

Challenges and Countermeasures of Entrepreneurial Risk Management in Shared Bicycle Enterprises

Hengzhi Guo*

Jinan New Channel-Jutes High School, Jinan 250000, China

*Corresponding author : Hengzhi Guo

Copyright: 2024 Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY-NC 4.0), permitting distribution and reproduction in any medium, provided the original author and source are credited, and explicitly prohibiting its use for commercial purposes.

Abstract: With the rise of the sharing economy, shared bicycles, as a convenient and environmentally friendly way of travel, have been rapidly promoted and applied around the world. However, bike-sharing enterprises face many risks in the process of entrepreneurship, including market risk, technical risk, legal risk and operational risk. This paper aims to discuss the challenges of bike-sharing enterprises in entrepreneurial risk management, and put forward corresponding countermeasures, in order to provide reference for the sustainable development of bike-sharing enterprises.

Keywords: Share; A bicycle; Risk; Going out.

Published: Dec 28, 2024

DOI: <https://doi.org/10.62177/apemr.v1i6.115>

1.Introduction

The concept of bike sharing can be traced back to the first generation of public bike systems launched in the Netherlands in 1965, although the system is completely free, but there are serious problems with theft. In 1995, the second generation of public bicycle system was born, choosing a fixed bicycle access point and adopting a coin operation form, which solved the problem of theft to a certain extent. In 2010, with the popularity of mobile phones and the development of the Internet, the American company Social Bicycles proposed a dockless mode of operation with the help of mobile phone apps and GPS positioning, which became the prototype of shared bicycles^[1].

In 2014, ofo was established, marking the official landing of shared bicycles in China. Subsequently, Mobike, Hello and other shared bicycle brands have emerged, and the market competition has become increasingly fierce. In 2016, domestic shared bicycles ushered in a period of rapid development, major brands have launched vehicles in major cities across the country, and shared bicycles have become a beautiful landscape in the city, which also helps to improve the image of the city and enhance the attractiveness and competitiveness of the city^[2].

As an important form of sharing economy, shared bicycles have brought many benefits to urban travel. The shared bike does not need a fixed parking post, and users can unlock it by scanning the QR code through the mobile APP, which greatly facilitates users' travel. Whether on the way to work, shopping home or sightseeing, users can find shared bicycles anytime and anywhere to meet the needs of short trips. Shared bicycles are not subject to fixed lines and frequencies of public transportation such as buses and subways, and users can flexibly plan travel routes and times according to their own needs. This flexibility makes bike-sharing an effective means to solve the "last mile" problem.

Another important role of shared bicycles is to ease the pressure of traffic. The popularity and use of shared bicycles help reduce the frequency of private cars in the city, thus easing traffic congestion. This will play a positive role in improving

urban traffic efficiency and urban traffic environment, help optimize urban traffic structure, and promote the development of urban traffic in a more environmentally friendly and energy-saving direction ^[3].

2. Project risk

As one of the representatives of the sharing economy model in recent years, shared bicycle enterprises are faced with various risks and challenges in the process of entrepreneurship, especially in the aspect of risk management, which needs meticulous and comprehensive consideration. The following is a detailed introduction to the challenges of entrepreneurial risk management for bike-sharing enterprises ^[4].

2.1 Market Risk

The market is highly competitive, not only from within the bike-sharing industry, but also from traditional modes of travel and other emerging modes of travel. This competitive situation requires bike-sharing companies to constantly innovate and improve service quality in order to gain a firm foothold in the market. At the same time, the uncertainty of market demand has also brought no small challenge to shared bicycle companies. Enterprises need to constantly adjust their operational strategies to respond to changes in market demand, so as to avoid the risk of insufficient market demand.

2.2 Technical Risks

The operation of shared bicycles needs to rely on the Internet, the Internet of Things and other technologies, so the stability and security of the technology are crucial to the operation of the project. Enterprises need to constantly update and upgrade technical equipment and systems to meet market demand and improve service levels. However, the costs and risks of technological upgrading cannot be ignored. In addition, data security risks are also problems shared bike companies need to face. Enterprises need to collect and store a large amount of user information and data, once data leakage or theft occurs, it will bring significant losses and impacts to enterprises.

2.3 Operational Risks

The uncertainty of urban management policies may bring operational restrictions and challenges to bike-sharing companies. At the same time, how to reasonably allocate the number of bicycles, distribution areas and other operational issues are also risk points that enterprises need to seriously consider. In addition, the issue of consumer rights protection is also a risk that bike-sharing companies may face in the process of operation. Enterprises need to deal with all kinds of disputes and complaints in a timely manner to protect their brand reputation.

2.4 Financial risk

Bike-sharing enterprises need a lot of funds to support the development of enterprises, and the break of the capital chain will directly affect the normal operation of enterprises. Therefore, enterprises need to reasonably plan the use and raising of funds to reduce financial risks. At the same time, it is also necessary to formulate corresponding coping strategies for insurance, claims and other issues to further reduce financial risks.

