 sectors to F-5, G-5 sectors** and that doesn't include Bara Koh or other non-CDA housing societies. We will try to gradually move towards other locations. We have planned to increase our customer base through the referral system once we would be done with the benchmark of 500 customers.
2. **Multi-national companies and small business setups** of the city as these would be the corporate clients who would require special contract negotiations. These companies require driving staff without any interruptions so to facilitate their executives with trained drivers. We would start from the small businesses that are setup in Blue Area and other commercial areas of Islamabad (e-g sector Markaz). These clients would be beneficial for the fact that winning a single client would work as an endorsement towards bigger clients and also they would swell the company's portfolio of clients. Here again, we are looking forward to gain some significant clients early and then start using their references to get hold of more such valuable clients.
3. **Four-star and five-star hotels** (including clubs) all across the country. This segment is the premium one for our services and we expect that one such client would help us in making placements of 20 – 30 drivers on long term basis. However, due to the strong negotiating power of these clients we will be required to price our services carefully.

Value Proposition

For any business, it's imperative to offer a differentiating service to its customers which would be better than the quality offered by competition. Our business's value proposition is as follows

Value for Customers

Customers are the ones who are ultimately the source of all revenues for the company therefore it is vital to offer them quality service on a continuing basis. Value driven for our customer is predominantly based on

1. **Hassle Free Process:** No hassle of finding and screening a driver, our company will fully take care of these processes.
2. **Permanent Nature of Service:** Access to driving services on a permanent basis, we would provide a replacement driver in case any driver terminates his services.
3. **2 Days Trial Period:** We would be providing 2 days trial period to the customers to assess the drivers, once satisfied then they will sign-up for the service. We will replace the driver on customer's discretion (but only due to a valid reason).

4. **Fulfilling Additional Requirements:** Our Company would be able to cater the varying needs and preferences of customers such as special requirements for additional hours or on holidays.
5. **Building Sense of Security:** In the presence of a company structure, customers would feel comfortable to opt for the driving services because this situation would require them to negotiate with the company instead of trusting any random individual.

Value for Drivers

Value for the driver would be based on these factors

1. **Recruiting Consultancy:** Ease of finding a job through company's extensive network, company would be responsible in finding appropriate job for the driver. After the completion of one assignment, another assignment would be sought by the company.
2. **Free Training:** Basic training would be provided to the drivers in order to improve their personality especially communication skills.
3. **Permanent Job:** We will provide access to a job on permanent basis; we would provide a replacement job if employee would be laid off.
4. **Monetary Rewards:** We have planned to incentivize our employees upon providing any useful references of reliable drivers.

Unique Selling Proposition (Point of Differentiation)

Our staff would provide the following additional benefits to clients

1. Company backed services would help customers to raise their concerns to the company, company would try to resolve these concerns by inquiring with the driver. If not satisfied with the driving services in any case, they would get a replacement driver.
2. Customers would be in a position to trust our drivers; we will ensure the customers that we do keep past experience information and references details for our drivers, binding them to avoid any socially unacceptable activity.
3. Frequent follow-ups to evaluate the performance of the driver. If there would be unsatisfactory attitude, we will take care of the matter.
4. Drivers would be trained in basic level of etiquettes to offer better customer service at all customer interactions.

Point of Parity

Company staff would be providing

1. Basic driving services as per the demands of the customers (also taking consideration of special requirements).
2. Our staff's level of expertise would be meeting acceptance from customers i.e. at-least equivalent to the informal sector.
3. Same duty hours and duration as of informal sector (which off-course could be revised on request for additional charges).

Business Set-up

Setting up the business would need us to work on 2 basic tasks; we need to recruit and hire a team of professional drivers and we need to develop a strong customer base to arrange jobs for these drivers.

Recruitment and Selection of Drivers

We have planned to hire our staff through the following approach

Newspaper Advertisement

We will be mainly advertising through the newspapers i.e. Urdu newspapers to seek for professional drivers. Newspaper advertisements would make sure that only those individuals who would be literate would be able to contact the company, this is important as they are supposed to be equipped with basic etiquettes which would make it easier to train them further.

Initial Hiring:

Initial hiring would be a slow and gradual process of developing the resource pool. In this phase our company would be hiring after evaluating the candidate on stringent restriction. Our plan is to screen candidates on the basis of their

- a. Previous experience; getting a feed-back from his previous employer who has received this driver's services for more than 6 months.
- b. References; thorough screening would be performed in this initial hiring process. Driver would be required to give 2 references.

