



# Business plan

Version 18.11.2017

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## Executive summary

BCShop.io project aims to reinvent the way digital commerce works today. Focusing on digital goods and services area our goal is to enhance it with fast-growing opportunities blockchain technologies and cryptocurrencies have to offer.

## Objectives

1. Implement fully trusted decentralized e-commerce platform on blockchain
2. Lower transaction costs that merchants and service providers pay today
3. Allow for fast and easy international transactions
4. Make an easy option for C2C and B2C sectors to adopt cryptocurrency potential

## Mission

Our mission is to contribute to and promote modern blockchain technologies for different areas of economic and social relations. We believe blockchain opens wide opportunities to improve the way people get used to live.

## Keys to success

The keys to our success are:

1. Strong team with 9 years of collaborative development in IT
2. Growing demand for blockchain solutions for C2C and B2C sectors
3. Working product prototype publicly available for testing at: [testnet.bcshop.io](https://testnet.bcshop.io)
4. Building the business very effective by implementing maximum automation and reducing operational costs to minimum
5. Working with blockchain industry leaders to cross engage technologies and communities

## Company summary

BCShop.io PTE. LTD. Is incorporated in Singapore where legislation for blockchain based startups is very soft. Legal documents necessary to start the bcshop.io platform are ready and available on the website <https://bcshop.io/> in "Documents" tab.

## Startup summary

BCShop.io uses token sales mechanic to attract contributors to the project. Depending on how much funds is attracted, we want to highlight 2 different scenarios of startup development for the period of 2 years:

### Minimal (soft cap)

1. Core team payroll: 30.000\$ (monthly), 720.000\$ (total)
2. Legal expenses: 150.000\$ (total)
3. PR and marketing: 300.000\$ (total)
4. Outsourcing: 10.000\$ (monthly), 240.000\$ (total)
5. Partners rewards (incl. Bancrol.protocol reserve): 150.000\$ (total)

**Total 1.560.000\$**

### Optimal

1. Team payroll (larger team): 60.000\$ (monthly), 1.440.000\$ (total)
2. Legal expenses: 200.000\$ (total)
3. PR and marketing: 1.000.000\$ (total)
4. Outsourcing: 20.000\$ (monthly), 480.000\$ (total)
5. Partners rewards (incl. bancrol.protocol reserve): 300.000\$ (total)

**Total 3.420.000\$**

### Extensive (hard cap)

1. Team payroll (larger team): 120.000\$ (monthly), 2.880.000\$ (total)
2. Legal expenses: 300.000\$ (total)
3. PR and marketing: 2.000.000\$ (total)
4. Outsourcing: 40.000\$ (monthly), 960.000\$ (total)
5. Partners rewards (incl. bancrol.protocol reserve): 600.000\$ (total)

**Total 6.740.000\$**

Please note that in all scenarios office expenses and taxes are included in the team payroll.

## Products and services

BCShop.io platform allows for its users to accept payments and make payments in Ethereum cryptocurrency in the way that:

