

# Business Plan

## Unified Banking Interface

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### **Executive Summary**

The aim of the business is to provide the Irish population with a safe, unified means of payment. The product will encompass a compelling partnership with existing Irish businesses and will employ a strategy to attract customers of all ages. It will be available to anyone with a bank account and a mobile phone number. Vendors of all sizes will also avail of the product, particularly ones that are looking into establishing their idea, but are daunted by the costs associated with involving the banks into their means of payment.

The long-term goal is to transform the Irish society by greatly reducing the amount of physical money, which will contribute to the environment, reduce money laundering and greatly increase personal safety. The product we are creating is intended to give and provide to the Irish economy. It will more closely connect businesses with their customer base, achieving greater trust and reputation.

The research carried out as part of this business plan paints a clear picture and allows for straightforward, but thorough planning. The primary market is split between millennials and small businesses. Discussed later in this document, research shows that millennials have been most acceptant of the revolution of mobile banking. They are most likely to use and trust it, hence why they will be targeted as the product will be launched. Small businesses are projected to be likely customers of our product, as it would massively reduce their setting up costs – banks take a hefty percentage of their profits made with card payments.

### **Operating Plan**

The operating plan will outline the plans and distribution of responsibility across the company's founders. It will serve as guidance throughout the growth of the company.

The Unified Banking Interface shall be operated and managed from the ground up by the initial four founders, who will be the company directors in regard to various fields of the business, be it finance, technical or marketing.

### **Founding Members**

Lukasz Salitra: Bachelors (Hons) Degree in Software Engineering. Experienced in designing scalable web-based applications, system architecture and data scraping.

Meet Mehta: Bachelors (Hons) Degree in Software Engineering. Experienced with great expertise in blockchain technologies. Almost two years' experience in the Digital Marketing sector.

Simon Keogh: Bachelors (Hons) Degree in Software Engineering. Experienced in Information Technology, Data Science and AI projects for Natural Language Processing and classification.

Shubham Jain: Bachelors (Hons) Degree in Software Engineering. Experienced in Machine Learning & AI research, UI/UX and front-end development.

### **Member Operations & Responsibility: Lukasz Salitra**

Lukasz will design the underlying system architecture of the platform. He will implement necessary security protocols into the platform and will be responsible for the design of the data store, as he is experienced with handling of sensitive and critical information. He will oversee the development and act as the technical project manager.

**Member Operations & Responsibility: Meet Mehta**

Meet will be in charge of incorporating his knowledge in the Digital Marketing field into the platform. He will be responsible for using the best techniques of reaching out to our primary and secondary target markets, making best use of the resources that are in the company's possession. He will use various means of advertisement to create, strengthen and maintain our reputation in the society.

Additionally, he will support Lukasz in the creation of the system architecture, due to his expertise in blockchain technologies.

**Member Operations & Responsibility: Simon Keogh**

Simon will be responsible for managing the finance of the company. Before the hire of an accounts department, he will oversee the accounts, loan and grant applications and asset management. He will be in charge of the staff meetings to liaise with all of the business members at the end of each month to provide a breakdown and summary of the company's financial ability.

On the technical end, Simon will implement an automated Quality Assurance system for the software department.

**Member Operations & Responsibility: Shubham Jain**

Shubham will lead the Research & Development operations of the company, alongside Lukasz as the technical project manager. He will assert that the customers receive an on-time delivery of the product to the highest of standard.

He will be responsible for providing resources to other departments, such as finance and equipment.

Since Shubham is experienced in User Interface Design and Customer Experience, he will be designing the front-end of the product. He will also lead the customer facing meetings.

## **Business Description**

### **Mission Statement**

The Unified Banking Interface is built to provide and foster cashless payment and settlement systems within the Republic of Ireland in a safe, efficient and inclusive manner. The product is driven by the customer demand of convenience, ease of use and access. We embrace new technology and innovation to unveil a bouquet of simple and low-cost solutions to individuals and businesses alike. We offer an honest and ethical service, which builds great customer trust and satisfaction.

### **Direction**

We strive and direct the society towards becoming a cashless society, following the immensely successful trends of similar solutions from China and India. We believe the product has huge room for success, as it is innovative, and the public is likely to trust it. We want to contribute to the Irish economy and provide support to small businesses, which we hope will flourish while coupled with our product.