Second Phase (Referential Hiring)

Once we will be able to attract a significant pool of drivers (50+), we will be hiring on the basis of references only.

- a. We are looking to delay this phase for 6 months after the initial hiring phase, so that we will get exposure to daily experiences of handling the operations.
- b. We are planning to incentivize for any successful reference (providing reference of a driver who stays with the company for at least 6 months.)

Selection Criteria

Our selection criteria in both phases will be based on meeting the following requirements

1. Driving license issued by government of Pakistan.
2. Demonstration of exceptional driving skills - passing the driving test.
3. Basic education – we will be hiring individuals educated at least to the level of grade 8, preferably a Matriculation.
4. Personality, ability to speak politely with people and basic etiquettes.

See **Exhibit 1** for employee hiring form.

Driving Test Evaluation

To conduct a driving test we would require

1. An evaluator; who would assist in conducting driving tests. Evaluator would be hired on temporary basis to conduct driving tests whenever required. At the moment, we have planned to conduct driving tests once a week (every Sunday).
2. A car would be required, in a reasonable condition, to conduct these tests. It will be arranged through Rent-A-Car services on the test date.

Database of Drivers Information

This database would be comprised of the following details of drivers. **Exhibit 2** shows our driver database.

1. Driver's Name and contact details (address and telephone numbers).
2. National Identity Card Number.

3. Driving License Number along with license expiration date.
4. Marital Status.
5. All available details of previous employer.
6. If currently serving one of the company's customers then customer detail would also be mentioned in addition to driver's information.
7. Contact details of relatives in situation of emergency.
8. Any important additional information.

Training

Basic training to deal with customers would be given to the drivers to improve their attitudes towards customers. Here, we do not feel that extensive training for these drivers is required; all we want to cater is to provide them with beginner level knowledge of making customer interactions. As our drivers are supposed to work with corporate and higher income individual clients, so they will be trained accordingly. For instance, how to answer calls and how to open the car door etc.

Performance Evaluation

For performance evaluation we will contact our customers regularly on monthly basis.

1. We intend to contact our customers on the phone; this will help us in managing costs as well as saving customer's time.
2. We can admonish or even threat non-performers, we will also try to find out the exact reason of customer dissatisfaction.

See **Exhibit 3** for performance appraisal form

Developing Customer Base

Our approach in developing the customer base would be

First Phase

In the starting phase, we will make Advertisement through flyers in our selected areas. We have planned to activate this marketing process through English Newspapers because we feel that this will make a direct penetration into our intended target markets (See **Exhibit 4** for a rough execution of our advertisement). We will be explicitly calling multinational companies and hotels, informing them regarding our company and offering them our services.

Second Phase (References)

In this phase, we expect our customer to start referring our services to their friends and family. We need to make a strong early statement for quality of services and then will let the customers help in building our clientele (customers working for the company, saving advertisement costs).

Free Service Trial for 2 days

We would offer a 2 days service without any charges, so that the customer would have a detail trial of the driver. Signup for service would only be completed after the successful trial. For this trial period, we will pay to the driver if he would be rejected by the employer, otherwise he would not make any payments for the trial period.

Upon Sign-up customer would be required to fill up a form; this form will be comprised of customer's basic information, contact details and any special requests made by the customer. Once a driver is assigned, information of the driver would be mentioned in the form to track which driver is currently servicing this particular customer. **Exhibit 5** gives you a glimpse of details included in the customer information form.

Database of Customer's Information

This database is mandatory to be used in the second phase of the customer base development. It would be comprised of the following details of customers.

1. Contract number.
2. Customer's Name and contact details (residential address, phone numbers).
3. National Identity Card Number.
4. Customer I.D. number assigned by the company.
5. Any special request made by the customer.
6. Information of assigned Driver i.e. Name and contact details (telephone numbers).

Exhibit 6 shows our customer database which will be used for references in second phase of developing customer base.

Formal Contract

This formal contract would be filled by the customer upon sign-up of driving services. Before signing this agreement, customer would be required to show Documentation of the car for which he is taking driving services. This step is necessary because we want to save our drivers from indulging into illegal activity.

