

Fun Kadaa.



PRESENTED BY

Ramsha Siddiqui (15L-4011)

Midhat Asif (15L-4282)

PIIT - Section C

Spring, 2019.

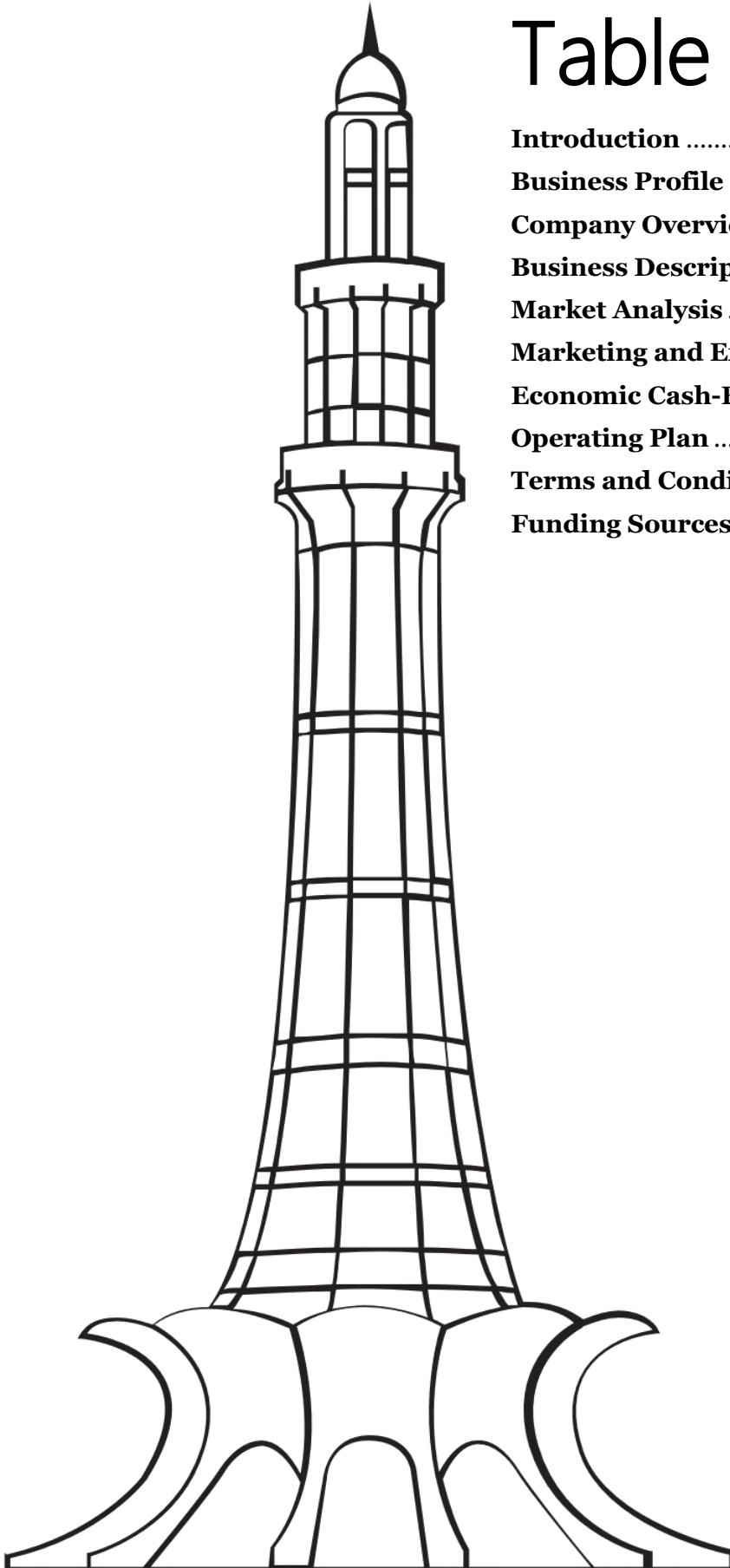


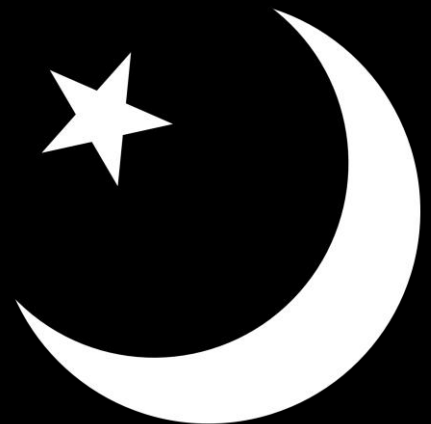
Table of Contents

Introduction	3
Business Profile and Team.....	4
Company Overview	5
Business Description.....	6
Market Analysis	7
Marketing and Expansion Plan.....	8
Economic Cash-Flow Assessments	9
Operating Plan	10
Terms and Conditions	11
Funding Sources	12

Introduction

LAUNCHED IN 2017, FUNKADAA IS A PRIVATELY-OWNED LIMITED LIABILITY COMPANY. WE AIM TO TARGET ARTISTS FROM ALL OVER PAKISTAN TO SHOWCASE THEIR ART PRODUCTS ON OUR PLATFORM. WE INTEND TO MARKET THEIR TALENTS AND ADVERTISE OUR PLATFORM IN ORDER TO GAIN ATTENTION FROM ART ADMIRERS AND SEEK CUSTOMERS. THIS DOCUMENT PROPOSES THE BUSINESS PLAN FOR OUR COMPANY ALONG WITH THE FINANCIAL PLAN, DAMAGED CONTROL PLAN CASH FLOW ASSESSMENT FOR A YEAR.