### **Motivation**

China is a great example of a society steering towards becoming cashless. Even the smallest of street vendors have complied with their system of unified payments. We believe it is possible for the Irish population to make the switch. Our research shows great public trust in existing mobile banking solutions.

### **Services**

Our system creates a safe, regulated and environment friendly interface of payment. To avail of the product, a customer needs to have a bank account and an active mobile phone number. The two are used to create their account. Once that is setup, the customer has the ability to pay for

their purchases by scanning the merchants QR code, making the payment instantaneous. Additionally, each customer is able to instantly transfer funds to another customer, irrespective of the banking authority of the receiver.

The businesses are given a chance to save tremendous amounts of money by using the Banking Interface as their payment platform. We will charge them accordingly to the fees they would incur using regular banking, strategically lowering their costs.

### **Company Values and Ethics**

The Unified Banking Interface as a finance & technology company is aware of the importance of public trust, in big part due to major scandals surrounding data breaches in recent years. We promise to commit to putting the integrity of our company first, ensuring the data of the customer is secure and kept strictly within the company; it will never be accessible to 3<sup>rd</sup> party companies.

We believe in fairness of trade, accurate and inclusive advertising, and fair competition. We will do our best to cooperate with the government, financial authorities, other businesses and most importantly the customer.

Coming from within, we promote and respect diversity. We put great emphasis on inclusivity, gender equality and tolerance of all religions.

As a highly technically focused company, we welcome innovation and promise to continuously upgrade our products to the highest of standards.



## Market Research

### Segmentation & Target Market

According to this article [1], published in 2017, 78% of Irish people have used their phone for bank related purposes. This figure is particularly compelling as it indicates that introduction of a unified banking interface will be welcomed by the population. This is because the Irish market is already used to interacting with their finance through the mobile means. According to the same research, millennials are the main driving force behind the tremendous figure. This indicates a great potential for the primary market. Younger people are generally more open to technology, given its involvement in their lives since the early years. As a matter of fact, 89% of people of the above figure are millennials. People over the age of 35 tend to follow technological advancements such as mobile banking, although not to the same extent. This secondary market will remain an important part of the business, as they are quite likely to use the proposed interface, given the expected popularity within the younger masses.

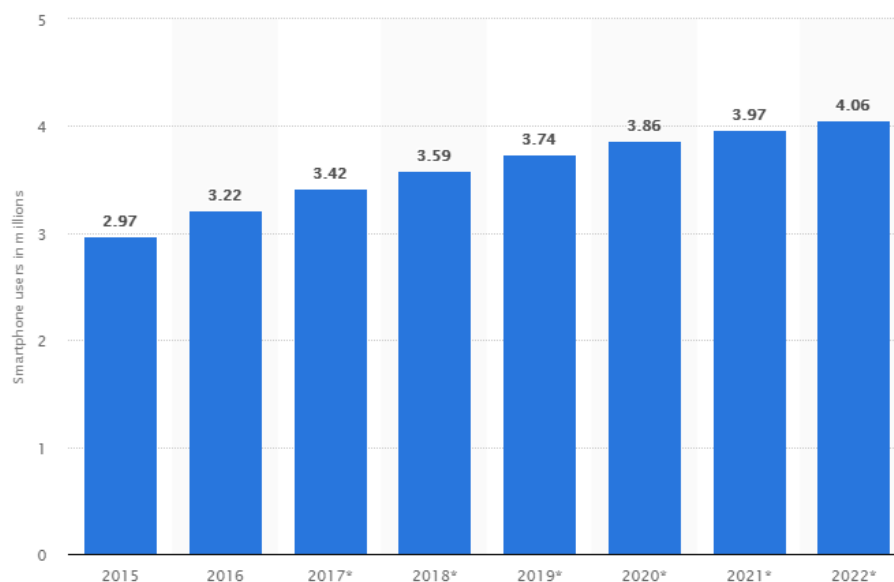


Figure 1: Smartphone use in Ireland

### **Market Need Analysis**

With the increase in number of mobile users in Ireland, the need for smarter and easier payment methods have increased. Figures from the Banking and Payments Federation Ireland (BPFI) show there were 158 million contactless payments valued at €1.9 billion in the first half of 2018, up 66 per cent year on year. The figures clearly indicate that contactless payments have overtaken traditional chip and pin transactions as the dominant payment type in Ireland as in other countries. Judging by these numbers, UBI can very well be the game changer as it aims to make payment easier than the contactless payments.

