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BUSINESS PLAN

SHARE

BY

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Business Plan prepared August 2019
By Cheah Xin Yi, Chong Yik Jing and Lim Jun Hong
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We hereby declare that:

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2) No portion of this Entrepreneurial project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

3) Contribution has been made by each group member in completing the Entrepreneurial Project.

4) The total word count of this Entrepreneurial Project is 11,243 words.

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Date: 14 August 2019
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EXECUTIVE SUMMARY

1.1 The Opportunity

In this modern age of abundance, people often purchase and store large amounts of goods in their homes. However, as not all items we purchase are daily necessities, many items often go unused for long periods of time, sitting dormant in store rooms gathering dust. This yields zero return of any sort to the investment by owners, made worse by depreciation and the declining real-world value of said item. This presents a perfect opportunity for the creation of a platform which enables people to rent goods from each other. SHARE is a solution which aims to solve this very issue of unused goods and items which we all have around us.

1.2 The Description of the Business

SHARE is a peer-to-peer service platform which connects and facilitates the renting of goods. This allows people to earn additional income by renting their unused goods, providing them with a sustainable return to their financial investment of said goods. In addition, this service attempts to fill the need and demand for specific-use items by providing them with a centralised platform to browse and rent for a wide range of items.
1.3 Competitive Advantage

Table 1.3.1: Competitive Advantage

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
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<tbody>
<tr>
<td>- Owner of goods (lenders)</td>
<td>- Facilitation of rental processes</td>
<td>- Promotes green living in the society</td>
<td>- Customer support service</td>
<td>- College Students</td>
</tr>
<tr>
<td>- IT solutions provider</td>
<td>- Maintenance of digital platform</td>
<td>- Put unused owned items for better use</td>
<td>- Issue management</td>
<td>- Small and medium business owner</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Income for owner of unused goods</td>
<td></td>
<td>- Hobbyist</td>
</tr>
<tr>
<td>Key Resources</td>
<td></td>
<td>- Affordable item rental for a host of goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- IT infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customer support representatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Relationships</th>
<th>Customer Segments</th>
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<tbody>
<tr>
<td>- Customer support service</td>
<td>- College Students</td>
</tr>
<tr>
<td>- Issue management</td>
<td>- Small and medium business owner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Channels</th>
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<tbody>
<tr>
<td>- Mobile application</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Cost Structure</th>
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<tr>
<td>- Advertising and promotional activities</td>
</tr>
<tr>
<td>- Platform maintenance and management</td>
</tr>
<tr>
<td>- Customer support and conflict resolution</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Streams</th>
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<tr>
<td>- Transactional commission (10% from renter and lender)</td>
</tr>
<tr>
<td>- Targeted advertisement</td>
</tr>
</tbody>
</table>
1.4 The Target Market

The target market of SHARE is comprised of 3 main groups, namely students, small and medium business owners, as well as hobbyists and enthusiasts of various activities. As SHARE is a platform which is accessible to the general public, the service is intended to be used by the general masses. However, our primary target audience will revolve around these 3 groups due to the potential of service adoption by individuals in these consumer groups.

1.5 The Management Team

The management team of SHARE consists of 3 members. Ms. Cheah will be in charge of finance and operations, Mr. Lim is responsible in marketing and branding while Mr Chong will handle public relations and customer support of the business.

1.6 Brief Summary of Financial Projection

Table 1.6.1: Brief Summary of Financial Projection

<table>
<thead>
<tr>
<th>Income Statement</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2019 (RM)</td>
<td>2020 (RM)</td>
<td>2021 (RM)</td>
</tr>
<tr>
<td>Sales</td>
<td>240,960.00</td>
<td>506,200.00</td>
<td>724,000.00</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>140,960.00</td>
<td>356,200.00</td>
<td>474,000.00</td>
</tr>
<tr>
<td>Expenses</td>
<td>239,054.15</td>
<td>201,498.95</td>
<td>252,221.45</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>(98,094.15)</td>
<td>154,701.05</td>
<td>221,778.55</td>
</tr>
<tr>
<td>Tax expense</td>
<td>0.00</td>
<td>9,623.17</td>
<td>37,702.35</td>
</tr>
<tr>
<td><strong>Net Profit/Loss</strong></td>
<td>(98,094.15)</td>
<td>145,077.88</td>
<td>184,076.20</td>
</tr>
</tbody>
</table>
### Cash Flow Projection

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019 (RM)</strong></td>
<td></td>
<td><strong>2020 (RM)</strong></td>
<td><strong>2021 (RM)</strong></td>
</tr>
<tr>
<td>Cash Available</td>
<td>270,082.30</td>
<td>508,105.85</td>
<td>870,983.73</td>
</tr>
<tr>
<td>Cash Disbursement</td>
<td>268,176.45</td>
<td>361,122.12</td>
<td>539,923.80</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td>1,905.85</td>
<td>146,983.73</td>
<td>331,059.92</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019 (RM)</strong></td>
<td></td>
<td><strong>2020 (RM)</strong></td>
<td><strong>2021 (RM)</strong></td>
</tr>
<tr>
<td><strong>Asset</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>1,905.85</td>
<td>146,983.73</td>
<td>331,059.92</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,905.85</td>
<td>146,983.73</td>
<td>331,059.92</td>
</tr>
</tbody>
</table>

|                |         |              |                |
| **Owner's Equity** |       |              |                |
| Capital investment | 100,000.00 | 1,905.85    | 146,983.73     |
| Net loss / profit  | (98,094.15) | 145,077.88  | 184,076.20     |
| **Total Shareholder's Equity** | 1,905.85 | 146,983.73  | 331,059.92     |

1.7 Description of What the Business Needs

SHARE requires a start-up capital of RM100,000. The source of funds will come entirely from the three founders, with Chong Yik Jing contributing RM40,000 while Cheah Xin Yi and Lim Jun Hong will contribute RM30,000 each. As such, shares will be given out based on the proportion of the investment in relative to the total investment from all 3 founders.
1.8 Exit Strategy for Investors

The exit strategy for investors can be categorised into two types, the first is through acquisition from external corporations while the second is by the raising of an IPO. Acquisition from external companies can happen at any stage of company growth whereas the raising of an IPO can only occur when the company has grown to a significant scale.
THE BUSINESS

2.1 The Description of the Business

2.1.1 Business Name, Logo and Location

Figure 2.1.1: SHARE Company Logo

The name of the business is SHARE. As the business is a service platform that enables peer-to-peer rentals, ‘SHARE’ is an appropriate name for the nature of the service. The logo of the business resembles a slanted “S” which stands for SHARE. In addition, it is also an infinity symbol representing SHARE as a business with unlimited possibilities. As the business is an online digital platform, there will not be any brick and mortar outlets. An office will be set up in Kuala Lumpur to handle all the back-end operations which are necessary for the platform.

2.1.2 Nature of Business

SHARE is a secure online marketplace which facilitates peer-to-peer renting of items among the local community. By creating a safe and secure platform for individuals to connect their demands with supply, we are able to fill the gap of
unfulfilled needs in the society. The platform allows individuals to rent items and equipment at a low price from others while allowing equipment owners to lease and rent their items to users in exchange for rental income. For instance, items such as coffee machines, fur coats, camping equipment, camera tripod, musical instruments et cetera could be listed on the platform for others to rent. SHARE is built upon a scalable business model and is targeted at the general population of Malaysia. The main revenue stream of SHARE will be derived from the commission gained for each rental transaction. SHARE aims to reduce unnecessary waste and spending while promoting the culture of sharing among the local community. In addition, owners can also earn a side income from their underused and underutilised items.

2.1.3 Company Mission and Objectives

Mission
To enable people and businesses alike to achieve their full potential and gain the very most out of their goods and assets

Core Values
- Pursue profits in an ethical and legal manner
- Bring value to all parties in a sustainable way
- Minimize environmental impact to the society
- Leverage technology to improve the lives of all

Objectives
- To educate the practice of a green, sustainable living
- To promote the culture of sharing among individuals of the society
- To reduce on overspending and cut down on unnecessary consumption
2.2 The Opportunity

2.2.1 The Problem

People often purchase and store large amounts of goods in their homes. However, as not all items we purchase are daily necessities, many items often go unused for long periods of time, sitting dormant in store rooms gathering dust. For instance, a group of friends wanted to go camping during a weekend, but they do not have the necessary camping equipment such as tents, portable stove and camping table, so they went and bought the equipment which cost them at least RM400 in total. After usage, the item gets stored in the storage space of their home. Rarely used, these items hog up space and gathers dust in the store room. This yields zero return of any sort to the investment by owners, made worse by depreciation and the declining real-world value of said item.

According to our survey, nearly 50% of the people have many unused items in their house, and 60% of the people does not take any action on those items, instead continue keeping it in their house. Almost all of those that were surveyed think that these unused items were both a waste of money and a waste of space to them. SHARE fills the gap by providing individuals with a platform with which they can rent items for that special occasion they need.

*Spending behaviour of generation Y*

In Malaysia, there are approximately 11 million people which are considered as generation Y individuals. They make up about 39 percent of the population which totals 28.3 million people. According to Khan, Lai & Tan (2015), generation Ys have highly impulsive buying behavior when compared to older generations. The finding also revealed that income does not stimulate the impulse buying behavior because
generation Y consumers consistently spend their cash more promptly than individuals from older generations regardless of their financial ability. This behavior leads to individuals from generation Y to spend more than they earn, which is unsustainable in the long run.

**Green living**

The majority of Malaysians have basic environmental conservation knowledge and also harbor mostly positive attitudes towards green living. However, the lack of education results in a very low participation rate in green sustainable living (Haron, Paim & Yahana, 2005). According to Rahim, Zukni & Fauziah (2012), Malaysian youths also show positive attitude towards green campaigns and have some understanding of the term “green living”, but the actual number of people practicing “green living” is comparatively low.

2.2.2 The Solution

SHARE is a platform that allows owners to list their underutilised goods for rent by others. By creating an online marketplace with a large variety of offered goods, people are able to access a wide range of items which meets their needs. By renting instead of buying, users can save their hard-earned money to put to better use. In addition, owners can also gain a sustainable side income by renting out their goods, making full use of their goods and assets. SHARE also acts as an agent that facilitates the entire renting process to ensure that the process is done in a safe and efficient manner. According to a conducted survey, nearly 90% of people have a positive impression towards this proposed solution. Out of them, 70% are interested to use the platform to rent their items to others.
2.3 Competitive Advantage

2.3.1 The Business Model

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<th><strong>Key Activities</strong></th>
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<td>- Issue management</td>
<td>- Small and medium business owners</td>
</tr>
<tr>
<td><strong>Key Resources</strong></td>
<td><strong>Customer Segments</strong></td>
<td><strong>Channels</strong></td>
<td><strong>Revenue Streams</strong></td>
<td></td>
</tr>
<tr>
<td>- IT infrastructure</td>
<td>- College Students</td>
<td>- Mobile application</td>
<td>- Transactional commission (10% from renter and lender)</td>
<td></td>
</tr>
<tr>
<td>- Customer support representatives</td>
<td>- Small and medium business owners</td>
<td>- Website</td>
<td>- Targeted advertisement</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Cost Structure</strong></th>
<th><strong>Revenue Streams</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Advertising and promotional activities</td>
<td>- Transactional commission (10% from renter and lender)</td>
</tr>
<tr>
<td>- Platform maintenance and management</td>
<td>- Targeted advertisement</td>
</tr>
<tr>
<td>- Customer support and conflict resolution</td>
<td></td>
</tr>
</tbody>
</table>
2.3.2 Sustainable Competitive Advantage

In business terms, sustainable competitive advantages often refer to the assets, attributes or abilities of an organisation or company which are difficult for potential competitors to duplicate and imitate. In the service industry, physical products are often not part of the core business. As such, businesses in the service sector must differentiate themselves in other non-tangible ways. There are two main ways in which SHARE can create a sustainable competitive advantage. These include brand value as well as the strength of the user base.

