

Create Youth's Diversified Perspectives.

# Unicorn Company

*Talent + : Design your private talent.*

# Business Plan

July 27<sup>th</sup>, 2019

Boyuan Cheng, Chang Gu, Ziyuan Gu, Shixue Mai, Zhijie Dai

Yichu Dong, Chenyu Ni, Yanting Zhu, Xinyue Zhu, Yuetian Wu

## Contact Information

Boyuan Cheng  
boyuancheng@sjtu.edu.cn  
(+86)18653126110  
Amsterdam 965.  
New York, USA

# CONTENT

<b>Introduction</b>	3
<b>Market Analysis</b>	3
Pain Points	3
Industry Analysis	4
<b>Product Design</b>	6
UI Design	6
User's profile	6
Functions	6
<b>Competitor Analysis</b>	7
<b>Business Model</b>	8
Operation Model	8
Business Profit Model	8
Marketing Method	9
<b>Marketing Strategy</b>	9
Pricing Strategy	9
Convenience	10
Consumer Wants and Needs	12
Communication	13
Product Strategies	14
Promoting Strategies	14
<b>Financial Analysis</b>	15
Assumptions and Explanation	15
Business Forecast	17
<b>Risk Analysis</b>	25
Macro Risk	25
Micro Risk	26
<b>Appendix</b>	29

## INTRODUCTION

TALENT+ is a professional **intermediary platform** to connect talented people with potential customers. The platform publishes **authentic and reliable videos and pictures** online through strict censorship system for demanders. Meanwhile we monetize skills and reach a win-win situation.



## MARKET ANALYSIS

*With the talent video trading platform in the form of **short video**. Other skill trading platforms mainly focus on life services and Internet services, and pay less attention to the market of talent skills. Full-time or part-time talents lack a platform for publicity and cooperation transactions. The full-time and part-time work is mainly limited to the direct introduction of acquaintances, the industry threshold is high, and it is difficult for amateur musicians to prove their abilities.*

### Pain Points

#### For talented people

➤ Some platform available is over-entertained these days, the culture makes them have nowhere to show their professional skills.

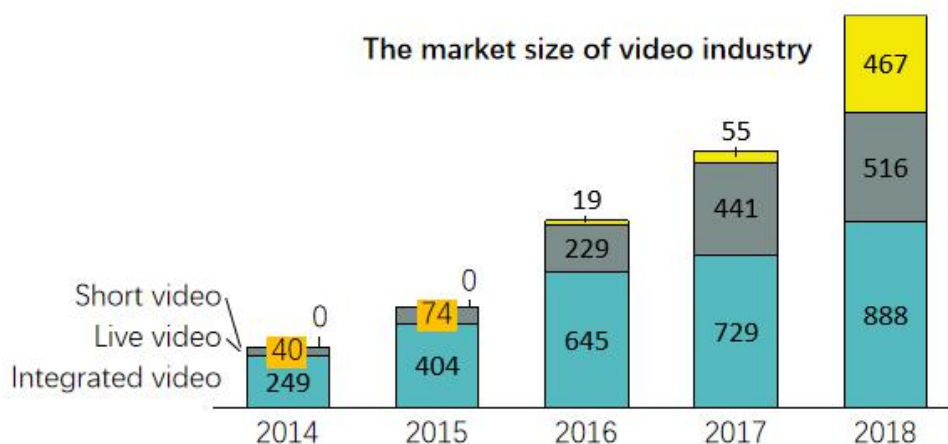
- Performing arts activities are concentrated online, it is difficult to have job opportunities online.
- It is difficult to find people of the same hobby to communicate or form a band. .

### For customers in need

- For small or medium-sized shows, it is not necessary to hire professional musicians
- They look for musicians mainly from people or company they trust, there is no bigger platform for them to find more performers.
- They cannot insight the exact ability of the musicians without videos or other proves.

## Industry Analysis

In 2018-2019, the commercialization process of China's short video industry has **accelerated**. As the data of iiMedia Research, the number of short Video users in China reached 501million in 2018, and there is still room for growth in the market. The number of MCN organizations growing and marketing models are more diversified.



This is a kind of talent trading platform using the form of short video to show user's own ability, while other skill trading platforms mainly focus on life services and Internet services, and pay less attention to the market of talent skills. At most time, full-time or part-time talents without too much fame and popularity usually **lack a place for publicity and have little possibility of cooperation**. Their work is mainly limited to the direct introduction from people they trust, and the industry threshold is so high that it is difficult for amateur musicians to prove their abilities or get working opportunities.

## Industry issues for talent trading platform

- **Skills trading covers narrow occupations**

China's largest skill trading and second-hand market information platform - 58 City in the Skills Trading column, life services and academic-related skills transactions accounted for more than 90% of the total number of transactions, while the trading of talent skills focused on private contacts and signs Contract, lack of a platform to do credit guarantees.

- **The industry lacks innovation power**

In the development of China's skill trading platform for more than ten years, in addition to the development of mobile phone applications, there has been no substantial change in the actual trading methods. In the field of online shopping, the mainstream shopping platform introduced the functions of live broadcast and short video to prove the characteristics of the products, and achieved great results in the promotion of products. The skill trading platform limits its source of clicks to demand customers, while ignoring the role of third-party users.

- **The security issues of the talent transaction**

There are a lot of false information on the platform of 58 cities, and there are certain problems in the authenticity of the transaction content and buyer information.

In the talent provider side, the talent skill trade has higher requirements for its own ability, and the ability cannot be fully quantified. In addition, there is no effective means to define the level of skill providers.

On the buyer side, the qualification and safety of the buyer is a concern of the skill provider; in the transaction, the buyer belongs to the active party, try to avoid labor disputes and ensure the security of both parties becomes a trading platform. The question is important. A strict review system is needed to ensure the fairness and security of both parties to the transaction and to protect the vital interests of both parties.