### **Customer**

UBI will provide the instant real-time payment systems, making it much easier for user to make transactions. It will move the funds directly from one bank to another, thus removing the need of withdrawing from one bank, making the payment and then depositing the money to another bank. Current payment systems don't allow this much flexibility. Also, transferring money into another account requires the consumer to send his or her bank account information. This is not secure in many ways. With UBI, consumer gets his or her virtual account which can be exchanged to transfer money. Mobile Money has taken off as 78% of Irish People prefer to use their phones to Bank and make everyday payments. Visa's Annual Digital Payments Study finds mobile banking has become second nature to 68 percent of Irish consumers.

## Vendors

Vendors in the market need to deposit all the money they earned to the Bank. UBI provides Instant Money transfer between banks, eliminating the need to collect the money and then depositing all of them in the bank. This saves the valuable time for the vendors and in the business world, time is money. Small vendors who can't afford the machine with QR scanning functionality are in the need of some mechanism which doesn't cost them extra money. This can be easily solved via UBI transactions as all he requires is a cell phone.

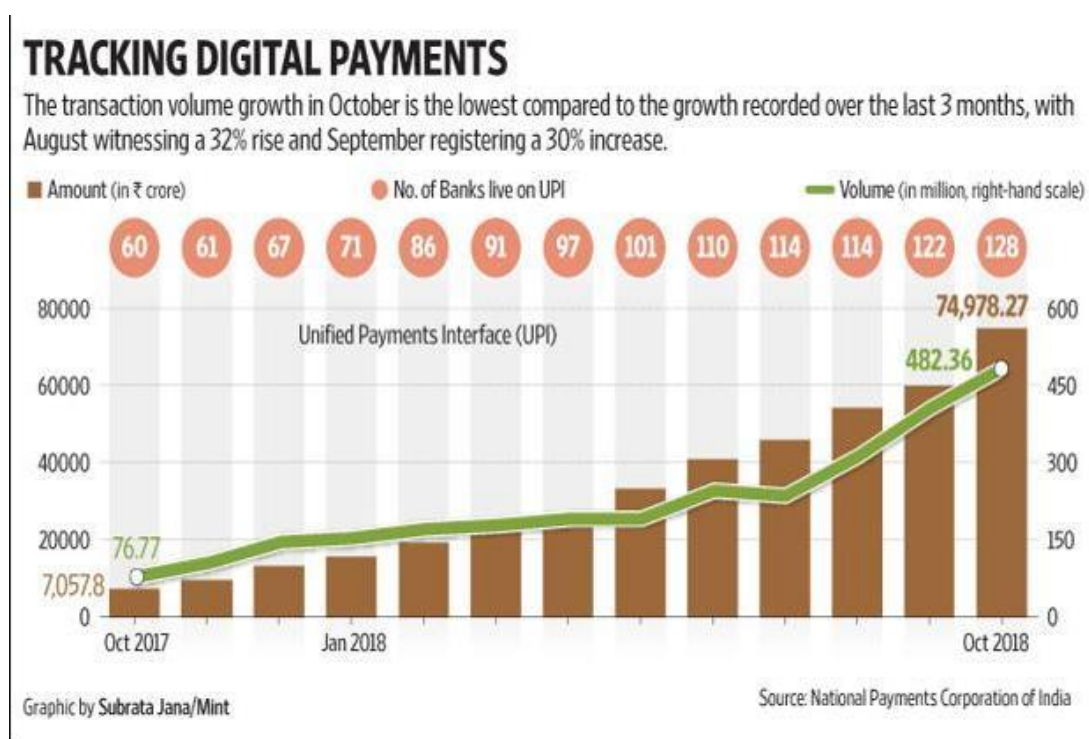


Figure 2: Digital transaction growth in India

## Regional Market Need

Ireland has a large expanding market with many companies choosing to settle in Ireland due to their low corporation tax rate. This market is held back by the slow banking and money transfer process that is in place currently, offered by the central bank of Ireland. By 2020, we are predicted to have a connected society of 50 billion worldwide, this is due to almost all members

of society owning a smart phone. This is another important statistic to consider when considering deploying UBI on the Irish market. Everybody with an internet connected smartphone will be able to access our service and send and receive money in an instant. The market need is there. Recent surveys show that many students and young adults are frustrated with the lack of mobile payment services available to them in Ireland. With only select banks offering compatibility with Google/Apple pay. With UBI, we take away the need for the bank to implement the service on their end.