SHARE creates a sustainable competitive advantage by the establishment of an identifiable brand which is credible, reliable and reputable to consumers. This sets up a barrier to entry for potential competitors, fending off newcomers with strategic brand assets. A powerful brand not only elicits a strong emotional response from users, it also builds a positive association to the overall brand experience. This all boils down to a strong marketing campaign, as well as superior customer service. With a commendable user experience, people are more likely to be loyal to the brand even if other similar services exist.

In the service industry, platforms such as SHARE can create a strong and sustainable competitive advantage through the growth and expansion of the user base. With strong networks in place, it will be very difficult for competitors to enter the market due to the need for simultaneous expansion of both the owners and renters which are required for rental transactions to occur. As an established platform with a large database of item listing, SHARE will likely be more attractive to new users as owners list their items on the platform in more significant numbers. With no competitors in the South-East Asian market, SHARE is able to capitalize on the first mover advantage to build a strong network of user base which will help deter potential competitors from entering the market.
2.4 Current Status and Requirements

2.4.1 Project Milestones

Figure 2.4.1: SHARE Project Milestones

- **JANUARY 2019**: Concept refinement, business model development
- **MARCH 2019**: Market survey, feasibility analysis
- **AUGUST 2019**: Completion of business proposal
- **SEPTEMBER 2019**: Pitching of business proposal to investors for seed funding
- **OCTOBER 2020**: Key hire of founding team
- **DECEMBER 2019**: Private beta launch, product testing
JANUARY 2020
Launch of platform

MARCH 2020
5k user signups

JUNE 2020
10k successful transactions

OCTOBER 2020
15k user signups

DECEMBER 2020
Breakeven of business

JANUARY 2021
Series A fundraising

MARCH 2021
50k signups, 2k daily transactions
INDUSTRY ANALYSIS

3.1 Industry Description

In order to ascertain the potential of SHARE, primary and secondary research was conducted to gauge the feasibility of such a service in the local market. A focus group was conducted in order to gain personal insights into a number of individuals. In addition, a survey was also carried out in order to gather feedback on the idea of a peer-to-peer renting platform. Likewise, secondary research in the form of journal reviews was also carried out. This allowed the team to further refine the concept and idea for SHARE to be launched in the local market of Malaysia.

3.1.1 Industry Trends

The Sharing Economy

According to Horton and Zeckhauser (2016), recent startups have brought a huge impact to the market with the introduction of ride and accommodation sharing services. New improvements in digital technology enables fast and precise transmission of information over long distances. This allows peer-to-peer (P2P) platforms to grow and scale like never before. There are many reasons for the heavy participation of startups in the sharing economy. The first is attributed to the economic incentives which can be derived from trade activities that are conducted on digital platforms. Peer-to-peer services allows the redistribution of value from the supplier towards the consumer, eliminating the need for middlemen in transactions. These services deliver more value to the consumers while providing higher earning opportunities to service providers. According to Nadler (2014), most platforms in the sharing economy engage in consumer-to-consumer (C2C) transactions. However, the
concept has a huge untapped potential in terms of business to consumer (B2C) and business-to-business (B2B) transactions. In the context of business-to-business, businesses can provide on-demand services or equipment to other businesses as needed. This allows businesses to reduce their marketing expenditure and spending, thus keeping their overhead costs to a minimum.

Sustainable living

Schor and Fitzmaurice (2014) states that the sharing economy can help to alleviate many of the environmental issues which are plaguing the society. Due to this, there are growing support from many governments towards the establishment of sharing economy startups. For example, the Seoul Metropolitan Government aims to resolve environmental issues by creating a “Seoul, Sharing City” project in which the government provides incentives to stimulate the establishment and growth of economic sharing startups. According to Hamari and Sjoklint (2015), people who view peer-to-peer services as a sustainable activity tend to have higher levels of participation in the sharing economy. Regardless, it is found that most people have a positive attitude towards the sharing economy as a whole.

3.1.2 Industry Size

Being a peer-to-peer rental platform, SHARE is aimed primarily at the urban population of Malaysia. As such, Klang Valley was chosen as the target geographical area for the launch of the platform. With a population of over 7.9 million, Klang Valley is home to a large number of people. The capital of Malaysia, Kuala Lumpur is situated right in the heart of Klang Valley. According to the latest government census conducted by the Department of Statistics Malaysia, the proportion of working age population in Malaysia (ages 15 to 64) has risen to an all time high of 67.3
percent. This equates to about 5.3 million people which makes up the total potential size of the industry. However, due to the impracticality of targeting the entire group of population, the practical industry size of SHARE will be broken down into smaller and more specific segment of the population.

**Chart 3.1.2: Population Demographic of Klang Valley**

In conjunction with our marketing strategies and service delivery processes, SHARE will primarily be targeted to the urban population in Klang Valley, aged 15 to 24. With a population share of 16.81, 15 to 24 year olds make up about 1.32 million people in Klang Valley. This represents the number of people which will mostly likely use the platform in the region of Klang Valley. As shown in the pie chart below, Malay and Chinese make up the majority of the population in the region. As such, marketing material, strategies and promotions will be geared heavily towards these 2 segments of the market.
It is important to note that as of 2015, over 80% of the population in Malaysia are smartphone users. Within this group of smartphone users, 97.7% of individuals have access to the internet. This illustrates the widespread adoption of smartphones as well as mobile internet in the nation. Hence, we can safely deduce that SHARE will be able to permeate across people of different ages, ethnicity as well as income levels, among others.

3.1.3 Industry Attractiveness

According to Yaraghi and Ravi (2017), the growth of economy sharing startups has been exponential over the last decade. The amount of smartphone users has increased tremendously due to the rise of the internet as a global communication network. New digital technologies enable the concept of economy sharing to work with higher speed, precision and efficiency. Munger (2016) states that young people no longer just want flashy products, they now demand services which bring about a
high level of convenience to them. The rapid growth of Airbnb and Uber validates the concept and feasibility of the platform as a service with high demand.

The concept of sharing economy started in the year of 2000 with the founding of Zipcar. Zipcar is a business-to-consumer (B2C) car rental service which enables urbanites to rent vehicles conveniently in many locations. Over the past decade, more and more peer-to-peer services have emerged and people started to become more exposed to the concept as well as the benefits of economic sharing. A few reputable examples include Airbnb, Uber, and Couchsurfing among others. In addition to physical goods, the sharing economy is also applicable for non-product services as well. One example is Skillshare.com, a platform that provides a multitude of peer-to-peer workshops and lessons ranging from music to coding and baking. Skillshare allows people to learn new skills while expanding their network with other like-minded individuals (Schor & Fitzmaurice, 2014).

3.1.4 Profit Potential

The profit potential of SHARE can be calculated in a number of ways. However, first we need the estimated number of the customer base in order to ascertain the realistic penetration rate which can be achieved in the local market. In order to get an accurate estimation, we will use a potential competitor called Rentzi from Australia as a comparison. Rentzi was picked as a reference point due to the similarities between the Australian and the Malaysian market. Australia has a population of 24.6 million, which is comparable to Malaysia’s population of 31.2 million. Both Malaysia and Australia has comparable smartphone adoption and internet penetration rates.

Despite the similarities, there are marked differences between both countries in terms of culture and geography which may affect the accuracy of the comparison. However, in this case, the geographical topography of Australia as well as the
distance between large cities such as Perth, Sydney and Adelaide may hinder Australian consumers from effectively utilising a rental platform. As such, the calculation which resulted from such a comparison between Rentzi of Australia and SHARE of Malaysia may result in prudent estimations for the local Malaysian market.

According to statistics from the internet traffic aggregation company Cruchbase, the actively monthly users of Rentzi number 2,894. Assuming that number is similar to a peer-to-peer rental platform established in Malaysia, we can expect an active monthly user base of about 2,000 by the end of the first year of launch.

Number of transaction x Average commission of each transaction = Commission revenue

Based on the formula laid out above, we are able to calculate the estimated revenue of SHARE on a monthly basis. Assuming that the average rental price of a transaction is RM50, and the average rental period is 1 day, the revenue from commission would be as follows.

2,000 (number of transactions) x RM10 (average commission of each transaction) = RM20,000

As illustrated above, a prudent estimate for the commission revenue of SHARE would be RM20,000 per month during the first year of the operation. This does not include other forms of revenue such as revenue from insurance premiums, targeted advertisements as well as logistics services. The estimated monthly sales, expenditure and income for the first 3 years of operation is shown in the table below.
Based on the calculation above, the net profit can be obtained by subtracting the expenditure with the commission revenue. Hence, this results in the remaining sum as profit, excluding other forms of revenue from insurance, advertising as well as logistics services. The other forms of revenue stream will contribute greatly towards the overall profitability of the platform, however, we have chosen to disregard these streams of revenue due to the difficulty in ascertaining an accurate estimate for those financial values.

According to the calculations above, we are able to calculate the penetration rate of SHARE based on the target market as well as the number of active users on the platform.

**Penetration Rate = Number of active users ÷ Size of target market x 100**

$$2,000 \ (active \ users) \ ÷ \ 1.32 \ million \ (target \ market) \ \times \ 100 = 0.2272$$

As per the calculation, the market penetration of SHARE is estimated to be 0.23% during the first year of operation. For comparison purposes, the market penetration of Airbnb is 4% in 2018. Established in 2008, Airbnb took a decade to achieve 4% penetration rate. Due to cultural differences as well as the slower rate of service adoption in Malaysia, a prudent approach would be to halve that number to 2% for the growth estimation of SHARE. Assuming that SHARE is able to achieve a 2%
market penetration 10 years after the commencement of operations, the number of active monthly users would be 26,400, as shown in the calculation below.

\[1,320,000 \times 0.02 = 26,400 \text{ (number of active users)}\]

Given that the active number of monthly users is 26,400, ceteris paribus, the monthly commission revenue would be RM264,000 as shown in the calculation below.

\[26,400 \times 10 = RM264,000\]

As evident from the calculations above, SHARE has a very huge potential for growth and expansion in the industry. The nature of SHARE as a digital platform provides it with an advantage in terms of operation scalability. Being able to sustain a large increase in active users without necessitating an equal increase in the proportion of expenditure gives SHARE a huge advantage when compared to traditional competitors in the rental industry.

3.2 Target Market

The target market of SHARE is comprised of 3 main groups, namely students, small and medium business owners, as well as hobbyists and enthusiasts of various activities. As SHARE is a platform which is accessible to the general public, the service is intended to be used by the general masses. However, our primary target audience will revolve around these 3 groups due to the potential of service adoption by individuals in these consumer groups.
Student groups are identified as the main target market of SHARE due to their evolving needs and demands. As students frequently require certain tools and equipment in their varsity life, SHARE provides affordable and accessible rental solutions for students which have limited income stream. As such, we believe a platform such as SHARE will likely appeal to students groups regardless of their geographical location.

