Shared Consumption (SharCo)

International Master in Sustainable Development and CR

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STUDENTS
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Introduction

This executive summary introduces the business plan of a social enterprise that aims to implement a creative and innovative solution to three global pressing problems: hyper-consumption, a growing lack of community spirit and weak social bonds and environmental degradation, including waste generation and resource depletion that our current lifestyles are causing.

The following chapters offer an executive summary of the key issues that the social enterprise aims to address, the current situation of the new sharing economy, the solution that is being offered and the operations, marketing, team members and financial projections that will make this solution possible. The final sections will show the social impacts that the company aims to achieve and the concluding comments that have surfaced from this project.

1. The Problem

In this first chapter, the three main problems (i.e., hyper-consumption, lack of community spirit and weak social bonds and environmental degradation) that motivated the creation of the social enterprise will be explained.

1.1. Hyper-consumption

Hyper-consumerism is the phenomenon of always buying more and in bigger quantities. Consumption is not a problem in itself. The problem arises when people end up buying things primarily for convenience rather than necessity.

According to Rachel Botsman and Roo Rogers, authors of the book “What’s mine is Yours: The Rise of Collaborative Consumption”¹, four big forces have played a critical role in manipulating and feeding hyper-consumption, as follows:

- **Power of Persuasion**: Persuasion is a social influence leading someone to act, think or behave in a certain way. Advertisement and marketing have used psychology techniques and images to influence people’s perception and wants making them believe that they need what they do not need.

- **Buy Now, Pay Later**: Refers to how credit cards have changed people’s behavior. They transform the unaffordable to affordable and make people spend money they do not have.

- **Life Cycles**: Planned obsolescence, intentionally reducing products’ life cycles from its conception, was born and adopted by companies to increase consumption and profits.

- **Just One More Factor**: People want “right away”, faster, better, newer and more. People want to have choice in everything they own, which means having more than one similar good.

¹ Botsman, Rachel and Rogers Roo, “What’s Mine is Yours: The Rise of Collaborative Consumption”, 2010
1.2. Lack of Community Spirit and Weak Social Bonds

Lack of community spirit and weak social bonds refers to the loss of physical social contacts. In the era of hyper-consumerism, natural behaviors and instincts around sharing, cooperation and exchanging were suppressed. This happened because individuals’ determination to own more material wealth made them forget about basic social needs. Family and community bonds, personal passions and social responsibility were left out.

1.3. Environmental Degradation

Some root causes of environmental problems, such as natural resource depletion, waste generation and disposal, are hyper-consumption and unsustainable production systems. People buy too many things they do not need and often do not really want. Industries and countries are not producing sustainably (i.e., life-cycle performance assessment of products are not done properly or not done at all).

Graph 1. Ecological Footprint vs. Bio-capacity

According to the WWF, the global ecological footprint, which tracks humanity’s competing demands on the biosphere by comparing human demand against the regenerative capacity (bio-capacity) of the Earth, has more than doubled between 1961 and 2007. The footprint should be lower than Earth’s bio-capacity to allow regeneration of the ecosystem, but has been higher since early 1970s.

In Spain, like in other European countries, waste generation has increased in parallel with economic growth. In 2006, a report published by Greenpeace showed Spain’s urban solid residues increase by 40% between 1996 and 2003.

Waste disposal induces building bigger and bigger mountains of toxic garbage. The Great Pacific Garbage Patch, also known as the Garbage Island, is a floating vortex of litter twice the size of Texas, situated in the North Pacific Ocean. It is one of the five massive garbage “islands” that all together covers 40% of the Earth’s oceans. No country with a seat on the United Nations has claimed any responsibility for the patch, and therefore has not taken action to clean it up.

2. The Current Situation

The world is experiencing a big shift from the 20th century characterized by the “me” generation to the 21st century characterized by the “we” generation. The “me” generation refers to individual ownership,

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\(^2\) WWF, “Living Planet Report”, 2010
advertising, credit ratings and hyper-consumption. The “we” generation refers to a new era where old ideas and market behaviors are being reinvented to create the big shift into collaborative consumption, which is characterized by shared access, community and reputation.⁵

Picture 1. The Big Shift

Collaborative Consumption refers to the rapid explosion in traditional sharing, lending, bartering, trading, renting, gifting, and swapping redefined through technology and peer communities.⁶ There are thousand of Collaborative Consumption examples, ranging from marketplaces (e.g., eBay and Craigslist), to social lending (e.g., Zopa), car sharing (e.g., Amovens) co-working (e.g., The Hub), peer-to-peer travel accommodations (e.g., Airbnb, CouchSurfing) and many more. This movement reinvents what we consume and how we consume by enabling peer-to-peer exchanges.