The challenge of the hour is to spread awareness among the artists of the far-off areas of Pakistan to audition their art works and to let them know that their work is sellable and is of paramount importance to the art enthusiasts. Moreover, in order to bring the customers on our platform, we have to devise an effective marketing strategy. Similarly, organizing the budget, company expenses and employee salaries is the resolution to our quandary.



Business Profile and Team

“FunKadaa” comprises of 3 teams of people:

Development: 4 highly trained software engineers, among which 2 are working on front-end and the other 2 are working on back-end of our website (www.funkadaa.epizy.com).

Marketing: There are currently two people in the marketing and advertising department, among which one of them deals with the customer feedback directly.

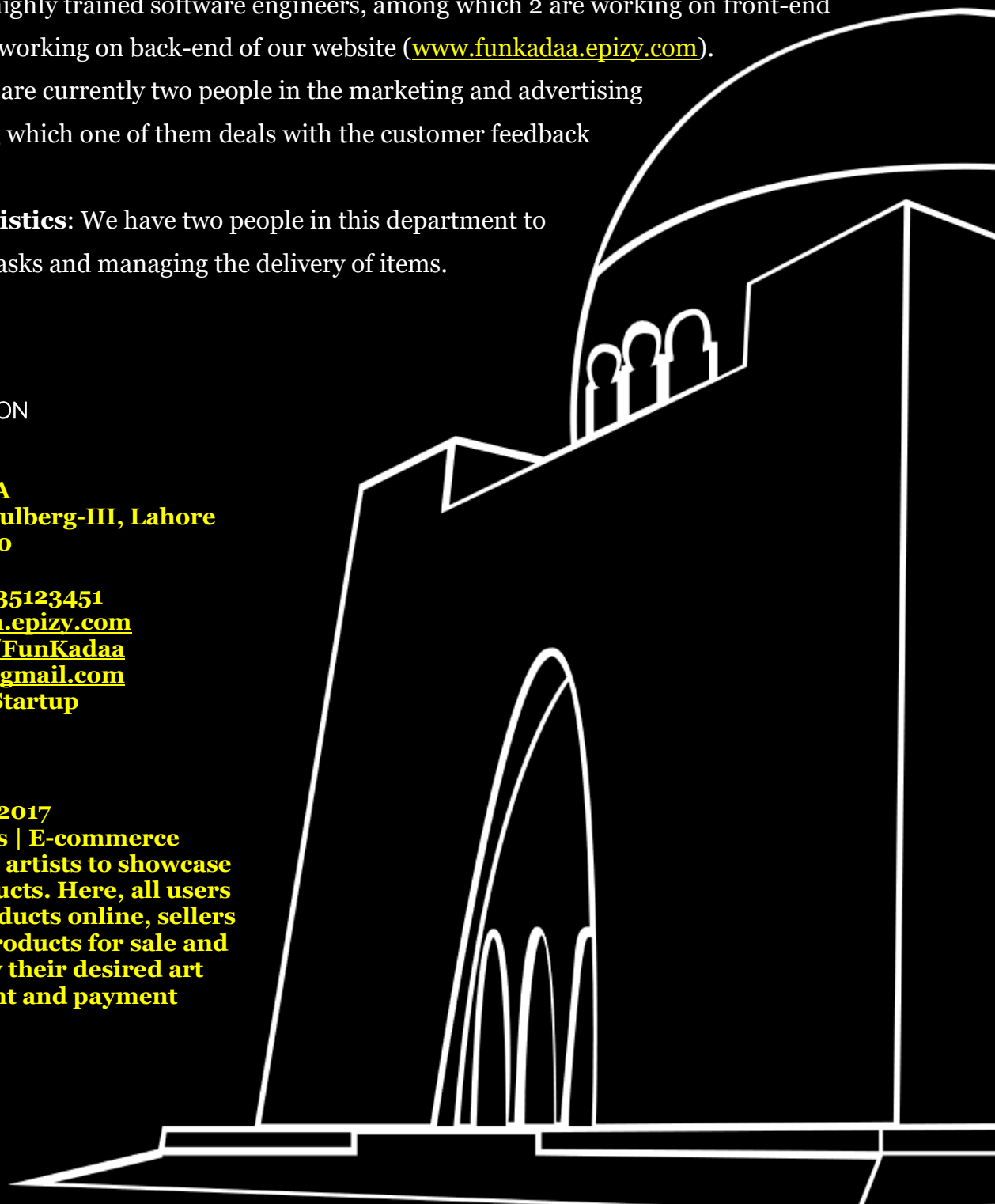
Delivery and Logistics: We have two people in this department to handle the flow of tasks and managing the delivery of items.

