

Delshare – Business plan

TABLE OF CONTENTS

1. DELSHARE – SOCIAL CURIER SERVICE.....	2
1. 1. DELSHARE.....	3
1. 2. WHO CAN SERVE AS A COURIER?.....	3
1. 3. DELSHARE'S UNIQUE SECURITY MODEL.....	3
1. 4. STRENGTH IN NUMBERS – SOCIAL STRENGTH.....	5
1. 5. THE NEEDS OF COMPANIES WHO RECEIVE A SOLUTION FROM DELSHARE.....	5
1. 6. THE NEEDS OF COURIERS WHO RECEIVE A SOLUTION FROM DELSHARE.....	6
1. 7. THE ADDED VALUE AND BENEFITS PROVIDED BY THE APPLICATION.....	6
1. 8. COMPANY STATUS.....	6
2. TRENDS INFLUENCING DELSHARE IN THE COURIER FIELD.....	7
2. 1. COURIER COMPANIES WORLDWIDE.....	7
2. 2. GROWTH IN THE NUMBER OF CONSIGNMENTS.....	7
2. 3. THE FIELD OF LOCAL CONSIGNMENTS OUTSIDE OF NORTH AMERICA AND EUROPE.....	8
3. TRENDS INFLUENCING DELSHARE IN THE SMARTPHONE FIELD.....	9
3. 1. USE OF THE APPLICATION WITH SMARTPHONE'S.....	9
3. 2. RATE OF PENETRATION OF SMARTPHONE'S IN THE US AND WORLDWIDE.....	9
4 MARKET AND COMPETITOR ANALYSIS.....	10
4. 1 . COMPETITORS.....	10
4. 2 . DELSHARE - COMPETITIVE ADVANTAGES.....	11
4. 3 . COMPARISON BETWEEN DELSHARE AND ITS COMPETITORS.....	11
4. 4 . ANALYSIS OF THE BUSINESS OPPORTUNITY.....	12
4. 5 . MARKET POTENTIAL.....	13
5 STRATEGY, MARKETING AND BUSINESS MODELS.....	16
5. 1 . VISION.....	16
5. 2 . THE STRATEGIC PROCESS.....	16
5. 3 . MARKETING STRATEGY.....	18
5. 4 .THE BUSINESS MODELS.....	20
5. 5 . EXIT STRATEGIES.....	21
5. 6 . MAJOR MILESTONES.....	22
6 KEY PERSONNEL.....	23
7 FINANCIAL ANALYSIS.....	24
7. 1 . BASIC ASSUMPTIONS.....	24
7. 2 . 5 YEARS INCOME FORECAST.....	24
7. 3 . BREAK EVEN, PROFITABILITY AND PAYBACK PERIOD.....	25
7. 4 . REQUIRED INVESTMENT.....	25
7. 5 . INVESTMENT MILESTONES.....	25
7. 6 . INVESTMENT USE.....	25
7. 7 . EXPENSES PLAN FOR THE FIRST 5 YEARS.....	25
7. 8 . FORECAST PROFIT & LOSS.....	25
7. 9 . CASH FLOW ANALYSIS.....	27
7. 10 . MARGIN ANALYSIS.....	28
7. 10 . HUMAN RESOURCE EXPANSION PLAN.....	28
7. 11 . PERSONNEL AND SALARIES.....	20
8 BIBLIOGRAPHY.....	30
8. 1. TRENDS INFLUENCING DELSHARE IN THE COURIER FIELD.....	30
8. 2. TRENDS INFLUENCING DELSHARE IN THE SMARTPHONE FIELD.....	30
8. 3. MARKET AND COMPETITION ANALYSIS.....	30
8. 4. STRATEGY, MARKETING AND BUSINESS MODELS.....	30

1. DELSHARE – SOCIAL CURIER SERVICE

1.1. DELSHARE

Delshare is an Internet and cellular service that enables companies, businesses and private individuals to send documents and parcels speedily, very reliably and at substantively lower costs than those presently being paid in the marketplace. The system connects companies who wish to send a document or package to the available couriers close by, who wish to carry out the delivery.

How do we do it?

Companies and businesses wishing to send a package, envelope or any other consignment, join a system using our Internet site and enter the details of the package they wish to send. Couriers who are in the area receive notification via a cellular telephone application that there is a new package in their location that has been entered into the system. After the courier selects the package that he wishes to deliver, he will go to the sending company, collect the package and take it to the addressee. As soon as the system confirms the arrival of the package, the payment of the courier's bill will be made automatically.

Anyone wishing to serve as a courier can register using our application and after he has undergone an automated selection procedure he will become a courier earning money for all the deliveries he completes. As soon as he has downloaded the application, registered and been approved by the system and opened an account, he will be able to use it to view consignments in his area and which are awaiting a courier to deliver them to their destination. Work starts immediately for the individual downloading the application.

The system establishes a defined consignment route and a clear timetable, transferring payment to an insurance company for the entire consignment, and transfers the payment to the account of the courier only when satisfactory completion of the delivery has been made. This process means that the consignments will depart within a short time of their being advertised in the system, reach their destination very quickly and the percentage of shortcomings in the delivery of packages will be very low (it is important to remember that in any event that loss of a consignment occurs, the insurance will cover the damage immediately).

All couriers will be graded by the system and at the same time, by the sender and recipient and will establish a successful or negative record (at the same time information will be added relating to the number of deliveries they have carried out and the number of shortcomings that have been recorded). Companies will be able to approve or disqualify a courier based on his record and also to determine that their consignments will only be taken by couriers with a specific grade or above (it is understood that the filtering of couriers in this manner will result in slightly more expensive prices).

Using the system we will combine the needs of the companies to send consignments at less expensive rates, faster and more reliably, and the needs of the Smartphone users wherever they may be, to create additional income while taking advantage of their daily journeys to work, friends or any other destination.

1.2. WHO CAN SERVE AS A COURIER?

Anyone who has a Smartphone.

The average individual who drives to work is interested enough in getting an additional income for his journey to work and his way home, to collect a package in his area of departure which he will take to its destination at the end of his journey in the area where he works, while earning the price of his gasoline bill or even more.

Delshare - Business plan

Taxi drivers driving the streets and moving around all the time will utilize these journeys and of course be able to earn money, thanks to the system, during their quiet hours when they have no passengers.

Couriers who work for courier companies and are constantly carrying packages for those companies, will want to take additional packages that fit in with their routes for their own companies and increase their monthly income by using our service.

Unemployed people who need to work will be able to carry out deliveries and therefore get back into the employee circles and start earning again.

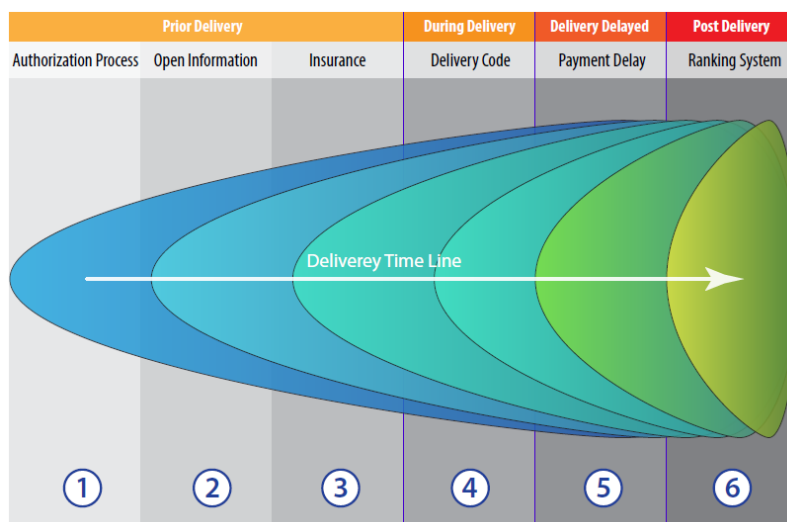
Employees who retire will also be able to increase their incomes using Delshare and not have to rely only on their pension allowance which is often insufficient to cover their needs.

Almost anyone will be able to serve as a Delshare courier and increase his monthly income without investment, preparation or studies, but simply by downloading an application, registering and starting work immediately.

1.3. DELSHARE'S UNIQUE SECURITY MODEL

Security of the consignments and their timely arrival at their destinations is one of the important challenges with which we are tasked. It is also one of the main problems for the existing courier companies. For this purpose we have built a multi-tiered protection model which is broken down into three stages:

- a. Prior to delivery
- b. During delivery
- c. Post delivery



- a. Authorization process – information received about the courier from a number of sources.
 1. Confirmation of the identity of the courier received from the Internet company dealing with the confirmation of identities over the Internet.
 2. Information that the courier provides when registering on the registration form and the opening of an account in the system. The registration questionnaires will be built by experts so that they can be graded and will enable the system to approve or disqualify candidates based on predetermined criteria.
 3. Automatic feedback received from the system when each consignment is completed according to objective criteria such as the time of arrival to collect the consignment arrival time of the consignment compared to the plan, and a number of other criteria like these.
 4. Feedback completed by the sender and the addressee upon completion of each consignment.