### **Market Competition**

As of writing this report, there are no UBI systems currently active in the Republic of Ireland. This is beneficial for us as it puts us in a nice position to enter a market with no competitors. This advantage allows us to dominate the market early and establish a strong market presence; so that when competitors do join the market, we will have a strong lead. That is not to say that there are no competitors yet. Many Asian countries use this technology for their day to day banking and consumer activities. India's Nandan Nilekani launch his UBI system in India and reached 1 billion transactions through the system in December of 2018. WhatsApp are currently developing a UBI payment system that works through their original WhatsApp messenger and are planning to release it in certain areas in the coming years. This give us time to establish are position in Ireland as the main UBI systems provider and beat the competition before then even arrive here. Considering this information, marketing strategies will be put into place by our team to expand our influence and prevent damages that can occur from competitors entering the market and directly competing with us for market share.

### **Market Challenges**

Every innovation brings with it several challenges and threats some of which are gradually treated over by time and some linger on forcing the user to make the adjustment and UPI is not an exception. Small but significant UPI has its own challenges which are as follows:

- A foremost challenge a user of UBI has to face is the dilemma whether the party to whom he wishes to make payment is registered on UPI or not and if he/she is registered then what is the VPA (Virtual payment address) or registered mobile number of that person.
- The four-party model of UBI where the customer of one bank is at the liberty to use the application of another bank creates a gap and a quandary incases of failure of transaction and makes grievance redressal difficult as the customer may remain confused as to whom should the problem be addressed to. Many a times the customer takes his issue to the bank which holds his account but at the same time the transaction may not have been visible to his bank as it was performed with the UPI application of some other bank.
- Banks aren't completely computerized which adds to the list of challenges for UBI. Implementing UBI will mean training merchants, staff, retailers, improving point of sale systems and upgrading existing technology among others all of which translates to significant investments. Anyhow these will be required to ensure wide scale adoption of UBI.
- Simplicity of app comes with fraudulent transactions threat. Hence, the development should be done keeping in mind the security pin for a user.
- Every user would have to be trained to use the system properly and with ease.
- As this is just going to be a backend interface which banks will have to apply, it will be difficult o convince all banks to follow the same architecture.
- This would support only android platforms so people on iOS or web would not be able to work.

### **Marketing Plan**

The company's initial marketing strategy is to attract as many local consumers as possible. We are specifically targeting customers that tend to make more online transactions but find transferring funds from bank to bank a hassle. Our promotion strategy includes web advertising along with minimum fee for every transaction. We will try to make this negligible by working alongside banking authorities of Ireland.

### **Product Strategy**

#### **Product Focus**

By 2020, more than 20 billion users are believed to be connected to online transaction. This makes it seem like just the right time to revolutionize the payment system. The Unified Banking Interface at heart aims to provide a reliable way to transfer funds from one bank account to another. We are focused on making the lives of customers easy and thus gradually expanding our market. To achieve this, we are planning to advertise our application as free to download. We will be making our platform available through different means of distribution, like AppStore for iOS and GooglePlay for Android devices.

#### **Product Features**

- Cheap way to transfer funds
- No need to share bank account details
- Instantaneous process
- Optional registration of the payee
- Great alternative for POS solutions
- No need to carry cash

## **Promotion Strategy**

### **Social Media**

By establishing engaged and active presence on social media outlets like Facebook or Twitter, we will manage to focus on our primary target market, who we have found out to be more involved in online transactions and ecommerce. We intend to provide an incentive and referral system, rewarding customers who choose to register through our social media campaign.

### **Partnership with well-known businesses**

To promote our platform, we intend to discuss partnership with various retail, entertainment and food services companies that Irish people actively interact with. These companies include but are not limited to:

- IMC Cinema
- Dominoes
- McDonald's
- Penneys
- Booking.com

Customers drive large amounts of revenue for these companies through the means of banking. If we can provide customers with certain discounts or incentives to use our platform to pay for their purchases with other companies, we would not only benefit ourselves, we would also drive more business to the other companies, effectively making this a win-win scenario.

