



PANMONI

Building International
Bitcoin Cash Commerce
in Latam

FOR THE

 **BitcoinCash**

ECOSYSTEM FUND



Panmoni: Building International Bitcoin Cash Commerce in Latam by Connecting Remittances with Merchants (and more)



Prepared by George Donnelly
with help from Sebastian Montes & Gabriel Mitacchione

for the
Bitcoin Cash Ecosystem Fund

10 January 2020

version 0.7

Contact

George Donnelly
me@georgedonnelly.com
t.me/georgedonnelly
+573218423668 (cell, Signal, Whatsapp)

PROBLEM

- ▶ remittance fees are expensive
- ▶ prohibitive to remit small amounts
- ▶ hassles, delays and hidden fees

EXISTING ALTERNATIVES

- ▶ Western Union & Moneygram
- ▶ limited digital payments apps
- ▶ small, informal vendors

SOLUTION

- ▶ network of small liquidity agents
- ▶ no fixed fees, only percentage fees
- ▶ Bitcoin Cash wallet app

KEY METRICS

- ▶ repeat BCH remitters
- ▶ merchant transaction count
- ▶ active liquidity agents

UNIQUE VALUE PROPOSITION

- ▶ Get paid to remit faster, cheaper, from your phone to anywhere from anywhere anytime without limits

HIGH-LEVEL CONCEPT

- ▶ Western Union without the hassles

UNFAIR ADVANTAGE

- ▶ 1,160 active merchants
- ▶ successful Madrid-Caracas pilot
- ▶ 5,000+ contacts of new crypto users in Latam

CHANNELS

- ▶ content & influencer marketing
- ▶ incentivized user referrals
- ▶ alliances with existing small remittance providers

CUSTOMER SEGMENTS

- ▶ 4MM Venezuelan migrants
- ▶ Latino migrants in Florida and Spain
- ▶ small merchants with smartphones

EARLY ADOPTERS

- ▶ remit less than \$100 per instance
- ▶ active social media users
- ▶ supporting elderly or children in home country

COST STRUCTURE

- ▶ software development
- ▶ marketing
- ▶ operations
- ▶ administration

REVENUE STREAMS

- ▶ user spending at merchants
- ▶ in-wallet stability swaps
- ▶ combo remittances & general remittance fees
- ▶ preferential merchant & liquidity agent directory listings

S

- merchant count of 1,160 in 8 nations
- team of 80+ adoption specialists
- existing network of 5,000+ crypto users directly trained
- 16 months full-time experience + \$360,000 invested



PANMONI

SWOT ANALYSIS

W

- team requires capital
- remittances systems require further development
- target markets unfamiliar with cryptocurrency
- multi-tenanting is a risk if similar competitor enters

O

- Venezuela crisis and its 4MM migrant diaspora
- real demand exists for non-limited financial services in target markets
- legacy fiat competition is vulnerable to digital upstart
- smartphone penetration high and growing in Latam

T

- app stores could remove apps
- existing providers could ramp up competition
- government action
- decrease in liquidity at the P2P level



0. Table of Contents

Panmoni: Building International Bitcoin Cash Commerce in Latam	1
0. Table of Contents	2
1. Executive Summary	4
Why	5
How	5
Who	6
Conclusion	6
2. Vision	7
3. Who We Are	8
4. Mass Adoption Strategy	9
Why Remittances and not just Merchants	10
Why Latin America	11
5. Problems and Solutions	12
Existing Alternatives	13
6. Why Now	14
7. Unique Value Proposition	15
Remittance Senders	16
Remittance Beneficiaries	16
Merchants	16
Consumers	16
Donors	16
NGOs	16
Use Cases	17
8. Revenue Streams	17
9. Customer Segments	18
Remittance Senders	18
Remittance Beneficiaries	19
Merchants	19
Consumers	19
Donors	19
NGOs	20
10. Channels	20



11. Key Activities	21
12. Key Metrics	22
13. Cost Structure	23
Economies of Scale	23
14. Unfair Advantages	24
15. Key Partners	25
16. Key Resources	25
17. Market Analysis	26
Latam Country Analysis	27
Fastest Growth	28
Largest Receivers	29
Remittances as a Percentage of GDP	29
Top 5 Receiver Candidates	29
Top 3 Sending Candidates	30
Market Analysis Conclusion	30
18. Network Effects	31
19. Financials	32
Valuation	32
Berkus Method	32
VC Method	32
Monthly Budget	34
Income Projections	35
20. Appendix	36
A. Lean Canvas	36
B. SWOT Analysis	37
Strengths	37
Weaknesses	38
Opportunities	38
Threats	39
C. Roadmap	40
0. Pre-MVP	40
1. MVP	41
2. MVP+	41
3. Early Viral Growth	42
Ideas for Future Consideration	43
D. Historical Cost Analysis	44
E. Complementary Media	44



1. Executive Summary

Problem: Latin Americans depend on remittances to pay today's bills and finance tomorrow's growth to the tune of \$88 billion annually, but remittances today are complex, expensive, slow and inconvenient.

Solution: Remittances with Bitcoin Cash are easy, straightforward, inexpensive and work everywhere.

Problem: Bitcoin Cash needs more merchants to accept BCH in order for the coin to have usability. Convincing small- and medium-sized merchants to accept cryptocurrency is challenging but very feasible. Maintaining those merchants is another matter entirely. Without a constant flow of customers who pay with crypto, merchants lose interest and stop accepting.

Solution: Bitcoin Cash remittances will solve this problem by incentivizing remittance beneficiaries to spend their coins directly at affiliated BCH-accepting merchants, thereby not just sustaining but also continuously growing merchant interest in accepting Bitcoin Cash.

Problem: Billions of people can benefit from and add value to Bitcoin Cash but do not have the means or facility to buy into it.

Solution: With our gamified adoption wallet module, they can earn their way in by completing verifiable tasks that add concrete value to the Bitcoin Cash network, such as merchant adoption, meetups and more.

We are building Bitcoin Cash mass adoption in Latin America through remittances, merchant adoption and consumer adoption. Like any strong economy, one part does not work without the other. Merchant adoption alone results in unhappy merchants. Remittances means a constant flow of BCH that can be directed to merchants, creating the first leg of a greater Bitcoin Cash economy in Latam.

This is just the beginning of a multi-year vision for making Bitcoin Cash the international currency of Latin America, ameliorating poverty, enabling job and wealth creation and sparking an economic growth "miracle" in the developing world.



Why

We envision a world of universal prosperity, where every human being has the opportunity to realize their potential, free from large-scale oppressive forces and restrictive government regulations. We envision a world where Bitcoin Cash is the dominant currency, in regular use for remittances, consumer purchases, international trade, B2B buying, investing and more.

Bitcoin Cash remittances have a lot of advantages, including low transaction fees, fast transaction times, no KYC or border complications, a strong ecosystem, ample hashrate and liquidity options.

Today, remittance fees average 7-8% across the globe. With Bitcoin Cash we can reduce that by 5 percentage points. Such a savings would mean \$26 billion more per year in spending, saving and investment in low and middle income countries. Bitcoin Cash can trigger an economic boom in the developing world.

Annual remittances into Latin America and the Caribbean are \$88 billion (2018). Globally, remittances to the developing world are \$529 billion. If Panmoni earns just 0.5% on an annual remittance flow of \$500 million (0.4% of the Latam/Caribbean market) by 2024, we could enjoy an annual EBITDA of \$9.3 million and be a highly-profitable enterprise producing returns for our stakeholders.

How

We are creating a mobile app that enables users to buy Bitcoin Cash and SLP tokens using local.bitcoin.com and send them to their intended remittance beneficiary. Beneficiaries can then use the app to find merchants that accept Bitcoin Cash, and spend BCH for products and services.

This will enable users to save money on remittances and incentivize them to spend Bitcoin Cash directly at accepting merchants. This will also incentivize more merchants to accept Bitcoin Cash and to accept it at a more professional level.

At further levels of development, we anticipate gamifying Bitcoin Cash adoption by paying people (with our own SLP token) for discrete verifiable constructive actions that advance BCH adoption.

We will monetize the Panmoni app in a variety of ways. We aim to scale fast and optimize for maximum network size, incentivizing users at every step along the customer journey in order to minimize barriers to entry.



Our customer base is young, tech-savvy remitting migrants in the US, Spain and Chile primarily who are remitting relatively small amounts of money to family members in their respective home countries to pay living expenses, who are users of social media and initially are from Mexico, Colombia and Venezuela.