Delshare - Business plan

To these details we will add the number of consignments that the courier handled and he will receive a weighted grading that defines his level and authorization level. Based on the courier's grade, the system will define which couriers are approved for the various types of consignments, such as: Packages without classification and of low value, court documents, packages containing sensitive equipment such as medicines, packages with a high monetary value etc. ... New packages will only appear in the system of the couriers approved to deliver them.

- b. Open information – the sender will be able to view the information about the courier who is going to collect the package. At the same time, in certain cases, the sender will be able to define what type of courier he wants for a specific consignment.
- c. Insurance – every Delshare consignment will be insured. We are in touch with [Aon](#) the world's largest elementary insurance company. The company is willing to serve as the insurer for our deliveries. Following the definition of a pilot and while building the pilot program, they will build a definitive program for insuring the consignments.
- d. Delivery code – When a package is taken by the courier from the sender, the system sends a designated delivery code about the consignment to the addressee via SMS or e-mail. At the time of delivery of the package to the addressee, the courier scans the code and the system can then automatically electronically confirm the arrival of the package at its destination. Only after confirmation of the arrival of the package at its destination by the system will the payment automatically be transferred to the courier.
- e. Delayed delivery – In the event that the addressee is not available despite all the arrangements for delivery or there is any other kind of problem in delivering the package, the system delays the transfer of payment to the courier until receipt of confirmation from the sender or the addressee regarding the arrival of the package at its destination.
- f. Ranking system – At the completion of each consignment the sender and the addressee will be asked to grade the courier. In addition, the system grades the consignment and the courier and sends the rating to a system which defines his cumulative grading according to all the grading the courier has received and in accordance with the additional information that has been gathered about him.
- g. During development we are adding additional layers of safety such as warnings received by the systems concerning material deviations by the courier from the route that he was supposed to take during the delivery of the package, and taking too long as the courier did not proceed in the direction of the destination. Additional points are scrutinized at this stage by us and the Delshare safety system, stage by stage.

1.4. STRENGTH IN NUMBERS – SOCIAL STRENGTH

In recent years social and commercial use of the Smartphone has increased to very high levels. Surfing time using a cellular device and an application is greater than the time that the user spends with a browser. On the one hand, the technology, and on the other the power of the masses, make it possible to provide better faster and less expensive services to commercial companies and private individuals. Services that have, until now, been provided by major human resource teams, large vehicle fleets and complex operations can be provided by technology (software) that we have in our pockets and provide us with a high value in the form of monetary gain, speed of performance and higher level performance. The service provided by Delshare is very suited to these definitions. The courier countries worldwide currently operate in a very wasteful manner that requires considerable human resources, storage areas, movement of packages using many vehicles and the handling of complex operations. Delshare facilitates the same services more quickly, inexpensively and with greater quality and also opens up the possibility for creating financial profits for those wishing to participate.

The acquisition of Waze by Google for a figure in excess of \$1 billion, Viber for \$0.9 billion and of course, WhatsApp for the incredible amount of \$1.9 billion, make it clear that there is a revolution occurring in the commercial world thanks to the use of the power of the smartphone.

1.5. THE NEEDS OF COMPANIES AND BUSINESSES WHO RECEIVE A SOLUTION FROM DELSHARE

- a. **High cost** – The courier method worldwide is that a call center operator receives the request for a delivery, the package is collected by a courier, taken to the company's consignments center and then taken to the destination by another courier (usually when enough consignments have mounted up for the particular direction). This process is heavy on human resources, vehicles, and many other overheads which therefore make the prices of consignments expensive.
- b. **Low availability of couriers** – One of the problems that exists today in the courier market is availability of couriers. Because there are not enough couriers at any of the companies in the field, customers of companies wait for a number of hours until the courier of the company reaches their area. Therefore, when it is desired to transfer a consignment quickly the price for this will be expensive.
- c. **Slow arrival time** – Due to the low availability and work method of companies, a regular package or letter usually reach their destination a day after they are sent and in the case of longer distances, the time for arrival of the package can even take up to two days.
- d. **Non-arrival of consignments** – One of the problems in the field of consignments is loss and non-arrival of consignments to their destination. There are countries in which the problem is very severe and reaches the stage where the local postal authority is not relied upon and most of the activity is based on private deliveries which are unreliable and do not succeed in solving the problem.

1.6. THE NEEDS OF COURIERS WHO RECEIVE A SOLUTION FROM DELSHARE

- a. **Additional income** – In recent years the world has seen an economic crisis which has created financial difficulties for many families in many countries. Delshare could be part of the solution for many of these families as provider of additional income. That said, it is clear that not only those families who find themselves in need will want to improve their monthly cash flow.
- b. **Unemployment or pension** – Since the start of activity as a courier in the system does not require anything other than ownership of a Smartphone, Delshare can provide a temporary or even long-term solution for people who find themselves out of the work market after being fired or even after going into retirement, which leads to a material reduction in their standard of living.
- c. **Professionals who travel do not make enough use of the time and resources in their possession** – many professionals, like taxi drivers, truck drivers, professional couriers and others who are constantly on the move are not making the most of this. They seek effective and especially remunerative ways to pass their free time and make better use of the time they spend on the roads.

1.7. THE ADDED VALUE AND BENEFITS PROVIDED BY THE APPLICATION

Factor	Added Value
Companies and businesses	<ul style="list-style-type: none"> ▪ Faster sending of letters and parcels ▪ Less expensive cost of consignments ▪ Failure percentage for consignments drastically reduced
Drivers and professionals on the roads	<ul style="list-style-type: none"> ▪ Added income without added costs ▪ Utilization of time when you have no work even though your vehicle is at your disposal.

Delshare - Business plan

	<ul style="list-style-type: none">▪ Making use of journeys where they are already fulfilling an assignment to fulfill a courier assignment that is on a similar journey path to their own.
Private individuals	<ul style="list-style-type: none">▪ Immediate additional income▪ Possibility to work and earn money without an employer while job-seeking

1.8. COMPANY STATUS

- a. The commercial development process has been completed and a business plan has been developed.
- b. System specification has been completed.
- c. Recruitment of initial team of technical developers, for commercial and marketing development. The company currently has 5 employees (unpaid) of whom 2 are programmers and one is a designer.
- d. The demo has been built
- e. Development of the initial system has been commenced. We expect that we will be able to start the pilot in September/October 2014.
- f. Mr. David Bondi (founder and former CEO of DHL Israel) has been recruited as a member of the Advisory Board.
- g. Registration of a patent application for a number of items in the system has been commenced.
- h. Initial equity capital has been raised in order to complete initial development of the system and the commencement of a pilot overseas.

2. TRENDS INFLUENCING DELSHARE IN THE COURIER FIELD

2.1. COURIER COMPANIES WORLDWIDE

There are four major companies in the world: FedEx, UPS, DAL and USPS, are called, in the business, 'The Big Four'. These companies have recently started to enter the field of same day local delivery because they understand that these market sectors contain very high business potential that has not yet been taken advantage of in full. What is more, it is constantly on the rise due to the expansion of e-commerce.

^[1] According to the research company IBIS World the local world courier market is characterized mainly by small local companies of which there are some 42,000 worldwide. According to the study carried out by the company, it appears that the major investment in vehicles, employees and other infrastructures required for the purpose of expanding the courier companies over local borders into additional cities and changing them from a local company to a larger company, are sizeable, meaning that the structure of the market remains as it is. This situation also very much reduces the process of merging the smaller companies into the larger leading companies.

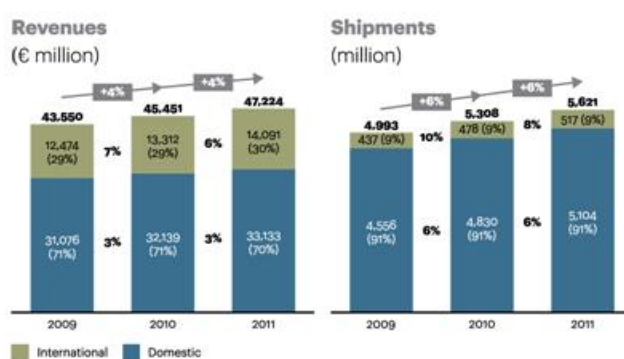
Since the majority of small companies do not have the possibility to raise the capital required for expansion, the ability to develop into a national company with widespread activities is not there for them and leaves most of them small and weak.

^[2] CLDA – Customized Logistics and Delivery Association created a profile for the courier industry in the US. From this profile we see that the US has some 7,000 courier companies that handle the delivery of messages and small packages within one to two days in the area of their activity and the average company size is some 25 employees. To send packages to more distant locations, most of the companies use networking with courier companies who help one another to transfer consignments to greater distances but the time taken for a consignment increases through networking.

