

# **Texxi**

**transit exchange**  
**XXI century**

Demand Responsive Transit  
Brokerage Application

# What is Texxi?

- **Texxi** is a Demand Responsive Transit (DRT) Brokerage.
- It enables people to find ride partners at the same or similar times by aggregating them into vehicles using SMS
- It is also an **Energy Efficient Transport System**.

# What is Texxi?

- A large scale Transit Exchange becomes a de-facto Carbon Exchange
- A parallel solution to reducing CO<sub>2</sub> emissions is to increase vehicle occupancy amongst most of the modes of transport in any given municipality.
- A DRT Exchange will allow a municipal Government to raise funds for infrastructure improvements other than by levying direct taxes on the populace.

# How it works

- It allows users to text (sms) their travel requests to a central exchange and be aggregated into a vehicle which can fulfil their transport request with other travellers who have compatible itineraries.
- A Texxi scheme requires only marketing investment, which can be recouped from profit share from the scheme itself. There is no requirement to build additional infrastructure.
- Existing mobile phones and vehicles can be used from day 1. Later more complexity and additional features can be added to the system as mandated by the needs of the local community a particular Texxi scheme serves.

# How it makes money

- Texxi (as the broker) receives a 25% cut of every brokered trip.
- The taxi drivers make more money fulfilling Texxi trips which is their incentive
- The customers save money using Texxi which is their incentive
- The municipality gets e.g. 20% of the entire transaction volume to fund infrastructure improvements

# Why now?

- Increasing global population requires more efficient use of resources.
- A leftfield approach to end congestion, reduce CO<sub>2</sub> emissions, slow down or eliminate urban sprawl while conserving fuel supplies.
- All by applying Information Technology and Applied Mathematics.

# Team

- **Eric Masaba**

Technologist, Experience in investment banking (FX, IT, Private banking), hedge funds, software startups. Engineering and IT background.

**Developer, Designer, Software Architect, Sales, Marketing, Investor Relations**

- **Matthew Burden**

Technologist, Experience in investment banking (FX, IT, Private banking), hedge funds, software startups. Engineering and IT background.

**Developer, Designer, Software Architect, Operations**

# Marketing Advisors

- **Greg Kleiman** – Northern California  
Concentrating on Sunnyvale, Stanford, Las Vegas
- **Eric Bergerson** – New York  
Looking at NYC
- **Grant Herbert** – Brisbane, Queensland  
Looking at Brisbane & Gold Coast
- **Pete Durand** - Southern California  
Santa Barbara



# Advisory Board

- **Bill Johnson**

Head of Municipal Credit at JP Morgan. Former General Manager & Board member of SBC/UBS (1986 – 2002). President of Paloma Partners 2001 – 2003. Partner at O'Connor & Partners. Derivatives Trader.

- **Leslie Grant**

Former Managing Director (Global Head of Risk Management Advisory Services) at UBS Investment Bank with 20 years' experience in financial risk management. Advised on financial market risks in corporate restructuring through mergers, acquisitions, disposals and joint ventures. Prior to her client advisory roles, Mrs. Grant was a derivatives trader for 5 years with O'Connor & Associates and Citigroup.

# Market Opportunity

- The Logistics & Transportation Industry is the world's largest market. It is just not yet traded freely. It needs to be virtualised on an exchange traded basis.
- Following an electricity deregulation model, we will make transit a tradable commodity.
- Market Makers will provide liquidity, Brokers will provide transaction volume.

