

## **Business Plan**

For the degree program Business and Engineering

### **TEAM 1**

### **MOBIPAY**

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## 1. Executive Summary (Deniz Aras)

Our lives have been made easier by QR codes. Scanning the QR code supplied by the retailer, entering the amount, selecting the chosen way of payment, and completing the transaction is basically the whole required process. "Mobile business expands rapidly as the increasing number of Internet-enabled devices is creating an ecosystem with endless possibilities... For this emerging ecosystem to survive as an organization, it seems, that it has become mandatory to implement new applications, in as much as technological innovation requires many actions and adaptations - in fact, this need for innovation affects nearly every (online) business" (Gaber, 2022).

Quick Response Codes (QR codes) are used to make instant payments in the shopping area without entering the payment counter. Unlike debit and credit cards, which take time to process transactions, a simple QR code scan may complete payment in seconds. Customer satisfaction will increase in stores using this system. Stress factors will be eliminated. QR codes are simple to use and quick to process payments. Scanning the QR code, entering the money, and completing the transaction will be straightforward steps.

Most European markets close at 8 p.m. People rush to the market, particularly after 5 p.m. This frequently results in long lines for payment in the market. When a cash register malfunctions, customers are forced to wait in long lines for several minutes. To address such issues, the QR code payment method is now available. When a customer enters the market, he can only read the code on the product, make the payment in seconds, put it in his bag, and leave. People will benefit from not having to wait in line at the cash register. This app will provide solutions to the following problems.

- MobiPay will accept payments from different apps with a single QR code.
- There is no daily or monthly transaction limit.
- This app will be installed free and there will be no commission for transactions.

## 2. Business Idea (Deniz Aras)

With Mobipay, it will be easier to make instant payments by scanning a QR code that comes with the receipt from our mobile phone.

- The customer who does not want to pay at the checkout will be able to make the payment directly with the QR code printed on the product while walking around the store and leaving the store without going to the cashier.
- Purchasing and payments experience from stores allows buyers to order items anywhere they see them.
- To avoid any negative situation, the customer's payment information will be saved on his phone and ready to be exported thanks to this application.
- Furthermore, by scanning the QR code given by the recipient, a user can transmit money to another individual.
- Customers will be able to exit without waiting in the cashier's queue.

Offering loans to merchants or local shopkeepers to generate revenue is MobiPay's unique business plan. A seller can create a QR code that links towards the good or service they want to promote and place it anywhere a potential customer is likely to see it. "The implementation of m-payment has increased, not only since creditors and vendors realized its convenience and efficiency, but also since mobile banking integrated more services like 'Instant SEPA payments to adapt to the rapidly developing m-commerce' (HAHN and KODÓ, 2017, as cited in Gaber, 2022 ). With QR checkout, the seller can also link the QR code to the end of the checkout process for that specific product, allowing a buyer to buy that item simply by scanning the code.

- This app includes a robust user panel that enables simple registration, login, bank account connecting, credit card/debit card integration, and wallet creation.
- The app's merchandise panel allows for simple registration, login, bank account linking, accepting the option to pay, QR code generation, and support.

### 3. USP & Business Model & Target Group (Deniz Aras)

QR codes distinguish themselves from other online purchasing methods because they can be used anywhere, in both the digital and physical worlds. USP is stated as a unique value proposition in the business model canvas. This Canvas particularly shows target customers, target partners, key activities, USP and revenue.

Key Partners	Key Activities	Value Proposition
Hotels	Create QR code	Secure
Restaurants	Read QR code	Digital
Retailers	Register buyer or seller	Recharging business
Web Sites	Transfer money from buyer to seller	Fast transfer
Movie Theaters		No Transaction Fee
Customer Segment	Revenue stream	
Pc users	Comissions from Key Partners	
Mobile users	Advertisement	

Figure 1 Business Model Canvas

In this business model, the following technologies and services will be used in application development steps. To finish this project, the application must first be designed, then developed, then tested and supported. The application's development is expected to take at least six months and up to a year.