2.2. GROWTH IN THE NUMBER OF CONSIGNMENTS

^{[3][4]} In recent years, the number of letters sent by couriers has decreased, mainly due to the increase in the various types of electronic media and e-mail. On the other hand, since the sphere of electronic trade (B2C) and trading between various businesses (B2B) includes distance sales and the sending of purchases via couriers has increased significantly, the requirement for courier services has not changed and has even increased slightly. The percentage of letters among the consignments has been reduced but the official letters that have to safely reach their destination or be hand delivered are still sent physically and not electronically. The number of companies that do courier work is increasing and therefore this is a very competitive market and as has already been mentioned, most of it is built out of small companies that operate a small number of employees and vehicles in the local market.

^[5] The following is the rate of growth of consignments in the area of local and international consignments in Europe:



Sources: Annual reports, expert interviews; A.T. Kearney analysis

Most experts in the courier industry expect a continued growth in the number of consignments, mainly thanks to the growth of E-commerce consignments (B2B and B2C). All the experts agree that due to the major competition in the market and low profit margins in the courier market, the main theme that will provide a truly competitive advantage is a low price and only after that, the safety of the consignments and improved customer services – in these three areas we have a truly competitive advantage but when it comes to the advantage in the area of price, our competitive advantage is most material since we do not have the high overheads of all the other companies in the marketplace.

2.3. THE FIELD OF LOCAL CONSIGNMENTS IN A NUMBER OF AREAS OF THE WORLD OUTSIDE OF NORTH AMERICA AND EUROPE:

^[6] In China, the level of courier companies is not high enough and there are many problems in this sphere. Currently due to the low quality of the consignment, it is common to collect the products or packages at a special collections point. There is no expectation that the package will arrive quickly or to the home. The whole area of deliveries is insufficiently developed there.

In Singapore, where courier consignments are not developed, although the geographical size of the city is not so large, they have this year started to send consignments to collection points.

In India, the level of local deliveries is very low. For this reason large wholesalers have started to establish for themselves subsidiary courier companies so as to reduce the consignment costs and increase the level.

In Brazil, the level of consignments is very low and there are many problems which include non-arrival of packages or very late arrival. A solution has still not been found for these problems.

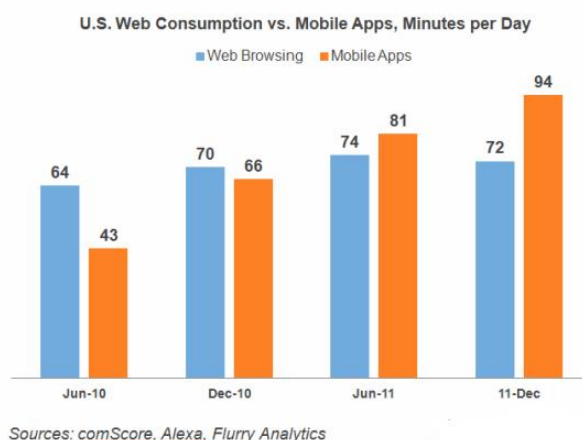
In Russia, the infrastructure is not suitable for the sending of mail at high levels and therefore there are also problems in the area of sending mail and parcels.

3. TRENDS INFLUENCING DELSHARE IN THE SMARTPHONE FIELD

3.1. USE OF THE APPLICATION WITH SMARTPHONES

[1] According to Nielson, the average number of applications installed in smartphones in the US has increased from 32 to 41. What is more, Nielson adds that the average time that the user is spending with these applications in terms of browsing, has risen by 10% a year. Indicating that the application is an Internet tool that increases its strength and the amount of time that users opens surfing with it in a consistent and significant manner.

[2] Since the beginning of 2011, the American user has spent more time surfing the cellular Internet using an application that the time he has used his browser for surfing. The difference is getting substantially greater so that at the end of 2011 it reached a point where the amount of time that a surfer was using an application was 94 minutes a day as opposed to the use of a browser, which was 72 minutes a day. The following graph shows the process:



3.2. RATE OF PENETRATION OF SMARTPHONES IN THE US AND WORLDWIDE

	2011	2012	2013	2014	2015	2016	2017
Smartphone users (millions)	92.8	121.4	140.0	159.9	178.0	193.7	207.4
—% change	49.1%	30.8%	15.3%	14.2%	11.3%	8.8%	7.0%
—% of mobile phone users	39.1%	50.1%	56.8%	63.8%	70.1%	75.3%	79.7%
—% of population	29.8%	38.7%	44.3%	50.1%	55.4%	59.8%	63.5%

Note: CAGR (2011-2017)=14.3%; individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month
Source: eMarketer, March 2013; confirmed and republished, Aug 2013
153289 www.eMarketer.com

[3] The following graph, published by eMarketer shows the penetration of the smartphone in the US and the forecast until 2017.

We can see that there are currently some 160 million smartphone users and that in 2016 it is expected that the quantity will have risen to almost 207 million.

	2012	2013	2014	2015	2016	2017
Smartphone users (billions)	1.13	1.43	1.75	2.03	2.28	2.50
—% change	68.4%	27.1%	22.5%	15.9%	12.3%	9.7%
—% of mobile phone users	27.6%	33.0%	38.5%	42.6%	46.1%	48.8%
—% of population	16.0%	20.2%	24.4%	28.0%	31.2%	33.8%

Note: individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month
Source: eMarketer, Dec 2013
166980 www.eMarketer.com

[4] From the publications of the research company Mason Analysis, it appears that there are currently something like 1.75 billion smartphone users worldwide and that number is expected to rise to about 2.5 billion devices by 2017.

4. MARKET AND COMPETITION ANALYSIS

4.1. COMPETITORS

The main competition derives from the local companies operating in the field of local and inter-city deliveries.

- a. **Courier companies** – The main and most direct competition with which we have to deal is that of the local courier companies who currently have the major share of the local market and provide courier services to their customers. Most of these companies are small and local and only the minority is larger and operates in a number of areas. Because the market is based on couriers who take consignments to customers in a reasonably organized manner, we estimate that there will be a need for a significant competitive advantage so as to persuade companies to terminate their activities with the couriers they know and move over to work with us.

These are a number of examples of large courier companies in countries worldwide:

1. [usacouriers](#) – One of the largest and leading companies in the field of local delivery services in the US is [usacouriers](#). The company has couriers in most towns in the US and makes it possible to carry out all kinds of deliveries. A local delivery within the city and deliveries between cities and states.
 2. [Speedy same day courier](#) – A British courier company with couriers based in most of the cities in Britain, which carries local inter-city consignments throughout the British Isles. This company undertakes to deliver consignments within 24 hours to all destinations in the British Isles.
 3. [SF Express \(Group\) Co., Ltd.](#) – China's leading delivery company. This is a very large company located in the industrial city Shenzhen and active in all of China's major cities. It provides local delivery services throughout China and also offers international delivery services.
 4. [Turbo Kurier](#) – German delivery company active mainly in the field of same-day local deliveries. The company facilitates deliveries throughout Germany as well as international deliveries, although its main activities are in the area of local deliveries.
- b. **Recently launched applications in the deliveries field** – We have recently witnessed the launch of a number of applications in the deliveries field, with activity in New York or in LA. Here, we mention the two that seem to us to be the most serious of them:
 1. [Postmates](#) – American startup company that has recently started offering delivery services to small stores and restaurants in Los Angeles and New York. Until now, they have raised \$6.5 million in three tranches. At this stage they are working with some 3,000 stores in Los Angeles. Their main problem is that their couriers are company employees. The main advantage of Delshare over them is that their couriers are employees and in fact they are still a local deliveries company which manages its activities using the Internet but which has the same overheads as the other delivery companies.
 2. [zipments](#) – American startup company that has recently come out with delivery services in New York. They are involved in all types of local courier work and operate their system using an Internet site and an application. Their couriers are company employees and they are therefore like Postmates which operates, at the end of the day, as a deliveries company managed by an application but which has to handle the high overheads and employees who involve them in heavy expenses and limit the pace of expansion of the company.

Delshare - Business plan

- c. **Uship** – An American Internet company active in the US and Europe. The company makes possible links between consignments (mainly large consignments) to courier companies through tenders between courier companies or a link to services at a predetermined price of the courier companies. This company is not involved in the local area. Its activities are performed using the Internet and enable their customers to locate the appropriate courier company for their consignment, to make contact and negotiate using the application or Internet site to close the deal without making telephone calls but simply by sending messages that are passed within the application only. Of course the customer can also follow-up the location of the consignment at any given moment, using the application.