# Market Size

- In London on a given working day, 60% of commuters are in a car by themselves
- If we can increase mean vehicle occupancy from 1.62 to 5, we will reduce the number of vehicles on the road by 60%

**Table 15: Car occupancy: 1985/1986 to 2003**

Percentage/number							
	Vehicle occupancy		Status of people in car				Sample size (stages)
	Average occupancy	Single occupancy rate	Driver alone	Driver with passenger(s)	Passenger	Total	
1985/1986	1.64	58	35	26	39	100	259,036
1989/1991	1.62	59	37	25	38	100	316,184
1992/1994	1.62	59	37	26	37	100	295,784
1995/1997	1.61	60	38	25	37	100	284,879
1998/2000	1.59	61	39	25	36	100	271,409
2002	1.58	61	39	25	36	100	212,526
2003	1.59	60	38	25	36	100	236,482

**Table 16: Car occupancy by trip purpose<sup>1</sup> : 2003**

Percentage/number							
	Vehicle occupancy		Status of people in car				Sample size (stages)
	Average occupancy	Single occupancy rate	Driver alone	Driver with passenger(s)	Passenger	Total	
Commuting	1.2	85	72	12	15	100	44,679
Business	1.2	85	75	14	11	100	10,774
Education	2.0	37	17	29	53	100	18,160
Shopping	1.7	48	30	32	38	100	55,614
Personal business	1.5	64	39	22	39	100	21,337
Leisure	1.8	51	26	25	49	100	58,540
Holiday/ day trip	2.2	34	16	31	53	100	10,566
Other	1.9	45	35	42	23	100	16,812
Total	1.6	60	38	25	36	100	236,482

<sup>1</sup> Each purpose includes the appropriate escort purpose. For example, education includes escort education

# Technology

- IBM Lotus Domino
- Flash
- Black box algorithms
- Visual Basic
- Founders have 40+ years combined experience in technology, applied mathematics, engineering systems and optimisation.

# Competitive Advantage

- Strong Brand (texxi – the taxi you text, transit exchange 21<sup>st</sup> Century)
- 2 Years' Operating Experience
- Tested Team (after 2 years)
- 1 Patent Pending in the USA
- 1<sup>st</sup> and 2<sup>nd</sup> Mover Advantage
- Interest and requests for exclusive partnerships from some of the world's largest firms

# 7 Modes of Texxi

- Evening Economy
- Commuter
- Corporate
- Big Event
- Shopping
- Tourist
- School Run

# Target Cities

- Cities with large Urban Sprawls
- Cities with large populations
- Cities with underdeveloped public transit infrastructure
- Dense Old Cities where the cost of new infrastructure is prohibitive
- New cities growing fast



# Example Calculation

## Evening Economy

100 vehicles, 5 seat capacity

10 trips per week (5 on Friday, 5 on Saturday) at  
80% occupancy

= 100 vehicles x 4 pers/vehicle/trip x 10 trips

= 4,000 people moved per week

Each person pays £5 for a trip

**= £20,000 per week (gross revenues)**

# Example Calculation

## Commuter / Corporate Carpool

Firm of 10,000 employees with a campus

1,000 people use the scheme, 5 days per week

10 trips per week (2 per day)

= 10,000 people moved per week

Each person pays £2.50 for a trip

**= £25,000 per week (gross revenues)**

(This would require 50 9-seater vehicles)

# Market Opportunities

- Liverpool – 22,000 taxi vehicles,  
population 500,000
- London – 130,000 taxi vehicles,  
population 8,000,000
- Brisbane – 2,000 taxi vehicles,  
population 2,000,000
- Sydney – 6,000 taxi vehicles  
population 4,000,000

# Validation

- Trial in Liverpool Mar 2006 – Sep 2006
- 300 Trips completed.
- Fear that girls & guys would not share was overcome. Proof of basic concept was also validated.
- Face-to-face marketing is the main driver of consumer behaviour change.

# White Papers

- 1. The Demand Responsive Transit Exchange
- 2. Demand Responsive Transit Brokerages
- 3. Market Makers & Liquidity in Demand Responsive Transit Markets
- 4. Ride Insurance: Derivative Contracts and Secondary Markets on Demand Responsive Transit Exchanges
- 5. Asymmetric Warfare Techniques Applied to Behaviour Changes in Urban and Semi Urban Environments
- 6. Concept Swarming applied to Changing Behaviours of Governments

# Contact

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