

## GROUP ASSIGNMENT COVER SHEET

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### ASSIGNMENT DETAILS

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**INVESTMENT MANAGEMENT**

# The Ultimate Pet Care App !



WinX

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Presented by

 **GROUP 1**

Class: **IM - DH47ISB -01**

Instructor by **Dr. Tran Dai Trang**



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## **I. Company introduction**

### **1. WinX - Pet-care Application**

WinX is represented by a group of people who are dedicated to providing the best pet care services for improving the health and happiness of pets. WinX is one of the pioneers in revolutionizing the way how pet care is delivered.

At WinX, we know how much you love your pet and how important it is to have a trusted partner in taking care of its well-being. Pets are more than just animals; they are part of our families, providing us with joy, comfort, and emotional support. However, many Vietnamese pet owners face the challenge of balancing their professional goals and the duty of caring for their furry friends. Their work often leaves them with little time and resources to give their pets the attention and care they truly need. Therefore, they look for reputable and professional vets or groomers who can offer high-quality pet care services. That is why we created a mobile application that connects you with reliable and caring pet care providers in your neighborhood in Vietnam.

Whether you need someone to care for your pet while you are away or give them some extra exercise and attention, you can find the ideal match on WinX. Our app makes it simple to book and pay for the services you want, and our community of trusted pet care providers is supported by the security and assistance of a company.

WinX is not just a pet broker app. It is a way to share the unconditional love of a pet with others who feel the same way.

### **2. Business philosophy**

***"Unlocking Convenience, Enhancing Pet Care: Busy Lives, Happy Pets!"***

At our company, we understand that pet owners have hectic schedules and multiple responsibilities. We believe that by simplifying the tasks of feeding, grooming, training, and monitoring pets, we can help pet owners achieve a better balance between their personal and professional lives. First and foremost, we can help them keep their pets happy and healthy because they deserve the best.

Our company's philosophy is based on delivering convenience, supporting busy customers, providing high-quality care for pets in their own homes, and improving the well-being and happiness of pets while respecting the needs and preferences of their owners.

### **3. Motivation to establish the business**

Vietnam is experiencing a remarkable surge in pet ownership, as more and more people are choosing to share their lives with furry friends. According to NaoTotNhat (2023), there are over 1.5 million pets in Ho Chi Minh City and about 1 million in Hanoi, reflecting the changing lifestyles and preferences of the Vietnamese population. As the economy grows and disposable income rises, many people are finding that owning a pet is not only affordable but also rewarding and fulfilling. Moreover, the younger generation is showing a keen interest in pet adoption, animal welfare, and social media, creating a vibrant pet-loving community.

However, loving animals is not enough to raise them. According to Dân trí newspaper in 2022, besides money and health, pet care time is one of the important factors and for an animal lover, it is very bad that they are not taken care of. Currently, in Vietnam, there are many veterinary clinics and pet care services, but they still follow the traditional method, without taking advantage of the convenience of technology. This makes pet owners find it difficult to make appointments and find reliable pet providers near them. Because of this factor, our company was established to help pet owners take care of their pets conveniently with a technology application.

## **II. Company overview**

### **1. Vision**

WinX app will be the ultimate platform for pet owners who want to give their pets the best care possible.

### **2. Mission**

With the WinX app, you can access a wide range of pet service professionals at your fingertips. Whether you need grooming, healthcare, or any other service for your furry friend, you can find it easily on the WinX app. We also strive to educate and empower

pet owners with useful information and tips on how to care for their furry friends. Whether you have a dog, a cat, or any other animal companion, we are here to help you make the most of your relationship with your pet.

### 3. Core values

#### *Professionalism - Convenience - Satisfaction*

We are passionate about providing the best possible care for your pets. That's why we only work with qualified and experienced **professionals** who share our vision of high standards and excellence in pet care. We make it **convenient** for you to find and book the right service for your needs, and we ensure a smooth experience from start to finish. We are always looking for ways to improve our service and make you **satisfied**. We want customers to trust us with their pets and enjoy the benefits of our service.

### III. Business model

#### 1. Customer profile

##### Who are they?

People who love their pet like a family member, but have a busy schedule that prevents them from spending enough time with them.

##### What do they need?

- Finding trustworthy and experienced veterinarians or pet care service providers near them.
- Booking appointments that fit their busy schedules.
- Getting personalized and attentive care for their pets' health and wellness needs.
- Verifying the qualifications of the caregivers.

#### 2. Value proposition

##### a. Products and Services

Our value proposition statement is: “**WinX connects you with a range of pet service professionals at your convenience** - Whether you need grooming, healthcare, or anything else, you can find it with just a click”. Our services include:

- **Access to pet care experts:** WinX app has a variety of service providers for you to browse, organized by categories. You can request any service and have the professionals come to your home.
- **Recommendation (AI):** If you're not sure who can best meet your needs, we have an AI-based recommendation service that automatically selects and suggests the most suitable profiles for you.
- **Convenience:** We know that your time is valuable. That is why our app makes it easy and fast to get your pets' services without any hassle or travel.
- **Quality assurance:** All our service providers are certified and experienced in their fields. You can trust us to find the best services for your pets.

#### **b. Customer relationship**

We offer the following methods to engage and retain our customers:

- **In-app support:** Our app provides prompt and helpful customer support, as well as important notifications for any updates or issues.
- **Community board:** We value the importance of community for our customers, who can share their feedback, ratings, and reviews with other pet owners and service providers. This feature also enhances the user experience, as it fosters trust and connection between both parties.

#### **c. Pain relievers**

Pet owners often encounter various issues and worries regarding pet care. The WinX app aims to address the following problems faced by the target customers::

- **Lack of access to quality veterinary care:** Finding dependable and skilled veterinarians in their vicinity might be challenging for some pet owners.
- **Difficulty in booking appointments:** Scheduling appointments with veterinarians might be time-consuming and inconvenient.

- Absence of personalized attention: Some pet owners want a more tailored approach to their pets' healthcare needs.
- Doubt about caregivers' qualifications: Some pet owners might be apprehensive about the trustworthiness and competence of the caregivers who take care of different aspects of their pet's hygiene routine.

#### d. Gain creators

This app is designed to cater to the needs of pet owners who want the best for their furry friends.