Small and medium business owners frequently require specialised equipment and tools for certain occasions and events. However, it may not be wise to invest funds into the purchase of equipment whom usage is not required on a daily basis. As such, SHARE provides small and medium business owners with the ability to hire and rent items on a project basis, providing them with the necessary equipment and tools for a short duration of time. This enables massive cost savings and convenience for business owners as they are able to undertake business processes and operations with less financial investments.

Hobbyists and enthusiasts often purchase and invest financial resources into specialised gear necessary to support and maintain the hobby. For instance, fishing enthusiasts will often require their own fishing rod as well as other fishing gear, while figurine collectors often purchase their own set of painting kits to paint their models. This provides SHARE with an opportunity to tap into the vast market of hobbyists and enthusiasts to provide a platform for them to earn additional income by the rental of such equipment and tools. In addition, budding hobbyists and new enthusiasts can also rent hobby gear from the platform as a means to try their hands out on a new hobby without the need for hefty financial investments into the purchase of such items.
3.3 Competitive Position within Target Market

Table 3.3.1: SHARE Competitive Analysis Grid

<table>
<thead>
<tr>
<th>SHARE</th>
<th>Rentiki</th>
<th>Tryilo</th>
<th>落幕</th>
<th>Mintfly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview</strong></td>
<td>SHARE is a mobile based platform that allows equipment owners to lease and rent their items to others in exchange for rental income. Rentiki enables people and businesses alike to achieve their full potential and gain the most out of their goods and assets.</td>
<td>Tryilo is a peer-to-peer movie and music based rental community where users can both borrow products (such as electronics, games, books and gym equipment) with verified peers within the user neighbourhood.</td>
<td>落幕 provides a marketplace to facilitate the lending and renting of everyday household items.</td>
<td>Mintfly launched in June 2016 as an Android app that connects people who are looking to borrow an item with people who are looking to rent out their items.</td>
</tr>
<tr>
<td><strong>Rentiki</strong></td>
<td>Rentiki is a peer-to-peer movie and music based rental platform that is designed to turn the items people are not utilizing into an opportunity for a sustainable income.</td>
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<td>落幕 provides a marketplace to facilitate the lending and renting of everyday household items.</td>
<td>Mintfly launched in 2018, providing a digital platform to facilitate the lending and renting of everyday household items.</td>
</tr>
<tr>
<td><strong>Tryilo</strong></td>
<td>Tryilo is a peer-to-peer movie and music based rental platform that is designed to turn the items people are not utilizing into an opportunity for a sustainable income.</td>
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</tr>
<tr>
<td>Location</td>
<td>Malaysia</td>
<td>Australia</td>
<td>United States</td>
<td>Ireland</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------</td>
<td>-----------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td>Kuala Lumpur</td>
<td></td>
<td></td>
<td>Dublin</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add-on features</td>
<td>- Provide logistics solutions</td>
<td>- Rating system</td>
<td>- N/A</td>
<td>- Provides</td>
</tr>
<tr>
<td></td>
<td>- Insurance provided</td>
<td></td>
<td></td>
<td>insurance options</td>
</tr>
<tr>
<td></td>
<td>- Rating system</td>
<td></td>
<td></td>
<td>Rating system</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>- Focus strategy (focuses on niche products such as electronic gadgets, hobbyist equipment and outdoor equipment)</td>
<td>- Cost leadership (charge only 10% commission from each successful transaction)</td>
<td>- N/A</td>
<td>- Differentiation (allows users to create their own unique communities on the platform)</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>First mover advantage in Malaysia</td>
<td>First mover advantage in Australia</td>
<td>Gained many user signups before the launch of the app</td>
<td>Allows users to build their own communities on the platform</td>
</tr>
<tr>
<td>Strength</td>
<td>- Only service provider in Malaysia</td>
<td>- Only service provider in Australia</td>
<td>- Encourage users to sign up by giving multiple perks and benefits</td>
<td>- Large number of users</td>
</tr>
<tr>
<td>Weaknesses</td>
<td>- Service only available on mobile-based platform</td>
<td>- Low number of users leads to limited item listing</td>
<td>- N/A</td>
<td>- Does not provide delivery options</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Current Performance</td>
<td>- In the midst of completing business proposal</td>
<td>- Experiencing slow growth due to the diverse geographics and demographics of Australia</td>
<td></td>
<td>- Obtained $1 million in seed funding</td>
</tr>
</tbody>
</table>
Figure 3.3.2: SHARE Strategic Group Mapping

Degree of service interaction
MARTKETING PLAN

4.1 Service Feasibility Analysis

4.1.1 Full Description of the Service Offered

SHARE is a peer to peer, community rental platform which allows users to list their unused items for rent. The platform offers a centralised location for item listing, as well as a means for rental transactions to take place. As such, SHARE is an intermediary in the rental process, giving renters and rentees a transparent and reliable platform to carry out rental activities.

As a digital platform, SHARE has no brick and mortar presence. This rental platform is made possible through the use of mobile application and website, which serves as the customer touchpoint for the entire rental process. By utilizing the internet to keep the rental process simple and efficient, SHARE is able to leverage the digital connectivity of users to create value for rental transactions.

In addition to providing core service as an intermediary, SHARE also enhances the rental experience by providing other value-added services such as insurance coverage and logistics solution for transacted goods. These optional services bring additional value to the users, encouraging owners to trade with peace of mind.

The insurance coverage provides financial compensation to the owner in the event that their goods are damaged or lost during the rental period. Logistics solution of SHARE provides pick-up and delivery services for both the collection as well as the return of goods.
4.1.2 Concept Testing

In order to evaluate consumer attitudes and acceptance towards a service platform such as SHARE, concept testing in the form of market survey was conducted on a respondent sample size of 300 in and around the region of Klang Valley. The survey questionnaire aims to ascertain the behavior and preferences of consumers towards their spending habits pertaining to non-essential goods on a monthly basis. The questionnaire also questions the respondents on unused goods stored in their homes, as well as their attitude and opinion towards the renting of goods.

4.2 Pricing Strategy

The download and usage of the application is free, and users are not required to pay to use the platform to conduct their rentals. However, SHARE charges a transaction fee of 10% to both the Owner and Renter from the total amount of the transaction. The fee is charged in addition to the rental fee that is paid by the Renter and also deducted before the payment for the remaining rental is made to the Owner. As a Renter, you agree to pay the amount posted or agreed to by the Owner of the item you want to rent, which includes the 10% transaction fee charged by SHARE for the use of the platform. Owners are free to post as many listings onto the platform as they wish without any charge.

Therefore, for a rental transaction which cost RM100, the renter will have to pay RM110 while the owner will receive RM90. SHARE collects 10% of the amount on both the Owner and the Renter. This ensures that the costs of the platform are shared evenly by both participating parties. By only charging a small amount of
transactional fee, we help renters to save money while allow owners to make some additional income on the side with very little effort.

Table 4.2: SHARE Pricing List

<table>
<thead>
<tr>
<th>Action</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration / Signup</td>
<td>FREE</td>
</tr>
<tr>
<td>Item Listing</td>
<td>FREE</td>
</tr>
<tr>
<td>Transaction fee</td>
<td>10% of the rental amount (Owner and Renter)</td>
</tr>
<tr>
<td>Late Return fee</td>
<td>Refer to “Late Return Fee” below</td>
</tr>
</tbody>
</table>

Late Return Fees
Once the mutually agreed rental period is up, payment for the transaction for the owner is paid into their bank account. If there are any discrepancies and/or conflicts on the item return time (owner claims that his/her item was returned later than the agreed time or not at all), late fees will be charged to the renter on a daily basis. SHARE calculates the late fees based at 150% daily rental rate of the affected item. For example, if the rental of an item is RM100 per day, the late fee would be RM150 per day. Late fees will be charged directly to the renter via the debit or credit card on file.
4.3 Channel of Distribution

Being a smartphone app, the application of SHARE can be downloaded and installed from the Google Play Store (Android) and Apple App Store (iOS). The entire booking and payment process will be carried out online through the app. After the booking has been accepted by the owner, the renter is required to pick up the item at the designated location. Optional logistical service can be provided at an additional charge. The initial launch of the service will be in the region of Kuala Lumpur / Klang Valley with a corresponding office in the area to handle business operations. SHARE expects to expand its service to Penang and Johor within 2 years of operation and throughout countries in South-East Asia such as Singapore, Thailand and Indonesia in the near future.

4.4 Advertising and Promotion

The advertising and promotion of SHARE will be done mainly through digital channels such as social media, news portals as well as email communication. The offline aspect of the promotion will involve setting up booths at shopping malls, expos and conventions to increase the brand presence in the targeted regions. In addition, a referral programme will be set up to encourage users to refer the platform to their friends and families. The detailed advertising and promotional plans are outlined below..

Digital Marketing

The majority of online marketing will be conducted on social media platforms such as Facebook, Instagram and Twitter. Advertisements will be targeted towards specific groups of users which reside in the area of coverage for SHARE. The main intended age group for the targeted ads will be users between the ages of 20 to 45. In
addition, an official page will be set up to handle business enquiries and other customer support services.

Being a picture-heavy platform, SHARE will also establish an official Instagram account in order to promote the service towards interested users. Targeted advertisements will be carefully curated to drive traffic to the platform, encouraging users to sign up and use the service to accomplish their daily tasks. Contests and other giveaways will be run on Facebook and Instagram to engage the audience while providing them with incentives to use SHARE.

An official Twitter account will also be set up to provide the company with a channel to issue statements to external parties. The presence of SHARE in major platforms such as these will help the company to solidify its presence on the internet while allowing users and customers to connect and engage with the firm. This provides SHARE with an accessible way to collect feedback from users while greatly improving response times towards customer complaints and/or enquiries. As such, these social media platforms pages will make up the majority of SHARE’s online presence on the internet.

Direct Marketing

As an entirely online-based service, SHARE does not have any brick and mortar presence. However, on-site marketing campaigns are still crucial and necessary in the advertising and promotional plans of the company. The physical presence of SHARE will allow individuals to better understand the service in person while giving them the opportunity to voice their opinions, concerns and/or feedback for improvement.

Booths are to be set up in shopping malls, technological expos and areas with high traffic to attract crowds. This allows the company to distribute vouchers and/or
other goodies which can help to establish the brand in the mind of potential customers. In addition, the presence of SHARE in important conventions and events also helps the company to attract talent to join the company. Hence, on-ground marketing and promotion will be another crucial aspect of SHARE’s advertising and promotional efforts.
OPERATION PLAN

5.1 Method of Service Delivery

The service delivery is comprised of two parts, one online and the other offline. The online aspect of service delivery involves the pairing of renters with the owners of goods. This is done through the SHARE application which filters and displays the goods for rent based on the search performed by the user. Using keyword algorithms and predictive analysis to track the search information of users, SHARE is able to display a list of results based on the relevancy of the items towards the input of the user.

In addition to connecting supply with demand, the online service delivery of share also encompasses the payment as well as the processing of rental transactions which are carried out on the platform. This allows users to remotely access and conduct rental transactions throughout the day, as the mobile application allows near instantaneous communication and update on the rental processes of goods.