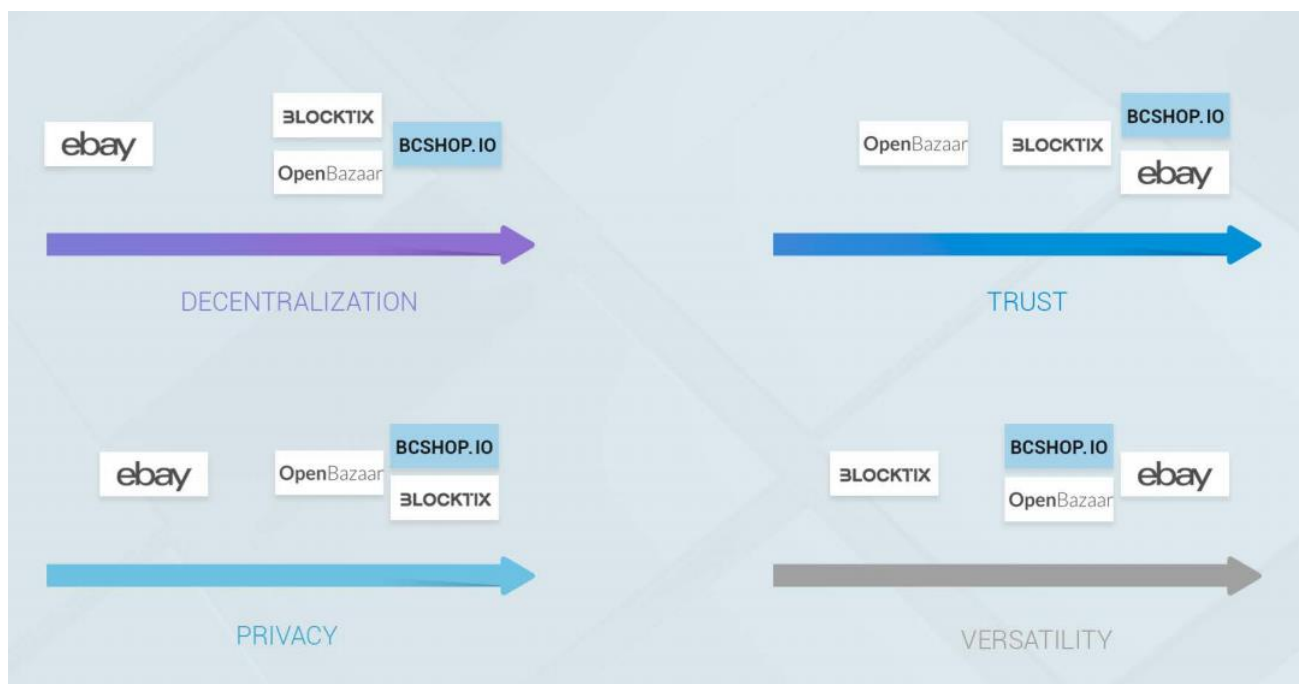
1. There is no middlemen involved
2. There is no need to install any software and to provide personal data
3. Domestic and international transactions are made fast and cheap
4. Buyers and sellers interact with the help of smart-contracts which adds trust, security and transparentness
5. There is no need to have own data center or database as all sales history is reliably stored on blockchain and can be used to provide different reports

For B2C client BCShop.io developers provide free integration service according to business needs. This includes merging with classical sales channels or creating independent sale channel.

## Competitive comparison

BCShop.io is the only platform that requires nothing more than Ethereum wallet for it's users to get started and is built on top of most popular Ethereum wallet: MyEtherWallet.

Nevertheless, there are some niche competitors and analyzes by different attributes looks as follows:



E-Bay is shown for reference as a great example of decentralized platform.

Differences of competitor projects compared to BCShop.io are shown below.

*OpenBazaar*. Built using interplanetary file system (IPFS) and uses bitcoin as a payment method. Is positioned as a competitor to classic marketplaces. Does not have trusted reputation system. Does not have smart-contracts. Does not offer business integration. Does not target service markets. Requires installation of special software.

*GameCredits, SkinCoin, DMarket, BlockTix*. Very niche projects on Ethereum network. Target specific narrow markets. Often require buying special tokens before access to the project is available. Do not built 100% on-chain, require using special software or out-of-blockchain services. Do not offer business integration.

*The block*. Marketplace on Ethereum network. Requires installation of special software. Requires creating additional wallet to use the platform. At this moment requires registration to get access. Listing one product on a platform costs 1\$. Does not work 100% on-chain, uses off-chain services. Uses escrow system.

*Auction house*. Ethereum blockchain. Designed for decentralized auctions. No business integration. No news and no running auctions, probably abandoned.

*SafeMarket*. Ethereum based. Requires installation of special software. Does not have trusted reputation system (uses escrow system instead). No community. Last code update 2 years ago. Probably abandoned.

*Syscoin*. Similar to OpenBazaar. Uses its own blockchain. Requires installation of special software. No smart-contracts support. Requires buying its own currency in order to use the platform.

*Payment gateways of all sorts*. Centralized. Use conversion, the commission for which is paid by the merchant. Do not support smart-contracts. Requires manual setup (often done by programmers) to get going. Require registration. Require website.

## Technology

BCShop.io is based on a modern blockchain technology that is rapidly stepping into different areas of economic and social life. At this moment blockchain is getting adopted on government level in many different countries. Some notable examples are: Japan (currently used on country level), Australia (developing blockchain standards on government and international levels), USA and Canada (experimenting, discussing and adopting).