- **Select a trusted and experienced veterinarian:** It allows them to choose from a range of qualified veterinarians who have been rated and reviewed by other users, so they can find the most suitable doctor for their pet's specific condition.
- **Connect pet owners to experienced caregivers** who know how to take care of their pets' grooming needs, such as bathing, brushing, trimming, and more. These professionals have the skills and knowledge to ensure that pets are clean and healthy.
- **Save time and hassle** by finding quality veterinary and grooming services for their pets in one place. They can also enjoy the convenience and peace of mind that comes with having access to trusted and expert providers who can look after their pets' well-being.

This app's goal is to make pet care easier and more satisfying for pet owners by offering them a simple and reliable way to access the best veterinarians and caregivers for their pets.

### 3. Key resources

#### a. Physical Resources:

- **Office Buildings:** The office building has all the necessary electronic equipment for efficient work and communication, such as 9 computers and 1 PC. These devices allow the staff to perform their duties effectively and maintain contact with clients and partners. The office also has a team of 12 professionals who



cooperate to ensure the smooth running of the business. Each team member has their own expertise and skills that they bring to the work environment, creating a productive and dynamic atmosphere. The combination of a well-equipped office and a competent team is the basis for a successful and efficient operation.

- **Server Infrastructure:** The app needs either physical servers or cloud-based server infrastructure to store the app's data.
- **Data Storage and Backup:** Physical resources such as storage devices or cloud-based storage systems are required to store user data, including pet profiles, customer information, staff profiles, and other app-related data.

**b. Financial Resources:**

- **Capital Investment:** sufficient financial resources to support various stages, such as coding, design, testing, and ongoing maintenance
- **Revenue Generation:** a sound revenue model, such as charging commission fees from bookings, to generate income and cover operational expenses.

**c. Intellectual Resources:**

The PetCare app is a comprehensive and user-friendly pet care ecosystem that provides valuable insights to ensure optimal pet well-being. The app relies on the expertise of qualified pet service provider professionals, who offer in-depth knowledge of pet care, grooming techniques, and health checks. A sophisticated algorithm tailors personalized recommendations for pet owners. The app's vibrant community board fosters a supportive environment for pet owners to exchange experiences and receive advice. The app's team maintains an extensive repository of vet-approved guidelines and educational content to empower users with the best pet care practices. The app ensures seamless functionality, security, and exclusivity through meticulous software development and protection of intellectual property.

**d. Network and Partnerships:**

- **Customer Engagement:** a growing network of engaged users, including pet owners, veterinarians, and pet care enthusiasts, who actively participate in the

community board, share experiences, provide ratings and reviews, and contribute to the overall growth of the app's user base.

- **Social Networking Interaction:** The app also leverages social media platforms such as Facebook, Instagram, and TikTok to run advertisements and introduce the application to segment-targeting customers.

#### 4. Key partnerships

##### a. E-Wallet Partnership:

We have partnered with four popular E-Wallet providers, namely Momo, VN pay, ZaloPay, and ViettelPay, to offer payment convenience.

##### b. Groom & Spa Services:

The app has also developed a list of service providers for pets nationwide, with optimal criteria for selection. These criteria include evaluating the service provider's qualifications, certifications, and tenure (more than 1 year) for **Service Quality and Expertise**, necessary licenses and certifications required by local regulations (according to Article 108 of the Law on Veterinary Medicine for veterinary practice) for **Licence and Legal Compliance**, liability insurance to safeguard against potential accidents or incidents during pet care services for **Insurance Coverage**, protocols in place to handle emergencies and immediate assistance if required for **Emergency Preparedness**, and fair and transparent pricing structure without any hidden costs for **Affordability and Transparent Pricing**.

##### c. Veterinary Services:

We have partnered with reputable veterinary clinics and hospitals in different regions of Vietnam to offer a comprehensive range of veterinary services through the app. The selection criteria for this type of service are similar to those for groom & spa services.

##### d. Technology Partners:

We also partner with Amazon Redshift, a cloud-based, fully managed, petabyte-scale data warehouse service, to store user data. The app works closely with a number of

partners to assist in giving users a comfortable payment experience when using the application.

Furthermore, we work closely with Google Play and App Store, two of the most renowned mobile app stores in the world, to make the software available to customers.

## **5. Key activities**

### **a. Market research and analysis:**

We conduct thorough market research to understand the pet care industry, target audience, and competitor landscape. The app also defines a unique value proposition to differentiate its services from existing competitors.

### **b. App Development and Design:**

Developing the pet care app focuses on creating a user-friendly interface with features for service bookings, payment processing, and customer support. The team also aims to create an attractive and intuitive user interface to enhance user experience.

### **c. Sales and Marketing**

We implement digital marketing strategies, including social media marketing and online advertising, to reach the target audience. We launch a referral program that offers incentives or promotions for both referrers and referred users as a reward for referring new users to the app. Furthermore, we also organize adoption events or fundraisers in partnership with animal shelters to raise awareness and support for rescued pets.

### **d. User Support and Feedback**

WinX set up a customer support system to assist users with inquiries, complaints, or technical issues. The app encourages users to provide feedback and reviews via a loyalty points program.

## **6. Cost structure**

### **a. Variable cost:**

Variable cost refers to the expenses that vary depending on the revenue of our app. Some of the variable costs we incur are app maintenance, e-wallet fees, and commission fees for Apple Store and Google Play Store.

- **App maintenance:** is the fund we allocate for improving and updating our WinX app, as well as resolving any unexpected issues or technical problems that may arise while running our server and app. We set aside 3% of our revenue for this purpose.
- **E-wallet fee:** is the cost we pay to some payment companies such as Momo, VNPAY, and ZaloPay when we use their service for processing payments from consumers and collecting commissions through those partners. This fee is 1% of our commission.
- **Commission fees for Apple Store and Google Play,** according to the Terms Of Use of Apple Co. and Microsoft Co. we have to pay 15% of our commission charge from consumers.

#### **b. Fixed costs**

Our fixed costs consist of the following categories:

- **Marketing:** We spent 10 million VND monthly on marketing in 2022 and plan to increase it by 5 million VND monthly every year. This budget covers various activities such as campaigns, promotions, and advertisements for our app and services.
- **Depreciation for long-term assets, and office rent:** We incurred some start-up costs mainly for capital expenditure that we purchased in the first month of 2022 and rent for an office space. We will depreciate our long-term assets using the straight-line method over their useful lives, assuming no residual value at the end of their lives.

