

Segway Canada Business Guide



A COMPREHENSIVE STARTUP GUIDE

SEGWAY PT TOURS:

- **The Segway® Personal Transporter (PT) was not designed specifically with tours in mind. However, it quickly became clear that its attributes were a perfect fit for the tourism industry.**
- The first Segway PT tours opened in early 2002 shortly after the PT hit the market. Since that time, the Segway PT tour business has grown to include hundreds of tours in the United States as well as thousands of tours worldwide. In 2011, the Segway Experience Program was launched. It encouraged tours to become authorized and affiliated with Segway Inc. to create a strong, worldwide, cross promotional network. Being affiliated provides tour operators the option to purchase and sell Segway PTs, as well as leverage discounted service, and marketing support.

Advantages to being an affiliated tour

Include:

- Complete access to a world reservation systems and aggregators, as well as the opportunity to leverage Segway alliances, tour discounts and frequent glider programs.
- Segway's Affiliated Tour Program keeps the brand strong by ensuring consistency across tour operations. Our large and growing unified network positions Segway to develop beneficial industry alliances, gather statistical data to market authorized tours against alternatives, provide valuable forecasting data and efficiently leverage market research.
- Understanding your market is a key component in starting up your business. The following pages outline a set of international guidelines adopted by Segway to help you identify your market. They act as the cornerstone for developing a business and marketing plan and will be the key component in getting your tour off to a strong start.

WHY BECOME AN AFFILIATED TOUR?

- Segway Reservation System, **powered by FareHarbor**, that allows guests to conveniently book reservations on Segway's official website, viewed by 3 million visitors annually worldwide.
- Negotiated national rates with major flash sellers (i.e. Amazon Local, Living Social)
- Negotiated national rates with Online Marketing Agencies (i.e. TripAdvisor, Viator)
- Tour specific Segway PT Safety Video
- Exclusive credit card processing rate on all transactions
- Free Canadian website
- SEO and analytical tracking support

Become an authorized Tour

Includes

- Legal use of the "Segway Brand Copyright" according to Guidelines
- 7% off MSRP on PT (minimum buy of 2)
- 5% (plus 10% with volume) off MSRP on Parts
- 3% off on PDI and Training
- Free Bilingual website
- Free Bilingual transactional Tour website
- Marketing, commercialisation and media communications support
- Territory exclusivity – Using Segway brand name in their publications
- Include one year Segway Brand License (\$600/Y)
- National statistics
- Leasing Program
- Insurance Program
- Local and National Advertising Program
- Trailer setup (optional)
- Tour structure
- Legal advice
- Segway PT renewal program (we help keeping you fleet with new PT every year)
- Tour will get's 3% for PDI and training on every PT sold by dealers, Qualified Dealers or Head office on delivery of Segway PT's
- Startup program fee operating a Segway Authorized Tour : \$9700 (Does not apply to existing tour/dealer)

Tours Obligations

To Qualify as a “Authorized SEGWAY Canada Tour”,

All tour need to:

- Use Segway Canada Website and reservation network
 - Credit Card charges are of 1.9% + .30 cent / transaction
 - 20% commission only on web reservation/payment (like Trip Adviser, Expedia etc)
 - No commission on payment on site
 - No commission on optional pre selected criteria's

All tour will need to:

- Buy a minimum of 2 new Segway every year assuring new or newer PT for clients (no tours should offer PT's that are older than 5 years in age)
- Offer Professional Guided Tours and training
- Using training Segway best practices usage with standardize program
- Give out Segway Driving Certificates after training sessions included in all tours
- Be open a minimum of 3 days a week, 3 month a year
- Share Segway values, image and objectives through their business
- Receive, assemble and deliver all Segway sold by Head Office and dealers
- Buy all parts from Segway Canada
- **Respect all Tour obligations**

Note: If for some reason a tour can not comply to all obligation, a tour can NOT be authorized to use the word Segway or logo within their business name, trade mark, website, e-mail etc.

