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Deloitte.
Consulting Case
Challenge

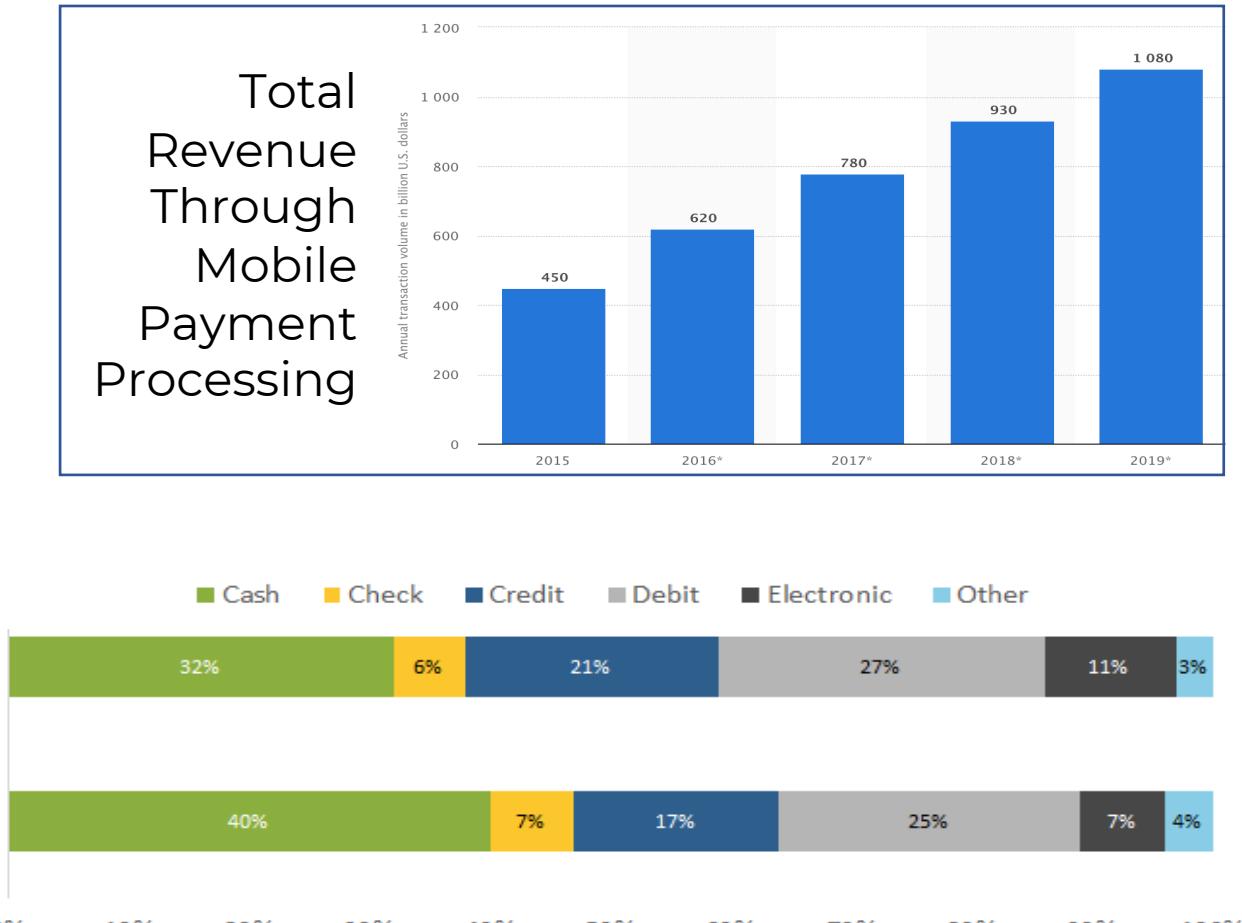
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Deloitte.