1. We will require our client to make salary payments to the drivers through us.
2. Upon terminating services, they will be required to serve a notice 1 month in advance, after initial 3 months of receiving service.
3. Customers would not be allowed to hire drivers directly by negotiating with them.
4. Drivers would require serving employers for 10 hours shift, 6 days a week. Additional charges would be applied for a longer shift than 10 hours (explicitly mentioned in clauses of formal contract).
5. Drivers would take care of car e.g. washing & cleaning.
6. Customer would be making payments of Challans and fines imposed by the traffic regulatory authorities on the driver.
7. Company would not be responsible to make reimbursement for any damages to the car in case of any accident.

Exhibit 7 provides details of the Formal Contract.

Competition

We do not have any formal competition as there is no company providing these services for the time being (as per our knowledge). There is competition mainly from the informal sector; drivers working on their own to assist with driving services. We intend to mold this competition into our favor by improving employment opportunities for this informal sector. We are providing premium services in comparison to the informal segment and charging a premium on these services. See **Exhibit 8** for competitive analysis.

Service Experience

We intend to provide a better service experience to the customer due to our distinguished and better standard of service.

1. Customers are not required to change their habits of interacting with their drivers. This business model provides services which are very close to those of the informal sector; we have made an intentional effort to keep all points of parity while designing the service model.

2. We are providing better services than the market by catering to special customer's requirements, mentioned at the time of service sign-up.

Customer Management

Handling Customer Variability does not seem to be an issue with our proposed model, although customers would make their preferences clear to the company but we do not expect large variations in their demands.

Customer Variability

We think of the following dimensions of variability that is expected from the customers.

Request Variability (Special Requirements)

Few customers could have specialized demands like an aged driver (due to family structure) or literate driver (by corporate clients etc). However dealing with these requirements would not be much challenging because in any case we are intending to hire middle age men with ability to read and write.

Arrival Variability

Arrival variability for our business model would be overwhelming response of customers or a mismatch between required number of drivers and interested clients. Finding drivers in presence of a willing customer is not a difficult task; it could be achieved by speeding up the referral process. Over-abundance of drivers could be a more serious challenge therefore we have planned to put drivers on to the database initially and converting them on to the payroll after receiving a request from the customer.

Effort Variability

Customers might not feel comfortable in interacting with the third-party for hiring drivers; they would also be required to maintain a consistent connection with the company on permanent basis. To resolve this factor, we are emphasizing on the key selling factor of consistent services; we will keep on reminding the customers that losing contact with the third-party could cause inconvenience for their future requirements (whenever their present drivers would leave their jobs). Moreover, we have planned to maintain least required communication with the client in the starting phase of the service offerings.

Perception Variability

We might be receiving lesser response from targeted market and overwhelming response from unintended markets. Nature of our business is such that even if we would be required to serve in these markets, we would not be facing any issues. Driver would be allotted to the customer from the nearby area after searching from the company's database. De-limiting the scope of business is only relevant to business advertisements.

Employee Management

For employee management, we have planned to screen employees severely in the initial hiring process. We are required to implement normative and instrumental controls in the second hiring phase when hiring would only be based on referential basis.

Employee Appraisal

For our driver's performance evaluation we will contact our customers regularly on monthly basis to get their feedback. Primary aim of this activity would be to try and find out the exact reason of customer dissatisfaction. Information would be shared with the respective employees.

Normative Controls

We will be keeping strict controls over the employee base; any one misbehaving with the customer would be fired i.e. losing his job (instrumental control). Driver who would have given such a reference would also be notified about the incident and warned.

Monetary Rewards (Instrumental Controls)

There is also an incentive system (we are working on) on reference of a useful resource (instrumental control). For every successful referral i.e. giving reference of a driver who stays with the company for more than 6 months, we will give an incentive of Rs. 3,000 to the referee (Rs. 500 per month for 6 months).

Funding Mechanism

Funding will be provided by the customer to acquire our better than the market services. As we will build the employee database therefore it will not cost anything to the company for getting driver's information. However there would be some expenses in attracting clients especially in initial phase.

Charging Premium Price

We are planning to charge a premium price to our customer because we believe our services would enhance the customer experience level (Explained above under the section of Service Experience).

Operational Excellence

For our customers, its premium services but company would be achieving it at low cost. We are planning to hire middle age married drivers, this factor will make sure that customer's requirements of aged drivers would be served and these married individuals would be less likely to run away (due to their family responsibilities).

