

# **Nationwide banking marketplace with the local customer advice**

## **Capstone Project Report**

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## 1. Executive summary

Over the past 12 years, Ukraine's banking system has faced numerous challenges that have significantly affected business, there are overall operation optimization and the launch of the first mobile application by Privatbank, fintech booming, and launch the first fintech in Ukraine Monobank, which has attracted a record number of new customers in the last 5 years, COVID-19 forced banks to carry out operational improvements to digital processes to maintain uninterrupted customer service. The last challenge is the war, the mass movement of the population abroad or to other safer parts of the country quire banks to restructure the organizational structure and the network of branches.

Digitalization and optimization of banking processes have prompted banks to optimize the branch network, including, over the past 3 years, 20% of the branch network has been reduced. The process optimization is a positive factor for many companies, at the same time the closure of banking branches has specific problems, banks lose 80% of their customer base, customers gain negative service experiences, and are forced to look for alternative solutions to financial issues, and skilled workers lose their jobs. The last industry estimation in the War conditions shows that 30% of the existing network is stopped (danger for employees, real estate damage, etc.). The war exacerbated the problem and increased its scale. The negative war circumstances of losing country territory created additional demand for remote banking services.

The project aims to help banks retent the customer base, improve the customer experience, and save jobs for skilled workers in case of closing the branch. The project describes the solution to these problems by creating a nationwide marketplace with local sales promotions. The marketplace is the meeting place of all Ukrainian banks with private individuals. The marketplace generates for customers the best personal offer based on Big Data Analysis and AI science, provides offer transparency with real conditions of banking products and helps customers to do Online deals/applications. Local sales promotions provide by expertise and knowledgeable local relationship managers that have relationships with local customers and can give online advice.

The company unites modern technology with the experience of local relationship managers, with the main values of customer experience and efficiency of human capital.

Private individuals use the marketplace for free, banks pay the fee for the new sales/new customers/customer retention by the marketplace. The product helps banks to increase sales due to action on targeted auditory, reduce costs on the marketing budget for lead generation and HR budget for maintenance, training, and control of the staff, and confirm terms transparency status. The product helps private individuals to get the best customer experience due to receiving the best personal offer based on the customer behavior data, and individual terms from banks, and to resolve non–standard situations.

The main risk of project realization is successful negotiations with the government institutions - the Ministry of Digital Transformation of Ukraine for “Diya” integration with the marketplace, with the National Bank of Ukraine for marketplace promotion through population, with Banks for creating an ecosystem, with Mobile operators for getting Big Data of customer behavior. The main pillar of the negotiation with partners is the proposition of a “win-win” strategy. The modern marketplace is an effective tool for realizing the the National Bank of Ukraine strategy of improving the financial literacy of the population and the government strategy of increasing the digital population. For Banks, it will be new effective tool for sales increasing and promoting transparent customer-oriented status.

To provide a competitive advantage the company should spend fewer resources on manual updating of information, automate data synchronization with all banks, minimize non-standard requests, and ensure the display of information for the client at an intuitive level. And to improve the customer experience and increase the number of service users, it is necessary to ensure the

prompt response of banks to customer requests - providing answers, product design, appointments, etc.

The company's competitors (B2C) are informational aggregators such as Minfin, finance.ua, Finsee for studying and comparing the terms of banking products. Company's competitors (B2B) are lead generators and outsourcing call centers that help to attract new customers and increase sales.

The company's customer segments (B2C) are private individuals determined by the propensity of the generation to a particular banking product: deposit is interested by Baby boomers, X,Y,Z generation with potential customer base by 26 million people, accounts is interested by X, Y, Z generation with potential customer base by 23 million people, credit is interested by X, Y generation with potential customer base by 19 million people. Company's customer segments (B2B) are all banks and at the stage of MVP will be cooperation with the 12 biggest Ukrainian banks.

The company offers lower prices to attract 1 client due to the national scale of the project and digital solutions Prices – from 200 to 450 UAH. In the first stage (first 6 months) project needs 15 899 K UAH (9 437 K UAH – Marketplace development, 6462 K UAH – Office organization (payroll, equipment, rent, furniture). The next stage will be covered by operating income. Marketplace's sales increase due to an increase in the number of visitors 2.5 times per year, the number of local relationship managers from 20 to 1050 and an increase in sales conversion from 0.5% to 1.5%. The company's revenue is generated by the fee, which banks pay for sales - in the main streams - customer retention, new customers, new sales/products, and increase as total sales increase. The company goes on a positive cash flow and generated net income from 2,5 years after full-scale launching, DPBP – 2,7 years, IRR - 242%, Net income margin – 56%.

The main resources of the project is human resources – experienced team in banking. The organizational structure of the company consists of 3 important levels - management, teams of performers, local relationship managers. The management team consists of highly experienced managers with experience in the directions for 5 years and have a banking background. Local relationship managers are the main competitive advantage resource over aggregators who provide only informational services, do not focus on personal contact and relationships.

## **2. Introduction: Problem statement/ vision / mission / goals**

### **2.1. Problem statement (challenges + problem)**

Until recently, the analysis of challenges in the banking sector was limited to three factors:

#### **1. Optimization of operations and transition to mobile banking**

Since 2010, Ukrainian banks have been looking for ways to simplify banking. Privatbank became the first bank to take confident steps and was significantly ahead of all Ukrainian banks. This bank was the first to launch Internet banking for private clients. The first version of the Privat24 mobile application was released for download on smartphones that support iOS and Android operating systems.

#### **2. Boom of fintech and threat of disappearance of traditional banks**

Since 2017, the Ukrainian banking market has increasingly heard new challenges posed by fintech to Ukrainian banks. Fintech - companies that are not a bank, but provide competitive banking customer services in a financial market. Some of these fintech have grown into global payment giants (PayPal, ApplePay, etc). The key characteristics of the services are Speed, Simplicity, and Contactlessness (no branches/managers). A prominent representative of the Ukrainian fintech was Monobank, which thanks to these advantages managed to attract 5.5 million customers in 5 years.

#### **3. The COVID pandemic - 19 and the urgent need to transfer customers to remote service channels.**

The wave of the new disease has forced the whole world to isolate itself, quarantine restrictions have affected all areas of physical concentration and threatened the spread of the virus, and increased morbidity and mortality.

Quarantine restrictions have forced Ukrainian banks to speed up the digitalization process to preserve their customer base.

In the conditions of technological development, digitalization, and usage of Big Data, more and more processes are efficiently performed with a minimum number of people.

**As a result, the latest trend in the banking sector is a decrease in the number of branches. In Ukraine, there are 6685 operating structural subdivisions of banks as of January 1, 2022, which decreased by 20%.**

On February 24, 2022, a fourth factor was added for all banks in Ukraine - the war, which created conditions of complexity, a situation in which there are no specific patterns of behavior and strategies, and the procedure is determined by chaos and uncertainty.

#### **The result of the influence of this factor was:**

1. Restrictions on lending to individuals and companies
2. Loss of solvency of the population
3. Migration of branch staff to safe regions/countries
4. Damage/loss of bank assets
5. Population request for cash - withdrawal for further payments/export abroad

During the war, several experts published articles with detailed analyses of possible scenarios for further action in Ukraine

- As positive, showing optimism and a bright future - the end of the "special operation by May 9, the revolt among Russia's leaders - a change of government, mass protests, the end of the war in a week/month more.
- So are the negative ones, which seem to demonstrate a pragmatic and realistic analysis of events - the loss of the eastern territories and the Crimea, the loss of the eastern territories, the Crimea and the southern territories, and the complete loss of independence.

This work is written for the development of the Ukrainian banking market because the period of change is a period of opportunity. What opportunities open up for the banking system now? What other non-traditional methods will be used by traditional players?

## **2.2. Vision / mission / goals**

In these circumstances, it is possible to offer a universal solution that will help bank customers and bank employees who are equally affected by the war.

Create a company that brings together banking professionals to serve customers remotely.

### **The main purpose of the company:**

1. improve the customer experience
2. increase the efficiency of human capital

### **How do improve the customer experience?**

Give customers the opportunity to:

1. Use the best banking products
2. Use banking products that meet the needs
3. Get the best advice at a convenient time
4. Get answers to questions in unusual situations

### **How do increase the efficiency of human capital?**

1. Find banking professionals who have lost their jobs due to the optimization of the branch network.
2. Provide a technical opportunity for the banking professionals to return to business, regardless of physical location.
3. Involve banking professionals in providing customer service remotely

### **Vision**

Smart banking will be the basic, open and free banking ecosystem platform for transparent dealing between private individuals and banks by providing the best personal offers and support from highly experienced local relationship managers.

### **Mission**

Smart banking exists to help private individuals to get the best customer experience in banking, to use banking products that fully meet and decide their needs with full information about the product and support of using this product.

### **Values**

Smart banking operates by the following guiding principles: Honesty, Social responsibility, Customer Experience, Quality, and Innovation.

### **Goals**

By 2027 to become a nationwide platform for obtaining banking services and attract at least 25 million customers.

### 3. Diagnostics: Business and Operating analysis

#### 3.1. Analysis of Business Model based on Canvas

The Business Model Canvas (BMC) is a structural strategic management tool that helps quickly define and visualize a new business idea.

**Customer Segments:** Who are the customers? What do they think? See? Feel? Do?

**The company works with two groups of clients:**

1. **Banks** - for the sales activation and customer retention
  - With competitive terms of products
  - With digital products
2. **Private individuals** – for getting the best personal offer and advice in a non-standard situation
  - 14-60 years old (63% of the Ukrainian population)
  - With the Internet - 75% of the Ukrainian population
  - rural and city area

**Value Propositions:** What's compelling about the proposition? Why do customers buy, and use?

#### 1. Banks:

- **Increasing sales** - Big data and AI science helps to act on targeted auditory and increase 3 times conversion rate of attracting new customer, customers retention, and new sales
- **Cost reduces** - reduce the marketing budget for lead generation and HR budget for maintenance, training, and control of staff
- **Transparency status** - to be a part of the ecosystem

#### 2. Private individuals:

- **Best personal offer** - the platform demonstrates the recommended product that will get the most benefits for this particular client based on the customer behavior data
- **Best individual terms** – the platform demonstrates the best individual conditions that banks can offer to this particular customer.
- **Non-standard situation advice** – the advice of action in unusual situations or initiate the resolution of the issue as a separate customer's request/complaint.

**Channels:** How are these propositions promoted, sold, and delivered? Why? Is it working?

**Sales:**

- Diya application - direct link
- Marketplace (mobile application for Android and iOS)
- Web-version
- Phone – available through the platform
- Chat – available through the platform

**Promotion:**

- Diya application - direct link
- Website of the Ministry of Digital Transformation of Ukraine
- Website of the President's Office
- Website of the National Bank of Ukraine
- Partner Bank's Websites
- SEO



- email marketing
- Social media advertising (posts and messages on Instagram, Tiktok, Facebook, etc.)

**Customer Relationships:** How do you interact with the customer through their 'journey'?

- Social media communications
- Local relationship manager's communications – support clients' issues through phone conversations, chat, online meeting
- Banking and Financial forums, Round table discussion
- Collaboration with business and banking associations (European business Association, Association of Ukrainian banks, etc.)

**Revenue Streams:** How does the business earn revenue from the value propositions?

- Banks pay the fee for the new sales/new customers/customer retention by the marketplace.
- Private individuals use the marketplace for free

**Key Activities:** What uniquely strategic things does the business do to deliver its proposition?

- collection of the actual terms of the banking products (interest rates, commissions, service package)
- comparison of the actual terms of the banking products
- providing the best personal offer based on the customer behavior data
- providing professional advice and support through private consultations

**Key Resources:** What unique strategic assets must the business have to compete?

1. Marketplace with full information from banks and mobile operators
2. Experienced local relationship managers

**Key Partnerships:** What can the company not do so it can focus on its Key Activities?

1. **Government** in order to increase the financial literacy of the population and to increase the usage of modern banking services will promote this project through:
  - Diya application - direct link
  - Website of the Ministry of Digital Transformation of Ukraine
  - Website of the National Bank of Ukraine
2. **Banks** in order to confirm the competitive conditions for products, transparency, and purpose to sell products that meet customer needs will promote through their websites.
3. **Mobile operators** provide Big Data for scoring successful scoring systems, analyzing customer behavior, and generating the best decision.

**Cost Structure:** What are the business' major cost drivers? How are they linked to revenue?

1. **Marketplace development** - the cost of building an app ranges from \$40,000 to \$300,000+ and depends on app complexity.
2. **Sales team** - the number of local relationship managers starts from 20, and increases every month due to the growth of the business scale, in 2027 it reaches 1,050 managers.

### 3.2. Analysis of Operating Model based on Canvas POLISM

The Operating Model Canvas POLISM is a structural strategic management tool that helps to define the operating model according to operations and organization that will deliver a value proposition to a target customer:

**Processes** – the work that needs to be done to deliver the value proposition or service proposition

1. **Marketplace** - development of marketplace as the main platform of distribution of customers, banking ecosystem, resources for getting banking information on the global level (including international banks)
2. **Government partnership** – it is important to receive government support to realize nationwide projects through “Diya” (the Ministry of Digital Transformation of Ukraine) and the National Bank of Ukraine promotion
3. **Banks partnerships** - establishing partnerships with banks to receive the information on product terms
  - **Mobile operator’s partnerships** – providing Big Data for scoring successful scoring systems, analyzing customer behavior, and generating the best decision
4. **Team of local relationship managers** - recruitment and training of staff to process customer requests/sales

**Organization** – the people who will do the work and how they are organized

1. Base management level – CEO
2. IT level – CTO and team of developers
3. Marketing level - Head of the marketing department and Marketing managers
4. Legal level - Head of the legal department and Legal managers
5. Accounting level - Head of the accounting department and Accounting managers
6. HR level - Head of HR, HR Manager, Business trainer
7. Sales level - Head of the sales department, Sales team lead, Local relationship manager

**Locations** – where the work is done and what buildings and assets are needed in these locations

1. The company's offices are physically located in Kyiv, Ukraine in the central part of the Kyiv (Pechersk district), which allows the team to be in the business environment and effectively interact with project partners (Government institutions - the Ministry of Digital Transformation of Ukraine and National bank of Ukraine, Mobile operators, Banks)
2. Local relationship managers work remotely

**Information** – the information systems that support the work

The marketplace will provide 2 types of access:

1. for local relationship managers to organize the customer service process
2. for customers to choose the best bank proposition according to the request

**Suppliers** – what organizations provide inputs to the work and what sort of relationships exist with these organizations

1. **Banks** - provides official transparent information on product conditions, provides more favorable conditions for their offer to be generated as the best, interested in improving the ratings on the portal (customer attraction/lending activity/fundraising activity)
2. **Mobile operators** – provide Big Data for scoring successful scoring systems, analyzing customer behavior, and generating the best decision.
3. **Government institutions** (the Ministry of Digital Transformation of Ukraine and National bank of Ukraine) in order to increase the financial literacy of the population and to increase the usage of modern banking services will promote this project through the “Diya” application - direct link, Website of the Ministry of Digital Transformation of Ukraine)

**Management systems** – the planning, budgeting, performance management, risk management, continuous improvement, and people management processes needed to run the organization:

- the National Bank of Ukraine restrictions and requirements based on international standards
- Informational and operating security
- Compliance
- KYC
- Credit scoring
  
- MBO for the management, KPI for the local relationship managers
- Sales meetings (annual, monthly, weekly, daily)

### 3.3. External factors analysis PESTEL

PESTEL Analysis is a strategic framework used to evaluate the external environment of a business by breaking down the opportunities and risks into Political, Economic, Social, Technological, Environmental, and Legal factors.

#### Political factors

- **Lost territory** – Russian forces on taking control of the east and south of the country, there is 20-30% territory of Ukraine, in April: 10 oblasts and Kyiv were under fire - forming 55% of GDP. In May: the number decreased to 6 which formed about 20% of the GDP. The last industry estimation in the War conditions shows that 30% of the existing branches network is stopped (danger for employees, real estate damage, etc.). The branches network continues to shrink.
- **Damaged infrastructure** - at least \$100 billion worth of infrastructure, buildings, roads, bridges, hospitals, schools, and other physical assets have been destroyed. Major seaports (Berdyansk, Mariupol, Skadovsk, Kherson, Mykolayiv, and Odesa) are blocked.
- **War positive consequences - New money (capital flow) for the development of the country**
  - ✓ **New position of Ukraine in the World** - Ukraine is a fighter for democracy, is fighting for the Western model of the world: Maidan death, losing Crimea and Donbas, full-scale nationally united war from the 24.02.2022. Ukraine has become a key part of the solution to the confrontation between the model of democratic governance of the West and authoritarian China and Russia.
  - ✓ **Unpredictable support from the West** - the West unite in support of Ukraine thanks to the active opposition of the Ukrainian government, the Ukrainian army, and the Ukrainian people who love and are proud of their country more than ever.
  - ✓ **Success future and country modernization after victory** - Ukraine will become a leader in Europe after the victory.
  - ✓ **EU candidate status** - This status makes it possible to use the instrument of pre-accession assistance - a financial program that helps candidate countries to carry out political, institutional, social, and economic reforms needed to resolve complex negotiations. For example, the program budget for 2021-2027 is 14.2 billion euros and is distributed between Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Northern Macedonia, Serbia, and Turkey).

