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Магістерська робота

на тему: Create a service to support a fully remote international company

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1. INTRODUCTION

Last advances in technologies and changes in cooperation within companies lead to changes in the way how the companies organize teams. We see a big trend in the adoption of remote work and extend it to work anywhere policy. According to HBR article “The Post-Pandemic Rules of Talent Management”, *“Talented individuals with in-demand skills in any sector now realize they can live where they choose, and work where they are qualified. And employers now realize they can source ‘best-of’ talent from anywhere in the world as long as they have internet connectivity.”* (1) More and more companies start not only hire remote personnel but proclaim themselves as the remote-first company from the first day of the existing company. There are several reasons for speed-up this trend, among them COVID-19, lockdowns, the complication of immigration regulation, and closing borders between countries. At the current moment, there are plenty of technical tools that support day to day activities of employees of remote-first companies such as Slack, Microsoft Teams, Zoom, Trello, etc. Remote-only companies do not limit themselves by country borders and try to hire globally. This approach allows them to access the wider talent pool. However, there are small amounts of tools that support the company's work as a whole and can help in global hiring.

The goal of current diploma work is to highlight the building of the start-up around the product that helps remote-first companies in their day-to-day activities. The popular methodology that allows building start-up around service or product is The Lean StartUp. (2). This service will be built to use by other companies, so it can be called Business to Business and shortly B2B. A modification of the Lean StartUp methodology, called Lean B2B, focused on building a startup for B2B services and products. The Lean B2B framework guides over main aspects of building product and startup company around it:

- Market analysis
- Products with covering main features, technical architecture roadmap
- Business model

- Financial analysis

1.1 Problem definition

In time of the COVID-19 lockdown and adopting the remote work by all companies which processes allow to do this, for many companies there is no big difference if employee is working from the same city where is office placed or somewhere else. In this situation companies easing rules for hiring and allow employee to be far from office. There is a start of separation between Place where employee works and place where employee physically presents during work hours. By still in most of the cases, most of companies consider hiring workforce only within of the country, because of several reasons. Let's list main reasons:

- It is not allowed to hire because of legislation or contracts
- Companies used to do this
- Companies don't know how to do this (legally, financially)
- Companies difference in hours and culture difference

Wide spread of remote work and shortage of local workforce push many companies to start think about trying to hire outside of head office country to increase access to talent pool. Also, we see trend in approach to hire people everywhere with extreme realization that called remote first companies. 'Remote first company' company which hiring people everywhere and support 'Remote manifest' stated by GitLab, the first bullet is:

*“Hiring and working from all over the world
instead of from a central location.” (3)*

Many fresh startups from USA and UK are following this approach from first day of the creation. They're hiring everywhere around the Globe. There is a list companies

which hiring globally for remote work right now (4). In this list more that 100 companies which have more that 50 employees. So, I believe there is a need for service that simplified process of hiring globally and onboarding people for small companies. In later stages we describe main areas where such service might help.

1.2 Market overview

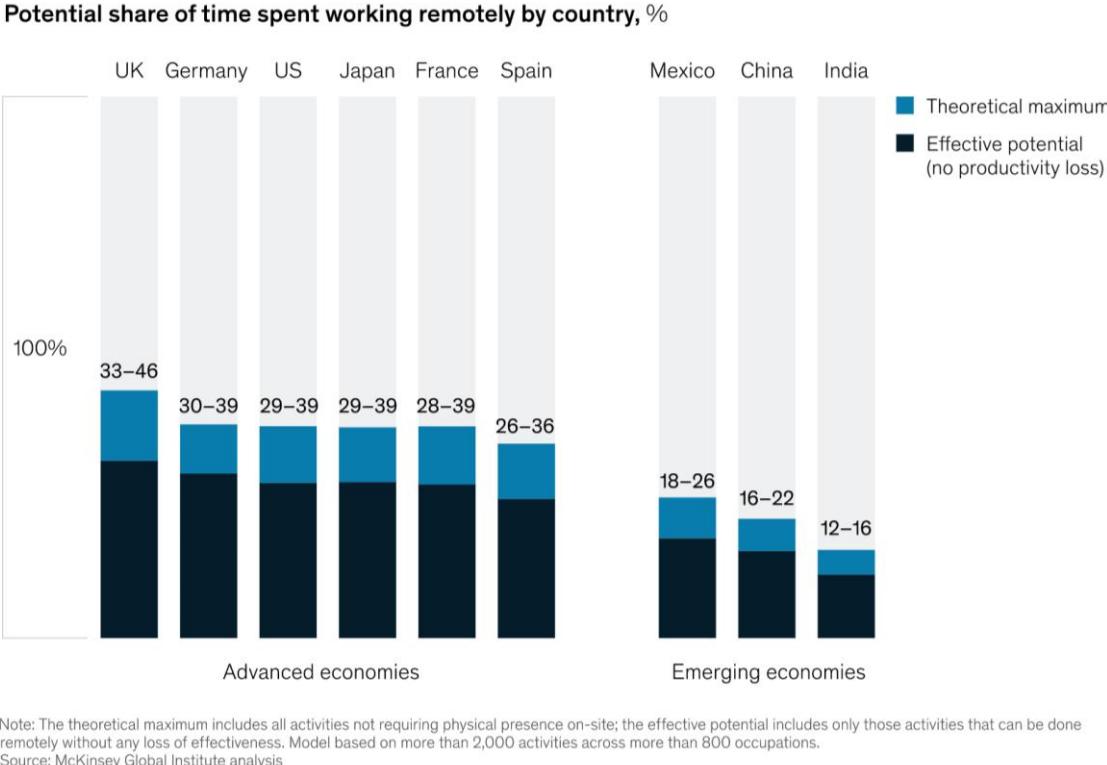
To make a market overview let’s classify who is our potential customer and where we can find it, and from what segment of the whole market is better to start.

As we already mentioned, we see the trend when more companies start hiring employees abroad as contractors. For such companies, all workers are remote. But adoption of remote work is a trend that was visible for many years, even before COVID-19. According to the State of the American Workplace (5) from GOLLUP the time spent on remote work is rising, and it reaches to peak in COVID-19 lockdowns

	2012 %	2016 %	DIFFERENCE (PERCENTAGE POINTS)
Less than 20%	34	25	-9
20% to less than 40%	20	20	—
40% to less than 60%	12	13	+1
60% to less than 80%	10	11	+1
80% to 100%	24	31	+7

Visual 1. The employee spends working remotely of those who work remotely

We know not all work can be done remotely, and there are different levels of adaptation in each country for remote work. Let's determine in which sectors the higher the adoption of remote work before COVID-19 and in which countries were champions in using remote workers. According to McKinsey research about future work (6):

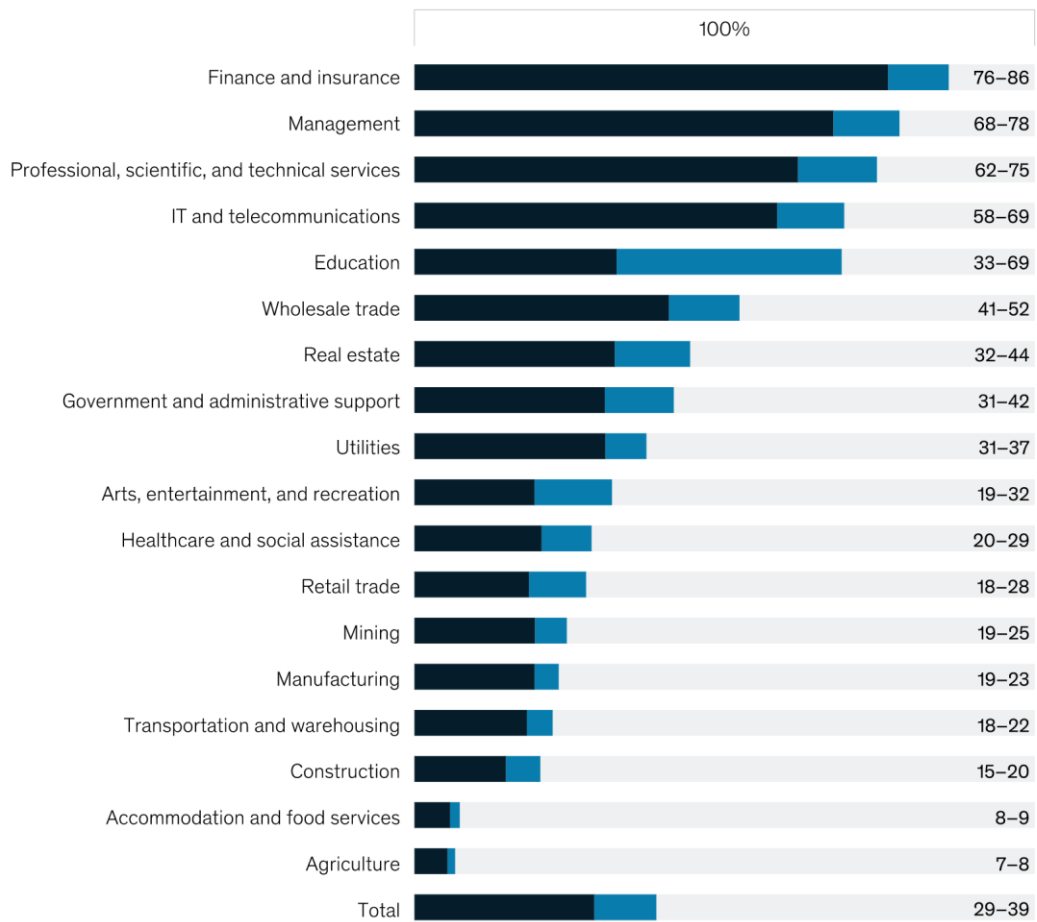


Visual 2. Labor forces in advanced economies can spend more time working remotely than workforces in emerging economies.

We see that most of the advanced economies such as the UK, Germany, US, Japan, France, and Spain ready have about from 26% to 33% of the time spent in remote working and has potential for growth in the size of the 10%.

It is expected that not all work can be done remotely, so there is no need to cover sectors where our service will not be used. Let's classify what can be done remotely and in what proportion and see where we need to focus:

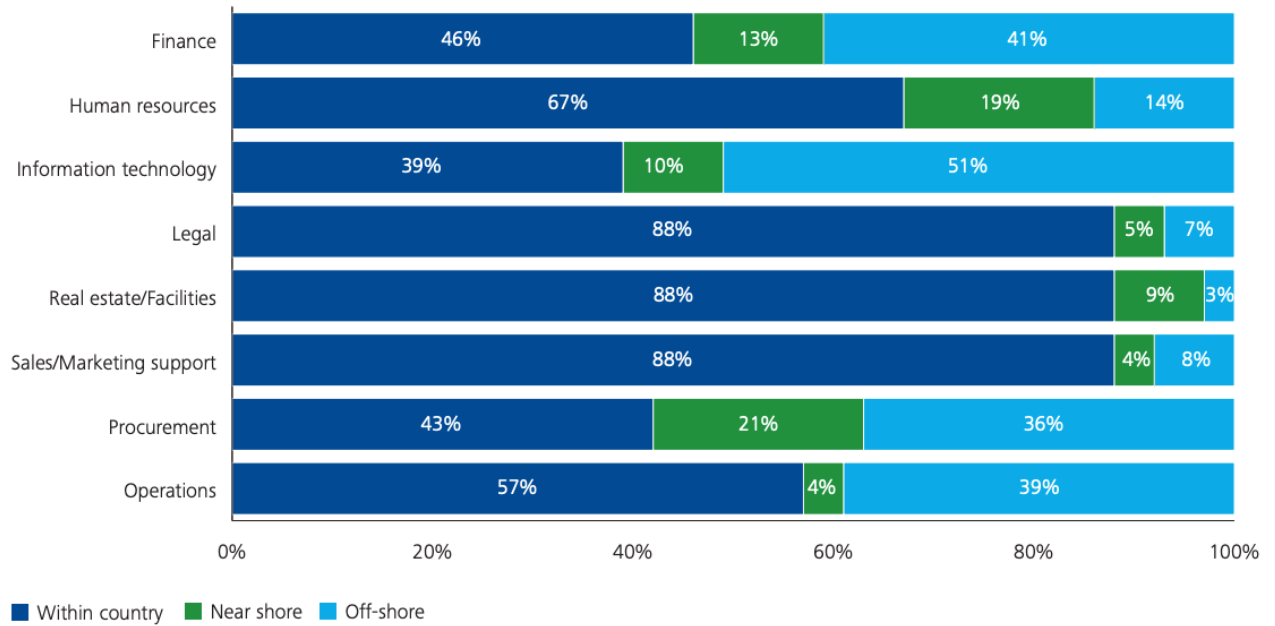
Potential share of time spent working remotely by sector in the United States, % ■ Effective potential (no productivity loss) ■ Theoretical maximum



Note: The theoretical maximum includes all activities not requiring physical presence on-site; the effective potential includes only those activities that can be done remotely without losing effectiveness. Model based on more than 2,000 activities across more than 800 occupations.
Source: McKinsey Global Institute analysis

Visual 3. Potential share of time spent working remotely by sector in the United States

Authors of McKinsey’s report made the conclusion that: “Management, business services, and information technology have the next highest potential, all with more than half of employee time spent on activities that could effectively be done remotely.” In the current case, we’re looking at the general work that might be done remotely, but companies will outsource remote tasks abroad. We know that only parts of the functions can be efficiently done abroad. Let’s look at statistics, what kind of functions are usually outsourced abroad. According to Deloitte survey, functions that usually outsources abroad is an Information technology (7).