We are establishing a brand and marketing strategy to incentivize our target market to download our app, to keep it installed no matter what and to be a repeat user of the service. There will be an affiliate program and extra rewards for those who remit and spend multiple times.

This solves the pain point of high costs and hassle involved with sending remittances. It also enables merchants to gain priority access to a new market of customers.

We will incentivize both sides of retail transactions by giving tokens back as a reward to spenders at merchants and to the merchants themselves, enabling all members of the ecosystem to share in the growth.

Our initial focus is Latin America, with an 80% focus on sister countries Colombia and Venezuela, and 20% on Mexico. As we reach certain growth targets, we will scale to other markets, particularly those with favorable liquidity. The service will be usable from day one anywhere and organic growth is a possibility we are planning for.

Who

We are the former Dash Latam team, led by George Donnelly, a writer and entrepreneur resident in Medellín Colombia for almost two decades. In 16 months and with an initial financing of between \$250,000 and \$360,000, we achieved 1,304 crypto-accepting merchants across 20 cities in 8 nations and 3 continents. We directly introduced more than 5,000 people to cryptocurrency at standing-room-only events. And we achieved much more.

Conclusion

Latin America coheres in large part along language and cultural lines, but lacks a single unifying currency. We believe that Bitcoin Cash, by first being used for remittances, then consumer purchases, then B2B purchasing, international trade, lending, investment and so on, can become the Euro of Latin America.

We are seeking an equity investment to make this happen.



2. Vision

We envision a world of universal prosperity, where every human being has the opportunity to realize their potential.

We envision a world free from large-scale oppressive forces such as nation-states and rent-seeking intermediaries such as banks, so that individuals can develop as they see fit, entering into voluntary relationships with each other by mutual agreement, without interference from those who would unjustly tilt the playing field in their own favor using aggressive institutions.

We envision a world where Bitcoin Cash is the dominant currency, in regular use for remittances, consumer purchases, international trade, B2B buying, investing, governance and more. We envision a world where transnational commercial cooperatives and other forms of stateless governance play a leading role.

We envision an app that anyone anywhere can freely use to make value transfers, a kind of PayPal 2.0 without limits or a central authority, that also enables anyone to invest, buy and govern without concern for legacy nation-state borders or rent-seeking intermediaries such as banks.

We envision a world where the global informal, or extralegal, economy, with its 5 billion participants, becomes the global Bitcoin Cash economy and lets loose a torrent of economic growth that will materially resolve persistent problems like poverty, malnutrition, early death, sex trafficking, slavery and more.

We envision a world in which the Bitcoin Cash economy is solving all the problems governments and other middlemen have not solved, and where the Bitcoin Cash ecosystem enjoys unprecedented respect and influence on the global stage as a result.

This is not charity. This is not “hope for the poor.” This is an opportunity to connect the Bitcoin Cash economy with the 5-billion-person-strong informal economy, and have both profit. Bitcoin Cash is an unbreakable network for telling a new story about prosperity in the 21st century.



3. Who We Are

Panmoni is a team of individuals committed to achieving cryptocurrency mass adoption in Latin America. During 2018 and 2019, we achieved a number of leading results working for the Dash treasury, including the following.

- 1,160 active merchants across 8 countries (1,304 total).
- 500 active merchants in the city of Medellín, Colombia.
- 159 events, mostly at the places of business of merchants, as many as 8 simultaneous ones in different cities.
- #1 largest Dash meetup in the world.
- 5,000+ individuals directly trained in the basic use of cryptocurrency.
- 150 leaders trained to advance cryptocurrency adoption.
- introduction of **pricing parity** (where wallets, POS, etc. share the same pricing source and thus fiat prices are in sync across the ecosystem). (We did not code it, but I came up with the idea, pushed it, assembled the team and raised the funds to make it happen.)
- introduction of **combo remittances**, where we enabled remittance senders outside of Venezuela to buy basic necessities directly from Venezuelan merchants, paying with cryptocurrency across borders, and have the products (usually food and medical items) delivered directly to the remittance recipient.
- hundreds of OTC buys and sells of cryptocurrency, thousands of small airdrops.
- 25,000+ video views on 345 Youtube videos about our work.
- Intensive feedback and testing for Dash wallets that resulted in many code changes.

Key team members include the following.

- [George Donnelly](#) 48 years old (Medellín, Colombia) Coordination, vision, strategy, sales and marketing. Background in digital marketing, Unix/Linux systems administration, libertarian activism, writing and small business.
- [Sebastian Montes](#) 26 years old (Medellín, Colombia) Operations, merchant adoption, business development. Background in sales, digital economy and small business.
- [Gabriel Mitacchione](#) 28 years old (Madrid, Spain) Operations, remittances, business development. Background in sales, marketing and materials engineering.
- Jose Araujo (Caracas, Venezuela) Events, merchant adoption, NGOs.
- [Said Mora](#) (Cúcuta, Colombia) Events, merchant adoption, tourism, business development.
- [Simon Castro](#) (Medellín, Colombia) Merchant adoption.
- Angel Hermoso (Medellín, Colombia) Merchant adoption.



- [Luigi Quintero](#) (San Cristóbal, Venezuela) Merchant adoption and remittances.
- Francy Sanchez (San Cristóbal, Venezuela) Merchant adoption and remittances.
- Abraham Camacho (Caracas, Venezuela) Merchant adoption.
- Talía Guerrero (Caracas, Venezuela) Digital marketing, events.
- Andreina Falco (Cúcuta, Colombia) Merchant adoption and remittances.
- Luis Fernando Arias (Medellín, Colombia) Merchant adoption and remittances.
- [German Suevern](#) (Guatemala City, Guatemala) Merchant adoption and remittances.
- Sofia Sotomayor (Quito, Ecuador) Merchant adoption and remittances.
- [Leonard Kennedy](#) (Port of Spain, Trinidad and Tobago) Remittances.
- Rafael Reis (São Paulo, Brazil) Merchant adoption.

Nine of the 17 team members listed above are Venezuelans, 3 are Colombians and 1 each is Guatemalan, Ecuadorian, Trinidadian, Brazilian and American. Seven are in Colombia, 5 are in Venezuela, 1 each is in Spain, Guatemala, Ecuador, Trinidad & Tobago and Brazil.

4. Mass Adoption Strategy

We're creating a freed Bitcoin Cash economy in an app targeted for Latin America in which users get paid to perform verifiable actions that add value to the economy. We are growing outside of the current cryptocurrency ecosystem, blue-ocean-style in virgin territory where 9 out of 10 adults have not even heard of Bitcoin yet.

Gaining adoption of a cryptocurrency that involves real, sustained, repeated use is no easy task. It is important to keep in mind that cryptocurrency is most valuable when it is crossing a national border or otherwise avoiding artificial barriers to commerce implemented by rent-seeking middlemen such as banks and nation-states.

With that in mind, our first bowling pin is remittances. Remittances cross borders. Remittance buyers are already in the market for a new currency. They are primed to switch to something other than their current currency. Average remittance fees globally are 7-8% and can range up to 20%. We will create a decentralized Western Union but without the limits; fast, global and convenient.

Merchants alone are not enough to achieve mass adoption, and neither are remittances. We need to cover a full cycle of monetary use. Therefore, we are building the following services onto the remittances network in stages:

- a merchant directory for consumers to find merchants where they can spend Bitcoin Cash.



- a network of liquidity agents on top of local.bitcoin.com.
- combo remittances – a directory of products that can be purchased and delivered cross-border (e.g., a young man in Madrid buys a basket of groceries online from a merchant in Caracas and has it delivered to his parents in Caracas, paying the merchant directly with Bitcoin Cash).
- a gamified wallet module that pays people to learn about and promote Bitcoin Cash, including onboarding merchants and other tasks of concrete, verifiable value.
- a freelancer directory with the ability to hire freelancers, market freelancer services and trustlessly build freelance teams to pitch big jobs.
- savings accounts.
- advanced custody solutions/integrations.
- integration with payment and shopping automation systems.
- market network – the ability for merchants to find each other for B2B buying and international trade using Bitcoin Cash.
- the ability invest in businesses trustlessly, similar to bnktothefuture or kickstarter
- local in-real-life governance.

In this way, we are building a value transfer network that solves real problems in the real world for real people meeting the concrete financial needs of consumers and businesses alike in Latin America in ways that build prosperity for them while building the use of Bitcoin Cash.

Why Remittances and not just Merchants

Focusing primarily on merchants we learned is not a winning strategy all on its own. A focus on merchant adoption is an important first step. It creates a supply of things you can buy with Bitcoin Cash. But then we need demand.