The offline aspect of service delivery involves logistical solutions which facilitates the transportation of goods from the owner to renter and vice versa. This is carried out after the payment and confirmation of the online transaction. Logistics solution providers complete the final part of the service delivery by providing pick-up and drop-off services for the rented goods. This completes the service delivery method of SHARE, outlining the aspects in which the service is carried out and delivered to our customers.
### Table 5.1.1 Service Blueprint

<table>
<thead>
<tr>
<th>TIME</th>
<th>10 - 30 mins</th>
<th>5 - 15 mins (travel time varies)</th>
<th>1 min</th>
<th>Varies according to rental duration</th>
<th>5 - 15 mins (travel time varies)</th>
<th>1 min</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVIDENCE</td>
<td>Mobile application</td>
<td>Pre-agreed location</td>
<td>Mobile application</td>
<td>-</td>
<td>Pre-agreed location</td>
<td>Mobile application</td>
</tr>
<tr>
<td>CUSTOMER JOURNEY</td>
<td>Log-in to application</td>
<td>Browse and choose items to rent</td>
<td>Choose rental duration and delivery/insurance add-ons</td>
<td>Make payment in-app</td>
<td>Arrange with owner for pickup of rented goods</td>
<td>Pick up items from owner at specified location</td>
</tr>
<tr>
<td>FRONT STAGE TECHNOLOGY</td>
<td>IC verification</td>
<td>Displays search results and item location</td>
<td>Displays item availability</td>
<td>Collects payment information</td>
<td>Provides chat function between renter and rentee</td>
<td>In-app popup reminder for collection confirmation</td>
</tr>
<tr>
<td>BACK STAGE TECHNOLOGY</td>
<td>Analysis and storage of data</td>
<td>Input algorithm processes, data extraction</td>
<td>Database amendment and update</td>
<td>Payment processing and confirmation</td>
<td>Message relaying and monitoring</td>
<td>Status confirmation and update</td>
</tr>
<tr>
<td>BACK STAGE EMPLOYEE ACTION</td>
<td>Verification and approval of user registration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SUPPORT PROCESSES</td>
<td>Search analytic logs</td>
<td>-</td>
<td>Payment process</td>
<td>3rd party logistics service*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TIME</td>
<td>10 - 30 mins</td>
<td>1 min</td>
<td>5 - 10 mins</td>
<td>5 - 15 mins (travel time varies)</td>
<td>5 - 15 mins (travel time varies)</td>
<td>1 min</td>
</tr>
<tr>
<td>------------</td>
<td>--------------</td>
<td>-------</td>
<td>-------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>EVIDENCE</td>
<td>Mobile application</td>
<td>Mobile application</td>
<td>Mobile application</td>
<td>Pre-agreed location</td>
<td>Pre-agreed location</td>
<td>Mobile application</td>
</tr>
<tr>
<td>ITEM OWNER’S JOURNEY</td>
<td>Log-in to application</td>
<td>Create a listing of goods for rent</td>
<td>Upload relevant info and picture(s)</td>
<td>Receives rent request from renter</td>
<td>Approve / Reject rent based on information received</td>
<td>Receive payment confirmation for rental</td>
</tr>
<tr>
<td>FRONTSTAGE TECHNOLOGY</td>
<td>IC verification</td>
<td>New listing page</td>
<td>Picture upload tool</td>
<td>In-app popup reminder</td>
<td>Provides approve / reject option</td>
<td>Payment confirmation notification and email</td>
</tr>
<tr>
<td>BACKSTAGE TECHNOLOGY</td>
<td>Analysis and storage of data</td>
<td>-</td>
<td>Database amendment and update</td>
<td>Relay of information to owner</td>
<td>Relay of approval / rejection notice to renter</td>
<td>Database update of item availability</td>
</tr>
<tr>
<td>BACKSTAGE EMPLOYEE ACTIONS</td>
<td>Verification and approval of user registration</td>
<td>-</td>
<td>Screening and verification of data</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SUPPORT PROCESSES</td>
<td>-</td>
<td>Adaptive information suggestion</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Payment process</td>
</tr>
</tbody>
</table>
5.2 Availability of Qualified Labour Pool

Due to budgetary limitations and for practical reasons, all 3 founders will form the working team of SHARE in the initial stage. As core members of the company, the 3 founders will work on the variety of tasks which are necessary for the daily operation of the business. These include finance, operations, marketing, advertising, branding, public relations and customer relations. Ms. Cheah will be handling finance and operations, as well as other finance-related activities such as transactions, P&L management, cash flow management and sales management. She will also be monitoring the update of items from the mobile application to ensure proper function of the rental marketplace. On the other hand, Mr. Lim will be handling the marketing, advertising and branding side of the business. He will also be responsible in planning the marketing and advertising campaigns, as well as the development and management of KPIs to measure the impact of marketing campaigns. Besides this, he will also set long term strategic goals for the company to achieve. Lastly, Mr. Chong will be handling public relations and customer support of SHARE. He will be managing the entire process of customer lifecycle, from acquisition to retention and support of customers.

As part of the startup process, external application developers will be engaged to develop the mobile application of SHARE. Arbisoft is chosen as the preferred mobile application developer due to their experience and reputation in developing tech-related mobile applications for other startups. In addition to developing the mobile application in both the Android and iOS version, Arbisoft will also be required to conduct routine maintenance on the application to ensure the proper function of all app-related features.
5.3 Customer Support

Customer support is a very important part of a business because it is the key towards successful customer retention in the long run. Good customer support can go a long way towards building the loyalty of customers which greatly benefits the firm. By providing an attentive and responsive customer service, the company can recoup customer acquisition and retention costs through the loyalty of its customers. Loyal customers are akin to voluntary brand ambassadors of the company as they often promote the brand to their friends and families without any hesitation. Being a service-based platform, it is extremely important for SHARE to provide excellent customer support in order to build a good customer service reputation.

All customer support services will be conducted online through the various channels which SHARE uses to connect with its customers. Due to the availability of various platforms such as Facebook, Instagram and Twitter, there will be a need for consistency in terms of how customer enquiries and complaints are handled. As such, a standard service protocol will be established to conduct the customer service process in an orderly and consistent manner across different platforms.

Aside from consistency, another important factor in the customer service process involves the speed in which enquiries, disputes and complaints are resolved. Speed represents a key factor for customer service representatives as it is a critical factor of consideration in customer service. Responses which are timely and speedy creates a lasting positive impression in the minds of consumers, as such, the customer service of SHARE needs to be very fast and responsive. As such, an instant automated reply system will be implemented to deal with common customer requests and enquiries.

However, in the event that a customer requires more complicated support services, they can choose to send an email directly to the customer support of
SHARE. All enquiries and emails will be replied within 24 hours by the customer support representative of the company. Should a more direct contact channel become necessary, the company may choose to contact customers via phone to speed up communication efforts.
6.1 Management Team

The management team of SHARE is comprised of 3 members, namely Lim Jun Hong, Cheah Xin Yi and Chong Yik Jing. The experiences, abilities and expertise of all 3 members are listed in the chart below.

<table>
<thead>
<tr>
<th>Table 6.1: SHARE Management Team</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Lim Jun Hong</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Experiences</strong></td>
<td>- Co-founder of Inkoperated Printing</td>
</tr>
<tr>
<td></td>
<td>- Sunway Group Branding Intern</td>
</tr>
<tr>
<td></td>
<td>- Idea generation and refinement</td>
</tr>
<tr>
<td></td>
<td>- Digital marketing strategist</td>
</tr>
<tr>
<td></td>
<td>- Brand management and communications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Cheah Xin Yi</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Experiences</strong></td>
<td>- Co-founder of Inkoperated Printing</td>
</tr>
<tr>
<td></td>
<td>- The Picha Project Intern</td>
</tr>
<tr>
<td></td>
<td>- Account and finance management</td>
</tr>
<tr>
<td></td>
<td>- Budget planning</td>
</tr>
<tr>
<td></td>
<td>- Operations management</td>
</tr>
<tr>
<td></td>
<td>- Graphic design, content creation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Chong Yik Jing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Experiences</strong></td>
<td>- Founder of Herbal Shack</td>
</tr>
<tr>
<td></td>
<td>- Market research and peer survey</td>
</tr>
<tr>
<td></td>
<td>- Application and platform development</td>
</tr>
<tr>
<td></td>
<td>- Customer management</td>
</tr>
</tbody>
</table>

|                      | - Idea generation and refinement                                               |
|                      | - Digital marketing strategist                                                 |
|                      | - Brand management and communications                                          |

<table>
<thead>
<tr>
<th></th>
<th><strong>Management Abilities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Account and finance management</td>
</tr>
<tr>
<td></td>
<td>- Budget planning</td>
</tr>
<tr>
<td></td>
<td>- Operations management</td>
</tr>
<tr>
<td></td>
<td>- Graphic design, content creation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Technical Expertise</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Video editing</td>
</tr>
<tr>
<td></td>
<td>- 3D modelling</td>
</tr>
<tr>
<td></td>
<td>- Photo editing</td>
</tr>
<tr>
<td></td>
<td>- Spreadsheet creation and management</td>
</tr>
<tr>
<td></td>
<td>- Photo shooting</td>
</tr>
</tbody>
</table>

|                      | - Market research and peer survey                                             |
|                      | - Application and platform development                                         |
|                      | - Customer management                                                        |

|                      | - Idea generation and refinement                                               |
|                      | - Digital marketing strategist                                                 |
|                      | - Brand management and communications                                          |

<table>
<thead>
<tr>
<th></th>
<th><strong>Technical Expertise</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Video editing</td>
</tr>
<tr>
<td></td>
<td>- 3D modelling</td>
</tr>
<tr>
<td></td>
<td>- Photo editing</td>
</tr>
<tr>
<td></td>
<td>- Spreadsheet creation and management</td>
</tr>
<tr>
<td></td>
<td>- Photo shooting</td>
</tr>
</tbody>
</table>

|                      | - Market research and peer survey                                             |
|                      | - Application and platform development                                         |
|                      | - Customer management                                                        |

|                      | - Idea generation and refinement                                               |
|                      | - Digital marketing strategist                                                 |
|                      | - Brand management and communications                                          |

<table>
<thead>
<tr>
<th></th>
<th><strong>Technical Expertise</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Video editing</td>
</tr>
<tr>
<td></td>
<td>- 3D modelling</td>
</tr>
<tr>
<td></td>
<td>- Photo editing</td>
</tr>
<tr>
<td></td>
<td>- Spreadsheet creation and management</td>
</tr>
<tr>
<td></td>
<td>- Photo shooting</td>
</tr>
</tbody>
</table>

|                      | - Market research and peer survey                                             |
|                      | - Application and platform development                                         |
|                      | - Customer management                                                        |

|                      | - Idea generation and refinement                                               |
|                      | - Digital marketing strategist                                                 |
|                      | - Brand management and communications                                          |
6.2 Key Professional Service Providers

As a tech startup, SHARE requires multiple services providers in key aspects such as law and finance of the business. The chart below indicates the service providers necessary in order for the establishment and operation of the business, in addition to their function and purpose in the organisation.