Depreciation & Amortisation				
	Year 1	Year 2	Year 3	Monthly
<b>Tangible Assets</b>				
Computers	54,000,000	54,000,000	54,000,000	4,500,000
PC	10,000,000	10,000,000	10,000,000	833,333
Chair	398,333	398,333	398,333	33,194
Wood table	166,667	166,667	166,667	13,889
Air-conditioner	3,666,667	3,666,667	3,666,667	305,556
Camera	196,667	196,667	196,667	16,389
Led Lighting	136,667	136,667	136,667	11,389
<b>Intangible Assets</b>				
Software (owned)	60,000,000	60,000,000	60,000,000	5,000,000
<b>Total Depreciation &amp; Amortisation</b>	<b>128,565,000</b>	<b>128,565,000</b>	<b>128,565,000</b>	<b>10,713,750</b>

**Table 1:** Depreciation and Amortisation

- **Salary expenses and other bonuses:** Based on some sources from TopCV and others, we decided to pay our employees 15 million VND monthly for each IT position and 10 million VND monthly for legal and marketing positions. We also offer some bonuses and allowances for travel, communication, and social security, following the Social Security Law 2014 of Vietnam with 21.5 percent of total salaries.
- **Support for app and other expenses:** We have to pay nearly 7 million VND per year for App Store Membership maintenance and hosting domain for the WinX website, where consumers can find information about our services, contact us, or refer our services to others.

## 7. Revenue stream

- **Commission fee**

WinX generates most of its income by applying a service fee to every reservation made on its platform. The service fee is 15% of the total booking price and is paid by the pet care providers who offer their services on WinX.

- **In-app advertising**

Another source of revenue for WinX is in-app advertising. WinX guarantees that its client's advertisement can reach a certain level of exposure. Therefore, WinX charges a fee when the number of customers who view the advertisement exceeds 500. The fee is 20,000 VND for each customer visit.

#### **IV. Products and services**

WinX is an online platform that connects pet owners with various pet services. To access the platform, both pet owners and service providers need to create an account and provide their personal information and preferences.

Pet owners can look for different types of pet services, such as grooming, training, or boarding, by entering their location and applying filters to refine the search results. They can view the profiles of service providers who meet their search criteria, which include information about the service provider's skills, credentials, availability, rates, and feedback from previous customers.

When a pet owner finds a service provider that fits their needs, they can contact the provider directly through the platform's chat system to discuss the service details, ask questions, and give specific instructions regarding their pets' needs. After the pet owner and service provider agree on the service terms, such as the date, time, and duration of service, the pet owner can book the service through the platform. The booking is confirmed once the payment is processed.

On the appointed day, the pet owner brings their pet(s) to the service provider's location or arranges for the service provider to come to their home. The service provider performs the agreed-upon service, such as pet sitting, dog walking, grooming, or daycare, ensuring the pets' safety and comfort.

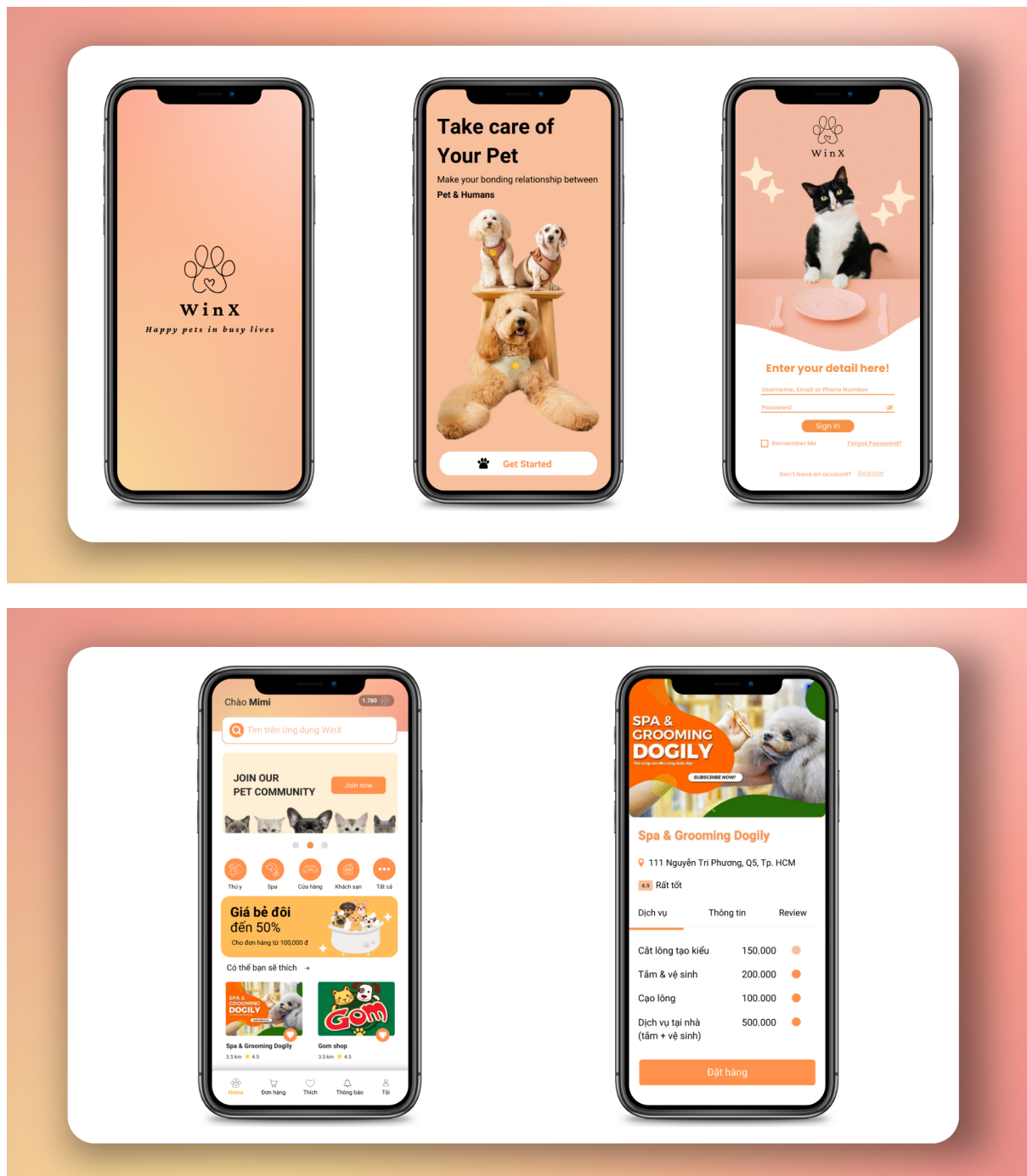
The pet owner and service provider can communicate throughout the service period through the WinX platform. The service provider can share updates on the pets' behavior, send photos or videos, and address any issues or questions the pet owner raises.