Tour Business model

Estimated cost and cash down

12 segway PT's	\$ 96,000
Trailer	\$ 18,000
Total	\$114,000
5 Y lease	\$ 22,900/Y
Buy back 10%	\$ 11,400
15% cash down	\$ 17,100
Set up cost:	\$ 9700
Total cash down	\$ 26,800

Estimated revenues

1H30 Tours at 59\$ X 10/pers	\$ 590
2 tours/day X 5 Day a week	\$ 5,900 /week
24 weeks X \$5900	\$ 141,200 /Y

Estimated cost and revenues

Annual revenue	\$ 141,600
5Y lease /Y	\$ 22,900
Staff (2 students at \$15/h)	\$ 32,240
Rent	\$12,000
Insurance	\$18,000
Adv	\$ 4,000
Commission 20% ref./5%	\$ 1,410
visa/bank at 1.9%	\$ 2,679
Adm	\$ 5,000
Total cost	\$ 98,229
Profit	\$ 43,371

Note: This business model is used as an indicator only and Segway Canada/ Groupe Alliance does not guaranty any revenues. All businesses operating tours assume all operational and financial risks.

SMART INVESTMENT

- Once you've completed a thorough evaluation of your tour route, you'll need to select the Segway PT model that is most compatible with its terrain – the i2 SE or x2 SE. Your initial startup costs will include a **Proforma** investment of APROX 12 units along with the expense of **Additional Required Material**.
- **There are many possible options to finance:**
- We're pleased to offer both commercial financing and leasing programs for qualified customers, from Leblanc Finance Services. From zero down financing to a \$99/month payment plans, Leblanc will work with you to find the best option. For more information, or to discuss your specific circumstances, please contact:
- Richard Bélair 1-514-702-7283 or rbelair@servicesfinanciersleblanc.com
- *All costs and fees are estimates and subject to changes

Routes for guided tours in your area

- To begin, you must identify appropriate riding routes.
- Familiarize yourself with every part of your city and note all key points of interest. Look for logical stops for shaded breaks, photos, etc. You should also follow designated paths, sidewalks or bike lanes and respect private property. You may run tours seven days per week and then adjust your offerings based on seasonal events.
- We recommend that you offer a variety of tours—(scenic, historical, architectural, foodie, etc.). Typically a choice of two tours appeals to a variety of guests and draws repeat business.
- **Tour Route**
- Maps can be helpful in presenting tours to regulatory organizations, insurance providers and other stakeholders. They're also a useful marketing tool to show guests exactly what their experience will entail and highlight the city's most popular sites. These types of maps may be easily created with most Internet mapping services.

CREATING YOUR TOUR THEMES

- **Historical Sites:** Specific buildings, districts, statues, battlefields and plaques relating to the city's history.
- **Points of Interest:** Museums, parks, stadiums, aquariums and theaters.
- **Restaurants:** Historic, famous, specialty, as seen on TV and personal favorites.
- **Photographs:** Scenic overlooks, picturesque vistas and famous photo opportunities.
- **Rest Areas:** Shaded areas, air conditioning and refreshments for guests

A PERFECT TOUR INCLUDES:

MOBILE OFFICE (Advantages)

- Cost effective option
- Flexibility to travel to special events or depart from different locales

REQUIREMENTS

- Permanent or public parking location
- Access to nearby restrooms
- Training area with minimal pedestrians
- Television mount or stand to show the safety video
- Process for guests to easily sign waivers
- **Challenges**
- Less professional presentation
- May be more difficult for tour takers to locate
- Access to charging ports on site or at storage locations

OR CHOOSING AN OFFICE LOCATION

RETAIL STOREFRONT (Advantages)

- Secure area to store and charge units
- Inside training area possible
- Ability to build a route around the location to ensure minimal backtracking
- Typically close to parking or public transit
- **REQUIREMENTS**
 - Convenient on-site parking
 - In-store restrooms
 - Indoor area or outdoor space in close proximity for rider training
 - Area to view safety video and sign a waiver
 - Quick access to tour route
- **Challenges**
 - Incrementally more expensive year over year
 - A 10-30% revenue share is common and some locations include additional property fees

Segway PT Tours are fun and exciting!