#### Economic factors

- **Loss of GDP.** Ukraine like most of the world was slowly bringing the pandemic under control and the economy was recovering from COVID-19. GDP increased from -3,8 in 2020 to 3,4 in 2021. However, the war dealt a huge blow. GDP is projected to contract by about

35 percent in 2022 due to reducing the country's productive capacity, depressing other sectors and trade, and contracting investment. The ongoing war is also disrupting the country's pivotal agriculture sector (12 percent of GDP, and half of the export revenue), where production could fall by half.

- **Rising inflation.** Large human and physical capital losses, higher commodity prices, and war-driven supply disruptions, including shortages of critical inputs, will add to inflation pressures. In May 2022, annual consumer inflation accelerated to 18% (from 16.4% in April) due to supply chain disruptions, uneven demand, increased business costs, and physical destruction of enterprise assets due to a full-scale Russian attack on Ukraine. In addition, acceleration inflation may be due to likely significant price increases in partially occupied areas due to blocking Russian invaders from supplying goods. First of all, food and pharmaceutical prices have risen sharply goods and fuel
- **Stopped business** - 50% of Ukrainian businesses shut down completely, while the other half are forced to operate well below their capacity.
- **Reduced wage payments:** 25% of companies paid in full (88% among large international companies), 27% cut wages, 15% sent employees on unpaid leave -9% laid off staff. If the war deepens and protracts further 90% of the Ukrainian population could be facing poverty and extreme economic vulnerability
- **Reduction of customer purchasing power** – reduction of ability to use banking products

### Social factors

- **Humanitarian catastrophe.** The Russian invasion of Ukraine created a humanitarian catastrophe. In two months since the outbreak of the war, about 5 million people, mostly women, and children fled Ukraine, and a further 7 million are estimated to be displaced internally. In addition, thousands have been wounded or killed.
- **Refugees will return.** Europe is interested to rebuild an economically strong Ukraine that encourages refugees to return. It can be realized through the extensive financing with a significant grant element for rebuilding destroyed infrastructure and implementation of reforms to strengthen institutions and public policy.
- **Integrating refugees – losses in the labor market.** Some Ukrainians will integrate into a new environment, mostly women, and children, into jobs and schools by targeted labor market policies, such as temporary wage subsidies to incentivize hiring, facilitating skill recognition, providing language training, and fulfilling childcare needs. If war will exceed 2022 «25% +» will not return.
- **Population reduction** - the potential of the customer base decreases

### Technological factors

- **The war accelerated development** – new environmental conditions again pushed banks to digital solutions, for example, digital card accounts, online exchange operations, international payments (PayPal for Ukrainians), etc.
- **Fintech success.** Online services and simplification of all banking operations are the key factors influencing the choice of the bank by the client. Monobank as a Ukrainian fintech representative attracted almost 6 mln. active clients in Ukraine in the last 5 years. 2021 has been a remarkable year for the fintech market, with a record number of deals in every major region – including the Americas, EMEA, and the Asia-Pacific. Fintech investment was incredibly strong, with both VC and PE investment soaring to record highs. The breadth of fintech solutions attracting investment continued to expand and grow, with surging interest in cryptocurrencies and blockchain, wealth tech, and cybersecurity.

- **IT is the power of Ukraine.** The Ukrainian IT sector is represented by more than 200,000 highly qualified specialists. It provides about 4% of the country's GDP and almost a quarter of Ukrainian export of services. The branch shows stable growth annually, mainly due to exports. In 2019, Ukraine was in 12th place among the largest exporters of IT services globally.

### Environmental factors

- **Reconstruction needs after War.** Post-war Ukraine will face large reconstruction needs. Social and economic infrastructure destroyed by the war will need to be rebuilt, a task that will require wide-reaching financing with a significant grant element. Reconstruction and policy support for resettlement will help refugees return and economic growth resume. The implementation of reforms to strengthen institutions and public policy will maximize the growth dividend of reconstruction.

### Legal factors

The Ukrainian authorities have undertaken several emergency measures to support the continuation of core government operations and preserve financial stability.

- **Monetary policy.** Administrative and capital controls have been introduced to preserve the availability of foreign exchange reserves and reduce uncertainty regarding the exchange rate. The National Bank of Ukraine has established a new liquidity facility for banks, introduced regulatory forbearance measures, and imposed limits on cash withdrawal. Foreign exchange reserves have held up well so far, reflecting external disbursements and import compression, though pressures may arise in the future.
- **Fiscal policy.** Fiscal policy has focused on ensuring priority payments, including public wages, defense spending, debt service, and social spending. Even though expenditures are being contained by the compression of nonpriority spending, the sharp contraction in tax revenues is opening large monthly deficits, resulting in exceptionally high fiscal financing needs.

### 3.4. Internal factors analysis - Porter's 5 forces analysis

Porter's Five Forces is a model that identifies and analyzes five competitive forces in industry and helps determine an industry's weaknesses and strengths. Five Forces analysis is frequently used to identify an industry's structure to determine corporate strategy. Porter's Five Forces is a framework for analyzing a company's competitive environment. The number and power of Industry competitors, potential new entrants, suppliers, customers, and substitute products influence a company's profitability.

#### Industry competitors - Rivalry among existing firms – low influence

- **Banks are not competitors** for the company, because the company offers banks to increase sales by promoting the best terms according to customer needs. Ensuring transparency of conditions, fair competition, awareness of customers about the terms of the banking product, and satisfied customers is the main value for the company and the banks.
- **MiniFin, Finsee, and Finance.ua - three competitors** that provide information service and help clients to form credit applications, the tool is outdated and non-interactive and lacks an opportunity to contact an experienced employee for additional information.
- **Competitive rivalry is low, a company has greater power to set the terms of deals to achieve higher sales and profits.**

#### Potential new entrants – Threat of the new entrance – high influence

- Building relationships with banks and selecting a professional team of local relationship managers can take some time, but it is not a significant barrier.

- New application - short time (9+ months) and low cost (300 K USD+).
- Government can create this kind of company/structure independently on its own.

**The project can be simply developed by competitors or on the government level.**

**Suppliers - Bargaining power of suppliers – high influence**

- **Banks like suppliers** that provide transparent information on current terms of product and individual terms for customers, the goal is to attract all banks in conditions of fair competition. The marketplace becomes the only entry point for communication with all banks, banks are interested in being represented in the marketplace and providing reliable information about products
- **Mobile operators** – there are two main mobile operators Vodafone and Kyivstar that provide Big Data analysis as the base resources for the well-performed scoring system. In case of refusal to cooperate, the risk assessment will be carried out by banks, but the quality of the evaluation will be less successful, and the level of approval of applications will be lower.

**The company’s success significantly depends on certain suppliers, the bargaining power of suppliers is very high.**

**Customers - Bargaining power of customers – average influence**

- **Banks** - collaborate with the company to increase sales results. The company’s goal is to attract all banks in conditions of fair competition, target banks are banks with digital products and with competitive and transparent product terms.
- **Private individuals** – the total customer portfolio in Ukrainian banking is near 25-30 mln. clients.

**The company has many potential customers and has an easier time charging higher prices to increase profitability.**

**Substitutes - the threat of substitute products or services – average influence**

- **Banks** can use the traditional sales methods on their own without any partners (advertising, outbound calls, cross-sales, etc.)
- **Private individuals** can use all existing sources for information searching and getting advice - google searches, bank websites, and recommendations from relatives and friends.

**The company provides services that can be substituted by traditional services, but a customer-friendly marketplace with the best personal offers and personal advice from a local relationship manager creates the unique competitive advantage of the product.**

**3.5. SWOT analysis**

SWOT analysis is a strategic planning tool that assesses internal and external factors, identifying core strengths, weaknesses, opportunities, and threats and as a result, identifying challenges affecting the business and opportunities that can enhance it.

1. **Strengths** describe the main competitive advantage, well-performed products, and available resources.
2. **Weaknesses** describe areas where the business needs to improve to remain competitive
3. **Opportunities** refer to favorable external factors that could give an organization a competitive advantage
4. **Threats** refer to factors that have the potential to harm an organization.

<b>Strengths</b>	<b>Weaknesses</b>
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<ol style="list-style-type: none"> <li>1. Modern Marketplace for Ukrainian banking – mobile application with an intuitive interface, the platform can provide secured access for the customers and employees, without the necessity of additional equipment or devices.</li> <li>2. Best personal offer - based on Big Data information and customer behavior patterns</li> <li>3. Experienced local relationship managers - the army of banking professionals with the knowledge, reputation, and business connection in the region.</li> </ol>	<ol style="list-style-type: none"> <li>1. Dependence on mobile operators' Big Data - mobile operators obtain huge data of customer behavior that's very difficult to substitute</li> <li>2. Dependence on Government's decision about the partnership</li> <li>3. Dependence on Bank's decision about the partnership</li> </ol>
<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. Continuation of the war and country damage: <ul style="list-style-type: none"> <li>● losses of GDP - reduces the purchasing power of consumers, consumers meet only the basic needs, reducing the need for savings, and loans for development.</li> <li>● losses of the population - squeezed the consumer market.</li> <li>● losses of the population income and lack of unemployment will limit access to credit.</li> </ul> </li> <li>2. Government can realize a similar project on their own– the government can create this kind of company/structure independently.</li> </ol>	<p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Refuge's request for remote services</li> <li>2. The branches network continues to shrink</li> <li>3. New money for the development of the country creates new capital flow, new investments, and GDP growing</li> <li>4. Digitalization of the country may create a global banking ecosystem with access for opening accounts in ant part of Earth in a few minutes through the one point</li> <li>5. the National Bank of Ukraine finance literacy strategy</li> </ol>

**Conclusion after SWOT analysis:**

1. The main risk of project realization is successful negotiations with Government institutions - the Ministry of Digital Transformation of Ukraine for Diya integration with the marketplace, the National Bank of Ukraine - for marketplace promotion through the population, Banks - for creating an ecosystem, Mobile operators - for getting Big Data of customer behavior.
2. The war circumstances of losing territory created additional demand for remote banking services
3. The war circumstances of global finance supporting of Ukraine created new business opportunities
4. The idea is in line with the strategy of the the National Bank of Ukraine and can be used as a modern effective tool for improving the financial literacy of the population
5. The idea is in line with the strategy of the Government and can be used as a modern effective tool for the digitalization of the population

**3.6. Value chain analysis**

Value chain analysis is a strategic management tool that helps to analyze internal firm activities and recognize the most valuable activities and activities that could be improved to provide a competitive advantage. There are primary activities that add value to the final product directly and support activities that add value indirectly.

**Primary activities:**

**Data updating (Inbound Logistics)**

1. **Terms of product** - Online updating of information on the terms of banking products - setting up automatic procedures for data synchronization/information exchange.
2. **Mobile operator's Big data** - systematic receipt of Big Data from mobile operators for conducting scoring and customer behavior
3. **Training materials** - systematic updating of training materials for local relationship managers and presentation in the format of intuitive interactive

### Request processing (Operations)

1. **Time of delivery request to the bank** - provide uninterrupted request transfer from marketplace to banks at the request of customers
2. **Time of delivery request to the local relationship managers** - provide availability of local relationship managers for incoming customer requests (chat, call)

### Request responding (Outbound Logistics)

1. **Time and quality of bank response** - provide immediately respond from banks at the request of the client (operator's call in case of need for additional identification)
2. Quality consulting of clients by the latest changes in products/legislation

### Marketing

1. **Advertising**
  - Google search (SEO) – in the case of searching for banking products in the first position should be a link “compare the terms now”.
  - Context advertising for people who try to find the best banking conditions.
  - Social media advertising (posts and messages on Instagram, Tiktok, Facebook, etc.)
2. **Branding**
  - Partner information on the websites of all banks with the call to client action “Compare our terms with market terms”.
  - Promotion by the the National Bank of Ukraine, the Association of Ukrainian Banks, and the European Business Association.

### Sales

1. **New customer attraction** - work with targeted unbankable customer bases by the generated proposals based on Big Data
2. **Additional product sales** - work with targeted existing customer bases by the generated proposals based on Big Data
3. **Customer retention** - work with customer bases of closed branches by the bank's order with presentation the best conditions in the market (promo offers, discounts, free price, etc.)

### Services

1. **After-sales services** – provide quality answers to additionally customer's requests
2. **Successful usage of the product** – assess the maintenance by NPS scoring

### Support Activities:

#### Firm Infrastructure

1. Base management level – CEO
2. IT level – CTO and team of developers
3. Marketing level - Head of the marketing department and Marketing managers
4. Legal level - Head of the legal department and Legal managers
5. Accounting level - Head of the accounting department and accounting managers
6. HR level - Head of HR, HR Manager, Business trainer
7. Sales level - Head of the sales department, Sales team lead, Local relationship managers



**Human Resources Management** is the main resource of the company:

- 1. Recruiting**
  - Search for experienced bankers who have lost their jobs under certain circumstances, have a good reputation, business connections in the region, have professional skills
- 2. Hiring and Compensation**
  - Offer remote work, flexible work schedule, formation of own client portfolio
- 3. Training & Development**
  - Conducting base training on the hiring level with full information on banking products
  - Apply daily meeting interactive study with products updates and answers to the most frequent clients' questions
  - Apply monthly training for refreshing knowledge – sales skills, time management, advantages of the product.
- 4. Skill Assessment**
  - Conducting quarterly test that combines the actual information
  - Conducting personal meetings with local relationship managers in 3D review format: NPS from the customer, client's portfolio, sales results

### **Technology Development**

- 1. Feature design - development of a marketplace with an intuitive interface for the client**
- 2. Component design** – the creation of 3 types of access to the marketplace:
  - bank - exchange of files with product conditions
  - client - search for the best conditions, application for product design, product support issues, local relationship manager - time management, goals, client portfolio
- 3. Technology synchronization:**
  - synchronization of data received from banks
  - update the marketplace settings according to changes in the market

### **Procurement Activities**

- 1. Procurement for local relationship managers** - purchase of tablets and mobile phones is carried out at the request of managers. The platform allows you to work on any device, the local relationship manager is provided with a personalized login code - the information is displayed in the format of the manager's office
- 2. Procurement for the main office** - carried out by the planned expansion of the staff

**To provide a competitive advantage some activities could be improved:**

1. Spend fewer resources on manual updating of information, automate data synchronization with all banks, minimize non-standard requests, and ensure the display of information for the client at an intuitive level
2. To improve the customer experience and increase the number of service users, it is necessary to ensure the prompt response of banks to customer requests - providing answers, product design, appointments, etc.

### **3.7. Customers' needs**

Customer needs are psychological and physical motivations that trigger a customer to purchase a product or service. Identifying and understanding customer needs is the base of every successful business. The customers' needs are significantly influenced by economic and social processes taking place in the world, reality affects people's lives and shapes their attitudes towards the environment.

Today's reality is shaped by the effects of the global pandemic, the war in Ukraine, and the risk of the outbreak of World War III, which fundamentally influence people thinking about how they live

their lives and asking themselves what relationship they want with consumerism and its values. The last [explorations](#) show the significant changes in customer needs to be formed by the influence of this reality:

1. **Inflation** is causing consumers to change their shopping behaviors and purchase decisions:
  - **To rein the consumption** - people at all income levels are making the most changes in how they purchase non-essentials, such as clothing and electronics, to be able to afford gas and fresh food, where there are fewer alternatives. The categories most affected are alcoholic drinks; beauty and cosmetics; and clothing and shoes.
  - **To spend more time at home** – most people are choosing to spend more time in their local area, their social circles have shrunk, and they are not seeing friends and family as much as they did before the pandemic. People continue to feel uncomfortable traveling far away.
2. **Remote work** distanced people from the workplace geographically and emotionally
  - **To protect the flexible lifestyle** – people focus on the parts of their life where they feel they have more choice and control. This includes how they use their time and money and how they can improve their health and mental well-being. Consumers are looking for more flexibility in their daily lives, particularly from their employers.
  - **To think about the impact on the planet** – people choosing to make more sustainable purchases and doing what they can to protect the environment.
3. **Pandemic restrictions** push people to make up for lost time
  - **to live more at the moment and not plan for the long term** - consumers are planning to spend more on vacations this year
  - **to put a higher value on experiences** - the most appealing experiences will be those that are easy to access and take minimal time investment. That means more digital experiences and quick, last-minute getaways.

**Since the beginning of the war, Ukrainians have had urgent needs related to banks:**

- get access to accounts with your savings abroad
- open accounts abroad in foreign banks/in Ukrainian banks
- transfer money to relatives from abroad
- transfer money abroad
- get additional funds in the form of loans, social assistance
- get personal advice on resolving non-standard situations

**What to do right now?**

1. **New ways to reach consumers** - as consumers turn inwards, brands will find it harder to get their attention. Companies must identify and invest in emerging or evolving physical and digital touchpoints, so they are present at the point of need. That could range from a personalized, in-store consultation to personalized branded skins in the metaverse.
2. **Right proposition in right place** - People's routines have become increasingly fragmented.
3. **Easy access** - eliminate consumer pain points and frictionless brand experiences the actual act of purchasing needs to be simple, quick, and easy.
4. **Create a collective value** – an ecosystem of partners and flexible solutions that work for multiple needs rather than individual products will do the path to purchase clearer.

