



BUSINESS REPORT

MAF716 Fintech Foundations and Cryptocurrencies



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DEAKIN UNIVERSITY
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Strategic Solution Management Inc.

Business Plan – Australian FinTech Venture (MelPay)

Date: September 20, 2023

To: Amelia Bilinski

From: Sachin Bhat

Subject: Business Plan – Comprehensive Analysis and Strategy for Australian Market

Executive Summary:

As a part of my business analyst trainee tenure at Strategic Solution Management Inc., I have been given a task of developing and establishing a business plan for a FinTech startup targeting the Australian market. For tackling this task, the venture MelPay draws its inspiration from the extremely successful Indian FinTech startup Pine Labs, and it would adapt its offerings to cater to the distinctive needs and regulatory landscape of Australia.

A1: Identifying a FinTech Business Opening

Target Market: Our FinTech startup will serve to the Australian SMB (Small and Medium-sized Business market). This sector meets with substantial challenges when it comes to payment processing and financial technologies' adoption.

Problem Statement: The main issues we want to tackle are the complexities and inefficiencies revolving around payment processing for Australian SMBs. Majority of the businesses under this umbrella currently struggle with high transaction fees, outdated payment processing systems, shortfall/absence of integration with modern payment means. SMBs have limited access to the advanced financial technologies.

Solution (Idea): Our proposed solution is the development of a fully integrated yet comprehensive payment processing and POS (Point Of Sale) platform customised to the requirements of Australian SMBs. This platform will offer technologically advanced, user-friendly POS terminals equipped with cutting-edge software. It will provide seamless integration with several payment modes including the likes of contactless payments and e-commerce with real-time transaction tracking and analytics. Best in business support would be provided to the consumers from on-boarding the POS machines to post purchase services. These will be our offerings while strictly complying with the Australian financial and legal regulations.

Rationale: The Australian market is fit for this venture because of its booming SMB sector and the expanding demand for efficient payment processing resolutions. Changing consumer behaviour has brought in increased preferences regarding contactless payments and online shopping thereby solidifying the necessity for up-to-date/modernised payment processing.

We aim to create a successful FinTech startup that provides innovation and convenience for the local business community.

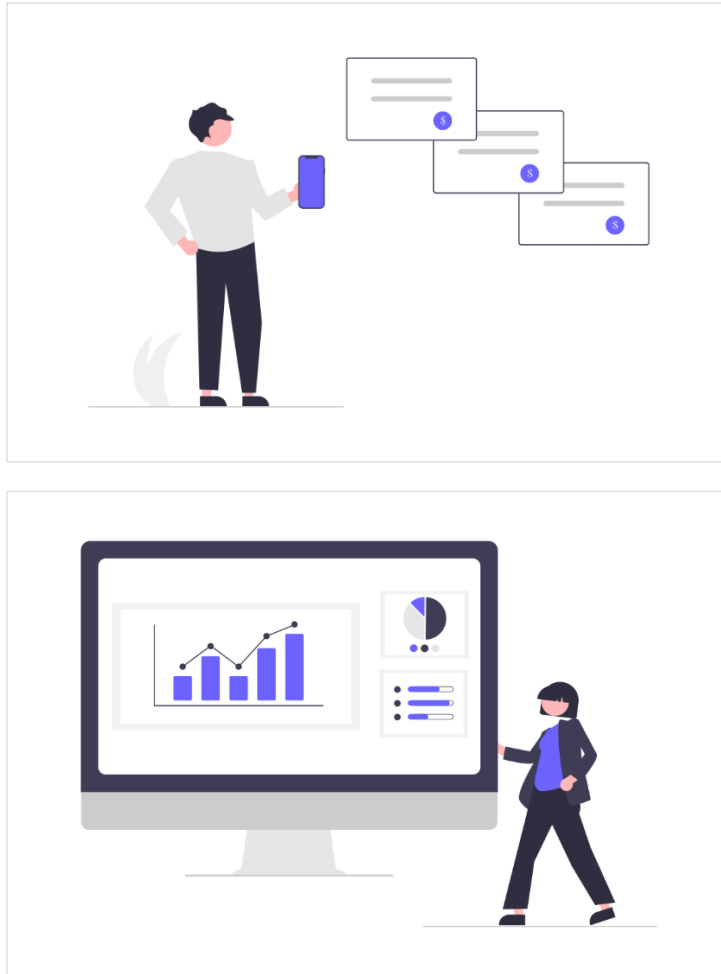


A2: Our Business Idea's Uniqueness

Establishing our business idea in the previous section has allowed us to shed light on its uniqueness and how it stands out.