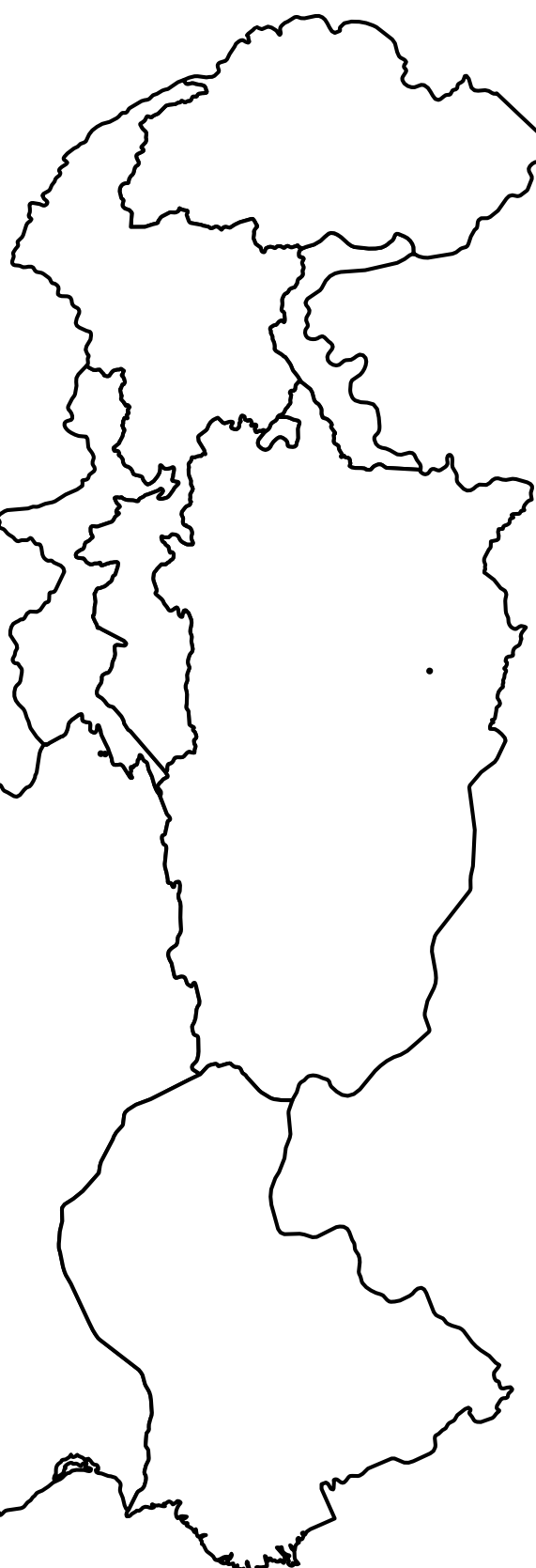
GENERAL INFORMATION

Name: FUNKADAA
Address: 58 A2 | Gulberg-III, Lahore
Postal Code: 54000
Country: Pakistan
Telephone: 042 – 35123451
Website: funkadaa.epizy.com
Facebook: fb.com/FunKadaa
Email: funkadaa@gmail.com
Company Status: Startup

BASIC DETAILS

Year Established: 2017
Industry: Fine Arts | E-commerce
Services: Allowing artists to showcase their talents/products. Here, all users can search for products online, sellers can put up their products for sale and customers can buy their desired art products (shipment and payment service included).





Company Overview

Funkadaa aims to bridge the communication gap between the artisans of Pakistan and the art-lovers from all around the world. Our purpose is to showcase the tradition, heritage and history of Pakistani culture through its artistic representation. Not only do we want to highlight the diversity of flavors and complexity in various forms of artistic expression that flows through our country, but also focus on the detail in precision and accuracy of its execution.

The operational structure of our organization would be typical of any other e-commerce platform. An online service that will be available 24 hours a day – allowing artists to monitor their sales and customers to make steady purchases. All financial transactions will be secured, as well as the delivery services. Instructions, tutorials and other forms of help would also be provided. Our financial goals for this project are to keep 10% transaction-cuts from every purchase made and a 100 rs. Listing charge for every item placed for sale. With this business plan in mind, we plan to start our business with at least 500 artists on board, populating the website with customers beyond that.

Talking about the history of our company, we've had some major triumphs in terms of getting recognition from Incubation centers and Business Professionals for our idea and effort. The company was founded in May 2017. Later in June, the company was selected among the top 11 out of 1000 startups based in Lahore for Incubation at Plan9 Launch-Pad 10.

Unfortunately, due to inexperience in the business world, we were unable to succeed into the final 8 companies, but we did make enough connections throughout the process in such a short amount of time to count this as a win. Similarly, in August 2017, we were again selected in the top 5 out of 13 contestants for incubation as Netsol's Idea-Pad 2017. However, due to a few technical reasons we were let down in our prime and promised to be contacted after our College graduation.