4.2. DELSHARE - COMPETITIVE ADVANTAGES

- a. **Price:** Since Delshare does not have the high overheads of its competitors (cost of couriers who are employees, vehicles, a team of call center employees and delivery centers) Delshare's profit margins are much greater than the accepted ones for this market and therefore the price for Delshare deliveries will be very attractive and enable penetration into the marketplace and competition with existing companies.
- b. **Courier availability** – The number of Delshare couriers (after the Company has reached critical mass of couriers) will facilitate immediate availability for consignments and speed of immediate reaction for almost every consignment anywhere that the Company is active. This compares with relatively lengthy waiting time of a few hours or even longer for the arrival of a courier to collect the consignment.
- c. **Shortening arrival time for consignments** – Our consignments are transferred to their destination immediately they are taken by the courier as opposed to the accepted method for consignments with the existing companies. The current system in most companies involves the transfer of a consignment to a delivery center and its collection by another courier, usually after a number of hours, and in the majority of instances, the following day. Therefore, with the competitors, in order to guarantee same day delivery, the sender must make an additional payment in excess of the regular price and even then it is not always guaranteed that the delivery will be made the same day.
- d. **Assurance that the consignment has reached its destination** – Delshare has a safety model that does not exist with most of its competitors. What is more, the payment is transferred to the Delshare couriers only after electronic approval that the consignment has been delivered to its destination and the couriers therefore do everything in their power to ensure that the entire package is, indeed, delivered on time, to the individual supposed to receive it, and without any hiccups. In addition, Delshare will insure every consignment according to its value so that in the event that there is any damage despite everything, or the consignment disappears, the sender will be compensated in full for the package by the insurance company.

4.3. COMPARISON BETWEEN DELSHARE AND ITS COMPETITORS

	DELSHARE	Uship	Local couriers' companies
Price	Low	High	High
Couriers availability	High	Medium	Low
Assurance that the consignment has reached its destination	High	Medium to High	Medium to High
Shortening arrival time	Within few hours	Within 48 hours	Within 48 hours

4.4. ANALYSIS OF THE BUSINESS OPPORTUNITY

Opportunities

- The field of local consignments is still being handled in similar manner to that which was operative 50 years ago and the main technological advancement is in the area of sophisticated follow-up processes that check the location of the consignments.
- The users and companies are used to using a public Internet system for business purposes and the technology is very much ready and makes this service available in full.
- Opportunity for additional income for private individuals, the unemployed and pensioners and business owners who use the roads, such as taxi drivers, couriers and truck drivers.

Threats

- Competitors' representation of our couriers as unreliable and unprofessional

To overcome this threat, we are developing an advanced system of security and accreditation that will establish definitive ratings and authority levels for each courier including the transfer of consignments requiring qualification of any kind only for a system of couriers authorized for these consignments. Moreover, we are establishing a display of the courier's history (which the sender will see prior to confirming the courier for his consignment) which will include the number of consignments he has carried out and the shortcomings that have occurred and the many additional insurance levels.

- The arrangement for payment and specifically taxation issues for employees serving as couriers are likely to deter many from using the service.

In order to prevent this threat, we are developing a system that will enable transfer of money to couriers in a simple manner and an annual reporting system for the authorities that will be adapted for every country to its specific tax authority requirements.

Strengths

- The entrepreneurial team is very experienced in startups and numbers four professionals from the technology development field, commercial development and the establishment of startups and management, logistics and development of many products.
- All the processes are completely transparent to the customer. The history of couriers and their levels of performance, the location of a consignment at any given time, cost of insurance of each package
- Delshare's security model significantly increases the safety in the arrival of the consignment at its destination in speedy and timely manner.

Weaknesses

- At this stage there is insufficient finance to start the company and all the development is currently being done by the entrepreneurs without external assistance.

Summary of SWOT Analysis

From the analysis that we carried out we can say that the business opportunity offered by Delshare is made up of a combination of the many opportunities that influence the community and its strengths.

THE PROJECT IS IN THE STAGES OF: S-O (STRENGTHS, OPPORTUNITIES). THE STRATEGY IN WHICH THE COMPANY WILL ENGAGE IS A STRATEGY THAT SUITS THE POSSIBILITY OF THE OPPORTUNITIES AND STRENGTHS WHILE HANDLING THE POSSIBILITIES OF RAISING EQUITY.

<u>OPPORTUNITIES & THREATS</u>		STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Opportunity for additional income for private individuals, the unemployed and pensioners and business owners who use the roads, such as taxi drivers, couriers and truck drivers. The field of local consignments is still being handled in similar manner to that which was operative 50 years ago. The users and companies are used to using a public Internet system for business purposes. Competitors' representation of our couriers as unreliable and unprofessional. The arrangement for payment and specifically taxation issues for employees serving as couriers are likely to deter many from using the service. 	O P P O R T U N I T I E S	O - S	-----
	T H R E A T S	-----	-----
<u>STRENGTHS & WEAKNESSES</u>			
<ul style="list-style-type: none"> The entrepreneurial team is very experienced in startups and numbers four professionals from the technology development field, commercial development and the establishment of startups and management, logistics and development of many products. All the processes are completely transparent to the customer. The history of couriers and their levels of performance, the location of a consignment, cost of insurance of each package... Delshare's security model significantly increases the safety in the arrival of the consignment at its destination in speedy and timely manner. <p>At this stage there is insufficient finance to start the company and all the development is currently being done by the entrepreneurs without external assistance.</p>			

4.5. MARKET POTENTIAL

Number of companies

^[1] According to the market research company Research and Markets, there were an anticipated 87 million companies categorized as small businesses at the end of 2008.

^[2] According to the Central Bureau of Statistics in the US, there were some 20 million companies registered in the US at the end of 2004 of which 5,885,784 had employees. The distribution according to the number of employees is set out in the following table:

No. employees	Firms
None employer firms	21,351,320
1 to 4	3,617,764

Delshare - Business plan

5 to 9	1,044,065
10 to 19	633,141
20 to 99	526,307
100 to 499	90,386
500 to 749	60,60
750 to 999	2,709
1,000 to 1,499	3,038
1,500 to 2,499	3,044
2,500 to 4,999	1,533
5,000 to 9,999	975
10,000 employees or more	981
Total US companies with workers	5,930,132
Total US companies	27,281,452

From this data we learn that in the US alone there are between 6-25 million potential customers for Delshare.

^[3] From the data of the research company Nation Master we find that throughout the world there are some 135,661,973 companies, a not inconsiderable number of whom represent potential customers for Delshare. Here are a number of examples of the numbers of companies in the various countries:

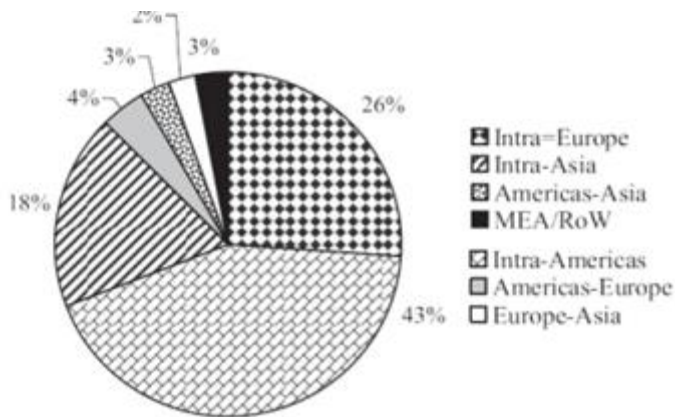
Country	Firms
^[4] UK	3,088,298
^[5] Germany	3,620,576
^[6] France	3 603 698
^[3] Italy	4,486,000
^[3] Spain	3,168,735
^[3] China	8,000,000
^[3] Brazil	4,903,268
^[3] Japan	5,712,191
^[3] S. Korea	2,998,223
^[3] Russia	6,891,300
^[3] Israel	468,338
Total companies without USA	43,336,929

Commercial turnover for same day local delivery in \$

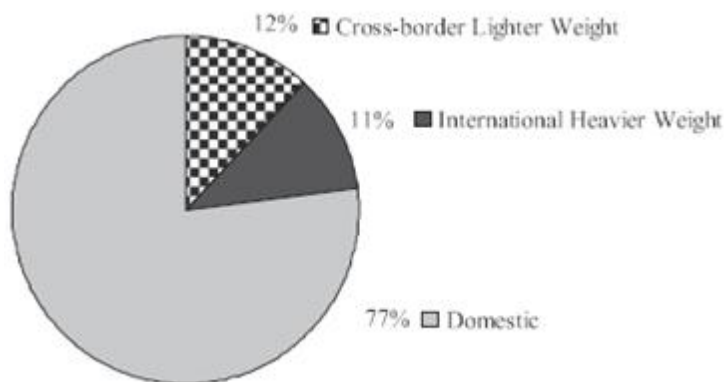
Delshare - Business plan

[7] According to market research carried out by IBIS world, the field of worldwide courier services across all sectors of the local and international market (excluding the market sector covered by ordinary mail services), has an annual turnover of some \$200 billion. [8] The distribution of commercial turnover in the world's central markets appears in the following graphs:

The Worldwide Market for Letters and Documents, Express and Package Services
Global Express & Parcel Market
US\$200 billion



Gobal Expedited & Package Market (US\$200 billion)



From this data we see that the local courier market worldwide is worth \$154 billion.

