**3. Project Overview and Context**

**3.1. Problem Statement**

Loan recipients struggle to manage multiple debts, leading to prolonged financial strain. This challenge arises from a lack of tools and knowledge that support practical debt management strategies such as Snowball, Avalanche, and Snowflake, as well as multicurrency support.

**3.2. Value Proposition**

DebtFreePlanner provides loan recipients with a web-based tool to create a debt repayment plan that reduces interest paid and increases amortization, thereby shortening the time needed to become debt-free.

**3.2.1. Planned Features**

The following features are confirmed and scheduled for development as part of the current product roadmap.

* **Multiple Repayment Strategies:**
  + Support for various debt repayment methods, including Snowball, Avalanche, Debt-to-Interest Ratio, Cash Flow Index (CFI), Highest Monthly Payment, and Custom Strategies.
  + Enables loan recipients to select and customize the approach that best aligns with their financial goals and circumstances.
* **Snowflake Payments:**
  + Allows loan recipients to make small, irregular payments towards their debts whenever extra funds are available.
  + Helps reduce principal balances faster, decreasing overall interest paid and shortening the debt repayment period.
* **Multicurrency Support:**
  + Provides seamless handling of multiple currencies with automatic exchange rate updates.
  + Caters to a global user base, ensuring accurate and up-to-date financial calculations regardless of currency.
* **Reporting:**
  + Generates detailed reports and visualizations to help loan recipients track and understand their debt repayment progress over time.
  + Offers insights into payment history, interest savings, and projected debt-free dates.
* **Integration with Financial Tools:**
  + Integrates with popular budgeting applications like YNAB (You Need A Budget) and possibly Firefly III.
  + Facilitates automatic updates and synchronization of users’ financial data, providing a cohesive financial management experience.

**3.2.2. Potential Features**

The following features are under consideration for future development but are not yet confirmed or scheduled for implementation.

* **Multi-User Support:**
  + Introduces capabilities for multiple users to collaborate under a single account, ideal for households and financial advisors managing collective debts.
  + Includes permission settings and shared dashboards to streamline joint financial planning and monitoring.
* **AI-Driven Insights:**
  + Utilizes artificial intelligence to provide personalized recommendations and predictive analytics.
  + Offers data-driven storytelling through dynamic reports that help loan recipients make informed decisions and adapt their repayment strategies effectively.
* **Cross-Platform Accessibility:**
  + Expands availability across various devices and platforms, including dedicated applications for Web, Android, and iOS.
  + Ensures users can access and manage their debt repayment plans conveniently from any device, enhancing usability and engagement.

**3.3. Excluded Features**

To ensure DebtFreePlanner remains focused on solving its defined [problem statement](https://github.com/Guilderm/DebtFreePlanner/blob/main/Documents/Product%20Requirements%20Document%20(PRD).md#31-problem-statement), the following features and functionalities were deemed unviable due to the complexity of implementation or specific market needs.

**3.3.1. Budgeting and Expense Tracking**

DebtFreePlanner will not include general budgeting or expense tracking features, including loan payment history tracking. These functionalities are excluded because many established applications already perform them well, and these features are complementary rather than central to the problem DebtFreePlanner is addressing. Users are encouraged to use tools like YNAB (You Need A Budget) or Firefly III, which may be integrated with DebtFreePlanner in the future.

**3.34.2. Non-Conventional Loan Types**

DebtFreePlanner will only support the most common loan types (e.g., mortgages, student loans, and credit card debt). Non-conventional loan types, such as payday loans, interest-only loans, or cryptocurrency loans, are not supported due to a lack of market demand.

**3.3.3. Advanced Loan Features**

Advanced loan features, such as variable interest rates and early termination fees, are out of scope due to the complexity of accommodating all possible business rules of financial institutions. Users will need to update loan terms manually when they change.

**3.3.4. Business-Oriented Features**

DebtFreePlanner will not offer features intended for business owners, given that large businesses would likely not trust this tool and that features targeting personal finances can typically meet small business owners’ needs.

**3.3. Market Analysis**

**3.4.1. Direct Competitors**

[Debt Payoff Planner](https://www.debtpayoffplanner.com/), [Undebt.it](https://undebt.it/), [unbury.me](https://unbury.me/), and [Vertex42 Debt Reduction Calculator](https://www.vertex42.com/Calculators/debt-reduction-calculator.html) help users manage and pay down debt using strategies like Snowball and Avalanche. However, these tools lack multicurrency support and the ability to customize debt repayment plans as extensively as DebtFreePlanner.

**3.4.2. Indirect Competitors**

[Mint](https://www.mint.com/), [YNAB](https://www.youneedabudget.com/), [Quicken](https://www.quicken.com/), [Personal Capital](https://www.personalcapital.com/), and [Simplifi](https://www.quicken.com/simplifi) offer a broad range of financial management features, including budgeting and expense tracking, but do not support creating debt repayment plans.