# PRODUCT DESIGN

## UI Design

### • Log in/ Sign up

After downloading and opening the APP, users will enter the initial interface. Registration is needed in the first time. It can also be authorized by Facebook, Twitter, Wechat, WhatsApp QQ with one-click to login.

### • Home page

After logging in, Users can search and view art works in this page.

**Detailed design has been attached in the appendix.**

## User's profile

We can see their art works and information and also send messages to them via this page.

### • Works detail

When click on a work, user can see more details and comments about it. They can also purchase on this page.

### • Upload page

Users can post their works on the app so that everybody get a chance to watch. They need to announce name, category and location when upload it.

## Functions

### • Searching

Users can search what they want by typing key words or restrictions into the Search Bar.

### • Chatting

If someone is interested in another user's work, they can click on the button and open the dialog box.



- **Recommendation**

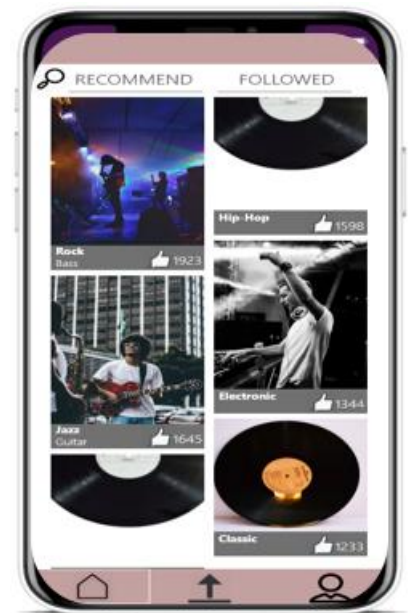
In order to better fit customer's needs, our platform will track the searching and purchase records to recommend specific art works to a certain user according to their preference.

- **Purchase**

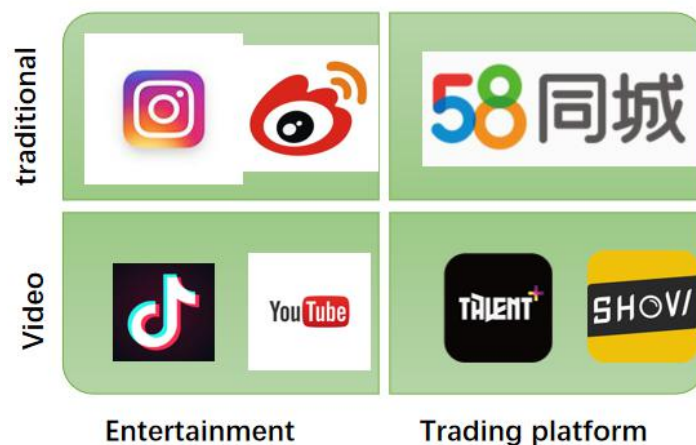
If someone likes or needs other users' works or performance, they can click the purchase button to buy certain service or products.

- **Follow up service**

We provides complaint center and hotline for all the users. They can always contact us when they are in need.



## COMPETITOR ANALYSIS



### Traditional entertainment platform

- Share points in texts and pictures
- Instant but the content is limited

### Video entertainment platform

- Attract and accumulate a large number of users
- Advertisement fee is the main source of revenue

### Trading Platform in traditional forms

- Promote to the information symmetry

- Qualification of candidates are structural, supported by certificates and recognitions.

### **Trading Platform through videos**

- Easy to show those abstract abilities including special talents and soft skills.

## **BUSINESS MODEL**

### **Operation Model**

- Based on App on mobile phones, only 3 steps are required.
- Artists upload videos to show their talents.
- Clients search for the best candidate according to their own requirements.
- Talent+ assists with the transaction.

### **Business Profit Model**

#### **• Contingency pricing**

A fee on the APP or website is only charged when a deal is closed successfully. In every deal successfully conducted through the APP or website will be a fee of service, 2%-5% of the actual turnover. The transaction will be conducted by the platform in order to guarantee financial safety. The customer pays the money to the platform ahead of the performance. After the talent artist performs the show, the platform makes the transaction and pay the talent artist.

#### **• Ranking fee**

When customers searching for specific key words, the ranking of the results are decided by the evaluation mechanism within the platform, which is the same case when the results are recommended by the algorithm of Talent+. In order to make his own search rankings high, the talent artist can pay the APP ranking fee if he wants to be noticed and to take the higher position in all results. Furthermore, the platform will set different charge gradients according to different extent and effect of ranking improvement.

#### **• Advertising income**

The short videos uploaded to the Talent+ platform by people who want to show their talents are highly qualified and diversified, which are wonderful enough to attract new customers to our



platform and gather a large amount of visitor flow. In this way, we can implant advertisement such as opening ad and web traffic ad to earn advertising income.

- **Differential pricing**

Users are differentiated by their urgency of their demand and the talent ranking determined by the different methods. Other factors like area, nature of business and peak/non peak time can also be used to distinguish price.

## Marketing Methods

- Hold activities on campus
- Media reports
- Short-video drainage
- KOL cooperative marketing

## MARKETING STRATEGY

### Pricing Strategy

#### Long Term Strategy

Our long term strategy is **operations oriented pricing**. Our prioritized objective is

- to optimize productive capacity.
- to achieve operational efficiencies.
- to match supply and demand through varying prices.

#### Short Term Strategy

- **Contingency pricing**

A fee on the APP or website is only charged when a deal is closed successfully. In every deal successfully conducted through the APP or website will be a fee of service, 2%-5% of the actual turnover. The transaction will be conducted by the platform in order to guarantee financial safety. The customer pays the money to the platform ahead of the performance. After the talent artist performs the show, the platform makes the transaction and pay the talent artist.

- **Ranking fee**

When customers searching for specific key words, the ranking of the results are decided by the evaluation mechanism within the platform, which is the same case when the results are recommended by the algorithm of Talent+. In order to make his own search rankings high, the talent artist can pay the APP ranking fee if he wants to be noticed and to take the higher position in all results. Furthermore, the platform will set different charge gradients according to different extent and effect of ranking improvement.