3. Bike-sharing enterprise entrepreneurship program

The initial stage of the business needs to do market research and strategy development, such as market size and demand research, to understand the size, growth rate and potential user demand of the local shared bicycle market, and analyze the travel habits, preferences and payment ability of the target user group. Analyze the competitive landscape, study the existing shared bicycle brands in the market and their market share, vehicle volume, user feedback, etc., and identify the competitive gaps and potential opportunities in the market. Understand the policies and regulations, familiar with the local government's relevant policies, regulations and industry standards on the operation of shared bicycles, and evaluate the possible impact of policy changes on the shared bicycle business ^[5].

The bike-sharing project needs a lot of capital investment from inception to initial operation, including vehicle procurement, technology research and development, marketing, personnel recruitment and training, infrastructure construction and other aspects. Capital preparation and financing plan can ensure that the enterprise has sufficient financial support in the project start-up stage, so as to smoothly promote the implementation of various works and lay a solid foundation for the subsequent development of the enterprise. Among them, the capital needs assessment requires the estimation of the start-up capital

required for the shared bicycle business, including the cost of vehicle procurement, operation and maintenance, marketing and other aspects, and the development of a detailed capital budget plan to ensure the rationality and efficiency of the use of funds; The expansion of financing channels requires actively seeking external financing opportunities such as venture capital and angel investment, establishing cooperative relations with financial institutions, and striving for loan support or credit guarantee; The monitoring of the use of funds requires the establishment of a sound monitoring mechanism for the use of funds to ensure that funds are allocated and used in accordance with the budget plan. With the continuous development of the shared bicycle market, enterprises need to continue to expand the scale of business and increase market share. This includes increasing the number of vehicles, expanding service areas, and improving service quality. Capital preparation and financing plan can provide continuous financial support for enterprises, help enterprises to quickly respond to market changes, seize market opportunities, and enhance competitiveness^[6].

An excellent team can bring together professionals from all aspects to form a strong force to jointly cope with market competition and business challenges. Through team building, enterprises can build an efficient collaborative and innovative team, so as to enhance the core competitiveness of enterprises. In the field of shared bicycles, this includes talents in technology research and development, marketing, operation management and other aspects, whose professional skills and work experience will bring significant advantages to the enterprise. Among them, the establishment of a professional team needs to recruit outstanding talents with technical, operation, marketing and other capabilities, and clarify the division of responsibilities of team members to ensure teamwork; In terms of talent cultivation and motivation, team members should be provided with regular training and development opportunities to enhance their professional quality and comprehensive ability, and a reasonable incentive mechanism should be established to stimulate the enthusiasm and creativity of team members. Team building and talent training not only focus on the current needs of the enterprise, but also focus on the future development of the enterprise. By cultivating employees with potential, enterprises can build a strong talent reserve team and provide a steady stream of power for the future development of enterprises. These employees will play an important role in the future market competition.

The construction of the platform can integrate the resources of shared bicycle enterprises, including vehicle information, user data, payment systems, etc., to achieve optimal allocation and efficient use of resources. Among them, the selection of technical solutions requires the selection of appropriate technical solutions, including vehicle positioning, payment system, data analysis, etc., to ensure that the technical solutions can meet user needs and improve user experience. The establishment and optimization of the platform need to develop a user-friendly rental car operation platform, including mobile applications, and regularly upgrade and optimize the platform to ensure the stability and security of the system. This helps to improve the operational efficiency and service quality of the enterprise. Platform construction can realize data management and help enterprises better understand user needs and market trends. By analyzing and mining data such as user behavior and vehicle use, enterprises can develop more accurate marketing strategies and service schemes to improve user satisfaction and corporate profitability^[7]. Establish a perfect user service system, including user consultation, complaint handling, after-sales maintenance, etc. Strengthen communication and interaction with users to enhance user satisfaction and loyalty.

Operation preparation is the basis for the smooth start of the business of shared bicycle enterprises. This includes market research, competitor analysis, user needs understanding, vehicle procurement and deployment, and service area planning. According to the results of market research and user needs, practical operational strategies should be developed to determine the place, time and quantity of shared bicycles to meet user needs. Establish a sound vehicle management and maintenance system to ensure the safety and reliability of vehicles. Regular repair and maintenance of the vehicle to extend the service life of the vehicle. Develop a sound risk control mechanism, including financial risk, market risk, policy risk and other aspects of response measures. Pay close attention to market dynamics and policy changes, and adjust operational strategies in a timely manner to reduce risks. Develop effective marketing strategy, including online and offline advertising, partner development, etc. Actively participate in industry exhibitions and forums to enhance brand awareness and influence.

Only after adequate preparation, enterprises can ensure that they have sufficient competitiveness and market adaptability at the start-up stage. Operational preparation also includes efforts to improve the user experience. For example, by optimizing

vehicle design, improving vehicle quality, strengthening user education and other measures, enterprises can provide users with safer, more comfortable and convenient bike-sharing services, thereby enhancing user satisfaction and loyalty. Good risk management helps to enhance a company's reputation. By actively dealing with risks, protecting the rights and interests of users, fulfilling social responsibilities and other measures, enterprises can win the trust and reputation of users, thereby enhancing the visibility and reputation of enterprises. This is crucial for bike-sharing enterprises, because the trust and reputation of users are important cornerstones for the sustainable development of enterprises^[8].