Financial Requirement

Following is a list of all the set-up requirements along with their estimated expenditures. **Start-up Costs**

1. Advance payment for a small office consisting of 2 small rooms and 1 meeting room like arrangement on rental basis.
2. Renovation requirements.
3. Onetime Security Deposit for cars purchased on lease.
4. Computers and networking equipment.

Monthly Costs

1. Rent Payments.
2. Salaries of 2 staff members (administrators) to perform sign-up processes and day-to-day office work.
3. Salary of 4 permanent drivers; 2 for pick and drop and 2 for private driving services.
4. Office Stationary and apparatus.
5. Expenses of Advertisements both for drivers and customers.
6. Monthly installments for cars purchased on lease.
7. Miscellaneous Charges.

Exhibit 9 gives you an analysis of these costs.

Business Sustainability

For these services, we have finalized a monthly charge of Rs. 20,000 for the customers whereas we will be making monthly payments of Rs. 15,000 to the driver. These details are decide after surveying

different customers privately about the amount of salary they are paying to their drivers., as shown in **Exhibit 10**. This leaves us a gross profit of **Rs. 5,000** on every customer. Our onetime cost is **Rs. 625,000** and monthly cost is **Rs. 209,836**. If we spread our onetime cost over the period of 3 years, the calculation would be as below:

Total onetime cost = Rs. 625,000

Distributing onetime cost over 3 years evenly = $625,000/36 = \text{Rs. } 17,361$

Monthly recurring cost = Rs. 209,836 (Exhibit 9)

Total monthly cost = $209,836 + 17,361 = \text{Rs. } 227,197$

To cover the cost of **Rs. 227, 197**per month, we will require 45 customers as per below calculations

Driving Services Fee per Customer (Avg) = Rs. 20,000

Driver's Salary = Rs. 15,000

Net Income per Customer = **Rs. 5,000**

Number of Customers required for sustainability = $\text{Rs. } 227,197 / \text{Rs. } 5,000 = 45 \text{ customers}$

So as per above calculations, we have come up with the **number 45** (customers) required to cover the monthly cost of the business. Anything above 43 will start generating profits.

Challenges & Risks

Our business model could potentially encounter following risks.

1. Attitude of customers not inclined to our services.
2. Issues in hiring drivers (lack of inclination to sign-up).
3. We will need to monitor a constant check on drivers and customers so that they would not negotiate on terms of services directly (eliminating the company out of process).
4. Changing behavior of employees, we have planned to use both normative controls as well as instrumental controls to shape up the behavior of employees.

5. We could face resisting attitude from customers who would not be willing to change their behavior towards employees; we require customers to treat our employees with respect and use a formal channel of communication in case of any inconvenience.

Management of Risks

Our business model is low cost. If customers are not looking to avail our services, we do not bear any expense of keeping drivers on our disposal. To counter hiring issues, we will be using our personal references to start the ball rolling. The designed business model is a very simple and formal one; all the conditions would be addressed to the clients in the sign-up process, to make them aware of their required behavior.

Extending the Core

We are evaluating the possibility of moving into the related market of providing pick-up and drop services to the school going children. This is a possibility closely related to Driving Services model however we are delaying this plan unless the core business gets successful. In order to offer these services, we need to assess the following considerations.

Service Experience Fit

1. Pick-up and drop services are provided as temporary services. Unlike the driving services,
2. These are shared services as opposed to the dedicated services of drivers.

Operational Fit

1. Drivers would be working on temporary basis (in the morning timings). We need to make arrangements for their free time (or make them earn equivalent to a full time job).
2. These services would be catering to the need of a different market segment; middle and lower middle class.

Income through additional services (Pick and Drop)

Since this would not be our main business line and we will cover our cost from driving services so everything we make from here will be our profit. If we assume that one car could provide pick and drop to 6 persons per day and we assume we would have Rs. 12,000 monthly charges from one customer (this is just an average number and will vary from customer to customer), our calculation would be as below.

Pick & Drop Service Fee per Customer (Avg)	12,000
Pick & Drop Service Fee per Month (for 12 Customers)	144,000
Car Fuel and Maintenance (For 2 Mehran)	15,000
Salary of 2 Drivers	24,000
Net Income	Rs. 105,000

A detailed comparison of different pick and drop services is given in **Exhibit 11**.