[9] From data published by FedEx it appears that in the US alone, the inter-city deliveries market for small packages was worth \$12 billion in 2012 and that it has increased threefold in the last five years.

[10] From data of the research company IBIS World we learn that the same day delivery market worldwide is worth \$93 billion.

5. STRATEGY, MARKETING AND BUSINESS MODELS

5.1. VISION

Delshare is active worldwide as a central platform in the same day local delivery market. Companies from different areas of activity and of all sizes, including SMB and enterprises are regular users of the kind of services offered by Delshare. The efficiency of transfer of deliveries, time from arrival of the consignments and percentage success in transferring consignments will improve beyond recognition everywhere, especially in those parts of the world where there is currently an insufficient level of delivery services.

5.2. THE STRATEGIC PROCESS

Initial development

- a. The initial development process has already commenced and is advancing at a satisfactory pace. We anticipate that in 3-5 months we will be ready to launch an initial pilot. As soon as the initial development has been completed, we will develop the user interface for Britain where we will perform the first pilot.
- b. The modules that we will develop for the first stage are:
 1. Courier module for cellular telephone.
 2. Deliveries module to be developed as part of the Delshare Internet site.
 3. Server and database
 4. Billing.
- c. Upon completion of the initial development, an internal pilot will be performed using individuals and companies who are close to the company's employees. The purpose of the pilot is to find bugs, evaluate the activity of the system under higher pressure than when under single user operation and to evaluate the processes and reciprocal relations between the sender and the addressee and the recipient.
- d. At the end of the first pilot stage that will take about a month, and the improvements that are required to the system as the result of it, the system will be launched for a full commercial pilot in London.

Launch of the system in London

- a. Prior to the start of activities in Britain a number of prior commercial processes will be performed:
 1. Identification of an appropriate individual as head of operations in Britain and his recruitment to the Company's team.
 2. Acquisition of up to date, detailed British market research together with the British manager.
 3. Establishment of an activity plan and detailed marketing program based on the commercial plan and data to be accumulated during the learning process.
 4. Establishment of contact with a marketing company that will be part of the process of preparation of the marketing plan to penetrate and expand in Britain. This company will also be the company that actually carries out the professional marketing activity for this program.
 5. Preparation of legal infrastructure, infrastructure of contacts with couriers and the issues that they have with the tax authorities and preparation of the British commercial infrastructure.
 6. Preparation of the administrative activity infrastructure.
 7. Recruitment, sorting and training of between 500-1,000 couriers.

Delshare - Business plan

8. Recruitment of between 500-1,000 companies and businesses willing to commence activities with Delshare at the beginning of the pilot.
 - a. The initial pilot in Britain will be launched after the completion of the development and after initial studies of the system. The objective of this pilot is to evaluate the reciprocal connections between the British courier, addressee and the recipient, the behavior of the system over a wide area and the evaluation of the processes that have to be changed in Britain compared to the basic system.
 - b. The pilot stage in Britain will last for about 6 months and during them we will try to load the system with a high number of activities so as to evaluate it as well as possible. The objective is that as soon as the pilot has been completed we will continue with massive penetration of the market there.
 - c. During the pilot there will be an attempt to reach a high quantity of companies and couriers so that the commercial launch commences with a large number of couriers that will enable us to increase the number of companies using the service in significant manner.
 - d. The objective of the penetration stage is to reach 30,000 companies in a year's activity in Britain who will work with us using between 5,000-10,000 couriers. After we have reached that stage, we will be well prepared to expand activities outside the borders of Britain.
 - e. The model for the launch of activities in each country will be similar to the first model to be activated in London while implementing the lessons learned from the previous process that was performed.

Launch of the system in the US

- a. The next expansion stage will be in the direction of the US where the number of companies is very high and the number of cellular telephones is the highest in the western world and their percentage penetration is rapidly increasing.
- b. Prior to the commencement of activity in the US, a number of preliminary commercial processes will be commenced:
 1. Identification of an appropriate individual as head of operations in the US and his recruitment to the Company's team.
 2. Acquisition of up to date, detailed US market research together with the US manager.
 3. Establishment of an activity plan and detailed marketing program based on the commercial plan and data to be learned during the learning process.
 4. Establishment of contact with a marketing company that will be part of the process of preparation of a marketing plan to penetrate and expand in the US and which will also be the company that handles the professional elements of this program for us.
 5. Preparation of the legal infrastructure, taxation infrastructure and the US business infrastructure.
 6. Preparation of the administrative activity infrastructure
- b. The pilot stage will take place in New York, which is the largest economics and finance center in the US. The pilot will last for about 6 months in which Delshare will, during this short period, become a company with a significant presence in New York. As soon as the pilot has ended, a full service will be launched in LA as major marketing efforts are made to ensure that within a year of additional activity, the Company will become a very dominant player in the city and its environs.
- c. After the Company has established a significant presence in New York and LA (about a year after the start of the pilot in New York), the service will be launched in Chicago and Houston.
- d. At the same time, the service will expand to take in central cities across the east and west coasts.
- e. During the third year of activities in the US, the objective is to turn into the leading delivery company in terms of having the highest number of consignments in the inter-city deliveries market.

Worldwide expansion of activities

Delshare - Business plan

- a. The greater the success of the system in Britain and the US, the more countries will be added at lower costs and shorter delivery times. In any event, immediately after the launch of the system in Britain, applications and sites will be launched in German, Spanish and Italian, and thereafter in other languages according to the requirements generated in the market.
- b. There may be a situation where activity is commenced in a particular country where there is still no representative office since all the activities are completely automated. It is clear to us that for the purpose of broadening activity there will be a requirement for substantial marketing processes in every country where we wish to expand that activity.
- c. After the activity in the US has substantially progressed, the marketing effort will be turned to the other European nations, especially Germany, France, Italy and Spain.
- d. We anticipate that after some five years of activity, Delshare will be a significant and central player in the worldwide deliveries market, especially in the US and Western Europe.

5.3. **MARKETING STRATEGY**

Marketing processes will be focused in two main directions:

- a. Recruitment of Couriers
- b. Marketing to companies and businesses that will utilize Delshare's services.

At all stages a different marketing plan will be active for each of these sectors. The plan for each of the sectors will be made up of four strata that will be activated in every country in which there is marketing activity:

- a. Massive Internet marketing
- b. Offline marketing that will focus on those places where it is possible to find couriers and their companies and professional organizations.
- c. Viral Marketing
- d. Offline and online public relations

Recruitment of Couriers

Internet Marketing

- a. Massive promotion of the Internet site using Google and other search engines
- b. Recruitment of Couriers
 1. Advertising on FaceBook that guides surfers to explanations and downloads of the application.
 2. Community activity on FaceBook and in the other community networks that will also lead to surfers downloading the application and sharing it with their friends.
 3. Advertising with QR code that will lead to downloading of the application from transport-related sites that are directed towards the unemployed, sites that are visited by professional drivers and other pertinent sites.
 4. There will be advertising that is accompanied by QR Code that leads to the downloading of the application in parking lots and from the back of parking tickets issued to parking drivers.
- c. Online Marketing
 1. An approach will be made to taxi drivers via their central operation centers, the professional associations to which they are affiliated, the professional media or leaflets that are distributed to them and directly. The approach will offer them the chance to download the application

Delshare - Business plan

and join the service as couriers and increase their income just for being on the same route anyway.

2. An advertising effort will be made at gasoline stations. There will also be advertising at stations where there are screens at the pumps.
3. There will be advertising in the underground railways and on the main public transportation services in every city where there is marketing activity.

d. Viral Marketing

1. An integral part of the application will be a system that will make it possible for every courier to add friends and by so doing, receive payment of 10% of their income should they start to work as couriers within the first quarter that they are working.
2. There will be prize-winning competitions between couriers to increase their motivation to add couriers. The competition system will also be part of the application that will facilitate their existence at all times.

Marketing to Companies and Businesses

a. Internet Marketing

1. There will be a concentrated advertising effort using a large number of blogs that will be directed at secretaries, procurement managers and large and medium-sized business managers. This campaign will enable us to reach the largest number of businesses in the shortest period of time.
2. Advertising on FaceBook that will attract small and medium-sized businesses.
3. There will be communal activity on FaceBook and other community networks that reaches business and company owners and enables them to gain exposure to our services and start working with us on an immediate basis.
4. Newsletters will be sent to company secretaries and businesses via professional associations for secretaries in the countries where there is marketing activity.
5. There will be advertising via Google AdWords directed towards people looking for courier companies. The advertising will be done via combined campaigns for computer, cellular and other platforms and will combine advertising on Google and YouTube.

b. Offline Marketing

1. At the pilot stage and when the service is being launched in a new country, the Company will use telesales persons who will handle telephone sales mainly with secretaries from small businesses.
2. Marketing via couriers – Every courier will offer the company to which he brings a consignment the opportunity to join the service. A courier who successfully gets a company to join the service will receive a payment or benefit after the first consignment is sent by the new customer.
3. There will be advertising in parking lots using advertising boards and also on parking tickets issued to drivers.
4. Delshare will try to make contacts with companies involved in E-commerce. In the event that these contacts are made, approaches will be made to the companies with the objective of creating a cooperation process for the transfer of consignments of the company that are appropriate for the areas in which Delshare is operating.

c. Viral Marketing

1. Delshare will create a viral system that will be an integral part of the Internet site through which the majority of businesses utilize the service. The system will make it possible to bring in additional companies and businesses and will offer them the chance to register for

Delshare - Business plan

the service in return for benefits. A company that refers us a high number of companies that start to work with us will receive an attractive benefit or prize that means that the secretary or person in charge of deliveries is motivated to continue referring other new businesses to the system.

