

# BUSINESS PLAN



## United Discount System «Summary Card»



*Adaptation of this business plan is possible for similar project around the world.*

*The **financial model** in separate file is attached to this business plan, which makes it easy to build a new financial plan by entering the appropriate data.*

## **Business Description**

### **Project idea and target**

Creation of unique for CIS countries system SumCard, which will allow the goods and services consumers to relocate all discount cards from the wallet, where they occupy a significant place, to the mobile phone.

System SumCard is not expensive and effective mean of advertising as well as replacement of SMS-marketing for business.

### **Principle of system operating**

Within the project the software is developed; it is possible to download the SumCard application free in App Store and Google Play for the smartphone.

### **Advantages**

For users:

- credit cards are always near and placed in the phone;
- it's not necessary to carry a wallet filled with plastic cards;
- receiving of new information about promotions and discounts.

For business:

- there are no costs for plastic card production;
- information from the advertiser appears in the system for an hour;
- implementations of creative initiatives from advertising are possible.

### **Competitive environment**

- SNAPP' – <http://www.snapp.fr> (France).
- KeyRING – <http://keyringapp.com/> (USA).

## Basic Financial Indicators of Economic Efficiency

Free cash flow, RUB	Period, years
***	***
***	***
***	***
***	***
***	***
***	***
NPV	***
IRR	***
Payback period, months	12

### Excerpts from Research

SumCard (Summary Card) is software of new generation for devices, which are based on iOS, Android operating systems and other mobile platforms. For goods and services consumers the SumCard system is an opportunity to forget what the wallet filled with plastic cards is, because from now on all loyalty cards will be in the phone of user; and for business it is the system of efficient and not expensive advertising of goods and services, which is always with a potential client.

*Advantages of SumCard for goods and services consumers:*

1. All discount cards are constantly placed in the mobile phone, it is possible to use them anytime and there is not necessity to carry a large amount of credit cards in wallet.
2. Users of the SumCard system themselves choose the companies, from which they will receive the advertising, information about promotions and new offers.
3. Client can see via system the location of shops, restaurants, cafes, etc.

The user must download the mobile application and install it on his terminal to become a participant of SumCard program. Not only mobile phone but any other device based on iOS and Android operating systems can be used as terminal. The downloading of application is available in App Store and Google Play. Users of phones based on other operating platforms could use SumCard via web-browser on their phones soon after the registration on site.

\*\*\*

The following paid services will be represented for business and goods and services consumers:

- presence of retail outlet in SumCard system. The subscription fee will amount to \*\*\* RUB/month from one retail outlet;
- consumers of goods and services have an opportunity to purchase an one-time coupon for discount, the value of which amounts to \*\*\* RUB (for example, to buy for \*\*\* RUB the one-time discount of 50% in network of restaurants);
- sending of Push-messages, which informs the smartphones owners about the promotions and new discounts, which are provided by partners of SumCard system. The cost of one message \*\*\* RUB, i. e. one potential client costs for business only \*\*\* RUB;
- targeting of audience and request of filters for business. Before sending of Push-messages companies can order the sending of messages only for users of their business segment (for example, to send the messages to women aged between 18 and 25 years);
- discount package. The packages of discount with cost of \*\*\* RUB will be available for final consumer. For example, the man is going to go to Rostov-on-Don for a week and purchase the package of discount of 10% in all companies, which are the partners of SumCard system;
- turnkey loyalty system – developing of loyalty systems for companies, which will function in SumCard system;
- banner advertising are provided for companies for 1 day. The essence of advertising is that the banner with information from companies will appear for 1 day to all smartphones owners, which have installed the SumCard application;
- advertising of tobacco products and alcohol in the system;
- additional services. For example, geolocation, which allow the client to see where the closer facilities interested him are situated.

\*\*\*

According to the research, \*\*\*% of Russian Internet-buyers prefer to pay cash to courier in the moment of delivering; \*\*\*% use the Internet-payment and electronic

wallets; \*\*\*% pay for purchases via bank transfer. Only \*\*\*% are ready to use the card to pay for Internet-purchase, \*\*\*% – mobile account.

According to the data of Public Opinion Foundation, \*\*\*% of Internet users make the Internet payments at least once a month, which amounts to \*\*\* mln people. Among the most active part of population (18-45 years old) \*\*\*% know about the possibility of making payments via electronic money, \*\*\*% use them more often than once in a half of year. It is less than using of bank cards and offline terminals, but more than using of SMS-payments.

Majority of online payments users apply the communication services (cellular communications (\*\*\*%), the Internet (\*\*\*%)). Often they are used for payments in the Internet-sphere: payment for purchases in the Internet shops (\*\*\*%), payments in social networks (\*\*\*%), online-games (\*\*\*%), multimedia content (\*\*\*%).