Funding Mechanism

We are required to make investments into arranging Vans which would be required to pick and drop students and professionals. Purchasing (or arranging) these vans would be costly for the business, another way to sort out this could be by negotiating with van drivers to work with us. We will however go with purchasing 2 Suzuki Mehran Cars. Details of these expenses are mentioned in **Exhibit 9**.

Tax Registration

We understand that to become a good responsible corporate company we should start paying taxes and register our company with Federal Board of Revenue (FBR) Pakistan. For this purpose, we have gathered information about how to register a company. We will be registering our setup under category "Company" as "". Business nature of our setup will be "Service Provider" and we will register it for "Income Tax". The complete process of registration and registration form is given in **Exhibit 12**.

Exhibit 1: Driver Information Form

New Hire (Must complete all sections)

Updating Information (Complete only sections that apply to change)

Employee's Name	NIC #	License #
Street Address		
City/State/Zip	Home Phone Number ()	Cell Number ()
Domicile	Company I.D.	Status: Available / Assigned
Previous Employer Details		

PERSON(S) TO CONTACT IN CASE OF EMERGENCY:

First Contact	Second Contact
Name	Name
Address	Address
Phone Number(s)	Phone Number(s)
Relationship	Relationship

ADDITIONAL INFORMATION:

Driver's Signature

Date

Exhibit 2: Driver's Database

Driver's Database	
Name	
Company I.D.	
NIC	
License #	
Address	
State/Zip code	
Phone #	
Cell #	
Marital Status	
Additional Info.	

Exhibit 3: Driver Performance Evaluation Form

Employee's Name	NIC #	License #
Customer's Name	Cell Number ()	Address

Criteria	Poor (0 points)	Fair (1 point)	Good (2 points)	Excellent (3 points)
1. Cooperativeness				
2. Safe driving habits				
3. Attendance				
4. Punctuality				
5. Personal Attitude				
6. Reports vehicle problems				
7. Cleans vehicle				
8. Accident reporting				
Total: _____				

Exhibit 4: Driving Services Advertisement

Driving Services

Are you tired of looking for a Driver?

We have solutions to all your problems in finding reliable drivers.

Our company is a reputable one in providing permanent driving services to fulfill all your driving requirements. We can cater to your requirement of drivers for your personal or company needs.

For More Details, Please Contact

Numan Ali: 0300-8755567 or email @
numan.ali@drivinghand.com

Exhibit 5: Customer Information Form

New Customer (Must complete all sections)

Updating Information (Complete only sections that apply to change)

Contract #* _____		
Customer's Name	NIC #	Customer I.D.*
Street Address		City/State/Zip
Home Phone Number ()	Cell Number ()	Email Address
INFORMATION OF ASSIGNED DRIVER		
Name		Company I.D.

SPECIAL REQUIREMENT(s):

Customer's Signature

Date

* assigned by the company

Exhibit 6: Customer's Database

Customer's Database	
Contract I.D.	
Name.	
NIC #	
Company I.D	
Address	
State/Zip code	
Phone #	
Cell #	
Assigned Driver	
Driver's I.D.	

Exhibit 7: Service Contract
Service Contract

Client Full Name: _____

Phone # _____ Mobile # _____

Email: _____

Address: _____

Number of Drivers Signed-up:

Charges

1. _____

1. _____

2. _____

2. _____

3. _____

3. _____

Total Monthly Payment: _____ Starting Date of Service: _____

Contract Details:

Please thoroughly read through the contract details.

Driver's Liability

- Driver will be liable to serve you for a shift of 10 hours, 6 days a week (holiday on Sunday).
- Company and driver would not be responsible for any damages to the car in case of accident.
- Drivers would take care of car e.g. washing & cleaning only.

Customer's Liability

- We will require our client to make salary payments to the drivers through us.
- Employers would not try to hire drivers directly by negotiating with them.
- Customer would be making payments of Challans and fines imposed by the traffic regulatory authorities on the driver.

Surcharges

Please try to tell in advance, if you require your driver to serve for a shift of more than 10 hours on daily basis.

Fees and Payment

All charges due will be paid at the completion of every month till 2nd date of the next month.

Mode of Payment

Payment could be made in cash or through cheque crossed in name of company's account.

Cancellation

Please allow 4 weeks' notice for cancellation of services. If no notice is given, a Rs. 5,000 cancellation fee will apply. Notice can be given by phone or by visiting the office.