### **3.8. Conclusion. Problem Definition. Areas for improvement**

In the conditions of digitalization of processes in Ukrainian banking, the network of bank branches was optimized. The negative consequence of the closure of branches was the loss of customer base, negative customer experience, and loss of employment by employees of branches. The project aims to create a business model that will help banks in terms of optimizing the branch

network to maintain the customer base, improve customer experience and maintain employment for highly qualified and experienced bank employees.

The model envisages the creation of a marketplace as a meeting place for banks and private individuals with local sales promotion. The main advantage for customers when using the product is getting the best personal offer and personal advice from an experienced local relationship manager. Local relationship managers work remotely and can be involved in servicing customers from anywhere in the world. The model became even more relevant during the war when 30% of bank branches were forced to stop physical customer service.

Remote service format and aggregate personal offer correspond to the latest trends in customer behavior - easy access, flexible solutions, and targeted offer.

Critical elements for project implementation are:

- establishing partnerships with state institutions (Ministry of the Ministry of Digital Transformation of Ukraine, National Bank), mobile operators, and banks as a basis for technological implementation of the project and promotion of the project among the Ukrainian population.
- high-quality technical implementation of the marketplace, intuitiveness, and functionality, the platform must be as customer-oriented and take into account customer behavior.
- successful strategy of search and recruitment of local relationship managers.

#### 4. Diagnostics: Market analysis

##### 4.1. Historical market analysis for 3-5 years (market, relevant segments)

Ukraine's banking system has undergone significant changes in recent years. A fundamental change was the clean-up of non-transparent banks in 2014 and the implementation of international standards in the banking system control system. About 90 banks were liquidated due to various non-transparent schemes, there were banks with no assets or liabilities used entirely to stash away ill-gotten gains, usually abroad, zombie banks with liabilities and no assets, banks that belonged to oligarchs that still dominate in business, politics, and the media. These banks collected money mostly from private individual deposits and invested all this money into their own businesses.

This reform succeeded to stabilize the national currency and achieve macroeconomic stability in a country. According to the results of 2021, the banking sector was in an excellent position state - stable, well-capitalized, and liquid. 69 banks are operating in Ukraine, 31 of them with foreign capital (01.03.2022). The top 10 banks account for more than 85% of the market share. Banks received a historical record of 77.5 billion UAH of net profit, which is almost twice as much as in 2020 (39.7 billion UAH), and 33% more than in pre-crisis 2019 (58.4 billion UAH). The return on capital of the sector increased to 35.2% compared to 19.2% in 2020.

##### The main drivers of profit were:

1. **Credit portfolio.** In 2021, it was the highest increase in loan portfolios in the last 10 years - banks are actively increasing lending to businesses and individuals.
  - **Corporate lending increased by 40.2% YoY.** Small businesses that remained vulnerable to manifestations of the coronary crisis, actively used government programs and business support with partial compensation of interest rates and government loan guarantees. The program "Affordable loans 5–7–9%" became an additional factor stimulating lending in the segment of small and medium enterprises. Within programs for the year provided about a quarter of all new net hryvnia loans in general amounting to approximately UAH 64 billion.
  - **Retail lending increased by 36.9% YoY.** The pace of retail lending exceeded the pre-coronary crisis level. Income growth in the population ensured increased

creditworthiness, the culture of payment card payments has created favorable conditions for increasing lending to individuals. This segment remained the most profitable, therefore the most attractive business direction for banks.

- **Mortgage lending increased by 62.4% YoY.** The main catalyst for mortgage lending has been low-interest rates. He was also supported by the state program "Affordable Mortgage"
2. **Deposit portfolio.** The share of funds in the current population hryvnia accounts for the last two years has grown rapidly, reaching record highs of 57% at the end of June 2021 and the end year due to significant payments to the population. Term hryvnia continued to grow deposits, for the year as a whole - by 9.6%. The vast majority of new urgent deposits were attracted for more than three months. In the third quarter of 2021, competition from banks for depositors intensified due to recovery consumption and the corresponding slowdown inflow of customer funds. Given the need for banks in term funds banks began gradually raising interest rates, and the spread between 3-month and 12-month deposits for individuals increased to 1.7 in. § at the end year. The weighted average rate for new ones 12-month deposits of individuals in hryvnia increased from 8.7% in December 2020 up to 9.2% per annum in December 2021, in US dollars - decreased slightly up to 1.1% per annum.
3. **Net interest income / Net commission income / Operating income:**
- Net interest income increased by 39% YoY due to active growth lending and reduced interest rates on household deposits. So interest costs were reduced and interest income was reduced grew.
  - Net commission income grew by 25% YoY due to the growing volume of non-cash transactions on payment cards. At the same time reduction in interchanging commission payment systems has slowed this growth.
  - Operating income grew faster than operating expenses. CIR - the ratio of operating costs and revenues, amounted to 50% compared to 59% in 2020. This was due to the transition of customers to online operations, banks were able to optimize the network and reduce costs in her support. The saved funds were used, including IT modernization.

The banking system of Ukraine is characterized by a wide network of branches targeted at the full coverage of the population with banking products. Thus, according to the latest world data, there are 10.6 commercial branches per 100,000 population, at that time in Ukraine - 16.3. Depending on the type of product, the target customer segments are determined.

#### **4.2. Market overview (Key trends, Export, Import, Production, Local Market Sales)**

Today's review of the banking market is completely related to the war on the territory of Ukraine and the circumstances after the first month there.

The banking sector suffered moderate losses during the first months of the war due to the active immediate actions of the National Bank and banks to ensure uninterrupted operation.

The National Bank of Ukraine immediately:

- ✓ froze the exchange rate of the national currency – 29.25 hryvnias for one U.S. dollar;
- ✓ banned the online purchase and sale of foreign currency by banks to individuals;
- ✓ eased the ban and allowed banks to sell foreign currency in cash to people for reducing illegal exchange points across the country and secure exchange operations for citizens;
- ✓ quick refinancing and a ban on foreign exchange transactions eased pressure on the hryvnia.

The adaptability of the banking system to wartime and its stable operation in these realities have proven effective reforms carried out by the National Bank over the last years. People can easily use online banking apps and non-cash payments without limits. Despite the military risks, the level of liquidity is consistently high.

#### **The main results of the Ukrainian banking today:**

1. **Credit portfolio.** Demand for credit resources from the population decreased. Corporate lending was supported by improved government programs. During martial law, loans were provided only for the current needs of customers, while mortgages and car loans were almost non-existent.
2. **Deposit portfolio.** The volume of clients' funds in banks increased mainly due to the current hryvnia funds of the population. The number of corporate funds during the war decreased, mostly in foreign currency.
3. **Reserves for expected losses.** The formation of reserves caused a loss in banking for the first time since 2017, in the first quarter in the amount of UAH 0.16 billion, including UAH 10.1 billion in March. The number of unprofitable banks for the quarter increased from 5 to 25 institutions.

#### **4.3. Forecast for 3-5 years (including relevant segments)**

The forecast of the banking market is completely related to the war on the territory of Ukraine. The baseline scenario for this project is grounded that the war will end by 2023. There are the main trends that we can predict / forecast relevance of the project:

#### **Business and GDP**

Assets continue to be damaged by shelling and be lost in occupied territory. The majority of the remaining business has adjusted its operational model, relocated a part of the production to Western Ukraine, and cross the border. The biggest impact on production drop in metallurgy, energy, retail, transportation, and export products. There are expectations that 30-40 % of GDP in Ukraine to drop this year.

#### **Finance stability**

The state budget is forecasted with a monthly gap of 5 USD billion. It is covered by National bank injections in T-bills and external financial support announced by the EU commission, the number of EU countries, US - collectively and individually. Meanwhile, we may expect restructuring/ re-profiling of a portfolio of Ukrainian T-bills, especially matured in September this year.

Inflation is moderately growing up to 20% by the year-end. Preventing factors are an outflow of consumers, a shortage of people's income, and a radical decline in consumers' spending (volumes and behaviors).

Migrant workers and refugees send financial support back to their families. Remittances to Ukraine, which is the largest recipient in Europe and Central Asia, are expected to rise by over 20 percent in 2022.

The financials of companies dry up. Many faced insolvency to ensure contracted payments and to pay back loans (new non-performing loans at 30% of the portfolio in May). The capitalization of many comes deeply down.

Banks operationally are saved, payment system works as regular for all segments money transfers in local currency, with a buffer of cash in UAH, cross-border operations are served only for critical industries. That's why the FX rate is administratively fixed and will be kept to a war end. The regulator requires banks to invest additional capital +30% average (to be restructured in time).

## International Donors

Grants and loans are crucial for the country's survival, financial stability, and opportunity to rebuild. Since the beginning of the war Ukraine receives support from the largest funders around the world, including national governments, multilateral agencies, and the biggest philanthropic foundations:

- ✓ European Union
- ✓ The United States
- ✓ The United Kingdom
- ✓ Countries G7, G20
- ✓ World Bank
- ✓ European Bank for Reconstruction and Development,
- ✓ International Monetary Fund
- ✓ Private sector
- ✓ The general public

## EU candidate status

In forecasting issues, it is important to note the prospect of Ukraine gaining EU candidate status. This status makes it possible to use the instrument of pre-accession assistance - a financial program that helps candidate countries to carry out political, institutional, social and economic reforms needed to resolve complex negotiations. For example, the program budget for 2021-2027 is 14.2 billion euros and is distributed between Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Northern Macedonia, Serbia, and Turkey).

### 4.4. Overview of competitors and substitute products or services, an overview of alternative uses of the company's a product/service on the market

**“Smart banking’s” product is a mix of existing elements of banking services for private individuals:**

1. Searching for the best proposition in the banking market
2. Comparison of the product's terms from all banks
3. Sending the application for getting bank products
4. Receiving a personal offer with fully transparent information of the real price of the product
5. Receiving personal advice according to a personal offer
6. Solving non-standard issues with an experienced local relationship manager

Each element of this product has competitors, but the advantage of “Smart banking” is the unification of all services into a single space and the creation of an ecosystem. “Smart banking” combines these elements with the use of the latest scientific technologies to improve the customer experience.

## B2C level

Three main competitors provide for private individuals free services, such as searching for banking information, terms comparison, and the sending an application for getting bank products:

1. MiniFin
2. Finsee
3. Finance.ua

The main competitive advantages of the company over aggregators are automatically generating a personal offer for customers with fully transparent information about the real price of the product, personal advice, and solvency of non-standard issues from an experienced and knowledgeable local relationship manager.

In order to provide mass usage of the “Smart banking’s” platform and meet the current market conditions of aggregators comparing conditions, the company offers private individuals to use the platform for free too.

## **B2B level**

**“Smart banking” is not a competitor for the Banks, the company proposes Banks increase sales and attract new clients due to:**

- ✓ getting access to the overall customers on the market;
- ✓ getting the opportunity to contact them more properly;
- ✓ getting the opportunity to propose the best offers;
- ✓ promoting products according to customer needs;
- ✓ ensuring transparency of conditions and fair competition, and awareness of customers about the terms of the banking product.

“Smart banking” proposes banks pay a fair commission for each issued product (new account, credit, deposit) and each retained client - the client continues to use the bank's services after closing the branch.

**Banks cooperate with different participants for increasing sales, for example:**

### **Internal:**

- ✓ **Customer relationship management (CRM) and marketing management** - email marketing, social media posts and messaging, and lead generation.
- ✓ **Branch managers** – provide customer service at branches, offer customers additional products after satisfying base needs, make outbound calls for additional sales
- ✓ **Call center operators** - provide customer service through inbound calls, and make outbound calls for additional sales.

The main peculiarity of the use of internal resources is that sales activities are aimed at the internal customer base. Attracting new clients requires additional branch managers’ resources for searching for contacts, organization of meetings with representatives of business, and holding presentations at enterprises.

### **External:**

- ✓ **Advertising company/agency** – develop and implement marketing actions (TV and radio advertising, contextual and targeted advertising, SEO) and help to determine content in the most relevant way for users.
- ✓ **Lead generators** - capture and stimulate people to interest in a specific product or service
- ✓ **Outsourcing Call Center** - accompany all stages of telemarketing - sales by phone, (hire, train, accompanying staff, control the quality of calls, etc.)

The services of advertising company/agency are used by the whole business because it is an important part of brand development and support. “Smart banking” creates a competitive environment with lidogenerators and outsourcing call centers.

## **4.5. Customer Segmentation**

The project aims to improve the customer experience of private individuals.

**Customer segmentation will build in terms of basic banking products for private individuals:**

1. Banking account (Debit cards & Mobile banking services)
2. Deposit (current or term)
3. Loans (Credit card & Personal loans)

## Customer segmentation will build based on «Generation theory» and their money attitude.

1. **Baby Boomers 1946 – 1964 (56 -74 y.o.)**
  - ✓ Life = work, Hippie, activists, optimists
  - ✓ Money for this generation is very valuable because confirmed the success, expressed the status and helps to realize attributes of a successful member of society in their understanding: TV, car, apartment-house, dacha, etc.
  - ✓ A sufficient part of expenses is spent on health, this is due to an increase in morbidity with age.
  - ✓ Save money more often than invest.
  - ✓ Seek financial advice from professionals, appreciate the individual approach and high service, and trust the personal advice of acquaintances when making financial decisions.
  - ✓ Prefer to invest for the long term and practically do not make changes to their portfolio. The best investment is the acquisition of real estate,
2. **Gen X 1965 – 1979 (41 -55 y.o.)**
  - ✓ Life = survival, Fighters, Survivors, Pragmatic
  - ✓ Priority in life - Financial well-being, spending more, and earning more, money for them is the opportunity to realize your dreams and the freedom to do what you want.
  - ✓ Needs more money to feel secure, and safe in themself and their family, the most significant items of expenditure are groceries, household, and health products.
  - ✓ like to travel, and spend more money on hotels, tickets, and restaurants.
  - ✓ take loans
  - ✓ love of comfort
  - ✓ Independently study investing, financial instruments, strategies, and markets and invest money in technology companies, artificial intelligence
  - ✓ Seeking to own property: real estate, car, branded items.
3. **Gen Y 1980 – 1996 (24 -40 y.o.)**
  - ✓ Life = progress, «Citizens of the world», Ethics and aesthetics
  - ✓ money is an opportunity to use the numerous blessings of the world and the opportunities that surround them. Therefore, they very often translate all their needs into money, assuming that if there is money, then everything else is available.
  - ✓ Spend more money on entertainment
  - ✓ Fill happiness by experiences, they love to travel.
  - ✓ Financial priority - pay off debt loans.
  - ✓ Trust technology, and use mobile applications to keep a personal budget.
  - ✓ Prefer to rent a house, rather than buy their own.
  - ✓ Invest using artificial intelligence in ETFs, cryptocurrency, and shares of socially responsible companies (ESG investments that contribute to the development of society in the field of ecology and society).
  - ✓ Not inclined to take risks on the stock exchange. They caught the global investment crisis of 2008, the currency crisis in Russia, and are now experiencing a crisis due to a pandemic - and all this at a young age when their attitude to money is being formed.
4. **Gen Z 1997 – 2012 (8 -23 y.o.)**
  - ✓ Life = opportunities, Creators, and Entrepreneurs
  - ✓ already have business plans or have started a business.
  - ✓ started researching and talking to others about financial planning.
  - ✓ are willing to shift to another state if a job opportunity arises.
  - ✓ aware of financial literacy and wants to become better at it.
  - ✓ started saving bodes well for their continued financial well-being and preparation for homeownership.
  - ✓ takes on less debt. Financial literacy programs need to teach smart debt management to build credit and awareness of how debt works can greatly help Generation Z to better manage finances.



Based on the data of the population from the Ukrainian State Statistics, as of 01.01.2022, an assessment was made of the distribution of the population according to the theory of generations.