A few consumers have or will buy Bitcoin Cash or otherwise have a source of Bitcoin Cash to spend at merchants, but their level of demand for buying goods and services with Bitcoin Cash is very low still in our markets in Latin America.

Without a consistent and growing flow of customers who find it advantageous to pay with Bitcoin Cash, merchants become discouraged and stop accepting. Remittances can produce that flow.

At the time of sending a remittance, remitters are actively in the market for another currency. Given that the remitters are usually emigrants and have emigrated for economic reasons, they are not always fans of their native national currency, and are open to using a cryptocurrency. This is the moment where we can switch a lot of people, especially since we can frequently offer better rates, speed and other features that the traditional options lack.



Remittance beneficiaries can save on fees and experience greater convenience by then spending their remitted Bitcoin Cash directly at merchants for needed products and services, providing an additional win-win that not only pleases the beneficiaries, but also generates Bitcoin-Cash-spending customers for the merchants. This, in turn, strengthens their commitment to accepting Bitcoin Cash, generates new referred merchants and has other follow-on benefits for the network.

We already have 1,160 active merchants across multiple Latin American nations (as of 13 Sep 2019), and we have discovered that merchant adoption on its own is of highly limited value. We need consumers, and those are harder to make because they have to sell fiat for crypto and accept the volatility risk in order to have crypto on hand to spend.

Further, most accepting merchants are restaurants and technology stores, the former more of a luxury item and the latter more of a big-ticket purchase space. We need people using it for everyday items, such as groceries and utilities. Signing up supermarket merchants is more challenging for a variety of reasons. In order to get them and keep them, we need a constant flow of consumers. This will only come from remittances.

Why Latin America

Latin America is the most promising region for cryptocurrency mass adoption due to its excellent energy and internet infrastructure, unity of language (400 million Spanish speakers and 200 million Portuguese speakers), disunity of governments and large informal economy. Latam also suffers from low levels of economic freedom, weak property rights and widespread corruption and crises which rotate across the region. All of this adds up to people being hungry for more economic development.

Africa does not enjoy the same level of electrical and internet infrastructure nor is there the same unity of language. Asia has great economic potential but its governments are generally very strong and authoritarian.



5. Problems and Solutions

The Panmoni app MVP (minimum viable product) offers the following solutions.

Problem: 8% average fee to send a remittance, sometimes higher.

Solution: Building on local.bitcoin.com and by recruiting and training a large network of liquidity agents across Latin America, as well as using existing liquidity options, we can reduce this fee to 4-5% in the short term, and to near zero in the medium term. When spending Bitcoin Cash at merchants, we can reduce the net fee even lower. To offset the fee, remitters and beneficiaries can earn BCH and SLP tokens back through rewards and loyalty points, unifying the value chain and reducing net costs to the users.

Problem: the prohibitive cost of remitting small amounts using traditional methods due to fixed amount fees.

Solution: We will only charge percentage fees, not fixed fees, and therefore fees as a percentage of the amount remitted will remain reasonable.

Problem: the hassle, paperwork and need to visit a remittance office in order to send a remittance.

Solution: By building on local.bitcoin.com and other P2P liquidity sources, the Panmoni value chain will eventually be 100% free of KYC and other hassles, and people will be able to initiate a remittance from anywhere to anywhere.

Problem: the hidden fees and limitations (“gotchas”) of traditional fiat remittances, such as blocked countries, account freezes, etc.

Solution: Using Bitcoin Cash means the whole world is open and no one can freeze your account.

Problem: that traditional remittances take 15 minutes to 5 days to arrive, thus both sides of the transaction experience frustration and lost time and opportunities.

Solution: Remittances with Bitcoin Cash are immediate.



Problem: Merchants don't know how to accept cryptocurrency, are fearful of it and most don't even know it exists.

Solution: We will make them aware, teach them about it and provide ongoing support.

Problem: Consumers who hold BCH don't have many places to spend it.

Solution: We are adding lots of new usability options, in particular BCH-accepting merchants. These are the solutions merely for the remittances and spending-at-a-merchant use cases. We will add more solutions as we develop the system in further stages per the [Roadmap](#) (see below).

Problem: Billions of people can benefit from and add value to Bitcoin Cash but do not have the means or facility to buy into it.

Solution: With our gamified adoption wallet module, they can earn their way in by completing verifiable tasks that add concrete value to the Bitcoin Cash network, such as merchant adoption, meetups and more.

Existing Alternatives

1. **Large companies such as Western Union and Moneygram.** These providers have wide coverage and are viewed as trustworthy but can be expensive, paperwork-heavy and have hidden fees. They are slow to take advantage of new opportunities and slow to create a digital remittances product that is as inexpensive and limitation-free as Bitcoin Cash.
2. **Digital solutions such as Revolut and Payoneer.** These providers are less expensive but cash-out points are few to none. Paperwork remains daunting. KYC is a requirement. There are many limits on amounts and to which countries you can send. They were not designed for the remittances market and frequently do not work in Latin America.
3. **Informal and/or small vendors.** These offer more affordable rates but do not build brands and thus lack the trust of their users. Many lack permanent roots in the communities they serve. They are rarely able to scale beyond a few locations. We can partner with them, gaining access to their clients in exchange for reducing their cost structure and integrating them into the Panmoni brand.
4. **Trading of balances.** One-man operations and informal networks, particularly prevalent with Venezuela remittances, that trade balances on Uphold, Bank of America, Panamanian banks and sometimes even use localbitcoins.com. Their



pricing and service are frequently very good but they do not scale. We can partner with them as well.

The user experience with all of these alternatives is negatively impacted by borders and nation-state regulations, which is why Bitcoin Cash remittances represent a win-win opportunity for both the remittance market and Bitcoin Cash.

6. Why Now

Now is an excellent time to sell Bitcoin Cash for remittances in Latin America for many reasons including the following.

- **Consumer readiness:** Our research over 16 months and in 8 Latam nations demonstrates consumers are ready for more digital and app-based money transfer options that are simpler and require less paperwork and waiting in line than current traditional options.
- **Venezuela crisis:** The hyperinflationary crisis in Venezuela has created an enormous diaspora of as many as 4 million people, with large concentrations in Colombia, Spain and the US. Due to US sanctions and Venezuelan economic controls, remitting money home is extra troublesome. Further, mostly the very young and the very old remain in Venezuela, necessitating a greater urgency to remit funds home.
- **Momentum.** We have 1,160 active merchants (as of 13 Sep 2019) and 5,000+ cryptocurrency users we personally trained to whom we can offer Bitcoin Cash acceptance and use.
- **Market Growth.** Remittances inflows into Latam have been growing by 8-10% annually and represent \$88 billion in annual transfers. Remittances constitute a notable percentage of GDP for many Latam nations.
- **SLP tokens.** Cheap SLP tokens mean we can mint our own token and use it to inexpensively incentivize new people to join the ecosystem and take constructive actions to help build it.
- **Team:** I've recruited and trained a team of 80+ professionals to do this work and due to lack of financing we will lose some to other job opportunities if we don't act now.
- **Liquidity options.** There are adequate liquidity options across our target markets and the creation of local.bitcoin.com promises to help enormously, especially as we introduce new liquidity agents to it.
- **Special strength.** Cryptocurrency crosses borders like nothing, unlike fiat currency. This is a special strength of cryptocurrency.



Previously, we did not have the research, confidence, merchant count, liquidity options, Venezuelan crisis/diaspora, trained team or the ability to create tokens cheaply. Now we do. Now we can make this happen.

7. Unique Value Proposition

The unique value proposition of the Panmoni app is rapid value transfers across borders at minimal cost with access to a large and growing network of liquidity providers and Bitcoin Cash use/spending options.

At a high level, Panmoni is Western Union without the hassle. It's Moneygram on your terms, without the paperwork. At further stages of development, it is a global decentralized prosperity machine.

The Panmoni unique value proposition includes the following factors.

- fast
- inexpensive
- convenient
- digital
- one-stop shop (enter, exit, discover use options, spend, earn, grow)
- usable 24/7/365 everywhere

This is just for our MVP (minimum viable product). Further development stages present further unique value propositions, including the following.

- users can work for the network as a way to start holding BCH, no buy-in required.
- OTC business in a box – buy everything you need to start a crypto liquidity business in one box.
- simplification of the remittance transaction for those who want fiat by creating a 3-way cash-in/cash-out transaction on top of local.bitcoin.com.
- businesses can import and export more easily and inexpensively as well as trustlessly combine into teams to pitch big jobs via the market network / freelance directory.



Here are some UVPs for individual customer segments for our MVP.