- It is tailored for the Australian market: We are drawing-up our platform specially to cater to the unique needs and regulatory requirements of the Australian market. This involves thorough compliance with Australian financial and legal standards thereby ensuring a reliable yet secure payment processing system.
- We have a SMB-centric approach: Instead of serving the whole Australian market, our main focus on Australian SMBs sets us apart. We acknowledge that small and medium-sized businesses have distinct challenges and opportunities when it comes to the Australian landscape. Our solutions will be flexibly and finely tweaked to cater to their specific pain points. Our aim and ability to provide zero downtime to our consumers makes it all the more better.
- We provide comprehensive payment solutions: Our platform's holistic payment processing solution incorporates both, the POS technology and a wide range of payment methods such as contactless payments and e-commerce integration. Our comprehensive approach will ensure that SMBs have access to all the means they require to flourish in an evolving payment ecosystem.
- We provide Real Time Analytics: We offer real time transaction tracking and analytics. This will empower the small and medium-sized businesses with solid actionable insights enabling them to make informed decisions and optimise their operations.

These factors position us to succeed and grow in the Australian FinTech landscape while making a meaningful impact on the local business community.



A3: Target Consumers and Benefits



Our foremost target consumers are the small and medium-sized businesses in Australia. SMBs are the backbone of the Australian economy encompassing a wide range of businesses from restaurants and local retailers to service providers and online shops. We aim and are designed to bring significant benefits to the Australian SMBs.

- Efficiency: Our streamlined payment processing will save time, simplify, and streamline the experience for SMBs. This includes offering user friendly POS (Point-Of-Sale) terminals along with a seamless and efficient payment gateway. SMBs often encounter high transaction fees through the traditional payment processors. Our platform will provide competitively low pricing thereby reducing the financial load on the businesses.
- Access to Modern Payment Methods: We will provide the SMBs with modern payment methods such as contactless payments and e-commerce integration. This allows the businesses to cater to the evolving customer preferences and remain competitive.
- Data-Driven Decision Making: Our platform will offer real-time transaction tracking and analytics providing SMBs with solid actionable insights keen on their sales and customer behaviour. This will allow them to make well informed decisions, optimise their operations and ultimately improve the customer experiences.
- Compliance and Security: We will make certain our strict compliance with Australia's financial regulations and industry standards. This will provide a trustworthy and secure payment processing setting thereby instilling confidence in the businesses and their customers.
- Competitive Edge: SMBs using our solutions can offer a modern and seamless payment experience that is at par with the capabilities of bigger competitors allowing these businesses to gain a competitive advantage in the market.
- Scale and Growth: As we back our consumer SMBs to expand, our platform can also grow along, thereby consistently providing advanced features and capabilities to support their growing needs.

These factors ensure that our consumers will be more than happy and well-satisfied with our offerings. We will be supporting these SMBs at every step of their journeys thereby empowering them to flourish.



A4: Regulations and Legal Requirements



For successfully launching our startup in the Australian scene, we must go through a complex regulatory landscape. Complying with financial industry regulations is important for the trustworthiness and success of our business.

1. Data Protection and Privacy Laws: We will comply with the data protection laws including the Privacy Act to ensure customer data is safe.

- Privacy Act of 1988: Complying with the Privacy Act is vital. We need to protect the customer, reveal how data is collected and used, and offer individuals with access to their information.
- Notifiable Data Breaches Scheme: We need to notify individuals and the Australian Information Commissioner about data breaches as they could cause harm.

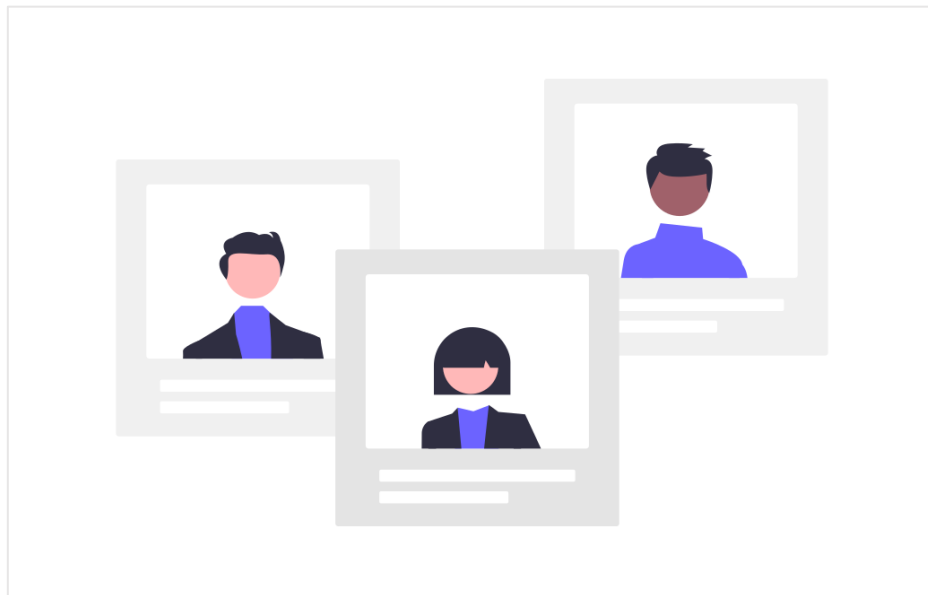
2. Financial Regulations: We will operate with the regulatory authorities such as the ASIC and AFSL to make sure we conform with financial industry regulations.

