Revolutionary Mobile Based Real-Time Transportation App for iOS and Andriod

Joseph Kopser
Chief Executive Officer
RideScout

CEOCFO: *Mr. Kopser, would you tell us the concept behind RideScout?*
Mr. Kopser: RideScout in its simplest form does for ground transportation what Kayak and Travelocity did for air transportation. We wanted to organize all the different options and modes of transportation in one place so that you can compare time and cost.

CEOCFO: *Where were the stumbling-Tblocks?*
Mr. Kopser: There were many. There is a reason why RideScout did not exist before RideScout was invented. Many people have tried but encountered the same stumbling blocks we have, and they come from many different areas. All the different modes of transportation, from public transit to taxi to car sharing, saw each other as competitors so they never had a shared database for a standard protocol. They never had any incentive to, as they are separate stovepipe industries.

The first thing that I had to do was find engineers who could help us translate all the different data sets so we could compare apples to apples instead of apples to oranges like we did before. I had to convince these different industries and owners of companies that to have taxi routes and costs shown alongside bus routes and costs was not a threat to the business model of the bus or the taxi. I had to convince car share programs that having their competitors inside the app was not bad for their bottom line but was, in fact, good for their bottom line. We had to do a lot of convincing to help them realize it was in their best interest. Lastly, Americans are so ingrained with their habits; the majority of people get around driving their own car and second to that is public transportation. Once you are familiar with a routine and you feel comfortable with it, people will seldom vary from it. We had to get into the mindset of people to understand why they chose that mode and what would enable them to think differently and consider varying their modes of transportation.

CEOCFO: *How do you account for traffic or the length of a train ride?*
Mr. Kosper: In the early days, we just provided schedules. It was only in the last year that we were able to move into real-time transit information. Now our users really know when their train is going to arrive and can better plan their day. Figuring out traffic data was another challenge we had to overcome. Traffic data is only as accurate as the source. The most accurate way to know traffic is to actually see it forming and building in real-time. It is never going to be an exact science so our mission is to try to give users the most information as most accurately as possible and to earn their trust. While we still have some work to do, we are working hard to let our users know the time and distance it takes to get to where they're going -- and if it might be better to choose a different mode like walking.

CEOCFO: *How do people learn about RideScout?*
Mr. Kosper: There are two ways. Just like any mobile-based technology, we are experimenting with different channels of marketing. There are challenges because there is so much noise and competition in the mobile app world and there are millions of apps available. We are experimenting with the right channels to reach people. The other way that people hear about RideScout is organically. They are reading about us in publications that discuss urban design as well as press coverage and thought leadership pieces.

What we have never done as a company is add a large-scale advertising campaign because everything we did prior to acquisition was done on a small startup budget. I had many ideas of things that we wanted to accomplish if we ever raised that Series-A level of funding. In September of 2014 we were acquired by Daimler AG, the owner of Mercedes Benz. Now

that we have those resources, we spent the last eight months going back to the drawing board and refining and retooling ourselves in a way that we always envisioned.

CEOCFO: *How have you decided on cities?*
Mr. Kosper: The first cities RideScout rolled out in had the most modes of transportation. They had the largest percentage of 18-35 year-olds that we more likely to take multiple modes of transportation in the average week. Those cities very quickly jumped out at us -- Washington D.C., Boston, Brooklyn, Chicago, San Francisco, New York. Then we went back to the drawing board and said we can retool our technology and add in lots of different ride options quickly. What we discovered was that there were actually sixty-nine cities across the US that gave us a good combination of good public transit data combined with a taxi or ride-for-hire option of some kind and either a bike share program or car share program.

CEOCFO: *Do you point out to the user what is the best mode at that particular moment?*
Mr. Kosper: Yes, and we are developing RideScout to be even more predictive of your habits and preferences. We aim to take a lot of the thinking out of it and make it simple and tailored to our users as best we can.

CEOCFO: *What is your business model?*
Mr. Kosper: There is a natural revenue sharing with RideScout's ride providers. Looking long-term, what we discovered in the evolution of the company is that there were a whole lot of entities, cities, quasi government organizations, regions, large universities and large employers that make it their daily mission to move tens of thousands of people around their campuses, properties, and areas. To do that every day requires an appreciation for schedules and grounds optimization. That data that we now have -- knowing where people are traveling and the modes they are choosing is very important to those people. That will be our second major source of revenue going forward.