Remittance Senders

Remittance senders can now send money home with lower fees, less hassle, greater frequency and the ability to access a network of merchants where their purchases can both save them money and earn them money back.

Remittance Beneficiaries

Remittance beneficiaries get a greater percentage of the money sent to them, they get it faster, with less hassle and with many options to save money and earn money back spending it at Bitcoin Cash merchants.

Merchants

Merchants get preferential access to a stream of Bitcoin-Cash-paying customers, giving them an advantage over their non-BCH-accepting competitors, and thus have the potential to make more money and grow faster.

Consumers

Bitcoin Cash holders and earners can spend their BCH for desired goods and services easily and conveniently with minimal fees and with maximum choice. They can also earn SLP tokens and/or BCH back when they spend Bitcoin Cash.

Donors

Donors can ensure more of their donated funds reach the final recipient more rapidly, and thus they get to do more good.

NGOs

NGOs receive donations directly from a global base of donors with immediate reception and much lower fees.



Use Cases

Use cases for the Panmoni app include the following:

- buy Bitcoin Cash (BCH), remit it and save/earn
- find a merchant, spend BCH and earn
- provide BCH liquidity and get enhanced customer flow (and thus earnings)
- freeze BCH value cheaply in USD stablecoin(s)
- sell BCH for local fiat
- learn about BCH and earn
- work for/promote BCH and earn
- buy cell phone minutes refill
- chat securely
- establish an identity and reputation, and add contacts
- buy/sell freelancer services, classified items/services

8. Revenue Streams

We can capture value from users of the Panmoni app in one or more of the following ways.

- take a percentage when users enter or leave Bitcoin Cash.
- take a percentage of special 3-party fiat-to-fiat remittance transactions.
- take a percentage when users pay at merchants.
- take a percentage of stablecoin swaps.
- run a post office for SLP token payments and charge a transaction fee.
- take a percentage of products and services purchased in the marketplace (combo remittances, business tools for users to invest in, etc.).
- take a percentage of loyalty points transactions.
- sell point of sale (POS) hardware, training, consulting, custom development, custom tokens, etc. to merchants, liquidity agents and other network participants.
- sell preferential listings in the merchant directory.
- sell preferential liquidity agent listings.
- develop and sell information products, such as the OTC-desk-in-a-box concept to ramp up more P2P liquidity for local.bitcoin.com.

The above are revenue opportunities. We do not plan to exploit all of them, and will likely experiment first with the opportunities that are deeper in the value transfer network, and not at



the entrance. Entering the value network will need to be as frictionless and advantageous as possible.

9. Customer Segments

We expect early adopters of our service to include the following.

- the Venezuelan diaspora, more than 4 million Venezuelans who have emigrated to other Latam nations, the US and Europe in order to financially support themselves and their families (who frequently remain in Venezuela).
- tech-savvy young emigrants from the developing world but particularly Latam who are active on social media and living in Florida and Spain who are sending sub-\$100 amounts home to pay bills and provide food and medical supplies for relatively younger and/or older family members still living in the home country.

That said, we are focused on adding value for all the following customer segments as part of our MVP. (We'll have more segments and more value to add with our follow-on development stages, see the [Roadmap](#) below.)

Remittance Senders

Latin American emigrants in the USA, Europe and Asia who:

- are remitting money home to family members in Latin America who use those funds to pay utility bills, groceries and other basic necessities,
- are short on time and looking to save time,
- are young and technologically savvy,
- are looking to earn money online and get a leg up on their financial situation so they can have more free time,
- working hard in order to generate income to remit money home, perhaps working multiple jobs,
- are sending small amounts home, generally less than USD\$100 per instance,
- need it to arrive immediately to meet the basic costs of living of their loved ones,
- need it to arrive inexpensively, since every dollar counts for them,
- are active on social media and use it as their primary source of news and communication with their remittance beneficiaries, as well as a discovery mechanism for new opportunities to earn money,
- are from smaller countries with tighter regulations, such as Venezuela, Cuba, Ecuador, Haiti, Guatemala, etc.,



- wish to pay bills and purchase products and services directly for their remittance beneficiaries, such as for elderly parents or pre-teen children, and/or
- want to see the available spending options for Bitcoin Cash prior to buying Bitcoin Cash.

Remittance Beneficiaries

Families in Latin America that receive remittances and:

- need their money fast to pay costs of living,
- require the maximum percentage of the remitted money, and are tired of paying high fees,
- benefit from having key services and products purchased for them and delivered, to save time and hassles, or in emergencies, and/or
- want to easily find merchants where they can spend the remitted Bitcoin Cash and not just save money in doing so but also earn it, as an additional source of income.

Merchants

Small and medium business owners who:

- are in the top 30 (by population) Latin American cities, with an initial focus on
 - Spanish-speakers
 - in Colombia, Venezuela and Mexico,
- are open to new technology,
- have at least a smartphone manufactured in the last 3 years,
- aged 18 to 55,
- looking to grow their businesses by attracting new customers who pay with Bitcoin Cash,
- willing to take risks with new technology, and/or
- have products and services that can be delivered.

Consumers

Bitcoin Cash holders and earners who wish to spend their Bitcoin Cash purchasing products and services easily and conveniently with minimal fees and with maximum choice.

Donors

Donors in North America, Europe and East Asia who wish to directly donate to worthy causes in Latin America, paying only the network fee.



NGOs

NGOs and less formal charitable organizations in Latin America that currently use GoFundMe or other legacy solutions that charge higher fees and require hassle and paperwork to get funds to Latin America will be able to receive donations immediately, directly and with only the network fee. This will enable them to do more good, more rapidly and with less risk of funds being seized or returned to donors due to legacy nation-state regulations.

10. Channels

To gain new clients, Panmoni will reach our target market in a number of ways, including the following.

- content/social media marketing (LinkedIn, TikTok, Instagram, Snapchat, YouTube & more aimed at our customer segments) with selective social media boosting to reach our target markets.
 - sponsorship of content creators that have a fit with our target markets.
 - influencer marketing, particularly on Instagram and YouTube
 - Create SLP tokens for individual influencers
- SMS, WhatsApp and email marketing.
- incentivized user referrals.
 - including web-of-trust-style verifications that progressively unlock rewards.
 - including incentivized sharing to social media and personal networks when rewards are earned.
- game-like prizes, lotteries, loot boxes, and other glitzy tactics that incentivize use.
- limited time promotions, such as:
 - Feeless crisis or holiday remittances,
 - send \$100 for 1 penny,
 - send 10 remittances of at least \$50 each, get a \$50 Bitcoin Cash voucher only spendable at merchants, and/or
 - early adopters get feeless remittances for life, unique tokens, or other benefits.
- special offers together with partners/merchants (remit \$20, spend it at X merchant and get 20% off).
- exclusive products, such as:
 - assets which can be used to start your own business, such as hot dog carts.
- in-store point of purchase (POP) marketing.
- targeted events for different constituencies, such as:



- remittance beneficiaries,
- merchants,
- liquidity agents,
- cross-border freelancers (who could become spenders), and
- crypto enthusiasts (traders, early adopters, etc.).
- in-person visits to affiliate merchants.
- build a friendly brand with tactics such as:
 - prominent NGO support, particularly with rapid crises responses that harvest social proof and PR deliverables,
 - tell the stories of people in crisis, and how the Panmoni service helped them, and
 - a scholarship competition for remittance beneficiaries.
- online advertising where feasible.
- word of mouth.
- form alliances with small remittance providers to improve their cost structure with Bitcoin Cash and gain access to their customers.

We will measure which channels provide the greatest ROI for different revenue streams and optimize as needed on a regular basis.

11. Key Activities

The key activities we need to be expert in order to achieve our goals and generate a return on investment include the following.

- build (and maintain) the Panmoni wallet with the following features:
 - integration with local.bitcoin.com and other liquidity providers,
 - a merchant directory and combo remittance marketplace (usability directory),
 - and others (see [Roadmap](#) below).
- onboard new remittance senders in North America and Europe.
- get remittance senders to repeatedly use the service.
- onboard remittance beneficiaries in Latin America (so they can onboard their respective senders).
- onboard merchants in key Latin American markets.
- onboard liquidity providers for local.bitcoin.com so that users have ample ability to exit and enter the system at minimal cost.
- support merchants, consumers, remittance senders and beneficiaries.
- keep merchants interested and enthusiastic.
- avoid regulatory crackdown, removal from the app store and/or work around it.