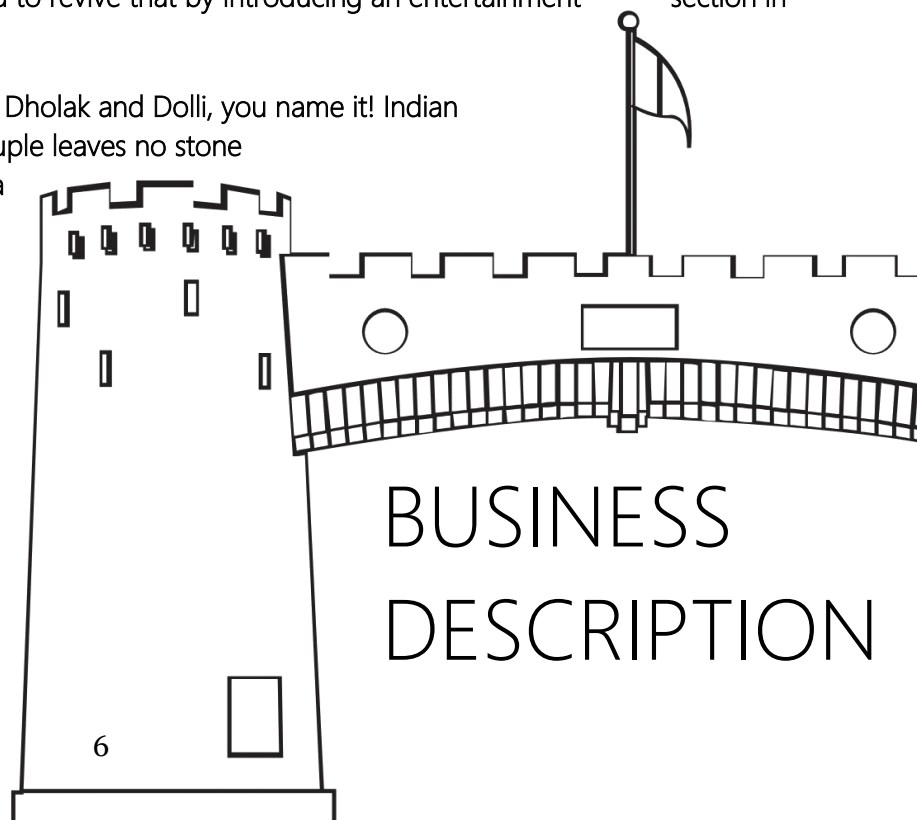
Ever since 2017, we've had our ups and downs – but quite recently, we've been awarded up to 500\$ by Google Women Tech-makers for FunKadaa – helping employ more women through the company in Pakistan. So, in terms of success of the company at this stage (before deployment), I'd say we're doing quite well.

VISION STATEMENT

FunKadaa's mission is to accumulate, appreciate and propagate the diverse artistic gestures of Pakistan to the whole world.

When talking about the different art forms in Pakistan, generally a huge list comes to mind. While we wish to cater all of it someday, here's a more shortened version of that list that we are currently going to start off with:

- **Jewelry and Accessories:** This would not only include hand-crafted jewelry like earrings and bangles, but also new companies that have their own labels and use other platforms such as Instagram and Facebook to communicate their product in the current digital age.
- **Clothing and Shoes:** We are all aware of the "Lawn Fever" that has afflicted Pakistan in the past few years. Not only major companies take advantage of this, but also smaller companies consisting of a few tailors and a designer such as Agha Noor and Zara Ahmad have also flourished during this time. Our website will be open to all such designers that bring color and passion to life through fabric.
- **Home and Living:** Say goodbye to old time classics like Interwood and Dolce Vita – there's a new sheriff in town! Nowadays, new furniture companies are also arising such as Kalamkaar, who have introduced artwork in our home through the simplest of things. Such brilliant interior designers are targeted to use our platform to further improve their sales and even get inspired by others.
- **Toys and Entertainment:** Does anyone remember playing with those old handmade fans and eating in handmade thaalis as a child? I do! The subtle forms of artistic entertainment in Pakistan are slowly losing their grasp in the Pakistani market – but we tend to revive that by introducing an entertainment section in our company's sales.
- **Wedding and Party:** Lehngas and Chollis – Dholak and Dolli, you name it! Indian Weddings are all about Art! The happy couple leaves no stone unturned to make their wedding look like a royal banquet and that's where we come in. Instead of going from door to door asking people about which is the best company that makes those beautiful wedding tiaras, they will simply login to FunKadaa and browse reviews.
- **Collectibles and Vintage:** Almost everyone has some Pakistani collectibles in store at their homes. For me, it would be the Salt Lamps from Khewra – not only artistically valuable, but also of good use! FunKadaa



plans to be a home to all such Art Collectibles and Vintage Items.

- **Craft Supplies and Tools:** Finally, for our artistic sellers wanting to make more – they don't need to go to a store to buy the raw materials for building orders from scratch, because we'll be carrying the store to them. Craft Supplies and Tools are a major plus point for our store – enabling artists to invest the money their earning back into our website and their own business as well.

And this covers all that will be present in our website for sale. At an easy price of 70 Rs. For delivery – any product uploaded by an artist for sale will be available for purchase to customers at any given time! Now let's dig a little deeper into the business side of things!

MARKET ANALYSIS

The current industry our product is associated with concerns Pakistani Art and E-Commerce. This industry is not very densely populated in terms of competition, but a few big names do lead much of the shared content – which leaves a lot of room for development for young startups such as this. Considering the recent boom of the Fashion Industry in Pakistan, the Art Industry is bound to follow similar trends

– whether leading with Interior Design or Hand-crafted objects such as bags and shoes. As

far as E-Commerce in Pakistan is concerned,

a few big names in our competition would include

Alibaba, Daraz.pk, OLX, e-Bay, Etsy, and Artsy.pk. All

these companies have major funding

and are rapidly improving their

products as well as expanding their business

to achieve greater success.

Alibaba, the Chinese commercial giant will always remain the lead of

the competition – having an estimated

market value of \$380 billion. However, its highly likely that with a refined product that fulfills consumer needs following the same criterion, we can achieve the same amount of success within a few years only.

