

ZoroMine

*“a quantum leap into crypto mining”*

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| Executive Summary  **ZoroMine** is the world’s first quantum-powered cloud-based **crypto-mining** technology platform. ZoroMine’s patented machine  learning algorithm leverages the Amazon Graviton 3 processor and Amazon Quantum Computing for Bitcoin & Ethereum mining in the AWS cloud. The ZoroMine 1.0 model is 128x faster than traditional computers and 36% more energy-efficient, offering customers high profits at low cost.  Our market study reveals that cryptocurrency adoption is in the early stages, with just under 4% of the world’s population has invested in cryptocurrency. A recent Forbes research exemplifies that the crypto market will explode from $1 to $3 trillion by 2023. However, the traditional crypto mining process is expensive, demands high electricity, hardware depreciates faster, and the operating expense ratio (OER) is very high. ZoroMine capitalizes on this market opportunity offering an attractive higher yield for lower investment and operating cost.  ZoroMine is an early adopter of machine learning models combined with pay-per-use cloud services and quantum technology for crypto mining, offering longevity and sustainable growth. Our revenue model includes a monthly subscription fee, 18% earnings of mined bitcoin, and crypto advisory services. The long-term growth and revenue are multifaceted, linear to the number of users, mining activities, and the market value of the bitcoin.  ZoroMine operates as a domestic Limited Liability Corporation registered in the State of Georgia owned by Sarvesh Prabhu, Arjun Janakiraman, and Jai Chirag Trivedi. The business will be generally available beginning June 15, 2022. The owners have extensive experience in business development, product positioning, financial planning, technology, and operations. Sarvesh is the Chief Mining Officer overseeing the business strategy, product development, organizational structure, financial forecast, and loan procurement. Arjun is the Chief Operating Officer who oversees sales, marketing, customer engagement, and operations. Jai is the Chief Technology Officer who oversees R & D, AI & ML division, cloud, and technology operations.  Financial Assumptions & Projections  The business is confident of generating revenue beginning October 2022 and growing to **$4.8m by 2023**. The revenue is built with an assumption of 250 users, 50-bit coins mined, and 3% of the users signed up for advisory services.  The financial model in exhibit 3.1 illustrates the revenue growth and 10-year projection. With a steady increase in user base, more bitcoins mined, and users opting in for advisory services, in Year 5, the business will generate revenue of **$45.79m** with an operating profit of **$31.20m**, ramping to **$1.03 billion** of revenue with an operating profit of **$847.40m** in Year 10. Annual pre-tax positive cash flows begin in 2022.  The business is forecasting a 5-year NPV of $20.26m and an IRR of 216%, with a 10-year NPV of $491.64m and an astounding 454% IRR.  Loan Strategy  The market differentiator of the ZoroMine is the machine learning-driven model built out of quantum computing in the cloud infrastructure. The business is seeking a 7(a) SBA loan from Chase Bank of $809k in March 2022 to build the solution. The owners provide a personal guarantee with collateral to Chase Bank to secure the loan. Given that the business is forecasting operating profit from year 1, the business will fully repay the loan in 3-year with an annual interest rate of 7%. |
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| Business Entity  Legal form of business  ZoroMine will be registered as a Limited Liability Corporation (LLC) under the State of Georgia in order to protect the personal liabilities of the founders. By doing so, the stakeholders of the company will have reduced risks associated with the company. ZoroMine would also circumvent double taxation from corporate and income tax.  Company Governance  Equity in ZoroMine will be equally split between the three founders and executive team: Sarvesh Prabhu (Chief Executive Officer), Arjun Janakiraman (Chief Financial Officer), and Jai Trivedi (Chief Data Scientist). Strategic decisions and a long-term course of action will be decided by the C-suite officers. Each C-suite executive will oversee departments in ZoroMine that align with their expertise. ZoroMine’s CEO Sarvesh Prabhu will supervise Human Resources, Customer Support, and Program Management. Prabhu currently holds a Bachelor’s Business degree with a minor in communications from the Scheller College of Business at Georgia Tech and a Master’s in Business Administration from Tepper School of Business at Carnegie Mellon. His astounding networking and communication skills make him a perfect fit to spearhead this portfolio. ZoroMine’s CFO Arjun Janakiraman will oversee the sales and accounting departments. Janakiraman holds a Bachelor's degree in finance and has completed his Ph.D. program in the intersection of artificial intelligence and cryptography. His in-depth understanding of the crypto-verse will allow him to appropriately assess the market, price our platform, and control our expenditures. Jai Trivedi, ZoroMine’s Chief Data Scientist, holds a Bachelor's degree in Computer Science from Georgia Institute of Technology’s college of engineering and is pursuing a Master’s in Computer science with a focus in cloud computing. He will supervise the software development team and the Cloud Site Reliability engineers. Jai’s advanced technical knowledge enables him to adequately assess the quality and functionality of our platform.  