12. Key Metrics

Our progress can be measured with the following metrics:

- EBITDA.
- First-time remitters.
- Remitters who remit again.
- Active users of the wallet/app (via app stores).
- Active merchants.
- In-wallet stability swaps.
- Transactions at merchants, average spend value and volume transacted.
- Combo remittances sold, average spend value and volume transacted.
- Liquidity agents recruited, maintained (active) and lost.
- People working via the gamified adoption wallet module, discrete tasks completed and payouts made.
- Social media, podcast and email marketing analytics (content marketing and marketing funnels).
- Support tickets resolved.
- NGOs affiliated.
- Donations made and average donation size.



13. Cost Structure

Costs are expected to fall into four main camps: (1) software development (2) marketing (3) operations (4) administration. We aim to build a lean enterprise with a minimal fixed-cost structure and to outsource many promotional activities to our user network via SLP-token-based incentives. Our goal is to maximize business value for the long term in order to effectively pursue our vision.

To see financial estimates and projections, see the [Financials](#) section.

Economies of Scale

We aim to build systems and networks where user activity iteratively builds more value for the network over time. We anticipate being able to create many economies of scale, including on the following assets.

- **The Panmoni wallet:** More users can gain value from it and add value to the network for the same development cost.
- **Liquidity network:** The more liquidity agents we add via the static cost of a marketing and training program, the better pricing and options there are for users.
- **Content marketing:** The more people we reach with our fixed-cost content marketing operation (podcasts, vlogs, blog posts, tutorials, testimonials, etc.), the more people will become aware of Panmoni and Bitcoin Cash, and the more of them will participate in our network.
- **Automated marketing funnels:** We can build automated marketing funnels using digital marketing strategies that bring in new users again and again for a fixed price.
- **Gamified adoption:** Once we have the gamified wallet module, it will incentivize users to bring in new merchants, users, liquidity agents, etc. again and again, and we can pay them with our SLP token.
- **The usability directory:** At each stage of the merchant directory / market network, its value will grow with each new participant, be they merchant or consumer.



14. Unfair Advantages

We possess several advantages, which uniquely enable us to make rapid progress towards generating an ROI, becoming self-sustaining and having a globally noteworthy impact for Bitcoin Cash adoption.

- **Merchants:** 1,160 active crypto-accepting merchants mostly in Medellín and Caracas but with noteworthy groups in Cúcuta, Maracaibo, San Cristobal, Quito, Lima, São Paulo, Guatemala City and other Latin American cities (as of 13 Sep 2019).
- **Existing network:** A mailing list of 5,000 people we introduced to cryptocurrency in person during 2018 and 2019, which includes both merchants and non-merchants, remitters, remittance beneficiaries, NGOs and consumers.
- **Market Fit Expertise.** Direct contact with our local markets and great team communication and relationships, enabling us to meet new trends head on and develop new products and services to meet real needs now.
- **Successful pilot:** A pilot remittances project between Madrid and Caracas which provided early results and lessons that inform our current operating plan.
- **Media production:** The ability to produce impactful media and content, including print, for social media, audio and video.
- **Event expertise:** Expertise in running events – we ran 159 events over 16 months, and frequently had people standing in line to get in and learn about cryptocurrency.
- **Reputation:** We are known and respected in Latin American cryptocurrency circles, and have established many relationships here that will help us build out remittance corridors and expand merchant adoption.
- **Recruiting and training:** Ability to recruit, train and deploy leaders doing the hard work of direct sales and support.



15. Key Partners

Key partners we expect to outsource non-key activities to include the following:

- **Liquidity:** local.bitcoin.com, ATM providers, cryptocurrency exchanges and small liquidity providers.
- **Street adoption:** Starting at stage 3 of the [Roadmap](#) (see Appendix), we will start outsourcing many marketing, merchant adoption and other tasks to community members in return for our SLP token.

We expect to build more alliances over time so that Panmoni can focus on its core competencies and remain a lean participant in a larger ecosystem full of independent players.

16. Key Resources

Key resources we will leverage to create value for our customers include the following.

- the Bitcoin Cash network.
- existing BCH wallet code that is available under compatible licenses.
- local.bitcoin.com.
- SLP tokens including USDH.
- relationships with teams and liquidity providers in key markets such as Mexico and Spain.
- our existing team of 80 people who are trained and experienced in effective cryptocurrency mass adoption techniques, including merchant affiliation, consumer support, content creation and more.
- our existing network of 1,160 active merchants (as of 13 September 2019).
- our existing social media followers/subscribers, WhatsApp contacts (4,000) and email subscribers (5,000).
- the vision and leadership of George Donnelly who has led the team's efforts to this point, including in HR, training, sales strategy, marketing, fundraising & more.
- other key team members who have developed key skills and relationships that enable us to move quickly and sustainably.



17. Market Analysis

Globally, remittances are a USD\$689 billion per year business. Of that \$529 billion (in 2018) was sent to low- and middle-income countries, representing growth of 10% year-on-year. Latin America and the Caribbean received \$88 billion in remittances in 2018, which represented 10% growth year-on-year. The two previous years saw 8% growth each for Latam.

Average remittance fees are high globally, at 7-8%. This is due to many reasons including lack of fiat financial infrastructure, limited competition, government regulations, limits on access to banking and lack of identification documents for beneficiaries. Further, pricing is complex because there are fees, exchange rate margins, cash-out fees on the receiving side and other, frequently hidden, costs. This leads to a consumer focus on factors other than price when choosing a remittance service, such as brand.

Large remittance providers, such as Western Union and Moneygram, handle 40% of global flows. They have presences in 100 countries with more than 100,000 payment points. However, only a fraction of their remittance transactions are digital (internet, mobile app, etc.), though use of digital channels is growing. In Mexico, for example, the largest and most mature remittances market in Latam, 29% of remittances are digital.

Remittance flows are crucial to the development of low- and middle-income countries, such as most Latam nations. Globally, remittances are 3 times greater than direct foreign aid and, in 2018, excluding China, remittances are also considerably larger than foreign direct investment.

In Colombia, remittances that deposit straight to bank accounts are growing but, overall, less than half of emerging nation adults have bank accounts. Further, money-transfer operators have seen banks close their accounts due to the difficulty and risk the banks perceive with performing KYC on remittances, as it must be done not just on the sender but also on the receiver.

Remittances remains in large part a cash to cash business with many small players in a fragmented marketplace where brand matters as much as or more so than price. The space is ripe for digital disruption and we are right on time for it.

Cross-border bill payment is growing, is also ripe for new services and can be accommodated within the structure of local.bitcoin.com.



Since so few emerging nation adults have bank accounts, banking system resistance to crypto transactions need not be a major obstacle. Further, by relying on a distributed network of buyers and sellers via local.bitcoin.com, we can reduce the impact of banks shutting down money-transfer operator bank accounts as well as the banks' ability to do so.

In places where mobile networks are just beginning to penetrate, we can be among the first providers of digital remittances.

Panmoni anticipates an initial focus on Spanish-speaking Latin America as that is where the size and complexity of flows are most addressable by our current team and experience. As we establish successful remittance corridors, however, we will apply our tactics to Portuguese-speaking Brazil, the largest economy in Latam, sub-Saharan Africa (\$46 billion in annual remittances flows), particularly Kenya and Nigeria (where remittance fees are higher than average) and the huge markets of India (\$79 billion in annual flows), the Philippines (\$34 billion), Egypt (\$29 billion), China (\$67 billion) and others.

Mobile money is a big deal in sub-Saharan Africa with services such as M-Pesa and MTN, but it has yet to arrive in Latin America. We will bring it.

Latam Country Analysis

Below is a summary of select market trends for remittances in Latam and an analysis of which countries and corridors we will start with.

- **Mexico** is a mature market with a lot of competition, and the 3rd largest remittance recipient globally after India and China. Mexico is a maturing market, accounting for 40% of all remittance flows in Latam.
- **Haiti** is a nation in perpetual crisis that is seeing a lot of remittance growth from Chile.
- **Venezuela** is receiving their remittances frequently in a very informal fashion and primarily from Colombia, Peru, the US, Chile and Ecuador, where there are large Venezuelan diaspora communities. Penetration of digital remittance means is low. Venezuela also sees a lot of in-kind remittances, such as shipments of clothing and other goods. This suggests there is an opportunity for Bitcoin Cash inflows to be used for commerce and investment to build new businesses. Colombia is also an important origin point for remittances to Venezuela, and the sending amounts from Colombia are the lowest in Latam, averaging \$33 per transaction.
- **Colombia** receives almost half of its remittances from the US, and this percentage is growing. Remittances from Spain are declining rapidly. There is also growth in remittances to Colombia from Chile, Ecuador, Panama, Peru, Mexico, Brazil and Argentina. Remittances to Colombia that deposit directly to bank accounts have grown to 31% of the total.



