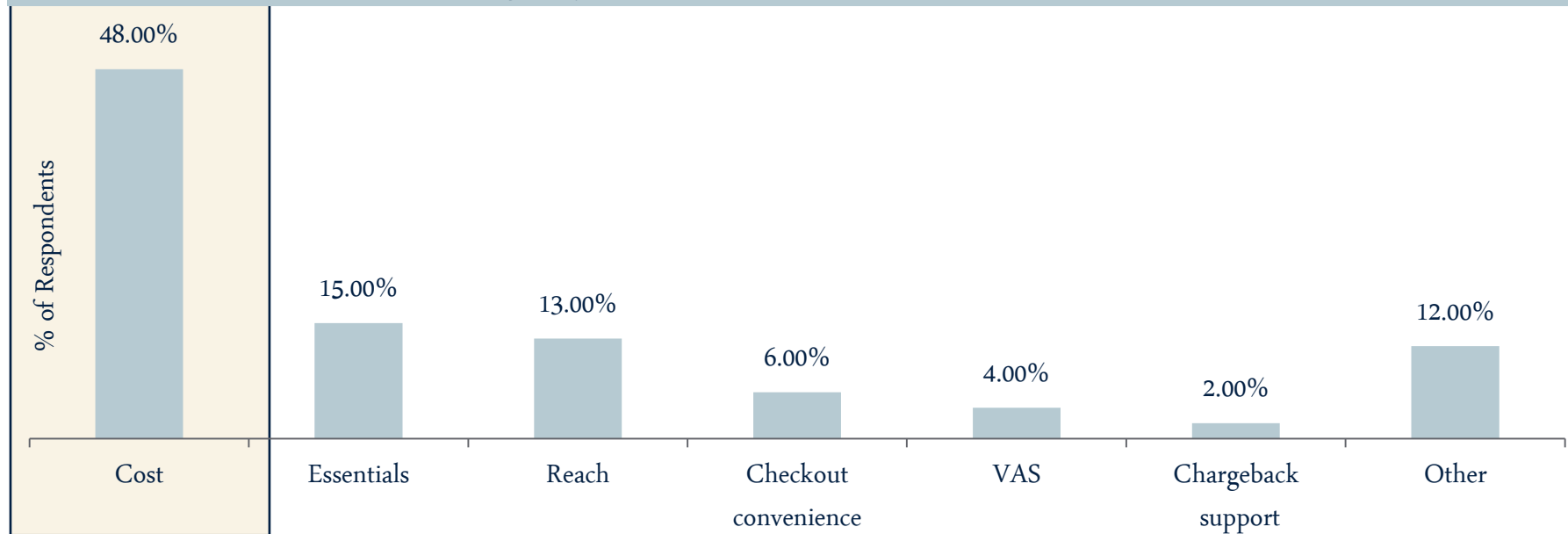


New Business Opportunity Assessment And Business Plan Development For A Japanese IT and Hardware Service Provider

Client's Objective	<ul style="list-style-type: none">▪ Our client, a Japanese IT services and hardware firm was looking at venturing into the Ecommerce Payment Gateway Business in India
Project Scope	<ul style="list-style-type: none">▪ The project was divided into two phases:<ul style="list-style-type: none">▪ In the first phase, GrowthPraxis performed a detailed market assessment of the Indian payment gateway industry,▪ In the second phase, GrowthPraxis developed a detailed entry strategy and a business plan projecting the revenue impact the new business could fetch our client
Project Impact	<ul style="list-style-type: none">▪ GrowthPraxis assisted the client by develop a compelling value proposition for their entry in India. In addition, GrowthPraxis also suggested emerging growth opportunities in the payments space. Within two years' time, our client had grown its "Financial Services revenues" by nearly 7%

Sample Merchants Survey Conducted In India, To Understand Key Customer Pain Points

Which factor matters most when choosing a payment method?



Note: Essentials include terminal capability, integration, and basic service

Source: GrowthPraxis Research

- Cost seems to be the primary motivating factor in selecting a payment gateway by merchants. Client should focus on its pricing strategy in the Indian Market. Since, there exist little product differentiation in the market, the need for competitive pricing becomes imperative.

Key Differentiating Factors Which The Client Had To Key In Mind, To Win Over Competition

Customer Leaving Competition

- Minimize Setup Fee to attract customers who are currently using other payment gateway service - Higher focus on customization of Annual as well as Setup fee
- Offer customer a trail package so as to get used to Client's solution offerings
- Client can offer customer acquisition support to startup online merchants as a solution to increase their sales

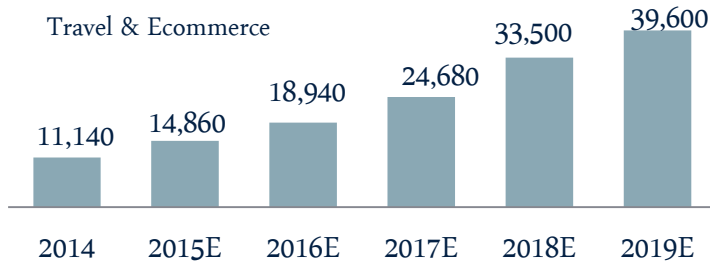
Customer Opting for Competition (Create Barrier to Exit)