Satisfaction Guarantee

We offer satisfaction guarantee on all services. If you are not satisfied with the service provided to you, please contact company head office.

I have read, agree with and understand the service contract.

I understand that the terms of this contract apply to all services between me (the client) and “Driving Hand” moving forward (in the future) and another contract is not necessary, unless requested by me or the company.

Client Signature: _____ Date: _____

Exhibit 8: Competitive Analysis

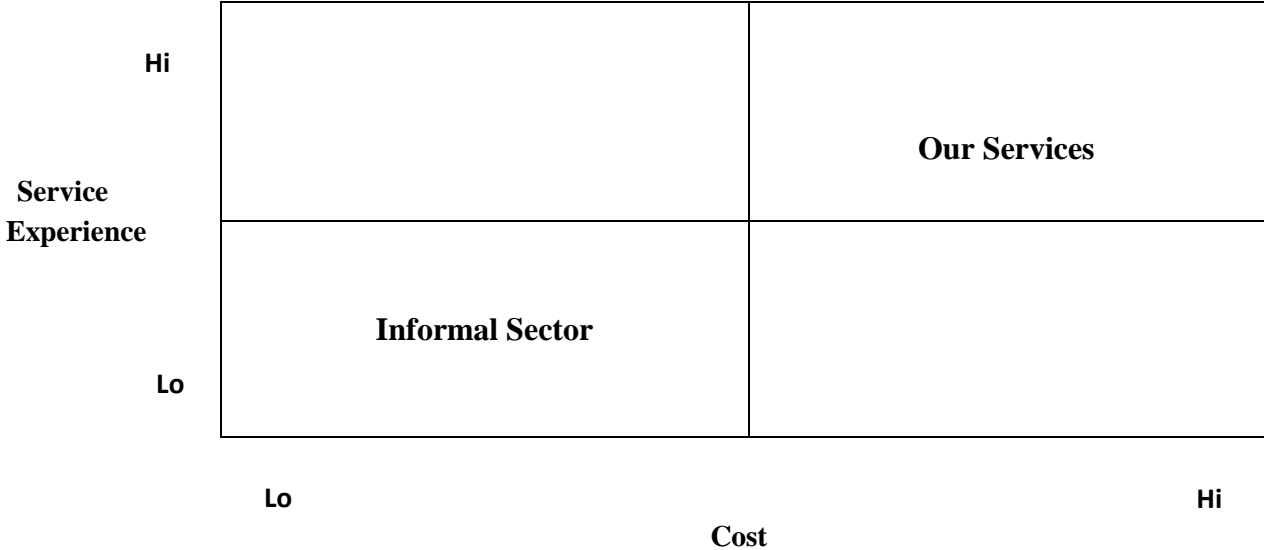


Exhibit 9: Setup and Monthly Business Costs

Initial Expenses

Cost Pool	Cost (PKR)
Advance Payment for Office	300,000
Renovation/design of office	100,000
Computer and Networking	30,000
Security Deposit for 2 Cars (Suzuki Mehran) ¹	195,000
Total	625,000

Monthly Expenses

Cost Pool	Cost (PKR)
Rent Payment	50,000
Salaries (2 Administrative Staff)	40,000
Salaries (4 Permanent Drivers)	60,000
Monthly Installment for cars (2 Suzuki Mehrans)	28,836
Car Fuel and Mentanence (For 2 Mehran)	15,000
Stationary	1,000
Advertisement Costs	10,000
Miscellaneous	5,000
Total	209,836

¹ Calculations are taken from Meezan bank's website <https://www.meezanbank.com/icarcal.aspx>

Exhibit 10: Drivers average salary

We have surveyed 10 different customers from both Karachi and Islamabad to get information about the salary they are paying to their drivers and service hours those drivers is working. Although, Karachi is not our target market, but just to get the idea of versatility of salaries among different regions, we included Karachi as well. The survey is not conducted through any formal channel or form. This information is collected through friends and relative to get true statistics. The average salary of these drivers is Rs. 13700, so we decided to offer Rs. 15000.