Generation	Rural population		Urban population		Total	
	peoples	%	peoples	%	peoples	%
Baby Boomers	896 532	30%	2 091 731	70%	2 988 263	11%
Gen X	2 579 172	30%	6 091 658	70%	8 670 830	33%
Gen Y	3 069 268	29%	7 466 607	71%	10 535 875	40%
Gen Z	1 295 052	33%	2 590 283	67%	3 885 335	15%
<b>Total</b>	<b>7 840 024</b>	<b>30%</b>	<b>18 240 279</b>	<b>70%</b>	<b>26 080 303</b>	<b>100%</b>

### Banking account (Debit cards & Mobile banking services)

- ✓ **Geographic segmentation** – live in Ukraine or displaced abroad during the war
- ✓ **Generation** – X, Y, Z
- ✓ **Psychographics(lifestyle)** - internet access, smartphone availability

### Deposit (current or term)

- ✓ **Geographic segmentation** – live in Ukraine or displaced abroad during the war
- ✓ **Generation** – Baby boomers, X, Y, Z
- ✓ **Psychographics(lifestyle)** - internet access, smartphone availability

### Loans (Credit card & Personal loans)

- ✓ **Geographic segmentation** - live in Ukraine or displaced on the Ukraine territory.
- ✓ **Demographic segmentation** – citizens of Ukraine, 23-55 years old, officially employed for at least 6 months, income from 5 thousand UAH.
- ✓ **Generation** – X, Y
- ✓ **Psychographics(lifestyle)** - internet access, smartphone availability

## 5. Planning: Marketing and Sales

### 5.1. Description of the marketing mix (Product, Pricing, Placement, Promotion)






Project Smart banking consists of two important service parts focused on improving the customer experience:

1. Marketplace (ecosystem platform)
2. Local relationship manager

## PRODUCT

### 1. Design

- White “clean” slides - no picture, no visual noise
- Black, clear, short text
- Blue points – transparency symbol
- Only important information on the 1 slide

1 slide	PRODUCT?	 <b>Account</b>	 <b>Credit</b>	 <b>Deposit</b>
2 slide	3 PRIORITY?	<input type="checkbox"/> Free transfers <input type="checkbox"/> Free cash withdrawal <input type="checkbox"/> Cashback <input type="checkbox"/> Bonuses <input type="checkbox"/> Access 24/7	<input type="checkbox"/> Lowest interest <input type="checkbox"/> Min payment <input type="checkbox"/> Long term <input type="checkbox"/> Max Grace period <input type="checkbox"/> Access 24/7	<input type="checkbox"/> Highest interest <input type="checkbox"/> Interest capitalization <input type="checkbox"/> Monthly interest payment <input type="checkbox"/> Best Bank rating <input type="checkbox"/> Access 24/7
3 slide	PREFERABLE BANKS?	<i>List of bank participants for chose</i>		
4 slide	BEST PERSONAL OFFER!	1 	2 <b>monobank</b>	3 

## 2. Quality

- Simple, intuitive display, corresponds to the logic of the client's path to receive the service
- Reliable, transparent information on the terms of banking products
- Fast digital decision–formed offer
- Personal advice from an experienced and knowledgeable local relationship manager

## 3. Technology:

- Mobile application for Android and iOS
- Web-version
- “Diya” integration
- Big data from Banks
- Big data from mobile operators
- Artificial intelligence science

## 4. Benefits:

- **Best product** - the platform takes into account customer behavior and demonstrates the recommended product that will get the most benefits for this particular client. For example, if the customer is unable to follow the terms of the grace period on the credit card, a loan with a monthly mandatory payment will be offered. Or, if the client constantly makes non-cash payments - a credit card with infographics for the last 3 months will be offered how many bonuses or cashback the client could get for regular payments
- **Best individual terms** – the platform demonstrates the best individual conditions that banks can offer to this particular customer. Banks can offer individual rates according to the risk scoring already formed for the customer on the platform. After filling out the application banks starts to compete for the best conditions for the client. In case when the client doesn't use our Marketplace and he studies the conditions on the different sites or uses different comparable aggregators, he sees standard information without an individual approach.
- **Non–standard situation advice** - local relationship manager can provide advice on how to act in unusual situations or initiate the resolution of the issue as a separate customer's request/complaint.

## 5. Branding



## **Smart banking**

Smart banking is not just an aggregator to compare market conditions, it is a world where the use of banking products provides growth and development, thanks to the transparency of conditions, individually selected products, and individual approaches for decision customer needs. «Credit bondage», lost opportunities in a dynamic market (new digital products promo, bonuses, cashback, savings on commissions) all this is solved by the platform. The platform promotes and develops the customers.

### **6. Service**

- biometric system access (fingerprint, face recognition)
- infographics of product usage
- financial advice – “how to buy a house”, “how to pay abroad”
- placing an order - bidding - you can form on what terms you would buy the product
- Video-meeting with the local relationship manager
- Call the local relationship manager
- Chat with the local relationship manager

### **7. Guarantee**

- Online deals/applications
- Transparent true information – real interest rates, real commissions, real terms

## **PRICING**

### **1. Strategy**

- Customers use the Marketplace for free
- Banks pay a commission for each issued product (new account, credit, deposit) and each retained client - the client continues to use the bank's services after closing the branch.

### **2. Discounts/ Promo**

- customers receive individual offers (promo, bonuses, cashback) from different banks that help to save and to earn money

### **3. Payment methods**

- Customers use the Marketplace for free
- Banks pay a Smart banking commission on the principle of a referral program for each client

## **PLACEMENT**

### **1. Sales channels**

- Diya application - direct link
- Marketplace (mobile application for Android and iOS)
- Web-version
- Phone – available through the platform
- Chat – available through the platform

2. **Coverage** - Ukrainians around the world can use the services of the platform, all services are provided remotely, need just install the application or go to a private cabinet on the web – platform.

3. **E-Commerce** – customers send the applications to banks through the platform for the buying of selected products, platform is integrated with Bank's E-commerce pages.

## **PROMOTION**

### **1. Advertising**

- Diya application - direct link
- Website of the Ministry of Digital Transformation of Ukraine
- Website of the President's Office

- Website of the National Bank of Ukraine
  - Partner Bank's Websites
  - SEO
  - email marketing
  - Social media advertising (posts and messages on Instagram, Tiktok, Facebook, etc.)
- 2. Sales**
- Diya partnership
  - Banks partnership
- 3. Promo**
- customers receive individual offers (promo, bonuses, cashback) from different banks that help to save and to earn money
- 4. PR/Events/Exhibitions**
- Banking and Financial forums
  - collaboration with business and banking associations (European business Association, Association of Ukrainian banks, etc.)
  - Round table discussion
  - Communication is social media
- 5. Direct marketing**
- Contextual advertising
  - Advertising based on customer behavior
- 6. Personal Selling**
- local relationship manager receives incoming customer calls and offers to pick up an additional product
  - local relationship manager make outgoing calls to customers according to the platform-generated list of potential customers willing to buy
  - local relationship managers work with customer bases provided by banks for customer retention (presentation of additional benefits and opportunities)

## 5.2. Sales strategy (including sales channels, approach to product)

### Sales strategy based on three main pillars:

1. **Largescale partnership with governmental, financing, and commerce institutions** (Government – the Ministry of Digital Transformation of Ukraine “Diya”, National Bank of Ukraine, Mobile operators, Banks).  
In order to realize active sales of the “Smart banking” services, the basic and crucial stage is the establishment of business partnerships with key market participants. Active promotion by partners will ensure mass coverage of the population with this service and active distribution.
  - **The state** in order to increase the financial literacy of the population and to increase the usage of modern banking services will promote this project through:
    - Diya application - direct link
    - Website of the Ministry of Digital Transformation of Ukraine
    - Website of the National Bank of Ukraine
  - **Banks** in order to confirm the competitive conditions for products, transparency, and purpose to sell products that meet customer needs will promote through their websites.
  - **Mobile operators** are involved in sales in terms of providing reasonable smart data on customer behavior to generate a special offer.

- Modern Omnichannel Marketplace** (mobile application for Android and iOS, Web-version, Phone – available through the platform, Chat – available through the platform).

In order to realize active installation and usage of the platform will be promoted:

- ✓ **through social networks** as one of the most popular ways that people consume information these days and where target customers are spending their time. Messages will be targeted and tailored to each category of target customers.\
- ✓ **through SEO** (Search Engine Optimization) implementation – a set of practices designed to improve the appearance and positioning of web pages in organic search results.

- Experienced local relationship managers:**

- ✓ **Prioritizes inbound calls as hot leads** – it is very important to show customers that we're helpful, solutions-oriented, and considerate of their time, after realizing base customers' needs there are possibilities to offer an additional product
- ✓ **Provides Non-standard situation advice** - advice on how to act in unusual situations or initiate the resolution of the issue as a separate customer's request/complaint. Instead of saying "you won't" or "you can't" — we accommodate the customer's desire.
- ✓ **Provides smart outgoing calls** - according to the automatically-generated list of potential customers that are willing to buy based on Big Data and Artificial Intelligence.
- ✓ **Provides video or eye-to-eye meetings** with customers for a powerful, compelling presentation, but it also can't come on too strong lest it scares away the customer, it has to be a personal demonstration of how the platform works, how to buy the product, and how to use the product.
- ✓ **Works with customer bases provided by banks** for customer retention (presentation of additional benefits and opportunities)

### 5.3. Pricing strategy (including pricing benchmarks with competitors)

Pricing strategies are methodologies for setting prices for products and services.

Pricing strategies take into account internal business factors, like revenue goals, marketing objectives, target audience, brand positioning, etc, and external factors, like consumer demand, competitor pricing, and overall market and economic trends.

An important element in developing a pricing strategy is determining who and why will pay for this product.

According to the marketing strategy of mass coverage of private clients, this service will be free for them to use the platform.

Given that the platform generates sales for banks, banks pay a commission for successful sales (open current, card, deposit accounts, loans) and retained customers, customers who have stopped using the bank's product, or there is a possibility of losing the customer (for example, closing department).

Partners	Average price, UAH per lead	Advantages for Banks	Disadvantages for Banks
<b>Lead generators</b>	100-2500	<ul style="list-style-type: none"> <li>✓ new clients</li> <li>✓ databases with users interested in the brand</li> </ul>	<ul style="list-style-type: none"> <li>✓ low or no return on investment</li> </ul>
<b>Outsourcing Call Center</b>	150-800	<ul style="list-style-type: none"> <li>✓ transfer of "cold" contacts to "hot"</li> <li>✓ customer retention</li> </ul>	<ul style="list-style-type: none"> <li>✓ low conversion rate</li> </ul>

		✓ cost reduces (recruitment, training, and accompanying staff)	
<b>Smart banking</b>	300-450	<ul style="list-style-type: none"> <li>✓ new clients/customer retention due to smart sales (based on customer behavior)</li> <li>✓ cost reduces (recruitment, training, and accompanying staff)</li> <li>✓ Transparency status in the banking ecosystem</li> </ul>	✓ prerequisites for ideal competition

#### 5.4. Sales plan

Action	Deadline	Responsible
<b>Product activities</b>		
1. Design development of the marketplace interface (white “clean” slides - no picture, no visual noise, black, clear, short text, blue points – transparency symbol, only important information on the 1 slide)	12.07.2022	Head of the marketing department
2. Testing the functionality and convenience of the marketplace for the customers (intuitive usage)	17.08.2022	
3. SEO implementation - improve the appearance and positioning of a website in organic search results	17.08.2022	
<b>Pricing activities</b>		
4. Approval of the price of the service for banks during a partnership meeting	30.09.2022	Head of the marketing department
<b>Promotion activities</b>		
5. Creating page / direct link to the platform on the websites of partners from the state - Website of the Ministry of Digital Transformation of Ukraine, the Website of the National Bank of Ukraine, the Website of the President’s Office	04.02.2023	Head of the marketing department
6. Creating page / direct link to the platform on the Partner Bank’s Websites	04.02.2023	
7. Email marketing & Social media advertising (posts and messages on Instagram, Tiktok, Facebook, etc.)	04.02.2023	
<b>People activities</b>		
8. Development of training materials, sales tools, time management tools	25.11.2022	Head of Sales Department

9. Training providing (Hard Skills, Soft Skills, Onboarding Skills)	24.12.2022	
10. KPIs providing	31.03.2022	
11. Launch outbound calls from local relationship managers	31.03.2022	
12. Launch of in-bound call processing functionality	31.03.2022	
13. Daily sales meeting for receiving feedback from local relationship managers (platform functionality, customer experience)	31.03.2022	
14. Coaching & Support (Sales Team Lead)	31.03.2022	
<b>Process activities</b>		
15. User testing and surveys on the convenience of usage of the platform	17.08.2022	Head of the marketing department
16. NPS scoring for estimating successful usage of the product by customers (quality of proposition, quality of service of local relationship managers)	31.01.2023	

## 6. Planning: Financials

### 6.1. Financing requirements summary

The project implementation consists of three basic stages of financing:

#### 1. Formation and placement of management office staff

The base management team consists of:

1. Base management level – CEO
2. Marketing level - Head of the marketing department and Marketing managers
3. Legal level - Head of the legal department and Legal managers
4. Accounting level - Head of the accounting department and Accounting managers
5. HR level - Head of HR, HR Manager, Business trainer
6. Sales level - Head of the sales department, Sales team lead, Local relationship managers

During the first 6 months of the project implementation leaders of direction develop base procedures and documentation and prepare the company for the launching. In the next year leaders of direction expand the team and attract new members.

The company's offices are physically located in Kyiv, Ukraine in the central part of the Kyiv (Pechersk district), which allows the team to be in the business environment and effectively interact with project partners (Government institutions - the Ministry of Digital Transformation of Ukraine and National bank of Ukraine, Mobile operators, Banks)

#### 2. Creating a marketplace - a platform that is part of the digital country ecosystem that needs:

- Human resources
- Technical resources

##### Human resources

For creating a marketplace we organize a team of 10 developers and CTO is in charge of coordinating the team of IT specialists.

The first two-month MVP will be developed and the next four-month full marketplace version will be launched. For the next 5 years, the platform will be maintained and refermented.

Implement the main functionality of the platform for generating personal offers for each client with transparent conditions from the bank requires integration of the platform into the general ecosystem Digital country, obtaining data from mobile operators, support of the National Bank of Ukraine as part of the project on financial inclusion and financial literacy.

### **Technical resource**

The process of developing a marketplace require the need to purchase a modern personal computer for developers and servers to store data for the mobile and web versions. There is a need to maintain and expand the servers required over the next 5 years.

### **3. Recruitment of local relationship managers that will realize gradually.**

In the first year, it is planned to create a team of 130 local relationship managers. Over the next 4 years, it is planned to increase the team to 1050 managers.

To effectively communicate with customers we provide tablets and mobile phones that will allow access to the platform anywhere in the world, demonstrate the terms of products on the screen, hold online meetings, and conduct telephone conversations with customers.

## **6.2. Purposes of financing for 1 year, for 5 years summary**

**Project financing is carried out according to the stages of the project launch:**

### **1. Formation and placement of management office staff**

#### **Payroll**

In the first stage of the implementation project – the first 6 months, the total salary fund of the management office staff is 3720 thousand UAH. Next year there will be an expansion of staff in areas, and costs will increase: 2023 - 8 280 thousand UAH, 2024 - 10 692 thousand UAH, 2025 - 12 778 thousand UAH, 2026 - 16 531 thousand UAH, 2026 - 18 799 thousand UAH

#### **Office equipment**

In the first stage of the implementation project – the first 6 months, the company provides laptops and personal computers for the management office staff for the total amount of 220 thousand UAH, further with the expansion of staff total expenditure will increase: 2023 – 3630 thousand UAH, 2024 - 6830 thousand UAH, 2025 – 10760 thousand UAH, 2026 - 18660 thousand UAH, 2027 - 26480 thousand UAH.

#### **Office furniture**

In the first stage of the implementation project – the first 6 months, the company provides laptops and personal computers for the management office staff for the total amount of 550 thousand UAH, further with the expansion of staff total expenditure will increase: 2023 – 625 thousand UAH, 2024 - 875 thousand UAH, 2025 – 1100 thousand UAH, 1600 - 18660 thousand UAH, 2027 - 2000 thousand UAH.

#### **Rent & Office supplies**

The total cost of renting and maintaining the office is 100 thousand UAH per month and increases annually with inflation. Total Rent & Office supplies cost by year: 2022 – 1452 thousand UAH, 2023 - 1597 thousand UAH, 2024 - 1757 thousand UAH, 2025 – 1100 thousand UAH, 1600 - 18660 thousand UAH, 2027 - 2000 thousand UAH.



## **2. Creating a marketplace - a platform that is part of the digital country ecosystem that needs:**

### **Payroll**

The total cost of developing the platform for 6 months will be 9437 thousand UAH. The total amount of costs for maintenance and refinement of the platform for the next 5 years is: in 2023 – 9437 thousand UAH, in 2024 - 10380 thousand UAH, in 2025 - 11418 thousand UAH, in 2026 – 12560 thousand UAH, in 2027 - 13816 thousand UAH.

### **Office equipment**

The developers team needs to use modern personal computers, the total cost for purchasing is 550 thousand UAH.

### **Mobile & Web app server**

Servers for the mobile version and the web version are needed after 9 months of full-scale project implementation. At this stage number of visitors increases to 10 thousand per day. Cost for the own server in 2023 - 400 thousand UAH, over the next 4 years to maintain and expand the servers required - 1200 thousand UAH annually.

## **3. Recruitment of local relationship managers that will realize gradually.**

### **Payroll - Fixed wages**

For the first 6 months, 1 sales team lead develops the training materials and sales materials for local relationship managers. The payroll fund is 270 thousand UAH in 2022. As the team of local relationship managers expands, the number of leaders increases, according to the workload the 10 managers per 1 sales team lead. The payroll fund: 2023 - 2 160 thousand UAH, 2024 - 8 424 thousand UAH, 2025 - 15 552 thousand UAH, 2026 - 32 659 thousand UAH, 2027 - 55 987 thousand UAH.

Recruitment of the team of local relationship managers team begins in 2023, the total salary fund is 22 500 thousand UAH and increasing over the next 5 years as the team expands to 1,000 employees: 2024 - 90 000 thousand UAH, 2025 - 172 800 thousand UAH, 2026 - 362 880 thousand UAH, 2027 - 622 080 thousand UAH

### **Payroll – Bonus**

The amount of bonuses depends on the sales made by local relationship managers. The bonus system provides for the payment of % of the commission paid by banks for sales, local relationship managers get 10%, and sales team lead get 5%. The total planned bonus fund for local relationship managers and for sales team leads in 2023 - 2 180 thousand UAH, 2024 - 8 849 thousand UAH, 2025 - 23 438 thousand UAH, 2026 - 67 964 thousand UAH, 2027 - 160 687 thousand UAH.