Percentages reflect the percentage of respondents who outsourced the "majority" of work in each function to each type of location.

Visual 4. Percentage of work which was outsourced

To start analyzing the market, let's look where better to start. A segment where we need to focus, we would like to choose startups because:

- Startups are limited on money in comparison to already established business
- Startups are more open to risks, so they are ready to try something new to survive

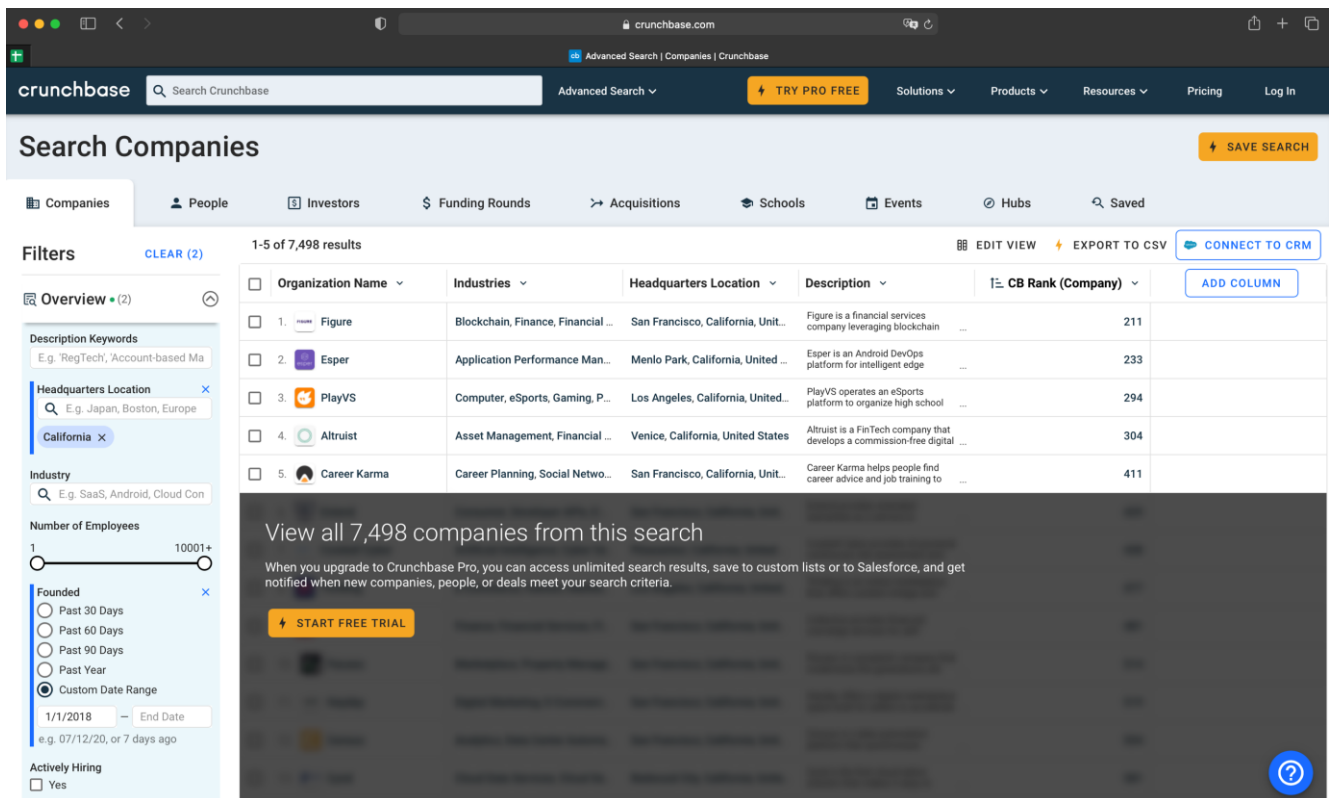
Let's try to look where mentioned before countries (UK, Germany, US, Japan, France, and Spain) more startup created during the last five years. According to CrunchBase, most startups were launched in the USA - about 49 thousand startups and main share were established in California (15.5K)

Table 1.

New startup created during last 5 years

Country	<i>USA</i>	UK	Germany	Japan	France	Spain
Startups	<i>49K</i>	10K	4K	4K	3K	3K

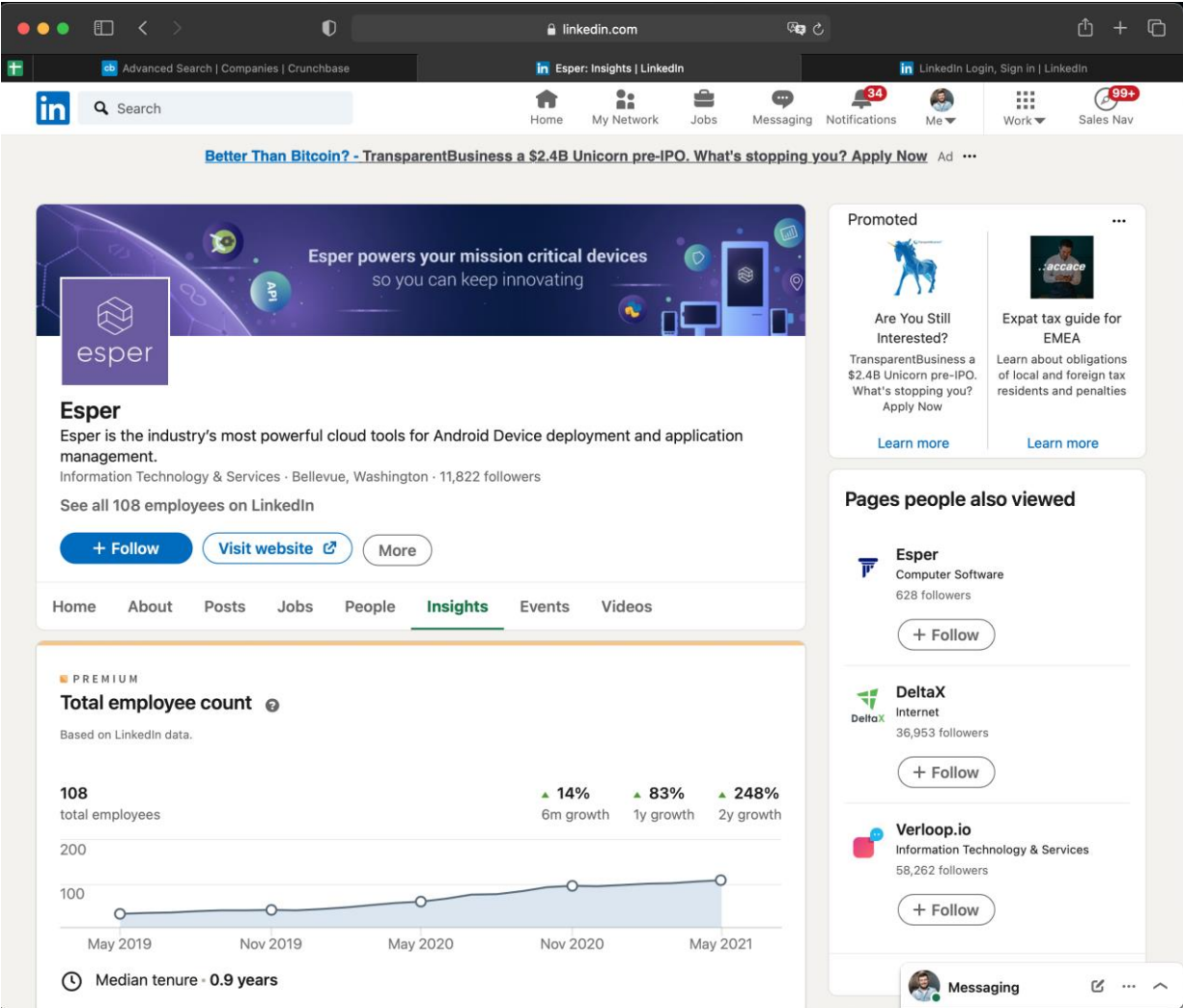
Let's look at workforce statistics for startups. We took information about the startup from CrunchBase according to the following parameters: headquartered in California, and data range from 1 of Jan 2018 till today. Exported file will contain a link to LinkedIn as well, so we can receive statistics about the workforce from LinkedIn.



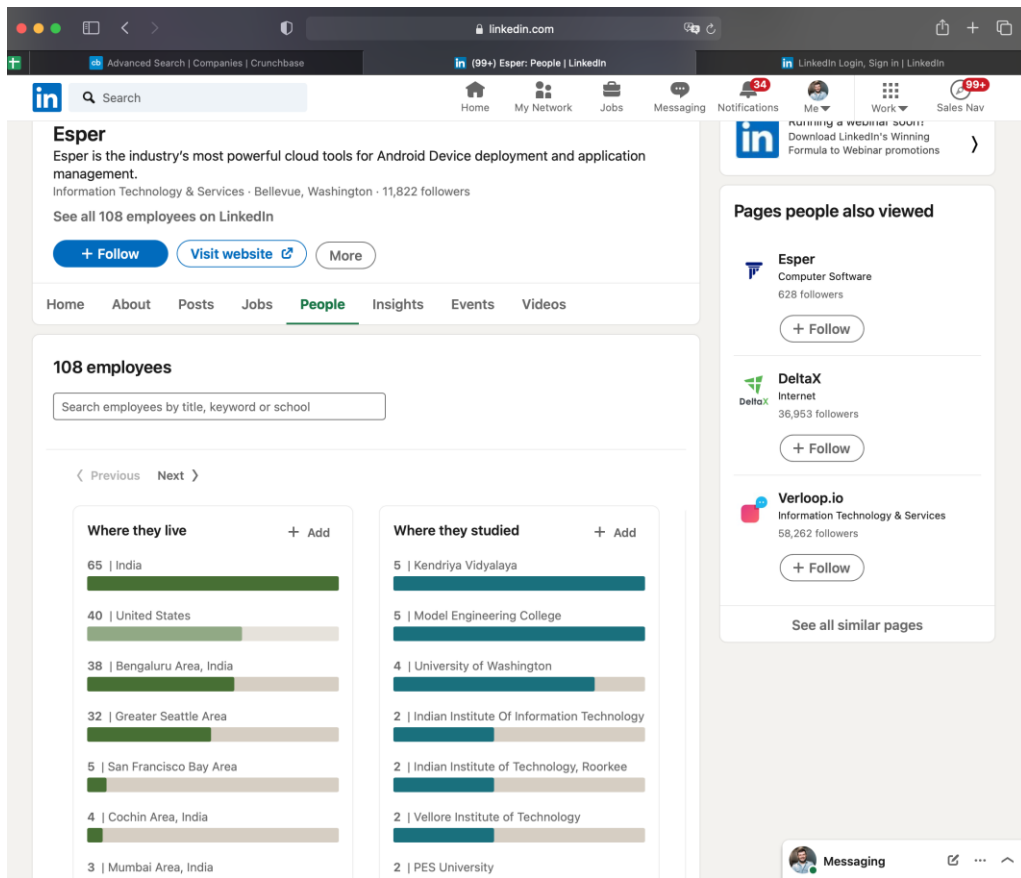
Visual 5. Request for companies from CrounchBase

LinkedIn is a professional social network, and employees maintain their information up to date by themselves. It has information about the company, aggregates

information about its employees, and presents it several ways. We're looking for information about changes number of employees and spreading it around the countries. LinkedIn allows obtaining information about company employee count changes during the last two years. Important to know that LinkedIn shows information about employee count only if it higher than 30 employees. This data is presented by the graph Visual 6. In addition, to change employee count, LinkedIn provides data on where employees live - Visual 7. LinkedIn provides very detailed information: country and area. In our case, we are only interested in the country and the number of employees.



Visual 6. Total employee count for last two years



Visual 7. Total employee count for last two years

During the research phase, we collected information from LinkedIn about companies from the CrunchBase list. Our findings:

Table 2.