- In **Central America**, Guatemala is the largest recipient but due to irregular migration flows and changing US government policies, the region is unpredictable. Honduras, El Salvador and Nicaragua are also interesting, with the Costa Rica to Nicaragua and Panama to Nicaragua corridors being particularly primed for growth due to migrant workers. Panama and Costa Rica are becoming noteworthy regional remittance origination points.
- **Chile** is becoming a large regional remittance origination point with 32% of flows going to Perú, 16% to Colombia and 8% to Bolivia. There are also small but growing flows to Venezuela, Argentina, Haiti and Ecuador. The Chile-Haiti corridor has seen enormous growth.
- **Cuba**. Due to limited remittance options, its status as the least-free economy in the region and high remittance prices (as much as 13% according to the World Bank), the US to Cuba remittance corridor is a highly promising target for disruption. With \$2.7 billion in 2018 remittances, a year-on-year growth rate of 9%, and US limits on remittances, Cuba is a small pond in which we could make a big splash.
- **Brazil**. Brazil is the largest economy in Latam and the 9th largest in the world. It has a sizeable expat community and enjoys excellent crypto liquidity. Brazil enjoys language unity with 200 million Portuguese speakers and significant regulation.

Fastest Growth

These Latam nations are experiencing the most rapid growth in remittance inflows.

1. Haiti: 17.2% year-over-year
2. Colombia: 15.3% (likely as a proxy for Venezuela)
3. Guatemala: 13.4%
4. Brazil: 11.5%
5. Mexico: 10.5%
6. Honduras: 10.4%

Mexico, Guatemala and Colombia are seeing the fastest growth in the use of digital remittance means, including mobile apps. One-third of remittances to Mexico and Guatemala, and nearly one-half of those to Colombia, are now digital.



Largest Receivers

These nations are receiving the largest remittance inflows in absolute terms in Latin America and the Caribbean.

1. Mexico: \$33 billion
2. Guatemala: \$9 billion
3. Dominican Republic: \$6.5 billion
4. Colombia: \$6.3 billion
5. El Salvador: \$5.5 billion

Remittances as a Percentage of GDP

The following Latam nations receive a large percentage of their GDP in the form of remittances. This is a proxy for how important remittances are for each nation.

1. Haiti: 39% of GDP
2. El Salvador: 21%
3. Honduras: 20%
4. Guatemala: 12%
5. Nicaragua: 11%
6. Dominican Republic: 8%

Data for Venezuela is unknown and/or unreliable due to the highly informal nature of the remittances industry that has sprouted up around the Venezuelan diaspora.

Top 5 Receiver Candidates

Remittance flows in Latin America and the Caribbean are multi-sided. Most nations are net receivers but a few noteworthy ones also send a considerable amount of remittances. Growth in the demand for remittances stems from crisis and is powered by stronger economies such as the US, Canada, Costa Rica, Panama and Chile.

Which receiving nations we decide to focus on will also determine our focus for merchant adoption, since demand to spend Bitcoin Cash at merchants will come from the supply of remittance inflows into a given area.



Here are our top receiving nation candidates, in no particular order.

- **Venezuela:** Chaotic, risky and fragmented but crypto-friendly and likely to continue growing, with a huge potential upside to found new businesses and rebuild the country after the socialist regime falls. Colombia and Venezuela are sister nations, complementary markets and share a long porous border.
- **Colombia:** Enjoys large flows, is neutral to friendly on cryptocurrency and frequently serves as a proxy for Venezuelan flows. Hosts a very large migrant Venezuelan population. Colombia is the 4th largest economy in the region and has experienced serious currency devaluation over the last year.
- **Mexico:** Huge flows and fairly formalized but ripe for adoption of digital remittances. The potential of the US-Mexico corridor can not be underestimated. This is the largest remittance recipient in Latam and the 2nd largest economy (after Brazil).
- **Guatemala** (also Honduras, Nicaragua, El Salvador): Sizable inflows not just into the region but within the region due to insular economies and various crises. This is the 10th largest economy in the region out of 33.
- **Haiti, Dominican Republic and Cuba:** While the Dominican Republic enjoys strong growth as the 8th largest economy in Latam as well as sizable remittance inflows, Cuba and Haiti are economies wracked by regulation and crisis, respectively.

Top 3 Sending Candidates

Remittances are complex, requiring coordination and confidence on both the sending and receiving sides. A successful strategy requires a focus on the origin points as well. Our top 3 are the following:

- USA
- Spain
- Chile

Panama, Costa Rica and Colombia are also important senders. Flows that originate in Latam generally evidence a smaller amount per remittance sent.

Market Analysis Conclusion

We expect to place an 80% focus on selling remittances into Colombia and Venezuela, where the Panmoni organization is already very strong, with a 20% focus on Mexico. This is subject to change as we gain new information.



18. Network Effects

We consider network effects essential as we want to build a defensible, scalable business that can resist competition to endure for decades and grow to meet additional needs as more and more people adopt Bitcoin Cash.

Here is a brief analysis of the potential network effects of the Panmoni app once it is fully developed.

- **Physical:** As use of the Panmoni app grows, the demand for liquidity will be greater and we may be able to incentivize/integrate and support the creation of physical kiosks with Panmoni and Bitcoin Cash branding so people know where to cash in and out of the system. The more individuals who recommend the app and the more merchants who accept Bitcoin Cash can also mean additional physical network effects.
- **Personal / Personal Utility:** By enabling users of the Panmoni app to establish an identity and have contacts, we can create reputation, which will only gain utility over time as we build on the merchant directory to add merchant reviews, the freelance marketplace (with invoicing) and a market network for trade both B2B and international.
- **Market Network:** We will build the merchant directory over time into an n-sided market network where merchants can buy from each other paying with Bitcoin Cash and freelancers and small businesses can organize themselves into teams to bid for larger contracts, trustlessly sharing in earnings.
- **Asymptotic Marketplace:** When we connect consumers with merchants and buyers/sellers with liquidity agents, we will stand at the center of asymptotic marketplaces. This grants us greater defensibility as we grow the participants in our marketplaces.
- **2-Sided Marketplace:** As a basic payments solution, we will be in the middle of a 2-sided marketplace. Further, we have the option of adding classifieds to the merchant directory.
- **Data:** We will collect all the data that we ethically can without compromising user privacy, and learn from it to produce more value for our customers.
- **Language:** We will incorporate into our content marketing strategy the use of “pan” as a verb to mean ‘send me money right now’.
- **Bandwagon:** With the incentivized referral program, and by creating a “cool” cultural identity via our content marketing strategy, we may be able to generate a bandwagon network effect as it becomes the hip thing to do to earn money, send money, save money and advance your personal wealth with Panmoni.



- **Belief:** We are very good at producing media, and we will use our content marketing program to tell a story of prosperity and liberty, to generate education, to improve mindsets with inspirational content and demonstrate social proof of the value of using Panmoni.

We are on the lookout to strengthen these network effects and add additional ones as it makes sense so that Panmoni can grow to be the pre-eminent tool for value transfer and economic growth in Latin America – and eventually the developing world.

19. Financials

Here are some estimates of valuation, expenses and income. These are highly speculative and likely optimistic.

Valuation

Berkus Method

This quick Berkus method analysis give a conservative valuation of about \$1.3 million.

Sound idea	\$400,000
Quality management team	\$400,000
Prototype	\$200,000
Strategic relationships	\$200,000
Product rollout or sales	\$100,000
	\$1,300,000

VC Method

Here is a VC Method valuation analysis, which also gives a pre-money valuation of about \$1.3 million. It optimistically assumes a few things, none of which are guaranteed, including that we can:

- move \$100M in remittances through the app in year 3 (calendar year 2022) (\$100M constitutes about 0.09% of Latam and Caribbean remittance inflows).
- capture 1.95% of this value through the various [monetization opportunities](#).
- maintain operations, including software development, marketing, etc. for \$37,000 (~+10%) per month or less.



