



//Arch's Business plan

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1, Executive Summary

- **Our team** : //Arch (member: Airi Koyama, Mana Morita, Sayaka Oshima)
- **Business Name, Product Name** : //Arch , Shearu
- **Location** : Nerima-ku, Tokyo, Japan

In Japan, we have a problem that few people donate to people in need. According to a research by Japan Fundraising Association(<http://jfra.jp/research>), Japan's percentage of donation amount to GDP(0.14%) is only 10% of United States's percentage(1.4%) in 2016. Since there is a gap between the rich and poor in Japan, donation is important to solve it. This is why we started this business.

Our company created an app called "Shearu" which promotes a daily donation culture to Japanese. When you buy a product at a shop that has a contract with our app, you can donate to children living in poverty by showing this app to the clerk. Our business aims to attract more than 80,000 users and contract with 80 companies in 5 years. Through this app, we hope that our app helps to provide children in poverty with enough meals and Japanese people will donate on a daily basis.

2, Company Description

- **Business type** : Social enterprise
- **Mission statement** : Connect people for Cooperation

2-1. The important people in our business and the roles they play

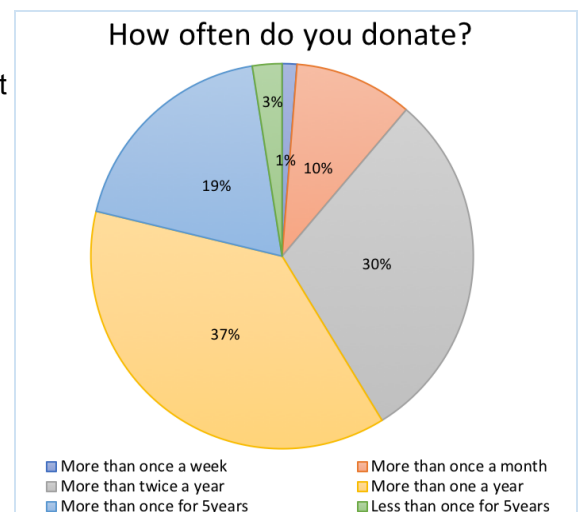
There are 5 types of important people in our business, Salesperson, Engineer, Business person, Customer supporter and Advertising officer. Sales people find companies which contract with our services and contract with them. Engineers create our app at first, and after starting our business, they add other functions or improve the quality of the app. Business people consider how to fund money, how many people need it in our business, what we will do in our business, how to manage money and so on. Customer supporters correspond to the customer when the app is not working well. Advertising officers strive to make this app popular with users. We will advertise our app on SNS, so they will create advertisements to increase users.

2-2. An overview of what we plan to sell and who our market will be

In our business, there are mainly two targets. The first target is people in Japan who want to participate in donations but struggle because of various reasons like feeling embarrassed or lack of money. For those people, we will offer an application which can be used in many shops. The users are going to show the app at the register when paying and they will finish their donation just by showing the app. Even though we earn money by using the app, we are not going to directly receive money from them. From this system, we will be able to support their donating without spending time or money. Second target is companies that want to contribute to society even though they can't donate huge amounts of money like fundraising. By contracting with our service, they will be able to increase the number of consumers because our app can be one way of advertising, and also it gives a positive image to people that they are participating in donation.

2-3. A brief history of why business was created and why our team is passionate about it

In Japan, donation is not a familiar thing for people. From our research, there were more than 60% of people who said that they participate in donation once in a year or less (right graph, we could get 80 responses from people of all generations who have donated). There are some reasons for it. Since street fundraising is popular in Japan, many people struggle to put the money in the donating box because of embarrassment. Lots of people care about what other people think about them and don't want to be thought of as a "serious person". Also, in Japanese system of donation, it takes lots of effort and time. Donating helps people who receive services but also benefits people who do it by giving happiness and a sense of accomplishment. The reason why we want to make this a business is that our members had struggled against donating a few times. So, we thought we should build a business to manage this issue.