Our target audience is divided into two halves based on the buyers and the sellers. Young professionals in their early 20s-30s adapting to the Art Market in Pakistan and running independent businesses fit the profile for FunKadaa free-lance sellers. An older audience would generally be more sophisticated and if choose to come aboard our foundation, would require

major sponsorships and support, all the while making our company a success

indirectly. On the other hand, in

terms of customers,

anyone who is willing to

purchase art in Pakistan

– of any form: Furniture

, Entertainment,

Fashion, etc. are

specifically targeted to

come and use our

website for purchases

. Traditionally, online

forums are seldom

used for purchasing

artistic objects, especially

those that cost more

and are more intricate –

but considering the success of

Artsy abroad, it's a fairly common

thing to do nowadays in our fast-paced

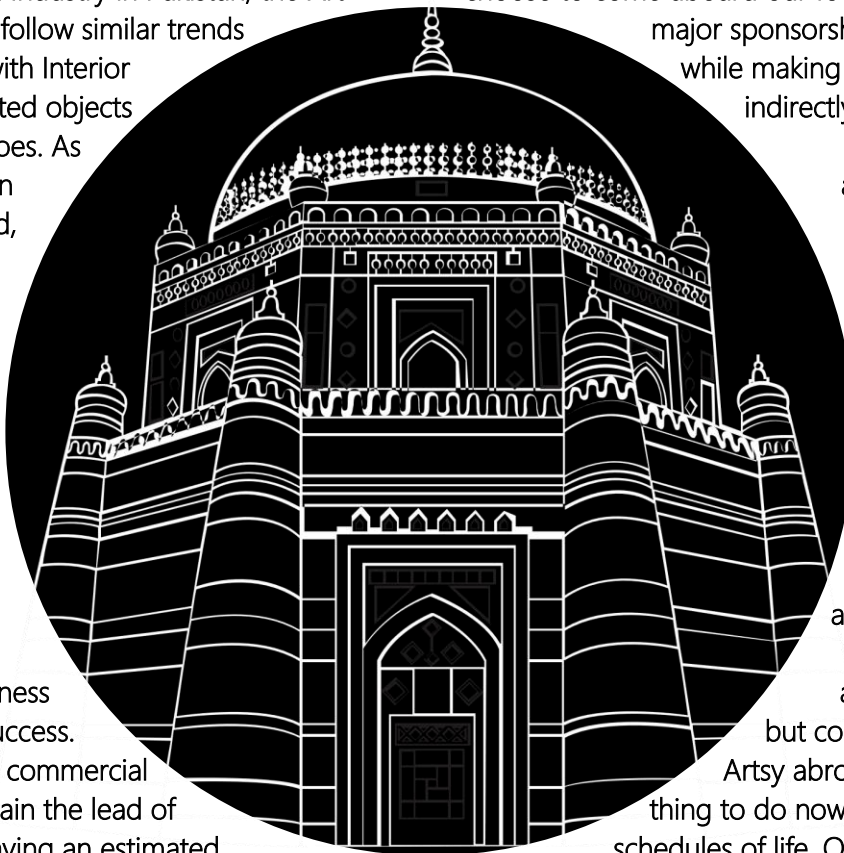
schedules of life. Our current geographical

limitations include Lahore only, but we are hoping to

expand as soon as we find delivery partners in outer

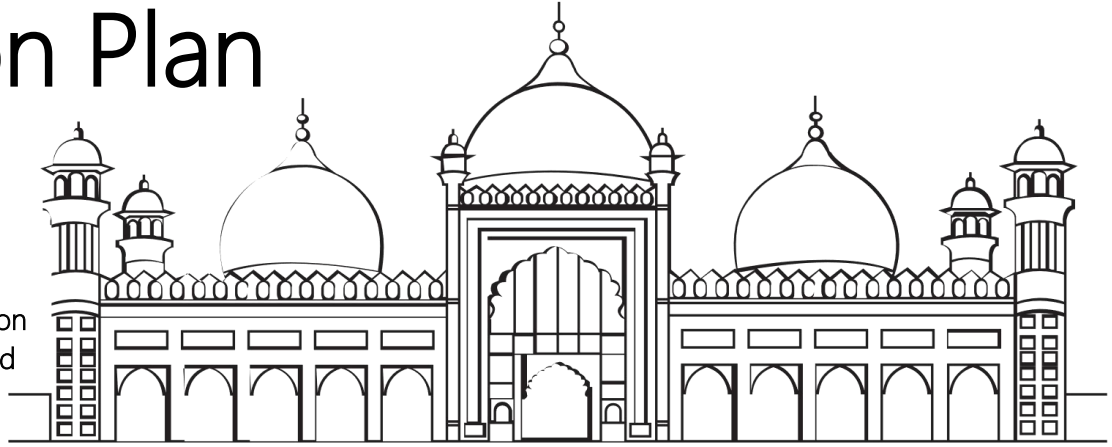
city areas as well. However, a SWOT Analysis of our

startup depicts that we still need time for improvement.



Marketing and Expansion Plan

With proper funding in the future, our marketing/expansion plan could further be improved through print media and billboards, but for now – these below mentioned strategies work best!