Figure 2 Development Steps

The technology and services required in this model are as follows. Some of the services will be purchased as membership. QR code generator API allows you to create, decode, and read QR code graphics. In addition “ A payment gateway is the mechanism that reads and transfers payment information from a customer to a merchant’s bank account. Its job is to capture the data, ensure funds are available and get a merchant paid” (2022). “Microservices are small applications built around specific business functionality decoupled from other pieces of your commerce platform. Their independence and dedicated APIs allow them to integrate with diverse touchpoints and be scaled, updated, and removed without impacting site performance, the database, or code of your core commerce platform” (Bahadur, 2022). Also, A data balancer distributes consumer requests to servers

that can fulfill those requests in a way that maximizes speed and capacity utilization while ensuring that no single server is overworked. As a result, databases stores, all data relative to these activities.

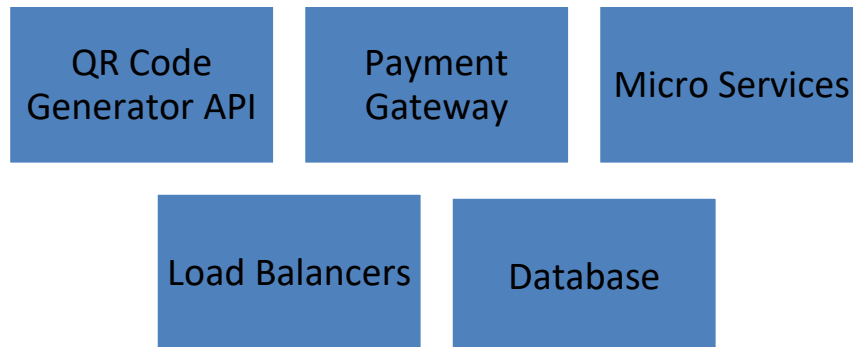


Figure 3 Required Server Systems

#### 4. Management & Team (Deniz Aras)

Team members should be as follows during the project. The key requirements for this request are listed in the column next to the team members. Minor changes can be adapted. The founders of this project are differentiated from the development team. Professional experience is necessary for application development.

Team Members	Key Responsibility
Mobile App Developer	Responsible for app features
Back End Developer	Write codes for app features
Front End Developer	Write codes for the visual side of app
QA Specialist	Check the quality of the project
Project Manager	Manage the project process

Figure 4 Team Members

This business plan is developed during our study in FHWS and the founders are the student group of BPLA module as follows:

Founders	Expertise
Deniz Aras	Student/Business Engineer

Prashant Kumar	Student/Business Engineer
Chih-Ying Hsu	Student/Business Engineer
Naga Minnati Tatineni	Student/Business Engineer
Anas Alsaied Ahmad	Student/Business Engineer

Figure 5 Founders

## 5. Industry overview and trends (Chih-Ying Hsu)

### Industry Analysis

The product under development is planned for launch in the digital payments and payment gateway markets. Payments is a globally growing industry. Based on convenience, many end customers have come to rely on in-app payments. According to Grand View Research, the global payment gateway market was valued at USD 22.09 billion in 2021 and was expected to grow at a compound annual growth rate (CAGR) of 22.1% from 2022 to 2030 (Grand View Research, 2021). This reflects the growing global demand for digital payments for the purchase of goods in various industry sectors.

### Demand

There are several attributions to the growth of the payment gateway market. The rising demand for mobile payments, maturation of e-commerce sales, and expanding internet penetration across the globe are the significant factors expected to contribute to the market growth. Furthermore, the preference for online money transfers by merchants and consumers is expected to shift toward digital channels and will drive market growth in the coming years. The potential users of Mobipay are basically all people who have the spending power, from which a continuous demand for the products offered can be derived.

### Barriers to Market Entry

The main barrier to market entry can be the high investment and marketing costs in the early stages of the project. Since the product being developed includes a lot of collaborations with banks and stores, the project requires a lot of time and money to discuss and sign commercial contracts with partners and suppliers. In order to transform raw physical payments into digital payments, a significant investment in marketing is also required.