2.1. Collaborative Consumption System

Rachel Botsman and Roo Rogers have classified the collaboration examples into three systems, as follows:⁷

- **Product Service System (PSS):** pay for the use of a product - the benefit you receive - without needing to own it.
- **Redistribution Markets (RM):** used or pre-owned goods are redistributed from where they are not needed to somewhere or someone where they are.
- **Collaborative Lifestyles (CL):** sharing and exchange of resources and assets such as time, food, space, skills and money.

2.2. Drivers of Sharing

Based on research of “The New Sharing Economy”⁸ performed by Latitude (an international research consultancy) in collaboration with Shareable (a non-profit online magazine) and the Collaborative Consumption movement⁹, the drivers motivating people to share are the following:

- **Economic driver:** After the global recession, people are more conscious about their purchasing decisions, giving more importance to practicality rather than consumerism. The new sharing economy allows for greater access to resources and assets at lower prices or no cost at all. People can also make money from renting or lending their resources and assets. For example, the average New Yorker is making 1,600 US$ per month from hosting a spare room with Airbnb (a global network of accommodations offered by locals).

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⁵ “What’s Mine is Yours” Video, retrieved from http://vimeo.com/14408878
⁶ idem
⁷ Collaborative Consumption Groundswell Video, retrieved from http://vimeo.com/11924774
⁹ Botsman, Rachel and Rogers Roo, “What’s Mine is Yours: The Rise of Collaborative Consumption”, 2010
• **Sustainability driver:** Civil society, public institutions, government, NGOs and society as a whole are much more aware of the pressing environmental and social challenges. Sustainability is longer a trend and sustainable development is a necessary step towards the future. People are aware that sharing means less pollution, over-production and over-consumption.

• **Social proofing:** It refers to the impact from peers. People are more likely to share because they have heard about it from their friends, relatives or online interactions. Only 14% of people trust advertisers, yet 78% consumers trust peer recommendations.\(^\text{10}\)

• **Peer-to-peer technologies (P2P):** Refer to technologies based on collaboration and communication among various individuals. For example, open source software and Wikipedia.\(^\text{11}\) Through P2P technologies, collaboration and sharing have been able to expand at rates and scales never seen before.

### 2.3. Key Success Factors

Based on the research performed of several collaborative consumption systems around the world, we can conclude that the key success factors of collaborative consumption systems are the following: \(^\text{12}\)

• **Trust:** Different degrees of trust are required for collaboration and sharing among individuals. Elrin Ostrom, Nobel Prize winner, says that people who share common resources can self-organize themselves to take care of those resources as long as they are given the right tools for coordination and the right to monitor each other. In the new collaborative platforms, the middleman disappears and exchanges are made through peer-to-peer platforms. Transparency is total and trust between strangers is built.

• **Critical Mass:** Also known as “tipping point”, famously named by Malcolm Gladwell, at which there is enough momentum in a system to make it self-sustaining. It is critical for Collaborative Consumption because as more people share in the system, the choices increase. More choices mean that customers will find what they are looking for.

• **Idle Capacity:** Refers to the unused potential of resources. Idle resources that could be considered as waste at some point are at the heart of collaborative consumption. The aim is to find a way to use this idling capacity and redistribute it.

• **Belief in “the Commons”:** “The commons” refers to resources that belong to everyone. Through digital experiences, people recognize that they need to give to communities to get something in return. This belief creates value and helps organize communities of shared interest.

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\(^\text{10}\) Erik Qualman, Socialnomics: How Social Media Transforms the Way We Live and Do Business (John Wiley, 2009)

\(^\text{11}\) Wikipedia, Peer-to-Peer, online at [http://en.wikipedia.org/wiki/Peer-to-peer](http://en.wikipedia.org/wiki/Peer-to-peer)

\(^\text{12}\) Botsman, Rachel and Rogers Roo, “What’s Mine is Yours: The Rise of Collaborative Consumption”, 2010
3. The Solution

Our business solution is to create a social enterprise to raise awareness of the negative consequences of hyper-consumption and encourages individuals to become more conscious and smarter consumers through the creation of a physical and online network where individuals can participate and interact with each other to share goods, skills and knowledge. The name of our social enterprise is “Shared Consumption (SharCo)”. As SharCo, we envision a world where production and consumption systems are sustainable and communities, the driving actors of the economy, value more access to benefits than individual ownership.