### **Equipment**

Cost for tablets and mobile phones for the local relationship managers will increase with the expansion of this team. Total cost of tablets and mobile phones is 2023 – 3250 thousand UAH, 2024 - 6250 thousand UAH, 2025 - 10000 thousand UAH, 2026 - 17500 thousand UAH, 2027 - 25000 thousand UAH.

## **6.3. Key assumptions made in the budgeting process (including macro parameters)**

- 1. Sales efficiency will increase by 20% annually.** The assumption is made on the basis of practical experience in forming new teams. Efficiency increases due to adaptation of local

relationship managers to new processes, accumulation of experience, formation of base of loyal clients, improvement of processes, growth of the market.

2. **The inflation rate from 2023 to 2027 will be 10%.** Despite the fact that the current inflation is 18% and caused by the supply chain disruptions, uneven demand, increased business costs, and physical destruction of enterprise assets due to a full-scale Russian attack on Ukraine, the forecast is based on a positive scenario for further developments for Ukraine, due to the huge capital inflow by financial support from the West and other developed countries, support as EU candidate. reconstruction of infrastructure at the expense of reparations, and new investment projects.
3. **Annual increasing of mobile app and website visitors – 2,5 times.** According to the results of the first year of the marketplace, from 2024 the total number of visitors will increase 2.5 times each year due to the dissemination of information about the availability of the application at the national level.
4. **The number of local relationship managers will increase almost 10 times in 5 years.** The assumption is made on the basis of calculations on the growth of the number of visitors to the mobile application and web page, which will require more staff to process customer requests.

#### 6.4. Capital Expenditures forecast for 1 year, for 5 years

**The Capital Expenditures of the project contain three components:**

1. **Equipment** - needed to ensure the work of the management team in the office and local relationship managers that working remotely and located throughout Ukraine.
  - **Laptops** are purchase for office management
  - **Tablets** are purchase for local relationship managers to ensure mobility and the ability to show the screen to customers in the event of face-to-face meetings.
  - **Mobile phones** are purchase are purchase for local relationship managers for incoming and outgoing calls
  - **Personal computers** are purchase for the developers team for appropriate capacity to develop the platform.

The budget includes the price of equipment with annual growth, taking into account annual inflation of 10%:

- Laptop - 20 UAH thousand
- Tablets - 15 UAH thousand
- Mobile phones - 10 UAH thousand
- Personal computer - 50 UAH thousand

In the structure of capital expenditures on equipment, the main share is occupied by tablets and mobile phones for the ever-growing staff of local relationship managers. In 5 years, the total number of local relationship managers will reach 1,000, respectively, and the cost of tablets and mobile phones will be 25 000 thousand UAH.

2. **R&D software** (servers for the mobile web wed version of the platform) - the purchase of own servers is required during the period of active promotion of the platform and the growth of the number of visitors, and traffic, according to forecasts by 9 months of the year the number of visitors will exceed 10 thousand. Additional servers are required to prevent the platform from crashing. The cost of additional servers estimates ed at 1200 thousand UAH annually.
3. **Furniture (set of office furniture)** - needed to ensure the work of the management team. The budget includes the price of Office Furniture with annual growth, taking into account inflation of 10%: Set of Office Furniture - 25 UAH thousand. Taking into account the

increase in the scale of the project and the increase in the number of office staff, the cost of office equipment for 5 years will amount to 2,000 thousand UAH.

## 6.5. Operating Expenses forecast (including payroll, and purchasing) for 1 year, for 5 years

The Operating Expenditures of the project contain three components:

### Selling

- **Sales staff payroll:**
  - ✓ **Local relationship managers** have a monthly fixed payroll of 25 thousand UAH and a bonus of 5% of the bank's commission, which directly depends on the number of successful sales. Payroll is established with the average payroll size in the sales labor market.
- **Sales team lead** has a monthly fixed payroll of 45 thousand UAH and the bonus of 5% of the bank's commission that directly depends on the number of successful sales. Payroll is established by the average payroll size in the sales labor market.
- **Sales management staff payroll** - Head of the sales department has a monthly fixed payroll of 90 thousand UAH. Payroll is established by the average payroll size on the sales labor market.
- **Business trip** – The business trip budget is 2 thousand UAH per 1 sales team lead per month, which means that 2 business trips are required.
- **Advertising** – advertising budget is 250 thousand UAH per month with an annual increase to reach in 5 years 7000 thousand UAH.

### General

- **Executive payroll** – The CEO has a monthly fixed payroll of 90 thousand UAH. Payroll is established by the average payroll size on the sales labor market.
- **IT Staff payroll:**
  - ✓ Developer has a monthly fixed payroll of 157 thousand UAH. Payroll is established by the average size of the developers market and technology/seniority level.
  - ✓ CTO - has a monthly fixed payroll of 90 thousand UAH. Payroll is established by the average payroll size on the IT labor market.
- **Marketing staff payroll** - Head of the marketing department has a monthly fixed payroll of 90 thousand UAH, Marketing manager - 35 thousand UAH. Payroll is established with the average payroll size in the marketing labor market.
- **Rent&Office supplies** - the company's offices are physically located in Kyiv, Ukraine in the central part of the Kyiv (Pechersk district), rent per month is 100 thousand UAH, taking into account annual inflation of 10% and includes all administrative costs (utilities, cleaning, and security).

### Administrative

- **Legal staff payroll** – The head of the legal department has a monthly fixed payroll of 70 thousand UAH, Legal managers - 30 thousand UAH. Payroll is established by with the average payroll size on the legal labor market.
- **Accounting staff payroll** – The head of the accounting department has a monthly fixed payroll of 70 thousand UAH, Accounting manager - 30 thousand UAH. Payroll is established in accordance with the average payroll size on the accounting labor market.
- **HR staff payroll** - Head of HR has a monthly fixed payroll of 90 thousand UAH, HR Manager - 25 thousand UAH, Business trainer - 35 thousand UAH. Payroll is established by the average payroll size in the HR labor market. The payroll budget includes an annual payroll increase of 10%.

## **6.6. Other Profit and Loss Statement elements (Depreciation, Interest rate, taxes)**

### **Depreciation.**

There are three categories of schedules of depreciation:

1. Office equipment with 2 depreciation years, 0% residual value and cumulative depreciation of 68630 thousand UAH.
2. R&D software with 5 depreciation years, 0% residual value, and cumulative depreciation of 5200 thousand UAH.
3. Office Equipment (Furniture) with 2 depreciation years, 20% residual value, and cumulative depreciation off 5120 thousand UAH.

### **Interest rate.**

In 2,5 years to expand the project on a national level the company receives a credit line with government support with an interest rate of 5% to finance capital expenditures with the next tranches – 31.12.2024 in the amount of 1 830 thousand UAH, 31.12.2025 in the amount of 2 080 thousand UAH, 31.12.2026 in the amount of 2 375 thousand UAH. Payment of interest annually at the end of the year and will be 31.12.2025 in the amount of 92 thousand UAH, 31.12.2026 in the amount of 196 thousand UAH, 31.12.2027 in the amount of 314 thousand UAH.

### **Corporate tax.**

The company is a legal entity, is on the general system of taxation, and pays 18% annual Corporate tax. For 2.5 years the company generates losses and does not pay Corporate tax, the next 3-year company has positive Net income from operating activities and pays Corporate tax: 2025 -13 004 thousand UAH, 2026 - 52 752 thousand UAH, 2027 - 171 703 thousand UAH.

### **Value Added Tax (VAT).**

From 2025, the company's revenues are more than 1 million UAH, in accordance with the requirements of the law, the company must pay value added tax in the amount of 20%. This tax will be included in the price for services to banks.

### **For three years 2025-2027 the company demonstrates positive results, profitability, and active growth:**

- Operating profit in 2024 – 4386 thousand UAH, in 2025 – 186 662 thousand UAH, in 2026 – 991586 thousand UAH, in 2027 - 4 135 212 thousand UAH
- Operating margin in 2024 - 3%, 2025 - 36%, 2026 - 55%, 2027 - 69%
- Net income margin in 2025 - 28%, 2026 - 45%, 2027 - 56%

## **6.7. Balance Sheet forecast (including credit financing) for 1 year, for 5 years**

The balance sheet reports a company's assets, liabilities, and shareholder equity and helps to conduct fundamental analysis or calculate financial ratios.

### **The company assets consist of current assets and fixed assets.**

#### **The current assets include:**

- Cash & cash equivalents that grows along with business activity and has a positive results from 2025 - 99 718 thousand UAH, 2026 - 816 341 thousand UAH, 2027 - 3 838 188 thousand UAH

- Accounts receivable - for technical issues, account receivables from banks happened in 2023 - 20% of sales revenue through the platform, total amount is 1599 thousand UAH. From 2024, new automatic referral settings have been made with online payments.

**The fixed (non-current) assets is** Property and equipment (cumulative cost of capital expenditure in office equipment and furniture) minus Accumulated depreciation of this equipment.

**The company liabilities and equity consist of:**

- **Current liabilities - Accounts payable.** According to agreements with local relationship managers, bonuses for attracting customers during the first year will be paid once for the next year, there are Accounts payable to local relationship managers in total amount in 2023 – 1026 thousand UAH
- **Long-term debt.** In 2,5 years to expand the project on a national level the company receives a credit line with government support with an interest rate of 5% to finance capital expenditures with the next tranches – 31.12.2024 in the amount of 1 830 thousand UAH, 31.12.2025 in the amount of 2 080 thousand UAH, 31.12.2026 in the amount of 2 375 thousand UAH. Payment of interest annually at the end of the year and will be 31.12.2025 in the amount of 92 thousand UAH, 31.12.2026 in the amount of 196 thousand UAH, 31.12.2027 in the amount of 314 thousand UAH.
- **Shareholders equity.** Contributed capital for 5,5 years is 15 899 thousand UAH, invested by private investors on the first stage of project with 10% dividend payout: 2025 - 14 461 thousand UAH, 2026 - 79 929 thousand UAH, 2027 - 337 010 thousand UAH. Accumulated retained earnings, including dividends, with positive results from 2025 - 89 324 thousand UAH, 2026 - 808 683 thousand UAH, 2027 - 3 841 769 thousand UAH.

#### 6.8. Cashflow forecast for 1 year, for 5 years

**Cashflow from operating activities** includes Net income from operations, Depreciation/Amortization, change in accounts receivable and change in accounts payable. Total result by years: -14 579 thousand UAH in 2022, -21 997 thousand UAH in 2023, 4 959 thousand UAH in 2024, 154 827 thousand UAH in 2025, 815 937 thousand UAH in 2026, 3 395 121 thousand UAH in 2027.

**Cashflow from investing activities** includes Capital expenditures. Total result by years: -1 320 thousand UAH in 2022, -4 955 thousand UAH in 2023, -9 205 thousand UAH in 2024, -13 360 thousand UAH in 2025, -21 760 thousand UAH in 2026, -29 980 thousand UAH in 2027.

**Cashflow from financing activities** includes Loans from commercial banks, Repayment of loans to commercial banks, Dividends, and Equity financing from private investors. Total result by years: 15 899 thousand UAH in 2022, 0 thousand UAH in 2023, 1 830 thousand UAH in 2024, -12 381 thousand UAH in 2025, -77 554 thousand UAH in 2026, -343 295 thousand UAH in 2027.

#### 6.9. Scenario, sensitivity Analysis

**Scenario and sensitivity Analysis performed by the calculations of:**

1. **Discounted cashflow (DCF)** - determines the value of investments today based on projections of how much money it will generate in the future with using the discount rate 10% weighted average cost of capital (WACC) incorporates the average rate of return that shareholders in the firm are expecting for the given year. The company goes on a positive cash flow from 2,5 years after full-scale launching and generates the next discounted cashflow: 177 178 thousand UAH in 2025, 787 635 thousand UAH in 2026, 2 883 696 thousand UAH in 2027.

2. **Discounted payback period (DPBP)** - number of years it takes to break even from undertaking the initial expenditure, by discounting future cash flows and recognizing the time value of money. The project will generate cash flows to cover the initial cost after 2,7 years.
3. **Internal rate of return (IRR)** is the annual rate of growth that an investment is expected to generate. IRR of the project is 252%
4. Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. IRR of the project is 3 808 636 thousand UAH.

#### Solution for investors based on calculations:

- Accept: NPV >0 significant value of NPV in order to accept
- Accept: IRR larger than RRR, Discount rate, WACC

Sensitivity analysis							
Years	Units	FV 2022	FV 2023	FV 2024	FV 2025	FV 2026	FV 2027
Capital expenditures	UAH thousand	-1 320	-4 955	-9 205	-13 360	-21 760	-29 980
Operating expenditures	UAH thousand	-14 579	-49 933	-134 959	-243 861	-501 756	-881 848
Cashflow from operating activities	UAH thousand	0	28 509	139 346	516 628	1 792 011	6 020 472
Project cashflow	UAH thousand	-15 899	-26 379	-4 819	259 407	1 268 495	5 108 644
<b>Cumulative cashflow</b>	UAH thousand	<b>-15 899</b>	<b>-42 278</b>	<b>-47 096</b>	<b>212 311</b>	<b>1 480 805</b>	<b>6 589 449</b>
<b>Payback period (PB)</b>	<b>years</b>	<b>2,7</b>					
<b>Discount rate (WACC)</b>	<b>%</b>	<b>10%</b>					
		DCF 1	DCF 2	DCF 3	DCF 4	DCF 5	DCF 6
<b>Discounted cashflow (DCF)</b>	UAH thousand	<b>-14 453</b>	<b>-21 801</b>	<b>-3 620</b>	<b>177 178</b>	<b>787 635</b>	<b>2 883 696</b>
Cumulative discounted cashflows	UAH thousand	-14 453	-36 254	-39 874	137 304	924 939	3 808 636
<b>Discounted payback period (DPBP)</b>	<b>years</b>	<b>2,7</b>					
<b>NPV</b>	<b>UAH thousand</b>	<b>3 808 636</b>					
<b>IRR 5 years period</b>	<b>%</b>	<b>252%</b>					
<b>IRR spread (IRR - RRR or discount rate) %</b>	<b>%</b>	<b>242%</b>					

#### Scenario 2 – fixed price during 5,5 years instead VAT +20% and annually price increasing +15%:

Price for company services							
Annual price increase		0%					
VAT		0%					
	<b>Units</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Prices for company services</b>							
Customer retention	UAH/client	0	200	200	200	200	200
New customers	UAH/client	0	450	450	450	450	450
New sales/product	UAH/product	0	400	400	400	400	400

Sensitivity analysis							
Years	Units	FV 2022	FV 2023	FV 2024	FV 2025	FV 2026	FV 2027
Capital expenditures	UAH thousand	-1 320	-4 955	-9 205	-13 360	-21 760	-29 980
Operating expenditures	UAH thousand	-14 579	-49 933	-133 805	-235 192	-464 826	-774 329
Cashflow from operating activities	UAH thousand	0	28 509	121 170	325 538	818 248	1 992 028
Project cashflow	UAH thousand	-15 899	-26 379	-21 840	76 986	331 662	1 187 720
<b>Cumulative cashflow</b>	UAH thousand	<b>-15 899</b>	<b>-42 278</b>	<b>-64 117</b>	<b>12 868</b>	<b>344 530</b>	<b>1 532 250</b>
<b>Payback period (PB)</b>	<b>years</b>	<b>3,3</b>					
<b>Discount rate (WACC)</b>	<b>%</b>	<b>10%</b>					
		DCF 1	DCF 2	DCF 3	DCF 4	DCF 5	DCF 6
<b>Discounted cashflow (DCF)</b>	UAH thousand	<b>-14 453</b>	<b>-21 801</b>	<b>-16 409</b>	<b>52 582</b>	<b>205 936</b>	<b>670 437</b>
Cumulative discounted cashflows	UAH thousand	-14 453	-36 254	-52 663	-80	205 855	876 292
<b>Discounted payback period (DPBP)</b>	<b>years</b>	<b>3,5</b>					
<b>NPV</b>	<b>UAH thousand</b>	<b>876 292</b>					
<b>IRR 5 years period</b>	<b>%</b>	<b>140%</b>					
<b>IRR spread (IRR - RRR or discount rate) %</b>		<b>130%</b>					

**Solution for investors based on calculations:** operating profit decreased due to the VAT and inflation influence, discounted payback period increased to the 3,5 years, NPV and IRR still on the accepting level.