After the service is done, the pet owner can leave a review and rating for the service provider on the WinX platform. This feedback helps establish trust and helps future pet

owners choose reliable service providers. The service provider gets paid for their services through the platform.

WinX simplifies the process of finding, booking, and managing pet care services, making it convenient, secure, and reliable for both pet owners and service providers.

This is our prototype of WinX application:



Some special functions we have in Winx:

Functions	Description
In-App Support	Genuine and competent human assistance
Onboarding	Guiding the user through the application step-by-step while clearly explaining its features.
User account (or pet profile)	A pet profile should provide essential details about the animal, such as its name, species, breed, age, weight, color, health status, vaccination, and sterilization history. These fields should be flexible and allow the user to modify them as needed. The user should also be able to create multiple pet profiles.
Chat with veterinarians/pet care providers	With WinX, pet owners can access veterinary services in a convenient and fast way. They can choose different options to communicate with experts: through text messages, phone calls, or video conferences.
Reminders and Scheduling of Appointments	With this indispensable tool, users can schedule and manage pet care activities such as grooming sessions, veterinary appointments, and more. A user-friendly calendar enables easy creation of appointments with customizable alerts. This feature helps pet owners stay on top of important events by syncing with external calendars.



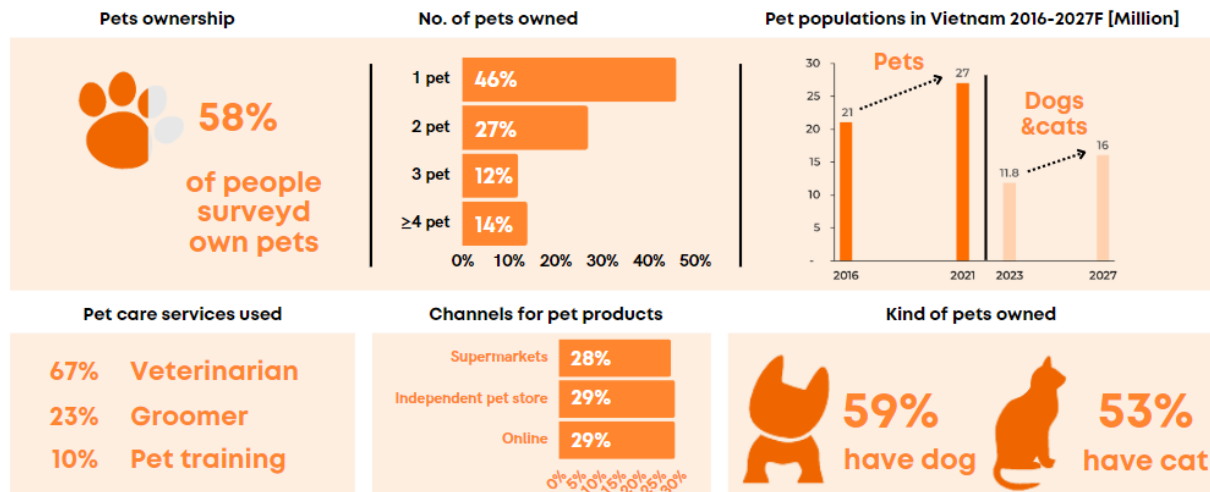
The pet's past	With this app, pet owners can access and manage their pet's health and wellness records in one place. They can see when their pet had their last check-up, what chronic diseases they have or had, what immunizations they received, what grooming services they need, and more.
AI and Machine learning	Offer activities and content tailored to users' habits and tastes, machine learning can make your Pet care app more engaging.
Favorites	Allow users to save their favorite features or information for quick access from their profile or home screen, reducing the user journey and improving the user experience.

**Table 2:** Some special functions in WinX app

## **V. Market analysis summary**

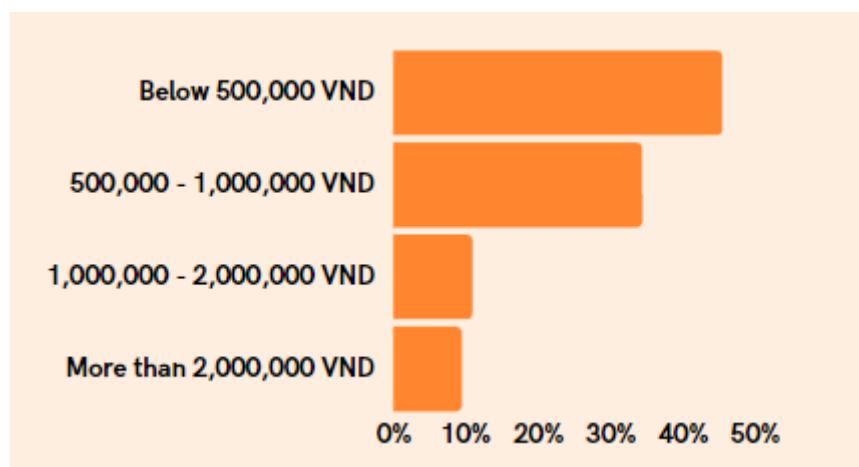
### **1. Vietnam market overview**

The pet sector in Vietnam is perceived to have a substantial growth potential. The manner in which pets are kept in Vietnam is evolving and diversifying. As per the data, the pet population in Vietnam increased from 21 million to approximately 27 million between 2016 and 2021. Currently, there are around 11.8 million dogs and cats. The number of pet owners is projected to increase to 16 million by 2027. The total market value for pet-related businesses is expected to reach around \$500 million (according to the Pet Fair Asia Report and Google Keyword Planner). The rapidly growing pet ownership is driving the swift expansion of the pet market.