Individuals are encouraged to register and become members of SharCo thus giving them access to an active Shared Consumption community. This participation can be experienced either or both through a cool and trendy physical location and/or an online platform. We have defined three membership levels (i.e., basic, silver and gold) allowing users to unlock an increasingly wide range of benefits directly linked on how actively they participate in the sharing of goods and services. Basic membership will be free because we want to remove barriers of entry thus increasing the critical mass that will enjoy using Sharco's services. Critical mass will both allow faster promotion of the sharing concept and provide access to more goods and services. Silver and gold membership will also entail a higher membership cost compensated by prized additional benefits.

Members will be able to share goods, skills and knowledge. Some examples include the following: a drill, a bicycle, a digital camera, yoga lessons, language classes, financial advice, cooking recipes, etc. In our physical location, we will have a warehouse of goods for people to share through renting. Since these goods will be shared by many people at different points in time, they must be durable (i.e., tangible goods that yield utility over time rather than being completely consumed after one use), have high idle capacity (usage capacity is high but actual utilization rate is low) and are easy to transport and store.

We identified densely populated cities as the ideal location for our operations. It is in cities where the three key issues (i.e., hyper-consumption, negative ecological footprint and weaker social interactions) that SharCo aims to address are most stridently present. Additionally, there is a higher opportunity for reaching critical mass in cities due to the population density and the short distances goods and services will need to travel in an urban area.

4. Market Research

In order to identify what the market needs and wants an extensive market research was conducted in Madrid through both direct interviews (sample = 6) and online surveys (sample = 200) Three key findings arose from the research. First, the majority of sample is interested in sharing. 69% of them are interested in sharing durable goods and 78% of them are interested in sharing services, skills and knowledge. Second, 48% of the population would prefer to have both a physical and an online exchange platform, 11% only a physical platform and 45% only an online platform. This can be explained both by the lack of trust and sociological needs of human bonds. 60% of the people said trust is a critical factor when participating in sharing. Third, 55% of the people are interested in sharing books and magazines, 51% in services, skills and
knowledge and 32% household appliances. From the market research results, we can conclude that SharCo will be able to take advantage of an important potential market and a growing business opportunity.

5. Operational Structure

Individuals will be able to share as follows:

- **Renting**: this involves borrowing durable goods or physical working space in exchange of points. Look at picture 2 hereunder for a visual example of the process of renting an item.

- **Swapping**: involves bartering (i.e., durable goods, skills or knowledge are directly exchanged for other durable goods, skills or knowledge without using a medium of exchange, such as money or points) or exchanging (i.e. trading goods, services or knowledge for points). Refer to picture 3 hereunder for a visual example.

### Picture 2. How to Rent an Item

1. Find item to rent
2. Request item
3. Confirmation item available
4. Collect from SharCo
5. Use item
6. Return item

### Picture 3. How to Swap

1. Click ‘match’ button
2. Search for others’ lists
3. Send offer
4. Confirmation offer accepted
5. Swap exchange

#### 5.1. Points System

All durable goods, skills and knowledge will have a value in points (1 point = 1 Euro) to simplify sharing transactions for members. Points will be used in both sharing mechanisms (renting and swapping) as a
currency exchange and/or as a framework of reference indicating members the value price or cost of something. Points may be obtained in two ways, as follows:

First, giving-away ownership of unused durable goods in good condition to SharCo’s warehouse (See picture 4). Individuals will receive points for donating goods (e.g., Bicycle Give-Away = 10 points) and for every time someone rents the goods they have donated (e.g., Bicycle Rent-Out = 1 point).

Second, individuals who share skills or knowledge, such as French or yoga classes, legal advice, plumbing service, etc., will receive points (See picture 5).

Third, purchase of points with money.

5.2. Physical Location

The physical location will be located in Madrid. It will be a trendy and hip place for people to come together. The ideal physical space for SharCo will be composed of a lounge area, a cafeteria, a reception, two meeting rooms and restrooms, a small outside garden and a warehouse of goods available for sharing.