<table>
<thead>
<tr>
<th>Function</th>
<th>PwC Malaysia</th>
<th>Azmi and Associates</th>
<th>Arbisoft</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provides auditing services for company accounts</strong></td>
<td></td>
<td>Provides legal consultation for the establishment of the business entity</td>
<td>Develop the SHARE mobile application to carry out the renting process</td>
</tr>
<tr>
<td><strong>Examines financial records and conducts annual audit of the accounts of the firm</strong></td>
<td></td>
<td>Draft contract agreements, oversee and advise on legal matters pertaining to the regulatory aspects of the business</td>
<td>Develop and maintain the SHARE mobile application, ensuring the app is updated on a regular basis</td>
</tr>
</tbody>
</table>
COMPANY STRUCTURE, INTELLECTUAL PROPERTY
AND OWNERSHIP

7.1 Organizational Chart

The company consists of three founders which will work on different functions and department in respect to the strengths of each individual. Ms. Cheah will be handling the finance and operation side of the business. She will be in charge of customer transactions, P&L management, cash flow management as well as the sales management of SHARE. Being the one in charge of operations, she will be monitoring the updates in the rental marketplace while ensuring the proper function of the entire renting process. As the person in charge of operations, she is required to solve operational problems which may occur in the day-to-day operations of the
company. These problems may include website and application issues, payment delay and error among others.

Mr. Chong will be handling the public relations and customer support department. As a customer support manager, he is required to manage the various user issues and conflicts which may arise from the renting process on the platform. Mr. Chong will work with the operations department to troubleshoot customer issues such as payment errors, damaged items and lost goods. He is required to anticipate the demands of users and implement new strategies and solutions to tackle those expected demands and needs.

Last but not least, the marketing manager will be responsible in strategising advertising and promotional strategies while monitoring the effectiveness of current marketing campaigns of the company. Mr. Lim will be required to plan and implement new marketing campaigns and ideas for SHARE while managing and developing the brand image of the company. He is required to develop and track relevant KPIs to measure the impact and effectiveness of the various marketing campaigns of the company.
7.2 Legal Structure

7.2.1 Legal Form of Organisation

We have chosen Limited Liability Partnership (LLP) as the legal structure of the business. As the Limited Liability Partnership is a form of Limited Liability Company (LLC) which consists of two or more partners. Limited Liability Partnerships are private limited entities, hence such firms cannot offer shares to raise funds, regardless publicly or privately. However, LLP’s partners are not responsible for the company’s debts, hence they have a limited liability in the company.

One main advantage of LLP businesses are the firms’ continued, perpetual existence regardless of the participation of its partners and owners. Such companies do not get dissolved when the founder or owner dies. Instead, new partners can be appointed, which ensures that the company can continue operating even with partner, owner and/or management changes.

For a small fledgling startup such as SHARE, LLP would be the best option for the time being. However, if the need arises, a Private Limited (Sdn. Bhd.) company can be established in place of the LLP. This opens up the option of selling bonds and shares to external parties as a way to finance its operations. Access to capital for private limited firms are far higher than sole proprietors and partnerships, as private limited companies can issue IPOs to finance their expansion and/or operations once it reaches a desirable scale. (Dinesh, 2018).

Another unique aspect in the advantage of LLP firms in Malaysia is the low tax rate when compared to other models of businesses. The corporate tax rate for LLPs is 17% for the first RM 500,000 in revenue and 24% beyond that sum. This is
lower compared to some other forms of legal structure which can charge upwards of 25% tax rate. (Dinesh, 2018).

Disadvantages of the LLP form of legal structure includes its inability to be converted into a Private Limited Entity. If the partners of SHARE decide to convert the firm into a Private Limited Company, they are required to dissolve the existing LLP before registering for the Private Limited certification in its place. (Dinesh, 2018). However, due to the nature of the business as well as the benefits and advantages of the entity type, the Limited Liability Partnership (LLP) is still regarded as the legal structure which is most appropriate for SHARE to begin with.

7.2.2 Ownership Structure of Business

SHARE will be established as a Limited Liability Partnership, hence the management team will contribute startup capital in exchange for the firm’s ownership. The amount of financial investment each member makes, along with the percentage of business ownership is listed below in the table 7.2.2.

<table>
<thead>
<tr>
<th>Name</th>
<th>Investment (RM)</th>
<th>Share Ownership (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lim Jun Hong</td>
<td>30,000</td>
<td>30</td>
</tr>
<tr>
<td>Cheah Xin Yi</td>
<td>30,000</td>
<td>30</td>
</tr>
<tr>
<td>Chong Yik Jing</td>
<td>40,000</td>
<td>40</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100,000</td>
<td>100</td>
</tr>
</tbody>
</table>

As the required startup capital is RM100,000, no additional external funding is necessary for the establishment of the business.
FINANCIAL PLAN

8.1 Capital Requirements for the Next 3 Years

As an online based platform, SHARE will not require a substantial amount of capital to kick start its operations. However, funds are still required in order to set up websites and mobile applications. In addition, marketing and promotional efforts will take up a large share of the total financial expense. In addition, funds are also needed to support the staff of the company, which involves the founders, IT staff as well as customer support representatives.

After conducting the necessary calculations, SHARE is expected to require a capital of RM100,000 in the first three years of operation. This amount will include the cost of developing the mobile app and the website, as well as the registration and the operation of the company with all necessary personnel. Out of the entire sum, an estimated amount of RM10,000 will be used to develop and maintain the application and the website, while another RM5,000 will be allocated for company registration and other legal purposes.

In regard to other expenses, RM30,000 will be allocated for the payment of salaries while RM20,000 will be allocated for the rental payment of the office necessary for the operation of the company during the first year of the operation. Out of the remaining sum of RM35,000, RM5,000 will be used for miscellaneous fees such as utility and bill payment, internet and company phone bills, as well as other costs arising from the daily operation of the company.

The budget for marketing and promotion during the first year will be RM20,000, while the remaining RM10,000 will be used as a reserve to deal with unexpected expenses which may arise from the operations of the company.
The source of funds will come entirely from the three founders, with Chong Yik Jing contributing RM40,000 while Cheah Xin Yi and Lim Jun Hong will contribute RM30,000 each. As such, shares will be given out based on the proportion of the investment in relative to the total investment from all 3 founders.

8.1.1 Start-up Cost

Table 8.1.1: SHARE Start-up Cost

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Price (RM)</th>
<th>Quantity (Units)</th>
<th>Total (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company name reservation</td>
<td>30.00</td>
<td>1</td>
<td>30.00</td>
</tr>
<tr>
<td>2</td>
<td>Company registration fee (LLP)</td>
<td>500.00</td>
<td>1</td>
<td>500.00</td>
</tr>
<tr>
<td>3</td>
<td>Company certificate</td>
<td>47.70</td>
<td>1</td>
<td>47.70</td>
</tr>
<tr>
<td>4</td>
<td>Business cards</td>
<td>0.20</td>
<td>1000</td>
<td>200.00</td>
</tr>
<tr>
<td>5</td>
<td>Mobile application development</td>
<td>70,000.00</td>
<td>1</td>
<td>70,000.00</td>
</tr>
<tr>
<td>6</td>
<td>Google Play Store fee</td>
<td>100.00</td>
<td>1</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>70,877.70</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8.2 Overview of Financial Projection

The financial projection of SHARE is prepared based on current market rates which are found and determined through research. The revenues of SHARE is estimated based on the potential user base from the target market of the company. The company is estimated to gain an estimated 30,000 users in the first year of operation, with each user contributing RM5 on average over the course of one year. This is calculated by multiplying the number of times a user uses SHARE with the average profit earned by the company for each use.

The advertising and promotional budget for SHARE will be allocated in the beginning of the fiscal year, and as such, the budget for marketing will not be tied to the yearly revenue of the company. Additionally, the operations of SHARE will be run from a rented co-working space called Common Ground. As such, there will be no monthly utility and internet charges as they are included as part of the office space rental. Salary of the management team will be paid at RM2,700 for each staff, with an increment of RM200 each year. In line with the Employees Provident Fund Act 1991 (Act 452), the company will pay 13% of EPF for salaries of RM5,000 and below. SOCSO payments will also be paid according to the set rates of contribution.

After conducting a study on the value of the items people are likely to rent in their daily lives, it is found that the average rental rate for different items is around RM50. Hence, with a commission rate of 10%, RM50 will result in a net profit of RM2.50 for each rental transaction which is conducted through SHARE. Based on a survey of 300 respondents, it is estimated that each user will likely require rental of goods and items for at least twice in the span of a year. Hence, RM2.50 when multiplied by the average usage rate of users results in RM5 of contribution per user each year.
With a targeted user base of 30,000 during the first year of operations, SHARE is expected to rake in a revenue of RM150,000 in the first year. The revenue for the second and third year is calculated in the same way using updated rates. The expenses, on the other hand, are calculated based on market rates of application development, maintenance, as well as other aspects such as office rental and utilities. Some expenses are held steady over the course of 3 years while some others are calculated on an incremental basis which reflects the real world inflation of value.

Corporate tax of 17% will be charged for companies with revenue of RM500,000 or less. There will also be a yearly fee of RM400 for the hosting of the mobile application on the Apple App Store as well as a one-time fee of RM100 for application hosting on the Google Play Store. Development of the application itself will cost RM50,000 which includes both the iOS and Android versions of SHARE. IT support and maintenance will be contracted to external vendors, as such, no full time IT staff will be hired in the initial 3 years of operation.

The financial projection is calculated prudently, with most costs on the higher side of the spectrum while revenue being on the lower end of the scale. This allows for room in errors of judgement as well as for unexpected expenses which may arise throughout the course of the business. According to this prudent calculation, it is assumed that SHARE will be able to break even in the 2nd year of operation, recouping the RM100,000 which is invested to kick start the business.
### 8.3 Pro Forma Income Statement