Growth of employee count.

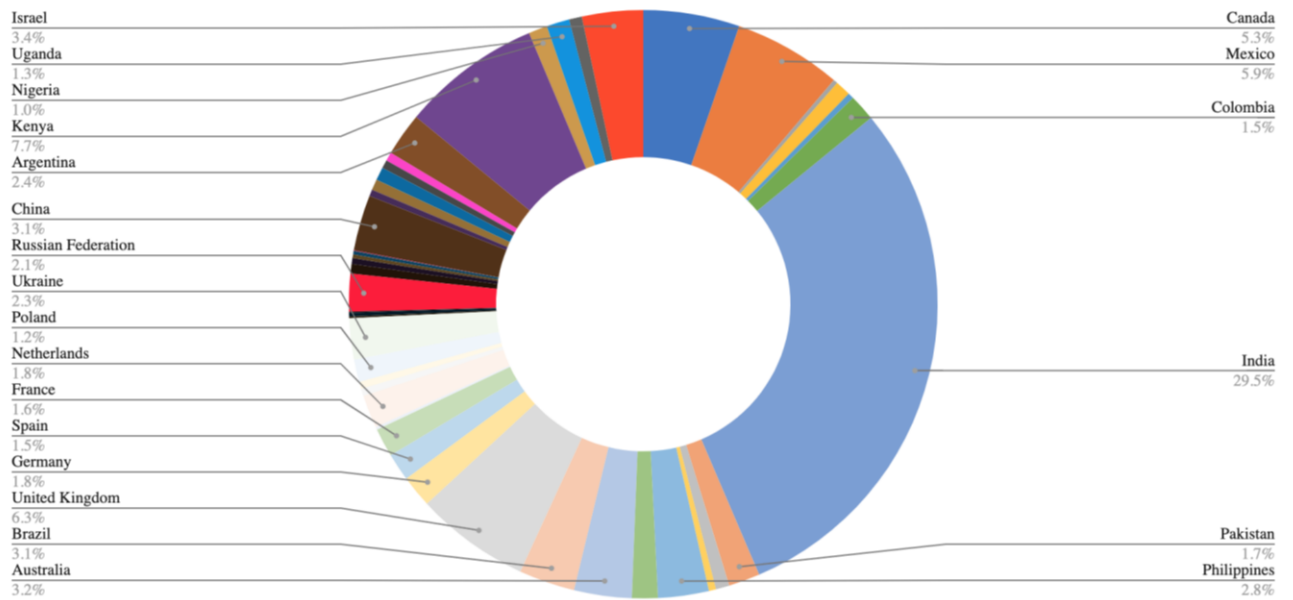
<i>Year</i>	<i>2019</i>		<i>2020</i>		<i>2021</i>
	<i>May</i>	<i>Nov</i>	<i>May</i>	<i>Nov</i>	<i>May</i>
2018	14997	19032	21753	25421	28698
2019	8830	10471	12159	14438	16671
2020	831	946	1139	1718	2855
2021	46	45	48	45	36

Table 3.

Spreading employees between USA and Globe.

<i>Year</i>	<i>Companies</i>			<i>Employees</i>		
	<i>All</i>	<i>with Foreign employees</i>		<i>USA</i>	<i>Foreign</i>	<i>% of USA</i>
		<i>count</i>	<i>%</i>			
2018	<i>2170</i>	<i>1203</i>	<i>55%</i>	<i>19758</i>	<i>13489</i>	<i>59.4%</i>
2019	<i>1497</i>	<i>827</i>	<i>55%</i>	<i>12206</i>	<i>8653</i>	<i>58.5%</i>
2020	<i>778</i>	<i>361</i>	<i>46%</i>	<i>2607</i>	<i>2154</i>	<i>54.8%</i>
2021	<i>67</i>	<i>26</i>	<i>39%</i>	<i>100</i>	<i>107</i>	<i>48.3%</i>
Total	<i>4512</i>	<i>2417</i>	<i>54%</i>	<i>34671</i>	<i>24403</i>	<i>58.7%</i>

This data allows us to conclude more than half of companies created for the last four years have foreign employees. Startups start to hire foreign employees, and with years, parts of the launched companies, which employ foreign employees, are growing, but the number of foreign employees is decreased. Received statistics allow seeing which countries is the leading destination for hiring foreign workforce.



Visual 8. Foreign employees by countries in startups launched from 2018-2021

We can find that there are countries leaders and some groups of countries where startups are ready to use the workforce. The top destination is India, which has close to 30% of all foreign employees, and specialists from India work in 30% of all companies with at least one foreign employee. Then next to it, Canada and the United Kingdom, employees from those countries participate in five launched startups. However, the number of employees is about 5% of the whole number of foreign employees. Also very interested that Ukraine on 11th place in both cases number of employee and number of companies where Ukrainians help to build company. This information can show where our service can be in demand and what countries we need to cover by the first version of the MVP.

Table 4.

Countries where most often startup from California hires employees

№	Country	Employees		Companies with at least one employee form country	
		Count	% from all foreign employees	Count	% from all companies with foreign employees
1	India	7193	29.48%	746	30.86%
2	Canada	1291	5.29%	521	21.56%
3	United Kingdom	1532	6.28%	507	20.98%
4	Brazil	750	3.07%	184	7.61%
5	France	384	1.57%	177	7.32%
6	Australia	772	3.16%	172	7.12%
7	Philippines	682	2.79%	169	6.99%
8	Germany	430	1.76%	165	6.83%
9	Mexico	1445	5.92%	142	5.88%
10	Russian Federation	505	2.07%	139	5.75%
11	Ukraine	551	2.26%	133	5.50%
12	China	749	3.07%	131	5.42%
13	Spain	371	1.52%	129	5.34%
14	Israel	818	3.35%	109	4.51%
15	Argentina	579	2.37%	106	4.39%
16	Pakistan	421	1.73%	104	4.30%
17	Poland	300	1.23%	94	3.89%
18	Nigeria	252	1.03%	93	3.85%
19	Netherlands	445	1.82%	92	3.81%
20	Indonesia	181	0.74%	86	3.56%

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20	Indonesia	181	0.74%	86	3.56%

In addition, we can see from data that 87% of launched start-ups are going global and hiring about 30% of the employees around the world.

Table 6.

Launched startups from 2018 till 2021

<i>year</i>	<i>Companies</i>			<i>Employees</i>		
	<i>count</i>	<i>with foreign employees</i>	<i>% with foreign employees</i>	<i>In USA</i>	<i>Foreign</i>	<i>% of foreign</i>
2018	2528	2170	85.84%	29844	13489	31.13%
2019	1662	1497	90.07%	17869	8653	32.63%
2020	862	778	90.26%	6160	2154	25.91%
2021	87	67	77.01%	275	107	28.01%
Total	5139	4512	87.80%	54148	24403	31.07%

We can extrapolate data and see that from 2015 where created 21K startups, it looks like there will be several times more companies hired globally.

1.2.1 Portrait of a potential customer

From the data we received during research, we can say that we need to focus on startups launched in California at the current or the previous year. They are already looking for foreign employees. In 85% of cases, they already have foreign employees. We need to focus on the main decision-makers, who are founders or CEO of the launched startup. The main pain point for them is to find a suitable candidate to allow quickly grow.

1.2.2 Competitors analysis

Let's identify the main competitors for our service, overview each one, and find a nice solution. From our perspective, there is a list of approaches how to reach the same goal that our service can do:

- DIY
- Consulting Companies (the Big Four etc.)
- Outsourcing companies

- Service for working with Contractors (Letsdeel, Papaya Global, Topia)
- Freelance platforms

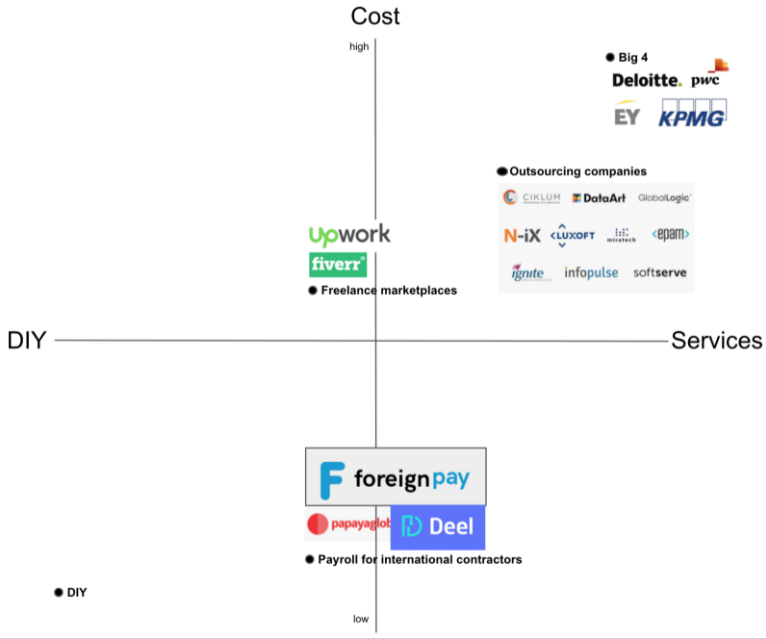
DIY. Do it yourself, the most common approach to do this in current startup practice. Usually, it is a mix own activities or interactions with lawyers and accounting consulting companies. If it newly launched a startup, it might be limited by available cash. Hence, founders try to reach people who advise them to do all staff related to cooperation with foreign contractors.

Consulting Companies. Consulting companies, for instance, Deloitte, PricewaterhouseCoopers, Ernst & Young и KPMG. Such a company can help build such competency within any company, and mature companies usually do this. They help choose the best approach to organize the going abroad strategy and consult about any question related to law, accounting, and money transferring. But for early-day startups, and only well-founded startups can afford to work with consulting companies from the Big Four.

Outsourcing companies. Outsourcing is the business practice of hiring a party outside a company to perform services traditionally performed in-house by the company's employees and staff. Startups can contact an outsourcing company, and it helps to open a development center in any place of the world where the outsourcing company has an office. The outsourcing company can provide different types of cooperation with startups, such as team extensions, product development, building teams, or development centers. However, in most cases, companies do not outsource any core business function or service. Also, it cost higher in comparison to directly hire a necessary individual. The many services are usually included in the price from the outsourcing company. But because of the outbreak of COVID-19 and lockdowns in many countries, it can't be delivered. For instance, office space, secure IT environment can't be delivered because of permanent work from home policy and moving most communication online.

Service for working with Contractors. The number of services that help to work with contractors and cover different aspects of hiring contractors. From the source of the contractor to payroll calculation. Usually, it covers the full cycle and may be used depending on the hiring company's needs, and the price is low.

Freelance platforms. Freelance platforms are a marketplace for businesses and freelance workers from all over the world. They typically make money by taking a cut from both the employer and the freelancer. For the money they charge, these platforms provide a hassle-free and convenient business experience to both parties. (8) There are many such marketplaces, and the most popular are UpWork or Fiverr. In most cases, it is only for temporary job roles or special projects, and it costs higher in comparison to direct hiring, also good freelancers are not always available and might be hired by other users of the marketplace.



Visual 9. Competitor matrix

Our solution is close *Service for working with Contractors*, but we will avoid competition if we allow work directly with contractors and we help companies hire globally, and customers don't have strict bind to us.

1.3 Influence of LvBS

The knowledge and skills gained from the MSc in Technology program at LvBS program helped me have the full picture of what a company is, how it works, where value is created, and how it is delivered to the client and convert into assets.

The module “Technological Entrepreneurship” show me how startups can be built, what stages of this process and points of the startup’s transformation, and different type of startup’s valuation, and how venture found looks to the startup. I learn from examples what I should look for when you are building a startup. I understand how risky it is to launch a startup and saw good examples of great startups and how it is essential to have a good environment and personal connections that help startups succeed.

The “Emerging Technologies” module allows me to understand how we can combine both trends in technology and on the market and build the company, service, or product based on that trends.

The financial module “Financial Decision Making” gave me an understanding of financial figures in P&L statements and Balance sheets and allowed me to see how the company is healthy. The module “Corporate Finance” provides crucial insight into how we can evaluate the company according to revenue and other indicators from P&L, which is very important, especially for startups.

The cornerstone of my understanding of building the product was module “Product Management,” where I learned what a product is, how it should be made, and how to deliver value to the customers. Before this module, I always think about the product from a technical perspective, but not from which value it will bring to the clients.

The “Design Thinking” module and “Product Management” module gave me a tool for finding value proposition for my customers and creating a Business Model for the service.