After extensive market research conducted through both direct interviews and online surveys, SharCo determined that its first physical location will be located in the neighborhood of Chueca, Madrid. Chueca is an area with open-minded people receptive to new ideas and innovative ways of doing things, it is in the center the city and surrounded by neighborhoods of people from all income levels. Poorer individuals would benefit because they cannot afford to purchase and
would prefer to use the resources offered by SharCo only for the required time. Richer and more environmentally aware people are most likely to be motivated to use SharCo’s services.

5.3. Website Structure

The website will have a user-friendly, cool, trendy and modern design and layout. The goal is to reduce barriers of use as much as possible, allowing potential consumers and clients to adopt the concept from the first page view.

Picture 7. SharCo’s Website

On the website, people will find information about SharCo (“About”), links to social media, a live chat for questions, the “I have” and “I want” lists of members (“Share”), a page with members’ personal accounts and profiles and a Knowledge Center page, where members can share ideas and knowledge, discuss, debate, co-create and mainstream the concept of Collaborative Consumption.

5.4. Legal Structure

SharCo will be registered as a limited liability company in Spain. This structure has been chosen because it requires a relatively small initial set-up investment and it allows the best channel through which to produce and manage revenue-generating streams.

5.5. Decision-Making Structure

Important decisions, such as investment, funding, expansion, new business development will be made by the four founding members in collaboration and consultation with the relevant stakeholders. Day-to-day management decisions will be made by the Head manager of each respective department (e.g., Online Manager will make day-to-day decision regarding website design, development or maintenance).

Regular update meetings between the operational team and the founding team will allow an ideal pulse of the progress been made, of the issues faced and on the best ways to support the development of individuals and solutions.

6. Marketing and Communication

By communicating clearly and professionally the values and principles that drive the solution that SharCo is offering, we will be able to more effectively attract individuals (e.g., members, promoters of our services, funders and suppliers) who share our beliefs. In this chapter, we explain the communication channels chosen, the reason for selecting them and the implementation strategy.
6.1. Invite your friends

When users join, they will be prompted to invite their friends to join SharCo and in-exchange they will receive points. This strategy will be used to encourage “word-of-mouth” communication, to create trust and strengthen the community feeling among members.

6.2. Social Networks

Web 2.0 has revolutionized the way individuals interact online. It represents the move towards a more social, collaborative, interactive and responsive web. Today, website users are “prosumers” (producers and consumers), meaning that they create content and share it with other people through a virtual community. Through Web 2.0 applications and tools we aim to build effective and efficient two-way communication channels with and among our members. The applications we will use are the following: a blog, Facebook, Twitter, a peer-to-peer review system and a Live Chat Customer Service.

6.3. Social Events

Social events are an effective alternative communication channel for our marketing strategy because they promote face-to-face interaction. Especially nowadays, when social networks are on the rise and becoming more important to people, particularly young generations who use it as their main channel of communication. Through face-to-face communication individuals can share ideas, opinions, beliefs, experiences, as well as more subtle cues such as gestures (e.g., facial expressions, voice intonation and body language). These cues change the context in which ideas, opinions and beliefs are perceived and it may have a greater impact on others. According to the results of our market research, Spanish people value the physical contact when joining a group.13

We will develop several internal and external social events in our physical location. Internal events will be developed by us to promote SharCo, our values and raise awareness regarding sustainability. Internal events we will also promote cultural, artistic and leisure events that encourage community bonding. External events will be for members or non-members who wish to organize an event at our location. External members’ events must be related with our values and principles.

6.4. Partnerships

Based on our research of Collaborative Consumption systems, partnerships are an excellent method to grow critical mass and build trust. Through partnerships, businesses are able to spread the word among more people and create more networks.

We plan to partner with other local organizations that share our values, beliefs and principles. Some of the organizations we have already considered for partnering include the following: Patio Maravilla & Tabacaleras, Consume hasta Morir, Escuela de Organización Industrial (EOI), The Hub Madrid, Companies (e.g., IKEA), Second-hand and Repair Shops.

13 Public survey results (refer to Chapter 4 for more details) also revealed that 11% of the sample prefers a physical location and that 48% of the sample prefers both (an online social network and a physical location)
7. Social Impacts

As a social enterprise, our success is measured by assessing the effectiveness and efficiency in reaching our social purpose. Below is a list and a detail explanation of our direct and indirect impacts.

The direct impacts are the following:

- **Create a community and strengthen social bonds**: the first and most basic impact that SharCo will generate is the rebuilding of community values such as, trust and cooperation. These values are the pillars that will sustain all the subsequent benefits we aim to generate.