Foundation: Situational Analysis

How Mobile Payments Are Shaping the Modern Business Environment

- With the advent of technology, cash use has fallen dramatically
- Consumers are turning to faster and more convenient forms of payment
- Growth in mobile payment processing across all retail industries
- However, risks with this technology adoption exist. Further, add-ons will be a method of differentiation



Foundation: Add-Ons

Best Add-On Combinations Fundamentally Relevant to Houton's Needs

OPTION 1

- Hack Helper
- Lingual Simple
- Quick Clear
- Allstar Tracker
- Invest \$1M (30 yrs. to double in value)

OPTION 2

- Hack Helper
- Lingual Simple
- Quick Clear
- Invest \$1.5M (12 yrs. to \$2M)

OPTION 3

- Hack Helper
- Lingual Simple
- Know-Your-Customer Simple



Foundation: Add-Ons

Why This Combination is Best Tailored for Houton's Constituents

Hack Helper

- Software today poses security threats which must be addressed to protect Houton's image and customer base
- Extreme loss in PR and goodwill amongst Platinum's affluent customers through the simplest of hacks
- Cost today is justified

Lingual Simple

- Cost efficient option that suffices Houton's most lucrative branches
- 4 of the most widely spoken languages in the world
- Real life experiences prove why these 4 languages suffice in countries like Indonesia, India, and China

Know-Your-Customer Simple

- Customer service is an essential priority for Houton Platinum customers
- Fundamental to keep Houton's most loyal customer base in the forefront
- Preserves brand reputation as a whole



Implementation: Phased Rollout

The Ideal Rollout Strategy for Houton Through Marrying Implementation and Safety

The rollout strategy which will be used or the implementation of this software is a key measure of success. We only have one shot at it, ad must ensure that the process goes through smoothly.

- Information learned from Phase 1 can be applied to guide later phases
- Sequential in nature, put together the new system piece by piece
- Provides employees with enough time to get accustomed to the change
- Stems similar risk experienced during a pilot
- Combines the most desirable components of all three strategies

Phase 1

Launch the software in North America with the Hack Helper.



Phase 2

Launch the software in the international storefronts of Europe, South America, and Asia with Hack Helper and Lingual Simple.