### Scenario 3 – numbers of visitors increasing in 1,5 times annually instead 2,5 times annually

KPI Natural flow							
Annual increasing of visitors		<b>150%</b>					
	<b>Units</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Natural flow (Market place)</b>							
Visitors	people	0	3 288 000	4 932 000	7 398 000	11 097 000	16 645 500
Days	day	184	365	366	365	365	365
Visitors	people per day	0	9 008	13 475	20 268	30 403	45 604
Conversion rate New customers	%	0,0%	0,5%	1,0%	1,3%	1,4%	1,5%
Conversion rate New sales/products	%	0,0%	0,5%	1,0%	1,3%	1,4%	1,5%
New customers	customer	0	16 440	49 320	96 174	155 358	249 683
New sales/products	product	0	16 440	49 320	96 174	155 358	249 683
<b>Total Natural flow</b>	<b>sales</b>	<b>0</b>	<b>32 880</b>	<b>98 640</b>	<b>192 348</b>	<b>310 716</b>	<b>499 365</b>

Sensitivity analysis							
Years	Units	FV 2022	FV 2023	FV 2024	FV 2025	FV 2026	FV 2027
Capital expenditures	UAH thousand	-1 320	-4 955	-9 205	-13 360	-21 760	-29 980
Operating expenditures	UAH thousand	-14 579	-49 933	-134 959	-243 861	-501 756	-881 848
Cashflow from operating activities	UAH thousand	0	28 509	107 205	285 990	742 297	1 712 668
Project cashflow	UAH thousand	-15 899	-26 379	-36 959	28 769	218 781	800 839
<b>Cumulative cashflow</b>	UAH thousand	<b>-15 899</b>	<b>-42 278</b>	<b>-79 236</b>	<b>-50 468</b>	<b>168 313</b>	<b>969 153</b>
<b>Payback period (PB)</b>	<b>years</b>	<b>3,7</b>					
<b>Discount rate (WACC)</b>	<b>%</b>	<b>10%</b>					
		DCF 1	DCF 2	DCF 3	DCF 4	DCF 5	DCF 6
<b>Discounted cashflow (DCF)</b>	UAH thousand	<b>-14 453</b>	<b>-21 801</b>	<b>-27 768</b>	<b>19 649</b>	<b>135 846</b>	<b>452 053</b>
Cumulative discounted cashflows	UAH thousand	-14 453	-36 254	-64 022	-44 372	91 473	543 526
<b>Discounted payback period (DPBP)</b>	<b>years</b>	<b>3,8</b>					
<b>NPV</b>	<b>UAH thousand</b>	<b>543 526</b>					
<b>IRR 5 years period</b>	<b>%</b>	<b>105%</b>					
<b>IRR spread (IRR - RRR or discount rate) %</b>		<b>95%</b>					

**Solution for investors based on calculations:** increased discounted payback period to the 3,8 years, NPV and IRR still on the accepting level.

## 6.10. Key metrics/Dashboards (Graphs, Ratio analysis)

### Investment highlights

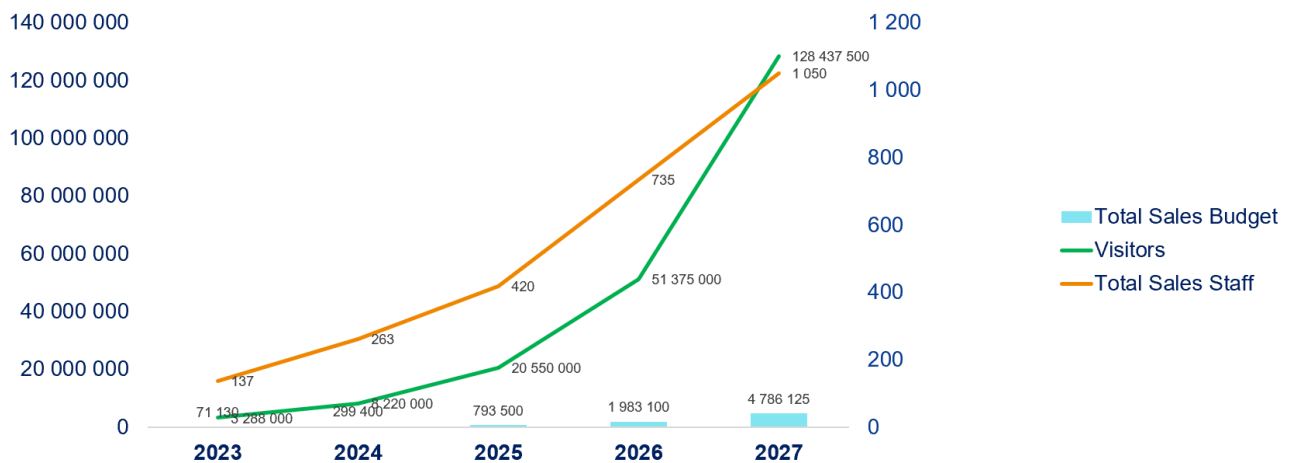
#### Total financing required

	Units		
Total financing required	UAH thousand	15 899	
Development period	month	6	
<b>Operational Expenditures, including:</b>			
Marketplace development	UAH thousand	14 579	100%
Office management expenses	UAH thousand	9 437	65%
Office rent	UAH thousand	4 542	31%
	UAH thousand	600	4%
<b>Capital Expenditures into Fixed Assets, including:</b>			
Office management equipment	UAH thousand	1 320	100%
Office management furniture	UAH thousand	770	58%
	UAH thousand	550	42%

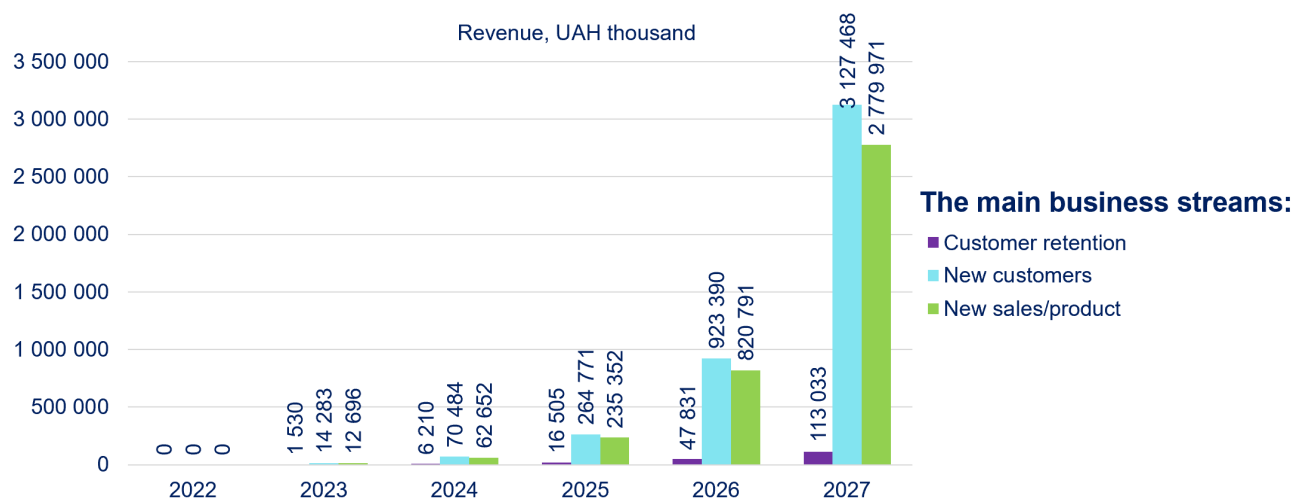
#### Capital structure

Equity financing	%	100%
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In the first stage (first 6 months) project needs 15 899 K UAH (9 437 K UAH – Marketplace development, 6462 K UAH – Office organization (payroll, equipment, rent, furniture). The next stage will be covered by operating income

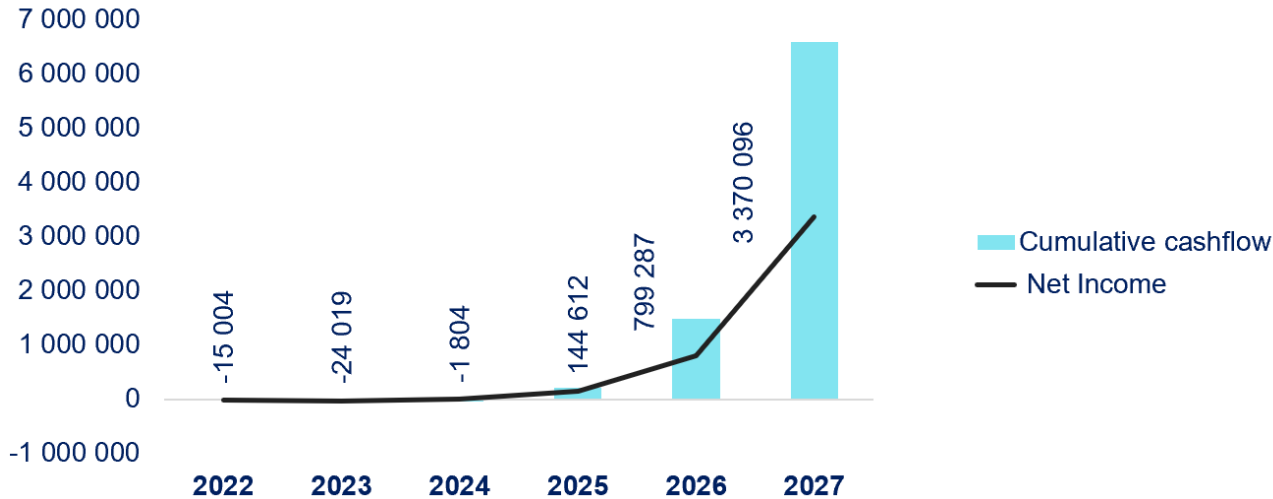


Marketplace's sales increase due to an increase in the number of visitors 2.5 times per year, the number of local relationship managers from 20 to 1050 and an increase in sales conversion from 0.5% to 1.5%





The company’s revenue is generated by the fee, which banks pay for sales - in the main streams - customer retention, new customers, new sales/products, and increase as total sales increase



The company goes on a positive cash flow and generated net income from 2,5 years after full-scale launching, DPBP – 2,7 years, IRR - 242%, Net income margin – 56%

**7. Implementation: Resources required for project implementation including team**

**7.1. Human resources: personal attributes and networks, individual experience, education**

Human capital is crucial in this project, as it forms the main competitive advantage over aggregators who provide information services and compare conditions in the market of banking products, but do not have contact with customers and do not focus on personal customer advice, and recommendations, trust of customers.

Human capital in this project has certain features because it is not enough to involve banking professionals with appropriate education to advise on financial issues. Human capital in the project - banking professionals who have long experience in customer service, have formed personal relationships with customers, have the trust of key customers in the region, and have a good reputation and status in the region, but given geographical location, company policy to optimize branch network and digitalization of processes faced with the decision of companies to close offices and lose their jobs.

**The relevance of the human factor in the digitalization of the banking sector**

The digitalization of everything around is increasingly reducing the need for people to participate in this process. Are we becoming more and more useless and will everyone do the work for us? What will happen to people's employment if everything around is automated. This project is not designed to prove the inexpediency of digitalization, on the contrary, the optimization of routine work is a good solution for both the consumer and the service provider/product it does not mean that people are no longer needed there.

The banking sector has become just such an example when branches are closed, the staff is reduced, and people lose the only possible job in the region because physically maintaining branches is no longer profitable from a financial point of view. And this is true. Region/district does not have great business potential, it becomes economically unprofitable to maintain a branch. Although the question of economic potential and profitability of maintaining a physical department

may be relative. For example, building a road in a certain region may change the potential that was assessed at the time of the decision to close the branch. And locating a company representative in the region can create reputational benefits.

Since 2017, the boom of fintech has started all over the world, and every year the activity of their activities is only increasing. More and more IT professionals are creating new solutions for companies, and more and more financial companies are investing in digital projects. This trend is not specific to a particular region or country, this trend is global. Over the past year, about \$ 3 billion has been invested in fintech worldwide.

The main advantage of fintech is simplicity, speed, and ease of the process. Thanks to the intuitive interface, you can open an account, transfer funds, make a payment, issue a loan, etc. in a few clicks. The key to creating an intuitive interface is an in-depth study of customer experience and the main obstacles that prevent customers from achieving the desired easily and quickly. In addition, it should be noted that most fintech operates in a market where the majority of the population already has experience working with financial companies, knows what a payment card is and how to withdraw money from an ATM, or that you can pay for utilities not only on receipts.

After all, with the advent of the Internet and the development of technology, an increasing proportion of the population is embracing digital solutions. But if we imagine a situation that is completely new, and contextual, that is one in which there are no certain rules of conduct and patterns, in which most people have no idea about the order of actions. For example, the global epidemic and quarantine that caught us in 2019, or the war that forced half of the population to move abroad or to safer areas. In this situation, it is difficult to create a quick intuitive solution, because there is no history of use.

Such non-standard situations require an operational non-standard solution. The leader for such a non-standard solution in this case is a person, a manager who receives a request, seeks opportunities for a solution, and initiates an operational change in the process to meet needs. The format of the decision and the speed of the decision, in this case, depend on the person.

In the situation of war in Ukraine, the helper factor for Ukrainian banks was the COVID-19, because many digital solutions were implemented by banks, or were implemented in anticipation of a new wave of the pandemic. However, a large part of the population will need to go abroad urgently and there will be no access to funds due to the expired validity of the cards, due to the lack of cards on deposit accounts it was difficult to predict.

In this case, a large number of bank customers needed advice. In addition, the employees of the information center were not always ready for non-standard decisions or recommendations, they acted according to the rules and procedures. In this case, there is another factor, the willingness to address non-standard requests. When the on-site manager initiates the creation of a non-standard solution and its scaling.

Even if we have a ready-made decision on paper or detailed instructions on how to do something, we need advice or recommendation before making a decision and signing documents, especially when it comes to money. For example, when applying for a loan with the subsequent need to pay interest to the majority of the population, the main obstacles are distrust of financial institutions and suspicion of hidden fees.

**Criteria according to which the search and employment of local relationship managers will take place:**

- 1. Knowledge**
  - Complete higher economic education
  - Knowledge of banking product
- 2. Experience, skills, and abilities – what the individual has to be able to do.**
  - Experience in the banking sector

- Experience customer service
  - Sales Skills
  - Experience in resolving non-standard complaint situations
- 3. Achievements and activities likely to predict success**
    - Reputation in the region/district and partnerships with key customers
  - 4. Specific demands**
    - Availability of a portfolio of clients with whom partnerships are formed (individuals and legal entities)
    - No negative information on compliance
  - 5. Special requirements**
    - Age - no requirements. After all, the most valuable local relationship managers will be, among others, the heads of departments who have retired and have long experience in building relationships with customers and have authority and influence on customers in the region/district.
    - The fact of losing position due to the closure of business in the region. Such employees will be given an advantage, as the main goal of the project is to attract local relationship managers who have lost their jobs and are motivated to have employment. At the same time, there will be no restrictions on the involvement of local relationship managers who currently have jobs, as the schedule and format of work may also interest them.

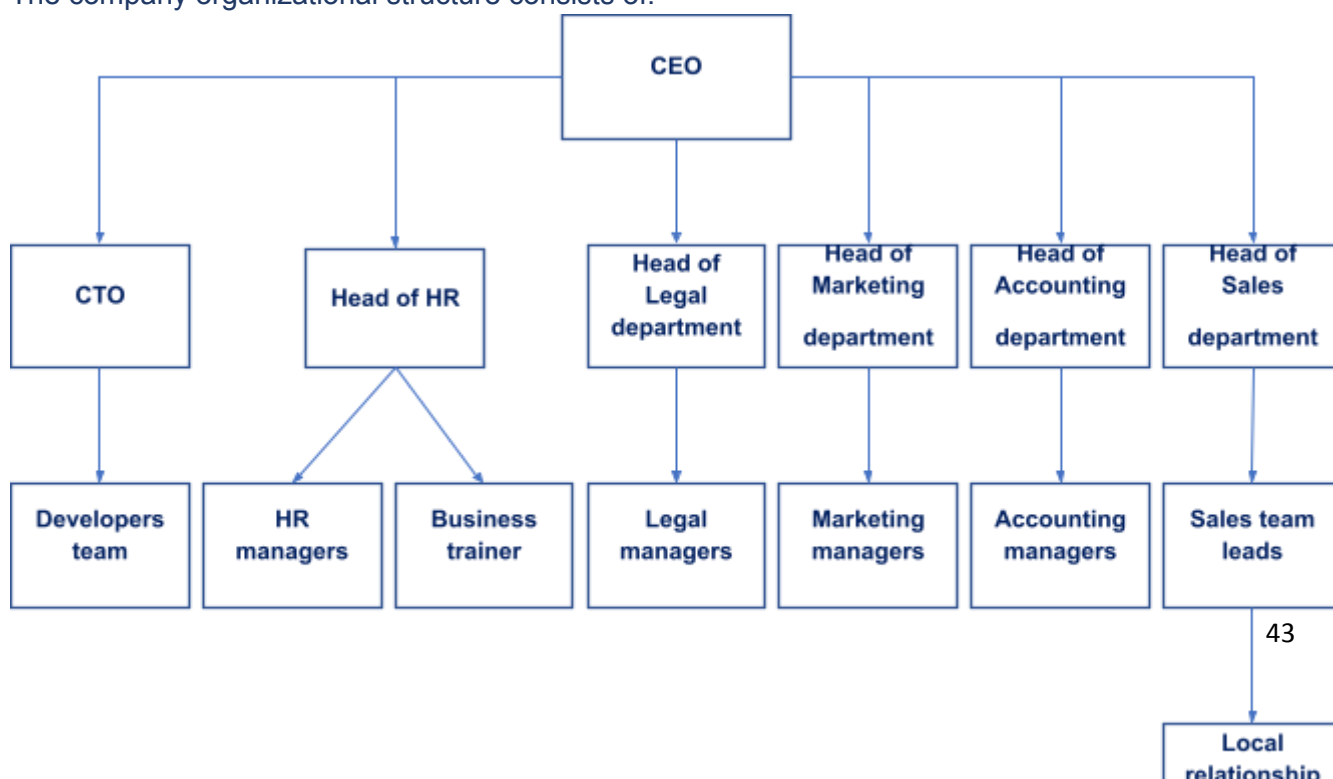
**The number and concentration of local relationship managers in the region/district depends:**

1. development of military events in Ukraine
2. concentration of business in the district/region
3. the number of branches that have been closed in the district/region by all banks in the last 3 years. The expediency of contacting clients who have already issued an account in another bank for 3 years is due to the main mission of the project, namely providing complete information about market conditions and presenting products that meet the needs and behavior of the client. Accordingly, this project will ensure the financial inclusion of customers and improve the customer experience.