5.4. BUSINESS MODELS

- a. All activity performed on Delshare's platforms is done without any legal involvement on our part. This starts from the registration of the parties for the service (couriers and companies), through contacts with couriers and the companies and ending in payment. Delshare is an independent contractor which provides a platform with certain performance and capabilities and a rate of payment for the use of the platform. There are no employee and employer relations between Delshare and its couriers because they are not employed by Delshare in any way. Payment for services is transferred to them automatically at the time the consignment arrives at its destination and the invoice is printed automatically. Couriers who are not registered as self-employed will receive payment according to an arrangement that will be updated from country to country in accordance with the requirements of the tax authorities in each country.
- b. At the time of the consignment, the payment will be transferred to a trustee account where it will wait until approval that the consignment has reached its destination. The approval will automatically release the payment into the account of the courier and the commission into Delshare's account.
- c. It is important to understand that for every consignment there is a signed agreement between Delshare and the insurance company (when the sending code is scanned at the time the courier collects the consignment) which insures the consignments. Payment for the insurance will be deducted from the payment received for the consignment.
- d. Delshare will take responsibility for all consignments and will compensate the sender directly or via the insurance company in the event of loss or damage to a consignment.
- e. The system will issue an invoice and mail it to the sender after payment. At the same time, the system will prepare the financial material to be sent to the courier on dates to be defined in accordance with the requirements of the authorities in each country. For couriers who cannot issue a tax invoice (salaried employees and those who are not business owners) a legal solution will be established, suited to each country and its tax authority requirements. We have signed a partnering agreement with Deloitte which will accompany us with regard to the area of taxation in Israel and worldwide. The final solution for each country will be built when preparing for the launch of the system in the country concerned, by taxation experts from the country concerned.

Delshare's revenue source is as defined below:

- a. For every consignment the sender will make a defined payment according to size, weight of the package and the distance traveled by the consignment. Delshare will receive a commission of a predefined percentage for each payment for a consignment made using its platform.
- b. Delshare will receive a predetermined percentage commission for all the insurance of consignments that are made using its platform. The insurance company will pay the commission.
- c. Any additional service that anyone pays for to any other functionary after the payment through the system will credit Delshare with a commission, the size of which will be defined the first time that the service is operated.
- d. The level of commissions will be updated from time to time in accordance with the prices charged for the services and market conditions.

All commissions will be connected automatically when payment is made by the Delshare billing system.

Delshare - Business plan

5.5. EXIT STRATEGIES

Delshare believes that within a timeframe of some 4-5 years it will be possible to start in the direction of realizing and leverage of the investment of the Company. Several central directions can be found:

- a. One of the leading delivery companies, [FedEx](#), [UPS](#), [DHL](#) or [USPS](#) may be interested in purchasing Delshare since it would let them control the area of short-distance consignments within cities on a same day or next day basis and turn into the leading company worldwide in the field.
- b. [Google](#) – Recently purchased Waze, the world leader in road navigation. Delshare is the business parallel which facilitates the utilization of the masses on the roads for the purpose of generating income. The acquisition of Delshare would allow Google to create a competitive advantage for itself in the area of provision of business services by drivers who are already using Waze so that it will lead them to remain on Google's system throughout their journey and not move to competitor systems.
- c. [Yahoo](#), which has recently evidenced a recovery and is looking for additional areas in which to compete, will be able to compete with Google and the other Internet giants will be interested in purchasing Delshare because a system like this will enable it to reach the cellular devices of many users and take customers away from their greatest competitor, Google. In addition, the system will enable purchase of a significant share of the cellular market where it does not currently have any have uniqueness, and to substantially increase its revenues and ability to compete with its major competitor sites.
- d. [Microsoft](#), which has recently rejoined the cellular field with Windows 8 and its acquisition of the cellular division of Nokia, and is struggling mainly against its main competitors for the market share that it wants to capture for itself, could combine Delshare as an integral part of its operating system and give itself a significant competitive edge over the other operating systems of (iOS and Android).
- e. Leading insurance companies are likely to show interest in acquiring the Company because after it has considerable activity worldwide, the insurance company that acquires Delshare will enjoy all the insurance activity that the many consignments bring to it.

The following table shows examples of companies that have reasonable interest and financial capability in acquiring a company like Delshare:

	Company	Annual income \$ Billions
The biggest companies	FedEx	^[6] \$ 44.29 B
	UPS	^[7] \$ 54.1 B
	DHL	^[8] \$ 70.8 B
	USPS	^[9] \$ 65.2 B
Big websites	Google	^[10] \$ 37.9 B
	Yahoo	^[11] \$ 4.98 B
	Microsoft	^[12] \$ 73.75 B
Insurance companies	Prudential (UK)	^[1] \$ 31.8 B
	Aviva (UK)	^[1] \$ 15.4 B
	Lincoln National Corp. (USA)	^[4] \$ 9.1 B
	Prudential financial inc	^[5] \$ 84.8 B

5.6. MAJOR MILESTONES

	Year 1				Year 2				Year 3				Year 4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Initial development	■	■														
Pilot (UK)		■	■													
USA pilot (NY)				■	■											
West coast launching						■	■									
EU launching								■	■							
US National operation												■	■	■	■	■

6. KEY PERSONNEL

David Goren, Entrepreneur and Co-Founder



Experienced in start-ups and follow-up with companies, has established and operates a company for establishing start-up Companies in the field of Internet and medical devices in West Europe. Holds MBA, works as business development specialist and assisting start-up companies in the fields of Internet and cellular.

Doron Shamir, Entrepreneur and Co-Founder



Established a company that developed manufactured and marketed hundreds of plastic products for most of the major American retailers. Established a factory in China that was approved by WalMart. Established and led a number of companies in a variety of spheres, and has experience of more than 10 years in senior management positions. Plastics practical Engineer with BA in Business Management.

Gideon Burger, Entrepreneur, Co-Founder and Development Manager



Extensive experience in server/client development in the field of cellular and software applications and in development team management. Currently development team manager on a large project with CA, where he has been working for four years. Prior to this he worked for a number of years as development team leader at Advantech Technologies and served as a programmer at Amdocs for two years. Holds a B.Sc. degree in Computer Sciences and Mathematics from Bar-Ilan University.

Shimon yaron – Entrepreneur and Co-Founder, UI & UX Expert



Extensive experience as designer leader in projects such as TagMe+, Picaphone, SmartShopper, Onaro (NetApp) and others. Provider of design services in the cellular field, as a sole operator, to companies such as Lenovo, Telstra, Verizon and others. Lectured for a number of years at the Holon Academic institute. Holder of undergraduate degree B.S.C.T.E. in design from the Holon Technology Institute and courses in Israel and the US in the field of design, D3 and programming.

7. FINANCIAL PLAN

7.1. BASIC ASSUMPTIONS

The Company has prepared conservative financial projections based on the following assumptions. The main assumptions regarding the forecast are detailed below:

- Business client growth for the first 5 years:

	Year 1	Year 2	Year 3	Year 4	Year 5
UK	2,196	17,740	32,767	37,565	41,818
USA	0	2,233	22,144	36,670	43,865
EU (GR, FR,IT,SP)	0	0	0	10,379	36,339
Total	2,196	19,973	54,911	84,614	122,023

- Yearly deliveries growth for the first 5 years:

	Year 1	Year 2	Year 3	Year 4	Year 5
UK	114,283	1,666,485	4,685,333	6,374,502	7,184,066
USA	0	59,663	2,231,961	5,428,279	7,315,076
EU (GR, FR,IT,SP)	0	0	0	712,370	4,349,091
Total	114,283	1,726,148	6,917,295	12,515,151	18,848,233

- Average delivery price - \$15.
- Delshare delivery commission – 15% from delivery price.
- Average deliveries per business client – 15.
- Clients abandon rate – 1% monthly.
- Average insurance rate per delivery - \$ 1
- Delshare insurance payment commission – 10% from insurance rate.

Credit conditions:

- Customer credit – 30 days.
- Suppliers credit – 30 days.