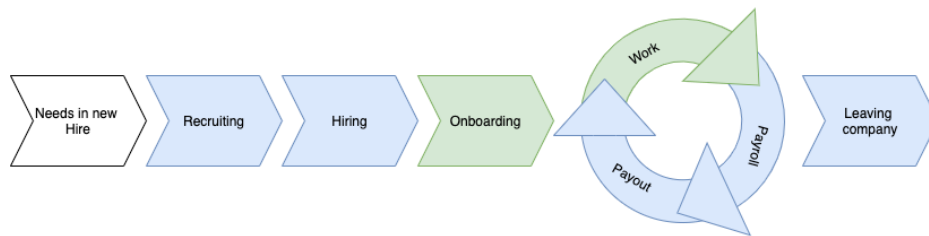
After the “Sales management” module, I understand how sales are essential, and I started to see sales as a process with many steps and touchpoints. One of the crucial goals of the startup is to build a sales process, which can be measurable and scalable as well.

2. SERVICE OVEWVIEW

2.1 Requirements and product features

2.1.1 Process overview

In the first iteration, we would see a solution that will cover the main steps of the hiring process for the potential customer. Let's look to the high-level process of hiring the person in the company, graph



Visual 10. Simplified process

Needs in a new hire. Input for the hiring process is needs for the new hire. There are many reasons for the new employment, growth or restructuring of the company, leaving employees, etc. We don't control this process, and our solution doesn't cover this event. However, it is the starting point, and it is vital in an event, and potential customers should remember us when they start thinking about hiring employees.

Recruiting. The recruitment process involves finding the candidate with the best skills, experience, and personality to fit the job. It requires a series of collecting and reviewing resumes, conducting job interviews, and finally selecting and onboarding an employee to start working for the organization. We think our service must support this step. It is time-consuming for start-ups to place vacancy information on different local sites, making pre-interview, and checking candidate skills.

Hiring. The hiring process includes steps: negotiation of a job offers and signed the job offer. On those steps, the customer must be supported by providing information about which type of contract can be signed depending on the candidate's country of origin. Service must suggest the list documents provided from both sides: the contractor and customer, to perform cross-border cooperation.

Onboarding. Onboarding is the process of integration of the employee into processes within the company and its culture. Providing all necessary information and accesses to internal tools to perform everyday activities. The current solution will not support these steps because it is unique and specific for each company in most cases.

Work. Day-to-day activities which performed by the employee to do a specific job. Teams are using the following tools to achieve different goals in remote work:

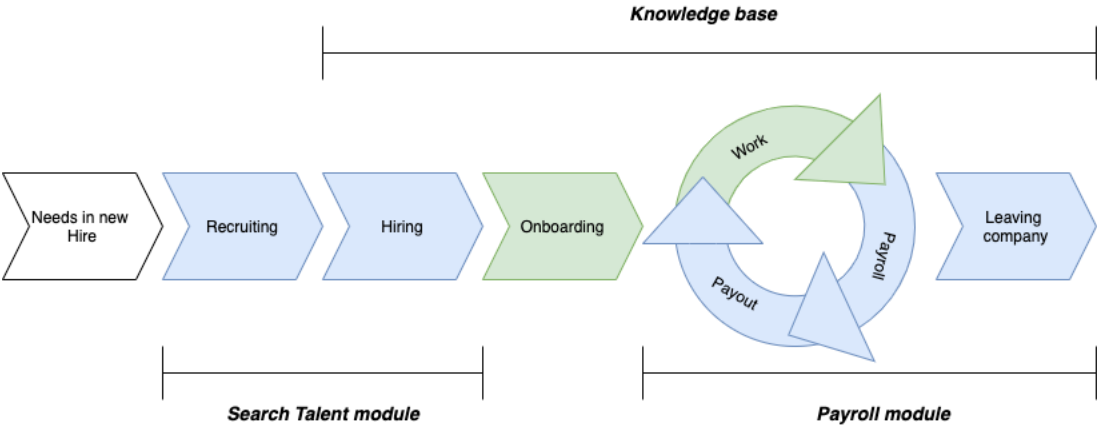
- Instant messaging (Slack, Skype, Google Chat)
- Project management (Trello, Pivotal Tracker, Basecamp)
- Team collaboration (Slack, Yammer)
- Phone calls (Skype, cell phones, landlines) (8)

There are plenty of other tools that cover different types of teams' activities, such as GitLab, GitHub, Figma, Zoom, etc. But some of the cases they serve teams or personal activities are particular to the type of employee performed. But we focus on helping the company, so we'll not cover those steps by our service. If some tools might need integration or provide necessary information to simplify work with our service, our service will offer integration capabilities to fulfill these needs.

Payroll. Payroll is the process of calculation amounts that have to be paid for work that an employee or contractor did. It includes calculating the sum based on spent time, overtime, vacations, reimbursement, and missed days. The calculation process is run on the company level and for foreign contractors, and our service will support it.

Payout. The payout process is the process of transferring money from the company bank account to the contractor’s accounts. The result of payroll calculation is a list that contains all necessary information that is needed to transfer money from the company account to the contractor’s accounts. This list is input for starting payout during which for each contractor, the corresponding amount is withdrawn from the company account and transferring to contractor’s account with following bank’s regulations. As we build a solution that covers cross-border transferring and transferring process might be different because of differences in contractor’s countries rules. This is a complex task, and it will not be part of the first releases.

Leaving a company. Cooperation between contractor and company might be finished because of different reasons, and this is the last step in the whole process. Our solution might need support only part of this process. Service should support end date to ensure that solution will not calculate salary for personnel that already leave the company.



Visual 11. Simplified process covered by solution

2.1.2 Requirements

Requirements for the services should cover the main aspects of the process overviewed before. Before listing the requirements, we need to clarify roles which involve in the process:

- Service user – user of web service, which registered in service and can perform different actions according to a subscription plan
- Payroll user – user of payroll service, which reported in payroll and can perform different actions according to the subscription plan
- Service internal user – user of web service which performs a search of specialist according to service’s user request
- Knowledge base user – user of knowledge base, which contains articles covering different aspects of working with remote contractors in different countries.
- Knowledge base content manager – user of the solution whose main responsibility to publish new, modify or remove already existed articles in a knowledge base

Let’s present those requirements as a list of the epic stories and user stories:

1. As a service user, I want to able to add a request to find a specialist with parameters for search:
 - 1.1. specialization
 - 1.2. level of specialist
 - 1.3. country
 - 1.4. salary expectation parameter
 - 1.5. time zone or country where the contractor is living
 - 1.6. due date – when a request has to be finished
2. As a service user, I want to able to see a list of requests with the following parameters:
 - 2.1. status

- 2.2. short description
- 2.3. due date
- 3. As a service user, I want to be able to see details about the request
- 4. As a service user, I want to be able to cancel the request
- 5. As an internal service user, I want to be able to view the list of all requests
- 6. As an internal service user, I want to be able to change the status of the request
- 7. As an internal service user, I want to be able to provide comment to request
- 8. As an internal service user, I want to be able to provide contact details of the founded contractor
- 9. As a payroll user, I want to be able to add a contractor to the list of contractors with the following data:
 - 9.1. Basic:
 - a. Identity number
 - b. First name,
 - c. Last name
 - d. Nationality
 - e. Date of birth
 - f. Email
 - 9.2. Work data:
 - a. Contract start date
 - b. Contract finish date
 - c. Type of contract
 - d. Labor regime
 - e. Position
 - f. Division
 - g. Monthly, Daily, Hourly salary
 - 9.3. Payment:
 - a. Payment method

- b. Bank
- c. Account number

10.As a payroll user, I want to able to enter hours spend by contractors during:

- 10.1. Day,
- 10.2. Week,
- 10.3. Month

11.As a payroll user, I want able to enter extra hours spend by contractors during:

- 11.1. Day,
- 11.2. Week
- 11.3. Month

12.As a payroll user, I want to able to add a bonus sum for the contractor

13.As a payroll user, I want to able to add a deduction for the contractor

14.As a payroll user, I want to able to run payroll calculations

15.As a payroll user, I want to able to pay the sum which was calculated by payroll

16.As a knowledge base user, I want to able to see a list of articles with title, short description

17.As a knowledge base user, I want to able to view an article with the title and full text of the article

18.As a knowledge base user, I want to able to search by text

19.As a knowledge base user, I want to able to see the result of the search in view of the list of the articles with title and short description

20.As a knowledge base user, I want to able to see a list of templates of contracts and scripts

21.As a knowledge base user, I want to able to search templates by following parameters:

- 21.1. headquarter country

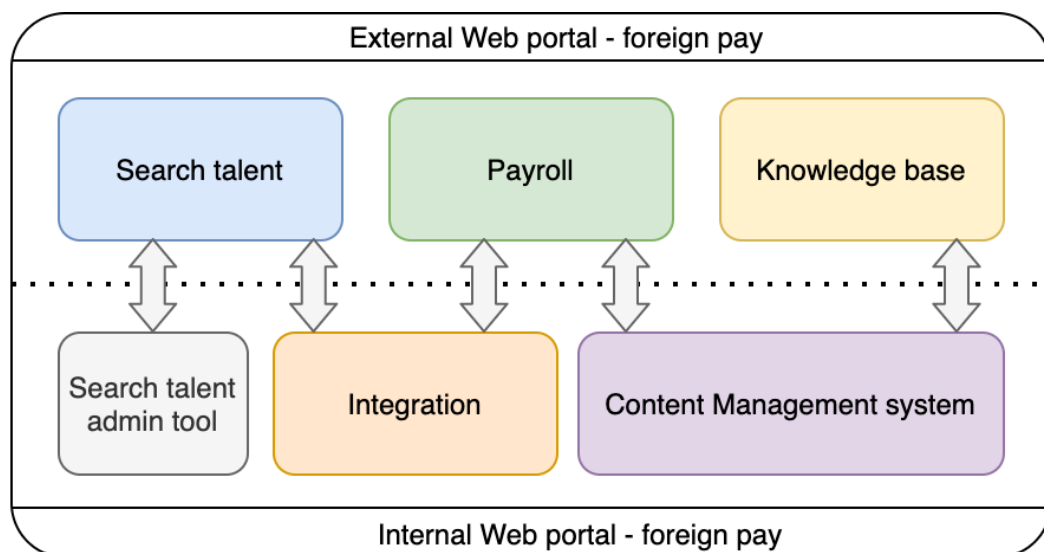
- 21.2. contractor country
- 21.3. type of document
- 22. As a knowledge base user, I want to be able to download founded template

2.2 Solution architecture

We can see that our solution will have three main modules which cover the central aspect of the process described in the Process overview topic:

- Search talent
- Payroll
- Knowledge base

Those modules will be available for end-users, but several internal modules will be not visible from the outside, but they will be necessary to support external modules. Internal users will use those internal modules for the execution of the requests from end-users. So, the solution will contain two parts: Internal Web Portal and external Web Portal.



Visual 12. High level design of the service

Let's overview all of them:

External Web portal – part of the solution visible for end-users and available for authorized users. It contains the following modules:

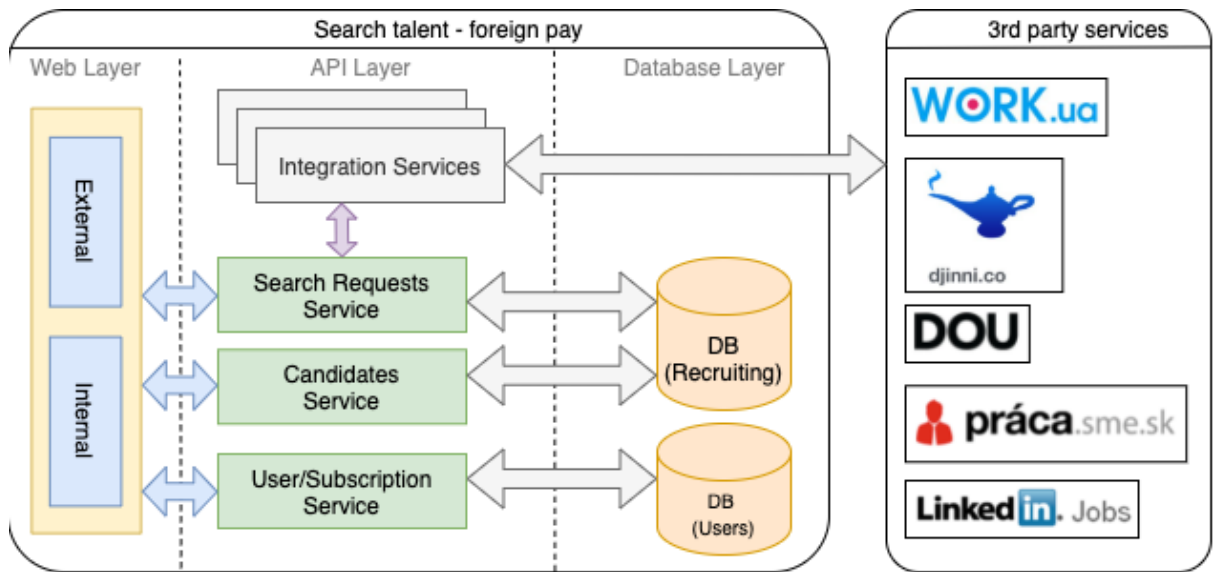
- Search talent module - allows to search specialist around the world
- Payroll module – allow calculating payout for any contractor around the globe, with the possibility to make transborder payments
- Knowledge base – the solution that helps to find information to work with contractors worldwide: different templates of the contracts, NDA, Statement of work, invoices, etc.