## 6. Technological Trends (Chih-Ying Hsu)

The economy, money, and how we pay have changed several times since the Stone Age. The adoption of digital payment systems has accelerated simultaneously, driven by technological achievements and the Covid-19 pandemic. Mobipay plans to capitalize on this trend as payment systems transition into the digital space and offer new products for digital payments.

## 7. The Market (Chih-Ying Hsu)

### Overview of market trends

The digitization of payments is a giant leap toward the goal of making payments simple, convenient, fast, and secure. According to Grand View Research, the global mobile payment market size was valued at USD 40.59 billion in 2021 and is projected to grow at a compound annual growth rate (CAGR) of 35.3% between 2022 and 2030 (Grand View Research, 2021). More and more customers around the world have embraced the concept of using smartphones and tablets to pay for products and services. The rising internet penetration for online shopping is expected to further drive market growth over the next 10 years. Due to the challenges posed by the COVID-19 pandemic, both e-commerce and traditional businesses are beginning to adapt to shifts in customer behavior, such as cashless payment methods via mobile devices. Global businesses are also making their payment models mobile compatible. This also creates growth opportunities for the market.

Nevertheless, cash payments are still a more popular payment method in Germany. According to research by Global Data, ATM cash withdrawals will increase from €245.7 million in 2019 to €272.9 million in 2023, an increase of 11% (Global Data, 2020). As a result, mobile payment adoption in certain verticals in Germany has been slow to grow. On the other hand, Germany has owned the third-largest business-to-consumer eCommerce market in Europe. The e-commerce market was worth 94 billion euros in 2019 and accounts for about 11% of the total German retail market (J.P. Morgan, 2020). Due to the continuous increase in the penetration rate of online shopping, sales categories such as food, electrical appliances, computer software, and hardware have also migrated to the Internet in recent years and have grown rapidly. Therefore, while cash payments are still the dominant payment method in Germany, it is foreseeable that payment methods will soon shift to digital payments in the next few years.

## Target market

Mobipay's target audience consists of two segments, suppliers and customers. The suppliers are businesses that provide products or services to customers, including mobile operators, or traditional stores such as food or grocery stores. The customers are those who buy products or services from suppliers and pay for them. Mobipay is positioned as a payment gateway between these two segments.

Deutsche Bundesbank has been conducting a study since 2017 that is tracking consumer payments, and in recent years, statistics point to a slow but steady shift in habits (Deutsche Bundesbank, 2017). For example, a quarter of respondents in the 18-24 age group want to send money to friends and colleagues using a mobile device. Therefore, the potential users will be primarily targeted at the customer base, namely men and women between the ages of 18 and 35 living in Germany. This segmentation is based on users with certain spending power and a basic implementation of mobile devices. A simple and clear tutorial is essential in the application in order for customers to understand the operation of Mobipay. Based on this requirement, multiple test versions are required before the final launch.

For our second target segment, supplier decision makers ranged in age from 30 to 55 years old. The main need for this target group is likely to be the acceptance of digital payments transformation.

## 8. Sales and Marketing (Anas Alsaied Ahmad)

Mobipay is an idea of an app that solves a gap in the market, as the team members and I came up with an idea that makes paying at restaurants, and shops, kiosks, etc... much easier. The idea of an app is that you can connect the bank card of the customer to the application, and he/she will be able to pay for the items, and services through the Mobipay app.

Mobipay main target customers are the shops that don't usually have the service of paying by card, not only them but our vision is to make it worldwide and accessible by every smartphone.

There will be two different types of customers for Mobipay, the vendor and the client. The Vendor is the person who is offering the product or service to the client and uses Mobipay to get paid. The client is the person who buys and pays for the product/service by using Mobipay to pay for it.

The main methods of communication with the vendors and customers will be through the application. The sales will happen directly through the app, as the customer will first download the application then fills in the needed information, and waits till they get verified. The app will show notifications when there are offers and promotions from the vendors so that the client won't

miss the chance. When facing a problem, the client chats with a bot to solve an issue if that was not possible he/she will be redirected to an employee.

On the other hand, the vendor will have to download an app specifically for the vendors, which he/she will be able to register themselves and fill in the needed information, so they get verified.

