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OVO Business Development Plan

# Introduction

The company that has been chosen is OVO which is the leading fintech company in Indonesia. Since digital payment competition in Indonesia has been tight recently, OVO must be unique and come up with some innovation. The innovation that has been proposed is to bring a cryptocurrency payment gateway to enhance OVO current product. The reason OVO must implement this product is because they need to keep competing in the market and maintaining their customer.

# Collaboration Model

As mentioned in the report before, Indonesian crypto transaction value is very high, that is why the collaboration model that will be proposed is a build-in-house tech team which is where OVO will develop this cryptocurrencies payment gateway without any outsourcing from third parties, this project will be done with an internal team with commitment.

## 2.1 Benefits and Advantages

The benefits and advantages of this model are, first OVO can control the process of the development which means they have full control of the design, maintenance, and implementation, this is very beneficial and can save a lot of times because any changes that want to be made will be resolved quickly and it can reduce some errors caused by misunderstanding. If OVO decided to outsource software from third party and they want to do some changes on the design or implementation, it will be very difficult since the code is already finished, so all feature and system is already connected to each other, even if they made some small changes, it could break the program and waste some time. In addition to the first benefits, OVO can guarantee that the resources or the technology that is used is in line with their standard or needs. Second benefit is OVO does not need to share their IPR (Intellectual Property Rights) because if OVO went with outsourcing, there is a possibility of risk that can bring threat to their IPR. Third is that the company data that is sensitive will be protected since the team will be present in the office, so the data does not need to go out. Another benefit will be since the team is present on site, the communication can be done directly and better to avoid misunderstanding (ElifTech, 2023).

## 2.2 Risk

There are some risks of build-in-house tech teams to be aware of. First is the lack of expertise: The domains of cryptocurrency and blockchain technology are developing quickly. The build-in-house tech team might not have the necessary expertise to create a reliable and secure crypto payment gateway. Crypto transactions will involve a significant amount of money and it might attract hackers (Taylor, 2022). With lack of experience and expertise in this domain, the team might not be able to develop security protocols to create a safe crypto payment gateway. In order to resolve this risk OVO must be strict on recruiting employees and giving training about this technology. Second is the time and resource constraint: creating a crypto payment gateway will be a time-consuming process. The build-in-house team could have lacked the time or resources required to complete the project in the specified period. Third is cost matters, building a crypto payment gateway in-house will be expensive and can become a liability because when recruiting new people, companies must pay their salaries, pension, etc.

## 2.3 Potential Partners

As the main competitor of OVO which is GOJEK, they have merged with one of the biggest e-commerce platforms Tokopedia. Their mergers have affected the economy in Indonesia, but they only combined their product together and did not invent a new product to solve problems in the Indonesian market. Shopee should be considered since Shopee is one of the largest e-commerce platforms in Indonesia beside Tokopedia. Partnering with Shopee could fill the gap where people who wanted to make a purchase on Shopee, but they want to use their crypto for the transaction. This could bring many benefits because Shopee has a big customer base and the number of people who use crypto in Indonesia is increasing overtime. Other potential partners that can help OVO to launch the crypto payment gateway are crypto exchanges and regulators. OVO could partner with some existing crypto exchanges, for instance, Indodax. Indodax is the largest crypto exchange in Indonesia. It is recognised as one of the most reliable exchanges in Indonesia, and it is the only cryptocurrency trading platform that is regulated in Indonesia. Since its launch in 2014, Indodax has never had a cyber assault. Indodax supports over 200 cryptocurrencies, and they are supervised directly under Kemkominfo (Bianco, 2023). With Indodax reputation and capability, this would make a very potential partner because it can give a lot of access to cryptocurrencies and help OVO market the new product. Another thing to build a crypto payment gateway, OVO must comply with Indonesian laws and regulations. Bank Indonesia and the Financial Services Authority (OJK) must be OVO’s partners when launching their product to ensure the OVO is operating in a legal environment. By partnering with the central bank and OJK, it means they have an official licence to operate the business, therefore, it can build customer trust.