Another important platform's technology is smart-contracts. A smart contract is a computer protocol intended to facilitate, verify, or enforce the negotiation or performance of a contract. Basically, smart-contracts allow for secure and transparent interaction between buyers and sellers.

## Current state

Currently the project has MVP running on Ethereum testnet Ropsten: <https://testnet.bcshop.io/>. It has full-cycle functionality which includes:

1. Creating a vendor smart-contract representing a business or private seller
2. Creating products' smart-contracts representing a digital good or service to be sold
3. Generating short links to products' smart-contracts allowing for 1-click navigating
4. Purchasing a product by buyer using a short-link
5. Reviewing purchases of products or services by seller

The following blog post describes advantages that MVP already brings to business and cryptocurrency ecosystem: <https://goo.gl/94qYwZ>.

## Roadmap

For the project roadmap kindly refer to the whitepaper, chapter 11:  
[https://bcshop.io/uploads/whitepaper/whitepaper\\_en.pdf](https://bcshop.io/uploads/whitepaper/whitepaper_en.pdf)

## Market Analysis Summary

BCShop.io is focused on a global (worldwide) markets. Depending on markets' current relations with cryptocurrency use and potential ease of adoption markets can be segmented the following way.

### Market segmentation

**Cryptocurrency related markets** – this segment consist of markets which already are heavily based on cryptocurrency use. Notable examples are:

1. ICO projects related services: legal, technical, marketing, etc.
2. Blockchain technology related services: software development, auditing and business adoption
3. Cryptocurrency based existing projects: niche ad networks, websites and journals, lotteries and gaming, etc.

It's difficult to estimate this segment size and it's mostly newly born. Current capitalization of cryptocurrencies only (not including blockchain based projects) is \$200bn and rapidly growing.

**Markets highly beneficial to use of cryptocurrency** – this segment includes markets which will highly benefit of using our platform. Examples are:

1. Online legal services (est. \$5bn)
2. Online tutoring (est. \$411m)
3. In-game currency and skins (est. \$500m)
4. Tickets to online events (est. \$4bn)

**Conservative markets beneficial to use of cryptocurrency** – this segment consists of markets which will benefit of using our platform but are slow to adopt and usually need acceptance of blockchain technologies on government level. These markets are huge (hundreds of \$bn), some examples are:

1. Mobile, tv and internet providers
2. Government structures accepting payments from citizens
3. Physical good commerce and e-commerce

## Market needs

All targeted markets aim to increase effectiveness, widen the range of customers and provide them with convenient ways of making payments. On the other hand, many cryptocurrency users are looking for ways to pay with crypto with no fiat exchange involved, no middle-man involved and in a reliable and transparent way. All this requirement can be formalized as follows:

1. Need of lower commission for merchants
2. Need of transparent interaction between merchants and its customers
3. Need of fast international payments with no additional costs involved
4. Need of simple and cost-effective way of making an offer of digital good or service
5. Need of trustful reputation system

All these needs can be fully satisfied with BCShop.io platform.

## Market strategy

The platform will be marketed and adopted in “cryptocurrency related markets” first. As all of them already use cryptocurrency regularly the cost of marketing and adoption is low.

“Markets highly beneficial to use of cryptocurrency” needs to be worked more with for increasing adoption of the platform. One of the core strategies here is to work with opinion leaders and visit different specific market-based events to showcase the platform to potential customers.

After some successful integrations we expect BCShop.io to become a standard for companies willing to accept cryptocurrency as a payment. After this has happened we will start to target “Conservative markets beneficial to use of cryptocurrency” with intention to show them benefits of cryptocurrency use proved by successful use cases.

## Partners program

12% of issued tokens will be used to encourage partners for early adoption of the platform. The program will last for two years, during this time BCShop.io is expected to attract critical mass of sellers and become a standard for accepting ETH payments for digital goods and services.



Tokens from the pool will be distributed between the partners which have smart-contracts on the platform with actual commission generated. Such approach allows our partners to receive short- and long-term benefits and BCShop.io to receive long benefits.