7.2. INCOME FORECAST FOR THE FIRST 5 YEARS

\$	Year 1	Year 2	Year 3	Year 4	Year 5
UK	273,407	4,029,667	11,010,534	14,980,080	16,882,556
USA	0	139,477	5,245,110	12,756,456	17,190,429
EU (GR, FR,IT,SP)	0	0	0	1,674,070	10,220,363
Total	273,407	4,169,144	16,255,643	29,410,606	44,293,348

Delshare - Business plan

7.3. BREAK EVEN, PROFITABILITY AND PAYBACK PERIOD

The company will reach breakeven point within 33 months and 45,878 customers.

The company will reach profitability within 23 months and 17,144 customers.

The company will reach pay back point within 38 months and 58,545 customers.

The following table shows the company break-even point, profitability point and payback period according to the business plan and its sensitivity to the sales percentage:

Sales percentage		100%	90%	80%	70%	60%	50%
Break Even	Month	33	35	37	42	48	60
	Companies	45,878	51,930	56,612	56,612	84,614	122,023
Profitability	Month	23	23	26	27	28	32
	Companies	17,144	17,144	25,247	27,995	30,815	42,806
Pay back	Month	38	40	44	49	57	71
	Companies	58,545	62,804	72,797	87,368	112,749	122,023

7.4. REQUIRED INVESTMENT

The required investment is \$ 4.5 M.

The following table shows the company required capital that necessary to achieve the business plan goals and its sensitivity to the sales percentage:

\$	100%	90%	70%	80%	60%	50%
Investment	4,500,000	4,800,000	5,200,000	5,700,000	6,200,000	6,800,000

7.5. INVESTMENT MILESTONES

	Milestone	Beginning	End	Amount
1	End of pilot development	Month 1	Month 6	1,000,000 \$
2	UK pilot	Month 7	Month 12	1,500,000 \$
2	UK operation expansion and US loanch preparation	Month 13	Month 22	1,900,000 \$
Total		Month 1	Month 22	\$ 4.5 M

7.6. INVESTMENT USE

Delshare - Business plan

\$	Milestone 1	Milestone 2	Milestone 3	Total
Marketing & Sales	156,333	674,450	1,672,643	2,503,426
R & D and Operation	241,400	423,098	854,631	1,519,130
G & A	483,874	331,198	959,557	1,774,629
Legal advice	34,667	57,500	163,333	255,500
Creative	80,000	97,371	214,171	391,543
Unexpected expenses	37,744	67,202	193,217	298,162
Purchasing	45,750	38,000	52,000	135,750
Total	1,079,769	1,688,821	4,109,556	6,878,146
Capital sources				
Investment	1,079,769	1,505,303	1,887,891	4,472,963
The rest from income	0	183,519	2,221,665	2,405,183

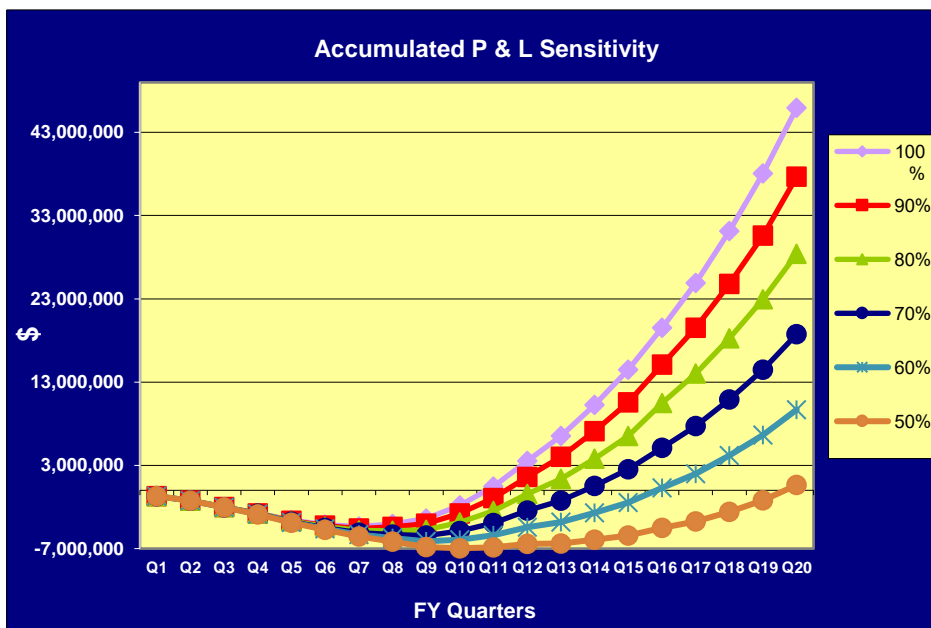
7.7. EXPENSES PLAN FOR THE FIRST 5 YEARS

\$	Year 1	Year 2	Year 3	Year 4	Year 5
Marketing & Sales	951,483	2,143,257	2,957,600	4,843,034	6,203,425
R & D and Operation	740,055	1,159,614	2,147,885	3,215,722	4,436,166
G & A	883,913	1,257,681	1,963,848	2,755,490	3,470,321
Legal advice	101,000	206,000	256,000	414,333	726,833
Creative	195,829	266,171	342,486	409,886	505,657

7.8. FORECAST PROFIT & LOSS

The following table shows the forecasted profit and loss statement for the first 5 years:

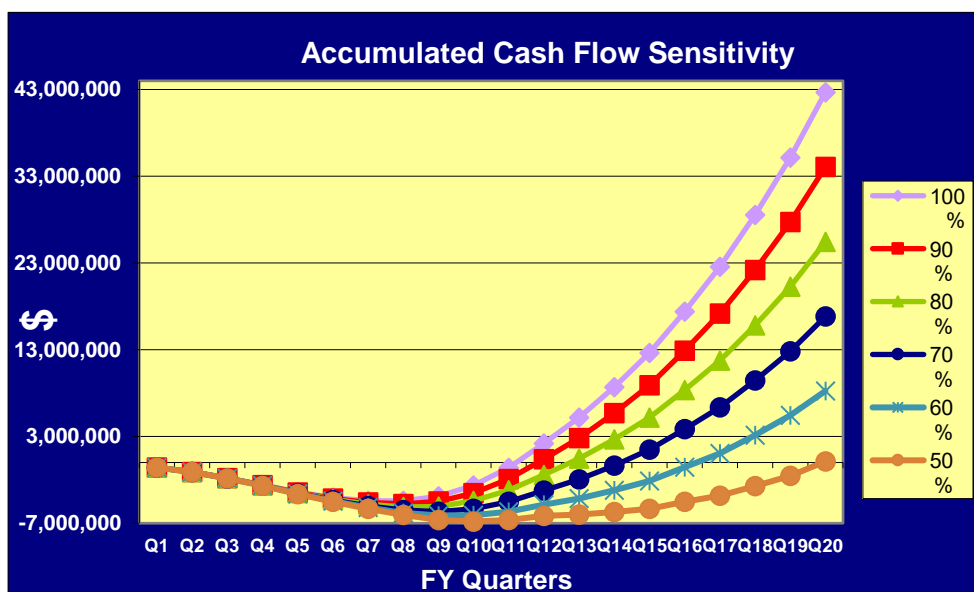
\$	Year 1	Year 2	Year 3	Year 4	Year 5
Income	273,407	4,169,144	16,255,643	29,410,606	44,293,348
COGS	10,936	166,766	650,226	1,176,424	1,771,734
Growth profit	262,471	4,002,379	15,605,417	28,234,181	42,521,614
<u>Operating Expenses</u>					
Marketing & Sales	951,483	2,143,257	2,957,600	4,843,034	6,203,425
R & D and Operation	740,055	1,159,614	2,147,885	3,215,722	4,436,166
G & A	883,913	1,257,681	1,963,848	2,755,490	3,470,321
Legal advice	101,000	206,000	256,000	414,333	726,833
Creative	195,829	266,171	342,486	409,886	505,657
Unexpected expenses	143,614	251,636	383,391	581,923	767,120
Total Expenses	3,015,894	5,284,359	8,051,210	12,220,389	16,109,523
Operating profit	-2,753,423	-1,281,981	7,554,208	16,013,793	26,412,091



7.9. CASH FLOW ANALYSIS

The following table shows the forecasted cash flow statement for the first 5 years:

\$	year 1	year 2	year 3	year 4	year 5
Operational profit	-2,501,319	-1,768,469	6,701,205	15,358,696	25,446,225
Purchasing & Investment	83,750	72,000	97,583	144,917	148,250
yearly cash Flow	-2,585,069	-1,840,469	6,603,622	15,213,780	25,297,975
Initial CF yearly	0	-2,585,069	-4,425,538	2,178,084	17,391,864
Accumulated CF	-2,585,069	-4,425,538	2,178,084	17,391,864	42,689,839



