

FORMER INTEL EXECs TAKE PLUNGE IN SENIOR TRANSPORT BUSINESS

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met while working for Intel Corp. in California, and when they retired about 10 years ago, they were both bit by the entrepreneurial bug.

Kanaan opened some restaurants in Boston while Beran purchased a non-emergency medical transportation company.

A little over a year ago, they started talking about the transportation problems seniors face when they can no longer drive.

By May 2015, they co-founded Envoy America as a ride service offering an alternative to taxis and rideshares for seniors and others who can't drive.

They decided seniors need door-to-door service, where drivers are companions for clients and remain with them until they are home, many times walking with clients through grocery stores and helping them place items in the basket.

Clients purchase a block of time on a subscription basis, rather than paying by the mile. Prices range

from \$32 to \$39 an hour.

The company currently serves the metro Phoenix area, but Beran and Kanaan said they plan to expand nationally within five to 10 years.

“There are no good solutions for seniors in terms of transportation,” Beran said. “There are adult children who are trying to figure out how to keep their parents mobile, avoid institutionalizing them and allowing them to age in place the way they want to.”

All that requires a transportation option that is safe, reliable and affordable, he said.



Andy Beran and Karim Kanaan co-founded Envoy America to offer transportation options for seniors.

“Our ability to provide this across the country is critical to us,” Beran said. “That’s why we’re in such a footrace to do it as fast as we can.”

The Scottsdale-based company currently has two employees - Beran and Kanaan - but they plan to add six to 10 employees in the Phoenix area this year.

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They also are hiring drivers as each operating unit serving a particular geographical area expands.

“All our drivers are 50 and older,” Kanaan said. “the typical passenger is probably 70 to 90 years old. We’re providing employment to a market demographic that doesn’t have a lot of options. As a result, we are swamped with applications to drive for us.”

Each local operating unit can support a senior population between 150,000 to 200,000 seniors. Each will have a team of about 30 drivers and a staff of three to five people.

“Each operating unit will generate revenue of about \$1 million when they’re operating at or near capacity,” he said. “And they will be able to generate a bottom line net margin earnings - on an EBITDA basis - of about 20 percent.”

He said he expects each local unit to break even within the first 12 months of operation.

“We believe they can reach full profitability in 18 to 24 months,” he said.



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