- **Social Capital creation and space for dialogue**: we intend to amplify communication channels based on the conventional neighborhood style (i.e. going beyond virtual connections) by giving special attention to physical spaces and connections. Our aim is for people to exchange ideas and life experiences. From homemade recipes to stock market investment advice, people trust on peer-to-peer communication to improve quality of life.

- **Increase the accessibility to goods and services, thereby reducing social inequalities**: the inherent characteristic of Collaborative Consumption is that people switch from ownership to access. People do not need to own the goods but only access them. This will enable people with lower income level to access a higher number of resources and assets.

- **Increase of domestic savings**: by reusing and recycling goods, people will spend less money on durable goods and will be able to use those savings for other purposes. This social impact is direct and consistent, mainly because it has very short-term results and it is easy to measure daily.

The indirect social impacts are the following:

- **Environmental Benefits**: SharCo’ system of swapping and renting of old and unused durable goods maximizes the utility and life cycle of products. SharCo intends to revolutionize the consumption behaviors (i.e., less ownership and more access), which consequently decrease production levels. Consequently, influencing in the reduction of waste disposal, carbon emissions and resource depletion.

- **Access to education**: SharCo’ s promotes the sharing of skills and knowledge in the form of tangible (e.g., books) and intangibles (e.g., classes, workshops, webinars, videos, podcasts, etc.) assets.

- **Space for collaborative values creation**: SharCo will offer consumers a physical and online space to gather and share experiences, stories, thoughts, ideas, etc. in an atmosphere where activities are led by environmental, social, governance and ethical principles.

8. Team Members

The four members who were inspired and motivated to create SharCo include the following:
• **Marie-Laure Moens de Hase, Online Manager & Founder** - She has a bachelor’s degree in Economics and Management, a Master in Management and a Masters in Sustainable Development and Corporate Responsibility. Experience in Project Management and Business Development.

• **Natalia Sant’Anna Torres, Marketing Manager & Founder** - She has a bachelor’s degree in International Relations, a Master in Sustainable Development and Corporate Social Responsibility. Experience in Public Relations and NGOs.

• **Marcela Durón Tábor, Operations Manager & Founder** - She has a bachelor’s degree in International Trade & Finance, a Master in Sustainable Development and Corporate Social Responsibility. Experience in Consultancy and Risk Advisory Services.

• **Giulio Monesi, Financial Officer & Founder** - He has a bachelor’s degree in Economics and Finance, a Masters in Science and Pure Economics and a Master in Sustainable Development and Corporate Responsibility. Experience in finance, marketing and economics models.

### 9. Financial Projections

In the following chapter will be presented the revenue streams, costs and financial results for the three scenarios.

#### 9.1 Revenue Streams

- Purchase of Points - 1 point = 1 Euro
- Online advertising sales
- Smartphone Applications - 1,99 €
- Cafeteria Rental - The cafeteria will be outsourced to a third-party
- Silver and Gold Memberships - 10 and 20 €/month respectively

#### 9.2. Operating Costs

- Physical location rent: 4 500 €/per month
- Salaries: One intern (two at the beginning of year 3) and a cleaner
- Maintenance: 1 200 €/month (considering high repair costs)
- Opportunity cost: Points given to members for giving-away goods to SharCo and sharing skills and knowledge
Table 1. Baseline Scenario

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<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<td>- 22,240.00 €</td>
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<tr>
<td>Earning before tax</td>
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<td>Net Income (loss)</td>
<td>- 55,094.68 €</td>
<td>- 15,725.15 €</td>
<td>- 41,121.64 €</td>
<td>- 75,309.97 €</td>
<td>- 116,362.16 €</td>
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Table 2. Pessimistic Scenario

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<th>Year 3</th>
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<td>EBIT</td>
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<td>Earning before tax</td>
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<tr>
<td>Net Income (loss)</td>
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<td>- 23,692.66 €</td>
<td>- 52,652.30 €</td>
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Table 3. Optimistic scenario