## 2.4 Potential Investors

However, to build a promising in-house tech team, it will require a considerable amount of investment to reinforce the process of development. OpenVC is a platform that can be used to reach out potential investors since it can give direct access to top investors in Indonesia. OpenVC also gave many choices of funding which range from idea / patent to pre-ipo. Now, OVO is still in the growth stage because OVO has yet to achieve its full potential and is still continually seeking out possibilities for expansion. The business keeps making investments in innovative functions and technology. This report will give some information to potential investors:

* Alpha JWC Ventures is an Indonesia-based venture capital firm. They specialise on investing in Southeast Asian firms with a particular focus on fintech (Alpha JWC Ventures, 2022). The Board may be able to benefit from Alpha JWC Ventures' broad network of investors, entrepreneurs, and business professionals in the area and since this new product is in early development stage, it matched the criteria of the investment. Because of this firm located in Jakarta, they have an in-depth knowledge of the Indonesian market and could provide helpful insights into regional business regulations and laws. The boards can reach Alpha JWC Ventures by contacting this email info@alphajwc.com.
* AngelHub is a Hong Kong-based startup funding platform that links investors with Southeast Asian companies in the growth stages (Angelhub, 2022). They offer a variety of services, such as fundraising assistance, access to a network of investors, and legal and accounting support, to assist companies in obtaining capital and expanding their business. With more than 100 companies it has assisted in obtaining finance and expanding their operations, AngelHub has a proven track record of success. The Board can visit AngelHub's website and submit an inquiry for more details or arrange a meeting to begin discussion. In addition, the board can also contact AngelHub through their social media platforms, or visit one of their events, or participate in a pitch session to meet the team and learn more about how they handle investments.

See appendix 1 for additional information.

# Team Needs

In order to build a cryptocurrencies payment gateway, OVO must create a team that consists of experts. The team will be built based on the VC funding stage starting from pre-seed until series funding.

## 3.1 Pre-seed

In this stage, OVO should assemble a small team with the required skills to develop a functional prototype. When building a team for a cryptocurrency payment gateway prototype in the pre-seed stage of funding, these following roles should be taken into consideration:

* Blockchain developer is the most important role since crypto payment gateway will be built in the blockchain environment.
* Back-end developer will be establishing the servers, databases, and API to build the payment gateway's infrastructure. A front-end developer will be creating the user interface of the payment gateway prototype.
* Cybersecurity Expert should be a top priority since their job is to detect potential security risks and vulnerabilities and implement protective action countermeasures.
* Product manager is needed to supervise the development of the cryptocurrency payment gateway from ideation to launch.
* HR (Human Resource) is also essential since one of the risks of a build-in-house tech team is the quality of the employee.
* Sales Team that will do the marketing for the product should be recruited early to bring customers, so OVO could get feedback and improve the product.

## 3.2 Seed

In order to continue developing and enhancing the prototype of the crypto payment gateway at the seed stage of funding, a company should maintain the team that it built during the pre-seed stage while considering adding more experts to be onboard. These roles below should be considered:

* Project manager to monitor the development of the crypto payment gateway and ensuring that the project is finished on time and stays within the budget.
* Quality assurance engineer will be important to assess the crypto payment gateway and detect any problems or errors.
* Technical writers to provide manuals for users and developer guides for the payment gateway prototype's technical information.
* UI /UX Designer will be working with the layout, colour palette, and typography for the crypto payment gateway visual aspects to create an interface that is visually appealing while remaining in line with the company's identity.

## 3.3 Series-A

To further develop and scale the crypto payment gateway OVO should start to get aggressive on increasing the size of the team to meet the investor’s expectation. These are the roles that should be considered on recruiting:

* Chief Financial Officer (CFO) to control the company's financial matters, that involve financial reporting, forecasting, and budgeting, therefore, OVO’s have an ensured financial health and long-term sustainability.
* Sales manager must be recruited to establish and lead the sales team as well as driving sales of the payment gateway prototype.
* Chief Legal Officer (CLO) for handling company's legal matters, such as contracts, regulatory compliance, and intellectual property to provide the executive team with strategic legal advice.
* Data analyst to provide perspectives that lead to a strategic decision by studiying user behaviour, market trends, and performance metrics in relation to the crypto payment gateway.
* Experts in customer support to offer assistance for customers who utilise the crypto payment gateway.

## 3.4 Series-B

In this stage, OVO should be focused on profitability and expanding the team. To help scale up OVO should hire critically in:

* Chief Marketing Officer (CMO), so OVO can develop and execute the crypto payment gateway marketing plan into action.
* Chief Technology Officer (CTO) to direct the development team and supervise the technical components of the payment gateway.
* Chief Information Officer (CIO) to oversee all aspects of the organisation's information technology and digital assets, including data management and cybersecurity. Their job includes creating IT strategies that support the growth of OVO.

## 3.5 Series C and Above

OVO may need to expand their teams to be larger and further recruit more experts, for instance, CRO (Chief Revenue Officer) to boost revenue streams. See Appendix 2 for additional information.