Customer	Salary (PKR)	Service Hours	City	Other Remuneration
Customer 1	16000	12	Karachi	No Additional Remuneration
Customer 2	14000	10	Karachi	No Additional Remuneration
Customer 3	15000	10	Karachi	No Additional Remuneration
Customer 4	15000	10	Karachi	No Additional Remuneration
Customer 5	13000	10	Karachi	No Additional Remuneration
Customer 6	13000	10	Islamabad	No Additional Remuneration
Customer 7	15000	12	Islamabad	No Additional Remuneration
Customer 8	11000	12	Islamabad	No Additional Remuneration
Customer 9	12000	12	Islamabad	No Additional Remuneration
Customer 10	13000	12	Islamabad	No Additional Remuneration

Exhibit 11: Comparison of Cab Services

We chose 3 “book and ride” services that are currently used by most of the people and calculate per month charges a customer would have to pay for their services.

Service	City	Charges Per Km (PKR)	Minimum Fare per Ride (PKR)	Per Month Charges Pick & Drop Charges
Careem ²	Islamabad	25	250	15000
Metro Cab	Islamabad/Karachi	25	500	30000
Vintage Car Service	Karachi	25	500	30000

² Careem is a newly launched service and these are the promo charges they are offering right now. In future they would charge Rs. 25/KM with minimum of Rs. 500 per ride

Exhibit 12: Tax Registration

There are two types of registration processes being used i-e online registration and manual registration by visiting tax houses. Registration form is attached.



Company
Registration Form.pdf

Complete process is given below as mentioned in www.fbr.gov.pk .

New Taxpayer Registration System

On-line Registration

1. On-line registration is available only for:

- a. Individual and not for Association of Person or Company;
- b. Income Tax and not for Sales Tax;

2. Before starting registration, the Taxpayer must have:

- a. read [User Guide](#);
- b. a computer, scanner and internet connection;
- c. a cell phone with SIM registered against his own CNIC;
- d. a personal email address belonging to him;
- e. scanned pdf files of:
 - i. certificate of maintenance of personal bank account in his own name;
 - ii. evidence of tenancy / ownership of business premises, if having a business;
 - iii. paid utility bill of business premises not older than 3 months, if having a business.

3. On-line registration is available at <https://iris.fbr.gov.pk/infosys/public/txplogin.xhtml>

Registration at Facilitation Counters of Tax Houses

1. Registration at Facilitation Counters of Tax Houses is available for all:

- a. Individual, Association of Person and Company;
- b. Income Tax and Sales Tax;

2. For Registration of an Individual, the Individual must:

- a. personally go to any Facilitation Counter of any Tax House:
- b. take the following with him:
 - i. Original CNIC;
 - ii. Cell phone with SIM registered against his own CNIC;
 - iii. Personal Email address belonging to him;
 - iv. Original certificate of maintenance of personal bank account in his own name;
 - v. Original evidence of tenancy / ownership of business premises, if having a business;
 - vi. Original paid utility bill of business premises not older than 3 months, if having a business.

3. For Registration of an AOP, anyone of the Members / Partners must:

- a. personally go to any Facilitation Counter of any Tax House:
- b. take the following with him:
 - i. Original partnership deed, in case of Firm;
 - ii. Original registration certificate from Registrar of Firms, in case of Firm.
 - iii. CNICs of all Members / Partners;
 - iv. Original letter on letterhead of the AOP signed by all Members / Partners, authorizing anyone of the Members / Partners for Income / Sales Tax Registration;
 - v. Cell phone with SIM registered against his own CNIC but not already registered with the FBR;
 - vi. Email address belonging to the AOP;

- vii. Original certificate of maintenance of bank account in AOP's name;
- viii. Original evidence of tenancy / ownership of business premises, if having a business;
- ix. Original paid utility bill of business premises not older than 3 months, if having a business.

4. For Registration of a Company, the Principal Officer must:

- a. personally go to any Facilitation Counter of any Tax House:
- b. take the following with him:
 - i. Incorporation Certificate of the Company;
 - ii. CNICs of all Directors;
 - iii. Original letter on letterhead of the company signed by all Directors, verifying the Principal Officer and authorizing him for Income Tax / Sales Tax Registration;
 - iv. Cell phone with SIM registered against his own CNIC but not already registered with the FBR;
 - v. Email address belonging to the Company;
 - vi. Original certificate of maintenance of bank account in Company's name;
 - vii. Original evidence of tenancy / ownership of business premises, if having a business;
 - viii. Original paid utility bill of business premises not older than 3 months, if having a business.