

## **RideSpring: Helping 1,169 workers find a better commute**

JONDI GUMZ - Sentinel staff writer

Paul McGrath helps employers cut back on traffic congestion and makes it rewarding for employees to stop driving to work alone.

Since founding RideSpring two years ago, he has signed up four clients and 1,169 commuters, offering monthly prizes like gift certificates to Riva's on the Wharf, Tonic Salon & Spa and Lumbermens. His earnings for 2007: \$51,000.

Those numbers are likely to grow in the wake of Bike Week, which starts today, and gas selling for nearly \$4 a gallon.

"I can't do anything about house prices either, but I can help companies address the daily commute issue," McGrath said.

Among the satisfied commuters: Carpoolers Tim Morten, 23, and Manuel Figueroa, 24, who start work at 7 a.m. at the corporation yard on River Street. Morten, who lives in Bonny Doon, picks up Figueroa, who lives on the Santa Cruz Westside. They share the gas costs.

"It definitely helps," said Morten.

"There's no sense taking two cars," said Figueroa.

Neither has won a prize yet but they are trying.

"The prizes, they're good," said Figueroa. "Now that it's sunny, we'll ride our bikes."

### **Internet business**

McGrath, 43, came to Santa Cruz from England in 1990. A former integrated circuit designer, he pitches his service three ways:

- An employee benefit that boosts recruitment and retention.
- A way to optimize use of limited parking space.
- A green initiative that improves the environment and enhances community relations.

"Imagine the difference it would make to Fishhook traffic to have cars reduced by a third or so?" he asked.

His company was a finalist in the 2007 California Cleantech Open business plan competition.

McGrath contends his system is easier, quicker, less expensive and more effective than what a company could accomplish on its own.

It's a Web-based program that allows each client to set up a page for its employees to sign up for carpools and track their alternative commute choices.

Employees earn points every time they carpool, bike, walk or take mass transit to work. The more points they earn, the more chances they have to win the monthly prize drawing.

"We are nonintrusive," said McGrath. "We never have to enter their plant or have access to their database. Nobody outside their company can access their page and they control everything that appears there."

The cost to the company starts at \$1,500 per month, which includes \$500 worth of prize incentives and covers up to 300 employees.

Pricing options depend upon the number of employees and value of the prize incentives.

Current customers are the city of Santa Cruz, the county of Santa Cruz, and two law firms, Cooley Godward Kronish in Palo Alto and San Francisco, and Wilson Sonsini Goodrich & Rosati, which has seven offices in five states.

### Lawyers try it

"We're getting a decent buzz from employees," said Mark Parnes, assistant general counsel for Wilson Sonsini Goodrich & Rosati.

Since the Ridespring program began in November, at the recommendation of the law firm's "green team," 286 of the 1,450 workers have subscribed.

The cost is \$1,500 a month.

Jack Doyle, who works in finance, usually commutes via bike and Caltrain. When he drove his car in for servicing and repairs were not completed by day's end, he was stranded -- until RideSpring came to the rescue.

He found two RideSpring members in his neighborhood, and one of them agreed to take him and pick him up the next morning.

"This was just the type of flexibility I hoped users would discover," McGrath said.

Parnes said it is hard to tell how many workers have stopped driving to work alone because some already had embraced alternatives.

He appreciates that RideSpring provides data on employee behavior.

## RIDESPRING

**WHAT:** Provides way to reduce traffic with ride-matching at the work site and monthly prizes to promote alternative commutes.

**FOUNDER:** Paul McGrath.

**EMPLOYEES:** 1 full-time, 2 part-time.

**COMMUTERS SIGNED UP:** 1,169.

**GOALS:** Locally, provide RideSpring service to all large employers, such as UC Santa Cruz, Dominican Hospital, Cabrillo College, West Marine, Plantronics; target large Silicon Valley companies.

**Nationally:** Target more than 100,000 large companies with more than 72 million commuters; also colleges and hospitals.

**Internationally:** Expand to UK and Europe.

**BIGGEST CHALLENGE:** Getting the RideSpring story out, communicating the economic benefits. For example, at the county of Santa Cruz it costs about 26 cents per day in incentives for someone to use an alternative commute with RideSpring. The cost of providing a parking space is at least \$2.50 per day.

**ADVICE FROM SCORE:** David Britton, a Silicon Valley executive, helped McGrath refine his pitch and avoid mistakes.

**INFORMATION:** [www.ridespring.com](http://www.ridespring.com) or 278-0312.

"We're able to track what we're doing," Parnes said. "It remains to be seen whether it will plateau or grow."

### **Carpool, pedal push**

Cheryl Schmitt, bicycle-pedestrian coordinator for the city of Santa Cruz, welcomed RideSpring as a way to cope with parking challenges.

Of 979 employees, 286 have subscribed.

"They like to get the prize," she said.

Alternative commuting is gaining steam among city employees, growing from 1,000 such trips in March 2006 to about 2,500 trips in August 2007, according to RideSpring statistics.

Biking is the most popular option. Walking has grown to where it's tied with carpooling; there's been virtually no change in mass transit trips.

"With the city of Santa Cruz, which is relatively small, we were able to eliminate 27,000 miles of auto usage last year," said McGrath. "That's 2,000 gallons of fuel that has not become carbon dioxide."

Schmitt would like to see more people share rides although the convenience depends on when employees start work and at which location.

Employees reporting to the corporation yard on River Street may drive from Moss Landing or Boulder Creek. Some finish work at noon, and some are on call at night.

Schmitt herself bikes in good weather from her home on Seventh Avenue and takes the bus in the winter.

"When I click my little box on the RideSpring Web site, it makes me feel good," she said.

To increase the availability of bike lockers at City Hall, a "smart card" system was installed, enabling anyone with a card to store a bike in a vacant locker.

"We're still in the beta test phase," she said, noting the modest cost to employees: three cents an hour.

### **Cabrillo signs on**

Cabrillo College, which has 1,100 employees, teamed up with RideSpring on a pilot project starting April 22.

The move was recommended by a task force formed in February to inventory emissions of greenhouse gases and find ways to reduce them. Task force co-chair Judy Cassada called the RideSpring approach "ingenious and innovative."

#### **SAVINGS FROM A STARTUP**

RideSpring of Santa Cruz reports these commute savings since March 2006.

Gas money saved: \$166,500.

Gas saved: 49,500 gallons.

Commute miles saved: 1.09 million miles.

CO2 saved: 970,500 pounds.

SOURCE: RideSpring, [www.ridespring.com](http://www.ridespring.com)

For the pilot project, Cassada is soliciting local businesses to donate prizes for the monthly drawings rather than the campus paying a monthly fee. Some of the donors include Well Within Spa, Severino's, Eco Goods, Dharma's, Aptos Natural Foods and Santa Cruz & Aptos Coffee Roasting Co.

Cabrillo plans to seek a grant from the Monterey Bay air district to support the service starting in August.

McGrath is pleased with his company's trajectory, but admits, "It wasn't easy getting it to this point. Having a great idea doesn't promise success."

He turned to SCORE, counselors to small business, to develop a business plan.

SCORE counselors "helped me to focus the resources I had and find the resources I needed," he said. "Any small business that wants to become successful should consider using their expertise."

Many Internet companies never mature to the point where they reach critical mass and have really supportive customers, according to SCORE counselor Dave Britton, who advised McGrath.

"Paul has been most successful because of his persistence," Britton said.

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