- Contractual Commitments: The switching costs in this case are damages for breach of contract. Contractual commitments have been ubiquitous in business-to-business commerce space
 - Higher Transaction fee if client wishes to avail services for shorter period
- Hardware & Software: Servers, switches and routers are examples of infrastructure equipment that are necessary for firms engaging in e-commerce. Incompatibilities and the incorporation of proprietary features in the equipment enhance switching costs and the lock-in effect. Client may look to provide these services to all of its clients
- Information and database: Client can offer data storage, information sharing and analytics as a service for firms who cannot do on their own. Once large volumes of data are collected, there would be increased cost to transfer data to other supplier enhancing exit costs
- Loyalty Program: Client can create a loyalty program
 - Reduce Maintenance Fee on Periodic basis as per customer's loyalty
- Other Services: Web-development support on minimal fee, Help Client attain more resellers etc.

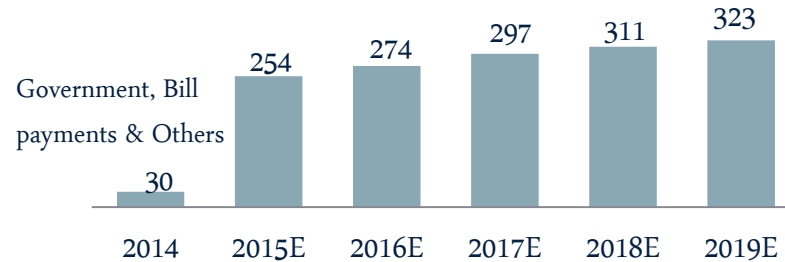
GROWTHPRAXIS: BUSINESS PLAN DEVELOPMENT, CASE STUDY IV

GrowthPraxis Estimated The Potential Revenue The Client Could Achieve By Venturing Into The New Segment

Transaction Market Size (Value)



Transaction Market Size (Volume)



Addressable market for the client

65%	75%	80%	84%	88%	91%
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Addressable market for the client

50%	57.5%	61%	64%	68%	70%
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Achievable market for the client

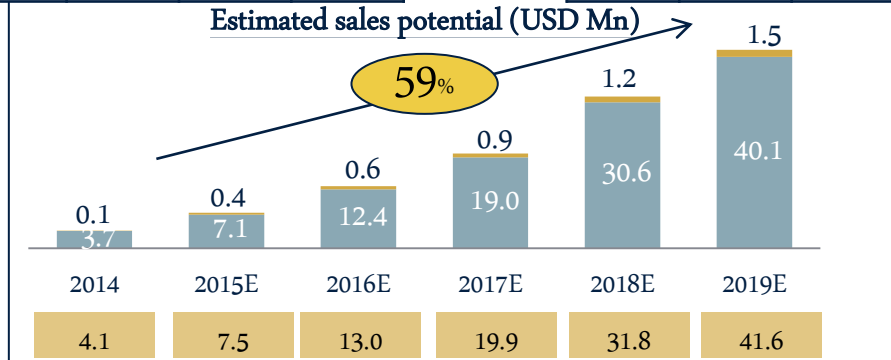
5.2%	7.6%	10.4%	12.2%	14.5%	16.1%
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Achievable market for the client

2.5%	3.0%	4.8%	6.0%	8.0%	10.0%
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Average Transaction Revenue

0.63%



Average price (USD)

0.04

GROWTHPRAXIS: BUSINESS PLAN DEVELOPMENT, CASE STUDY IV

A Sample Of The Business Plan Developed For The Client, Across Market Segments For The Fifth Year

Definition & Working (Source)	Description	Travel	Ecommerce	Government	Bill Payments	Non – travel ticketing	Others
Annual Transaction Value	Market Size (US\$, Mn)	26,000	7,500	27,400	1600	1900	1300
Annual Transaction Volume	Market Size (Mn, Units)	NR	NR	39	52	95	125
Merchants to be acquired	No. of Merchants	30	35	30	20	25	25
% of Transactions achievable from those merchants	Target Share (%)	87%	90%	73%	89%	95%	38%
= Target Share * ATV	Target Transaction Value	22,620	6,750	28	46.3	90.3	47.5
Transaction Processed Based on Estimated Market Penetration (Million)	Scenario 1	3845.4	1012.5	3.99	5.55	9.03	6.18
	Scenario 2	4976.4	1350.0	4.84	6.94	12.64	7.13
	Scenario 3	5428.8	1552.5	5.41	7.87	16.25	8.55
Revenue Potential (US\$, Mn)	Other Fees*	0.012	0.018	0.026	0.008	0.012	0.007
	Scenario 1	24.23	6.38	0.33	0.24	0.40	0.12
	Scenario 2	31.35	8.51	0.41	0.31	0.56	0.14
	Scenario 3	34.20	9.78	0.45	0.35	0.71	0.17