## 7.2. Organizational resources: structure, culture, routines, processes, brand, reputation

### Structure

The company organizational structure consists of:



## **Culture, routines, and processes**

The peculiarity of the team is that most of the employees work remotely. The separate format of work requires a special approach on the part of management to attract employees to achieve a common goal.

To unite the team and build harmonious relationships with the psychological safety of employees, communication will be built based on the culture mapping tool Culture design Canvas a culture mapping tool to define the cultural state of the company, and help to build a positive workplace culture evolve workplace culture. There are 10 building blocks categorized into three sections: the core, the emotional culture, the functional culture

### **1. Purpose – *Why do we exist?***

#### **Mission**

Smart banking exists to help private individuals to get the best customer experience in banking, to use banking products that fully meet and decide their needs with full information about the product and support of using this product.

#### **Vision**

Smart banking will be the basic, open and free banking ecosystem platform for transparent dealing between private individuals and banks by providing special private offers and support from highly experienced local relationship managers.

### **2. Values – *Why do we believe in?***

Smart banking operates by the following guiding principles: Honesty, Social responsibility, Customer Experience, Quality, and Innovation.

### **3. Priorities – 3 cultural priorities**

- Data quality and transparency
- Equal participation of all market representatives (private individuals, banks)
- Finding a solution for any non-standard situation by initiating changes in standard processes, procedures, products

### **4. Behaviors**

#### ***What behaviors do we reward?***

- Creative, non-standard, entrepreneur-thinking
- Proactive decisions
- Emotional intelligence in customer service

#### ***What behaviors do we punish?***

- Deliberate procrastination of projects
- Passive response to non-standard customer requests
- Decisions that are not aligned with company values

### **5. Psychological safety - *How do we encourage everyone to speak up? How do we promote participation and candor?***

**We demonstrate in words and actions that all team members can:**

- **Share** concerns and mistakes without fear of embarrassment or retribution. The experience of such interaction leads to the fact that all mistakes are reported quickly and prompt corrective action can be taken.
- **Ask** questions when they are unsure about something. The experience of such interaction leads to the fact that they tend to trust and respect their colleagues, and seamless coordination across groups or departments is enabled;
- **Speak up** and won't be ignored or blamed. The experience of such interaction leads to the fact that potentially changing ideas for innovation are shared.

#### 6. **Feedback - “How do we help each other learn and grow?”**

- learn to ask for feedback rather than to give feedback
- provide small and frequent team feedback practices
- use STAR-AR Model for giving feedback (Situation - describe the situation that the person was doing, Actions - talk about actions which are being taken, Result - talk about result/outcome, AR Alternative Action - ask the person or talk about actions which would lead to a different result)
- self-setting before receiving feedback (calm, eye contact, concrete examples, no attack, no speculation, no generalizing)

#### 7. **Rituals – How do we celebrate our people, culture, and work?**

- “Recharge Fridays” — days free of meetings/communications so that employees can focus
- Quarterly eyes-to-eyes performance with graduating newcomers and success local relationship managers (high results, super actions).

#### 8. **Decision-making - How do we share authority? What methods do we use to make decisions?**

The company operates in conditions of military tension and complexity of situations. Especially effective in these terms is a team of teams - an association of people based on relationships and common goals that have a common consciousness (trust + common goal + context).

#### **A team of teams has the following characteristics:**

- **the third essence** - people come together to create or solve something together, it's a startup, family, or business partnership, based on relationships, or values that unite
- **dynamically developing** - the evolution of teams
- **common mind** - stimulate each other to creativity, generation of ideas
- **the voice of each participant is the voice of the team** - everyone freely expresses his opinion and understands that it is important, can express himself
- **important roles** - focusing not on a particular team member, but on the role he plays

#### 9. **Meetings – How do we convene and collaborate?**

- Weekly executive meetings opened for the whole team
- One-on-one helps meeting – systematic meetings with managers for resolving difficult issues
- Small group meetings to combat the isolation of remote work
- No late-night instant messaging to address burnout

#### 10. **Norms & Rules - How do we clarify expected behaviors without hindering autonomy?**

Work only for fun! The well-being of employees is the fundamental base for mission realization. **Smart banking has a culture of creativity, freedom, and responsibility, there is a team-oriented culture that is collaborative and emphasizes cooperation among employees. Companies with such cultures facilitate this culture by cross-training their employees so that they are capable of helping each other when needed.**

## Brand & Reputation

The company builds a reputation for transparency, reliability, simplicity, and ease through the involvement of all market participants, the latest technologies, and experienced employees who find solutions in non-standard situations. The company's brand is becoming recognizable due to the broadcast of the need to use the platform by the state and the national bank.

### 7.3. Physical resources: location, land, real estate, machinery, equipment, raw materials reserves, etc.

#### Location

- The company's offices are physically located in Kyiv, Ukraine in the central part of the Kyiv (Pechersk district)
- Office location allows the team to be in the business environment and effectively interact with project partners (Government institutions - the Ministry of Digital Transformation of Ukraine and National bank of Ukraine, Mobile operators, Banks)
- Rent per month is 100 thousand UAH, taking into account annual inflation of 10% and includes all administrative costs (utilities, cleaning, and security).
- Local relationship managers work remotely.

#### Land, real estate, machinery, equipment, raw materials reserves

The company does not consider buying real estate, the premises are needed only to accommodate the company's management, for this the company rents an office, local relationship managers work remotely. The company does not need other premises.

The company specializes in providing services in the banking, is not engaged in production and does not need machinery, land, raw material reserves or manufacturing equipment. There are only needs in office equipment:

- **Laptops for office management** – management uses laptops to perform organizational functions
- **personal computer for developers** - the process of developing a marketplace require the need to purchase a modern personal computer for developers and servers to store data for the mobile and web versions. There is a need to maintain and expand the servers required over the next 5 years.
- **tablets and mobile phones for local relationship managers** - to effectively communicate with customers, to ensure mobility and getting access to the marketplace platform anywhere in the world, demonstrate the terms of products on the screen, hold online meetings, and conduct telephone conversations with customers.

### 7.4. Financial resources: internal and external funds, other financial instruments

The company is created through private investment in the first stage (first 6 months) project needs 15 899 K UAH (9 437 K UAH – Marketplace development, 6462 K UAH – Office organization (payroll, equipment, rent, furniture). The next stage will be covered by operating income.

In 2,5 years to expand the project on a national level the company receives a credit line with government support with an interest rate of 5% to finance capital expenditures with the next tranches – 31.12.2024 in the amount of 1 830 thousand UAH, 31.12.2025 in the amount of 2 080 thousand UAH, 31.12.2026 in the amount of 2 375 thousand UAH. Payment of interest annually at the end of the year and will be 31.12.2025 in the amount of 92 thousand UAH, 31.12.2026 in the amount of 196 thousand UAH, 31.12.2027 in the amount of 314 thousand UAH.

### 7.5. Legal resources: patents, licenses, copyrights, agreements, trade secrets, trademark, etc.

## Patents and copyrights

The company develops and creates by own modern banking marketplace, which requires registration of intellectual property rights and copyrights. The main method of protection of intellectual property rights is a getting patent as a security document. The Legal department prepare and file an application for a patent for Ukrpatent. Mandatory clarification in the employment contracts of the developers of the rights and obligations of the parties and the procedure and grounds for acquiring ownership of the developed product by the company.

## Licenses

The company is intermediaries between buyers (private individuals) and sellers (banks) of goods (services), is an independent platform that provides information services to users and is not subject to licensing. Europe union Payment Services Directive 2015/2366 that is ensure the security of electronic transactions and to expand the financial services ecosystem in the EU internal market does not apply to the company, as private customers do not pay through the platform. To apply for product design, the client goes to the landing pages of banks.

## Agreements

The fundamental preconditions for the full-scale launch of the project are negotiations with the government institutions – the Ministry of Digital Transformation of Ukraine and National Bank of Ukraine, with Banks and Mobile operators.

The main pillar of the negotiation with partners is the proposition of a “win-win” strategy. The modern marketplace is an effective tool for realizing the National Bank of Ukraine strategy of improving the financial literacy of the population and the government’s strategy of increasing the digital population. For Banks, it will be new effective tool for sales increasing and promoting transparent customer-oriented status. Mobile operators will provide information with the prior consent of the client when registering on the marketplace.

It is necessary to prepare legal documents describing the rights and obligations of the parties regarding the use of customer data, the order of interaction of participants and data transfer, and information protection. The Legal department develops, agrees and approves forms of documentation for signing with partners

## Trade secrets

Technological solutions used in the development of the marketplace for delivery best private offer (Big Data, customer behavior patterns, artificial intelligence analyzing) are a trade secret.

## Trademark

The company has a trademark - the name of the company “Smart banking” with the symbol of the uncoupled rings.



The Legal Department registers a trademark by submitting an application to the state enterprise "Ukrainian Institute of Industrial Property".

### 7.6. Informational resources: industry, customer, supplier, internal, product information

#### Industry, customer, supplier, internal

Experienced management team with banking background form the company's information resource in their directions:

- **Legal direction:** the main legal base for banking, frequent customer questions, standard legal decisions, KYC, customer agreements.
- **Sales direction:** approaches to determining, proving and controlling KPI, sales tools and training materials, time management and management of sales teams.
- **Marketing direction:** tools for collection and processing of banking customer feedback, methods of marketing research on the use of banking products, positioning of banking products, banking target customer behaviour.
- **HR direction** - requirements for candidates, portfolio of a bank employee, job description, employment contracts and agreements.

## **Product information**

Banking Marketplace is a platform where customers can explore, compare and buy banking products. The marketplace is the meeting place between banks and customers. Customers identify their main priority and the platform displays the banks that are able to offer the best solution. Customers no longer need to go to the different banks or analyze different websites for comparing terms of products. Marketplace is convenient for the banks too, it helps them in expanding the audience and getting new clients.

For creating marketplace that fully meet the needs of customer it is important firstly to develop a minimum value product. Minimum value product (MVP) is demo-version or first version of the product with the main features for target audience. MVP helps to avoid time and money losses in case if the product not correspond with client's needs.

The main task for MVP:

- To chose the core functionality of the product for the target audience
- To check the core functionality if it interesting for the target audience
- To check the core functionality chosen correctly
- To decide what functionality / features the most popular
- To get feedback from the target audience and identify the main problems of the products

## **Smartbanking's MVP provides the next part of product:**

### **For banks:**

- New customer functionality

Customers retention and new sales functionality will provide after successful MVP realization. This functionality will provide after agreements with the banks.

### **For private individuals:**

- Mobile platform (Web platform will provide after successful MVP realization)
- Best personal offers (generates based on main preferred criteria filled by the user. Big data analysis and customer behavior analysis will provide after agreements with mobile operators).
- Online advice

## **Smartbanking's MVP provides the next traditional banking product for private individuals:**

- Current account
- Card account
- Credit card
- Personal loan
- Deposit

Insurance, NFT, and cryptocurrency accounts will provide after successful MVP realization.

## **Smartbanking's MVP provides the next functionality:**



The home page consists of:

1. **White screen with pop-up greetings: “Hi! Nice to meet you on smart banking reality”**
2. **White screen with pop-up key functions:**
  - ✓ **button «Observe & Compare»** - actual terms of the banking products, comparison of the actual terms of the banking products (by adding in comparison box), ratings of banks, results, actual banking news, important practice information for private individuals from the National Banks of Ukraine.
  - ✓ **button «Best personal offer»** - generate the best personal offer based on the customer behavior data
  - ✓ **button «Private consultation»** - professional advice and support from local relationship managers (chat, call, video – meeting).
3. **Navigation panel at the top:**
  - ✓ **For Banks** – product presentation for banks with the accent on transparency status
  - ✓ **For Private individuals** - product presentation with the main advantages for customers
  - ✓ **Log in / create an account** – registration page, the first registration realized through phone number or e-mail with further confirmation by e-mail link or OTP-password and biometric system access (fingerprint, face recognition).
  - ✓ **About us** – values, mission, the vision of the company, team presentations
  - ✓ **Career** – request form for the team participation – *“We are always open for the talented people”*
  - ✓ **Contact us** – address, e-mail, phone, feedback forma – *“Shared with us your thoughts”*

The user cabinet consists of:

The main panel – 5 main buttons:

1. **My existing products:**
  - ✓ Users can add existing products from different banks in one basket.
  - ✓ Users can add the next products: My Credit cards, My Personal loans, My Cards, My Deposits, My Current Accounts
  - ✓ The section displays basic information about the product, usage history.
  - ✓ Info graphs of usage banking products
  - ✓ The platform generates additional tips for using the product, for example, practice tips about the usage of grace period of credit cards according to the history of usage, reduce payments commission of debit cards, to get additional bonuses or interest by using short-term deposits etc.
2. **My best personal offers** - generates based on main preferred criteria filled by the user:
  - ✓ **Product:**
    - Account
    - Credit
    - Deposit
  - ✓ **Priority – 3 mains for user:**
    - Account (Free transfers/Free cash withdrawal/Cashback/Bonuses/Access 24/7)
    - Credit (Lowest interest/Min payment/Long term/Max Grace period/Access 24/7)
    - Deposit (Highest interest/Interest capitalization/Monthly interest payment/Best Bank rating/Access 24/7)
  - ✓ **Preferable banks – MVP propose 13 biggest banks** – Alfabank, Credit Agricole, FUIB, Oshadbank, OTP bank, Privatbank, Raiffeisen Bank Aval, Sberbank, Ukreximbank, Ukrgasbank, Ukrsibbank, Universal Bank (Monobank).

The platform will generate the best personal offers according to fitting information. Big data analysis and customer behavior analysis will provide after agreements with mobile operators.

3. **button «Observe & Compare»** - actual terms of the banking products, comparison of the actual terms of the banking products (by adding in comparison box), ratings of banks, results, actual banking news, important practice information for private individuals from the National Banks of Ukraine.
4. **Finance planning and budgeting** – a structure of money spending, recommendation of budget planning
5. **Button «Private consultation»** - professional advice and support from local relationship managers (chat, call, video – meeting).

#### The top up panel:

1. **Personal information** – name, surname, phone number, e-mail, country, city, photo, etc.
2. **Settings** – privacy, login, security
3. **Notifications** – system notifications for users, platform upgrades, new features, etc.
4. **About company** – presentation information about company

#### The local relationship manager cabinet consists of:

1. **Personal information** – name, surname, phone number, e-mail, country, city, photo, etc.
2. **Dashboard** – KPI, working hours, schedule of sales activity
3. **Training materials** – simple, intuitive presentation of base banking knowledge
4. **News** – new information on banking services (new products on the market, new the National Bank of Ukraine restrictions)
5. **Client portfolio** - list of loyal clients formed by local relationship managers during professional activity.
  - ✓ fit client's information by own
  - ✓ add clients information after launch the project
6. **Button «Observe & Compare»** - actual terms of the banking products, comparison of the actual terms of the banking products (by adding in comparison box), ratings of banks, results, actual banking news, important practice information for private individuals from the National Banks of Ukraine.
7. **«Private consultation»** - chat, inbound calls, outbound call, meeting schedule
8. **Settings – privacy, login, security**
9. **Notifications**

**Feedback** – user can leave feedback after dealing with the bank, method of estimation based on NPS (net promoter score) - survey question asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague.

#### 7.7. Relational resources: supplier, customer, competitors, external parties relationship, relationships inside the firm

##### Supplier and external parties relationship

The fundamental preconditions for the full-scale launch of the project are negotiations with the government institutions – the Ministry of Digital Transformation of Ukraine and National Bank of Ukraine, with Banks and Mobile operators.

The main pillar of the negotiation with partners is the proposition of a “win-win” strategy. The modern marketplace is an effective tool for realizing the National Bank of Ukraine strategy of improving the financial literacy of the population and the government’s strategy of increasing the digital population. For Banks, it will be new effective tool for sales increasing and promoting

transparent customer-oriented status. Mobile operators will provide information with the prior consent of the client when registering on the marketplace.

During the period of marketplace development, the CEO prepares for negotiations with Government institutions - the Ministry of Digital Transformation of Ukraine and National bank of Ukraine, Mobile operators, Banks. When the demo version is ready, it negotiates and concludes agreements.