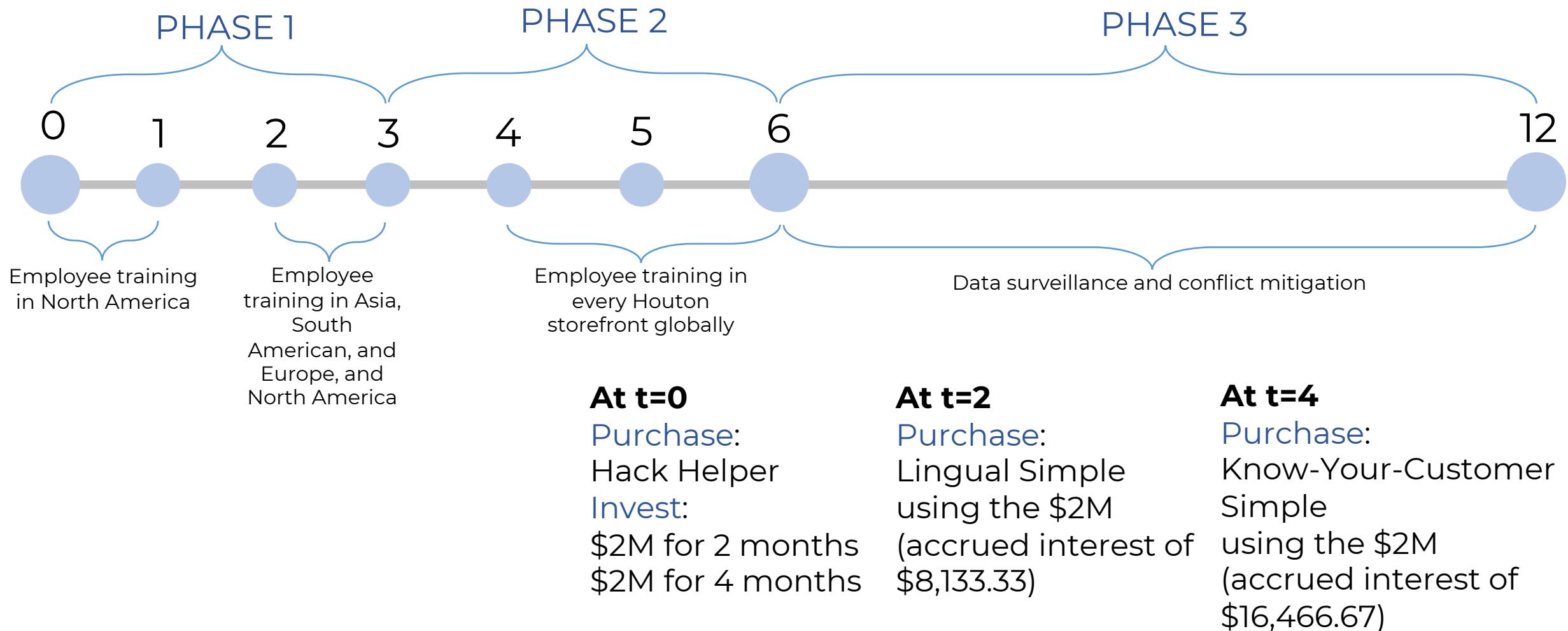
Phase 3

Roll-out the new software in every storefront present across the globe with the Hack Helper, Lingual Simple, and Know-Your Customer Simple.

The phased approach can help Houton “get it right the first time”.



Implementation: Rollout Timeline



Implementation: Employee Training

Addressing Risks and Implementation Strategy

AIM

RISKS:

- Operational and System Problems
- Implementation Plan
- Non-tech savvy employees



Arrangement

- Hire in-store POS engineers to manage the system
- Employ IT engineers to keep the overall system safe and running



Instructions

- Require every employee to watch an instructional video
- One-hour implementation training with in-store manager



Management

- Position people in a position they are comfortable working



Application: Value Houton

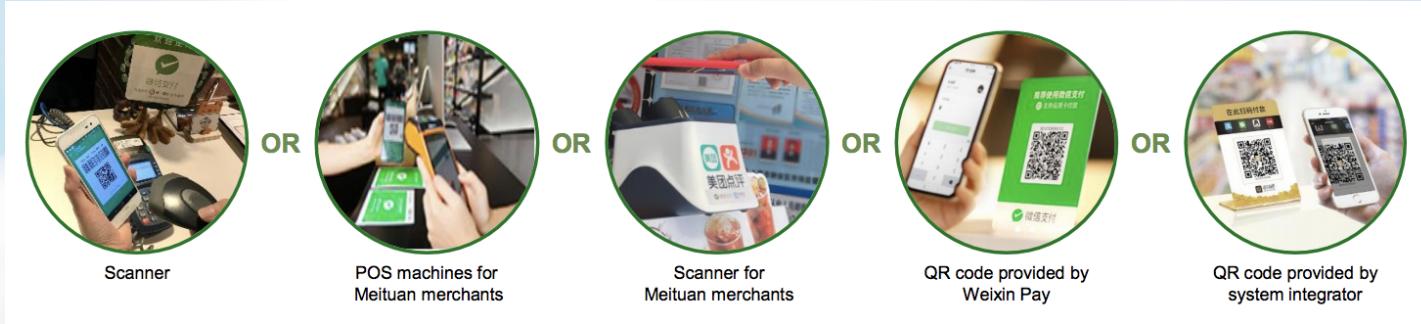
São Paulo and Why It's a Suitable Candidate to Monitor Incredecash's Impact on Value Houton Stores

- São Paulo home to **the largest city and economy in Latin America**
- Majority of Houton stores are in São Paulo
- **Millennials have strong distaste for long and slow checkout lines**
- Safe POS system
- One of the **fastest growing cities in the world, both in population and technology use**
- Retail and distribution surmount to 18% of the city's GDP



Application: Everyday Houton

Shanghai and Why It's a Suitable Candidate to Monitor Incredecash's Impact on Everyday Houton Stores