- Media Advertising
 - Social Media Platforms have been used to create Advertising posts in the past. Our effort goes into making them as creative as possible. Some of the successful strategies are:
 - Artist of The Day Celebrations: Every day we celebrate one local artist by sharing all of his/her artwork with our audience. This encourages the artist himself to propagate the company's name as well to his peers.
 - Tribute to Pakistan's Historical Artists: A more professional series of videos celebrating Impressionistic Artists as well as Performance Artists of Pakistani – that reached out to a more general public, enhancing our popularity manifold.
 - Chit Chat and DIYs: People love seeing how to create new objects from scratch as well as playing fun games with the audience – so we uploaded a few of those videos for pure entertainment.
 - ART Humor: Quite popular in the West, jokes and memes are always a good way to share your ideas through relatability.
- Mail
 - Emails and Hand-written invitations were sent to artists to welcome them on board our platform. So far, 80 artists from Lahore and 50 from outside have signed up to launch with us once our website deploys.
- Telephone
 - For our customers, we will provide a 24-hour service where they can register complaints as well ask any questions that confuse them. For instance, how do I view my previous sales on the website.
- Events
 - For making a more solid presence in front of our younger audience, FunKadaa is scheduled to hold three different events this year – Art Competitions at Kinnaird College for Women, Punjab University for Arts and Design and Lahore College University. These events get people hyped about winning prizes, as well as learn a bit about our company in general.
- Joint Advertising
 - Craft Stories Lahore has partnered with us to co-advertise our products online and we look forward to such other forms of joint advertising in the future as well.

Economic Cash-Flow Assessment

Given below is the 1 year cash flow assessment. All figures mentioned are in Pakistani Rupee.

Month	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Cash Outflow												
Rent and Property Taxes	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Communication	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600
Energy Costs	15000	15000	20000	13000	8000	15000	16000	15000	15000	13000	10000	10000
Insurance	3000	3000	3000	3000	3000	5000	5000	5000	5000	5000	5000	5000
Advertising	1000	2000	2000	2000	4000	4000	4000	3000	4000	4000	3000	5000
Salaries & Wages	150K	150K	150K	150K	150K	150K	150K	150K	150K	150K	150K	150K
Website Expenses	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Office Supplies	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
Internet/Phone	500	500	500	500	500	500	500	500	500	500	500	500
Legal Fee	5000	0	0	2000	0	0	3500	0	0	0	2500	0
Monthly Cash Outflow	184K	180K	185K	180K	175K	184K	188K	183K	184K	182K	180K	180K
Cash Inflow												
Income from retail sales	20000	20000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Income from trade sales	30000	35000	40000	40000	45000	45000	50000	60000	70000	75000	70000	65000
Service Revenue	0	0	0	0	5000	14000	15000	15000	12000	10000	15000	16000
Monthly Cash Inflow	50000	55000	70000	70000	80000	89000	95000	105K	112K	115K	115K	111K
Net Monthly Cash Flow	134K	125K	115K	110K	95100	95100	93600	78100	72100	67100	65600	69100
Cumulative Cash Flow	134K	259K	374K	484K	579K	674K	768K	846K	918K	985K	1051K	1120K

Operating Plan

The Management of our company would be in the control of the Founders: Ramsha and Ahmad Bilal, ensuring everything goes to plan every day. Our expected date of launch in August 2019, with an initial budget of 5000\$ to be spent on the product itself, as well as on marketing and employees. The technology required for operation would be at least one data-storage center and several heavy-engine computers. In order to ensure secure payments, we will require to purchase a few security plugins for the website as well. Our delivery partner for this would be Ali Express – a fairly new delivery service charging 70 Rs. per item. Now, let's look at some key interfaces (sample project) inside the application:

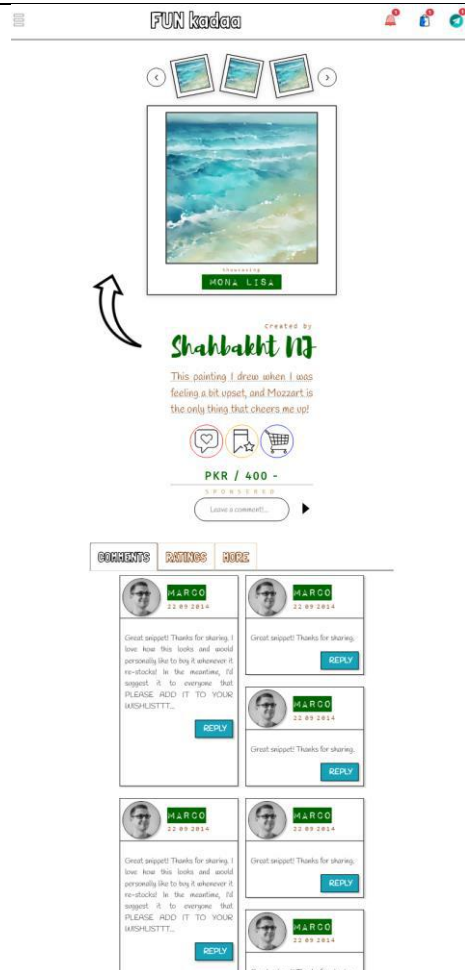
NEWSFEED

Users can view a feed of items uploaded by various users in chronological order. They can like, save or checkout items from here as they please.