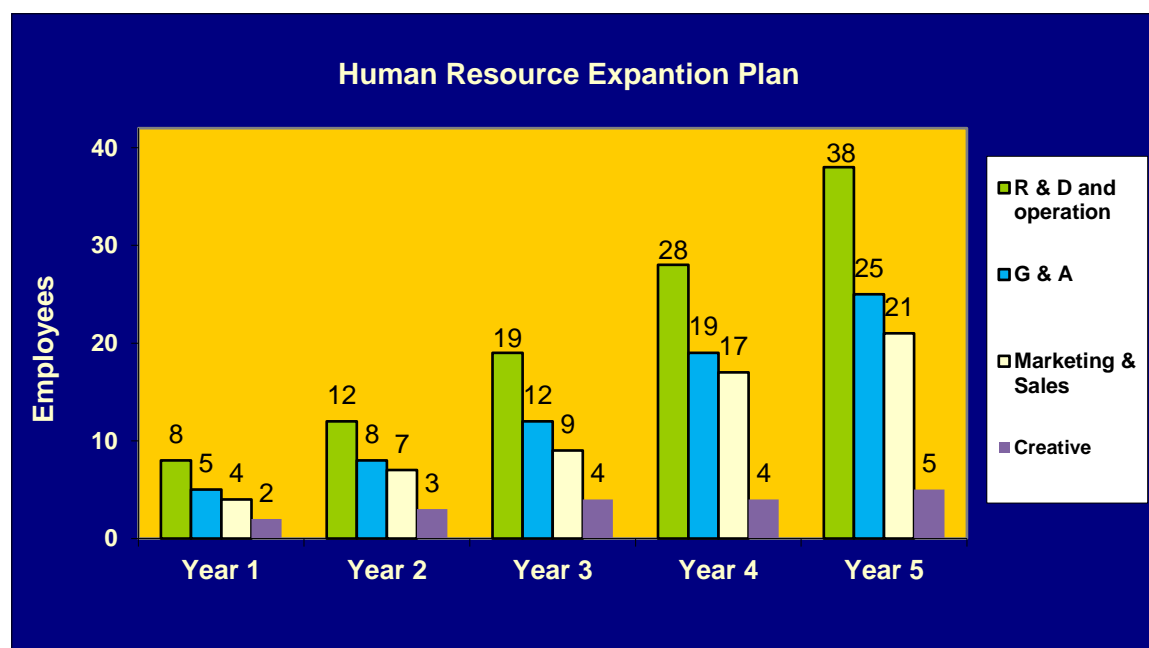
Delshare - Business plan

7.10. MARGIN ANALYSIS

The following table shows the profit margins in relation to the anticipated revenue in the first five years:

\$	Year 1	Year 2	Year 3	Year 4	Year 5
Income	273,407	4,169,144	16,255,643	29,410,606	44,293,348
Cost of goods	4%	4%	4%	4%	4%
Fix	12%	7%	4%	3%	3%
Marketing & Sales	348%	51%	18%	16%	14%
R & D and Operation	271%	28%	13%	11%	10%
G & A	323%	30%	12%	9%	8%
Legal advice	37%	5%	2%	1%	2%
Creative	72%	6%	2%	1%	1%
Salary	84%	53%	23%	19%	18%
Operation expenses	1103%	127%	50%	42%	36%
Operation profit	-1007%	-31%	46%	54%	60%

7.11. HUMAN RESOURCE EXPANSION PLAN



Delshare - Business plan



7.12. PERSONNEL AND SALARIES

	Employees	Salary cost (\$)
Year 1	19	1,301,991
Year 2	30	2,218,295
Year 3	44	3,668,798
Year 4	68	5,733,818
Year 5	89	7,779,404

Title	Employees					Salary \$
	Year 1	Year 2	Year 3	Year 4	Year 5	
R & D and Operation						
V.P R & D and Operation	1	1	1	1	1	10,000
Development manager	1	1	1	2	2	7,143
Software engineer	2	2	5	5	7	6,429
QA	1	1	2	3	4	3,429
Development manager GR			1	1	1	7,143
Development manager FR				1	1	7,143
Development manager IT				1	1	7,143
Development manager SP					1	7,143
Web master US		1	1	1	1	4,286
Web master EU	1	1	1	3	4	4,286
IT manager		1	1	1	1	7,143
Programmer	1	2	2	4	6	5,714
Customer service representative		1	1	1	2	5,062
Suppliers manager	1	1	2	4	6	6,231
Marketing & Sales						
V.P Marketing & sales & bus dev	1	1	1	1	1	10,000
Marketing country manager EU/US	1	2	2	6	6	9,735
Marketing manager	1	2	3	7	7	7,788
Marketing secretary	1	2	3	7	7	3,505
Creative						
Creative manager	1	1	1	1	1	10,000
Web artist EU/US	1	2	3	4	4	3,429
G & A						
CEO	1	1	1	1	1	10,000
CFO	1	1	1	1	1	11,429
CFO assistant			3	7	7	2,857
Legal advisor	1	1	1	2	2	4,286
EU/US secretary	1	2	3	7	7	3,505
IL secretary	1	1	1	1	1	1,857
Accountant EU/US		2	2	6	6	5,841

8. BIBLIOGRAPHY

8.1. TRENDS INFLUENCING DELSHARE IN THE COURIER FIELD

- [1] <http://www.ibisworld.com/industry/global/global-courier-delivery-services.html>
- [2] <http://www.mcaa.com/IndustryResources/IndustryProfile/tabid/186/Default.aspx>
- [3] https://www.alliance-leicestercommercialbank.co.uk/bizguides/full/courier/parkes-sector_trends.asp
- [4] http://www.dhl-discoverlogistics.com/cms/en/course/services/cep/cep_future.jsp
- [5] https://www.atkearney.com/paper/-/asset_publisher/dVxv4Hz2h8bS/content/europe-s-cep-market-growth-on-new-terms/10192
- [6] <http://ystats.com/en/reports/preview.php?reportId=989>

8.2. TRENDS INFLUENCING DELSHARE IN THE SMARTPHONE FIELD

- [1] http://blog.nielsen.com/nielsenwire/online_mobile/state-of-the-appnation-%E2%80%93a-year-of-change-and-growth-in-u-s-smartphones/
- [2] <http://blog.hubspot.com/blog/tabid/6307/bid/30862/Mobile-App-Usage-Trumps-Web-Browsing-at-94-Minutes-a-Day-Data.aspx>
- [3] <http://www.emarketer.com/Article.aspx?R=1009014&ecid=a6506033675d47f881651943e21c5ed4http://www.emarketer.com/Article.aspx?R=1009014&ecid=a6506033675d47f881651943e21c5ed4>
- [4] <http://www.analysismason.com/About-Us/News/Insight/Smartphone-shipments-worldwide-Dec2012/#.Ubwrt-e7OHC>

8.3. MARKET AND COMPETITION ANALYSIS

- [1] researchandmarkets.com/reports/c12285
- [2] census.gov/epcd/www/smallbus.html
- [3] http://www.nationmaster.com/graph/eco_mic_sma_and_med_ent_num-micro-small-medium-enterprises-number
- [4] <http://www.companieshouse.gov.uk/about/statisticsAndSurveys.shtml>
- [5] <https://www.destatis.de/EN/FactsFigures/NationalEconomyEnvironment/EnterprisesCrafts/SmallMediumSizedEnterprises/Current.html>
- [6] http://www.insee.fr/en/themes/tableau.asp?reg_id=0&ref_id=NATTEF09203
- [7] <http://www.ibisworld.com/industry/global/global-courier-delivery-services.html>
- [8] http://www.jcampbell.com/ref_upu_doha/wto/20100900_WTO_SCW319_postal.pdf
- [9] <http://www.bloomberg.com/news/2012-10-18/same-day-shopping-lures-fedex-as-premium-business-wanes.html>
- [10] <http://www.ibisworld.com/industry/default.aspx?indid=1950&partnerid=ValuationResources>

8.4. STRATEGY, MARKETING AND BUSINESS MODELS

- [1] <http://www.marketwatch.com/investing/stock/fdx/financials>
- [2] <http://finance.yahoo.com/q/is?s=UPS+Income+Statement&annual>
- [3] http://annualreport2012.dp-dhl.com/dpdhl_gb2012/static/export/docs/DPDHL_Annual_Report_2012.pdf
- [4] <http://about.usps.com/publications/annual-report-comprehensive-statement-2012/annual-report-comprehensive-statement-2012.pdf>
- [5] <http://finance.yahoo.com/q/is?s=GOOG+Income+Statement&annual>
- [6] <http://finance.yahoo.com/q/is?s=YHOO+Income+Statement&annual>
- [7] <http://www.marketwatch.com/investing/stock/msft/financials>
- [8] <http://www.relbanks.com/top-insurance-companies/europe>
- [9] <http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=75C:GR>
- [10] <http://quote.morningstar.com/stock-filing/Annual-Report/2012/12/31/t.aspx?t=PINX:PNGAY&ft=&d=7f049109e553bf166527556cc1aa9172>
- [11] <http://www.marketwatch.com/investing/stock/lnc/financials>
- [12] <http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=PRU>