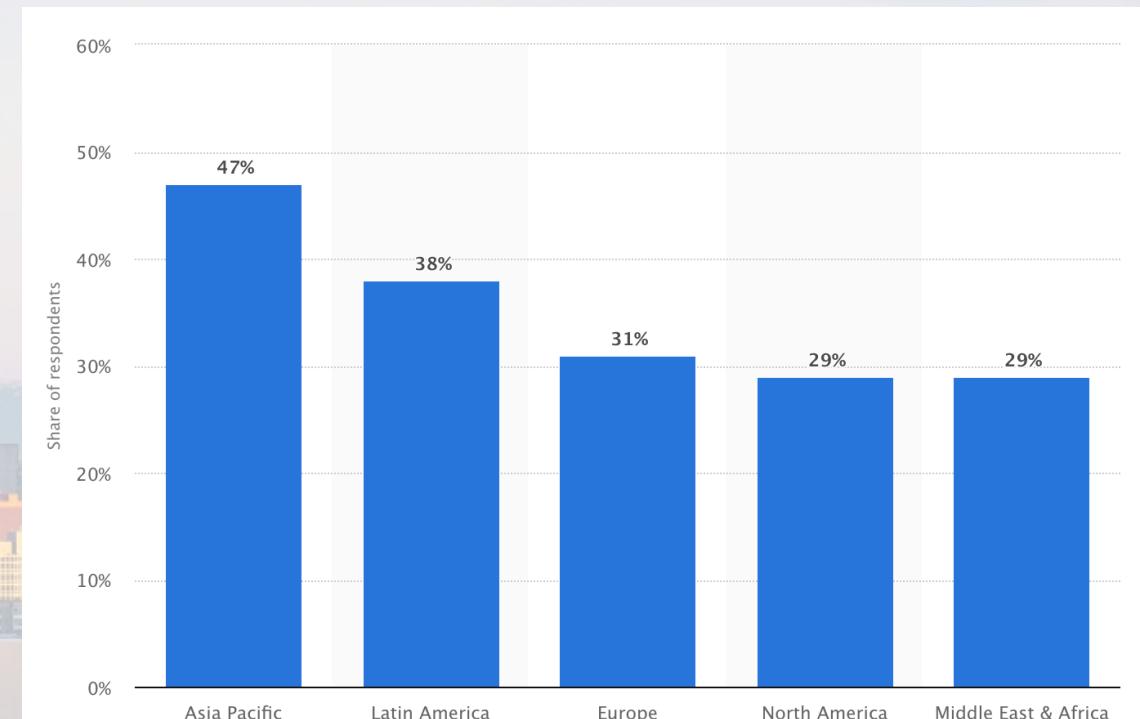
Current Mobile Payment Processing Outlook in China:	What it means for Houton Mart:
Market Penetration - WeChat Pay – #1 Mobile Payment App in China by MAU (800M) & DAU(1BN), compared to ApplePay (127M)	<ul style="list-style-type: none">•Incredecash : Instant access to huge user base Endless opportunities for expansion in both merchandise and customers
Understanding Millennials' consumer behavior in Shanghai: •Shanghai: Tier one city where despite attachment to credit cards before digital wallets, mobile device users ages 21–29 and 30–39 are leading the rapid adoption of mobile payments.	Everyday Houton's Shanghai Location serves as a representative launching case for Asian market – China for mobile payment processing



Application: Houton Platinum

Seattle and Why It's a Suitable Candidate to Monitor Incredecash's Impact on Houton Platinum Stores

- As the fastest growing tech city, **Seattle is extremely technologically adept** (GeekWire)
- It is the most profitable Houton store
- Provides insight on a market with **tremendous potential for mobile payment growth**
- The Hack Helper add-on provides **key security protection** for Houton Platinum's affluent customers



Houton's Future: Next Steps

Houton Must Implement Solutions to Stay on Pace with Technological Change Through The Use of an App

Create an App

App Features (Consumer standpoint)

- Ability to use digital discounts and coupons
- Flexibility to order goods upfront
- Purchase goods online
- Receive notifications about new products and services

App Features (Houton standpoint)

- Collect and store data in a more efficient way
- Use predictive analytics from this data pool
 - Houton can better analyze patterns in consumer buying trends

Capital Available for App Development: **\$24,600**

US Proximity Mobile Payment Users, by Platform, 2017-2022

millions

	2017	2018	2019	2020	2021	2022
Starbucks	20.7	23.4	25.7	27.6	28.8	29.8
Apple Pay	19.9	22.0	24.0	25.5	26.6	27.5
Google Pay	9.3	11.1	12.4	13.4	14.3	14.9
Samsung Pay	8.4	9.9	11.0	11.9	12.7	13.2

Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past 6 months
Source: eMarketer, May 2018

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www.emarketer.com



A wide-angle photograph of the Montreal skyline at dusk or night. The city is illuminated by numerous lights from its skyscrapers and buildings. In the foreground, there's a mix of modern and older architecture, including a large stadium-like building and some historic-looking houses. The sky is dark, suggesting it's either nighttime or the photo was taken during twilight.