The main method of communication will be through the app and direct calls when having an issue that needs to be resolved immediately.

### Customers

Mobipay's main customers are the vendors and clients, as it is an e-commerce app that connects the client with the vendor. Our main customers are the buyer (client), and the seller (vendor), customers are divided into 2 groups the primary customers and the key customers. Below are listed our customers into key and primary:

1) Key customers: is the type of customers that come to us, in Mobipay it is the person who downloads the app and uses it to sell the product/service to the end-user. The key customer is the person who comes to us and uses our products.

In this case, the key customer for Mobipay is the vendor(seller) that uses the app to get paid by the consumer.

2) Primary customer: is the end-user of the product, in Mobipay it is the client that uses the app to pay the vendor for the products/service received.

Mobi app is highly reliant on both the key customers and the primary customers as both are important for the app, the two of them complete the chain of sales and marketing.

Mobipay aims to target a high number of vendors to make it more common among the vendors which will encourage others to use it, the ease of using it makes it preferable to other means of payment. Having a high number of vendors using Mobipay will make it more accessible to use Mobipay in the market to the client(consumer), this means when there is more Mobipay in the market the higher the revenue.

Mobipay depends on one source of income, the commission fee from the vendor, as it takes a small percentage from the amount that is paid by the client to the vendor. Also, there will be other sources of income explained in the finance part.

### Suppliers

Mobipay is reliant on multiple suppliers, having an application that is safe to use and that is approval by the banks is what makes Mobipay successful. The most important suppliers are listed below:

- 1) Web-security providers: Mobipay is an application that is highly dependent on web-security providers as it includes online payments through the app. Mobipay needs to control and monitor all transactions to see if suspicious activities are happening.
- 2) Banks: the banks are the main suppliers for the application, as the consumer connects his bank account to the application, so he can pay using the application.
- 3) Internet service providers: internet service providers are one of the main suppliers for Mobipay, as the application needs both the vendor and the consumer to be connected to the internet.

### **Advertising and promotion**

To become more widespread and known to attract more clients to use Mobipay, Mobipay will apply different methods of marketing:

- 1) Online marketing campaigns: Promoting Mobipay on social media to reach a high number of viewers. Choosing this method is the most common method in this era.
- 2) Sales representatives: making the representative pay a visit to different vendors and tell them about Mobipay and let them understand what it does and how it may be beneficial for them. This will make them use Mobipay and they will have to put a sticker of the Mobipay logo on the shop window so every customer who goes to the shop will see it and when the customers will know about it.
- 3) Agreements with banks: having an agreement with the banks, will make the bank recommend the use of Mobipay and the customer will have more trust in Mobipay.

### **Pricing and distribution**

Mobipay's business model is focused on taking a small percentage of each transaction done from the vendor. For example, if a customer goes to buy groceries from a shop and the customer pays using Mobipay, this will have a commission fee from the total bill.

Another source of revenue will be promotions on the application, the vendors using Mobipay can pay a sum of money and promote their shop on the app, also they will have an option to do discounts and promotions for the people who use Mobipay. By doing so the vendor will be listed on the list of promotions in the app, this will make it reach a higher number of customers.

### **Customer service policy and warranties**

Mobipay guarantee the following:

- 1) Achieve an easily integrated way of paying for products and services, by reducing the use of cash.

2) A safe way of online paying, with the support of the web security provider Mobipay assures that the percentage of hacking and scamming will be very low.

3) Mobipay will give the vendors a chance to reach a higher percentage of customers.

Mobipay will be one of the safest applications to use, by working with the best web security providers and having agreements with banks to monitor every transaction.

## **9. The Competition (Anas Alsaied Ahmad)**

### **Competitors and types of competition**

In the course of market research, almost no direct competitors in Germany were found to have the same idea and form of service. Most users pay either by card or cash in real life. Each bank has its own payment system, however, applications that integrate all banks on one platform have not yet been favored by the public in Germany. As the section of Overview of Market Trends has mentioned, the usage of Germany's mobile payment lagged behind the worldwide average. The adoption rate of mobile payments in Germany is 12.5% among mobile users, compared to the UK with 19.1%, Italy with 21.1%, Switzerland with 22.3%, and the USA with 29% (eMarketer, 2019). This has been due to various reasons, including security and privacy concerns, the complexity of the payment methods, and the consumer devices' lack of technology for contactless payment. However, the payment landscape in Germany has been developing in recent years.