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CEOCFO: *Are you convinced governments will like this, knowing the inefficient development they typically do can be?*
Mr. Kosper: I believe that those cities that want to serve their communities best and want to push the tax dollars as far as they can will like this. I think in those cities RideScout will be able to partner and become an entrenched and viable tool for those planners and organizations. However, I believe there will be certain cities across the US that will be more resistant to change. I'm making it a goal to try and get a foot in the door to show the decision-makers the tools they need to help their communities.

CEOCFO: *I see hospitals and universities jumping at the opportunity quickly!*
Mr. Kosper: Universities are actually the best example of a composite city. They have all their own housing, transportation and power generation in a lot of cases. They are like a micro city. What we become for them is a valuable tool to help optimize what they are trying to build.

CEOCFO: *How are you able to identify a glitch?*
Mr. Kosper: In the early days, we had no way to know except when a user reported it to us. Now we are building in the analytical tools to be able to find the answers, then we fix it. We are always trying to figure out the best way to do that. We have over 370 different ride providers in our database and they all have different buckets of transportation. Standardizing that data is difficult but we are excited about taking on that challenge.

CEOCFO: *You are an Army veteran. What have you learned in the service about what to do or not to do, that has been helpful in your business?*
Mr. Kosper: There are three things that I picked up over two decades in the army. The first is how to build teams. In the army, we are thrown together with people that come from all over the country with all different backgrounds and education. We are required to learn to work together. What that gives me now is a leg-up in building this RideScout team to make it bigger, faster and stronger and finding the ways to identify personalities and work styles that complement each other nicely. That is the first thing that paid off and that translates nicely in the private sector. We solve problems and get at the heart of the issue as soon as possible. We do this because we realize that in the military lives are on the line so you want to get to the real source of the problem as quickly as you can. The other point to solving problems is that the Army actually has a doctrine and it talks about decision-making and how to distinguish between what is an assumption and

what is a fact. They look at what are obvious courses of action, what are unrealistic courses of action and then have a method to be able to understand decision criteria of what would make an option unrealistic or realistic. For every decision I make in the private sector, I do a quick mission analysis to determine what we should do. If you do that enough times, it becomes a habit. The other thing that we do is solve problems and make decisions quickly and efficiently. Third, whether we have served in combat, been shot at or not, or whether you have just been in training exercises that are very stressful, you learn not to sweat the small stuff. You won't find me yelling and flying off the handle in a meeting when something goes wrong or there is a power point slide that is not centered correctly. Once you have been shot at in combat, you do not sweat the small stuff in quite the same way that maybe somebody who has not.

CEOCFO: *What surprised you about how people get around in cities?*
Mr. Kosper: I had to be reminded that people are human. I am pouring over all these numbers and looking at all these statistics and reading about how many billions of gallons of fuel we are wasting in traffic. I am thinking about the hundreds of millions of hours of lost productivity due to the fact that people are stuck behind the wheel in their car for 45 minutes going five miles. I am reading about the tens of thousands of Americans that we kill in DUI related accidents. I look at all the body of evidence that says we ought to be getting around more smartly than we are today and yet I am reminded that people are human and we just stick to our habits. They can share the burden of driving and give themselves more time but they still insist on driving by themselves. One of the goals of RideScout is to shape behavior by aligning simple technology to get you into that carpool or bus or put your car on a new route.

CEOCFO: *Why pay attention to RideScout today?*
Mr. Kosper: Pay attention to RideScout because we are retooling how we present information to people. Once we start changing just a few people's habits, there is going to be this nice tipping point and behind it is a whole lot of benefit not only for the person but for the public good. You will see better utilization of public transit. You will see fewer cars on the road at peak hours. You will see a reduction in drunk driving because people will make better plans before they drink and drive. You are going to see moms and dads less frazzled because they are not having to spend two hours a day after school ferrying your kids all over the place because there are no other options in the suburbs. All of those things are going to occur and they are going to occur quickly because we are doing our best now to package them into one-stop-shop to help everybody finds the needs that fit their requirements for any given day.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

RideScout

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