HopSkipDrive

More than an inconvenience, the time conflict became a growing source of stress. Would she have to leave work early to pick up her kids? Would her daughters' carpool turn up? Would she have to hire a nanny to help out as a driver? Or would her daughters have to miss out entirely?

"The logistics of getting them around were just completely insurmountable," said Hanson-Press. "I was really stressed every single day about getting them around."

Cue HopSkipDrive, a Los Angeles start-up that has been described as ride-hailing for children.

Founded by three Angelenos who are also moms, the service chauffeurs only children ages 7 to 17. In many ways, it's similar to transport network companies such as Uber, Lyft and SideCar (Uber requires customers to be over 18). Drivers are contractors who use their own vehicles to transport passengers. All drivers undergo third-party background checks and vehicle inspections. Parents can book rides for their kids through a mobile app and pay through a cashless transaction.

But there are also significant differences.

Unlike Uber, whose drivers simply need to have experience behind the wheel, HopSkipDrive drivers are required to have at least five years of experience caring for children (this can mean people who are themselves parents, nannies, teachers, camp counselors, etc.). And like Shuddle, a similar service that operates in the San Francisco Bay Area, all drivers are vetted in person. HopSkipDrive checks drivers' references and will even go for a ride with each driver it signs up. All rides are covered by insurance specific to transporting minors.

"From the very beginning, we wanted this to feel safe," said co-founder and Chief Executive Joanna McFarland. "It's in our DNA. We're moms. We get it. We understand what's important when providing services for our own kids, and that thinking has gone into every aspect of the company."

No background check can absolutely predict whether a person will commit a crime in the future, however, as Uber learned after a number of drivers who previously had no criminal history were charged with assaulting passengers. Even if the company attracts enough customers to create an ongoing profitable business, the public relations risk will remain high.

McFarland describes HopSkipDrive's drivers as "caregivers on wheels." Drivers know that when it comes to chauffeuring minors, they often have to sign them in and out of schools, check in at reception desks, and wait until the children have joined up with their coaches or teammates before they can drive off. All bookings must be made at least 24 hours in advance (and can be scheduled weeks ahead), and the driver's photo and vehicle details are shared with the parents. The passengers also come up with a password shared with their driver that serves as an added safety measure to make sure they're being picked up by the right person.

"We're dealing with kids, so this is something we have to get right because the stakes are so high," McFarland said.

The company says it has 11 full-time staff members, more than 100 drivers on contract and 1,000 customers in the greater Los Angeles area. McFarland says HopSkipDrive has ambitions to expand nationally, but the process will probably be slow and steady because of the extensive driver-vetting procedure.

"This is something that doesn't scale as fast as an Uber or Lyft, but that's very intentional," she said. "We're dealing with precious cargo."

Since hearing about HopSkipDrive this year, Hanson-Press has been using the service about six days a week.

"What won me over was knowing that the founders were moms too," she said.

She can buy ride packages ranging from \$12 to \$20, depending on how many rides are bought, and schedule trips as necessary for her daughters. She calls it the "missing link for working parents."

HopSkipDrive driver Margaret Washington, a former teacher, said the service fills a gap in transportation for families.

"Parents want to have their kids involved in sports and athletics and music and drama, but sometimes getting from Point A to Point B is tough," she said. "For single parents, it's even more tough, so I think it's filling a need."

Although they are still testing the waters in a small number of markets, the sector is already becoming competitive. It's part of a bigger trend of ride-hailing, with services finding ways to capture a very specific market segment, said Harry Campbell, who writes about the industry at his blog <u>TheRideShareGuy.com</u> and is a driver for Uber and Lyft.

There is <u>Wingz</u>, which specializes in airport rides; <u>Lift Hero</u>, which provides rides to older consumers; and <u>Chariot for Women</u>, set to start this month in Boston, aiming to serve women or children under age 13.

Full-time working mothers started HopSkipDrive, which serves all of Los Angeles County and much of Orange County. The company has received \$14.1 million in funding and said revenue was growing 30 percent monthly. It was preceded by <u>Shuddle</u>, which began in 2014 and <u>has raised \$12 million</u>. [Update: Shuddle ceased operations on April 15].

To help reassure worried parents, these companies provide a level of safety and security that the Ubers of the world do not, including fingerprinting and extensive interviewing, and they use software that monitors the driver's speed and conduct. Many companies operating in California also rely on <u>TrustLine</u> certification, that state's official screening program for in-home caregivers.

Almost all the drivers for these services are women — often teachers, nannies, day care workers and mothers. Most companies carry <u>insurance</u> that exceeds state requirements and covers liability related to driver (or babysitter) conduct.

These niche start-ups are also coming up at a time when <u>there is industry</u> <u>skepticism</u> about whether on-demand services can offer price and convenience competitively for the long term.

To a certain extent, many of these start-ups still compete against Uber or Lyft because many drivers for those companies don't know about the unaccompaniedminor policy or choose to look the other way once they have picked up an underage passenger. "I would say between 10 and 20 percent of rides are minors and it's increasing," said Mr. Campbell, who corresponds with hundreds of drivers a day because of his blog.