#### Table 8.3: SHARE Pro Forma Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assumptions</strong></td>
<td>2019 (RM)</td>
<td>2020 (RM)</td>
<td>2021 (RM)</td>
</tr>
<tr>
<td>Users</td>
<td>24,000 users</td>
<td>55,000 users</td>
<td>95,000 users</td>
</tr>
<tr>
<td>Transactions</td>
<td>12,000 transactions</td>
<td>25,200 transactions</td>
<td>36,000 transactions</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10% Transaction Commission (renter)</td>
<td>120,000.00</td>
<td>252,000.00</td>
<td>360,000.00</td>
</tr>
<tr>
<td>10% Transaction Commission (lender)</td>
<td>120,000.00</td>
<td>252,000.00</td>
<td>360,000.00</td>
</tr>
<tr>
<td>Targeted Advertisement (RM0.01/ impression)</td>
<td>960.00</td>
<td>2,200.00</td>
<td>4,000.00</td>
</tr>
<tr>
<td><strong>Total Sales</strong></td>
<td>240,960.00</td>
<td>506,200.00</td>
<td>724,000.00</td>
</tr>
<tr>
<td><strong>Cost of Goods Sold</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance expense</td>
<td>100,000.00</td>
<td>150,000.00</td>
<td>250,000.00</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>140,960.00</td>
<td>356,200.00</td>
<td>474,000.00</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General cost</td>
<td>70,877.70</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Business renewal</td>
<td>200.00</td>
<td>200.00</td>
<td>200.00</td>
</tr>
<tr>
<td>Domain renewal</td>
<td>620.00</td>
<td>620.00</td>
<td>620.00</td>
</tr>
<tr>
<td>Telephone bill</td>
<td>600.00</td>
<td>600.00</td>
<td>600.00</td>
</tr>
<tr>
<td>Office rental (coworking space)</td>
<td>14,400.00</td>
<td>14,400.00</td>
<td>14,400.00</td>
</tr>
<tr>
<td>Apple App Store fee</td>
<td>400.00</td>
<td>400.00</td>
<td>400.00</td>
</tr>
<tr>
<td>IT support &amp; maintenance</td>
<td>15,000.00</td>
<td>18,000.00</td>
<td>21,600.00</td>
</tr>
<tr>
<td></td>
<td>12,000.00</td>
<td>24,000.00</td>
<td>48,000.00</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Advertising &amp; Promotion -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising &amp; Promotion -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary (permanent employees)</td>
<td>97,200.00</td>
<td>104,400.00</td>
<td>111,600.00</td>
</tr>
<tr>
<td>Salary (part time employees)</td>
<td>5,376.00</td>
<td>10,752.00</td>
<td>16,128.00</td>
</tr>
<tr>
<td>EPF (Company) 13%</td>
<td>12,636.00</td>
<td>13,572.00</td>
<td>14,508.00</td>
</tr>
<tr>
<td>SOCSO (Company)</td>
<td>144.45</td>
<td>154.95</td>
<td>165.45</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>239,054.15</td>
<td>201,498.95</td>
<td>252,221.45</td>
</tr>
<tr>
<td>Earnings before interest and tax</td>
<td>(98,094.15)</td>
<td>154,701.05</td>
<td>221,778.55</td>
</tr>
<tr>
<td>Tax expense (17%)</td>
<td>0.00</td>
<td>9,623.17</td>
<td>37,702.35</td>
</tr>
<tr>
<td><strong>Earnings after interest and tax</strong></td>
<td>(98,094.15)</td>
<td>145,077.88</td>
<td>184,076.20</td>
</tr>
</tbody>
</table>
8.4 Cash Flow Projection

<table>
<thead>
<tr>
<th>Table 8.4: SHARE Cash Flow Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year 1</strong></td>
</tr>
<tr>
<td><strong>2019 (RM)</strong></td>
</tr>
<tr>
<td>Cash Available</td>
</tr>
<tr>
<td>Operating Revenue</td>
</tr>
<tr>
<td>10% Transaction Commission (renter)</td>
</tr>
<tr>
<td>10% Transaction Commission (lender)</td>
</tr>
<tr>
<td>Targeted Advertisement</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
</tr>
<tr>
<td>Total Cash Available</td>
</tr>
<tr>
<td>Cash Disbursement</td>
</tr>
<tr>
<td>Insurance expense</td>
</tr>
<tr>
<td>Business renewal</td>
</tr>
<tr>
<td>Domain renewal</td>
</tr>
<tr>
<td>Telephone bills</td>
</tr>
<tr>
<td>Office rental (coworking space)</td>
</tr>
<tr>
<td>Apple App Store fee</td>
</tr>
<tr>
<td>IT support &amp; maintenance</td>
</tr>
<tr>
<td>Advertising &amp; Promotion - Online</td>
</tr>
<tr>
<td>Advertising &amp; Promotion - Offline</td>
</tr>
<tr>
<td>Salary (permanent employees)</td>
</tr>
<tr>
<td>Salary (part time employees)</td>
</tr>
<tr>
<td>EPF (Company) 13%</td>
</tr>
<tr>
<td>SOCSO (Company)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Tax expense</td>
</tr>
<tr>
<td>Total Cash Disbursement</td>
</tr>
<tr>
<td>Cash Balance at the end of the year</td>
</tr>
</tbody>
</table>
8.5 Pro Forma Balance Sheet

Table 8.5: SHARE Pro Forma Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019 (RM)</td>
<td>2020 (RM)</td>
<td>2021 (RM)</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>1,905.85</td>
<td>146,983.73</td>
<td>331,059.92</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,905.85</td>
<td>146,983.73</td>
<td>331,059.92</td>
</tr>
<tr>
<td><strong>Owner's Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital investment</td>
<td>100,000.00</td>
<td>1,905.85</td>
<td>146,983.73</td>
</tr>
<tr>
<td>Net loss / profit</td>
<td>(98,094.15)</td>
<td>145,077.88</td>
<td>184,076.20</td>
</tr>
<tr>
<td><strong>Total Shareholder's Equity</strong></td>
<td>1,905.85</td>
<td>146,983.73</td>
<td>331,059.92</td>
</tr>
</tbody>
</table>
8.6 Payback and Exit Strategy

8.6.1 Payback Period

Table 8.6.1: SHARE Payback Period

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow (RM)</th>
<th>Cumulative Cash Flow (RM)</th>
<th>Discount Rate</th>
<th>(DR+1)^t</th>
<th>Net Present Value (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>(100,000.00)</td>
<td>(100,000.00)</td>
<td>5%</td>
<td>1.00</td>
<td>(95,238.10)</td>
</tr>
<tr>
<td>1 (a)</td>
<td>1,905.85</td>
<td>(98,094.15) (b)</td>
<td>5%</td>
<td>1.05</td>
<td>1,815.10</td>
</tr>
<tr>
<td>2</td>
<td>146,983.73 (c)</td>
<td>48,889.58</td>
<td>5%</td>
<td>1.10</td>
<td>139,984.50</td>
</tr>
<tr>
<td>3</td>
<td>331,059.92</td>
<td>379,949.50</td>
<td>5%</td>
<td>1.16</td>
<td>315,295.17</td>
</tr>
</tbody>
</table>

Payback Period

\[ t = a + \frac{b}{c} \]

\[ t = 1 + \frac{98,094.15}{146,983.73} \]

\[ t = 1.67 \text{ years} \]

Return on Investment

1\textsuperscript{st} year

\[ = \left[ \frac{-\text{RM}98,094.15}{\text{RM}100,000} \right] \times 100 \]

\[ = -98.09\% \]

2\textsuperscript{nd} year

\[ = \left[ \frac{\text{RM}48.889.58}{\text{RM}100,000} \right] \times 100 \]

\[ = 48.89\% \]

3\textsuperscript{rd} year

\[ = \left[ \frac{\text{RM}379,949.50}{\text{RM}100,000} \right] \times 100 \]

\[ = 379.95\% \]
8.6.2 Exit Strategy

The rate of return that investors can expect from SHARE would be in the range of 6-8% which is paid in the form of cash dividends. As the company is a limited liability partnership (LLP), it will not be able to issue shares to outsiders, and as such, the company cannot sell shares to outsiders to raise funds. However, investors will be paid with interest based on the amount of investment which they have contributed.

In regard to the exit strategy for investors, it is expected that exponential growth in the few years after launch would entice large multinational corporations to acquire the company (Edward, 2017). This would follow many successful startups in their footsteps, including Dollar Shave Club, which was acquired by Unilever for US$ 1 billion just 5 years after its establishment in 2011. Another example would be the case of Lazada, which was established in 2012 and was acquired by Alibaba for over US$2 billion in 2016. SHARE can potentially be acquired by a larger company if it performs well in the domestic market.

Another longer term exit strategy would involve filing for an IPO once the company has growth to be large and reputable enough for such an undertaking. This would typically take a longer span of time which could last 8 years or more, but would result in a much higher return than the aforementioned exit strategy. Different investors may have different expectations towards their investments, therefore it would be best for investors to hold regular meetings in discussing the most appropriate direction as well as other critical decisions which the company should make (Edward, 2017).

In addition to the two ways highlighted above, another way in which investors can exit the company is through the selling of their equity in the company. This would be a much less desirable prospect as it does not generate a high level of return
on investment from the initial invested amount. However, it can be another way for investors to get back their money should the need arise (Edward, 2017). In the event of SHARE, all three investors are also founders and owners of the company. As such, the dissolution of the company can be used as an exit strategy if necessary.
CRITICAL RISK FACTORS

9.1 Management Risks

9.1.1 Experience and Competency Deficiency
As a new startup founded by 3 fresh university graduates, the lack of real world experience and competency can lead to missteps in the management of the firm. A lack of experience can lead to bad decision making which may adversely affect the company in the initial stages of growth.

9.1.2 Conflict and Misalignment of Goals Between Founding Team
One common problem of young startups is the possibility of internal misalignment between the founding team. This represents a serious risk as it may hinder or even halt the proper function of the management team in running the company.

9.2 Marketing Risks

9.2.1 Marketing Errors Leading to Reputation Loss
Marketing can be detrimental if done improperly, as wrong or misleading information can sometimes lead to public mistrust towards the company, eroding or negatively affecting the reputation of the firm.

9.2.2 Marketing Incompatibility with Target Audience
Another marketing risk which may be damaging to the company is the possibility of marketing campaigns targeting the wrong segment of customers. Missing out on the key target market when conducting marketing campaigns can lead to the alienation of customers towards the services of the firm.
9.3 Operating Risks

9.3.1 IT Disruption
Being an online-based platform, SHARE is heavily dependant on the proper functioning of application services as well as other back-end servers to work. Any disruption to the network of support systems can critically paralyze the proper functioning of the app.

9.3.2 Payment and Transaction-Related Errors
As payment is done exclusively through the app, any discrepancy or error which occurs during payment or other transactional activities can prevent the users from carrying out their renting and rental activities on the platform.

9.3.3 Cyber Risks, Data Security and Privacy
The use of the platform requires users to provide their identification documents as well as an accompanying credit/debit card for payment. This necessitates the creation and storage of user database which may be potentially compromised in the event of a security breach. Hacking incidents can lead to the loss of user data as well as the breach of user trust towards the credibility of the platform.

9.4 Financial Risks

9.4.1 Cash Flow Issues
The inexperience and incompetence of the founding team may potentially lead to improperly allocated funds which causes cash flow issues to the firm. An error in judgement can also cause the estimated expenditure of the company to be under/overestimated.
9.4.2 Mismanagement of Company Funds
Each individual has their own moral compass and ethical standards. However, as the firm is run by 3 different individuals, there exists a risk whereby the ethical standards of the members in the management team are not aligned. The misconduct of the management team may lead to mismanagement and misappropriation of company funds.

9.5 Intellectual Property Infringement
Intellectual property infringement may occur if another company has registered the name “SHARE” to conduct businesses in the related field and industry. IP infringement may also occur if another company uses the likeness and identity of SHARE to conduct businesses.

9.6 Other Risks as Appropriate

9.6.1 Economic Downturn
In the event of an economic recession, SHARE may be hit with low rental rates, resulting in an unexpected drop in revenue. This may lead to other risks such as cash flow issues as highlighted above.

9.6.2 Political Turmoil and War
Malaysia is a relatively stable country when compared to other Asian nations. However, in the event that a political turmoil or war takes place, the normal functioning of the platform may be disrupted.
9.6.3 Natural Disasters
Floods, thunderstorms and other unexpected natural disasters may cause disruption to public services, causing transportation and communications systems to be disrupted. This may cause difficulties to users when carrying out rental transactions due to the inability for goods to be transported from one place to another.

9.7 Contingency Plans

9.7.1 Management Risks
Management risks can be minimized by ensuring proper communication between all members of the management team in all stages of decision-making. This allows all individuals to be well informed of the direction and heading of the company. In addition, prior consultation with outside experts and/or investors before decision-making will also help the company to overcome the inexperience of the management team.