The payment system with the most users in Germany is Paypal, which launched its QR code payment solution last year (The Paypers, 2021). According to a survey from Statista, 57 % of the respondents chose Paypal as their first choice of mobile payments. Apple Pay came in as second preference at 37%, followed by Google Pay (28%), Sparkasse – Mobiles Bezahlen (20%), Klarna (18%), and Payback Pay (16%).

Since Paypal has the highest mobile payment market share in Germany, it should be considered Mobipay's biggest direct competitor. However, the services provided by Paypal are not identical to those provided by us. First of all, while Paypal can integrate with most of the debit or credit cards in the world, it includes quite a bit of transaction fees from bank to bank and withdrawals. Second, Paypal did not integrate with traditional stores for digital transformation. Considering that Paypal has a high market share in the mobile payment market in Germany, it can be said that it is one of the direct competitors.

The payment systems of Apple Pay and Google Pay both include a certain number of users in Germany. Even though they do not contain transfer and withdrawal systems between customers, they can all be

considered indirect competitors.

To focus on German companies offering similar services, Sparkasse – Mobiles Bezahlen was considered. However, this application does not contain the integration of payment gateways between banks. Customers using this app should have a digital Sparkasse debit or credit card in order to be tied to the app. So it will not be considered a direct competitor but should be one of the indirect competitors.

According to Payback Pay's website [payback.de/app/pay](https://payback.de/app/pay), Payback Pay offers exactly the same services as Mobipay. Therefore, Payback Pay can be considered a direct competitor.

With the development of Sparkasse – Mobiles Bezahlen, it is foreseeable that similar mobile payments will develop and rise rapidly in the next few years. They may not be able to integrate with each other to build a free money transfer environment but may attract some users from Mobipay. Therefore, all banks in Germany can be indirect competitors.

## Competitors' strengths and weaknesses

### Paypal

One direct competitor is Paypal, an American multinational financial technology company operating an online payments system.

Considering the weaknesses, as mentioned in the previous section, Paypal does not contain the services exactly like Mobipay, such as the integration between traditional stores and the free money transactions and withdrawals. Paypal consists of a huge number of customers in the world, based on this point, it does not have the ability to directly support the digital transformation of the various traditional stores.

Paypal's strengths include its high market share globally and in Germany, mature application development with a secure one-time password system, it's easy inter-country transactions, and due to its long history in the market, a certain level of customer loyalty.

### Payback Pay

Another direct competitor mentioned is Payback Pay.

The advantage points of this application are the security and reward system. The security system is said to be encrypted like a bank, and the bank details are not stored on mobile devices. For the reward system, customers can earn a percentage of their purchases in the store. The rewards points can be redeemed on your next purchase.

However, this leads to its weakness, with over 1,500 reviews in the reviews section of third-party site Trustpilot, but nearly 88% are one star (worst). Most reviewers complained about not getting the expected reward. In addition, the low response rate of customer service was also a major area of complaint in the reviews. This may also explain why it has not replaced PayPal's stable position.

### **Competitive advantage and differentiator**

As one of the digital payment platforms focused on providing simplicity, convenience, efficiency, and security, a brand should be established. In addition to being identifiable, high advertising and marketing costs in the early stages of development are necessary.

Furthermore, by absorbing the significant competitive advantages of Paypal and Payback Pay, the ability to acquire more customers and suppliers is needed to create a community infrastructure. So it's a good idea to develop a reward system like Payback Pay, but with better customer service. Besides, the security of the platform should also be maintained consistently.

Mobipay will be an application that can be easily downloaded from Apple Store, Play Store, etc.