- **Advertising income**

The short videos uploaded to the Talent+ platform by people who want to show their talents are highly qualified and diversified, which are wonderful enough to attract new customers to our platform and gather a large amount of visitor flow. In this way, we can implant advertisement such as opening ad and web traffic ad to earn advertising income.

- **Differential pricing**

Users are differentiated by their urgency of their demand and the talent ranking determined by the different methods. Other factors like area, nature of business and peak/non peak time can also be used to distinguish price.

- **Exit fee**

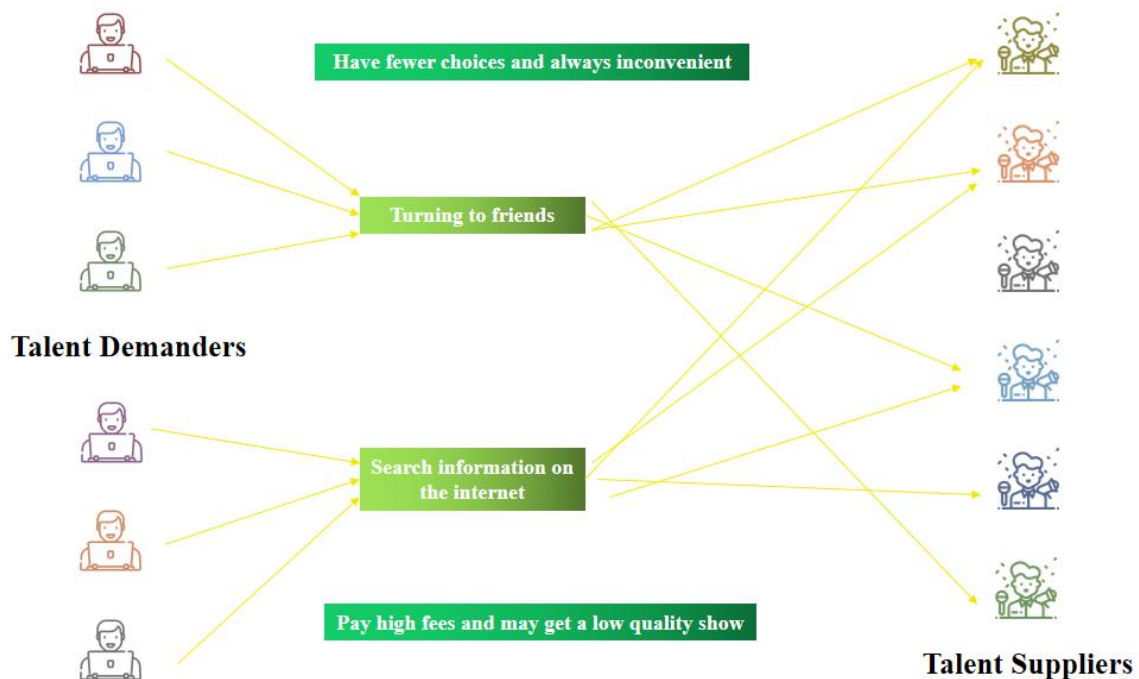
Exit Fees refer to a fee charged for customers who depart from the service process prior to natural completion after they agree on a contract. The objective of exit fees is to deter premature exit and unnecessary costs for both sides.

## Convenience

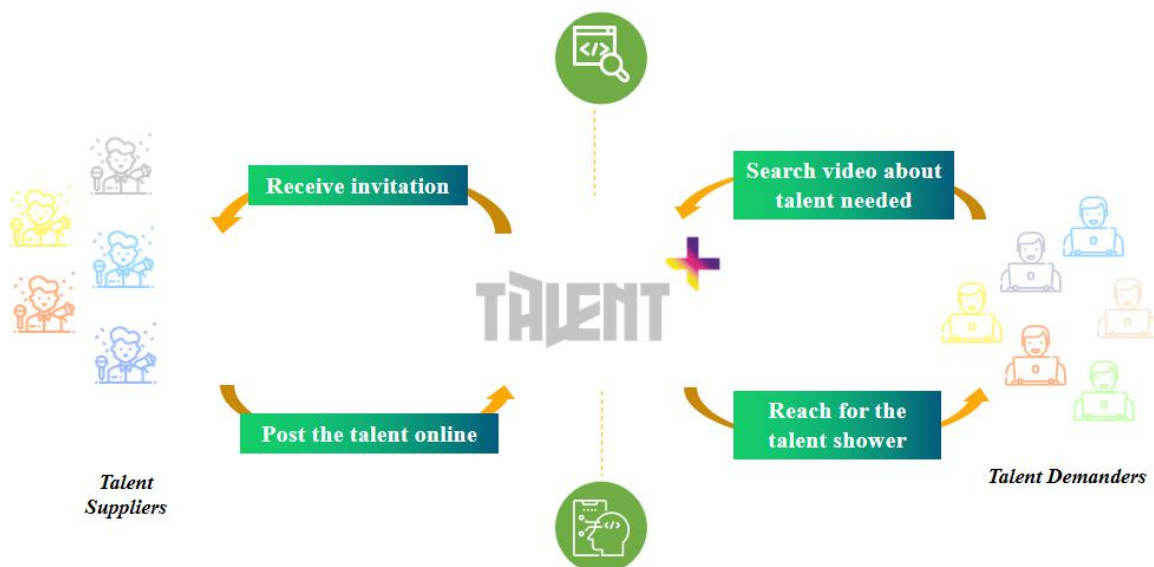
**No matter who are you, a talent shower, a party holder, or even just a tourist of our platform, you can do all the things online.**

To talent **suppliers**, they can upload the video showing their talents on our platform or upload the video on other websites and give a link of his own page on our platform in the introduction. In this way, more people especially strangers can get a view of his talent and credit level and get in touch with him easily. Even to the transaction stage, Talent+ platform provides the contract template to ensure safety.