Internal Web portal – part of the solution which is available only for internal users. It contains the following modules:

- Search talent admin tool – is a module that contains all necessary features for proceeding with recruiting tasks for internal service users. Service internal user is responsible for sourcing and preselects candidates. They interact with service over search talent admin tool and a data stored there available search talent module for end-users
- Integration – a module that contains different sub-modules which responsible for integration with external services such as cross-border payment system, currency rates system, recruiting systems
- Content Management system – module for managing web content, which allows multiple contributors to change articles or other content, primarily to support knowledge base and be used in payroll module to support internationalization.

2.2.1 Search talent module

The primary purpose of the Search talent module is to provide service for search specialists with the same specialization, experience, and location.



Visual 13. High-level design of the Search talent module.

The design of the Search talent module is developed based on a multilayer architecture approach and consists of several layers and blocks, which cover the main features of the solution.

Layers:

Web Layer – layer for visualization of different data types and based on web technologies such as HTML, CSS, and JavaScript. To implement the logic of the features necessary to cover all user activities will be used one of the modern JavaScript frameworks, for instance, React or Angular. It is necessary to use one of the CSS frameworks, Bootstrap or Material Design, to speed up the development of visual controls. The whole web layer contains two web applications: the first one is external for end-users who will leave requests for search talent, and the second one is internal for internal users who will fulfill such requests. Internal users are HR specialists who are doing the sourcing of candidates, discussing conditions, and checking soft and technical skills.

API Layer – layer which provides access from web layer to a decoupled interface for data and functionality related to search requests, candidates, users, and subscribers. It

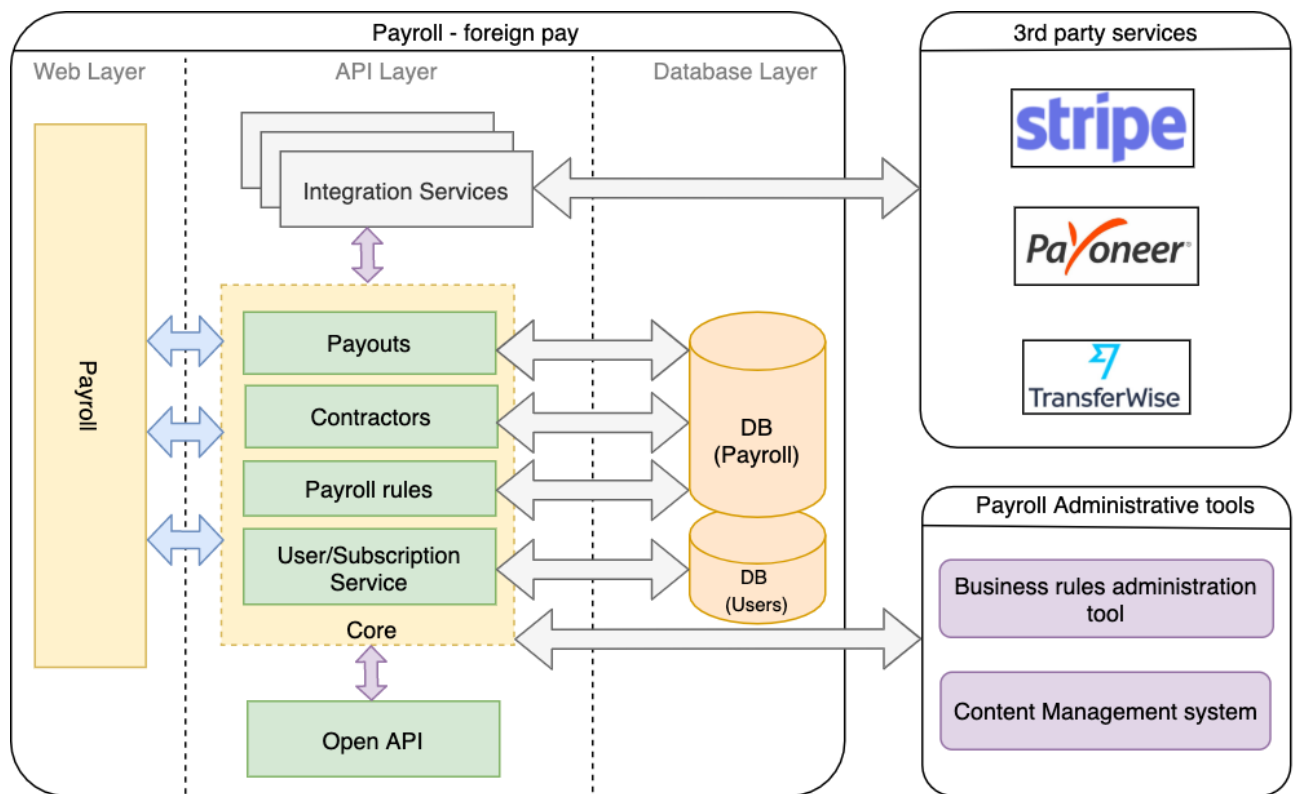
provides standard, language-agnostic interfaces in REST specification and results in JSON format. API layer includes services that integrate Search Talent solution with third party HR services, left requests for search, and receive answers from candidates in one place.

Database Layer – layer containing all data used within the solution, main parts are Recruiting DB and Users DB. The central purpose of Recruiting DB is to store all data related to the Search Talent module. Users DB is storing data associated with the user of the module account, permissions, roles etc.

As current recruiting activities rely on working with many different global and local services. LinkedIn.Jobs is one of the most important global services. If we speak about local services, they are different in each country, for instance, Work.ua, DOU for Ukraine or Prace.me for Slovakia

2.2.2 Payroll module

The primary purpose of the Payroll module is to provide service for the calculation of payout for contractors. All calculations should be made according to the rules, laws, and regulations used in Head Quarter of the Company and the contractor's country.



Visual 14. High-level design of the Payroll module.

The design of the Payroll module should be developed similarly to the Search talent module and based on a multilayer architecture approach. The main layers are:

Web Layer – layer for visualization of different data types and based on web technologies such as HTML, CSS, and JavaScript. Same as the Search module, we expect it to be developed using React or Angular and with one of the CSS frameworks.

API Layer – layer which provides access from web layer to a decoupled interface for data and functionality related to Contractors, payroll rules, and User/Subscription services

Database Layer – layer containing all data used within the solution, main parts are Payroll DB and User DB. The main purpose of Payroll DB is to store all data related to the Payroll module. Users DB is storing data associated with the user of the module account, permissions, roles, etc.

In addition to all mentioned components Payroll module should contain several additional modules:

Integration services which covered integration with external services. Such services are necessary to transfer money from the Company account to the contractor's account. There are several services that support cross-border money transferring, for instance, Stripe, Payoneer, TransferWise.

Payroll administrative tools provide the possibility to manage the whole payroll. It contains the following components:

A business rules administration tool is a developed solution that should support adaptation to different payroll rules depending on the countries where contractors and companies operate. During the time, payroll rules have to be modified because of changes in laws or taxes.

Content management system is based on a headless content management system and contains different dictionaries that can be localized to any country and language.

2.2.3 Knowledge base

To cover different aspects of compliance and describe how to correct work with contractors from different countries, it is necessary to create a knowledge base to store templates of contracts, statements of work, and other documents between the company and contractors. This knowledge base should store scripts and explain what should be done to allow the company and foreign contractors to cooperate. The whole knowledge base should contain a search function to speed up access to necessary information.

2.3 MVP

The term Minimum Viable Product (MVP) was coined by Frank Robinson and popularized by Eric Ries to identify the version of a new product, which allows a team to

collect the maximum amount of validated learning about customers with the least effort.
(9)

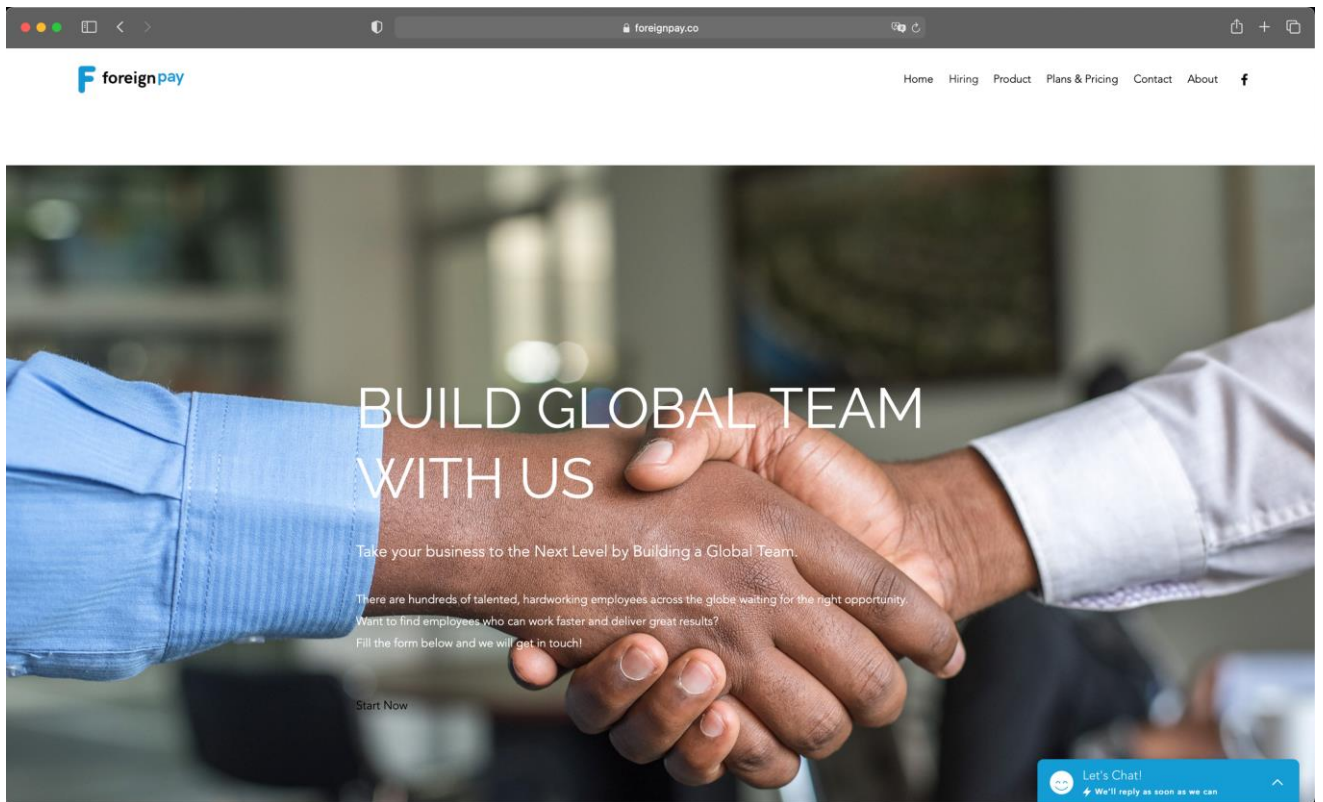
To make a good MVP, we need to be focused on very narrow to a market, single problem, and smallest customer profile. We described in previous chapters the market, problem, and customer profile.

To make MVP, we need to create the following solutions for an early-aged technical startup in the USA, CA, after Round A, which needs to hire contractors outside the USA. We need to focus on founders and CEO of such startups because they are ready to scale and hire more technical specialists after they received investment.