- They bring a new adventure and positive energy to a city – not to mention the additional taxable revenue. However, in some cases, the legal approval process may be lengthy. Complete the steps below to ensure all the necessary parties have approved your tour.

Step 1 — Local Approval

- Before developing your marketing plan, be sure to obtain all the appropriate approvals from local parties. Being well prepared to launch your tour will play a vital role in your success. We recommend that you create a presentation that outlines the history of Segway PT Tours as well as provides an overview of your proposed tour's goals, routes and challenges. It may also be helpful to include an overview of rider safety training and content on how your tour will benefit the local community. Present this data to the following organizations to earn buy-in and approval:
 - **Chamber of Commerce**
 - **Convention and Visitor Bureaus**
 - **Town and City Councils**
 - **Police and Fire Departments**
 - **Private Property Owners**
(If required)

General liability insurance

- **We strongly recommend that you consult an attorney to advise you on general liability insurance and related waivers.**
- We've developed a checklist for you to use when setting up your tour. A release and indemnity agreement, which abides by all local, provincial and federal laws, must be executed. Segway Canada/Groupe Alliance requires a general liability policy of \$1,000,000 per occurrence and \$2,000,000 in the aggregate with a deductible no greater than \$5,000. We also require that Segway Canada/Groupe Alliance and Segway Inc. are listed as additionally insured on the COI. If you're already a business owner, adding Segway PT Tours to the existing policy is relatively straightforward -- although you may wish to consult a local broker for the best rate.
- Or for insurance quote: Please contact Pierre Chevrier from Chevrier&Laporte at 1-450-531-9990 or pchevrier@chevrierlaporte.ca
- **INSURANCE & LIABILITY WAIVERS** (link)

APPROVAL PROCESS

- **Step 2 — Segway Approval**
- After securing approval from the appropriate local parties, you'll begin working with a Segway Canada Representative to execute your affiliation contract. This will allow you to place your initial purchase and authorize you for sales and service. It will also ensure access to Segway's Canadian Extranet, a portal to a wide variety of valuable assets including trademark guidelines, logo files, photography, videos, user materials and other marketing materials. In order to complete this process, you will need the following items:
- **Legal Business Name**
(You may not include the word Segway in your name)
- **Authorized Trade Name**
(i.e. Segway of XXXX or XXXX Segway)
- **Proposed Domain Names**
- **Contact Information**
- **Billing & Shipping Addresses**

Marketing plan

Step 3

- **Once approved, Segway.ca's and Segway.com's three million annual visitors will be able to find your tour in our Tour Locator**
- **Proactively execute your marketing plan**
- You'll need to address advertising, public relations, media relations, promotion and sales opportunities. You have the best tour in the city. Make sure tourists, locals and other potential customers know about it to ensure your business grows. Make a concerted effort to spend some time, money and energy developing and executing a marketing plan. Spread the news of your tour and all it offers through local, grassroots and online campaigns that promote your tour as a fun, educational and safe experience.
- **FROM HERE TO ANYWHERE — NO SWEAT!**

LOCAL MARKETING INITIATIVES

Online Marketing Agencies (OMA)

- Promote specific activities in the local market. The tour's price is not discounted, but a sales commission is always paid to the OMA. The largest OMAs are **(Alcatraz Marketing, Cloud 9 Living, TripAdvisor and Viator)**

Online Travel Agencies (OTA)

- Sell vacation packages and provide options for flights, hotels, car rentals and tours. The price for the tour is not discounted, but a sales commission is always paid to the OTA. The most notable agencies are **(Expedia, Kayak, Orbitz and Travelocity)**

Local Businesses

- Connect with the Human Resources teams at local businesses, build relationships and offer a PT tour as part of a company outing, employee appreciation day, team building event or as a fun sightseeing excursion for visiting business partners.