To talent **demanders**, they can search the talents they need and have a rough impression of their talent level. They can browse other reviews and peer recommendations. They can see the uploaders' credit ranking and expected price before they get in touch with uploaders. On the other hand, Talent+ platform helps keep the money paid by talent demanders. Once there's a accident or a default, the platform can return the money immediately. Otherwise they may can not get their money back.



### Traditional demander and supplier relationship



### New demander and supplier relationship

To **tourists**, they do not have to register for our platform account. They can view all the short video on our platform as a tourist. If they want to make a like or collect some short videos, they can register for an account or log in with an account from another platform such as tiktok, bilibili, facebook, etc.

## Consumer Wants and Needs

**Both talent suppliers and talent demanders** are the consumers of our platform.

### Entity Process

The entity process of a talent trade is clean and direct. The platform connects suppliers and demanders together. They will be able to **contact with each other directly** on the platform and **exchange their thoughts** towards the product without any misunderstandings. Our platform collects most of the information on the transaction of talent. The talent demanders can get in touch with more talent suppliers exactly who they are looking for and have more choices. All the information is shown to every account so the price and quality should be more fair.

### Payment Procedure

Payment will happen through the platform in order to improve safety of trade. All the consumers who want to have a transaction need to authenticate your actual identity. Any payment happened **privately** between customers will not be guaranteed or certified by the platform. Once the contract between customers is signed, buyers need to pay ahead of the performance. Both the talent demanders and suppliers need to take a record of the talent show and upload them to the platform. Otherwise we will check the reality and quality of the talent show. If there's a problem going on, the money paid will return to the origin account after 14 days. Once the performance is successfully completed, the amount of money will go to the performers.

### Information Process

The platform serves as an information distributor between buyers and sellers. Potential consumers can also **browse information** online in case there is need in the future. Furthermore, we can use our platform to build up a community. In the community users can find some friends with the same

hobbies, talent likers can find other workers from other places, etc. This method have a strong user stickiness and can be promoted widely.

## Communication

### To Talent Suppliers

First, gather members of clubs and groups related to talent **both in school and in the society**.

Places like campus and community center has gathered a large number of talented artists. Holding free shows and events for artists to perform in the schools and neighborhoods provides chance to show talent and gain media coverage. They can get a more fair income compared to acquaintance recommendation by posting their talent on the platform. Our platform also provides the safety and convenience of transaction.

Secondly, we need to assemble a group of talent workers who have a lot of **human resources**.

We can get connection with leaders of professional organizations such as Zhejiang University International Students Art Troupe. Another channel of inviting initial talent suppliers is to take private communication with specific people who get high rankings in related talent competitions. We provide them with the most preferential policy. We persuade them to assign agreements with us and make them first users of our platform. In order to promote Talent+ and successful transactions, we can even grant user subsidies.

### To Talent Demanders

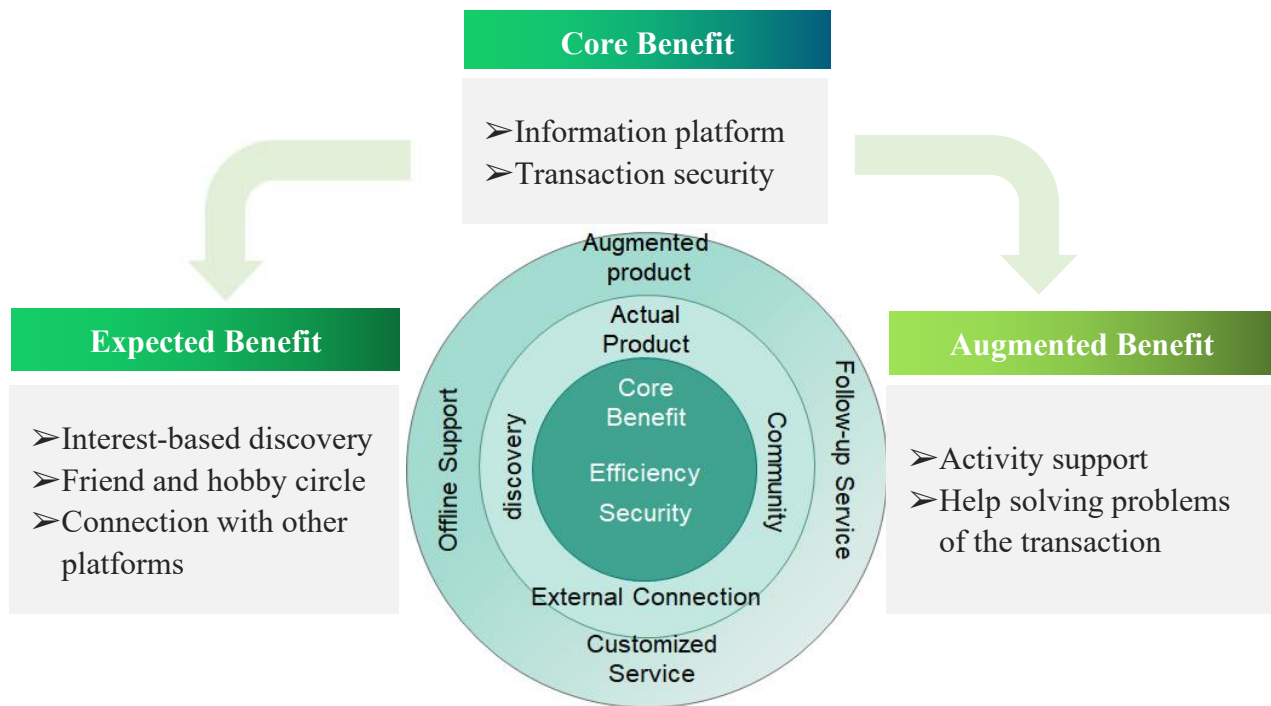
At early stages of the development, **middle channels** should be used to introduce new users. In the short video era, short video applications bring together a large amount of flow, more than 800 million active users every day. Existing short video applications are diverted, and a batch of users can be obtained, which facilitates product promotion and advertising.