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<tbody>
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<td>- 22,240.00 €</td>
<td>- 22,240.00 €</td>
<td>- 22,240.00 €</td>
<td>- 22,240.00 €</td>
<td>- 22,240.00 €</td>
</tr>
<tr>
<td>Operating costs</td>
<td>- 97,011.20 €</td>
<td>- 100,848.32 €</td>
<td>- 116,414.50 €</td>
<td>- 119,732.45 €</td>
<td>- 123,771.49 €</td>
</tr>
<tr>
<td>Operating income</td>
<td>- 38,228.29 €</td>
<td>- 46,153.79 €</td>
<td>- 83,169.59 €</td>
<td>- 127,815.31 €</td>
<td>- 182,462.10 €</td>
</tr>
<tr>
<td>Depreciation</td>
<td>- 1,340.00 €</td>
<td>- 1,340.00 €</td>
<td>- 1,340.00 €</td>
<td>- 1,340.00 €</td>
<td>- 1,340.00 €</td>
</tr>
<tr>
<td>EBIT</td>
<td>- 39,568.29 €</td>
<td>- 44,813.79 €</td>
<td>- 81,829.59 €</td>
<td>- 126,475.31 €</td>
<td>- 181,122.10 €</td>
</tr>
<tr>
<td>Interest</td>
<td>- 5,850.00 €</td>
<td>- 5,850.00 €</td>
<td>- 5,850.00 €</td>
<td>- 5,850.00 €</td>
<td>- 5,850.00 €</td>
</tr>
<tr>
<td>Earning before tax</td>
<td>- 45,418.29 €</td>
<td>- 38,963.79 €</td>
<td>- 75,979.59 €</td>
<td>- 120,625.31 €</td>
<td>- 175,272.10 €</td>
</tr>
<tr>
<td>Taxes (30%)</td>
<td>- 13,625.49 €</td>
<td>- 11,689.14 €</td>
<td>- 22,793.88 €</td>
<td>- 36,187.59 €</td>
<td>- 52,581.63 €</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>- 655.64 €</td>
<td>- 164.72 €</td>
<td>- 452.64 €</td>
<td>- 852.99 €</td>
<td>- 1,340.00 €</td>
</tr>
<tr>
<td>Net Income (loss)</td>
<td>- 45,418.29 €</td>
<td>- 38,963.79 €</td>
<td>- 75,979.59 €</td>
<td>- 120,625.31 €</td>
<td>- 175,272.10 €</td>
</tr>
</tbody>
</table>

The market research results showed that 59% of the sample population is interested in a physical place to share goods and services. In the financial projections elaborated, only a tiny percentage of the potential customers are reached (the best-case scenario reaches 0.08% of potential customers after 5 years).
The most likely case identified, the Base-case Scenario, will start generating revenues greater than operating cost at the end of the first year. Therefore, guaranteeing the ability to pay back interests and keep the business going. Main risks have been identified and projections have been made to see what would be the financial impact on our company in case they occurred.

In this way, we are considered a normal business operating entity that does not rely on special funding (e.g., subsidies, grants, prizes) and still be profitable while addressing social needs of our community. As external source of debt, we will rely on long-term debt with an estimated interest rate of 9%.\(^\text{14}\)

**Conclusion**

Will Collaborative Consumption be the answer to consumerism? Collaboration Consumption is not a new concept. Collaboration has been around for centuries and is part of our intrinsic values as human beings. We all have a “social-self”\(^\text{15}\) that seeks connections and sense of belonging. Collaborative Consumption refers to old market behaviors (e.g., bartering, sharing, trading, gifting, etc.) being reinvented by the proliferation of peer-to-peer technologies on a scale and Innovative ways never seen before. Without explosion of the Internet and peer-to-peer technologies these old ideas would have never reached the convenience and choice required to make them mainstream today.

Collaborative Consumption is not a trend and it is big and successful. People are already sharing and collaborating at unimaginable scales and this will not stop here. This is not a trend or short-term response to the 2008 global recession or financial crisis. It is disrupting business models and legal systems. For example, peer-to-peer car sharing companies in California and Oregon had state laws changed to ensure car-owners’ personal insurance is not affected by car-borrowers who may damage the car.

SharCo encourages sharing of resources and assets, providing individuals an alternative solution to hyper-consumption, which has negative social and environmental consequences. SharCo aims at changing the consumer mindset, from ownership to usage. Through this new way of thinking, Madrileños will have the opportunity to reduce their environmental footprint, develop a community and strengthen community bonds, while saving money.

SharCo is a solution that is easily replicable and scalable. Our goal is to start in Madrid and expand worldwide afterwards, in order to accomplish our vision of a “world where production and consumption systems are sustainable and communities, the driving actors of the economy, value more access to benefits than individual ownership”.

\(^{14}\) Zapata, Maria, Ashoka Foundation, 2011

\(^{15}\) As external source of debt, we will rely on long-term debt with an estimated interest rate of 9%.