Pre-money Valuation	\$1,278,900
Investment Amount	\$548,100
Post-Money Valuation	\$1,827,000
Year 1 Valuation	\$3,654,000
Year 2 Valuation	\$7,308,000
Year 3 / Exit Valuation	\$14,616,000
Percentage Sold	30%
IRR	100%
Exit Multiple	10
Exit Value	\$14,616,000
Year 3 Value Flow	\$100,000,000
Year 3 Percentage Captured	1.95%
Year 3 Revenue	\$1,950,000
Year 3 Annual Expenses	\$488,400
Year 3 EBITDA	\$1,461,600
Latam 2018 Remittance Flow	\$88,000,000,000
Market Growth Per Year	6.00%
Year 3 Latam Remittances	\$111,097,972,480
Year 3 Market Share	0.090%
Monthly Expenses	\$37,000
Runway in Months	14.8

Assuming an initial investment of approximately USD\$550,000, we will likely need to raise another round of capital within 12 to 15 months.



Monthly Budget

The following is an approximate monthly budget.

Software Development	\$18,000
3-4 Android/blockchain developers	
tools, coworking, incidentals	
External Marketing	\$15,000
merchant adoption	
remittance beneficiaries	
liquidity providers	
meetups	
marketing funnels	
bizdev	
Internal Marketing	\$2,000
support desk	
customer retention	
OTC desk	
Administration	\$2,000
accounting/legal	
software (Gsuite, Dropbox, etc)	
hiring	
	\$37,000



Income Projections

These income projections are optimistic and highly speculative. They are by no means guaranteed.

- **Latam Market** refers to the estimated totality of remittance inflows into Latin America and the Caribbean assuming a conservative 6% annual growth rate.
- **Value Flow** refers to how much value is moved through the Panmoni service.
- **Market Share** is that value flow as a percentage of the overall market.
- The **Percentage Captured** is an estimate of what percentage of these flows we might capture as income.

	2020	2021	2022	2023	2024
Latam Market	\$99 billion	\$105 billion	\$111 billion	\$118 billion	\$125 billion
Value Flow	\$5 million	\$50 million	\$100 million	\$200 million	\$500 million
Market Share	0.01%	0.05%	0.09%	0.17%	0.40%
% Captured	0.75%	1.00%	1.95%	1.95%	1.95%
Revenue	\$37,500	\$500,000	\$1,950,000	\$3,900,000	\$9,750,000
Expenses	\$488,400	\$488,400	\$488,400	\$488,400	\$488,400
EBITDA	-\$450,900	\$11,600	\$1,461,600	\$3,411,600	\$9,261,600



20. Appendix

Here are some supplementary materials for additional information on key aspects of the plan.

A. Lean Canvas

<p>PROBLEM</p> <ul style="list-style-type: none"> ▶ remittance fees are expensive ▶ prohibitive to remit small amounts ▶ hassles, delays and hidden fees 	<p>SOLUTION</p> <ul style="list-style-type: none"> ▶ network of small liquidity agents ▶ no fixed fees, only percentage fees ▶ Bitcoin Cash wallet app 	<p>UNIQUE VALUE PROPOSITION</p> <ul style="list-style-type: none"> ▶ Get paid to remit faster, cheaper, from your phone to anywhere from anywhere anytime without limits 	<p>UNFAIR ADVANTAGE</p> <ul style="list-style-type: none"> ▶ 1,160 active merchants ▶ successful Madrid-Caracas pilot ▶ 5,000+ contacts of new crypto users in Latam 	<p>CUSTOMER SEGMENTS</p> <ul style="list-style-type: none"> ▶ 4MM Venezuelan migrants ▶ Latino migrants in Florida and Spain ▶ small merchants with smartphones
<p>EXISTING ALTERNATIVES</p> <ul style="list-style-type: none"> ▶ Western Union & Moneygram ▶ limited digital payments apps ▶ small, informal vendors 	<p>KEY METRICS</p> <ul style="list-style-type: none"> ▶ repeat BCH remitters ▶ merchant transaction count ▶ active liquidity agents 	<p>HIGH-LEVEL CONCEPT</p> <ul style="list-style-type: none"> ▶ Western Union without the hassles 	<p>CHANNELS</p> <ul style="list-style-type: none"> ▶ content & influencer marketing ▶ incentivized user referrals ▶ alliances with existing small remittance providers 	<p>EARLY ADOPTERS</p> <ul style="list-style-type: none"> ▶ remit less than \$100 per instance ▶ active social media users ▶ supporting elderly or children in home country
<p>COST STRUCTURE</p> <ul style="list-style-type: none"> ▶ software development ▶ marketing ▶ operations ▶ administration 		<p>REVENUE STREAMS</p> <ul style="list-style-type: none"> ▶ user spending at merchants ▶ in-wallet stability swaps ▶ combo remittances & general remittance fees ▶ preferential merchant & liquidity agent directory listings 		

[Download PDF](#)



B. SWOT Analysis

S

- merchant count of 1,160 in 8 nations
- team of 80+ adoption specialists
- existing network of 5,000+ crypto users directly trained
- 16 months full-time experience + \$360,000 invested

W

- team requires capital
- remittances systems require further development
- target markets unfamiliar with cryptocurrency
- multi-tenanting is a risk if similar competitor enters

O

- Venezuela crisis and its 4MM migrant diaspora
- real demand exists for non-limited financial services in target markets
- legacy fiat competition is vulnerable to digital upstart
- smartphone penetration high and growing in Latam

T

- app stores could remove apps
- existing providers could ramp up competition
- government action
- decrease in liquidity at the P2P level

PANMONI
SWOT ANALYSIS

• FOR THE BCH ECOSYSTEM INVESTMENT FUND •

[Download PDF](#)

Strengths

- **Merchant count:** 1,160 active merchants across 8 Latam nations (as of 13 September 2019).
- **Team:** 80+ member team of trained and enthusiastic cryptocurrency adoption workers across 8 Latam nations.
- **Existing Network:** We have an opt-in mailing list of 5,000 new cryptocurrency users we directly trained as well as social media followings and 4,000 WhatsApp contacts.



- **Market Fit:** We are Latin Americans or have lived here for decades, and thus we know the culture and language and thus are able to develop a market fit for cryptocurrency technology rapidly.
- **Experience:** 16 months of full-time experience with crypto mass adoption.
- **Marketing:** We have the ability to turn everything we do into marketing and public relations assets that become force multipliers and social proof for onboarding new users.
- **Expertise:** We have the proven ability to affiliate, support and retain merchants rapidly and sustainably using in-house systems and talent.
- **Excitement:** We have the proven ability to generate excitement among consumers to attend events and learn how to use cryptocurrency.
- **Reputation:** We are known in Latam as a team that is making impressive progress in crypto mass adoption.

Weaknesses

- **Capital:** We lack the capital required to move forward in a professional and coherent manner except as a part-time hobby.
- **Remittances systems:** We have not perfected our systems for onboarding remittances users, which is a more complex challenge than merchant and consumer adoption due to the geographic realities.
- **Unfamiliarity of crypto:** The nature of cryptocurrency as a digital bearer instrument makes it a bit slippery to hold onto, and it can take new users some time to develop the trust and confidence required to become repeat users/buyers.
- **Multi-Tenanting:** A competitor that creates similar technology and offers similar services is possible given a team with our expertise, experience, drive and funding. Our ability to retain our customer base would be based on branding and marketing primarily.
- **Licensing:** If it is determined that we require particular government licensing to operate in important markets, this could be an additional expense or obstacle.
- **Advanced skills:** Our team currently lacks or is short on key skills, such as software development and digital marketing.
- **Lack of income:** We have not yet perfected any sources of repeating income.

Opportunities

- **Venezuela crisis:** The Venezuela crisis opens new demand for fast, inexpensive cross-border transactions and alternate currencies.
- **Real demand:** Our target markets are eager for app-based money and financial services.



- **Open merchants:** Merchants are hungry for new customers and new sources of economic growth.
- **Vulnerable competition:** Fiat remittances are overpriced, slow, limited and complicated.
- **Rapid ramp up:** Existing merchant and consumer base enables us to ramp up rapidly.
- **Technology adoption:** Smartphone penetration is growing across Latam.
- **Lack of competition:** The competition in fintech and remittances is slow to adopt digital means and cryptocurrency.
- **SLP tokens:** Bitcoin Cash's SLP tokens mean we can create new money and new value that assists us in bootstrapping new value transfer networks.
- **Culture:** Latam's familial networks are ripe for incentivized word-of-mouth marketing techniques that are cost-effective.
- **Current assets:** Accelerated growth due to leveraging of current assets.
- **New marketing avenues:** Content marketing and cultural knowledge enables us to circumvent advertising limits and reach new customers rapidly.