2-4. Highlights of what we want to accomplish in the immediate future based on the information in the rest of the business plan and our future goals

In our business, we want to make people feel like donating a familiar thing and raise the price of donation in Japan to help people. However, this is a long term goal. In our business, we are going to receive money and donate to KODOMO SHOKUDO(children's cafeterias). So, in the near future we are planning to lower the number of children struggling with hunger and loneliness.

3, Products and/or service description

- Product name : Shearu

3-1. An in-depth description of your product/service, emphasizing the specific benefits to the customer

Japanese systems of donation are troublesome for many people. It takes time and labor. However, using this app, customers will be able to donate indirectly just by showing the screen of our app. Also, customers will be able to know how much they had donated until now. In our business, the users don't need to pay money for no profit. Since our profits come from the contracting fee, the users just need to buy products in the shops. Many people in Japan often feel donating is losing money but in our system, that doesn't happen.



3-2. An explanation of how your product/service has advantages over the competition

Other similar businesses are done by a couple of companies in Japan. However, our system is special for using applications as a tool to donate. Since Japanese system of donation takes time and effort as we mentioned before, using our app takes less time. Also, in our app, the users are able to see how much they had contributed by showing the specific number. We think this would motivate the users to use this app more, and also feel satisfied for their actions.

3-3. Product development

-The current stage of the app's development (how ready is it to be given to the customer)

Our business can be given to the customer as soon as we decide which company to cooperate with. Now we are at one more step to be ready. We have done deciding where to donate, plans for the future, and done making the app. However, we need to negotiate with companies doing commerce in order to make places to use our app.

-Information about how the product will be built and sent to the customer

We developed this app using Java. We are planning to launch in Google Play Store without taking any fees from the customer. The users can use our app by downloading in the Play Store.

4, Market Analysis

4-1. Key competitors : 1. *Yahoo net donation* / 2. *One chocolate for one smile project*

• Yahoo net donation

Yahoo net donation use points that users can get by giving some information about you when you buy something in the shop. This system is called POS system. When you buy something with a credit card, you can get points from the company instead of giving your information. You can use this point as much when you buy something and also, you can use your point to donate to a project which you choose.

• One chocolate for one smile

This project is done by Japanese company called "Morinaga" which makes snacks, and is especially famous for its chocolate. By buying products which are produced by Morinaga, people can donate money to children who work in cacao farms. Morinaga is running this project with two NGO called "plan international" and "ACE". In some countries, which are near to the equator, a lot of cacao is produced as the ingredients of chocolate. However, some countries don't have good environments for education. Morinaga donates a part of their profits to children who live in those countries.

4-2. How do you think your mobile app will perform and why?

Our app is unique in the system of donation. Users can donate more easily if they use our app. This is because our app takes a system that donates 30% of the pay. By using this system, users can buy items and at the same time, the users can donate. We assume that our app will support people to donate easily and comfortably. Through this, Users will become aware of making donations on a daily basis.

Also, we can contribute to solving the problem of child poverty in Japan. In Japan, one in seven children is poor, and many NPOs provide food to children. However, it is often difficult for them to raise funds for their activities. Therefore, we donate to the charities and support their activities through this business.

4-3. Customer research: A sketch of your customers, including size and demographics

Our customers are people who hesitate to donate even though they would like to. In Japan, people participate less in donations than other countries. We think the number of the target is about 96 million. This is the Japanese population of 15-64 years old and over 64 who own their smartphone.

To investigate our customer, we did a survey to the target and we got 88 responses. According to the research, we found that most people don't have a habit of donating but they want to donate. The most common way of donation for Japanese people is to raise money on the street. However, there were some opinions that it was embarrassing to stop on the street and raise money, and it was uneasy to know where the money would be delivered.

And also, we investigated how much money people spend in a week. We decided the contract fee (30% of the amount of users used in the store) based on this information.