Since its unrealistic to get large amounts of talent demanders in the early stage, our platform should develop a small group of loyal customers. Every time they invite others to have a talent show, the audiences get the access of our platform.

Furthermore, we can **cooperate with some events and programs**. Take Zhejiang Foreign Student “Dream Zhejiang” Chinese Talent Show as an example, more than 200 international

students from 15 universities across the province have been involved. It has been held for 12 sessions and is held every December. International students show their artistic talents in a variety of performances such as dance, rap, recitation, readings, and fashion shows.

## Product Strategies



## Promoting Strategies

### Campus/Community Campaign

Places like campus and community center has gathered a large number of talented artists. Holding free shows and events for artists to perform in the schools and neighborhoods provides chance to show talent and gain media coverage.



### Media Coverage

Combine ground activities with local media, newspaper and other to increase product visibility.

Apart from traditional media, internet and social media like



Instagram, Facebook, Twitter are also critical in talent market.

## KOL Cooperative Marketing

Local celebrity or key opinion leaders (KOL) in the community , campus and business field can influence public opinion in an efficient way to promote products and enhance product awareness and reputation.



## Middle Channel

At early stages of the development, middle channels should be used to introduce new users. In the short video era, short video applications bring together a large amount of flow, more than 800 million active users every day.

Existing short video applications are diverted, and a batch of users can be obtained, which facilitates product promotion and advertising.

## FINANCIAL ANALYSIS

### Assumptions and Explanation

#### Assumptions for Revenue

Considering the market subjects, profit model and marketing strategies, the revenue opportunities that the company have are generally divided into the following **three aspects**.

➤ At the early stage, the main purpose of the company is to establish high-quality and stable relations with main subjects and to have a foothold in the market. Therefore the main source of income is the commission—10% to 20% of original price. The average number is around ¥1000 to ¥1500 per order.

➤ Talent artists with strong demand for orders can advance their search results by paying a certain fee. According to different advance degree and effect, set different charge gradient. The bidding cost varies from 1000 to 10,000 yuan.

➤ Advertising revenue. The revenue would be recognized when one-time advertisement is issued. If it is necessary to provide advertising services in a certain period of time to ensure that the advertisements can be accessed continuously, the total amount of advertising expenses shall be shared. Pricing methods are CPM and CPC.

### Basis for Marketing Predicting

At the beginning, the project will expand from **Hangzhou to Zhejiang Province**. After two or three years, the market in Zhejiang will be basically stabilized, and after this period, it will expand to **Shanghai, Beijing and other important markets**. Therefore, the company will enter the stage of rapid growth in 2022. While the revenue growing, the cost increase brought by expansion of scale will also increase the demand for financing.

### Basis for valuation of Fixed Assets

Catogary	Depreciation method	Depreciation period	residual rate	Annual depreciation rate
General equipment	Annual average method	10 years	5%	15%

### Tax Types

Tax type	Tax basis	Tax rate
VAT	Selling goods or providing taxable services	13%、6%
Urban maintenance and construction taxi	Taxable tax payable	7%
Education surcharge	Taxable tax payable	3%
Local education surcharges	Taxable tax payable	2%
Corporate income tax	Taxable income	25%



Financing Plan

Year	Stage	Financing needs
2020	Start-up Stage	¥ 2,000,000
2022	Fast-growth Stage	¥ 5,000,000

- In the **initial stage**, in addition to APP establishment and maintenance costs, marketing costs and costs incurred in the process of establishing important customers, other inputs are less.
- During the **rapid growth phase**, it is necessary to rapidly expand the scope and radiate important markets such as Beijing and Shanghai.
- **Stable operation stage**, which can maintain the balance of business through business income.



Business Forecast

Salary and welfare fee estimate

Unit: 10,000 yuan

NO.	project	Calculation period									
		1	2	3	4	5	6	7	8	9	10
1	Algorithm engineer										
	Number of people	1	1	1	2	2	2	2	3	3	3
	Annual salary per capita	20	20	20	20	20	20	20	20	20	20
	The amount of wages	20	20	20	40	40	40	40	60	60	60
2	Front-end engineer										
	number of people	1	1	1	2	2	2	2	3	3	3
	Annual salary per capita	15	15	15	15	15	15	15	15	15	15
	The amount of wages	15	15	15	30	30	30	30	45	45	45
3	General manger										
	number of people	1	1	1	1	2	2	2	2	2	3
	Annual salary per capita	18	18	18	18	18	18	18	18	18	18
	The amount of wages	18	18	18	18	36	36	36	36	36	54
4	Financial officer										
	number of people	1	1	2	2	2	2	2	2	2	2
	Annual salary per capita	15	15	15	15	15	15	15	15	15	15
	The amount of wages	15	15	30	30	30	30	30	30	30	30
5	salesperson										
	number of people	2	2	3	4	4	4	4	4	5	5
	Annual salary per capita	10	10	10	10	10	10	10	10	10	10
	The amount of wages	20	20	30	40	40	40	40	40	50	50
6	Customer service										
	number of people	2	2	3	3	3	3	3	3	3	3
	Annual salary per capita	10	10	10	10	10	10	10	10	10	10
	The amount of wages	20	20	30	30	30	30	30	30	30	30
7	total	108	108	143	188	206	206	206	241	251	269

## Total cost estimate

Unit: 10,000 yuan

NO.	project	Calculation period									
		1	2	3	4	5	6	7	8	9	10
1	Wages and benefits	108	108	143	188	206	206	206	241	251	269
2	Research and development costs	10	12	14	16	20	22	25	30	35	40
3	Advertising	50	50	60	70	80	100	105	105	105	110
4	Venue Fees	10	10	10	10	10	10	10	10	10	10
5	Water and electricity costs	5	5	5	5	5	5	5	5	5	5
6	Operating costs	183	185	232	289	321	343	351	391	406	434
7	Depreciation and amortization	70	70	70	70	70	70	70	70	70	70
8	Total costs	253	255	302	359	391	413	421	461	476	504

### Interpretation of operating costs:

The number of personnel and salary requirements are calculated according to the average market salary.