In order to ensure the guarantee of the information and personal safety and the guarantee of the services provided to the suppliers and customers using the application, the user agreement will be used to legislate the relationship between the user and the platform, the suppliers and the platform, the suppliers and the users.

## **10. Opportunities & Risks (Prashant Kumar)**

All mobile payment start-ups have the potential to be huge possibilities or high risks. These can have far-reaching implications for a company's destiny. As a result, it is recommended that one examine the possible dangers carefully, plan to make the required decisions or actions, and assess the prospective dangers. Concerns are never constant; they must be reviewed on a regular basis and acknowledged in a timely manner. You must detect them earlier on and prepare for them ahead of time.

The following are some instances of potential risks to give you an idea:

### **Internal dangers**

Staffing shortages are causing problems in the sales department.

(Experts on your staff who will be difficult to replace).

Production/development delays.

**External dangers**

Sales Problem

Difficult to penetrate the market.

Not getting patent documents.

**Threats to security are aware of**

Phishing is a technique in which a scammer sends you false emails posing as emails from people you know to persuade you to divulge your user credentials.

A hacker could, for example, use enough data for developing a phishing website that appears like a company site's login screen or your payment processor's login page, send an alert that anything is incorrect, and then urge you to check-in to repair the problem. Users give them their information, which they take account of and use to log on to the actual site and do their crime, presuming the email is authentic.

Although new and growing web security risks emerge on a regular basis, a few dangers continually rank high on online security risk lists.

These are some of them:

- Phishing
- Ransomware
- SQL injection
- Cross-site scripting
- Code injection
- CEO fraud and impersonation
- Viruses and worms
- Spyware

**Patronage is low.**

It is a common difficulty that all start-ups face at the outset of their operations; there is a high likelihood of poor customer engagement. It could be due to a variety of factors, including awareness or publicity, or the fact that it takes time for people to believe in a new service or business model. Low patronage over an extended period may cause our platform to take a long time to break even. To reduce financial hazards, this must be prevented.



**Risk of Noncompliance**

For new businesses, there are several laws and regulations to follow, and a violation of these rules or policies, even if done in negligence or ignorance, can result in a sanction that might interrupt our platform's operations. The current data protection legislation is a great example of this.

**Political problem**

Authorities create policies that can make or break a company, and each government has its own objective. A policy change may cause a short or permanent disruption in corporate operations. A change in government could be the catalyst for this policy shift.

**Legal problem**

This is an additional risk that any new firm should be aware of. Sanctions, litigation, and other forms of risk may be imposed on our site. This can happen because of concerns about compliance, privacy, or contract disagreements.

Positive remarks will go a long way toward preserving our platform's credibility. Although this may lead to much negative feedback, it will be utilized as a benchmark for our platform to enhance our services and provide a high customer experience.

**Political lobbying and the formation of an association for online enterprises**

Because of its virtual nature, any policy change affecting internet enterprises would have a direct impact on the activities of our platform. With the goal of securing friendly policies from the administration, internet business organizations will provide a bold and adequate representation of body members. Government lobbying is common in many nations, including the United States of America, and it is a means of paying a political representative to ensure favourable legislation for economic growth. The association of online businesses' political advocacy will also aid in securing favourable government legislation.

**Globalization, branding, and creative marketing**

This will aid in reducing the threat of competition. Labelling our services will make them stand out and inspire more people to use them; in addition, innovative marketing will give us an edge over the competition. Diversification is also a good approach to remaining ahead of the pack.

## 1 Financial planning (Prashant Kumar)

Key elements of this chapter are:-

- Source of finance
- Financial planning requirements based on the market need to be met.
- Profit and loss statement
- Balance sheet
- Cash flow or liquidity

One of the most difficult tasks for a company is analysing various options of revenue and raising the necessary funds.

However, persuading people of the value of your concept is a difficult task. You might not be able to witness your vision come to fruition if you fail to secure the funds.

When it comes to raising funds, it's important to realize that thorough planning is necessary. You must: Determine the precise amount of money required.

Think about the cost of setup, the required investment, capital investments, and future growth and expansion.

Consider how long you'll need these assets and how much security you can provide.