4-4. Competitors analysis: a detailed evaluation, highlighting their strengths and weaknesses

	Strength	weakness
Yahoo net donation	<ul style="list-style-type: none"> ▪ Easy to donate →It doesn't take time and simple ▪ Users can donate their point as money →Users don't need to donate their real money. 	<ul style="list-style-type: none"> ▪ They lose their point. →If they don't donate, they can use these points to buy something or to get a discount.
One chocolate for one smile	<ul style="list-style-type: none"> ▪ Easy to donate →Users can donate by buying some chocolate. ▪ Morinaga can get a lot of sells by doing this project ▪ This project connects to Morinaga's CSR(Corporate Social Responsibility) 	<ul style="list-style-type: none"> ▪ Users can't donate when they buy other products. →Only chocolates are subjected to projects. ▪ Users can't feel that users donate to some people. →Most buyers don't know that they donate by buying that chocolate.

From the table above, each competitor has their strengths and weaknesses. The biggest weakness that Yahoo net donation has is users have to donate instead of take a discount when they purchase some items. We think most people want to use a point for themselves. Therefore, most users don't use points to donate. On the other hand, One chocolate for one smile has strengths on this point. Users can donate with their shopping. They don't feel that they lost their money and also, users only need to buy chocolates to donate. However, One chocolate for one smile has weakness too. It is about the items that are subject to the project. If users buy other products, non-Morinaga chocolates, other snacks, eggs, milk and so on. Users can donate only when they buy chocolates made by Morinaga. We think it is the biggest weakness that One chocolate for one smile has.

5, Strategy & implementation

5-1. Branding is clear and amplifies your app's purpose

Our company works to reduce the number of poor children around the world. So, we contracted with an NPO that works for children like "KODOMO SHOKUDO". KODOMO SHOKUDO is a system to help children from starvation. They provide some meals to children for free. At first, we have contracts with them and in the future, we will take contracts with more NPO that work for children.

5-2. An in-depth strategy for how your products will reach target users

Our app's target users are people who have some problem with donations. For example, they don't want to donate money that they can use for themselves. This is because they haven't any profits made by donating money. We think if we can make the system that users use their money for themselves and also users can donate money, our app's target users want to use our app. Therefore, our app takes the system that users donate money to 1% of

the pay. By taking this system, our products will reach target users. We set a goal to reach 81,000 users in five years.

5-3. Feedback from target users integrated into marketing plan

We took the surveys and got about 80 answers. Most people answered “want a function that users can know how to send the money that users donate and where the money goes”. From this feedback, we make the function that users can know about the whereabouts of money.

5-4. Details about pricing, promotions, and distribution of the app

About pricing

We provide products for free. This is because we want to facilitate donations to a lot of people. If we take some fee to use this app, we can't facilitate donations. We have to make the environment that users can donate easily. Therefore, we provide our app for free.

About promotions

We use Instagram's advertisements to spread information about our company and company's actions to users. Recently, most people use SNS, Instagram, Facebook, Twitter and so on. Therefore, if we use Instagram's advertisement, a lot of people can see our company's advertisement. And also, we will ask companies that are contracting with our company to advertise about our company and company's actions.

About distribution

We use Google Play store to distribute our app.

5-5. An explanation of how the company will function, from when the app is produced to when the app is delivered to the customer