The r&d cost is mainly for APP development and maintenance. The cost of outsourcing the development technology of a mature APP on the market is 100,000 yuan a year. Talent+ is developed by our own r&d team . Because the app would be supplemented by optimization algorithm and function every year, so the r&d cost keeps rising.

As the developer of emerging markets, Talent+ is indispensable in advertising and publicity expenses. It is necessary to break the old and formed trading circle of art workers. The activities can include international students' Talent competition, cultural activities of sino-foreign exchange festival and so on.

### Operating income, Business tax Estimate Table

Unit: 10,000 yuan

No.	Project	Calculation period									
		1	2	3	4	5	6	7	8	9	10
	Operating load	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>1</b>	Sales revenue	250	320	515	730	980	1320	1700	2230	2780	2800
<b>1.1</b>	income	250	320	515	730	980	1320	1700	2230	2780	2800
<b>2</b>	Taxes and surcharges	3.9	4.992	8.034	11.39	15.29	20.59	26.52	34.79	43.37	43.68
<b>2.1</b>	City maintenance and construction tax	2.275	2.912	4.687	6.643	8.918	12.01	15.47	20.29	25.30	25.48
<b>2.2</b>	Education surcharge	0.975	1.248	2.009	2.847	3.822	5.148	6.63	8.697	10.84	10.92
<b>2.3</b>	Local education surcharge	0.65	0.832	1.339	1.898	2.548	3.432	4.42	5.798	7.228	7.28
<b>3</b>	VAT	32.5	41.6	66.95	94.9	127.4	171.6	221	289.9	361.4	364

#### Interpretation of revenue forecast:

At Zijingang campus of ZJU, there are 20 groups or individuals of international students talent workers. At present only by acquaintance introduction, talent workers could receive an average salary of 1,500 yuan for 2 business performances a month. With the platform recommendation frequency can be increased to 3 times a month.

Hangzhou has a total of 44 universities. Let's say that in the first year, a quarter of them have access to Talent+.

$$20 * 12 * 12 * 1500 * 20\% = 259200$$

The revenue grew at a rate of about 30% in the early stage, and then expanded to bigger markets 3 years later, with a growth rate of about 40%, remaining stable in the later stage.

### Profit and distribution table

Unit: 10,000 yuan

No.	Project	Calculation period									
		1	2	3	4	5	6	7	8	9	10
1	Operating income	250	320	515	730	980	1320	1700	2230	2780	2800
2	Taxes and surcharges	3.9	4.992	8.034	11.388	15.288	20.592	26.52	34.788	43.368	43.68
3	Total costs	253	255	302	359	391	413	421	461	476	504
4	Subsidies income	0	0	0	0	0	0	0	0	0	0
5	Total Profit	-6.9	60.008	204.96	359.61	573.71	886.40	1252.4	1734.2	2260.6	2252.3
6	Make up the loss of previous year	0	6.9	0	0	0	0	0	0	0	0
7	Income tax payable	-6.9	53.108	204.96	359.61	573.71	886.40	1252.4	1734.2	2260.6	2252.3
8	Income tax	-1.725	13.277	51.241	89.903	143.42	221.60	313.12	433.55	565.15	563.08
9	Net profit	-5.175	46.731	153.72	269.70	430.28	664.80	939.36	1300.6	1695.4	1689.2
10	Initial undistributed profit	0	-5.175	46.731	153.72	269.70	430.28	664.80	939.36	1300.6	1695.4
11	Distributable profit	-5.175	41.556	200.45	423.43	699.99	1095.0	1604.1	2240.0	2996.1	3384.7
12	Extract for statutory surplus reserve	0	18	19	20	21	22	24	25	26	28
13	Profits available for distribution to investors	-5.175	23.556	181.45	403.43	678.99	1073.0	1580.1	2215.0	2970.1	3356.7
14	Undistributed profit	-5.175	46.731	153.72	269.70	430.28	664.80	939.36	1300.6	1695.4	1689.2

15	EBIT	-5.175	46.731	153.72	269.70	430.28	664.80	939.36	1300.6	1695.4	1689.2
16	EBIT before depreciation and amortization	64.825	116.73	223.72	339.70	500.28	734.80	1009.3	1370.6	1765.4	1759.2

### Cash flow forecast

Unit: 10,000 yuan

No.	Project	Calculation period									
		1	2	3	4	5	6	7	8	9	10
1	Net cash flow from operating activities	54.975	119.60	258.22	405.88	611.86	913.50	1267.2	1731.7	2240.2	2231.3
1.1	Cash inflows	282.5	361.6	581.95	824.9	1107.4	1491.6	1921	2519.9	3141.4	3164
1.1.1	Operating income	250	320	515	730	980	1320	1700	2230	2780	2800
1.1.2	VAT tax	32.5	41.6	66.95	94.9	127.4	171.6	221	289.9	361.4	364
1.1.3	Subsidies income										
1.1.4	Other inflows										
1.2	Cash outflows	227.52	241.99	323.72	419.01	495.53	578.09	653.77	788.16	901.11	932.68
1.2.1	Operating costs	183	185	232	289	321	343	351	391	406	434
1.2.2	Input VAT	0	0	0	0	0	0	0	0	0	0
1.2.3	Business tax and surcharge	3.9	4.992	8.034	11.388	15.288	20.592	26.52	34.788	43.368	43.68
1.2.4	VAT	32.5	41.6	66.95	94.9	127.4	171.6	221	289.9	361.4	364
1.2.5	Income tax	8.125	10.4	16.737	23.725	31.85	42.9	55.25	72.475	90.35	91
1.2.6	Other outflow										
2	Net cash flow from investment activities	-200	0	-500	0	0	0	0	0	0	0