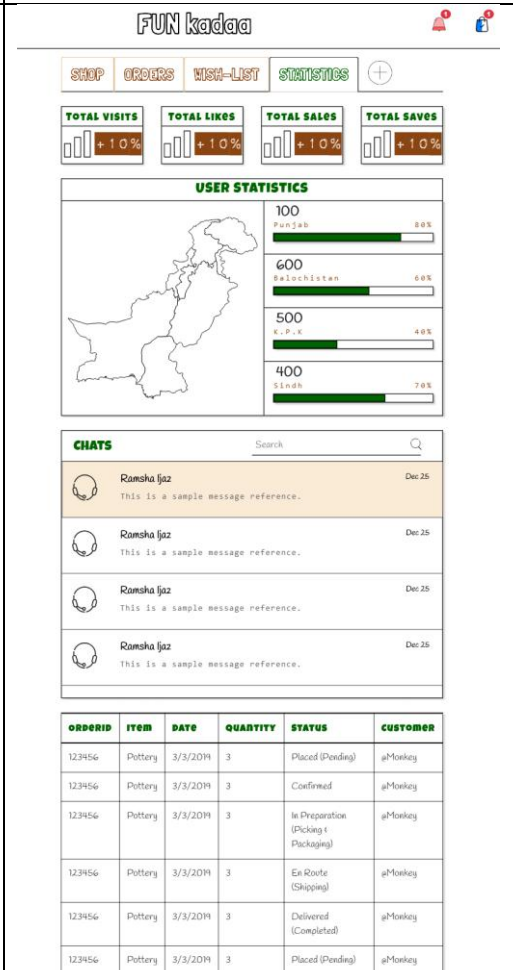
ITEM-PAGE

Users can expand an item to read its reviews, description and average rating as well as shipment details before they check-out!



USER-STATISTICS

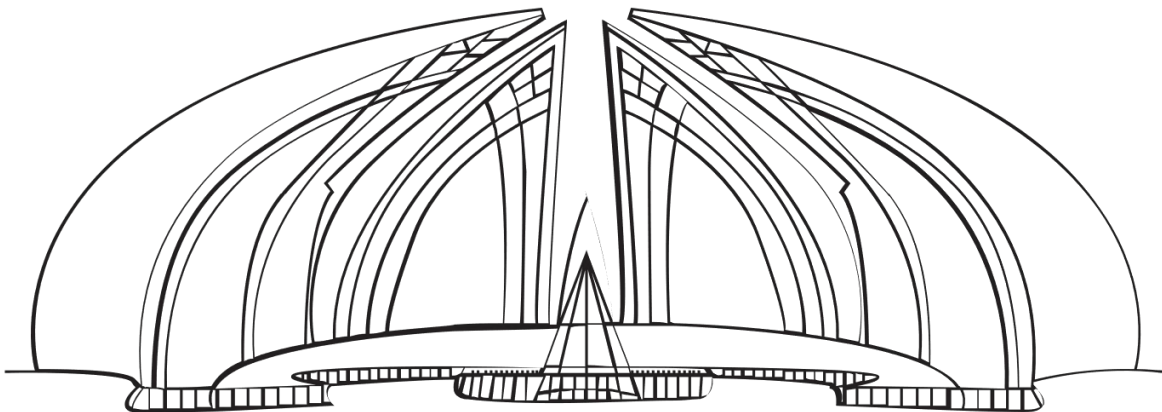
Users can also view item and user statistics – their placed orders as well as purchase orders – and schedule their time accordingly.



Terms and Conditions

This section deals with our damage-control plan: how is FunKadaa going to handle loss – in terms of sales or customers or both. Starting with basic transaction failure scenarios:

- In case the item bought doesn't fully match the description of the item placed on sale, the customers do hold the right to complain about such sellers and in case of serious frauds / thefts, such sellers will be blocked from the website. However, we will not bear the costs of refunds or returns in any case as we are strictly the middle-man in this situation
- In case the item was broken during delivery – the costs will be covered by the delivery service themselves – attempting to refund the customer or the seller according to the situation at the time.
- In case of low sales, advertising techniques may be utilized – sponsored posts go up on the newsfeed at the top – costing Rs. 200 only. This methodology is also in use by Etsy, with which they allow users to freely advertise branded content to be viewed by users at their earliest!
- In case of loss of customers, we can compensate on the prices for uploading items for sale: only 5% transaction fee, free delivery or discount coupons – this strategy not only acts out as a marketing campaign but also helps increase the number of sales.
- Finally, in case of total loss of sales over a long period of time – our final solution would be to convert the website into an Artistic Social Media Platform – where users can simply view, appreciate and comment on other people's artwork – such as Google Arts and Culture, but they are unable to make online transactions.
- Damage control is also possible in terms of employees – since this is a startup, cutting back on people's salaries and trying to accomplish more work through less number of people involved is a tricky option to use – but fairly common in new e-commerce solutions.
- In case of fraudulent buyers, our damage control policy will dictate that every artist is himself responsible for proper branding of items before shipping them off for sale. In case of reselling or black-market profits, our company will not be responsible as we played no role in the production of this artwork in the first place.
- While third party buyers are not preferred on our website, still no clause in our terms and conditions dictates that no one can purchase from our website and sell it at another website to gain profit – however, on our own application, before uploading an item, verification checks will be performed by our staff to make sure that none of the items being placed for sale seem illegal.