Threats

- **App stores:** App stores could remove our apps, slowing adoption and use greatly.
- **Competition from existing providers:** Existing remittance providers could radically lower fees or ramp-up marketing.
- **Government action:** Law-enforcement and regulatory action could slow us down and scare off users and partners.
- **Crypto competition:** Well-funded aggressive cryptocurrency-savvy competitors with similar cultural knowledge and hustle as us could eventually interfere with our growth plans.
- **Global stablecoins:** For example Libra or Telegram's token, if it were to be incorporated into their chat software.
- **Social media restrictions:** Deplatforming could eventually interfere with our content marketing strategy.
- **Market rejection:** Our target market could find it difficult to trust cryptocurrency.
- **Lack of liquidity:** A lack of liquidity agents on local.bitcoin.com could interfere with users' ability to enter and exit BCH, and thus deter use of the system.
- **Crypto scams:** Scams in the crypto space pretend to be legitimate projects and can siphon off users with fake promises, eventually causing a loss of confidence in cryptocurrency.



C. Roadmap

We anticipate the following initial development stages. We seek to begin generating income as rapidly as is feasible while maintaining the long-term perspective required to realize our vision of disruptive innovation.

0. Pre-MVP

- Re-onboard key merchants in Medellín and Caracas
 - secondary and less resource-intensive focus on merchants in other markets
 - establish friendly relationships with other BCH merchant onboarders and their merchants in key markets
- Hire for key roles
 - team-building exercises
 - define, build and enforce a corporate culture, including communication channels, habits, best practices, etc.
- Define and develop the MVP Panmoni app
- Define and build our marketing funnels
 - prepare and test the remittances marketing plan, do market research, test advertising strategies
 - launch bilingual (English and Spanish) content marketing campaigns (podcasts, vlogs, etc.) to attract talent, customers, liquidity agents, etc. by discussing creative entrepreneuring, cryptocurrency and related topics that are compatible and gain us audience
 - launch website and social media presences (Instagram, LinkedIn, TikTok, YouTube, Facebook, Twitter, Memo.cash, Read.cash, Honest.cash, Steemit/Dtube/3speak, Periscope, LBRY, Bitchute, Floteapp, Minds, Twitch, SoMee Social, etc.)
 - print marketing materials such as acceptance stickers, flyers, recovery phrase cards, support stickers, etc.
 - hold Bitcoin Cash meetups in selected remittance markets with something everyone wants to take a photo with
- Initiate quarterly calls with investors, the community and other key stakeholders
 - establish a scientific and transparent system for keeping track of metrics, user feedback, use data and applying it on a regular basis to meeting changing target market needs and preferences in order to achieve maximum uptake
- Establish support desk
- Establish white glove OTC desk built on top of local.bitcoin.com as customer-base-building scaffolding
- Establish business development priorities



- build relationships with small remittance businesses to onboard them to the liquidity and POP advertising networks
- build relationships with secondary liquidity options, such as exchanges, ATM providers, etc.
- Decide initial token economics and issue our SLP token

1. MVP

- Release the MVP Panmoni app that consists of the following:
 - BCH and SLP token wallet, including
 - Cash accounts
 - Ability to pay BCH to Ethereum usernames
 - Liquidity pool to facilitate instant and cheap BCH<>USDH or other stablecoin swaps, including ability to hold USDH and transparently spend BCH.
 - remittances
 - streamline ability for remitter and beneficiary to connect and remain connected (to facilitate repeat remittance sending)
 - ability to scan QR codes in screenshots in the app
 - build a layer that enables a compressed 3-way coordination among liquidity provider, remittance sender and remittance beneficiary
 - basic geolocated merchant directory
 - including combo remittances marketplace
 - basic liquidity options (via local.bitcoin.com, exchanges, etc.)
 - basic incentive scheme paying them in our tokens each time they remit
 - basic identity profile
 - in-app personalized support
 - simple referral program focused on critical mass
- Soft launch it with a focus on our initial markets
 - collect data for future application
 - establish metrics/goals for installs, remittances and merchant spends
 - evaluate results and adjust tactics as needed

2. MVP+

- Develop and release fixes for the MVP
- Add functionality to the app
 - slave POS functionality for merchants not always present in their businesses
 - add mobile refills as a use option



- upgrade the referral program to incentivize users to onboard new users to the app and our funnels with a requirement that emphasizes an in-real-life connection
- incentivize both merchants and BCH spenders with our SLP token
- NFC tap-to-share the receiver's address functionality, to overcome camera and brightness issues with QR code scanning
- Expand liquidity and use cases for our SLP token
- Turn our OTC desk into a business in a box
 - including a complete training program and everything needed to get started
 - market it to young people in Latin America as a business they can start
- Establish a regular meetup and workshop program in key cities for our core audiences
- Select a community forum to funnel new users into, such as memo.cash, and build an MVP campaign to do so
- Announce and demo it for partners and allies across Latin America on a roadshow
- Full Panmoni app launch and double the metrics of our soft launch

3. Early Viral Growth

- Basic gamified wallet module where users get paid in our SLP token for performing actions that concretely add value to the Panmoni/Bitcoin Cash network, such as learning about BCH, affiliating merchants, holding meetups, etc.
 - this enables new people to earn their way into crypto, no need to buy in, with their existing contacts, abilities and resources
- Add secure chat via development or integration
- Build alliances in new markets in North America, Europe and Asia to sell more remittances
- Merge merchant directory with liquidity options, combo remittances marketplace, mobile refills, etc. to create a unified usability directory with user reviews
- Explore more complex tokenomics for our token pending prerequisite SLP development
- Explore adding the ability to integrate SMS onboarding/sending perhaps via CoinTigo and/or CoinText
- Explore enabling merchants to create their own SLP-token-based loyalty points schemes
- Enhance identity inside the app with web-of-trust-style verifications in preparation for the market network
 - expand contacts functionality



Ideas for Future Consideration

- Add greater liquidity automation for remittance receivers and merchants, to simplify cashing out
 - add the ability for merchants to immediately and automatically freeze value in fiat for retail payments at the moment of sale, in order to attract and retain lower-risk-tolerance merchants
- Freelance marketplace
- Add Instagram-like status updates to user identities
- Pilot Portuguese content marketing and presences in Brazil
- Lending, savings and staking
- Integration with advanced custody solutions
- Integration with payment and shopping automation systems in order to integrate big box stores and chains in Latin America
- Initiate merchant adoption operations, liquidity infrastructure and content marketing in select African markets such as Nigeria, Kenya and Ghana
- Expand the usability directory/freelance marketplace into an n-sided market network where businesses can meet B2B and international commerce purchasing needs as well as trustlessly form teams to pitch big projects
- Enable the listing of select direct investment opportunities in a decentralized investment marketplace
- Provision of identity, mutual aid and other services to support migrant workers and refugees as they weather irregular work patterns, exploitation, etc.
- Launch a local governance MVP that enables trustless pooling of funds and decision-making for community projects such as schools, roads and clinics
 - consider integration with a DAO provider such as Aragon
- Integrate with an asset registration system that enables informal economy asset owners to unite existing fragmented ledgers, etc. and thereby leverage assets for growth
- Pay holders of our tokens a dividend that collectively represents some percentage of our profits
- Consider an IPO using SLP tokens



D. Historical Cost Analysis

During 2018-2019, we received funding that when spent had a value somewhere between \$250,000 and \$363,000. If we take the average, we get \$307,000. For this spend, we achieved an enormous amount of progress, including the partial results shown in the table below. If we define an “adoption pack” as 1 enduringly active merchant, 4.31 users and 1 event per 7.3 merchants, then we calculate that each “adoption pack” cost about \$265 one-time.

Spend	Per Adoption Pack
\$250,000	\$216
\$307,000	\$265
\$363,000	\$313
Results	
Active Merchants	1,160
Total Users	5,000
Total Events	159
Adoption Pack	
Merchants	1
Users	4.31
Events	0.14
For each event	
Merchants	7.30
Users	31.45



E. Complementary Media

- Read the **manifesto** that gives shape to the vision at [read.cash](https://www.read.cash).
- YouTube Channel: <https://www.youtube.com/channel/UCjizxJYH0K7oYhW6gQ9iG4g>
- Meet Dash Latam 1: https://www.youtube.com/watch?v=bxsUU_R5ki8
- Meet Dash Latam 2: <https://www.youtube.com/watch?v=eRljZK6Df7Y>
- Meet Dash Latam 3: <https://www.youtube.com/watch?v=bL68nQystEc>
- Venezuelan Migrants in Colombia Buying Groceries with Dash: <https://www.youtube.com/watch?v=enZYnEridbl>
- Demonstrating the POS in Caracas: <https://www.youtube.com/watch?v=txmz-ZspJWE>



Source: [United Nations](https://www.unhcr.org/) (2019)