THANK YOU
QUESTIONS?

APPENDIX: Interest Accrued

Daily Treasury Yield Curve Rates

[Get updates to this content.](#)

[XML](#) These data are also available in XML format by clicking on the XML icon.

[XSD](#) The schema for the XML is available in XSD format by clicking on the XSD icon.

If you are having trouble viewing the above XML in your browser, [click here](#).

To access interest rate data in the legacy XML format and the corresponding XSD schema, [click here](#).

Select type of Interest Rate Data

Daily Treasury Yield Curve Rates [Go](#)

Select Time Period

Current Month [Go](#)

Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
04/01/19	2.42	2.43	2.43	2.46	2.41	2.33	2.29	2.31	2.40	2.49	2.71	2.89
04/02/19	2.43	2.42	2.42	2.45	2.41	2.30	2.26	2.28	2.38	2.48	2.70	2.88
04/03/19	2.42	2.43	2.44	2.45	2.41	2.33	2.29	2.32	2.42	2.52	2.75	2.93
04/04/19	2.43	2.43	2.44	2.46	2.41	2.33	2.29	2.32	2.41	2.51	2.74	2.92
04/05/19	2.42	2.43	2.44	2.46	2.43	2.35	2.30	2.31	2.40	2.50	2.72	2.91
04/08/19	2.43	2.44	2.43	2.48	2.43	2.36	2.31	2.33	2.42	2.52	2.74	2.93
04/09/19	2.42	2.43	2.42	2.46	2.42	2.35	2.31	2.31	2.40	2.51	2.73	2.92
04/10/19	2.40	2.41	2.43	2.46	2.41	2.31	2.27	2.28	2.37	2.48	2.71	2.90
04/11/19	2.42	2.43	2.43	2.46	2.44	2.35	2.30	2.31	2.40	2.51	2.74	2.94
04/12/19	2.41	2.43	2.44	2.47	2.44	2.40	2.36	2.38	2.47	2.56	2.78	2.97
04/15/19	2.42	2.43	2.43	2.46	2.43	2.40	2.36	2.37	2.46	2.55	2.77	2.96
04/16/19	2.43	2.44	2.43	2.47	2.45	2.41	2.38	2.41	2.50	2.60	2.81	2.99
04/17/19	2.43	2.44	2.44	2.47	2.44	2.40	2.37	2.40	2.49	2.59	2.81	2.99
04/18/19	2.44	2.44	2.42	2.47	2.44	2.38	2.36	2.38	2.46	2.57	2.78	2.96
04/22/19	2.44	2.44	2.44	2.47	2.46	2.38	2.36	2.39	2.49	2.59	2.82	2.99

$$2,000,000 \times 2.44\% \times (2/12) = \$8,133.33$$

$$2,000,000 \times 2.47\% \times (4/12) = \$16,466.67$$

Accrued Interest Revenue : **\$24,600**

APPENDIX: Cost to Make an App

	App iOS OR Android			App iOS AND Android			App iOS AND Android + Website		
	hours	avg. hourly rate	costs	hours	avg. hourly rate	costs	hours	avg. hourly rate	costs
Backend	200-500	\$50	\$10k-25k	200-500	\$50	\$10k-25k	200-500	\$50	\$10k-25k
Dev. Work*	300-700	\$50	\$15k-35k	600-1100	\$50	\$15k-55k	1000-1900	\$50	\$50k-95k
Total	500-1200	-	\$25k-60k	800-1600	-	\$40k-80k	1200-2400	-	\$60k-120k

* This includes design and quality assurance (20% of hours/costs each)

India:

The median hourly rate for app development is \$33.

