

The Forge DeltaBike Competition

April 6, 2012

There are four distinguishing things about this competition:

1. Open Source Design – We will be designing out in the open for our global competition to see and we're inviting them to cooperate with us.
2. Our goal is to create a "DeltaBike Standard"
3. To the Inventors, the Spoils. 1% to the Designer. 1% to the Engineer. The designers and engineers are doing invaluable work, so why shouldn't we be getting a significant cut of the profits?
4. Iteration – We will rapidly iterate "design, engineer, build, repeat..." so that our products design will be quickly optimized for form, function and profitability.

Open Source Design-

We believe that cooperation is just as important as competition. The middle ground is Collaboration. This is what I can do for you, This is what you can do for me. Win-Win. Give-Give.

The DeltaBike Standard-

The DeltaBike business model is based on the creation of a "DeltaBike Standard". This Standard is like the standard created by IBM for the personal computer. It allowed manufacturers all over the world to produce IBM compatible components that could be used to upgrade/expand the basic platform.

The DeltaBike Standard allows manufacturers all over the world to produce component parts that will fit on a DeltaBike vehicle. DeltaBike parts fit together like LEGO's because of the standard. The consumer wins, the manufacturer wins, the designers win.

To the Inventors, the Spoils-

Here's how we'd like it to end up. As the result of design work you do this year, you will get a 1% royalty for each of copy of your design when it is sold.

What this means that for each \$3,000 DeltaBike body that is sold you will get a check in the mail for \$30. Since, the US market for motorcycles is 300,000 bikes, this means your earning potential is up to \$9,000,000 per year.

Realistically though, maybe the DeltaBike Standard will only capture 1% of the Motorcycle market, that is 3,000 DeltaBikes sold per year. You would get checks for just \$90,000/year. So, if you design a cool body that is a great seller, and you could be set for the life of the product.

If you are an engineer, for each DeltaBike gadget or widget sold you will get a 1% royalty. Let's say for instance, you design a kick-ass frame for the Deltabike that sells for \$1,500. Since, the US market for motorcycles is 300,000 bikes, this means your

earning potential is up to \$4,500,000 per year. Realistically though, maybe the DeltaBike Standard only captures 1% of the Motorcycle market or 3,000 DeltaBikes sold per year. You would get checks for just \$45,000/year.

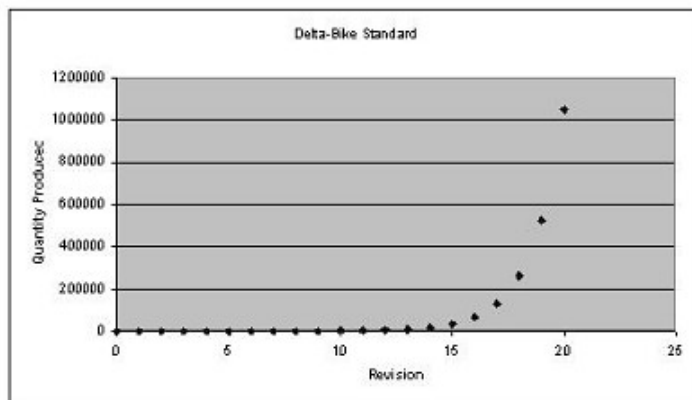
If you are a DeltaBike parts manufacturer or seller, you will get your standard mark-ups minus a 3% royalty (1% to designer, 1% to Engineer, 1% to DeltaBike Standards Organization) that you pay for selling under the DeltaBike brand name.

Iteration-

We are going to do a series of Design Competitions on the Forge that will produce mechanical and aesthetic designs. Each iteration of the design will be prototyped. The testing of each prototype will provide input into the next round of design competitions. Each round of competitions will produce a DeltaBike Standard (i.e. DeltaBike-11A, DeltaBike-11B, DeltaBike-11C, ...). At any point, a DeltaBike Standard can be taken into production.

But, from a benefit to society perspective, the most important thing is we iterate the design for improvements rapidly and with each iteration the product is improved.

Standard	Revision	Number Produced
DeltaBike 11	0	1
DeltaBike 11	1	2
DeltaBike 11	2	4
DeltaBike 11	3	8
DeltaBike 11	4	16
DeltaBike 11	5	32
DeltaBike 11	6	64
DeltaBike 11	7	128
DeltaBike 11	8	256
DeltaBike 11	9	512
DeltaBike 11	10	1024
DeltaBike 11	11	2048
DeltaBike 11	12	4096
DeltaBike 11	13	8192
DeltaBike 11	14	16384
DeltaBike 11	15	32768
DeltaBike 11	16	65536
DeltaBike 11	17	131072
DeltaBike 11	18	262144
DeltaBike 11	19	524288
DeltaBike 11	20	1048576



A Pay-Off Everyday-

When is the pay off? Remember, because it's a Collaboration, you win every time you design to a standard. Every body shell is a potential winner because when it is built and sold the designer gets 1%. The key here is to get your body built! How? Design cool stuff that is low cost to manufacture, high quality, and sold in high volumes. Because there is a standard platform to bolt your body onto, you can design and iterate to your hearts content knowing that there are people out there dying to get a cool, new body to bolt onto their DeltaBike!

What if my Design is stolen by a competitor?-

If it's a great design of course it will be stolen! The key is to be quicker to market than your competitor. The first one to market wins. "Stealers" can only copy. As an inventor so you will always be one step ahead of them. Later iterations will be trademarked and patented. Let your competitors copy the flawed early versions!

Of course, this assumes you are allied with manufacturers that can produce your product and take quickly to market. This is where the connections provided by The Forge, DeltaBike USA, and Schultz Engineering, LLC come in. We'll provide the contacts to take the product into production and to sell the products.