### **Distribution**

The Unified Banking Interface will be available on both Android and iOS devices. It will be accessible from the respective application stores. Establishing connections with retailers and franchises will help increase the range of the product.

**Incentives**

To keep the customer motivated and attracted towards our product, we will offer them a chance of earning bonus finance into their accounts, redeemable towards any purchase they wish to make. After each transaction, they will have a small chance at winning a bonus card, similar to that of a scratch card. The amount redeemable will depend solely on their luck and to promote fairness and to adhere with gambling laws, the breakdown of chances in terms of percentages will be publicly available. To prevent abuse, both the chance and the amounts will be kept relatively small, yet attractive enough to continue the use of the product.

**Referral System**

Each customer will be able to invite their friends onto the platform. For each successful invite, they will receive a small compensation, under the condition that the invitee links their bank account into their account and commits towards making a number of transactions.

**First Time Registration Bonus**

We will periodically roll out a first-time registration bonus – exclusive to customers who are not using a referral code to setup their account. To prevent abuse of this scheme, the bonus will be only redeemable after a certain set of conditions is met.



### **Pricing Strategy**

The company intends to establish a partnership with the government and the Central Bank of Ireland. For our company to actually make money, we will charge a small, near negligible amount as a transaction charge. These charges will be taken from both the customer and the company. Their usual charges with regular banks are generally much higher. We will not exceed 10c per transaction, which is less than some other e-wallets, that charge an average of 5% of the transaction.

### **Marketing Budget**

Paid marketing will begin on the previously mentioned Facebook and Twitter social media platforms. We have estimated a rough amount of €15,000 each month for the initial round of the advertisement campaign, which includes the use Google Ads platform. We aim to run an aggressive campaign in the first 10 months of product launch, to get traction and exposure.

#### **Facebook**

Facebook advertising will cost an average of €1.86 per click.

#### **Twitter**

Promoted Tweets cost between €0.50 and €4.00 based on the engagement.

#### **Google Ads**

Average cost per click is between €1 and €2 on the search network.

### **Financial Plan**

Unified Banking Interface will seek funding from Enterprise Ireland to assist their expansion into the Irish market. As of February 2015, the Irish government announced that they will be providing a regional competitive fund with the objective of supporting significant regional initiatives to build on sectoral strengths and/or to better leverage identified resources to improve enterprise capability.

The Irish government have made 60 million in funds available to support major new collaborative and innovative initiatives.

UBI will register to attend the Regional Enterprise Development Fund information sessions for midlands-based companies that takes place at the Tullamore court hotel.

The scheme allows the Irish government to co-finance the development and implementation of the project if it can sustain and add employment at a national, regional and county level.

As a new company, we plan rapid expansion and foresee the creation of huge employment opportunities through the midlands, with further expansion planned as the company grows.

The aim of the scheme is to drive enterprise development and job creation throughout the region, and this a goal that we have planned for at the initial stages of our company's creation. We want to not only benefit ourselves, but also our country.

“The scheme will support the development of initiatives that help strengthen the regional ability to adjust and cope with the potential effects of international economic changes that may impact on regions or sectors performance nationally.” [2]

We strongly believe that our Unified Banking Interface system can adapt to economic changes that impact the banking sectors performance in Ireland by not being bound to the rules and regulations that some things restrict the people of Ireland when it comes to banking.

### **Scheme Stream**

We will be applying for the Enterprise Ireland Stream two scheme. The scheme is as follows:

“Stream Two to support significant county, regional or multi-regional sectoral and or enterprise initiative grants of €250k up to €2m per project in funding towards capital and current costs. These projects should be focussed on delivery of defined enterprise development outputs and impacts.”

### **Eligibility**

We have registered as a Designated Activity Company in order to be eligible for the scheme.

### **Funding Available**

Stream 2 – Regional change projects with grant funding of €250k up to €2m at 80%.

If successful, we will receive funding for a maximum period of 3 years to drive the implementation of the works program. The continuance of funding throughout the three-year period is subject to the delivery of agreed milestones for the project, which will be set by Enterprise Ireland.

The funding is also subject to the justification of the costs and the evaluation of criteria detailed on the Enterprise Ireland website under Section 16, where Enterprise Ireland reserve the right to reduce or disallow proposed funded costs.

UBI will apply for funding from Enterprise Ireland using the official REDF application form before the close date of Thursday 28<sup>th</sup> June of that year.



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