9.7.2 Marketing Risks
Marketing errors can be mitigated by conducting a small scale test before the launch of major marketing campaigns. This allows the marketing team to uncover any flaws and issues which might arise later in the marketing campaign launch. External marketing consultants can be approached to help in making sure the marketing material is appropriate for the intended target audience, greatly lessening the chance for missed opportunities and marketing errors.
9.7.3 Operating Risks
Operating risks can be lessened by ensuring that the servers and application is updated frequently. IT personnel must be hired to conduct routine maintenance on the equipment. This includes conducting regular screening of the app for bugs and security flaws. In addition, an encryption system must be set up in order to safeguard the data of users, which includes credit card information, identity documentation, as well as other related private information.

9.7.4 Financial Risks
Cash flow issues may arise due to the inexperience and incompetence of the management team. Hence, it is necessary for the company to implement better measures to record and store transactional records to prevent discrepancies from occurring.

Furthermore, to prevent the misuse and misappropriation of company funds, the company should set up measures to ensure that all large withdrawals and other transactions can only be carried out jointly by all founders of the firm. This includes setting up a joint company account which restricts withdrawals of large sums by individual members.

9.7.5 Intellectual Property Infringement
IP infringement may be a risk which is difficult to mitigate. However, the company can still implement measures which can help to fend off potential infringement by competitors. This includes the registration of company trademark as well as the copyrighting of key elements in the business.
9.7.6 Other Risks as Appropriate

Economic downturn is often unexpected and difficult to predict. Therefore, the company must implement measures which enables the firm to sustain financial and economic losses in the event of an economic crisis. Prudence financial planning can help to conserve the resources of the firm while allowing room to survive in unexpected incidents.

Political turmoil, war and natural disasters are one of the few uncontrollable elements of risk in businesses. In the event of political turmoil and war, trade and transaction will likely cease to function regardless of business type. Unfortunately, this element of risk is difficult to mitigate, and all businesses which are subject under the rule of law in Malaysia must obey governmental orders in the event of war. Similarly, natural disasters are hard to predict and unable to mitigate. As such, the company is not able to control this element of risk.
REFERENCES


APPENDICES

Appendix 1: Survey Questionnaire

SHARE - Peer to peer renting platform
This survey is conducted to gauge the feasibility of a new platform which aims to connect and facilitate the rental of goods between owners and those seeking to rent specific-use items.

* Required

1. Age *
   Mark only one oval.
   - 17 or below
   - 18 - 24
   - 25 - 35
   - 36 - 45
   - 46 - 55
   - 55 and above

2. Sex *
   Mark only one oval.
   - Female
   - Male

3. Ethnicity *
   Mark only one oval.
   - Malay
   - Chinese
   - Indian
   - Other:

4. Monthly Income (MYR) *
   Income includes pocket money given by parents, work salary or other forms of income.
   Mark only one oval.
   - 800 and below
   - 801 - 1500
   - 1501 - 2500
   - 2501 - 3500
   - 3501 - 5000
   - 5001 and above
5. Where is your place of residence? *
   Please state your postcode

6. What type of house do you live in? *
   Mark only one oval.
   - Apartment
   - Condominium
   - Studio Room
   - Terraced House
   - Semi-detached house
   - Bungalow
   - Other:

7. Are you? *
   Mark only one oval.
   - Single
   - In a relationship
   - Married
   - Divorced

8. Occupation *
   Mark only one oval.
   - Corporate professional (manager, marketing executive etc.)
   - Creative professional (graphic designer, photographer, film maker etc.)
   - Engineering (civil, mechanical, electrical etc.)
   - Healthcare professional (doctor, surgeon, nurse etc.)
   - Education (teacher, lecturer, professor)
   - Technician (electrical, renovation, woodworks etc.)
   - Small / medium enterprise owners
   - Self employed
   - Student
   - Unemployed

Survey Questions
*Non-daily goods* can be defined as non-perishable and non-personal items or objects which are found in common households (eg. electrical appliances, tools and equipment, camping gear, DIY tools etc.)
9. In your opinion, how many unused items do you have at home? *

Unused items are items which you keep in storage for long periods of time. Things and objects that you do not use often can be categorised as unused items.

Mark only one oval.

- Very many
- Many
- Few
- Very few

10. To the best of your knowledge, how often do you purchase items that you do not regularly use? *

Mark only one oval.

- Very often
- Often
- Rarely
- Very rarely

11. What main problem does unused items cause to your household? *

Mark only one oval.

- Waste of space
- Waste of money
- Other: __________________________

12. How do you usually handle unused items in your household? *

Mark only one oval.

- Selling of goods
- Disposal of goods
- No action taken (continue keeping them)
- Other: __________________________

13. Who is the main purchaser of non-daily goods in your household? *

Mark only one oval.

- Myself
- Father / Mother
- Siblings
- Boy / Girlfriend
- Other: __________________________
14. **Are you a?** *  
*Mark only one oval.*
- Thrifty spender (spend only when necessary)
- Casual spender (spend more occasionally)
- Heavy spender (spend whenever you feel like it)

15. **How impulsive are you when purchasing items that you want?** *  
*Mark only one oval.*
- Very impulsive (buy immediately)
- Impulsive (do not wait very long before purchase)
- Not impulsive (sometimes wait for discounts before purchase)
- Very unimpulsive (only buy when there is a discount)

16. **How often do you need to use an item that you do not intend to buy?** *  
Eg. You want to use a DSLR for an event, but you do not wish to buy one  
*Mark only one oval.*
- Very often (more than twice a month)
- Often (once or twice a month)
- Rarely (less than once per month)
- Very rarely (less than once per year)

17. **Which of these applications do you have on your mobile phone?** *  
Tick where appropriate  
*Check all that apply.*
- Airbnb
- Carousell
- Mudah
- Lelong.my
- Grab
- Lazada
- Agoda
- Food Panda
- Grab Food
- Dahmakan
18. How often do you use these applications? *
   Mark only one oval.
   □ Very often
   □ Often
   □ Rarely
   □ Very rarely

19. Is time or money a bigger priority to you? *
   Mark only one oval.
   □ Time
   □ Money

20. How likely are you to rent your unused item to others? *
   Mark only one oval.
   □ Very likely
   □ Likely
   □ Not likely
   □ Very unlikely

21. What would be your primary concern if you were to use a digital rental platform? *
   Please tick one only
   Mark only one oval.
   □ Credibility
   □ Security / safety of goods
   □ Monetary compensation
   □ Convenience
   □ Ease of use
   □ Customer service

22. If you choose to use a renting platform, what items would you rent to other people? *
   Mark only one oval.
   □ Kitchenware (barbecue pit, bread toaster, coffee machine, fridge)
   □ Furniture & electrical appliances (tables, chairs, fan, lamp)
   □ Electrical hardware & tools (drill, saw, hammer, staircase)
   □ Automobile gear and tools (car polisher, repair equipment)
   □ Hobby / enthusiast gear and equipment (musical instruments, camera equipment etc.)
   □ Outdoor equipment (tent, kayak, camping gear)
   □ Other:  
   [Blank space for additional notes]
23. **What are your views on the concept of item rental?** *  
*Mark only one oval.*

- [ ] Very positive
- [ ] Positive
- [ ] Negative
- [ ] Very Negative

24. **What are your opinions on the sharing / renting culture in Malaysia?**

Comments, opinions, suggestions or feedback

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
Appendix 2: Response Chart Based on 150 Surveyed Respondents

Age
99 responses

Sex
99 responses
Where is your place of residence?

99 responses

<table>
<thead>
<tr>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>31000 BATU GAJAH, PERAK</td>
</tr>
<tr>
<td>31400</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
</tr>
<tr>
<td>10700</td>
</tr>
<tr>
<td>Kampar</td>
</tr>
<tr>
<td>alor setar</td>
</tr>
<tr>
<td>31400, ipoh perak</td>
</tr>
<tr>
<td>47500</td>
</tr>
<tr>
<td>subang jaya 47500</td>
</tr>
<tr>
<td>40170</td>
</tr>
<tr>
<td>50490</td>
</tr>
<tr>
<td>kedah</td>
</tr>
</tbody>
</table>

What type of house do you live in?

99 responses

![Pie chart showing the distribution of house types]
Are you?
99 responses

- Single: 55.6%
- In a relationship: 29.3%
- Married: 14.1%
- Divorced: 0.1%

Occupation
99 responses

- Corporate professional (manager, etc.): 56.6%
- Creative professional (graphic design, etc.): 12.1%
- Engineering (civil, mechanical, electrical, etc.): ...
- Healthcare professional (doctor, surgeon, etc.): ...
- Education (teacher, lecturer, professor, etc.): ...
- Technician (electrical, renovation, etc.): ...
- Small / medium enterprise owners: ...
- Self employed: ...
In your opinion, how many unused items do you have at home?

99 responses

To the best of your knowledge, how often do you purchase items that you do not regularly use?

99 responses
What main problem does unused items cause to your household?

99 responses

- Waste of space: 50.5%
- Waste of money: 47.5%
- They become demons and Cthulhu when I experience sleep paralysis, which is often: 2.0%
- No significant problem: 0.4%

How do you usually handle unused items in your household?

99 responses

- Selling of goods: 58.6%
- Disposal of goods: 13.1%
- No action taken (continue keeping them): 22.2%
- Give away: 4.8%
- Bargain them for parts to build my Space Racer: 3.6%
- Throw: 0.4%
- Donation: 0.4%
- Normally give to other: 0.4%
Who is the main purchaser of non-daily goods in your household?

99 responses

- Myself: 44.4%
- Father / Mother: 36.4%
- Siblings: 9.1%
- Boy / Girlfriend: 1.0%
- Wife: 0.5%
- Boyfriend: 0.3%
- None: 0.1%
- Grandmother: 0.1%

Are you a?

99 responses

- Thrifty spender (spend only when necessary): 52.5%
- Casual spender (spend more occasionally): 12.1%
- Heavy spender (spend whenever you feel like it): 35.4%
How impulsive are you when purchasing items that you want?

99 responses

- Very impulsive (buy immediately): 61.6%
- Impulsive (do not wait very long before purchase): 24.2%
- Not impulsive (sometimes wait for discounts before purchase): 7.7%
- Very unimpulsive (only buy when there is a discount): 2.0%
- Not impulsive (usually wait for discounts before purchase): 4.1%

How often do you need to use an item that you do not intend to buy?

99 responses

- Very often (more than twice a month): 49.5%
- Often (once or twice a month): 26.3%
- Rarely (less than once per month): 22.2%
- Very rarely (less than once per year): 2.0%
Which of these applications do you have on your mobile phone?

99 responses

- Airbnb: 36 (36.4%)
- Carousell: 21 (21.2%)
- Mudah: 14 (14.1%)
- Lelong.my: -2 (2%)
- Grab: 84 (84.8%)
- Lazada: -26 (26.3%)
- Agoda: -19 (19.2%)
- Food Panda: -19 (19.2%)
- Grab Food: -19 (19.2%)
- Dahmakan: -8 (8.1%)
- None of the above: -2 (2%)

How often do you use these applications?