**3.4.3. Strategic Opportunities**

After analyzing the direct and indirect competitors, the following market gaps and strategic opportunities were identified:

1. **Multicurrency Support**: None of the direct competitors offer multicurrency support or localization. DebtFreePlanner addresses this gap, making it uniquely suited for a global user base and providing a significant advantage in catering to diverse financial needs across different regions.
2. **AI-Driven Insights**: The use of AI for personalized recommendations and predictive analytics is an emerging area that none of the competitors have yet to fully embrace. While AI-driven insights are currently not on the roadmap, if implemented, DebtFreePlanner would be the first in the market to offer such advanced functionality, further solidifying its position as an innovative leader in debt management.
3. **API Integrations**: YNAB offers a well-documented official API that can be used to pull loans into DebtFreePlanner. This integration can be leveraged to create a symbiotic relationship, enhancing the overall user experience and data synchronization between the two tools.

**3.5. Assumptions and Limitations**

**3.5.1. Assumptions**

* **Basic Financial Literacy:** Users have a basic understanding of financial concepts, such as compound interest and loan terms.
* **Basic Technology Proficiency:** Users are comfortable using online banking and personal finance apps.
* **Basic Computer Setup:** The application is primarily used on a laptop with an internet connection.
* **Data Accuracy:** Users will input correct financial information to ensure accurate calculations.

**3.5.2. Limitations**

* **Data Privacy:** In addition to standard data privacy measures, DebtFreePlanner must implement GDPR and CCPA.
* **Platform Limitations:** DebtFreePlanner is designed as a web-based tool, which may limit its functionality on certain devices or when used offline.

**3.5.3. Risks**

* **External Service Dependency Risks:** The tool may face challenges with the integration and reliability of third-party APIs and services.
* **Public Repository Exposure:** Because this is a portfolio project, the repository is public, increasing the likelihood of a successful cyberattack.
* **Attractiveness as a Target:** Since the app manages financial data, it is an attractive target (honeypot) for cybercriminals.

**3.6. User Personas**

**Note:** At a later stage, we will create a user persona in [Figma](https://www.figma.com/community/search?resource_type=files&sort_by=relevancy&query=user+persona).

**3.6.1. Taylor, The Debt-Strapped Professional**

* **Age:** Millennial (Gen Y)
* **Occupation:** Mid-Level Manager in IT
* **Economic Status:** Upper Middle Class
* **Region:** Western Europe
* **Financial Status:** Living paycheck to paycheck
* **Jobs to Be Done:**
  + Manage and prioritize multiple debt payments effectively.
  + Reduce overall interest paid on loans and credit card debts.
  + Achieve financial independence by becoming debt-free.
* **Pains:**
  + Struggles with managing multiple high-interest loans and credit card debts.
  + Finds it difficult to prioritize payments and effectively manage cash flow.
  + Experiences stress and anxiety related to financial instability.
* **Gains:**
  + Achieving financial independence by becoming debt-free within a reasonable time frame.
  + Feeling in control of financial future.
  + Using a user-friendly tool that integrates with existing budgeting tools like YNAB.
* **Behavior:**
  + Recently started using YNAB to manage personal finances.
  + Frequently visits financial advice blogs and YouTube channels for tips on debt management.
  + Prefers using financial tools on a laptop but occasionally uses mobile devices for quick checks.
* **Needs:**
  + A tool to assist in planning a debt-free journey.
  + Clear guidance on prioritizing payments to reduce overall interest.
  + Seamless integration with existing budgeting tools like YNAB.
* **Quote:** "I want to be in control of my finances, not the other way around."

**3.6.2. Casey, The Organized Homemaker**

* **Age:** Generation Z
* **Occupation:** Stay-at-Home Parent
* **Economic Status:** Middle Class
* **Region:** North America
* **Financial Status:** In debt but managing
* **Jobs to Be Done:**
  + Manage multiple loans while balancing household expenses.
  + Optimize loan payments to improve cash flow.
  + Save for a home down payment.
* **Pains:**
  + Juggles multiple loans, including car loans, credit cards, student loans, and a personal loan.
  + Struggles to balance loan repayments with household expenses such as groceries, utilities, and children's education.
  + Experiences stress over financial decisions impacting the family's long-term security.
* **Gains:**
  + Reducing financial stress and achieving financial freedom for the family.
  + Successfully managing debts to save for a home down payment.
  + Using a simple, reliable tool that offers clear insights into interest savings and payment strategies.
* **Behavior:**
  + Regularly uses an online banking app to monitor spending and manage finances.
  + Maintains the household budget in Excel.
  + Actively compares financial products online to ensure access to the best interest rates and terms.
* **Needs:**
  + A streamlined tool to manage and optimize loan payments, providing clear insights into interest savings from additional payments.
  + The ability to project future loan payments and visualize the impact of different payment strategies.
* **Motivations:**
  + Seeks to reduce financial stress by managing debts efficiently and ensuring the family's financial stability.
  + Aims to achieve financial freedom and security for the family.
  + Values simplicity, reliability, and transparency in financial tools.
* **Quote:** "I need a tool that helps me see the bigger picture and ensures our family's financial well-being."