Conventions & Tradeshows

- Attend conventions and tradeshows to quickly and affordably earn visibility and reservations. Business travelers often have discretionary funds and enjoy a quick, fun-filled sightseeing tour while in town for a conference.

Hotel Managers, Front Desk Staff & Concierges

- It is important that you build relationships and work closely with local concierges, front desk staff and hotel managers who will refer guests to your tour. It is customary to offer a free tour to those that interact with and refer the most guests, as well as to offer a sales commission for sending business your way.

Destination Management Companies (DMC)

- Destination Management Companies work within the local market, creating unique experiences for groups visiting a city or resort. Connect with DMC teams and ensure their guests have a great time, which will strengthen your reputation.

MARKETING YOUR TOUR

Flash Sellers

- Reach out to millions of people in a localized area and sell tickets at a highly discounted price. These are great for building online reviews, maximizing off-season bookings and keeping your PTs touring. The largest flash sellers are **(Amazon Local, Groupon and Living Social)**

Trade Shows

- There are a variety of local, national and international trade shows hosted every year throughout the world. Attending is a great way to connect with corporate, team building or other groups that are looking for the unique experience a Segway PT Tour offers.

BUILDING STRONGER SEO SEARCH ENGINE OPTIMIZATION

Below is a methodology of strategies, techniques and tactics used to increase the number of visitors to a website through unpaid, organic searches. Establishing strong SEO will ensure more people find your business first over others – without having to pay for advertising. This is a basic SEO guide. We encourage you to expand your knowledge in this area and, if necessary, consult an outside resource to leverage their expertise and help grow your business.

1. Content

Produce high quality descriptive content focused on your different tours.

2. Reviews

Drive positive reviews through sites like TripAdvisor, Yelp and Google.

3. Keywords

Use descriptive keywords that are searched frequently
(i.e. Segway, Tours, Activities).

And...

BUILDING STRONGER SEO SEARCH ENGINE OPTIMIZATION

4. Links

Build internal links within your site and external links that go to your site

5. Meta Tags

Meta tags are the descriptions that show up in search results. Make sure your meta tags are relevant and succinct.

6. Social Media

Post new and relevant content daily. The more you post, the more people talk about you.

7. Updates

Don't let your site become stale. Be sure to add new content at least twice a year.

The i2 SE Personal Transporter

Hop on the i2 SE Personal Transporter and have some fun.

The Segway i2 SE's impressive speed, range and maneuverability will ensure your guests have an amazing and unforgettable experience. The i2 SE allows a rider to easily move throughout the city's sidewalks, bike lanes, roads and paths. It transforms a standard tour to an exhilarating experience by allowing the rider to get up close and personal with sights and points of interest.

- Weigh **105 lbs / 47.7 kg**
- Footprint **25.5" x 25" / 65cm x 63cm**
- Max Speed **12.5 mph / 20 kph**
- Range* **Up to 24 mi / Up to 39 km**

- **PRODUCT SPECS**
 - *Actual range depends on riding style and terrain
- **LeanSteer™**
 - With quick removal for easy storage and transport in almost any vehicle
- **Wide Platform**
- Our wide base platform is optimized for rider comfort

X2 OFF-ROAD OR ON THE TRAIL

Just because the pavement ends doesn't mean the fun should.

- The x2 SE empowers riders to conquer off-road terrain with its wide platform, 4 inches of ground clearance and deep tread tires. Your customers may take on the challenge of trekking through the dirt and charging through grass as they explore nature paths, campgrounds, rail trails and more.
- **Cargo Handles**
- Oversized cargo handles make for easy lifting and provide mounting points for accessories

PRODUCT SPECS

- Weight **120 lbs. / 54.7 kg**
- Footprint **26.5" x 33" / 67cm x 84cm**
- Max Speed **12.5 mph / 20 kph**
- Range* **Up to 12 mi / Up to 19 km**
- *Actual range depends on riding style and terrain
- **Rugged Tires**
- Deep tread, ATV-style tires traverse all sorts of
- terrain — confidently get where you're going