## Capital raising

### Token sale approach

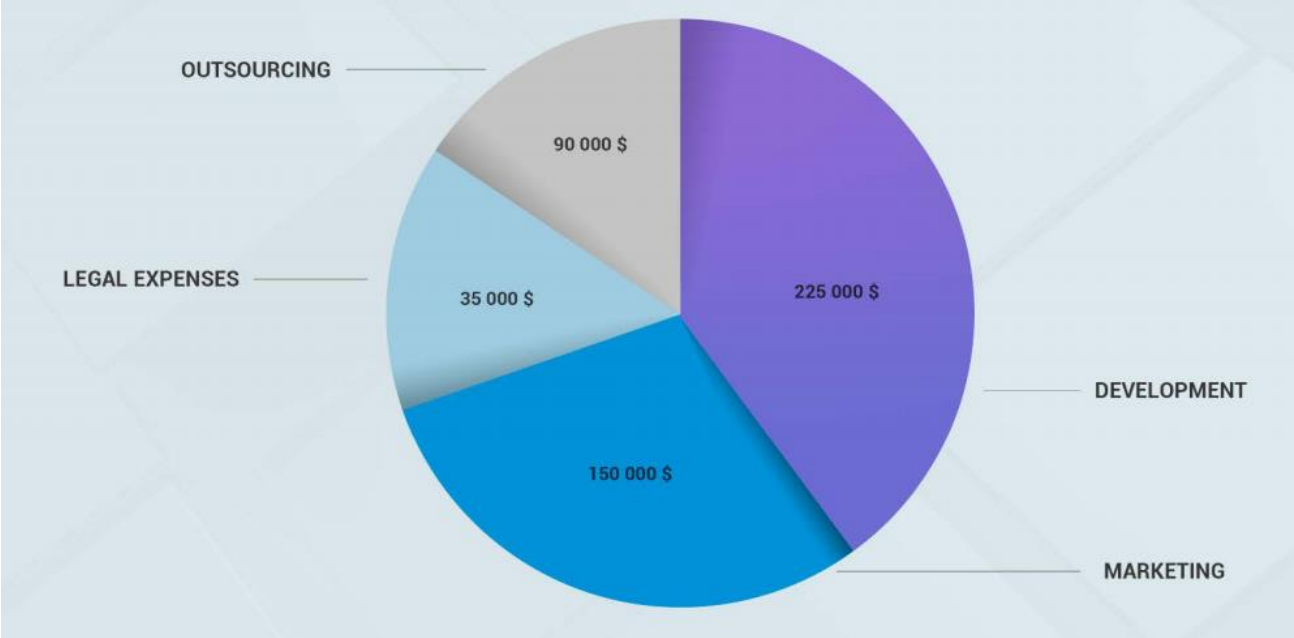
Capital raising is organized through token presale and token sale mechanics.

Token (pre)sale is an event usually lasting several weeks, during which project’s token are generated and sold to persons who wish to contribute to the project’s development. Said tokens are kept by contributors in their personal wallets and allow them to receive unique service on the platform such as exchanges for bonus tokens and using bonus tokens to receive 100% discount on goods and services offered on the platform.

For more information please refer to “Token sale terms and conditions” and “token pre-sale agreement” available at our website <https://bcshop.io/> under “Documents” tab.

### Token pre-sale funds distribution

Optimal amount of presale capital raising is 500.000\$:



Independent of amount of funds actually gathered, our team will continue to work on the platform and will enter main token sale stage as planned.

## Financial plan

Projected financial indicators are shown according to 3 different scenarios in the following tables. ETH is used as a currency as it is the platform's standard. At the moment of writing the rate is 1 ETH = 330 USD. Year accounting starts from 1<sup>st</sup> of March 2018 when the platform is planned to be fully operational.

**Volume** – total amount of money paid by buyer to sellers on the platform.

**Commission** – platform's profit, based on 1% transactions' fee.

**Operational expense** – expenses for user's support, commissions to Ethereum network, legal and marketing expenses after 3 years of development. Based on 20% of Commission.

**Bonuses generated** – Commission spent on generating bonuses claimable by token holders in exchange for 1 token. Based on 80% of Commission.

**Bonuses generated to token price ratio %** - Shows how many bonuses per 1 token are generated in percent relative to the price of the token during token presale (0.0066 ETH) and 10m tokens issued.

## Projected volume

### Unfavorable scenario

The scenario assumes slow temp of adoption of cryptocurrency and the platform by business and private sellers.