Funding Sources

A total of five funding sources have been explored so far by FunKadaa:

- **Plan 9 Launch Pad**: Project of Punjab Information Technology Board's (PITB) provides a huge platform for startups to identify and maximize tech-related opportunities in Pakistan. The Launchpad is Plan9's flagship semi-annual and most anticipated event of the year. Since 2012, they have recruited more than 160 startups that are fostering the startup ecosystem. They have been nurturing this startup culture and it is heartening to see that the once young budding entrepreneurs are now successfully making a mark in the world. Plan9 provides selected startups the domain knowledge, workshops, financial support, mentorship and business planning to bring inclusive, for-profit businesses to life. In 2017, FunKadaa stood 13th out of 1000 contestants participating in Launch Pad 10. This year, we have participated in Launch Pad 12 once more.



- **NETSOL's NSPIRE**: NSPIRE is the first Business and Tech Incubator launched by an established IT company in Pakistan, NETSOL Technologies – a leading IT company with the global footprint. Leveraging the large pool of industry leaders and the best practices, NSPIRE enables budding entrepreneurs to launch their startups successfully. They offer state of the art infrastructure; training and mentorship; networking opportunities; cutting edge technologies; investment opportunities and other professional assistance. In 2017, FunKadaa stood 5th out of 13 contestants (final unreleased reports) participating in Idea Pad 2017. This year, once again we have participated in NETSOL NSPIRE to get more knowledge and expertise – from Mr. Salim Ghauri himself.

Participant	Startup	Day	Time Slot
Ahmad Afzal	DAWAT-KADA	Monday	10:15
Raheela Naz	Mumkin Hey	Monday	10:40
Shahzaib Khan	Foodphomanaics	Monday	11:05
Wajahat Ajmal	Uni-Payment Solutions	Monday	11:30
Umair Hassan	Rent For Swag	Monday	11:55
Zoraiz Tauqeer	Esurge	Monday	12:20
Reyyan Niaz	Engineerinside. pk	Tuesday	10:15
Hafsah Haq	Journal Post	Tuesday	10:40
Aena Maryam	Flikfeed	Tuesday	11:05
Ahmad Bilal Aslam	FunKadaa	Tuesday	11:30
Bilal Shafi	darzee.online	Tuesday	11:55
Taimur Mirza	NFC Mappers	Tuesday	12:20

- **Google WTM APAC:** Google's Women Tech-makers program provides visibility, community, and resources for women in technology. From 2014 to present, Women Tech-makers is continually launching global scalable initiatives and piloting new programs to support and empower women in the industry. This includes events such as Google I/O and IWD, as well providing funds to local communities and WTM members to carry out initiatives and to support their privately-owned technical businesses. In October 2018, in addition to a 1000\$ scholarship and a trip to Singapore, Google WTM invested 400\$ into FunKadaa, with a promise of female inclusion in the company after its launch. We plan to apply for re-imbursements this year as well.



- **Creative Incubator – Pi School:** Through this incubator, they aim to “define a creative standard, a process that enables upcoming generations to use creativity and design to apply solutions to real-world problems that go beyond communication campaigns. Transforming ideas into high impact and purposeful actions.” Pi School gives out a maximum of 90 scholarship. In partnership with the Art Directors Club of Europe and partially funded by the Creative Europe Program of the European Union, Pi School is making sure that the top 90 applicants receive an 80% coverage of the program costs through the scholarships. We have placed an application this year for incubation in 2019.
- **Allied Bank:** Whether you are a trader, service provider or manufacturer with funding requirement of up to Rs. 15 million, ABL's Allied Business Finance is an ideal fit to cater to your financial / working capital needs. They offer speedy loan approval at a competitive pricing, quick and easy processing, affordable mark-up, running Finance (Revolving Credit), Letter of Credit, Letter of Guarantee and other export / import related working capital facilities and a finance amount up to PKR 15 million secured by acceptable Residential / Commercial / Industrial real estate. We applied to the Prime Minister Youth Business Loan scheme, and were rejected on the following criteria:

For Personal Finance Obligor Segment B – Salaried Individuals falling under Cross-Sell Criteria:

- Minimum six (06) months' relationship with ABL
- Minimum net monthly salary of PKR 25,000/-
- Salaried individual working as permanent staff
- Minimum length of employment of 2 years with existing employer
- Minimum one salary credit transaction in each month in last six (06) months

Age (Salaried) : Min: 23 years; Max: 59 years (Applicant should not be more than 60 years old at the time of maturity of facility).

Under this segment; condition of having salary account in ABL is mandatory.

PRIME MINISTER YOUTH BUSINESS LOAN SCHEME

ABL offers GOP loan scheme under the auspicious of Prime Minister's Youth Business loan for un-employed youth as well as for existing businesses.

All those young men & women who wish to expand their existing businesses (Small Enterprises) and especially those who plan to establish new start-ups can benefit from this loan scheme.

Salient Features

- › Loans for new startups & for expanding existing businesses
- › Available in Karachi, Lahore, Islamabad, Faisalabad, Gujranwala, Peshawar & Multan
- › Eligible age bracket (21-45 years old men & women)
- › An opportunity to be your own boss
- › Term loans up to PKR 2.0 M
- › EMI's spread over 08 years period, with 01 year as grace period
- › Markup as low as 6.00% p.a.
- › Available to vast segment of businesses & trade/commerce fields
- › A life time opportunity to prove yourself as a successful entrepreneur

Some other funding sources that were explored include: Meezan Bank (Faisal Town Branch – asset loans available only), LUMS NIC Incubator (Registrations start in November 2019) and Start-up Turkey (Registrations begin in July 2019).