We don't create a complicated technical solution for MVP, but we need to check whether the solution will be interested in potential clients. For MVP version 1.0, which we can show for the end-user, we need to implement the following components:

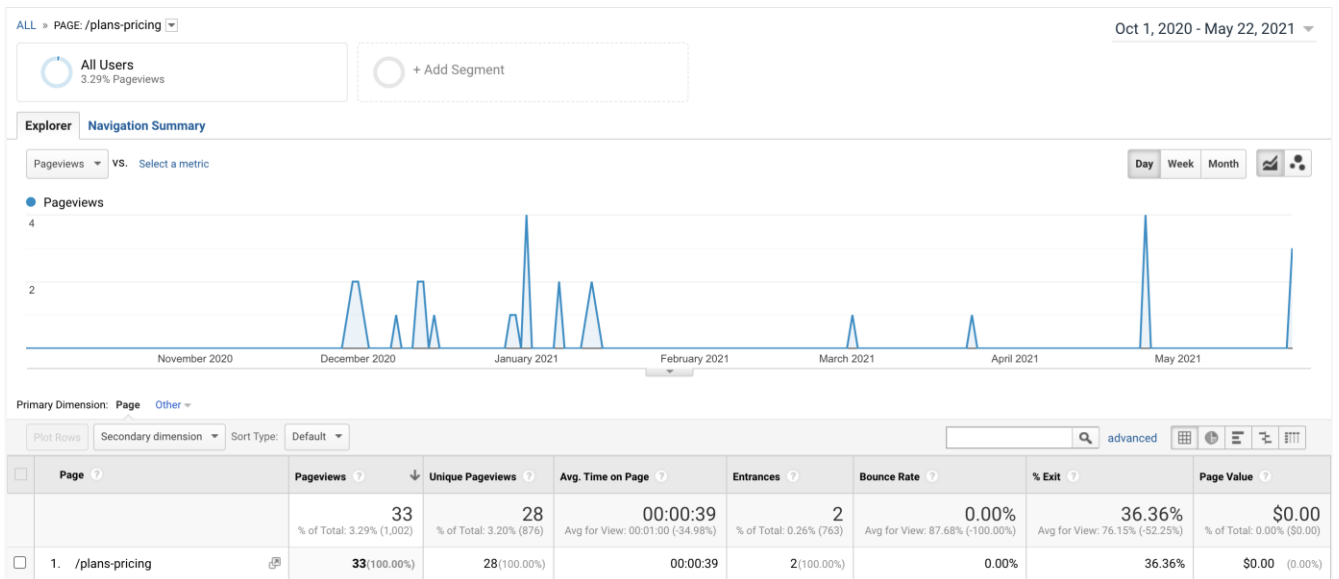
- WebSite
- HR module
- Payroll module
- Knowledge base

WebSite. Create a simple site where describe the solution and what problem it tries to fix. To make it easy to develop and modifiable, we suggest using a site builder such as Wix. It allows creating a site very quickly and at a small cost. The WebSite should contain a description of all service components and have links to implemented parts of the MVP. The description of each component should be straightforward. In addition, the Website should contain a link to the Contact page to have the possibility to ask any question if a potential customer is interested in service but still need clarification.



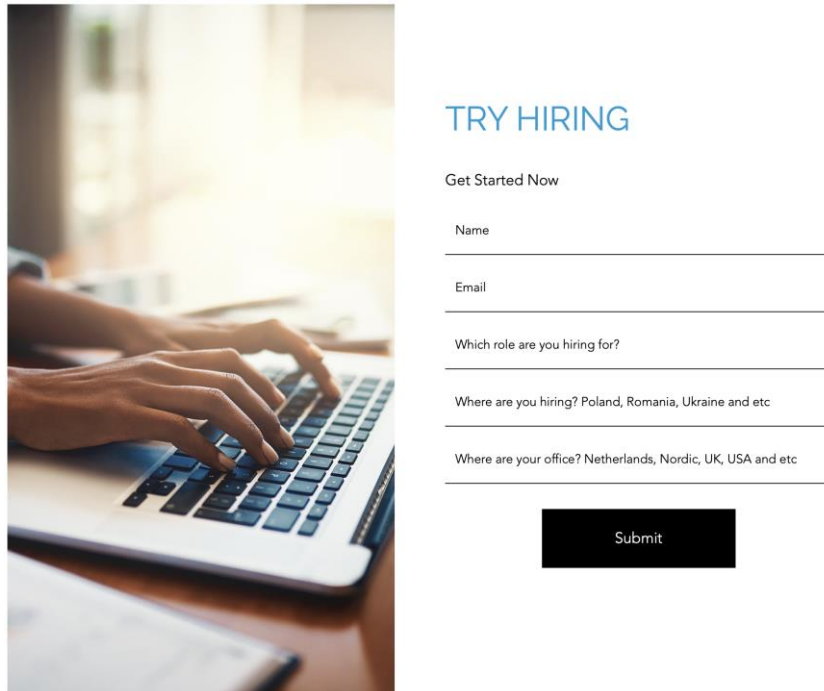
Visual 15. Foreign pay page.

A page with prices allows investigating reaction to the solution description and prices by site visitors. Goggle analytics is the best free tool to measure changes on the website and effective marketing activities, for instance, showing different types of advertisements with different slogans. We can conclude that the higher rate of targeted users who reach the price page, the better advertisement.



Visual 16. Statistic of visiting the plan-pricing page.

HR module. Create a simple hiring solution that is based on already existed components which site builder provides. In the MVP stage, to fulfill clients' needs, all functionality of the hiring module will be implemented based on email and lists in excel. Operators will receive a request for searching candidates and hiring contractors from the website's hiring page over email. All following communications with clients will be done over email.



Visual 17. Try hiring web page.

Payroll module. On MVP stage, the payroll module will be built in the simplest possible way and support only a limited number of headquarter countries and contractors' countries. The MVP contains only the most important features of the payroll:

Dashboard – a page with the critical information on a single page. Dashboards need to show a list of total contractors, the sum that is already calculated and paid this month, the number of expenses reports, and the number of working days this month. As a company operates in a global environment, it is necessary to show payouts splitting by country. Monthly graphs allow control growth of a number of contractors, spending, and reported hours.

List of Contractors – a page is showing all contractors registered on the payroll. It should contain lists of contractors with name, id, role, and salary and have an action button that allows making changes in the contractor's information.

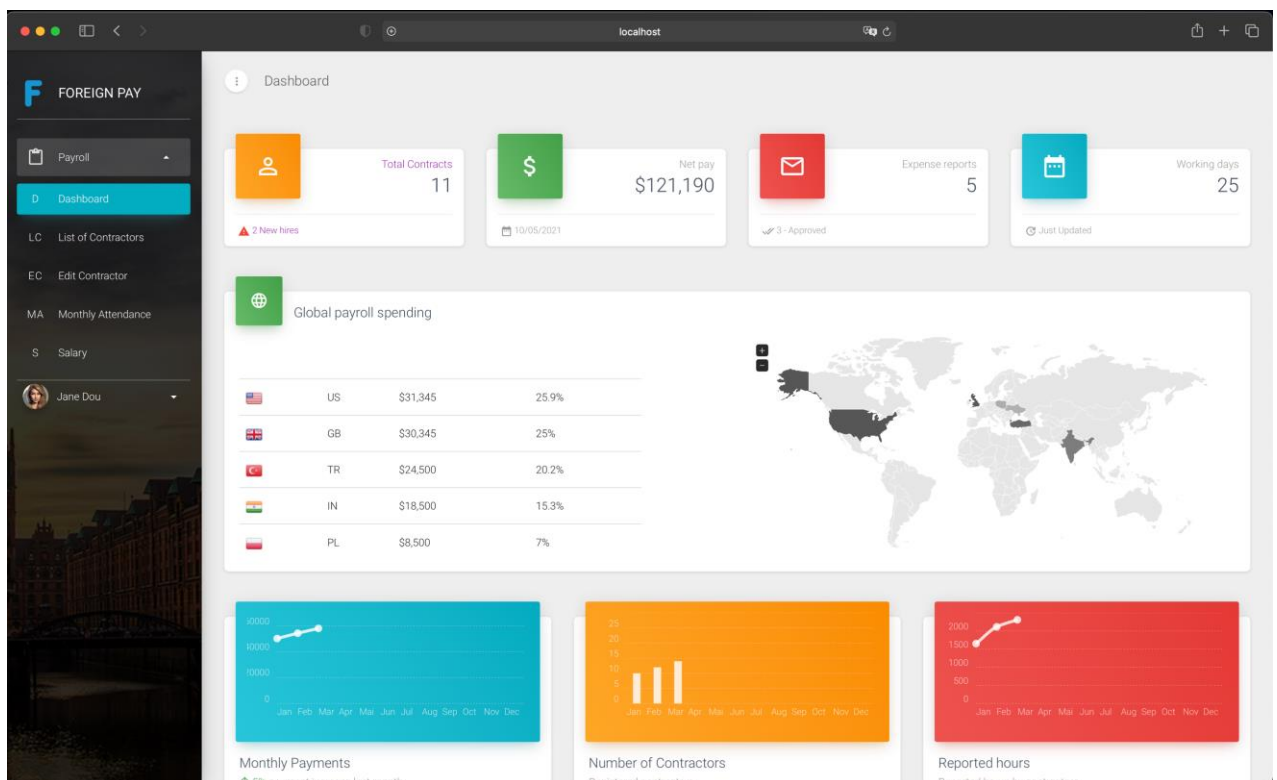
Edit contractors – a page for changing information about Contractors

Monthly attendance – page to enter information which is necessary to calculate payouts

Calculation page – a page that allows making changes in payout calculations before proceeding with final sums and producing documents that transfer money from the company’s account to contractors’ accounts.

The feature that will allow making cross-border payments will not be developed during MVP stage 1.0. it will be released in later stages.

Bellow can be found Dashboard and List of Contractors pages, which were developed during building MVP.



Visual 18. Dashboard page

FOREIGN PAY

Payroll

D Dashboard

LC List of Contractors

EC Edit Contractor

MA Monthly Attendance

S Salary

Jane Dou

List of Contractors

Contractors

List of contractors

Name	Document	Role	Salary	Actions
Jon Snow	doc-1		\$0	✎ ✖
Yusuf Yilmaz	doc-5	Test Engineer	\$15,500	✎ ✖
Sansa Stark	doc-2	Manager	\$12,345	✎ ✖
Mustafa Kaya	doc-6	Manager	\$9,000	✎ ✖
Tamil Nadu	doc-8	Manager	\$8,500	✎ ✖
Uttar Pradesh	doc-7	Manager	\$10,000	✎ ✖
Olena Petrenko	doc-10	Manager	\$8,000	✎ ✖
Vasyl Konovalets	doc-11		\$0	✎ ✖
Andrew Nowak	doc-12	Software Developer	\$8,500	✎ ✖
Tyrion Lannister	doc-3	Test Engineer	\$19,000	✎ ✖
Lynesse Hightower	doc-4-1	Devops Engineers	\$18,000	✎ ✖
Josh Murrett	doc-4	Software Developer	\$12,345	✎ ✖

Visual 19. List of Contractors

3. BUSINESS MODEL

3.1 Overview

A business plan is the first step before launch any new business or business initiative. It contains a list of the hypotheses, but as Steve Blank says, *no business plan survives the first customer contact*. (10) So how to make a business plan flexible and be adaptable to new information and knowledge acquired while developing the business. Alexander Osterwalder provides an approach to make it and suggest generating a business model canvas (11). But before going to Business model canvas, we need to design a value proposition (12) which new service will bring to the market.