# Marketing Strategy

OVO will need an effective marketing strategy to attract in and maintain customers when introducing a crypto payment gateway in Indonesia. Below are some effective marketing plans to be implemented by OVO:

* Educate Customers: In Indonesia, cryptocurrency payments are still an emerging concept even though the transaction in crypto was high, and many people might not completely understand how these systems work. In order to encourage people to use this product, OVO can create educational content, including articles, blog posts, and videos, to educate people. For example, OVO can make videos and post on social media such as Instagram, Twitter, Facebook, TikTok, and other platforms like YouTube, therefore, they are aware of the advantages and potential risks of crypto payments and this strategy can attract potential consumers. OVO also may partner with educational institutions to provide seminars and workshops about crypto payment.
* Explore Opportunities with Existing Customers: OVO has been established since 2017 and now they have approximately more than 200 million customers in 2023, this indicates they have a lot of potential customers for the new product. OVO can send their users some notifications through the app or email regarding OVO wanting to launch a new product and give them an update and the progress as well as the things that they can do with this new product.
* Partnership Marketing and Incentivize the Customers: OVO can collaborate with popular Indonesian crypto exchanges for instance, Indodax to market their payment gateway. They can provide customers with the comfort of purchasing and selling cryptocurrency on the same site by linking their payment gateway with crypto exchanges using API. As has been mentioned above, Collaborating with Shopee means that both OVO and Shopee can market each other and offer some benefits to the users. For example, both OVO and Shopee can reward and incentivize users that utilise their cryptocurrency payment gateway to make a purchase in Shopee. For instance, they could provide discounts or cashback on cryptocurrency purchases. This strategy was already implemented by OVO when they first launched their payment gateway, and it brought them tons of customers, therefore, OVO can use this strategy again in order to market crypto payment gateway. However, OVO needs to add more offers that they did not provide before such as gamification by giving some currencies when they reach a certain milestone, for example, 10 times using the product to pay or reach a certain value of transaction and inviting their friends to use the product.
* Influencer Marketing: Influencers will be an effective promoter of OVO's cryptocurrency payment gateway. To advertise their payment gateway and reach a larger audience, OVO can collaborate with influencers in the tech and finance sectors, actor or actress, or any influencer that has many followers on social media. Marketing using influencers is very effective in Indonesia since Indonesians sometimes can be fanatic and they want to use everything that their influencer uses. This could be done by making a promotional video and posted on social media of OVO and the influencer, and OVO can arrange an interview with the influencer to talk regarding the advantages and benefits of using the product.
* Building Trust with Customer: One of the main worries regarding cryptocurrency payments is security. To gain trust from their users, OVO should emphasise the security aspects of its payment gateway, such as two-factor authentication and encryption. One of the examples is getting SSL certificates to provide encryption and authentication, which assists in preventing hacking or stealing confidential information, such as credit card details and other financial data. OVO also must be transparent about the fees and benefits of using the product, they must not add any fee that is not visible to their customer because it can lose customer trust and OVO must be clear with providing information about the benefits.

# Business Model Canvas for OVO Cryptocurrencies Payment Gateway

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# Appendix

## Appendix 1

Process of development namely, hiring and recruiting skilful employees, providing them with appropriate software and hardware, also training and development strategy to make sure they keep up with the technologies and trends in industry.

Alpha JWC Ventures act like an angel investor since they offer not only finance but also planning and operational support (Alpha JWC Ventures, 2022).

## Appendix 2

Pre-Seed:

* Blockchain developer will guarantee that payment is secured and efficient. As a blockchain developer, they must have expertise on working with blockchain technology, for example, they must be capable of creating secure wallets, developing smart contracts, and integrating the gateway with various blockchain networks.
* HR important job will be ensuring that the employees recruited are top talent.

Seed:

* Quality Assurance Manager will guarantee the crypto payment gateway satisfies the necessary standards of quality and performance.
* Technical Writers jobs are communicating complex technical concepts in clear, direct, and simple approach to the customers.

Series A:

* Sales Manager job will be creating and implementing profitable marketing strategies to boost revenue.
* Customer Support Expert should be able to handle problems, offer technical assistance, and respond to inquiries.

Series B:

* Chief Marketing Officer (CMO) must create successful marketing initiatives that correspond to the target markets.
* Chief Technology Officer (CTO) must be able to establish the technical strategy and have a deep understanding of payment systems and blockchain technology.
* Chief Information Officer (CIO) must create IT strategies that support the growth of OVO.

For Team needs and Marketing strategy, the reference is from the Powerpoint slides.

* Week 6 Guide to build the Fintech team slide number 7 – 12.
* Week 10 Fintech Marketing slide number 11-21.