<b>2.1</b>	Cash inflows										
<b>2.2</b>	Cash outflows	200	0	0	0	0	0	0	0	0	0
<b>2.2.1</b>	Construction investment	200		500							
<b>2.2.2</b>	Maintenance investment										
<b>2.2.3</b>	Liquidity										
<b>2.2.4</b>	Other outflow										
<b>3</b>	Net cash flow from fundraising activities	200	0	500	0	0	0	0	0	0	0
<b>3.1</b>	Cash inflows	200	0	500	0	0	0	0	0	0	0
<b>3.1.1</b>	Project capital investment	200	0	500	0	0	0	0	0	0	0
<b>3.1.2</b>	Construction investment loan										
<b>3.1.3</b>	capital loan										
<b>3.1.4</b>	Debt securities										
<b>3.1.5</b>	Short-term borrowing										
<b>3.1.6</b>	Other inflows										
<b>3.2</b>	Cash outflows										
<b>3.2.1</b>	interest expenses										
<b>3.2.2</b>	Repayment of debt principal										
<b>3.2.3</b>	Payable profit										
<b>3.2.4</b>	Other outflow										
<b>4</b>	Net cash flow	54.975	119.60	258.22	405.88	611.86	913.50	1267.2	1731.7	2240.2	2231.3

## RISK ANALYSIS

### Macro Risk

#### Policy Risk

- **Political Policy**

The supply side mainly comes from the group of international students. If the proportion of foreign students coming to China is reduced due to some political reasons, there will be a shortage of supply on the platform, which may reduce profit.

Therefore, when a certain market is established in the group of international students, the market should be expanded to Chinese college students and social groups as soon as possible.

- **Content Policy**

Except for the supplier problem, the content of music should also be greatly considered. Any violation of the laws and regulations of the People's Republic of China, such as pornography and gambling, should be banned. The platform will increase the intensity of the supervising to ensure that our platform service goals do not deteriorate. Monitoring costs may increase as the market size of the product expands.

The platform has established relevant policies to strengthen supervision.

- **School Policy**

School policy also plays an important role. Some schools may not provide sufficient trust in the entertainment function of the platform, which leads to overestimation of the market size.

#### Environment Risk

The operating locations of the platform are mainly divided into online and offline. Online, the platform uses computer technology to provide services and facilitate transactions; Offline, the platform provides security and convenience support for the services of both suppliers and demanders.

Environmental changes may reduce the trading heat in the short term, but will not have an excessive impact on the fixed assets of the platform. Poor environments can hinder offline service support and cause a **damage to the service infrastructure offline**, which can result in additional



financial cost in this way. Severe weather for a long time may cause the platform to permanently **lose customers in a certain area**, resulting in a structural decline in intermediary revenue.

## Market Risk

An important market risk is **consumer preferences**. The products provided by the current platform are the docking point for the Chinese market and Western students' hobbies. In the future, when the preference of Chinese consumers is changing, or when foreign students are keen on other activities, the product need to increase the scope of platform services.

## Industry Risk

In 2018-2019, the commercialization process of China's short video industry has accelerated. As the data of iiMedia Research, the number of short Video users in China reached 501million in 2018, and there is still room for growth in the market. The number of MCN organizations growing and marketing models are more diversified. Therefore, it is expected that in the next three to four years, the industry still has **a large room for development**, and the risk of industry decline is relatively small.



source: [www.iresearchchina.com](http://www.iresearchchina.com)

However, under this circumstance, the **infringement** is serious. According to the data of iiMedia Big Data Public Opinion Monitoring System showed, the southeast coastal of China has become a relatively concentrated area of infringement of short video. Similar to the popular application Tik

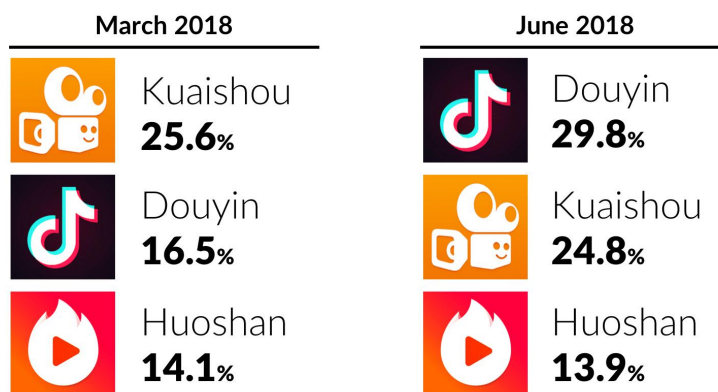
Tok in the short video field, there may be infringements in the late stages of the product, including unauthorized copying, performance, network communication of other people's movies, music, photography, text, etc. This is a structural problem in the short vide industry. Therefore, in the late stage of the product, a good **ecological circle** should be established to punish the infringement, ensuring the legitimate rights and interests of both supply and demand sides.

## Micro Risk

### Competitor Risk

Although the platform has no direct competitors, there are some potential competitors. Social apps such as Tik Tok (Douyin), Kuaishou, Huoshan, etc. can also enter the industry, by using their large-scale users they could provide lower transaction costs.

#### Penetration of short video Apps



source: Jiguang data report, WalktheChat Analysis

In order to solve this problem, first, we must adhere to the core competitiveness of our product, promoting the specialized competitiveness. Secondly, in the early stage of the platform establishment, the customer base will be greatly accumulated, based on the user's better experience. Third, the offline service of the product will be strengthened to ensure the property and personal safety of the consumers.