**Figure 1:** Pet ownership trends in Vietnam 2016-2027

Additionally, pet ownership is common in Vietnam. According to a survey by TGM Global Pet Care, approximately 67% of pet owners have dogs and 51% have cats. Interestingly, about 53% of the survey participants reported having at least two pets in their household. On average, pet owners in our country spend about 1 million VND per month on home activities for their pets. The primary expenses include veterinary visits (59%), grooming (33%), and pet training (14%). The main outlets for purchasing dog and cat food in our country are supermarkets (28%), independent pet shops (29%), and online shopping platforms (29%). Prior to the pandemic, 60% of pet owners made purchases for their pets online. However, today, 86% of pet owners shop online for their pets. In 2021 alone, there were one and a half million searches on pet-related websites.



**Figure 2:** Percentage of People with available money spend on their pet in Vietnam (Monthly budget/1 pet)

Overall, people in Vietnam with pets will use about 1 million VND to spend on pet activities at home.

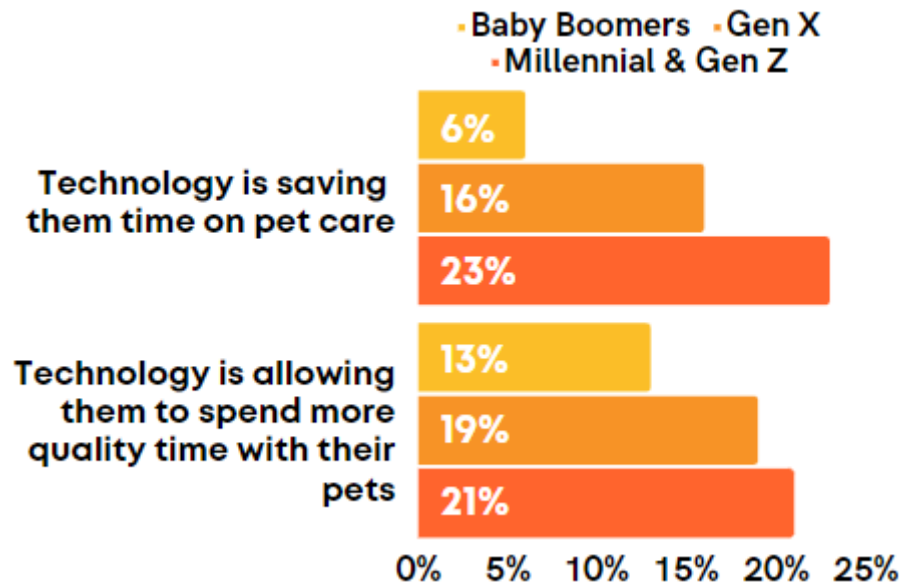
Vietnam						
	18-24 yo	25-34 yo	35-44 yo	45-54 yo	Male	Female
<b>Pet training/ behaviourist</b>	8%	14%	15%	20%	17%	11%
<b>Groomer</b>	43%	30%	37%	16%	31%	35%
<b>Pet Massage/ spa</b>	19%	16%	19%	12%	11%	22%
<b>Veterinarian</b>	45%	62%	66%	60%	59%	58%
<b>Pet sitter/ walker</b>	10%	8%	7%	8%	8%	8%
<b>Pet dietitian</b>	12%	15%	26%	8%	12%	19%
<b>Pet hotel</b>	10%	8%	6%	0%	9%	4%
<b>None of the above</b>	28%	19%	19%	31%	22%	23%

**Figure 3:** Vietnamese pet owners are willing to spend money on services for their pets.

The data indicates that pet owners in Vietnam are willing to spend on services for their pets. This is a positive indicator for the pet industry in Vietnam, which is projected to continue its growth trajectory in the coming years.

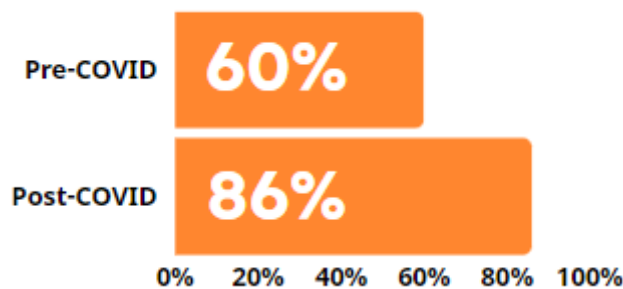
## 2. Pet e-commerce market

We surveyed pet owners regarding the impact of emerging technology on pet purchases. Twenty-three percent of Millennial and Gen Z pet owners reported that technology has reduced the time they spend on pet care, a sentiment shared by 16% of Gen X and 9% of Baby Boomer pet owners. Furthermore, 21% of Millennial and Gen Z owners stated that technology has enabled them to spend more quality time with their pets, a view agreed upon by 19% of Gen X and 13% of Baby Boomer pet owners.



**Figure 4:** How do pet owners think about evolving technology transforming pet purchasing.

The COVID-19 pandemic has led to a significant surge in online shopping, with most people now preferring to fulfill their needs through online stores. This trend is expected to continue, contributing to the growth of the online market. Prior to the pandemic, approximately 60% of pet owners made their purchases online. However, since the onset of the pandemic, this figure has dramatically increased to 86%.



**Figure 5:** The percentage of pet owners who shopped online

Pet products are a natural fit for the e-commerce model. Owners can buy food, treats, leashes, and harnesses from wherever they are with a couple of quick taps. Overnight shipping and automated re-orders give online sellers a huge advantage over their brick-and-mortar competition.

## VI. Strategy and implementation summary

### 1. SWOT analysis

#### a. Strengths

- **Ease of Use:** The application offers a user-friendly platform for pet owners to avail themselves of various pet care services, such as grooming and veterinary care.
- **E-Wallet Collaboration:** By collaborating with renowned e-wallet providers, the app can provide secure and easy-to-use payment options, enhancing the user experience and encouraging the use of the app.

#### b. Weaknesses

- **Recognition:** As a newcomer, the app might encounter difficulties in establishing its brand and earning the confidence of both pet owners and service providers.
- **Reliance on Partners:** As an intermediary for services, customer satisfaction is largely dependent on forming alliances with trustworthy and esteemed pet care service providers.