99 responses

- Very often: 42.4%
- Often: 38.4%
- Rarely: 14.1%
- Very rarely: -14.1%
Is time or money a bigger priority to you?
99 responses

How likely are you to rent your unused item to others?
99 responses
What would be your primary concern if you were to use a digital rental platform?
99 responses

- Credibility: 26.3%
- Security / safety of goods: 11.1%
- Monetary compensation: 14.1%
- Convenience: 11.1%
- Ease of use: 44.4%
- Customer service: 11.1%
- Safety of goods: 11.1%

If you choose to use a renting platform, what items would you rent to other people?
99 responses

- Kitchenware (barbecue pit, bread to…: 20.2%
- Furniture & electrical appliances (ta…: 18.2%
- Electrical hardware & tools (drill, sa…: 7.1%
- Automobile gear and tools (car polis…: 11.1%
- Hobby / enthusiast gear and equip…: 18.2%
- Outdoor equipment (tent, kayak, ca…: 19.2%
- Books: 18.2%
- Books, ovens (I have 4 ovens thank…: 16.1%
What are your views on the concept of item rental?

99 responses

What are your opinions on the sharing / renting culture in Malaysia?

50 responses

- May build a website, mainly for renting items
- People need to take care of others property very carefully, otherwise people will not trust this renting services.
- Could be a new trend in the future.
- Mutual help
- Literally non-existence
- It should be a good platform for the citizen
- Workable
- Very scare the lost of item and security of the items
- Not mature in Malaysian culture. There is no such concept in Malaysia culture and it's a whole new thing. The main problems could be of credibility and worry about the condition of items when returned.
- Hard to achieve, malaysian not that responsible to take good care for others item
- Do-able, but how to define the metrics whereby rate of use, amount charged and etc, is an issue
- The concept/idea of sharing & renting is originally good, but if in Malaysia. How severe people will
Appendix 3: Common Ground Coworking Space

Membership Plans

**Hot Desk**
Price: **399-499** Per Month
Any seat, in any location, within a hot-desking zone
*Designed for:* Remote workers and freelancers who want flexibility and social networking opportunities

**Fixed Desk**
Price: **599-899** Per Month
A dedicated desk in the shared workspaces
*Designed for:* Startups and small teams who benefit from an open working environment with a little more privacy

**Private Office**
Price: **799-1,599** Per Month
Fully furnished office space for rent
*Designed for:* Small or medium-sized companies and satellite teams who want a space of their own
Appendix 4: SHARE Website

SHARE is a peer-to-peer service platform which connects and facilitates the renting of goods. This allows people to earn additional income by renting their unused goods, providing them with a sustainable return on their financial investment of said goods. In addition, this service attempts to fill the need and demand for specific-use items by providing them with a centralized platform to browse and rent for a wide range of items.
HOW IT WORKS

STEP 1
Browse and select the desired item from the SHARE mobile app

STEP 2
Choose rental duration and make payment on the app

STEP 3
Collect rented item from owner at specified location

FEATURED PRODUCTS

Sleeping Bag

DJI Drone

Suitcase

DJI Goggles

Tent
Appendix 5: SHARE App Prototype
ACCOUNT SIGN UP

Username: JunforJune
Email: ljh.junhong@gmail.com
Mobile No.: +60 16-478 1314
Password: ********
Confirm Password: ********

CREATE ACCOUNT
Continue as Jun Hong Lim

LoginApp will receive your public profile.

Learn More

Continue

This doesn't let the app post to Facebook
SIGN IN

Email: ljh.junhong@gmail.com

Password: *********

SIGN IN
SHARE

ID VERIFICATION

VERIFY
Available items near you

Canon EOS 1300D
RM85 per day
Putrajaya

Outsunny Fire Pit BBQ
RM60 per day
Petaling Jaya

Boeris CVS Bike
RM110 per day
Cheras

Igloo 17L Ice Box
RM45 per day
Bangsar
Available items near you

DJI Phantom 4 Drone
RM110 per day
Damansara

Nikon 16-80mm Lens
RM65 per day
Petaling Jaya

Canon EOS 1300D
RM85 per day
Subang Jaya

HTC Vive VR Headset
RM88 per day
Subang Jaya
Available items near you

- **Torpedo7 Single Kayak**
  - RM90 per day
  - Bkt Damansara

- **Seahawk Sleeping Bag**
  - RM20 per day
  - Brickfields

- **Dome Camping Tent (6px)**
  - RM85 per day
  - Mont Kiara

- **Boeris CVS Bike**
  - RM110 per day
  - Cheras
Available items near you

PPI MEINL Cajon
RM38 per day
Kajang

Shure SM-58 Mic Set
RM55 per day
Wangsa Maju

Lanikai 25 Ukulele
RM26 per day
Bukit Bintang

Harbeth H5 Loudspeakers
RM180 per day
Bukit Jalil
Available items near you

1. **Bosch GSR-120 Drill**
   - RM85 per day
   - Puchong

2. **1.5m 4-Step Ladder**
   - RM30 per day
   - Klang

3. **Ryobi 18W Hot Glue Gun**
   - RM20 per day
   - Nilai

4. **Karcher FJ-2 Car Polisher**
   - RM60 per day
   - Damansara
Canon EOS 1300D

Syed_Saddiq93

Putrajaya, Selangor

Joined 3 weeks ago

Average Rating ★★★★★

RM85 per day

Available from 16/07/2019 till 15/08/2019

Self pickup & return only Photography

Canon EOS 1300D DSLR with 18-55mm lens for rent. Charger and battery included.
New Booking

RM85 per day

25 / 07 / 2019 to 27 / 07 / 2019

Self pickup & return

Card ending in 8193

CVV

By placing your order, you agree to share's privacy notice and conditions of use as stated below:

The following is a summary of the key terms of this service:
- Payment(s) through this Service may only be made with a Credit Card, Debit card or Net Banking.
- Before using this Service, it is recommended that the user shall make necessary enquiry about the charges or fees payable against the Credit/Debit card used from Credit Card or the Debit Card service provider i.e, the respective Bank.
- The credit card information supplied at the time of using the service is processed by the payment gateway of the service provider and is not supplied

Breakdown:

Price RM85

Duration 3 days

Total Amount Due RM255

CONFIRM
Confirmation

Thank you!
Your booking is confirmed

Pickup Address:
56, Jalan Kementerian 4, Precint 3,
62506 Putrajaya, Selangor Darul Ehsan

Rental Period:
25/07/2019 - 27/07/2019

MESSAGE OWNER
Hi! Jun Hong here.

Hello, how can I help you?
Profile

Jun Hong Lim

📍 Puchong, Selangor
📅 Joined 1 month ago
⭐️ Average Rating ★★★★★

Username: JunforJune
Email: ljh.junhong@gmail.com
Mobile No.: +60 16-478 1314
Address: Jalan Pu 9/4, Taman Harmoni, 47100 Puchong, Selangor Darul Ehsan

NRIC: ●●●●●●●●●●●●● 4 7
Card No.: XXXX XXXX XXXX 8193
Expiry: 11/20  

Edit Profile
Your Listing

Canon Speedlite 430EX Flash

Listing Active
Self Collect & Return
RM45 per day
Puchong

Upcoming Bookings

July 2019

<    S   M   T   W   T   F   S    >

    1   2   3   4   5   6

    7   8   9  10  11  12  13

    14  15  16  17  18  19  20

   21  22  23  24  25  26  27

    28  29  30  31
New Request - 22/07/2019

Canon Speedlite 430EX Flash

Logee_Picha

📍 Sri Petaling, Kuala Lumpur
📅 Joined 1 month ago
👍 Average Rating ★★★★★

RM45 per day
30/07/2019
📍 Self pickup & return
⏰ 1 day

Total Amount Earned RM45

REJECT
ACCEPT
Offer Rejected
You chose to reject this offer

Reason for rejection

Message to renter

Submit
New Renter

Canon Speedlite 430EX Flash

Logee_Picha

📍 Sri Petaling, Kuala Lumpur
📅 Joined 1 month ago
🛠️ Average Rating ⭐⭐⭐

RM45 per day

📅 30/07/2019
📍 Self pickup & return
⏰ 1 day

Total Amount Earned RM45

ACCEPTED
Your Listing

Cosori CP-016 Pressure Cooker

Listing Active
Self Collect & Return
RM85 per day
Puchong

Upcoming Bookings

July 2019

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Messages  My Listing  Browse  Profile  Add Listing
Confirmation

Chloe_Lee0511

Petaling Jaya, Selangor

Joined 1 month ago

Average Rating ★★★★★

Please rate your rentee

 Feedback / Comment

By clicking on 'CONFIRM', I acknowledge that I have received my item(s) and that the transaction is complete.

REPORT

CONFIRM

Messages  My Listing  Browse  Profile  Add Listing
Confirmation

Congratulations!
Your rental is complete

Rental payment will be transferred to your designated account within 3 working days

RETURN
Canon Speedlite 430EX Flash

Listing Complete
Self Collect & Return

RM45 per day
Puchong

CUSTOMER SUPPORT

Messages  My Listing  Browse  Profile  Add Listing
New Renter

Canon Speedlite 430EX Flash

Mat_Sabuuuu

📍 Cheras, Kuala Lumpur
📅 Joined 6 months ago
✩✩✩✩✩ Average Rating

RM45 per day

📅 21/07/2019 - 22/07/2019
📍 Self pickup & return
⏰ 2 days

Total Amount Earned RM90

ACCEPTED
ShilaAmzah_813  Today, 12:50
Mcm mne ni? Nak ke x? Huhuhu 😞

SamirPravesh  Yesterday, 18:22
Sorry, I can't rent it out this August

Chloe_Lee0511  July 19, 04:03
Got it already, thank you very much! 😘
Mat_Sabuuuu        Today, 18:50

Oiii... Flash tu bila blh angkat ye?
Hello! I'm sorry, but I'm unable to rent you this item due to a family emergency. Sorry for the inconvenience caused.

Ok. No worries.
Igloo 17L Ice Box

Sheila_09

- Bangsar, Kuala Lumpur
- Joined 10 months ago
- Average Rating ★★★★★

- RM45 per day
- Available from 22/10/2019 till 15/11/2019
- Self pickup & return
- Home

- 17L ice box with wheels. Easy to carry, suitable for camping and outdoor parties.

BOOK
Outsunny Fire Pit BBQ

Maky_makayla

Petaling Jaya, Selangor
Joined 2 months ago
Average Rating 4.5 stars

RM60 per day
Available from 01/08/2019 till 15/09/2019
Self pickup & return only
Outdoor

Like new Outsunny barbeque pit for rent. Suitable for open house parties.

BOOK
Boeris CVS Bike

Jason92
- Cheras, Kuala Lumpur
- Joined 6 months ago
- Average Rating

RM110 per day

Available from 13/06/2019 till 15/08/2019

Delivery available

Boeris mountain bike for rent. In good condition, suitable for trekking activities.

BOOK
New Booking

RM110 per day

15 / 06 / 2019 to 20 / 06 / 2019

Delivery available

Card ending in 8193

CVV

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- The credit card information supplied at the time of using the service is processed by the payment gateway of the service provider and is not supplied

Breakdown:

Price RM110
Duration 5 days
Total Amount Due RM550

CONFIRM

Messages My Listing Browse Profile Add Listing
Confirmation

Thank you!
Your booking is confirmed

Pickup Address:
28, Jalan Waras 1, Taman Connaught,
56000 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur

Rental Period:
15/06/2019 - 20/06/2019