Identifying and Evaluating Your Financial Resources.

### **Personal Investment**

Self-financing is the number-one form of financing used by most business start-ups. In addition, when one approaches other financing sources such as bankers, venture capitalists, or the government, they will want to know exactly how much the owner of the business is putting into the venture.

The disadvantage is that if the business fails and the owner's assets and loan collateral are seized, the owner will receive a margin call from their broker, asking for further security. If the business owner is unable to do so within a specified time frame, he or she may be required to sell some of your stocks to help shore up the assets.

### **Friends and Family**

The next stage is to approach people in your interpersonal circle and request them to either participate in you or give you the money.

This is known as impatient capital, which is funding that is borrowed and repaid when the organization becomes lucrative.

### **Angel Investors**

Angel investors are very pure individual investors who want to finance small businesses in exchange for capital. Unlike working capital firms, which use investment, angels use their own capital. Compared to venture capitalists, angels are often patient with entrepreneurs and provide them with less money in the future. However, they typically want to work out an exit strategy at a time when they can make a profit by offering or buying to the public.

This group includes former top management and privileged people that make investment flows in growing companies. These shareholders are typically thought leaders in their disciplines. They make a contribution to their network of contacts and experience, as well as technology and managerial expertise.

### **The Benefits of Angel Investors**

Since you're giving proprietorship shares in return for money, having an angel shareholder means your company doesn't have to repay the funds. Angel investing is typically reserved for formed businesses that have progressed beyond the start-up stage. These businesses have shown profit potential, but they still require capital to create products or expand. Since an angel's money is at stake, they may be extremely energized to assist you in succeeding through mentoring or effective managerial assistance. One major drawback is that angel investors usually require 10% to 50% ownership of your company in return for funding. That implies business owners may lose control of their organization if angel investors evaluate, they are impeding the company's success. It is critical to consider how much capital you want to give it away to an investor for financial support since if you give too much, you could no longer own the company if situations do not go well, and the venture capitalist owns more than you.

### **Venture Capital**

Venture capitalists buy stock in your entrepreneur in exchange for ownership, so you must have partial ownership with a third party. Once the business is founded, venture capitalists expect a high return on investment.

Every time you are looking for investment firms who have a backstory in your economy and can bring relevant expertise to the table.

### **Business Loans**

Lending institutions are the most common form of funding for both start-ups and micro-enterprises. Many kinds of business loans are available from financial institutions in exchange for regular interest charges. They will expect you to have a solid strategy. Your plan should demonstrate potential and include figures to back it up.

It wasn't enough to have a good idea; you must also have evidence to back it up. In some cases, banks may request assets, but every situation is unique. If you do not provide collateral, they may charge you a higher return, but this will also prevent you from getting poor credit.

One of the primary benefits of obtaining a loan from a bank is that the interest rates are decent. Financial institutions and other conventional lenders typically charge interest rates ranging from 4% to 13% on financing options. Another advantage of business bank loans is the quick application process. If you are approved for the loan, you could have it in 7 to 15 working days.

One of the primary advantages of obtaining a loan from a bank is that the bank does not control how you use the line of credit once it is in your possession. This enables you to be adaptable and responsive to market circumstances without consulting anyone. A further benefit of applying for a business loan rather than seeking investment is that you not only retain full control over the operation but also maintain all profits.

One disadvantage of bank loans is that they can be difficult to obtain. Another disadvantage of obtaining a bank loan is that banks may authorize your loan but not for the quantity you require. They may conclude that you do not require the amount requested. The major drawback of business loans is that, if not managed properly, they can set off a debt cycle in which being in debt induces you to take out more lending until you can't even keep up.

### **Incubators**

This phrase refers to a university, corporation, or any other institution willing to provide funds for your entrepreneurs. These supplies could include co-working space, research facilities, advertising, consulting, cash, or whatever else you may require.

What do incubators expect in return? Because they are conscious that you are in a precarious situation, they will almost always demand equity. This is because they see a huge amount of potential in your concept and want to capitalize on it in the long term.