CASE STUDY part 1

Getting to Know Segway

- Darcie Williams, Owner and Tour Guide at Segway of Scottsdale, first caught a glimpse of the Segway® Personal Transporter (PT) when working in Phoenix, Arizona. “The security guards at the building I was working in rode Segway PTs to patrol the campus and parking lots,” recalls Darcie. “I was instantly curious about the product and how it worked.”
- One year later Darcie began following Segway Inc., learning more about the PT and exploring the possibility of opening a Segway Authorized Dealership. “At that time there was all sorts of coverage in the news about rising gas prices and green transportation alternatives. In addition, the Segway brand was earning a reputation around the world for being innovative and building high quality, safe products. Before long I’d purchase a PT!” said Darcie. I genuinely appreciated the mobility, maneuverability and fun it brought to my everyday life, and in no time, I made the decision to build a business around it.”

Segway of Scottsdale Opens & Grows

- Just one year after that Darcie was celebrating Segway of Scottsdale’s Grand Opening. Initially, business revolved around selling Segway PTs to corporate campuses, law enforcement, private security, even construction companies who needed to efficiently move people – as well as servicing units as needed. However, before long the dealership’s first tour was launched. In fact, tours were popping up all across the world.

CASE STUDY part 2

Darcie adds, “In my opinion, the Segway PT revolutionized the tour industry and I was determined to capitalize on that growth.”

- Today, Segway of Scottsdale is not only a successful Segway Authorized Dealer, it’s also a prosperous Segway Authorized Tour. “We offer our guests three distinct tour options from October through May. They include tours of Tempe Town Lake, Desert Ridge and Old Town,” comments Darcie. “We consistently take up to 100 people on 12 tours each day and rank in the Scottsdale area’s top activities. I’m very proud of that.”
- **Benefits of Authorized Tours**
- Segway’s Authorized Tour Program keeps the brand strong by ensuring consistency across tour operations. Its large and growing unified network positions Segway to develop beneficial industry alliances, gather statistical data to better market authorized tours against alternatives, provide valuable forecasting data and efficiently leverage market research.

CASE STUDY part 3

“I was one of the first authorized tours to implement Segway’s Reservation System, powered by FareHarbor. I had been using Zerve, however, Segway’s solution offered minimal fees, custom e-mail notification features, detailed reporting and so much more,” said Darcie.

- Before, nearly 90% of our tour reservations were made by phone because the online process was cumbersome. Once I implemented the new system and streamlined the process, I immediately saw an uptick in online reservations and an improvement in business.”
-
- The program’s free website development and negotiated rates with large travel sites, like TripAdvisor, and flash sellers, like Groupon, have also played a significant role in the success of Segway’s Authorized Tours. Darcie adds, “Promotional websites are key to drawing interest and selling tours. I was easily persuaded to capitalize on Segway’s free and ready-to-use reservation system, as well as its relationships with promotional sites, to help me grow my business while also maintaining the integrity of Segway’s iconic brand.”

SEGWAY OF SCOTTSDALE

DARCIE WILLIAMS,
OWNER & TOUR GUIDE

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Groupe Alliance and Segway

GA, founded by Patrick & Francois Fournier in 2002, is a family owned business based in the greater Montreal Metropolitan area.

In 2005, GA introduced and distributed GEM cars LSV in Canadian market. GA shaped the Canadian electric low speed vehicle class as it is today recognized in Canada.

GA has distribution agreement with POLARIS electric Bikes, T@B T@G and Little Guy camper trailer manufacturer, runs a specialized commercial and industrial equipment rental division and manages a specialized equipment and trailer retail business.

Contact

- **“YOU MADE IT THIS FAR!”**
- This getting started guide outlines the process of launching a Segway PT tour. However, there’s more work to be done and we look forward to supporting you through it. You’ve made it this far – it’s time to take the next steps.

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