- Australian Securities and Investments Commission (ASIC): ASIC regulates financial services and markets. For extending financial services such as digital wallets or lending products, we will need to get the required licenses and comply with ASIC regulations.
- Australian Financial Services License (AFSL): For working around financial activities, we will require an AFSL to operate lawfully.

3. Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) Act: Complying with regulations of the AML/CTF Act is crucial. We must perform customers' due diligence, observe transactions for suspicious activities, and report to Australian Transaction Reports and Analysis Centre (AUSTRAC) if required.

4. Know Your Customer (KYC) and Customer Identification: We will implement KYC procedures ensuring legitimate customer identities and preventing fraudulent activities.
5. Payment Industry Standards: Ensuring compliance with the Payment Card Industry Data Security Standard (PCI DSS) is mandatory for handling the cardholder data. Securing the data during transmission and storage is paramount.
6. Protecting the Consumer: As per the Australian Consumer Law, we must follow the consumer protection laws ensuring accurate product descriptions, transparent pricing, and fair dispute resolution.
7. Taxation Rules: Adhering with the taxation laws is crucial for reporting income, paying taxes, and complying with the Goods and Services Tax (GST) obligations.

A5: Talented People

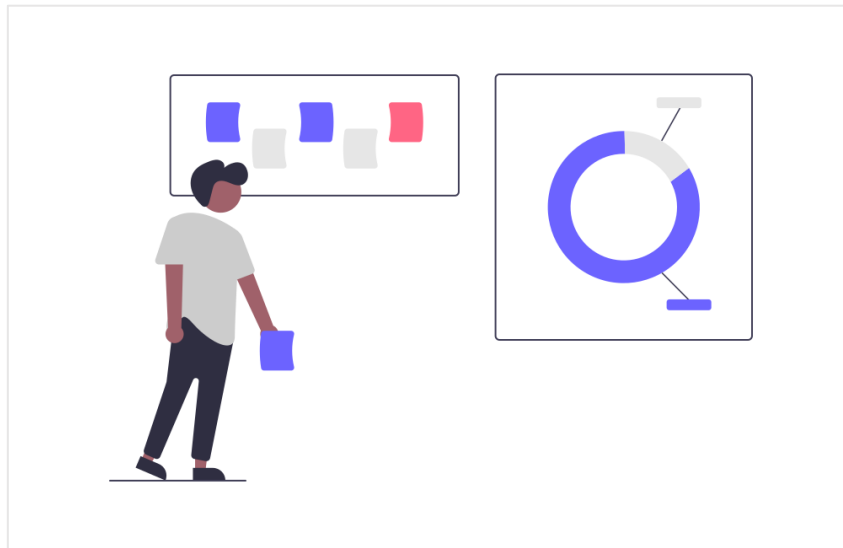


Our team will bring diverse expertise to the table driving innovation and navigating through the complexities of the Financial Technology industry.

- CEO (Chief Executive Officer)/Founder: Our CEO will be a creative leader with the background in FinTech. The CEO will be in charge of the overall strategy and business development.
- CTO (Chief Technical Officer): Our CTO will be a veteran tech-savvy professional administering the technology stack and product development.
- COO (Chief Operating Officer): Our COO will be a senior executive in charge of day-to-day operations and ensuring compliance with the regulations.
- Data Analysts and Scientists: A team of experts in data analytics assisting us to draw actionable insights.
- Cybersecurity Specialists: A team of experts ensuring strong security measures and encryption.
- Marketing and Sales People: A team of experts responsible for promoting our platform and acquiring SMB customers.

- Legal and Compliance People: Experts ensuring our conformity to regulations.
- Finance Experts: A team responsible for financial planning and managing funds.

The Marketing Plan:



Our plan begins with a thorough market research to understand Australia's financial scene along with the specific challenges faced by SMBs. It will support us to identify different customer divisions based on industry, business size, and payment processing requirements.