# Content

<b>List of Tables, Diagrams and Figures</b>	<b>4</b>
<b>Executive Summary</b>	<b>5</b>
<b>1.0. Description of Summary Card (SumCard) Project</b>	<b>6</b>
1.1. System Positioning	6
1.2. Existing System and Principle of Operating	7
1.3. Opportunities for Smartphones Owners with SumCard System	9
1.4. Paid Services of SumCard System for Business and Clients	10
<b>2.0. Market Analysis</b>	<b>12</b>
2.1. Description of Existing Problems on Market	12
2.2. State of E-Commerce Market of Russia	13
2.3. Smartphone Market of Russia	16
2.4. Market of Operating Systems for Smartphones	18
2.5. Market of Mobile Internet of Russia	20
2.6. Market of Contactless Payments and Its Tendencies in Russia	21
2.7. State of Entrepreneurship and Trade Fields of the Russian Federation (RF)	26
2.8. State of Market of Shopping and Entertainment Centers as Basic Projects Partners	28
<b>3.0. Competitive Environment</b>	<b>34</b>
3.1. Main competitors of B2C Market	34
3.2. Competitors of B2B Market	34
3.3. Analysis of Competitors of SumCard on the World Market	35
<b>4.0. Marketing Plan</b>	<b>38</b>
4.1. Risks Analysis	38
4.2. Market Promotion	38
4.3. Site Creation and Usability	39
4.4. Search Engine Optimization	40
4.5. Contextual Advertising	42
4.6. Social Media Marketing	43
4.7. Advertising on Home Pages of Search Engines	44
<b>5.0. Operational Plan</b>	<b>45</b>
5.1. Staff Schedule	45
<b>6.0. Financial Plan</b>	<b>46</b>
6.1. Assumptions Used in Calculations	46

6.2. Revenue Size Forecast (for 1 Month)	47
6.3. Capital Expenditure	47
6.4. Project Costs	47
6.4.1. Personnel Costs	49
6.5. Profit and Loss Statement	50
6.6. Basic Financial Indicators of Economic Efficiency	54

## List of Tables, Diagrams and Figures

### FIGURES AND TABLES

Figure 1. Example of QR-Code Generated by the System	8
Table 1. Necessary Equipment and Minimal Prices	9
Table 2. TOP of Popularity of Operating Systems for Smartphones in Russia, 2014	19
Table 3. Analysis of Competitors of SumCard on the World Market	37
Table 4. Staff Schedule	45
Table 5. Project Basic Parameters, Accepted for Calculation	46
Table 6. Price of Services Sales	46
Table 7. Revenue Forecast	47
Table 8. Capital Expenditures	47
Table 9. Project Costs at Pilot Phase	47
Table 10. Project Costs	48
Table 11. Costs of Personnel Labor	49
Table 12. Profit and Loss Statement	50
Table 13. Profit and Loss Statement by Years	53
Table 14. Basic Indicators of Economic Efficiency	55

### DIAGRAMS

Diagram 1. Place of Russian Market of E-Commerce among World Leaders	13
Diagram 2. Dynamics of Growth of Online Buyers on the Territory of RF	14
Diagram 3. Knowledge and use of Electronic Payments by Population of RF	15
Diagram 4. Distribution of Electronic Payments by Directions	16
Diagram 5. Nominal Volume of Smartphones Sales by Producers on the Territory of Russia (Q1 2014)	17
Diagram 6. Places of Mobile Internet Use	21
Diagram 7. Distribution of Enterprises of Small and Medium Business in Depending on Field of Activity	27
Diagram 8. Share of Small and Medium-Sized Enterprises in Total Amount of Revenue of State Economy	27



*We thank you for your confidence  
and would like to remind you that:*

- ✓ with the purchase of the business plan of the  
«VTSConsulting» company you'll have a guarantee of  
getting a consultation from specialists who have  
worked on a specific business plan*
- ✓ during one to two hours our team will be ready to  
answer all questions related to the structure and  
content of the business plan*

*Respectfully,  
«VTSConsulting» team*

## INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

### «VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

**We appreciate greatly the cooperation with each customer.**

**And we are proud of our customers!**

LLC «Zemleugodie-Invest», OJSC «Petrovizard» company, Port Temryuk, LLC «Portal Logistics», SPK «Votkinsky plant», SPE «Stealth», LLC «Spetsbudproekt», group of «Nauka», I.N. Frantsevich Institute of State Enterprise UkrSRIPRI companies «SEMPROGROUP», LLC Materials of NAS of Ukraine, NTUU «Masma», «Reproto Technologies», «Maximus Construction», «KPI», Science Park «Kyiv «VOK Montage Service» company, «Rosmolodezh», LLC «Sisif Service», Polytechnic», The Russian Government, Verkhovna Rada of LLC «PRIIMAS» LLC «Plant TITAN», LLC «Project K», Ukraine

This is not a complete list of those who was pleased with the cooperation with «VTSConsulting».

«VTSConsulting» company is a team of professionals, whose knowledge and experience will allow you to save money, nerves and time: preparation of investment documents will take from 4 to 10 days.

Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

**You invest.**

*Respectfully,  
Vladyslav Tsygoda,  
the head of «VTSConsulting»*