	<b>Volume (Commission)</b>	<b>Operational expenses</b>	<b>Bonuses generated</b>	<b>Bonuses generated to token price ratio</b>
<b>Year 1</b>	200.000 (2000)	400	1600	2.4%
<b>Year 2</b>	400.000 (4000)	800	3200	4.6%
<b>Year 3</b>	600.000 (6000)	1200	4800	7.3%
<b>Total</b>	1.200.00 (12.000)	2400	9600	14.5%

### Normal scenario

The scenario assumes steady temp of adoption of cryptocurrency and the platform by business and private sellers.

	<b>Volume (Comission)</b>	<b>Operational expenses</b>	<b>Bonuses generated</b>	<b>Bonuses generated to token price ratio</b>
<b>Year 1</b>	500.000 (5000)	1000	4000	6.1%
<b>Year 2</b>	1.000.000 (10.000)	2000	8000	12.1%
<b>Year 3</b>	1.500.000 (15.000)	3000	12.000	18.2%
<b>Total</b>	3.000.000 (30.000)	6000	24.000	36.4%

### Favorable scenario

The scenario assumes fast temp of adoption of cryptocurrency and the platform by business and private sellers.

	<b>Volume (Comission)</b>	<b>Operational expenses</b>	<b>Bonuses generated</b>	<b>Bonuses generated to token price ratio</b>
<b>Year 1</b>	1.500.000 (15.000)	3000	12000	18.2%
<b>Year 2</b>	3.000.000 (30.000)	6000	24000	36.4%
<b>Year 3</b>	4.500.000 (45.000)	9000	36.000	54.6%
<b>Total</b>	9.000.000 (90.000)	18000	72.000	109.1%

### Team and partners

A cohesive team with 9 years' experience of collaborative development is working on BCShop.io. Team members have a solid track of analyzing large volumes of data, proven experience in long-term project management and project scaling, creating high load failover systems, complex systems formalization and algorithm development.

### The team

***Vladlen Manshin, Founder & CEO***

[Linkedin](#)

Vladlen will handle team management, project coordination, and marketing for BCSHOP. In 2009 he formed a team with his university group mates and since then have been working together. He was previously CTO of this team, Altay Computer Service. He has 8 years of experience in C/C++ programming, project and team management and complex systems formalization and algorithm development. Big interview with Vladlen is available here: <https://goo.gl/SrmMjk>

***Oleg Kondrakhnov, CTO***

[Linkedin](#)

Oleg will be handling backend development, smart contract development, and vendor integration for BCSHOP. Before his role as CTO, he was a software developer at Altay Computer Service. He has more than 9 years of experience as a software developer, specializing in object-oriented programming languages.

***Alexey Kuzmin, Developer***

[Linkedin](#)

Alexey will also be handling frontend development and vendor integration. He also worked as a software developer for Altay Computer Service. He graduated with a degree in computer science in 2008, where after that he worked in several different software development roles. His experience is in C++/C# programming, database programming and administration, and web development.

***Nikita Ivanov, Quality Manager***

[Linkedin](#)

Nikita will be handling community management and technical support. He has his master's degree in computer engineering. He has the following key qualifications:

- Identifying, scrutinizing, improving, and streamlining complex work processes.
- Strengths including cultural sensitivity and an ability to build rapport with a diverse workforce in multicultural settings.
- Resourceful team player who excels at building trusting relationships with customers and colleagues.

***Ekaterina Antonova, Translation***

[Linkedin](#)

Ekaterina is a school manager with experience in customer service. She also has experience in developing and managing foreign language educational projects, both online and offline. She has developed and implemented successful business growth strategies, high quality educational and leisure programs, and is a professional ESL teacher.

**Advisors**

***David Drake***

[Linkedin](#)

Chairman at LDJ Capital

***Matthew Di Ferrante***

[Linkedin](#)

Independent smart-contracts security audit

Key partners

***Cofound.it (negotiating)***

[Website](#)

Highly professional and experienced team organizing capital raising through token sale mechanics.

***Bancor***

[Website](#)

One of the most famous companies ever attracted funds through token sale mechanic. Bancor aims to provide token liquidity with no exchanges involved and with zero fees.

***Law&Trust International***

[Website](#)

The biggest law firm in Russia and several other countries providing cryptocurrency and blockchain related legal service.