### Tecnology Risk

The platform provides a new business model, which does not require more new algorithm support in the early stage, but is based on the traditional big data recommendation system. As the product continues to evolve, new core technologies need to be continuously developed, such as more personalized search models, algorithms based on online and offline matching services, and so on. After the product is mature, there may be risks such as uncertain technical effects and long technical development cycles.

## Financial Risk

### • Financing risk

During the **start-up period**, it is difficult to make profits by means of advertisements and headlines, and the profit model is relatively simple. While offline service sites need to invest in larger fixed assets, there may be a shortage of upfront capital flows.

In 2022, the platform will enter a period of **rapid development**, to rapidly expand the scope and radiate important markets such as Beijing and Shanghai. A large-scale capital flow is required during the expansion period, and there may be a shortage of capital flows.

### • Inflation risk

Another big financial risk is inflation. According to estimates, China's inflation rate may increase in recent years, resulting in undervalued asset value, insufficient depreciation and production capacity reduction. On the other hand, overestimation of income and undervaluation of expenses will also lead to a false increase in income, thus facing higher tax burden. In addition, inflation also has a greater impact on financial control.

### • Operation risk

In the operation process, if the offline service is improperly sited, it may lead to a long period of investment recovery, which will affect the company's profits.

- **Liquidation risk**

There may be a liquidation risk of receivable accounts during the advertising marketing process.

- **Solution**

In order to deal with financial risk, company should establish a financial analysis indicator system and establish a long-term financial early warning system, focus on profitability, solvency, efficiency and other indicators to ensure that companies have sufficient liquidity and development potential. Actively organize roadshows and publicity, expand channels of funding sources, and continuously upgrade user experience and accelerate investment turnover.

## **Management Risk**

Due to the company's **organizational structure, management personnel quality, corporate culture** and other reasons, related risks may arise. Company should improve corporate governance structure and establish a reasonable and effective equity distribution mechanism.

## APPENDIX

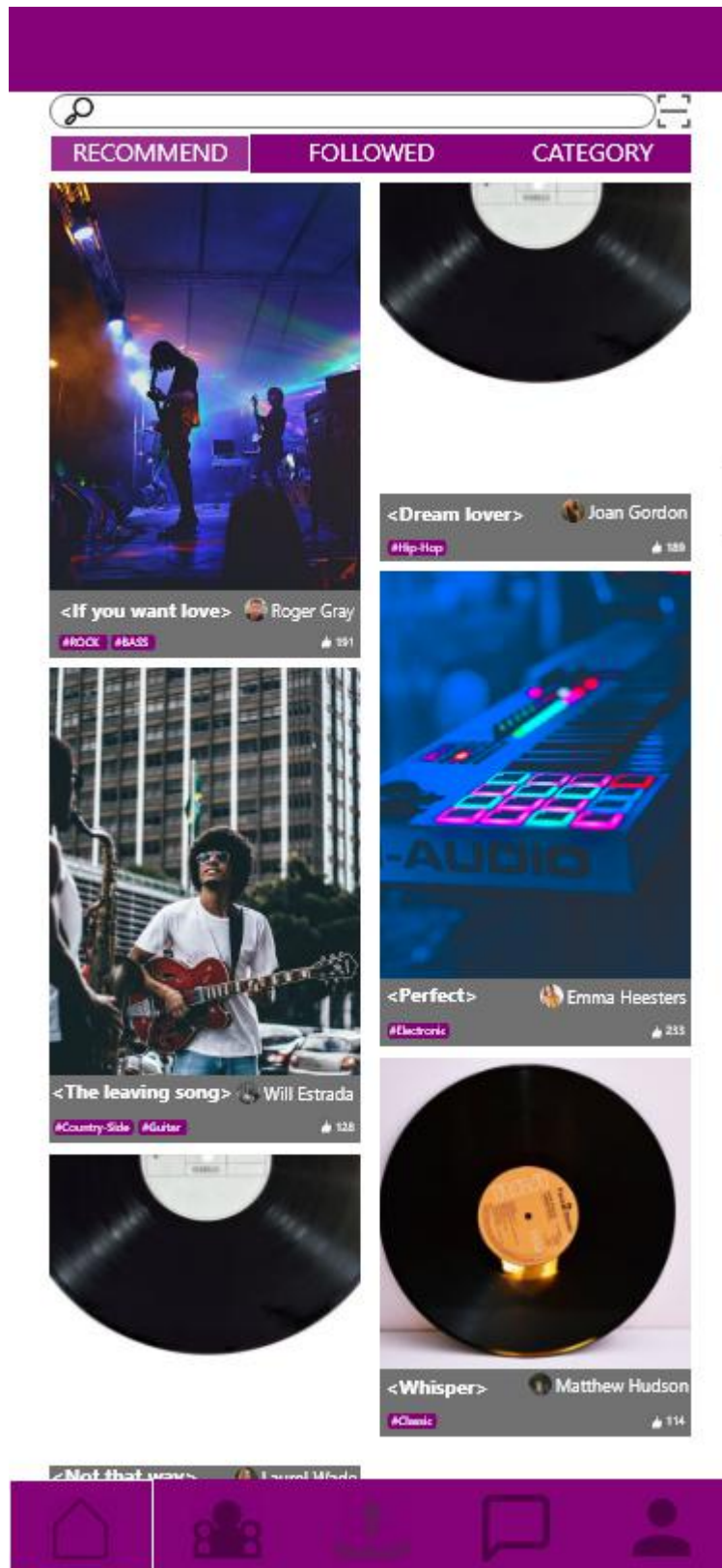
### User Interface Design



# TALENT+

**SIGN UP**







<If you want love>



Roger Gray



Introduction

### Comments



Victoria Marshall



180



Carol Banks



165



Ruth Baker



105



Brandon Gibson



78

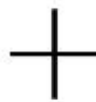


Roger Wallace



45





ADD NAME

ADD TAGS

SEND

ADD LOCATION



DONE!