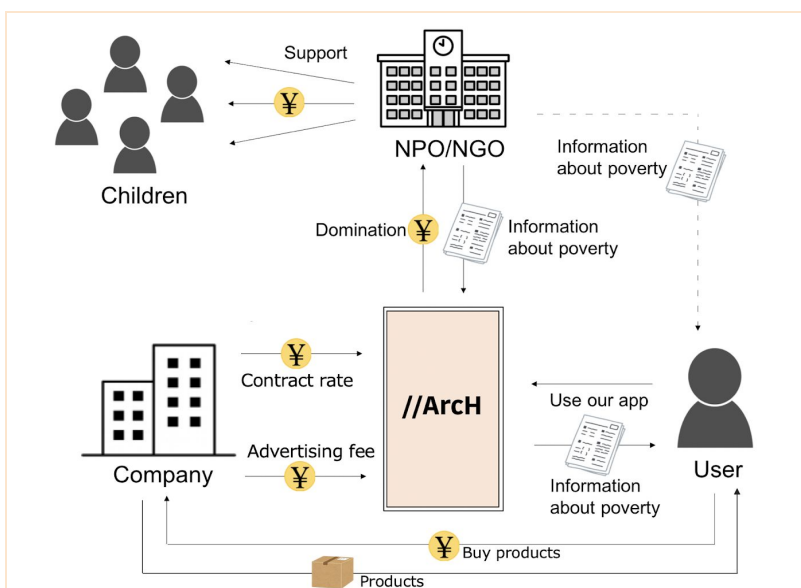
When we haven't finished making the app, we focus on making the app. We will hire engineers and work to finish the app. After finishing making, we have to distribute our app to customers. Therefore, we use advertisements like Instagram's advertisement. And also, focus on taking contracts with other companies. After starting our service, we will continue to work on updating our app to improve quality.

5-6. Information on the number and types of employees you have or will need

At first, we won't hire employees, we run our company by team members. In the future, when our company becomes bigger, we will hire some employees. We need three types of employees: Engineers, people who think about marketing and people who take contracts with other companies. Each type of employee will be needed for our business.

6, Financial plan & projections

6-1. Budget that clearly explains your revenue model and projected operating costs



When a user buys a product with our app, we donate 1% of the amount of money the user has paid in shopping. We call it donation cost. We donate to NPO which supports children who cannot get enough food because of poverty. And then that money will be spent to deliver food to children by NPO.

If companies contract with our service, they will get more profit because their consumer will increase than ever, so we get a contract rate from the company which contracts with our service. The amount is 30% of the amount used by the app user at the company. We haven't placed ads in the app yet, but we will in the future, so at that time, we get an Advertising fee from the company too.

6-2. How much money you have now and how will you use it

Now, we don't have sufficient funds, so each member of us(3members) pays \$100 to start our business. At first, our service only needs App release cost, so we will pay from the starting cost. When we start our business, we have to pay for server costs, donation costs, personnel expenses and so on. Now, we have only three members, so after we get benefits, we will increase our business members and build our office. And also we can advertise our app on SNS. Then we can get more and more users and get more benefit.

6-3. How much money do you plan to make in the next 3 to 5 years and how (profit projection)

	0th year	1st year	2nd year	3rd year	4th year	5th year
Number of users		1K	3K	9K	27K	81K
Number of contracted companies		5	10	20	40	80
Number of employees		3	6	19	38	75
Revenues (\$)						
Starting Cost (\$)	300					
Contract Rate (\$)		93600	561600	3369600	12636000	50544000
Total Revenue (\$)	300	93600	561600	3369600	12636000	50544000
Expenditures (\$)						
Donation Cost (\$)		3120	18720	112320	421200	1684800
Advertising Cost (\$)		600	600	600	600	600
Staff Salaries (\$)		60000	120000	380000	760000	1500000
Rent / Utility expenses (\$)		0	0	30000	30000	30000
Server Fee (\$)		20	20	1200	1200	1200
Total Expenditure (\$)	130	63740	139340	524120	1213000	3216600
Profit (\$)	170	29860	422260	2845480	11423000	47327400
Total (\$)	170	30030	452290	3297770	14720770	62048170

<References>

- Japan Fundraising Association | Research (about donation) <URL> <https://jfra.jp/research>
- Sani-Yell (about poverty) <URL> <https://saniel.jp/saniel/1716/>
- Japan Cabinet Office | Consumer Confidence Survey (about general consumption)
<URL> <https://www.esri.cao.go.jp/jp/stat/shouhi/shouhi.html>