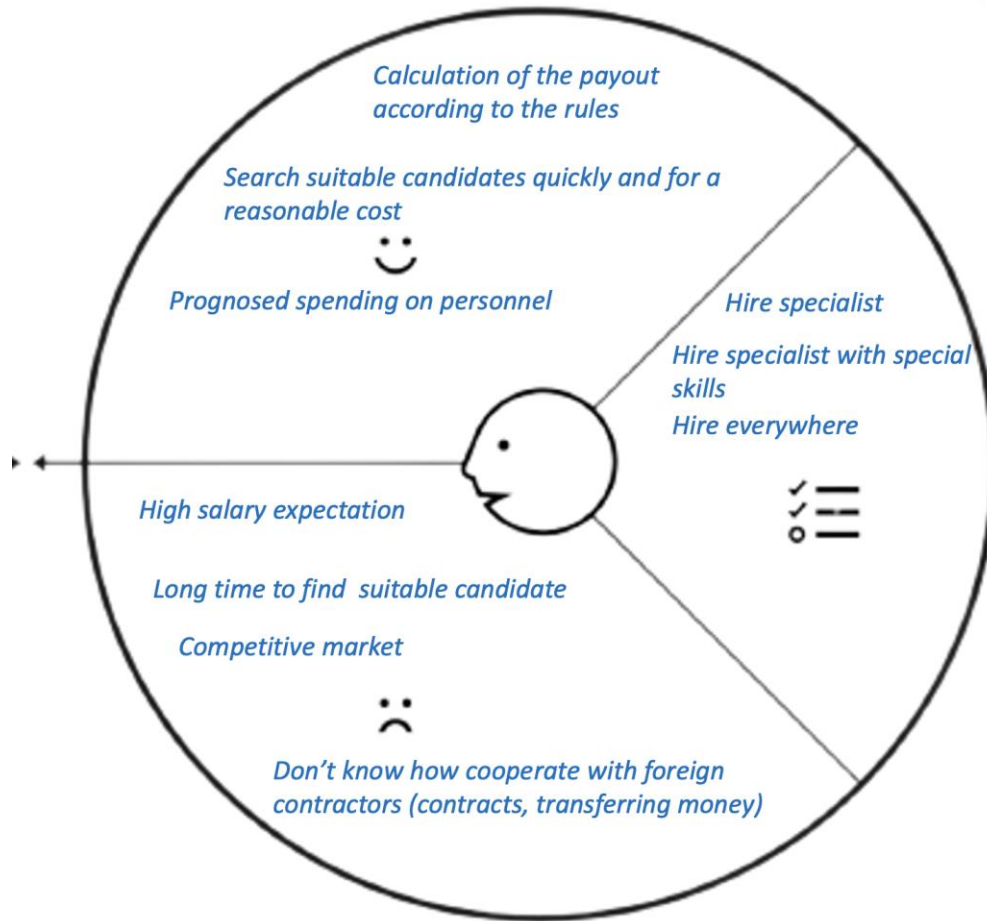
3.2 Value Proposition

Designing a value proposition consists of several steps. One of them is building a client profile. The main idea of building a client profile is visualizing our clients. The process of building the Value proposition canvas consists of creating a Client Profile and making Value Map. The Client Profile can be created in five steps:

1. **Choose customer segment.** As we described before, our segment is an early-aged startup that just received its first investments in round A and needs to find specialists to start scale. We need to focus on founders and CEOs of such companies because they have the power to make strategic decisions to hire internally or abroad.
2. **Define the Customer Jobs.** In our case, this is Founder and CEO or CTO or who is responsible for developing the product, and he/she need to increase the current team quickly to speed up developing the product for the market. The main task is to hire a couple of good specialists.
3. **Layout the Customer Pains.** In such areas as California, it is quite hard to find a good Engineer, and the salary will be very high.
4. **Uncover Customer Gains.** The customer wants access to a talent pool with less price in comparison to local specialists.

5. **Define priority.** Priority for the Customer Job, Customer Gain, and Customer Pain should be defined.

Let's present client profile:



Visual 20. Client profile

Table 7.

Customer Jobs

№	Job	Importance
1	<i>Hire the specialist</i>	<i>high</i>
2	<i>Hire the specialist with special skills</i>	<i>high</i>
3	<i>Hire everywhere</i>	<i>medium</i>

Table 8.

Customer Pains

№	Pain	Importance
1	<i>High salary expectation from candidates</i>	<i>extreme</i>
2	<i>Long time to find suitable candidate</i>	<i>extreme</i>
3	<i>Competitive market</i>	<i>moderate</i>
4	<i>Doesn't have some knowledge how to cooperate with foreign contractors (contracts, transferring money)</i>	<i>moderate</i>

Table 9.

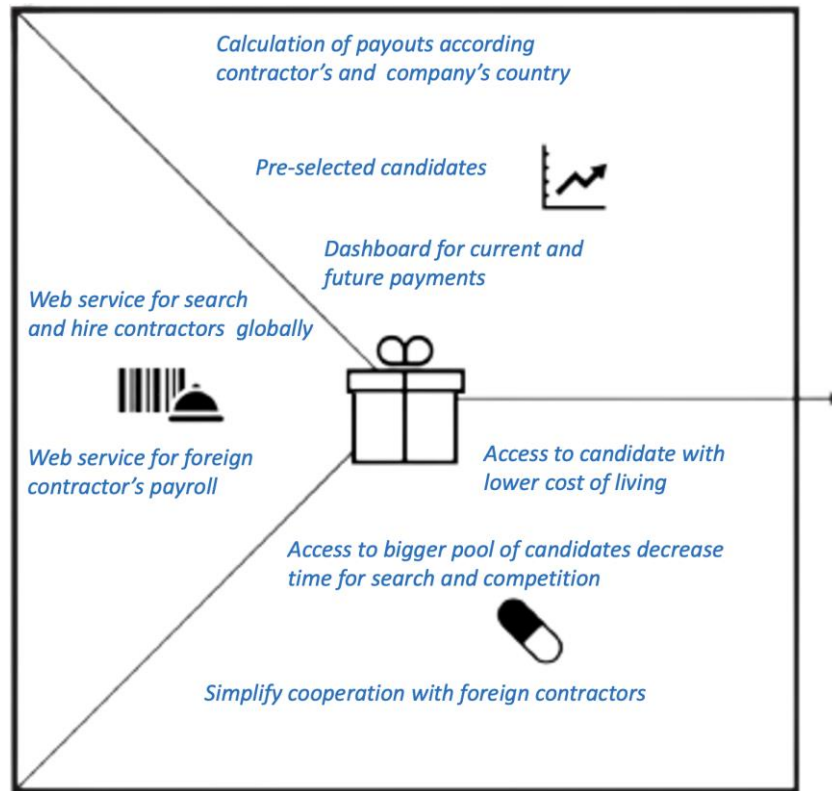
Customer Gains

№	Gain	Importance
1	<i>Search suitable candidates quickly and for a reasonable cost</i>	<i>Essential</i>
2	<i>Calculation of the payout according to the rules</i>	<i>Essential</i>
3	<i>Prognosed spending on personnel</i>	<i>Nice to have</i>

The Value Map can be made in four steps:

1. Create a list of products and services.
2. List the Pain relievers.

3. List the Gain creators.
4. Order Gain creators and pain relievers according to priority.



Visual 21. The Value maps

Table 10.

List of Product and services

№	Product and service	Importance
1	<i>Web service for search and hire contractors globally</i>	<i>Essential</i>
2	<i>Web service for foreign contractor's payroll</i>	<i>Essential</i>

Table 11.

Customer pain relievers

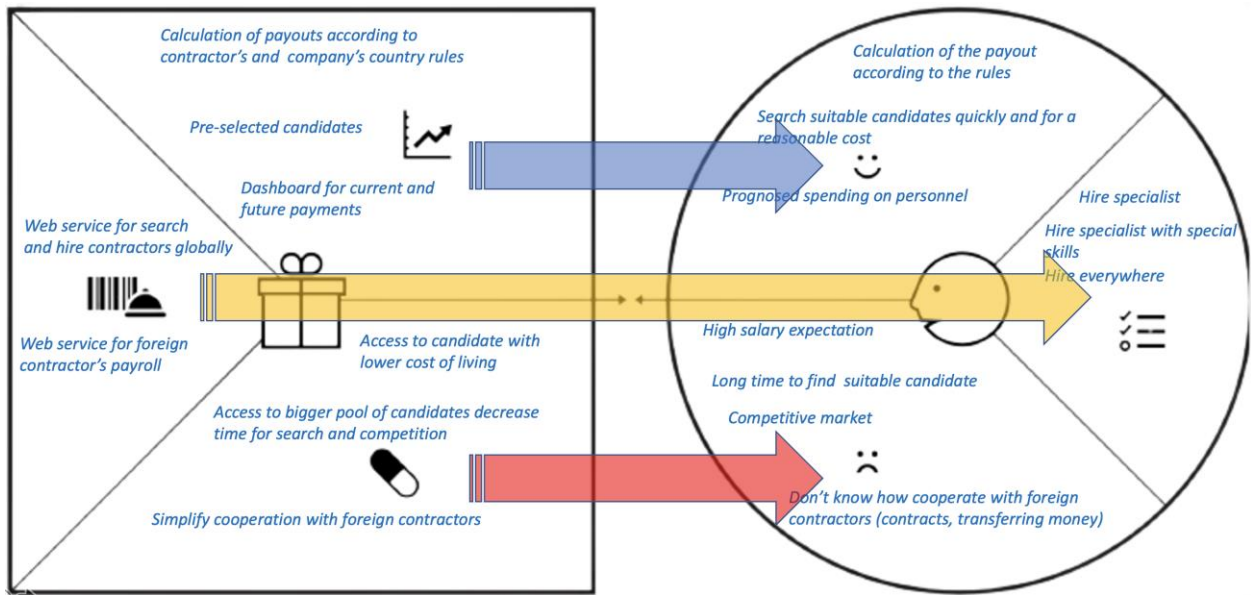
№	Pain reliever	Importance
2	<i>Access to bigger pool of candidates decrease time for search and competition</i>	<i>Essential</i>
2	<i>Simplify cooperation with foreign contractors</i>	<i>Middle</i>
3	<i>Access to candidate with lower cost of living</i>	<i>Nice to have</i>

Table 12.

Customer Gain Creators

№	Gain Creator	Importance
1	<i>Calculation of payouts according to contractor's and company's country rules</i>	<i>Essential</i>
2	<i>Pre-selected candidates</i>	<i>Nice to have</i>
3	<i>Dashboard for current and future payments</i>	<i>Nice to have</i>

If we combine the client profile and the value map, we will receive a value proposition canvas. The value proposition canvas is input for the building Business Model Canvas and Lean Canvas which is an adaptation of the Building Model Canvas for the startups



Visual 22. Value proposition fit.

The value proposition canvas aims to see if our product fits customers' needs. In the current state of the initiative, we're building the MVP to see if our service is meet market's needs.

3.3 Lean Canvas

To present the start-up's Business model, we can use Lean Canvas (13) which Ash Maurya designed. Lean Canvas is an adaptation of the Business Model Canvas designed by Alexander Osterwalder. It is straightforward but very useful for the presentation of the Business model on one page.

<p>PROBLEM <i>List your top 1-3 problems.</i></p> <ol style="list-style-type: none"> 1. quick scale of team 2. hiring globally 3. cross-border money transferring for foreign contractors <p>EXISTING ALTERNATIVES <i>List how these problems are solved below.</i></p> <ol style="list-style-type: none"> 1. do it by self (Excel) 2. competitors: papayglobal, letsdeal and etc 3. Freelance platforms 	<p>SOLUTION <i>Outline a possible solution for each problem.</i></p> <ol style="list-style-type: none"> 1. web hiring platform 2. online payroll 3. knowledge base 	<p>UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i></p> <p>build and operate global remote company without headache</p> <p>HIGH-LEVEL CONCEPT <i>List your X for Y analogy e.g. YouTube = Flickr for videos.</i></p>	<p>UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i></p>	<p>CUSTOMER SEGMENTS <i>List your target customers and users.</i></p> <p>Early-aged start-ups.Round A Small IT companies (2-50)</p> <p>EARLY ADOPTERS <i>List the characteristics of your ideal customers.</i></p> <p>Founders and CEO of early-aged start-ups.</p>
<p>COST STRUCTURE <i>List your fixed and variable costs.</i></p> <ol style="list-style-type: none"> 1. Developing and maintain web solution 2. Consulting from external specialists (tax, laws & regulations) 3. Local recruiters & interviewers 4. Hosting 		<p>REVENUE STREAMS <i>List your sources of revenue.</i></p> <p>Payment for each hiring Subscription model for payroll Fee for each cross-border transaction</p>		

Visual 23. Lean canvas for foreign pay service

3.3.1 Customer Segments

We choose early-aged startups from 1st year of creation in California, USA, during research as the main segment for our product. After receiving the investment in Round A or Round B, the company starts growing and hires new employees to continue developing products and continuing to grow. One more segment that foreign pay can try to reach is small its companies in Europe but moving to this segment is the second priority.