Our customer acquisition approach hinges on a convincing value proposition. We will emphasise streamlined payment processing, saving costs, and access to modern technology. We will educate SMBs about these advantages using content marketing involving blog posts, case studies, and whitepapers. Hosting workshops and webinars will offer direct demonstration of our platform's ability to cater to the pain points. We will expand our reach by implementing referral programs and building strategic partnerships with industry alliances and accounting firms thereby providing access to high-value networks.

Our offerings like tailorable solutions for Australian SMBs, emphasising customisation, real-time analytics, and thorough compliance with local regulations give us the competitive advantage. We will provide exceptional customer support and training resources for best utilisation of our platform.

Our branding efforts will establish thought leadership with emphasis on creating a solid and reliable identity through showcasing success stories, insightful content, and webinars to build trustworthiness.

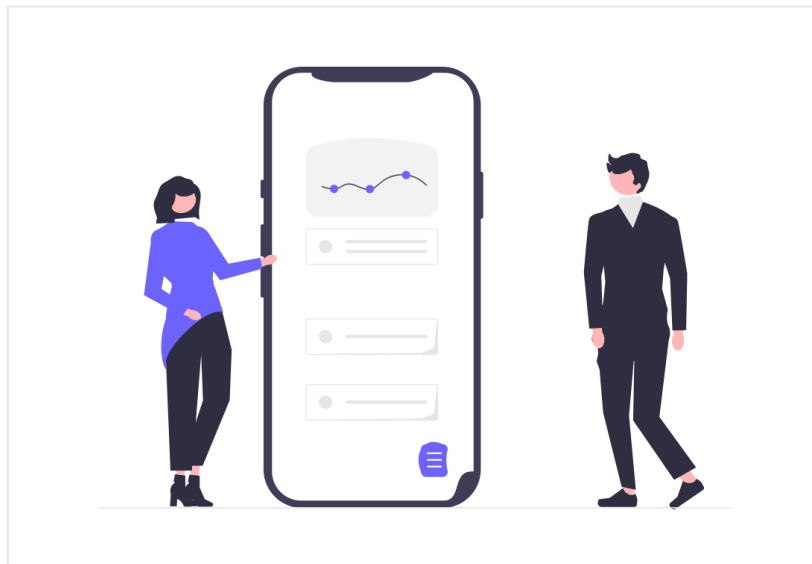
We will use marketing channels such as social-media advertising, targeted email campaigns, an SEO-optimised website, and taking part in industry events. Metrics and KPIs will be used to measure Customer Acquisition Cost (CAC), Customer Lifetime Value (CLTV), conversion rates, churn rate, website traffic and social media engagement.

A6: Building our FinTech Product

We will build our platform with an emphasis on scalability and security.

- Security: Data will be encrypted utilising industry-standard encryption conventions. Our implementation of private secure cloud storage will include routine penetration testing and security audits.
- Technology Stack: We will ensure the utilisation of advanced technologies such as AWS cloud services, microservices architecture, and blockchain for transparent and secure transactions.
- API Integration: Our platform will seamlessly integrate with several payment modes and financial bodies.
- AI/ML Algorithms: We will implement AI-infused tailored customer experiences and fraud detection.
- Mobile Application and Web Development: We will develop user-friendly web applications alongside easy-to-use android/iOS mobile apps.

A7: Funding our Business



We will utilise a combination of resources.

- Bootstrapping at Initial Stage: We plan to utilise personal savings and revenue created from initial operations.
- Valuable Investors: We will pursue investments from VCs (Venture Capitalists) and angel investors who're experts and investors in FinTech startups. Their network is extremely valuable and would help us to attract more investors thereby boosting our growth.
- Loans from Banks: We will explore feasible options for bank loans to support initial developments and operational costs.
- Grants from Government: We will explore opportunities for government grants and subsidies offered for FinTech innovation.
- Crowdfunding: We will launch crowdfunding campaigns involving the community and gathering early adopters.

A8: Running our Business

The leadership and management teams will run our business. Our team will consist of experienced professionals having extensive knowledge and experience in the financial-tech industry. These leaders will be selected after observing their commitment to their teams/work and successful track records around startups in the industry.

Our CEO cum founder will possess a thorough understanding of the industry trends and Australian market. Our COO will bring operational fineness and regulatory proficiency to the table. Our CTO will lead technological development while ensuring our platform stays creative and protected.

Best Regards,

Sachin Bhat

Business Analyst Trainee

Strategic Solution Management Inc.

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Appendices:

I worked at Pine Labs Pvt. Ltd. India as a Payment Integration QA for 2 years before starting my Master of Business Analytics course at Deakin University and hence chose to work upon what I previously have worked on. Thanking you.