### **Customer**

The project contains a key part of successful implementation is the relationship with local clients. Many digital solutions, mobile applications are developed and do not become successful. To strengthen the digital solution of the marketplace, it is the local relationship managers who will create an active distribution of the marketplace in their area, based on respect, relationships, reputation with customers. One of the criteria for recruitment of local relationship managers is reputation in the region/district and partnerships with key customers and Availability of a portfolio of clients with whom partnerships are formed (individuals and legal entities)

### **Relationships inside the firm**

The backbone of the company consists of employees with a banking background, and it is very important to involve representatives of different generations and areas in the team to provide a diverse view of the company's development. Relationships in the company are built on the basis of the basic principles of corporate culture, described in this chapter of human resources.

## **8. Implementation: Implementation plan including risk assessment**

### **8.1. The list of risks, risk segmentation (Impact/Probability)**

1. **HR risk** - Long search for members of the executive management team due to Low wages, involvement in other projects, unwillingness to change something, own ambitions – **Probability «45%», Impact «Low».**
2. **HR risk** - Long search for IT developers due to Low wages, involvement in other projects, unwillingness to change something, own ambitions – **Probability «35%», Impact «Low».**
3. **Strategic risk** - the National Bank of Ukraine /State (Diya)/Mobile operators/Ukrainian Banks will abandon the partnership due to Inconsistency of strategy, disinterest, waste of time, competitive fears - **Probability «95%», Impact «High».**
4. **Legal risk** - Loss of ownership of the project due to Weak legal support for patents and licenses, ownership of intangible assets – **Probability «5%», Impact «Low».**
5. **Business risk (operation or technical risk)** - The software projects (Marketplace - ecosystem platform) will fail due to problems with "Diya" integration, receiving data from Mobile operators, Ukrainian Banks, due to Unrealistic expectations - lack of clear understanding of how the software integrates into the overall digital landscape of the organization, Lack of Technical Documentation for the high-level architecture and tech stack, Lack of Testing at each stage in the development process – **Probability «70%», Impact «High».**
6. **Reputation risk** - Competitive advantage of the best personal offer will not be realized due to Data being transmitted and updated with significant delays, irrelevant information on the Marketplace (ecosystem platform) – **Probability «70%», Impact «High».**
7. **Business risk (operation or technical risk)** - Customers don't like/use the application - lightness, simplicity, speed, relevance, intuitiveness due to Lack of Testing at each stage in the development process - **Probability «100%», Impact «High».**

8. **Business risk (operation or technical risk)** - Banks provide low service on customer requests (response speed, response quality, rejection of requests, etc.) due to Imperfection of internal IT processes and procedures in the banks – **Probability «70%», Impact «High».**
9. **Business risk (operation or technical risk)** - Fintechs provide low service on customer requests (response speed, response quality, rejection of requests, etc.) due to Imperfection of internal IT processes and procedures in the fintech – **Probability «10%», Impact «Low».**
10. **Property damage risk** - Damage or losses of laptops due to Careless use of bank property (food during work, stay in non-working areas during working hours) **Probability «10%», Impact «Low».**
11. **HR risk** - Project generates losses due to the low sales results - Unavailable professional employees in the region/area - **Probability «50%», Impact «Average».**
12. **HR risk** - Local relationship managers are not available for customers, customers have been waiting for a response due to the Imperfect schedule of local relationships managers working hours - **Probability «30%», Impact «Low».**
13. **HR risk** - Project generates losses due to the low sales results - Weak sales skills of employee – **Probability «30%», Impact «Low».**
14. **Strategic risk** - Project generates losses due to the low sales results - Customers have a negative experience after the previous wave of branch closures and don't want to change anything – **Probability «60%», Impact «Average».**
15. **Strategic risk** - Project generates losses due to the low sales results - The low potential of active or potential banking people in the region/area – **Probability «40%», Impact «Average».**
16. **Reputation risk** - Competitive advantage of personal advice will not be realized due to lack of skills to solve non-standard issues, low EQ of employees – **Probability «60%», Impact «Average».**
17. **Reputation risk** - Competitive advantage of personal advice will not be realized due to lack of time to study terms of the entire banking market (participants, products, specific service issues, etc.) - **Probability «30%», Impact «Low».**
18. **Reputation risk** - Competitive advantage of personal advice will not be realized due to lack of skills to study terms of the entire banking market (participants, products, specific service issues, etc.) - **Probability «30%», Impact «Low».**
19. **Business risk (operation or technical risk)** - Local relationship managers are not available for customers, customers have been waiting for a response due to Managers working remotely may have problems with the Internet" - **Probability «40%», Impact «Average».**
20. **Strategic risk** - Project generates losses due to the low sales results - Customers don't want to use the application - accessibility, awareness, necessity - **Probability «100%», Impact «High».**
21. **Fraud risk** - Fraud by employees of clients service - **Probability «5%», Impact «Low».** due to Unsecure IT system and Unsecure procedure
22. **Fraud risk** - Fraud by customers of clients service - **Probability «10%», Impact «Low».** due to Unsecure IT system and Unsecure procedure
23. **Finance risk** - The War continues - **Probability «100%», Impact «High».** due to Humanitarian catastrophe, Loss of GDP, Rising inflation, the population is losing income - demand for banking products is falling
24. **Finance risk** - The new wave of COVID - **Probability «5%», Impact «Low».** due to Humanitarian catastrophe, Loss of GDP, Rising inflation, the population is losing income - demand for banking products is falling
25. **Strategic risk** - the National Bank of Ukraine restrictions for digital operations - **Probability «5%», Impact «Low».** due to The influence of bitcoins and other non-bank monetary instruments can create new conditions for the finance market

## 8.2. Mitigation Plan for high Impact and High Probability, owner of each high Impact and High Probability risk and resources needed to mitigate them

1. The National Bank of Ukraine /State (Diya)/Mobile operators/Ukrainian Banks will abandon the partnership due to Inconsistency of strategy, disinterest, waste of time, competitive fears -
  - **Group of risk** - Strategic risk
  - **Probability** - «95%»
  - **Impact** - «Critical»
  - **Risk owner** - CEO
  - **Cost of risk reaction** - 180 UAH thousand - Expenses for the event are included in the salary of the CEO, whose main task since the beginning of the project and the start of marketplace development is to organize and prepare for negotiations with partners - 2 months
  - **Mitigation Plan**
    - ✓ Preparation (pitch deck+demo version of marketplace)
    - ✓ Goals identification for each partner separately - Identify all possible scenarios of partnerships
    - ✓ Win-Win scenario - clear benefits for each partner separately, focus on the outcome
    - ✓ Get a Decision
2. The software projects (Marketplace - ecosystem platform) will fail due to problems with "Diya" integration, receiving data from Mobile operators, Ukrainian Banks due to Unrealistic expectations - lack of clear understanding of how the software integrates into the overall digital landscape of the organization, Lack of Technical Documentation for the high-level architecture and tech stack, Lack of Testing at each stage in the development process.
3. Competitive advantage of the best personal offer will not be realized due to Data being transmitted and updated with significant delays, and irrelevant information on the Marketplace (ecosystem platform).
4. Banks provide low service on customer requests (response speed, response quality, rejection of requests, etc.) due to the Imperfection of internal IT processes and procedures in the banks
  - **Group of risk** - Business risk (operation or technical risk)/ Reputation risk
  - **Probability** - «70%»
  - **Impact** - «High»
  - **Risk owner** - CTO
  - **Cost of risk reaction** – 9437 UAH thousand - These measures are a mandatory part of cooperation with developers, respectively, the cost of launching the marketplace for 6 months contain these activities
  - **Mitigation Plan:**
    - ✓ Pre-compiled transparent high-level architecture and tech stack
    - ✓ Short, manageable iterations that allow to reflect more frequent opportunities and vary the project scope
    - ✓ Systematically testing at each stage in the development process
5. Customers don't like/use the application - lightness, simplicity, speed, relevance, and intuitiveness due to a Lack of Testing at each stage in the development process
  - **Group of risk** - Business risk (operation or technical risk)
  - **Probability** - «100%»
  - **Impact** - «High»

- **Cost of risk reaction** – 9437 UAH thousand - These measures are a mandatory part of cooperation with developers, respectively, the cost of launching the marketplace for 6 months contain these activities
  - **Mitigation Plan:**
    - ✓ User testing and surveys
    - ✓ Focus groups
    - ✓ Frequent releases
    - ✓ Beta testing
6. Project generates losses due to the low sales results - Customers don't want to use the application - accessibility, awareness, necessity.
- **Group of risk** - Strategic risk
  - **Probability** - «100%»
  - **Impact** - «Average»
  - **Cost of risk reaction** – 9437 UAH thousand - These measures are a mandatory part of cooperation with developers, respectively, the cost of launching the marketplace for 6 months contain these activities
  - **Mitigation Plan:**
    - ✓ Participation of the marketing department in the creation of interface design of marketplace (intuitive display of information)
    - ✓ Marketing research among the audience of potential customers before launching marketplace development
    - ✓ Marketing mix - smart advertising promotion of the project
7. The War continues due to Humanitarian catastrophe, Loss of GDP, Rising inflation, the population is losing income - demand for banking products is falling
- **Group of risk** - Finance risk
  - **Probability** - «100%»
  - **Impact** - «Average»
  - **Cost of risk reaction** – 9437 UAH thousand - These measures are a mandatory part of cooperation with developers, respectively, the cost of launching the marketplace for 6 months contain these activities
  - **Mitigation Plan:**
    - ✓ The high-level architecture and tech stack of the marketplace have to ensure the flexibility to different data formats from partners
    - ✓ Expansion of the project to foreign countries"

### 8.3. Screening tools for medium Impact/Probability risk

1. Project generates losses due to the low sales results - Unavailable professional employees in the region/area
  - **Group of risk** - HR risk
  - **Probability** - «50%»
  - **Impact** - «Average»
  - **Screening tools:**
    - ✓ List of former employees
    - ✓ Interview with former employees
    - ✓ Recommendations on the referral system
2. Project generates losses due to the low sales results - Customers have a negative experience after the previous wave of branch closures and don't want to change anything –
  - **Group of risk** - Strategic risk
  - **Probability** - «60%»
  - **Impact** - «Average»
  - **Screening tools:**

- ✓ Targeted Marketing mix
  - ✓ Personal Meetings with clients
3. Project generates losses due to the low sales results - The low potential of active or potential banking people in the region/area:
    - **Group of risk** - Strategic risk
    - **Probability** - «40%»
    - **Impact** - «Average»
    - **Screening tools**
      - ✓ Accurate assessment of business potential at the project launch stage
      - ✓ Big data of internet users in the region"
  4. Competitive advantage of personal advice will not be realized due to lack of skills to solve non-standard issues, low EQ of employees – **Reputation risk** - **Probability** «60%», **Impact** «Average».
    - ✓ EQ oriented training
    - ✓ Overall company Dashboard of successfully resolved non-standard issues with the recognition of local relationship managers
    - ✓ NPS scoring
  5. Local relationship managers are not available for customers, customers have been waiting for a response due to Managers working remotely may have problems with the Internet
    - **Group of risk** - Business risk (operation or technical risk)
    - **Probability** - «40%»
    - **Impact** - «Average»
    - **Screening tools:**
      - ✓ Preliminary assessment of the location of local relationship managers
      - ✓ Availability of local relationship managers during the first week since the launch

#### 8.4. Project implementation plan

##### Office organization

1. "Individual meetings with potential members of the management team, the true message of idea and sense of urgency, high-level project presentation, an agreement on a follow-up meeting to discuss a common vision"
2. Follow-up individual meetings with potential members of the management team, discuss a common vision
3. Team meeting of the whole team and joint discussion of the project vision (next step, potential team members, approaches of project realization
4. Office arrangements - rent agreements
5. Office arrangements - equipment
6. Office arrangements - furniture

**Milestone 1:** Management team, Common vision - guiding coalition, Office arrangements (rent, equipment, furniture)"

##### Marketplace development - 1 iteration - the first Demo - version - MVP

1. Recruitment of IT developers (CTO personal contacts)
2. Planning and Analysis - identification of software requirements by the business and stakeholders' requirements.
3. Design - establishment of the architecture of the software and technical requirements like services, languages, data layers, etc.
4. Design development of the marketplace interface (white "clean" slides - no picture, no visual noise, black, clear, short text, blue points – transparency symbol, only important information on the 1 slide).
5. Implementation - code writing to build the first version of the software, building the technical architecture, the database, and the programs of the first iteration module.

6. Testing - the code is tested for potential bugs: unit testing - individual units of codes are tested, integration testing - verifies that the units of code function properly when integrated, user acceptance test -determine if the system satisfies the user requirements for that iteration, test for security potential hacks.
7. Testing the functionality and convenience of the marketplace for the customers (intuitive usage)
8. SEO implementation - improve the appearance and positioning of a website in organic search results
9. Evaluation - evaluation of the whole project which will then be handed over to the client for review.
10. Evaluation of the whole project before stakeholders review (the first Demo - version - MVP)
11. Final project developments - Final version of Marketplace
12. **Milestone 2:** IT development team, Software requirements, Marketplace - the first Demo - version – MVP, Final version of Marketplace

### **Agreements with partners**

1. List of Ukrainian and International partners, contacts, communities, and recommendations of a person who could organize a meeting and form loyal relations
2. Meeting preparation - pitch deck+ Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
3. Meeting with CEO of Monobank
4. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
5. Meeting with CEO of 12 biggest banks of Ukraine
6. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
7. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
8. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
9. Meeting with the Ministry of Digital Transformation of Ukraine
10. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
11. Meeting with the President of Ukraine
12. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
13. Meeting with the Head of the National Bank of Ukraine
14. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
15. Meeting with CEO of Vodafone
16. Meeting preparation (update after last meeting/negotiations) - pitch deck+Demo - version - MVP of the marketplace - ecosystem platform goals, possible scenarios of negotiations, Win-Win scenario
17. Meeting with CEO of Kyivstar
18. Approval of the price of the service for banks during a partnership meeting



**Milestone 3:** Organization of meetings with potential partners, Preparation for the meeting, Partnership Agreements

#### **Recruitment of local relationship managers**

1. Drawing up a realistic job profile
2. Drawing up a transparency job description
3. List of closed branches of all banks for the last 3 years (results, history)
4. Potential of sales (population - geolocation, existing entity, competitors, business activity)
5. Development of training materials, sales tools, time management tools
6. Potential of employee market (former staff members)
7. Monitoring the existing labor market (LinkedIn, Work.ua)
8. Conducting interviews, assessment of professional and personal competencies, Job-offer
9. Onboarding (Self-efficacy, Role Clarity, SocialIntegration Knowledge of Culture)
10. Training providing (Hard Skills, Soft Skills, Onboarding Skills)

**Milestone 4:** Job profile, job description, Training materials, Onboarding"

#### **Tablets & mobile phones providing**

1. Gadget market research (price, functionality, quality, delivery terms)
2. Distribution plan - the address of the physical location of onboarded local relationship managers, delivery procedure
3. Purchase of gadgets - order and payment"
4. Gadget delivery

**Milestone 5:** Job profile, job description, Training materials, Onboarding

#### **Sales launch**

1. Development of marketing plan (marketing mix)
2. Creating page / direct link to the platform on the websites of partners from the state - Website of the Ministry of Digital Transformation of Ukraine, the Website of the National Bank of Ukraine, the Website of the President's Office
3. Creating page / direct link to the platform on the Partner Bank's Websites
4. Email marketing & Social media advertising (posts and messages on Instagram, Tiktok, Facebook, etc.)KPIs's providing
5. Launch outbound calls from local relationship managers
6. Launch of in-bound call processing functionality
7. Daily sales meeting for receiving feedback from local relationship managers (platform functionality, customer experience)
8. Coaching & Support (Sales Team Lead)
9. NPS scoring for estimating successful usage of the product by customers (quality of proposition, quality of service of local relationship managers)

**Milestone 6:** Marketing mix realization, Out-bound, and in-bound calls, Sales control

#### **8.5. Interdependencies and project implementation control activities (regular progress review solutions)**

The launch of the project is initiated by the CEO by involving professionals in a single team. The starting point of control is the success of meetings with potential project participants and their involvement in the coalition with a common goal and values. After confirming the participants' interest in creating the project, each leader directly begins recruitment for his team and organizational preparation for the launch of the direction.

The fundamental preconditions for the full-scale launch of the project are the development of a marketplace and negotiations with Government institutions - the Ministry of Digital Transformation of Ukraine and National bank of Ukraine, Mobile operators, Banks.

Prior to the start of negotiations, the development team has a task to develop a Demo - version – MVP of the marketplace, the demonstration of which will be a crucial element of successful negotiations and will positively affect the interest of the parties.

During the development of the marketplace, the Director of the Sales Department and Director of the Marketing department are directly involved in the formation of requirements for the architecture of the marketplace, taking into account customer feedback.

During the period of marketplace development, the CEO prepares for negotiations with Government institutions - the Ministry of Digital Transformation of Ukraine and National bank of Ukraine, Mobile operators, Banks. When the demo version is ready, it negotiates and concludes agreements.

Coordination between team members is held at weekly meetings with a progress report.

As a result of concluding agreements with partners, preparations for the formation of a team of local relationship managers, search, interviews, development of training materials, etc. The Director of the Sales Department is in constant interaction with HR director.

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