Lower Bound: $26 \times 500 = \$13000$

Upper Bound: $26 \times 1200 = \$31200$

Eastern Europe:

The median hourly rate for app development is \$36.

Lower Bound: $35 \times 500 = \$17500$

Upper Bound: $35 \times 1200 = \$42000$

The rollout strategy generates an additional revenue of \$24,600. A traditional app takes anywhere between 500-1200 hours to create. With that range, and assuming \$50 as the median hourly rate for app development in US, the total cost to build an app should be between \$25000-\$60000. If, the app is developed in countries with cheaper hourly rates like India or countries in Eastern Europe, the app could be developed at a cheaper rate, as seen on the bottom left.

Software Needs:
App runs on IOS and Android. Works with various programming languages and models like HTML5 and Microsoft.NET.

APPENDIX: ROLLOUT IN TERMS OF LOCATION AND NUMBER OF EMPLOYEES TO BE TRAINED

Type:	Stores:	Employees	Total
Platinum	10	1000	10000
Everyday	10	360	3600
Value	20	750	15000

PHASE 1

Region	Type	Stores	Employees	Total
Asia	Everyday	10	180	1800
North America	Platinum	10	1000	10000
South America	Everyday	10	180	1800
Europe	Everyday	10	360	3600
Europe	Value	10	150	1500

PHASE 2

Region	Type	Stores	Employees	Total
North America	Platinum	30	1000	30000
	Value	20	750	15000
Asia	Everyday	12	180	2160
Africa	Everyday	8	180	1440
South America	Value	25	150	3750
Europe	Everyday	10	360	3600
	Value	20	150	3000

PHASE 3

APPENDIX: KPI

Key Performance Indicator

- Annual Number of Transactions Increase by 10%
- Mobile Payment Revenue Increase by 12-16%
- Customer Satisfaction:
 - Positive feedbacks
 - No data loss, breach, hacking or fraud

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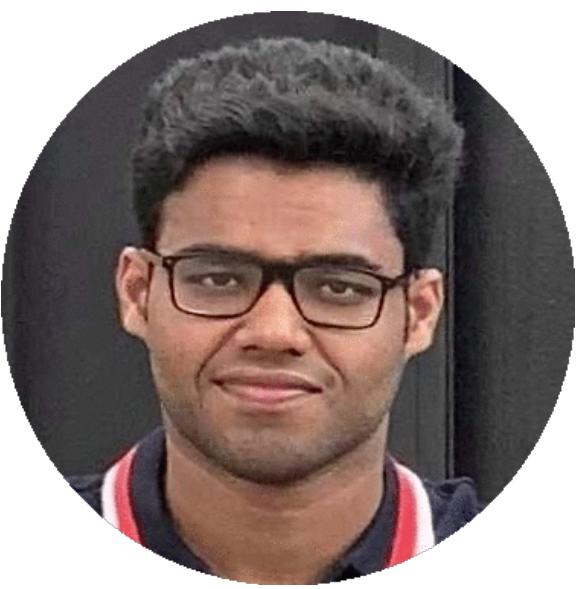
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Team Bios



Name: Kenny Kasperbauer
Year: Junior
Major: Finance and Accounting
Activities: Under-23 USA National Team- Sprint Canoe; Deloitte National Audit Innovation Campus Challenge; Phi Chi Theta- Professional Business Fraternity
Interests: Management consulting

Name: Oliver Groenveld
Year: Senior
Major: Political Science
Activities: DJ for Rainy Dawg Radio, Legislative Intern for City of Oakland, ASUW Senator, Legal Intake Intern for ACLU
Interests: Public Policy



Name: Vedant Agarwal
Year: Junior
Major: Finance
Activities: Global Health Business Case Competition, Former data analyst intern, math TA
Interests: Financial Services and Investments

Name: Hanzel Gregorius
Year: Sophomore
Major: Finance
Activities: Global Case Competition Club Member, Financial Analyst Intern at Binaartha (Indonesian Brokerage/Securities), Treasurer at Phi Kappa Tau fraternity
Interests: Investment Banking



Team Bios



Name: Amber Hou

Year: Sophomore

Major : **Economics, Informatics**

Activities: UWIB, Goldman Sachs Undergraduate Camp

Interests: Financial Services