

COVER STORY

The Buddy Bike takes third place in contest

JOY RIDE: Barry A. Nelson and son Jesse, 11, go for a spin on the Buddy Bike. Nelson is principal of Buddy Bike, which is an unusual tandem bike that lets the rear person steer.



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Barry A. Nelson was so impressed with a different twist on a tandem bike that he spent \$20,000 for the patent.

Unlike a typical tandem bike that steers from the front, this bicycle — dubbed the Buddy Bike — lets the rider in the rear control direction. Nelson was drawn to the design because it allows him to safely ride with his 11-year-old son, Jesse, who has autism.

Nelson is managing member of Buddy Bike, which aims to parlay the patent for the bike into a profitable venture by polishing up marketing efforts. Buddy Bike finished third in The Business Plan Challenge.

"There's no greater pleasure in my world than to go out with my kid on the bike, spend two or three hours with him in the morning, and have him do something that he enjoys so much," said Nelson, a North Miami Beach lawyer.

Nelson owns a tag-along bike, but he says it was difficult to keep an eye on his son.

"Instead of watching my back... Jesse now sees the world like a pilot, nothing in front of him but the road and sky," Nelson wrote in his Buddy Bike business plan.

He adds in an interview, "I think if he could talk, I think he'd say he prefers it."

Jesse paced in the family's Golden Beach driveway one recent morning as Nelson inflated the bike's tires in preparation for an 18-mile round-trip ride to John U. Lloyd State Park in Dania Beach. "Bike ride," Jesse says, when asked what he wants to do.

CURIOS BYSTANDERS

The bike attracts its share of stares from strollers on Hollywood Beach. At the entrance to the park, a man who says he's from Atlanta cranes his neck out a car window to ask where he can buy the bike. Nelson happily directs him to buddy bike.com.

Nelson and his wife, Judith, founded the Victory School for Children with Autism five years ago in North Miami Beach. The school has about 20 students.

Nelson's purchase of the patent rights to Buddy Bike included five bikes, which he's holding on to as demos. He expects to take delivery on 100 bikes from the Taiwan manufacturer in December.

The seven-speed bikes cost \$400 each to manufacture, a

The Buddy Bike may be the answer for parents who want to ride with their special-needs children.

cost that Nelson is splitting with the bike's creator, Robert Gardner, a retired dental technician in northern California.

Gardner was inspired to create the bike in 1992 from his wish to ride with his then eight-year old son. He built the first bike by reconfiguring two Schwinn Varsity bikes.

Gardner says he sold a couple of hundred bikes under the name Love Bike, but that was far short of his expectations.

"I thought it would take off on its own merits," Gardner says. "But it needed marketing, and that's just not my forte."

Gardner sold the patent to a special-needs trust Nelson established for Jesse, though Gardner remains a partner in the venture.

MARKET FOCUS

Nelson is convinced Gardner didn't reach the right target market: parents of children with special needs.

Using some of the staff at his law office, Gardner has been working on compiling a list of potential customers he will soon pitch to: schools serving children with special needs, including those who are blind, bike shops and resort areas.

Nelson expects to sell the bikes on the company website for \$900, a figure some Business Plan Challenge judges considered expensive. Nelson hasn't settled on the wholesale price for the bike.

Jorge Salazar-Carrillo, one of the judges, called the Buddy Bike a "beautiful, heartfelt idea that will provide strengths to the success of the business." But he was critical about the lack of long-range details.

"Complete for the first stage, which is self-financed, but then what?" Salazar-Carrillo asked.

If presales exceed the initial order, Nelson anticipates easily finding a lender.

Right now, though, he's in the dark about the potential demand for the Buddy Bike.

"It does lack sales projections," Nelson says of his business plan. "I just don't know."

But he confidently adds, "How can we not have a market for this?"

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THE BUSINESS PLAN CHALLENGE

The three top finishers beat more than 160 entrants

More than 160 entries were submitted to The Herald's annual Business Plan Challenge.

The plans not only reflected the diversity of South Florida's business community but also showed the entrants' passion for entrepreneurship.