#### c. Opportunities

- **Rising Pet Ownership:** The growth in the number of pet owners in Vietnam provides a chance for the app to penetrate an expanding market. (Vietnam Investment Review, 2020)
- **Digital Acceptance:** With an increasing number of consumers in Vietnam adopting digital platforms, there's an opportunity to promote the app as a swift substitute for physical store visits for pet needs.

#### d. Threats

- **Legal Hurdles:** Adhering to local and national laws, as well as licensing prerequisites...

- **Adverse Feedback and Image:** A handful of negative incidents or grievances from users regarding the quality of service providers could tarnish the app's image and dissuade prospective customers.

## 2. Competitive Edge

- **Superior User Experience:** WinX prioritizes user-friendliness, simplicity, and aesthetics in its app design. The app is designed to make pet care enjoyable and effortless for users, with easy navigation and quick task completion.
- **Niche Market Focus:** Rather than catering to all pet owners, WinX targets a specific segment of the market. By offering unique features and services, WinX attracts a group of people seeking a more differentiated pet care experience.
- **Cost-effectiveness:** WinX offers competitive pricing with various payment plans and collaborations with pet care businesses. This cost-effective approach makes WinX a more affordable option for price-sensitive customers compared to other alternatives.
- **Community Building:** WinX fosters a sense of community among its users through online discussion groups, pet walking events, and pet care recommendations. This community-building strategy makes users feel a sense of belonging and trust in the WinX platform, encouraging continued use.

## 3. Sales strategy

### a. Sales forecast

To forecast the revenue from commission fees, we use the TAM SAM SOM model. According to the above analysis, our Total Addressable Market (TAM) comes from the pet population in Vietnam which is approximately 26 million. The serviceable addressable market (SAM) for the pet broker app in Vietnam is estimated to be around 7.8 million people. This is based on the number of pet owners who are likely to use a pet broker app, which is estimated to be around 30% of the TAM pet owner population. After evaluating our capabilities and competition in the market, WinX aims to obtain 10% of this market share which is 780,000 people. Next, we assume that out of the 780,000 app downloads in one year, there will be 10% who will make transactions

through the app. Based on our research, the current price range of pet services at shops varies from 250,000 VND to 500,000 VND (Nguyen, 2021), so we assume that each customer transaction on the app will be around 350,000 VND. The revenue from commission fees is calculated by multiplying the number of transactions on the app in one year by the average spending amount of customers (350,000 VND) and by 15% commission.

According to Assoc. Prof. Dr. Le Quang Thong - Dean of the Faculty of Animal Husbandry and Veterinary Medicine, Nong Lam University HCM, the average annual growth rate of the pet industry is 11% (Viphavet, 2023). Therefore, the number of app downloads in the following years will increase by about 10% compared to the same period. We assume that over the years, after implementing marketing campaigns, the percentage of users who make transactions on the app will increase from 10% to 15% and 30%.

The in-app advertising revenue of WinX is as follows: Assuming that there are 60,000 downloads and 6,000 daily active users. The number of ad impressions is 10 times. In a perfect world, every 10 people have one person who clicks on the ad, then there will be 600 ad clicks per day. The revenue will be  $600 \times 20,000 \text{ VND} = 12,000,000 \text{ VND}$ .

SALE PROJECTION			
Year	2022	2023	2024F
Download	779,465	857,412	943,153
<b>Commision fee</b>	4,092,191,391	6,752,115,795	14,854,654,749
Number of transaction	77,947	128,612	282,946
Average customer expenditure/transaction	350,000	350,000	350,000
<b>In - app advertisement</b>	123,143,005	135,457,306	159,590,536
Advertisement exposure	7,795	7,947	9,432
Price per customer visit		20,000	
<b>Total sales</b>	4,215,334,396	6,887,573,101	15,014,245,286

**Table 3:** Sales forecast

## VII. Management summary

### 1. Personnel plan

For this start-up, in addition to the board, we also have one employee who deals with legal affairs, including issues such as intellectual property, data privacy, or contractual issues.

We also have one employee that deals with marketing affairs. This person will deal with problems such as the implementation of various marketing channels to drive downloads and installation of apps, or keeping existing users engaged with the app through targeted messaging, and push notifications.

Additionally, we have five employees who deal with IT affairs, consisting of two app developers; two UI/UX experts; and one QA and tester.

The following table represents our personnel plan monthly:

<b>Personnel plan (monthly )</b>			
	2022	2023	2024
Board (5 members)	75,000,000	75,000,000	75,000,000
Legal advisor	10,000,000	15,000,000	15,000,000
Marketing specialist	10,000,000	15,000,000	15,000,000
IT speacilists (5 members)	75,000,000	100,000,000	100,000,000
<b>Total payrolls</b>	<b>170,000,000</b>	<b>205,000,000</b>	<b>205,000,000</b>