4. Risk countermeasures

4.1 Market risk countermeasures

Strengthen market analysis and conduct regular market research to understand consumer demand, industry trends and competitor dynamics. Make use of big data and artificial intelligence technology to deeply mine and analyze market data and predict market changes; Improve the quality of service, continuously optimize the user experience, and improve the convenience and comfort of bicycle use. Strengthen customer service team building, timely response and solve user problems, improve user satisfaction. Diversified market strategy, expand different user groups and market areas, reduce dependence on a single market, develop new service models and products, and meet the diversified travel needs of users^[9].

4.2 Technical risk countermeasures

Strengthen technology research and development, invest more resources in technology research and development and innovation, improve the stability and safety of the system, and cooperate with universities and scientific research institutions to jointly promote the upgrade and progress of shared bicycle technology; Data security management needs to establish a sound data security management system, strengthen data encryption and backup measures, regularly conduct data security training for employees, and improve their awareness of data security. Technology update iteration needs to pay close attention to the development of new technologies, introduce new technologies in time for upgrading and transformation, evaluate the costs and risks brought by technology update, and formulate reasonable technology update plans.

4.3 Operational Risk countermeasures

Strengthen policy communication, maintain close communication with the government and urban management departments, understand policy changes and trends, actively participate in policy formulation and discussion, and strive for a policy environment conducive to the development of shared bicycles. Optimize the allocation of resources, and reasonably allocate the number and distribution area of bicycles according to market demand and operational data. Regular maintenance and maintenance of the bicycle to ensure the normal use and safety of the bicycle. Establish a sound consumer rights protection mechanism to respond to and handle user complaints in a timely manner. Strengthen communication and interaction with users to improve users' trust in and satisfaction with the enterprise^[10].

4.4 Financial risk countermeasures

Plan funds reasonably, formulate scientific plans for raising and using funds, ensure that enterprises have sufficient funds to support operation and development, strengthen the monitoring and management of capital flows, and reduce financial risks. Expand different financing channels and reduce the dependence on a single financing channel. Establish cooperative relations with financial institutions and strive for more financing support and preferential policies. Strengthen cost control and management, reduce operating costs and improve profitability. Optimize business processes and management models to improve work efficiency and reduce costs.

5. Conclusion

To sum up, bicycle sharing enterprises face many challenges in the process of entrepreneurship, such as market risk, technical risk, operational risk and financial risk. In order to cope with these challenges, enterprises need to strengthen risk analysis and develop scientific risk management strategies. This includes strengthening market analysis, understanding industry and market dynamics, actively expanding the market, and improving brand influence; Pay attention to technology research and development, improve the technical level, ensure the stability and security of the system; Strengthen communication and cooperation with the government and city management departments to understand the changes and trends of policies;

Reasonable planning of the use and raising of funds, reduce financial risks, etc. Through the implementation of these measures, bike-sharing enterprises can remain invincible in the fierce market competition and achieve long-term, stable and healthy development.

References

- [1] Jiao Zonghui, Xu Maoxian & Wang Jingjing.(2021). Analysis on the development of shared bicycle industry. Financial theory and teaching (03) : 98-100. Doi: 10.13298 / j.carol carroll nki ftat. 2021.03.020.
- [2] Zhang Wenying. (2020). Thoughts triggered by the development process of ofo shared bicycles. Chinese Collective Economy (16),28-29.
- [3] Zou Qingguo. (2017). Shared bicycles: a new topic of urban management. Theory of Learning (10),109-110.
- [4] Wang Ruilin & Jiang Xin.(2021). Analysis of bike-sharing enterprises' accounting and risk decision-making. Trade Fair Economics (04),118-120.
- [5] Zhen Zhixin, Yang Yifan & Zhao Naidong.(2024). Business model analysis of shared bicycle and its development countermeasures. Industrial Innovation Research (05),82-84.
- [6] Ma Jiaqun.(2023). Problems and countermeasures of cash management in shared bicycle enterprises. Dawn of vocational university (02), 10-15. Doi: 10.13446 / j.carol carroll nki jlvu. 202211012.
- [7] Jia Mingliang (2018). The current situation and proposed countermeasures of shared bicycles. China merchants (23), 15 to 16. Doi: 10.19699 / j.carol carroll nki issn2096-0298.2018.23.015.
- [8] Zhou Congcong.(2023). Internet shared bicycle operation status and countermeasures. Journal of Jinhua Vocational and Technical College (02),23-29.
- [9] Yan Jiayi.(2024). Research on regulation of shared bicycle operation. Cooperative economy and science and technology (07), 179-181. The doi: 10.13665 / j.carol carroll nki hzjjykj. 2024.07.040.
- [10]Yuan Quan & Li Feng.(2024). Bike-sharing research review: Analysis of usage behavior, pricing strategy and comprehensive social impact. Shanghai Highway (03),178-182+209-210.