A team of Herald editors and reporters screened the business plans and sent 14 finalists to a panel of seven judges who rated them on a scale of 0 to 10.

The winner was Cekriya Solutions, a software and consulting services company using radio frequency identification technology to help companies improve inventory management and product tracing.

Co-founder Bhushan Veerapaneni originally drafted his business plan for a graduate-level business class at the University of Miami. Veerapaneni, a product manager in Ryder System's information-technology department, recently graduated with a master's degree in business administration.

Second-place finisher Baby Abuelita Productions is marketing dolls that sing Spanish lullabies when their hands are pressed. The idea for the dolls is an outgrowth of a book of Spanish lullabies and nursery rhymes collected by Hilda Argilagos-Jimenez, a dance teacher at Southwood Middle School in South Miami.

Buddy Bike, the third-place finisher, proposes a new twist on the tandem bike. Instead of the typical tandem bike that leaves steering to the rider in the front, Buddy Bike gives control to the rider in the rear.

Buddy Bike's principal, North Miami Beach lawyer Barry A. Nelson, says the bike lets him ride with his 11-year-old son, Jesse, who is autistic. Nelson is convinced the Buddy Bike will be a must-have item for parents of children with disabilities.

While many of the plans submitted were creative, our judges found they often lacked key financial details. "It is as simple as the fundamentals are lacking," wrote Mark Grossman, a Coral Gables technology lawyer with Dewitt Grossman.

Ana María Fernández Haar, chairman of AMF Holdings and a former banker and marketing executive, found that the plans often suffered from "entrepreneurial optimism."

"This is typically manifested by overestimating revenues and underestimating start-up and operating expenses," she wrote. Her solution: Assume everything will take twice as long and cost twice as much as originally estimated.

Keep that in mind for next year's contest, South Florida.

WINNERS AND FINALISTS

A team of Herald editors and reporters narrowed the field from 164 entries in this year's Business Plan Challenge to 14 finalists. These are the plans that made the cut with the names of those who submitted them in parentheses.

1. Cekriya Solutions Pembroke Pines
Software and consulting services company using radio frequency identification technology. (Bhushan Veerapaneni and Ravi Akkiraju)

2. Baby Abuelita Productions Miami
Maker of singing Hispanic/ethnic grandparent dolls. (Hilda Argilagos-Jimenez, Carol Fenster and Laura Santamaria)

3. Buddy Bike North Miami Beach
Tandem bikes that give control to the rear rider. (Barry A. Nelson and Robert Gardner)

• **At Home Tutor** Hallandale
Tutoring program for parents to help improve their children's academic skills. (Scott Schilling and Bill Johnson)

• **Bamboo Bowl** Dania
Skateboard bowl/entertainment venue. (Patricio Uribasterra and Manuel Fernandez-Silva)

• **CAMcare** Miami
Service that allows parents to monitor their child at day care using the Internet. (Manuel Pablo Lorenzo)

• **College Town Properties** Coral Gables
Residential real estate company focused on serving University of Miami students and employees. (Corey J. Schwartz)

• **Familia Friendly** Hollywood
Sells memberships in its organization to restaurants deemed "family friendly." (Meg Perez)

• **Fritz & Schultz** Weston
Maker of breath-strip dispensers that cling to cellphones and other portable devices. (Diego Carbonell and Julio Carbonell)

• **Reflect-O-Gear** Key Biscayne
Marketer of reflective gear and accessories for people and pets. (Christina Bracken)

• **Sit & Learn** Miami
Tutoring and child-care services company. (Jenna Sandoval and Heather Sedoris)

• **Trade and Ship Net** Miami
An Internet freight company. (Alfonso Llanes, Gary Rovin and John Berenyi)

• **Warm Water Swim School and Aquatic Therapy Rehab Center** Miami
Year-round swim programs for infants, children and adults. (James Pearson)

• **Xportamerica.com** Coral Gables
Exporter of vehicles from the United States to Latin America. (Jaime Antonio Paredes and Mario Rodriguez)