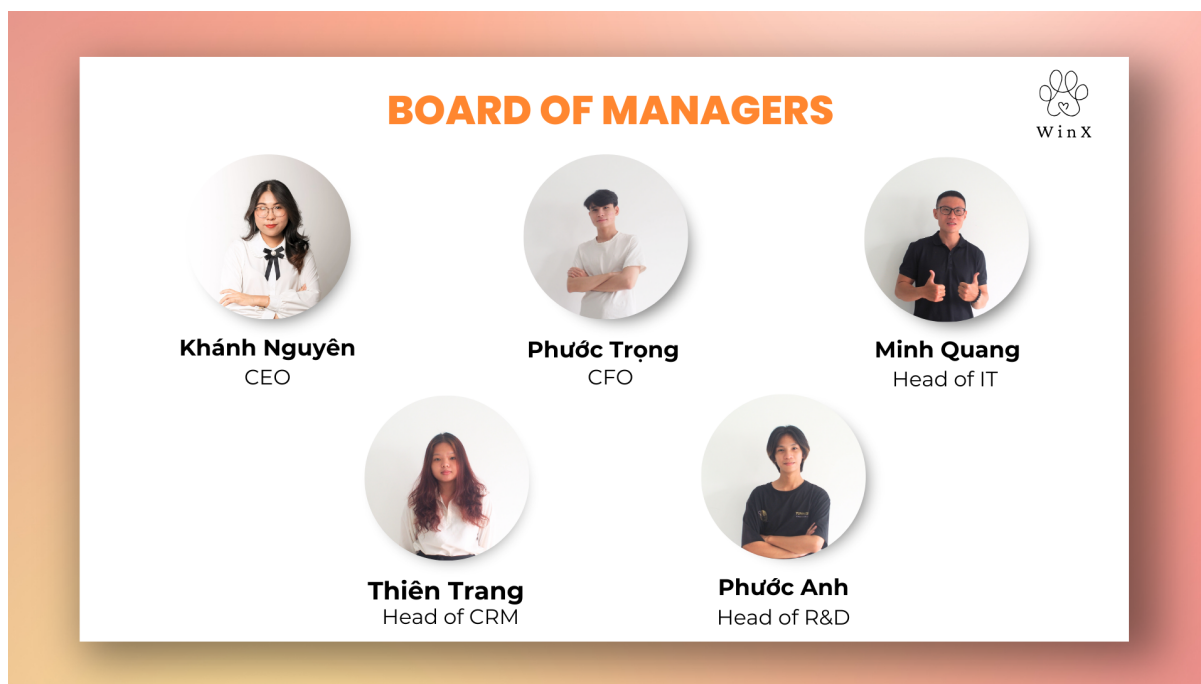
**Table 4:** Personnel plan (monthly)

## **VIII. Company summary**

### **1. Company ownership**

WinX Co. is a limited liability company (LLC), The members include Khanh Nguyen Tran, Ha Phuoc Trong Nguyen, Vo Thien Trang Tran, Le Phuoc Anh Dang, Minh Quang Vo with 20 percent shares of each. The company has chosen to be taxed like a partnership. Members of the board have contributed 600 million VND each, mainly from savings, or funding from family members.





## 2. Startup summary

Our start-up cost was around 647,390,000 vnd. The majority of the cost comes from capital expenditures such as computers, PCs,...office equipment, and also software for developing the WinX app.

START-UP COSTS	
Requirements	
<b>Capital Expenditure</b>	
<b>Tangible Assets</b>	
Computers	270,000,000
PC	50,000,000
Chair	2,390,000
Wood table	1,000,000
Air-conditioner	22,000,000
Camera	1,180,000
Led Lighting	820,000
<b>Intangible Assets</b>	
Software (owned)	300,000,000
<b>Total requirements</b>	<b>647,390,000</b>

**Table 5:** WinX's Start-up costs

## IX. Financial plan

### 1. Important assumptions

We assumed that our company WinX will not be in a bust or recession or other sudden problems like COVID-19, or isolation issues in the next few years starting in 2022 after the Covid-19 pandemic.

### 2. Break-even analysis

As for our financial report, we need to reach around 7,310 transactions which is on average 350,000 VND per transaction. However, our service is highly dependent on the pet service industry, which fluctuates seasonally. Therefore, we need to adjust our monthly plan according to the latest economic and industry trends.

BREAK EVEN ANALYSIS	
Monthly Units Break even	7,310
Monthly Revenue Break-even	383,798,424
Assumptions:	
Average Per-unit Revenue	52,500
Average Per-unit Variable Cost	37,775
Estimated Monthly Fixed Cost	310,486,833

**Table 6:** Break-even analysis.

### 3. Projected profit and loss

Because of the nature of our company, we don't have inventory. We do not suffer problem-turnover from Inventory and accounts receivable and even Account Payable so we just have a short Operating and Cash Cycle. Our costs mainly come from maintenance of the app and equipment. By dividing the net profit by our revenue we have around 20% for the net profit margin.

PROFIT OR LOSS			
Year	2022	2023	2024F
<b>Revenues</b>	<b>4,215,334,396</b>	<b>6,887,573,101</b>	<b>15,014,245,286</b>
<b>Expenses:</b>			
<b>Variable cost</b>	<b>782,442,085</b>	<b>1,288,320,293</b>	<b>3,942,867,130</b>
■ App maintenance	126,460,032	206,627,193	450,427,359
■ E-wallet	42,153,344	68,875,731	150,142,453
■ Commission fee for Apple App Store	306,914,354	506,408,685	2,228,198,212
■ Commission fee for Google Play Store	306,914,354	506,408,685	1,114,099,106
<b>Fixed Cost</b>	<b>3,155,542,000</b>	<b>3,725,842,000</b>	<b>3,785,842,000</b>
■ Marketing (monthly):	120,000,000	180,000,000	240,000,000
■ Depreciation of equipment (monthly):	128,565,000	128,565,000	128,565,000
■ Interest expense:	-	-	-
■ Office rent:	180,000,000	180,000,000	180,000,000
■ Salaries (monthly):	2,040,000,000	2,460,000,000	2,460,000,000
■ Social Security taxes and other benefits:	438,600,000	528,900,000	528,900,000
■ Utilities, supplies, travel, communication (monthly):	240,000,000	240,000,000	240,000,000
■ Apple App Store Membership	6,877,000	6,877,000	6,877,000
■ Hosting domain	1,500,000	1,500,000	1,500,000
<b>Profit (Loss) before income tax</b>	<b>14,388,479</b>	<b>1,873,410,808</b>	<b>3,499,694,156</b>
Income tax (credit)	2,877,696	374,682,162	699,938,831
<b>Net profit (loss)</b>	<b>11,510,783</b>	<b>1,498,728,646</b>	<b>2,799,755,325</b>

**Table 7:** WinX's Statement of profit or loss.

#### 4. Projected cash flow

We have pooled 3 billion VND in start-up owners' cash contributions (600 million for each member). With this base and our team operating we experienced a low cash flow in 2022, then for 2023 and forecasting for 2024, we can improve the cash flow to more than 4 billion.