### **Grants and Subsidies**

It is not always possible to bring innovative ideas to light. As a result, a few government entities assist new ventures. Exposure to this allows multiple you to cover a variety of expenses, including advertising, research & innovation, equipment, wages, and improved productivity. Theoretically, governments provide grants to start-ups that are not repaid. However, you must not use the government grants for any other reason, or you will face legal consequences. After a government, the department has supplied you with financing, and you have completed the program's requirements, that agency may offer you extra funding in the long term.

## Crowdfunding

As the name implies, refers to raising funds from a crowd, i.e., the public. Entrepreneurs typically use this option when creating a product that is both necessary and unavailable elsewhere.

Crowdfunding websites allow concerned citizens to pool their funds to support different causes. Every participant can contribute as little as \$10, and if several people donate, the funds can go away. To get more members to volunteer, use a good crowdfunding site and publicize your purpose. Entrepreneurs can use any of these funding sources to introduce their processes and provide people with high-quality goods & services.

## Staffing requirements and costs

In order to strike a compromise between optimal productivity and client demands in any organization, it is critical to have a clear grasp of the workforce requirements and costs. And this is only achievable with a precise business trend prediction. As a result, we must precisely derive the following requirements for our company proposal (Hornsby J. 2013):

### Hours of output that are expected to be produced.

The ability to properly estimate demand is the fundamental prerequisite of effective manufacturing hour prediction. Because our company will be in the 'ready to launch phase' of its life cycle, our projections will be simple and straightforward. The total predicted productivity hour (TFPh) in the first quarterly of the platform's launch is:  $TFPh = \text{Working hrs./day} * \text{Working days in a quarter (Q)} = 8 \text{ hrs./day} * 62 \text{ days} = 496 \text{ hrs./Q}$

### Non-production hours are expected.

Time and effort in meetings, travels or holidays, learning, set breaks and meals, unexpected breaks, unanticipated absence, and other factors are all considered. Some of these characteristics are difficult to predict. However, an approximate amount for this component is necessary for planning purposes. All vacations and holidays are cancelled during the start-up phase of our company. We plan on working 5 hours every week, for a total of 65 hours per quarterly.

Item	Cost
4 laptops	3000
table	1000

Chair	1000
office space	1000/ month
office cost	500
extra cost	500
total	18000 euro per year

Figure 6 Cost of Items

**Price breakdown table for equipment and extra cost.**

The global market cost information for the roles we propose to outsource are listed below. These rates, nevertheless, vary depending on the parties' negotiation skills. Software engineer, salesperson, advertising representative, and finance representative are among the tasks we will outsource.

Market Prices for outsourcing.

Destination	Rates	Countries
Eastern Europe	\$25-\$50	Ukraine,Romania, Poland,Bulgaria Etc..
Latin America	\$30-\$50	Argentina, Brazil,Mexico,Colombia,Peru.
Africa	\$20-\$40	South Africa, Morocco
Asia	\$18-\$40	india,indonesia, Vietnam,Bangladesh

Figure 7 Labor Costs Estimated

**Liquidity planning (Amount of deposits (Equity/debt capital))**

These refer to the total amount of money that will be required to start our firm. To put it another way, how much money do we require to launch our business concept? To accurately declare an amount, we must first understand the actions involved in the start-up stage, as well as the amounts required for each task. Below is a theoretical breakdown of these operations, as well as the expenditures associated with them, in the framework of our business plan for the entire fiscal year.

0	Activities	Price range (expenditure)
1	App development cost	30,000
2	Start-up team	10,000
3	Equipment	18,000

4	Marketing (online/offline)	5000
5	Legal issue / Registration	5000
6	Website hosting	500
7	Extra cost	2000
8	Operating cost	20,000
9	Total	90500

Figure 8 Total Costs Estimated

#### **A summary of receiving and outgoing money during the month**

This depicts the industry's monthly cash inflows and outflows. This cash flow must be closely monitored because it serves to identify the company's financial situation at any given time. There is presently no monthly inflow of cash (mainly negative cash flow or operations expenditures) because our innovation is still in the early stages (a part of the startup phase).

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