At-Home Business  ZoroMine is a fully work-from-home business and therefore has no physical location/facility. Making ZoroMine work from home reduces monthly expenses, thereby improving our margins. According to Global Workplace Analytics, companies save roughly 11,000 dollars annually per employee that works from home. The savings are split between overhead, real estate cost, and transit subsidies. These savings grant ZoroMine a larger budget to tinker with the platform, reduce prices for customers, and increase profit margins.  Short and Long term Goals   * Short Term (Years 1-2)   + --- Basic Memberships; \_\_\_\_\_ Bronze Memberships; \_\_\_\_Silver Memberships; \_\_\_\_ Gold Memberships; \_\_\_\_ Platinum Memberships   + Establish a Brand Reputation   + Customer renewal rate greater than 65%   + Financially Breakeven by Year 2 * Long Term (Years 3+)   + Repaying loans   + Further Development of the algorithm in order to allow for more threads for memberships   + Expanding our consumer base to     - \_\_\_ Basic Memberships; \_\_\_\_\_ Bronze Memberships; \_\_\_\_Silver Memberships; \_\_\_\_ Gold Memberships; \_\_\_\_ Platinum Memberships   + Continue Customer renewal at a rate greater than 65%   + Produce Profit Margins of x% or higher.   + Expand advisory services into a full advisory board with an independent business streamline   + Open the Gold and Platinum packages with ZoroMine   Operations Management  Products and Services  ZoroMine will be utilizing a monthly-subscription business model for its offered services, along with the additional financial advisory plan service. The algorithm will begin as a silver package that will allow one thread of mining. The individual threads are a measurement of the CPU power offered. The thread will be allocated per person and will have the mining systems run as though each individual owned a thread of their own hardware. This in turn provides them with significantly higher profits, which help ZoroMine’s customers develop and expand their portfolio. In the future, ZoroMine will open even more premium services, offering more threads to consumers. From this point, the consumer has a choice of upgrading to either the gold or platinum package, which will offer an increase to 3 or 5 threads, for gold and platinum respectively. The financial advisory service is an on-call system where a customer in need of any crypto-financial advice can receive structured and proven assistance from professionals. This pay-per-hour service will help those having trouble getting started or those with doubts alleviate their concerns so that they can optimize their investments as much as possible.    Operating Model    Management Personnel  Chief Mining Officer: Sarvesh Prabhu   * Oversees all business portions of the company * Defines mission, purpose, metrics * Makes strategic decisions to improve profitability and bring in new opportunities   Chief Data Scientist: Jai Trivedi   * Oversees software development projects * Guides developments and innovations of the algorithm * Reimagine structures for new data solutions   Chief Financial Officer: Arjun Janakiraman   * Oversees all financial transactions * Analyze company’s financial strengths and weaknesses to propose strategic planning * Budgeting and Expense Control   Workforce   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Job Title** | **Job Description** | **Skills** | **Education** | **Salary** | | **Software Development** | Optimize and troubleshoot with the platform to ensure quality. | Java  Python  AWS | Bachelor’s Degree in Software Engineering, Computer science, or similar fields (Required); AWS Certification (Required) | ~$90,000 | | **Quality Assurance** | Analyze the algorithms as well as test results in order to detect any errors. | Java  Python  AWS | Bachelor’s Degree in Software Engineering, Computer science, or similar fields (Recommended); AWS Certification (Required) | ~$75,000 | | **Program Management** | Oversee day-to-day operations and work hand-in-hand with Dev. team to ensure efficiency for the program. | Java  Python  AWS | Bachelor’s Degree in Software Engineering, Computer science, or similar fields (Required); AWS Certification (Required) | ~$110,000 | | **Cloud Site Reliability Engineers** | Are responsible for maintaining the functionality and any migrations/transfer of the cloud infrastructure. | Java  Python  AWS | BS in Software Engineering, Computer science, or similar fields (Recommended); AWS Certification (Required) | ~$70,000 | | **Customer Support** | Respond to customers who are having trouble with the platform. | People/High Communication Skills | GED | ~$30,000 | | **Sales and Marketing** | Work to promote the algorithm across a multitude of platforms (social media, television, etc.). | Good Understanding of Our Target Demographics and the business as a whole | Communications, Marketing, or Business Degrees Recommended. No Requirements. | ~$90,000 | | **Accounting** | Handle all of the financial information that is part of running the business such as handling taxes, balance sheets, and other financial documents. | Knowledge of accounting practices | Bachelor’s Accounting Degree | ~$80,000 | | **Human Resources** | Oversee the link between management and employees by supervising over hirings, internal discourse, etc. | Business Management Skills as well as empathetic and financial skills. | Bachelor’s in Human Resources | ~$50,000 | | **Financial Advisors** | Assess the financial needs of our company and advises our decisions with investments and/or money moves | Setting Financial Goals and/or possibilities | Bachelor’s in business, finance, financial planning, or economics | ~$70,000 | | **Legal** | Are responsible for all legal and legal-related external matters such as litigation, investigations, compliance, mergers, and acquisitions | Have education of all practices in a court of law. | Business Law Degree | ~$125/hr |       Target Market and Financial Plan  Financial Model  Target Market Defined  ZoroMine targets younger generations who are blazing the trail with crypto investments. Of all the crypto investors, 44.3% are millennials, 28.6% are Gen X, 17.8% are Gen Z, and 8.2% were Baby Boomers.  Youthful Audience  Arjun’s marketing team performed extensive research with Bitcointalk forum, and Cointraffic.io concluded that over 57% of the users engaged in the bitcoin conversations are under 34, making the age group of 25-34 become our primary target.  The next group of 38% of the audience was between the ages 35-54, with the remaining 5% aged 55+.  We further segmented the market with gender; the Bitcoin community tends to be highly lopsided in the direction of the male gender, with 90% of users reporting as male in a Google analytics report.    ZoroMine and High School – *“Invest with a purpose”*  ZoroMine is partnering with high schools in Georgia to create awareness of cryptocurrency and foster the early investment culture at the foundational level. ZoroMine offers a steep discount of up to 50% of the computational cost of mining for the student’s first bitcoin. With this discount, the ZoroMine services are more accessible to the students at the target age of 14-18. Additionally, ZoroMine is sponsoring and mentoring “Young Miners” at the high school clubs.  In return, ZoroMine has more customers and opportunities to continue leveraging our services for mining more cryptocurrency, thus increasing our top-line revenue.  Upon successful implementation, ZoroMine plans to expand to high schools nationwide and reach colleges.  Risks and Adverse Results  We understand that ZoroMine’s solution is utilizing bleeding-edge technology combined with the power of machine learning, cloud technology, and quantum computing. While using these technologies offered a niche position in the market, it also comes with potential risks. Luckily, our leadership team proactively planned the mitigations.  Assumptions and supporting documents  ZoroMine initially targets mining bitcoin in the generally available release in 2022 and will scale to mining Ethereum in its full market launch in 2023.  Each cryptocurrency type will be associated with a machine learning model, allowing to optimize the mining techniques per cryptocurrency.  The Silver launch of ZoroMine offers 1 thread, Gold and Platinum will offer 3 and 5 concurrent threads running in parallel offering faster mining opportunities. The revenue model is associated with the no of threads.  The first 5 years of ZoroMine support the Silver package, allowing ZoroMine to collect adequate usage metrics to build efficient machine learning models in the future.  The Node usage forecasting is based on the actual experiments conducted by Coin.dance organization.    Loan Procurement  Name and Type of Financial Institution  ZoroMine seeks 7(a) type Small Business Administration (SBA) loan from the Chase Business division of JPMorgan Chase Bank.  ZoroMine owners have extensive experience in startups, innovating niche products, and machine learning. Our Chief Mining Officer, Sarvesh, has recently won first place in an entrepreneurial competition hosted by North Georgia University.  The Financial Summary is exhibited in 3.1 shows a steady cash flow from Year 1, with a substantial operating profit superseding the total value of the loan. Additionally, though in high school, the owners have maintained an excellent credit score.    Why Chase?  In the crypto world, time is money. Chase is an SBA preferred lender, which means Chase will process the loan application faster and offers immediate payout. Chase SBA is start-up friendly, offering low-interest rates and a flexible payment schedule. Though our ask is only $809k, Chase can pre-approve up to $5m when needed.  Purpose of Loan and Requested Amount  ZoroMine will utilize this loan to build the machine learning model, acquire the training dataset, establish cloud computing infrastructure, and optimize quantum cycles. The loan ask is for $809,200 for a March 2022 payout. Jei, our Chief Data Scientist, is a DevOps engineer himself who will set up an agile squad to develop the product. The owners provide a personal guarantee to Chase Bank to expedite the loan process.  Itemized Forecasted Expenditures      Financial Stability *“the future is bright”*  The timeline chart below illustrates ZoroMine’s Financial Stability journey.    Works Cited  Coin dance. Bitcoin Nodes Summary. (n.d.). Retrieved February 11, 2022, from https://coin.dance/nodes  Cointraffic. (2019, November 19). *Crypto audience revealed: Who is your target user?* Blog. 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