<b>CASH FLOW</b>			
<b>Year</b>	<b>2022</b>	<b>2023</b>	<b>2024F</b>
<b>Operating activities</b>			
Net profit (loss)	11,510,783	1,498,728,646	2,799,755,325
Add: Depreciation	128,565,000	128,565,000	128,565,000
Add: Increase in app maintenance	-	-	-
Cash flow from operations	140,075,783	1,627,293,646	2,928,320,325
<b>Investing activities</b>	-	-	-
Purchase of long-term assets	(647,390,000)	-	-
<b>Financing activities</b>	-	-	-
Bank loan	-	-	-
Owners' cash contribution	3,000,000,000	-	-
<b>Increase (decrease) in cash</b>	2,492,685,783	1,627,293,646	2,928,320,325
<b>Beginning cash balance</b>		2,492,685,783	4,119,979,429
<b>Ending cash balance</b>	2,492,685,783	4,119,979,429	7,048,299,754

**Table 8:** WinX's Statement of cash flow.

## 5. Projected balance sheet

At present, we have sufficient funds and resources to start. We anticipate investing an additional modest amount in the business shortly. The figures in the subsequent table appear to have significantly risen.

BALANCE SHEET			
Year	2022	2023	2024F
<b>Assets</b>			
Cash	2,492,685,783	4,119,979,429	7,048,299,754
Equipment and furniture	647,390,000	647,390,000	647,390,000
Accumulated depreciation	(128,565,000)	(257,130,000)	(385,695,000)
<b>Total assets</b>	<b>3,011,510,783</b>	<b>4,510,239,429</b>	<b>7,309,994,754</b>
<b>Liabilities</b>			
Loan payable	-	-	-
<b>Owners' equity</b>			
Owners' contributions	3,000,000,000	3,000,000,000	3,000,000,000
Retained earnings (deficit)	11,510,783	1,510,239,429	4,309,994,754
<b>Total owners' equity</b>	<b>3,011,510,783</b>	<b>4,510,239,429</b>	<b>7,309,994,754</b>
<b>Total liabilities and owners' equity</b>	<b>3,011,510,783</b>	<b>4,510,239,429</b>	<b>7,309,994,754</b>

**Table 9:** WinX's Balance sheet.

## 6. Valuation

We used the Times-Revenue Method which is the most popular method for valuation to evaluate our company. The EV/Revenue of other firms was collected in YahooFinance then we calculated our EV/Revenue by taking the average. After calculating the Enterprise Value which equals 6,152,898,637 VND, we expect to raise approximately 1.7 billion for 25% of our total shares.

EV/Revenue Method		
WAG!	Chewy	Trupanion
0.92	0.74	1.02
<b>Average</b>	0.893	
<b>Revenue (2023)</b>	6,887,573,101	
<b>EV</b>	6,152,898,637	
<b>Offering Price</b>	1,708,200,300	
<b>Offering Shares</b>	25%	

**Table 10:** WinX's Valuation

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**XI. Appendix**

1. Appendix 1: Sales projections

Sales projections for the expected growth rate													
Growth rate	10%												
Commision fee	15%												
2022													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
Lượt tải về	12,000	20,000	25,000	28,000	35,000	43,750	54,688	68,359	85,449	106,812	133,514	166,893	779,465
Commision fee	63,000,000	105,000,000	131,250,000	147,000,000	183,750,000	229,687,500	287,109,375	358,886,719	448,608,398	560,760,498	700,950,623	876,188,278	4,092,191,391
Number of transaction	1,200	2,000	2,500	2,800	3,500	4,375	5,469	6,836	8,545	10,681	13,351	16,689	77,947
Average customer expenditure/tran saction (100,000 - 500,000)	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000



In - app advertisement (Charge when customers visit times > 500, 20,000vnd per customer visit)	0	0	0	0	0	0	10,937,500	13,671,875	17,089,844	21,362,305	26,702,881	33,378,601	123,143,005
Số lượng ng xem quảng cáo	120	200	250	280	350	438	547	684	854	1,068	1,335	1,669	7,795
Price per customer visit	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Total sales	63,000,000	105,000,000	131,250,000	147,000,000	183,750,000	229,687,500	298,046,875	372,558,594	465,698,242	582,122,803	727,653,503	909,566,879	4,215,334,396
2023													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
Lượt tải về	13,200	22,000	27,500	30,800	38,500	48,125	60,156	75,195	93,994	117,493	146,866	183,582	857,412
Commision fee	103,950,000	173,250,000	216,562,500	242,550,000	303,187,500	378,984,375	473,730,469	592,163,086	740,203,857	925,254,822	1,156,568,527	1,445,710,659	6,752,115,795
Number of transaction	1,980	3,300	4,125	4,620	5,775	7,219	9,023	11,279	14,099	17,624	22,030	27,537	128,612

Average customer expenditure/tran saction (100,000 - 500,000)	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
In - app advertisement (Charge when customers visit times > 500, 20,000vnd per customer visit)	0	0	0	0	0	0	12,031,250	15,039,063	18,798,828	23,498,535	29,373,169	36,716,461	135,457,306
Số lượng ng xem quảng cáo	132	220	275	308	385	481	602	752	940	1,175	1,469	1,836	7,947
Price per customer visit	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total sales	103,950,000	173,250,000	216,562,500	242,550,000	303,187,500	378,984,375	485,761,719	607,202,148	759,002,686	948,753,357	1,185,941,696	1,482,427,120	6,887,573,101
2024F													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
Lượt tải về	14,520	24,200	30,250	33,880	42,350	52,938	66,172	82,715	103,394	129,242	161,552	201,941	943,153
Commision fee	228,690,000	381,150,000	476,437,500	533,610,000	667,012,500	833,765,625	1,042,207,031	1,302,758,789	1,628,448,486	2,035,560,608	2,544,450,760	3,180,563,450	14,854,654,749

Number of transaction	4,356	7,260	9,075	10,164	12,705	15,881	19,852	24,814	31,018	38,773	48,466	60,582	282,946
Average customer expenditure/tran saction (100,000 - 500,000)	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
In - app advertisement (Charge when customers visit times > 500, 20,000vnd per customer visit)	0	0	0	0	0	10,587,500	13,234,375	16,542,969	20,678,711	25,848,389	32,310,486	40,388,107	159,590,536
Số lượng ng xem quảng cáo	145	242	303	339	424	529	662	827	1,034	1,292	1,616	2,019	9,432
Price per customer visit	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Total sales	228,690,000	381,150,000	476,437,500	533,610,000	667,012,500	844,353,125	1,055,441,406	1,319,301,758	1,649,127,197	2,061,408,997	2,576,761,246	3,220,951,557	15,014,245,286