3.3.2 Problem

Lean Canvas contains one important attribute called Problem. This attribute allows showing what problems the current start-up is trying to solve. For foreign pay, the main concerns are the following:

- The quick scale of the team
- Hiring globally
- Cross border money transferring to pay work of foreign contractors

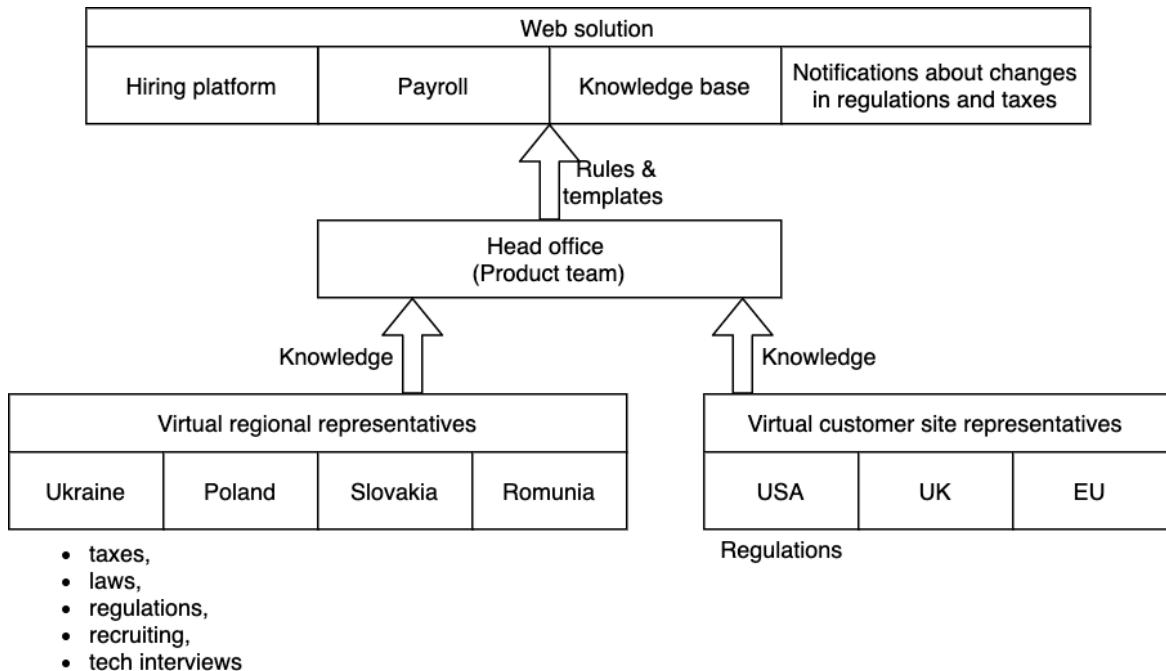
3.3.3 Revenue streams

Revenue is a vital component for surviving company in the long-run perspective. There several revenue streams in the Foreign pay service. The main revenue streams in the business model are:

- Single payment for each hired specialist over HR platform
- The subscription model is recurrent payments for access to payroll for each contractor. The subscription model allows having several packages with different prices for different segments of the customers.
- Fee for each cross-border money transferring transaction.

3.3.4 Solution

The solution, which allows solving a customer problem, has two main parts. The first part is the Web solution which available for access by end-users. The second part is hidden from end-users but very important because it allows them to acquire knowledge about rules, taxes, laws, and regulations and convert them into rules and templates that are part of the web solution.



Visual 24. Solution structure

The second part contains:

- Head office (Product team) – a small team that converts received information from Virtual representatives into rules and templates according to approaches and features of the web solution.
- Virtual regional representatives are virtual teams that cooperate with consulting companies in countries where contractors live. Virtual teams collect information about the best way how to work in those countries as independent contractors. They process such information and provide it to the Head office.
- Virtual customer site representatives are virtual teams that cooperate with consulting companies in countries where the customer's head office is placed. Virtual teams collect information about the best way how to work with foreign independent contractors. They process such information and provide it to the Head office.

3.3.5 Unique value proposition

The unique value proposition of Foreign pay service can be formulated in the following way - “Building and operate a global remote company without headache.” The service creates the possibility for small companies to hire foreign contractors.

3.3.6 Channels

Channels in Lean Canvas defines how an organization communicates with and provides value to its customers. In the case of the Foreign Pay service, channels are:

- Direct sales in LinkedIn Sales Navigator
- Ads in LinkedIn

LinkedIn is an excellent tool in B2B sales because it allows very precise targeting of your audience. Direct sales might be the most crucial channel, enabling direct access to decision-makers.

3.3.7 Key Metrics

For a startup to become successful, we need constantly monitor and control several key metrics, which show how a health company is. The key metrics have to be monitored separately and in combination. The critical metrics for our Business model are:

- Growth is the growth of the customer base within a selected customer segment. Speed of growth is calculated in percentages for the separate period, month, quartal, year.
- Customer acquisition cost (CAS) – an average amount we need to spend on an advertisement or direct sales to acquire one new user.
- Life time value (LTV) is the average amount we receive from one customer during the whole period that the customer has been using our service.

In order to have a healthy and profitable service, we need to seek to decrease customer acquisition cost (CAS) and increase Life time value (LTV) and be sure that CAS is lower than LTV, which leads to losing money.

3.3.8 Cost structure

Cost structure defines the costs and expenses that Foreign pay service will have while operating your business. The cost structure contains the following items:

- Developing and maintain web solutions. The web solution has to be developed and maintained after moving to the production state.
- The consulting service from external specialists (tax, laws & regulations). Regulations, taxes, and laws are recurrently changed, so the web service should quickly reflect all these changes. Receive correct, and up-to-date information is crucial for Foreign pay service. Cooperation with external specialist and allows to have the latest information about changes in regulation, laws, and taxes and update Foreign pay service accordingly

- Local recruiters & interviewers – to provide hiring service and support pre-selection of the candidates, we need to cooperate with local recruiters and interviewers.
- Hosting – web solution has to be hosted in cloud service to be accessible from the internet.

3.3.9 Unfair advantage

An unfair advantage wasn't found on the MVP stage, but we're constantly looking for it.

3.4 Income statement (P&L)

To calculate the market size, we need to start from our findings for launched startups from 2018 till today. According to this data, we have more than 54K foreign employees in 5.5K startups. According to CrunchBase site from 2011 were started about 41K startups in California, it is in 7 times more than startups that launched from 2018, so we can make simple calculations:

$54K * 7$ is about 400K

So, it means that from 2011 California startups hired 400K foreign employees globally, so for us, the potential market is $400K * \$30 * 12Months$ which is about \$140M. We can calculate the revenue stream which we can earn depends on share size.

Table 12

Market share and revenue

<i>Market Share</i>	
<i>%</i>	<i>USD</i>
0.10%	\$140,000.00
0.30%	\$420,000.00
0.9%	\$1,260,000.00
2.7%	\$3,780,000.00
5.4%	\$7,560,000.00
3%	\$4,200,000.00
4%	\$5,600,000.00
5%	\$7,000,000.00
10%	\$14,560,000.00
20%	\$28,000,000.00
30%	\$42,000,000.00
40%	\$56,000,000.00
80%	\$112,000,000.00

To perform calculation which necessary for the income statement, we need to calculate our spending's on a workforce that has several categories:

- Engineering team, which will continuously develop applications,
- International lawyers and recruiters help to build the product and support it on all steps
- Sales and marketing who will deliver service to the customers.

Table 13.

Staffing plan till 2026

		2022	2023	2024	2025	2026
Eng/Product						
	Backend Eng.	1	2	3	3	3
	FrontEnd Eng.	1	2	3	3	3
	Product Manager	0	0	1	1	1
	UX Designer	0	1	1	1	1
	Total Eng/Product	2	5	8	8	8
Sales		0	1	2	2	2
	Sales Manager	0.5	1	2	2	3
	Total Sales	0.5	1	2	2	3
Marketing						
	SEO Manager	0	1	1	1	1
	Total Marketing	0	1	1	1	1
General & Admin.						
	International Recruiter	0	1	2	2	3
	International Lawyer	0	1	1	2	2
	Accounting	0	1	1	2	2
	Customer Service	0	1	2	3	3
	Managing Director	0	1	1	1	1
	CTO	0	0	1	1	1
	Total G&A.	0	3	5	7	7

From that plan, we can count what our spending for the workforce for each year:

Table 14.

Spending on workforce till 2026

	Annual Salary	2022	2023	2024	2025	2026
Eng/Product						
Backend Eng.	\$48,000.00	\$48,000.00	\$96,000.00	\$144,000.00	\$144,000.00	\$144,000.00
FrontEnd Eng.	\$54,000.00	\$54,000.00	\$108,000.00	\$162,000.00	\$162,000.00	\$162,000.00
Product Manager	\$48,000.00	\$0.00	\$0.00	\$48,000.00	\$48,000.00	\$48,000.00
UX Designer	\$30,000.00	\$0.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
Total. Eng/Product		\$102,000.00	\$234,000.00	\$384,000.00	\$384,000.00	\$384,000.00
Sales						
Sales Manager	\$60,000.00	\$30,000.00	\$60,000.00	\$120,000.00	\$120,000.00	\$180,000.00
Total Sales		\$30,000.00	\$60,000.00	\$120,000.00	\$120,000.00	\$180,000.00
Marketing						
SEO Manager	\$6,000.00	\$0.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
Total Marketing		\$0.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
General & Admin.						
International Recruiter	\$14,400.00	\$0.00	\$14,400.00	\$28,800.00	\$28,800.00	\$43,200.00
International Lawyer	\$12,000.00	\$0.00	\$12,000.00	\$12,000.00	\$24,000.00	\$24,000.00
Accounting	\$6,000.00	\$0.00	\$6,000.00	\$6,000.00	\$12,000.00	\$12,000.00
Customer Service	\$4,800.00	\$0.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00
Managing Director	\$36,000.00	\$0.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00
CTO	\$72,000.00	\$0.00	\$0.00	\$72,000.00	\$72,000.00	\$72,000.00
Total G&A		\$0.00	\$46,800.00	\$118,800.00	\$124,800.00	\$124,800.00

Based on information from staffing and make small assumptions about how much resources we will use for hosting our solution and use Growth rule 3 3 2 2 2 for SaaS startups (14), we can make a prognosis of the income statement (P&L) for our service:

Table 14.

Prognoses income statement(P&L)

Growth		3	3	2	2
		\$420,000.00	\$1,260,000.00	\$2,520,000.00	\$7,560,000.00
	2022	2023	2024	2025	2026
Market Share	0.100%	0.30%	0.90%	2.70%	5.40%
Revenue	\$ 140,000.00	\$ 420,000.00	\$ 1,260,000.00	\$ 3,780,000.00	\$ 7,560,000.00
COGS/COS (Cost of Sales)	\$ 84,000.00	\$ 252,000.00	\$ 756,000.00	\$ 2,268,000.00	\$ 4,536,000.00
Gross Profit	\$ 56,000.00	\$ 168,000.00	\$ 504,000.00	\$ 1,512,000.00	\$ 3,024,000.00
Operating Expenses					
Marketing Costs	\$ 70,000.00	\$ 210,000.00	\$ 630,000.00	\$ 756,000.00	\$ 1,512,000.00
Sales & Marketing	\$ 30,000.00	\$ 66,000.00	\$ 126,000.00	\$ 126,000.00	\$ 186,000.00
Engineering	\$ 102,000.00	\$ 234,000.00	\$ 384,000.00	\$ 384,000.00	\$ 384,000.00
General & Administrative	\$ -	\$ 46,800.00	\$ 118,800.00	\$ 46,800.00	\$ 124,800.00
Others	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 202,000.00	\$ 556,800.00	\$ 1,258,800.00	\$ 1,312,800.00	\$ 2,206,800.00
EBIT	\$ (146,000.00)	\$ (388,800.00)	\$ (754,800.00)	\$ 199,200.00	\$ 817,200.00
Depreciation and amortization	\$ (5,800.00)	\$ (8,300.00)	\$ (12,300.00)	\$ (17,800.00)	\$ (24,500.00)
EBITDA	\$ (151,800.00)	\$ (397,100.00)	\$ (767,100.00)	\$ 181,400.00	\$ 792,700.00
EBIT Margin %	-108.43%	-94.55%	-60.88%	4.80%	10.49%
Tax	\$ -	\$ -	\$ -	\$ 36,280.00	\$ 158,540.00
Net Income	\$ (151,800.00)	\$ (397,100.00)	\$ (767,100.00)	\$ 145,120.00	\$ 634,160.00

We can see from our P&L that we'll be unprofitable for the first three years, and we need to find enough money to cover losses in the first years after launching the service. Plan for receiving investments should cover losses at level \$1,315,000.00

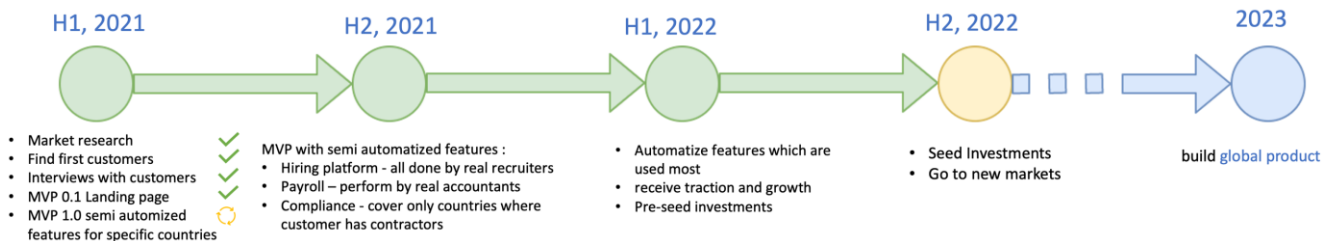
3.5 Risks

We see several main risks for the current project:

- Service relies on regulation, laws, and taxes, which can be rapidly changed, so we need to track all those changes constantly
- To launch service in full mode require more than \$1M of investments, so the plan of investments should reflect such an amount

4. ROADMAP

The roadmap is a high-level plan for building service, including the most critical steps, which have to be performed to launch the service described in this document. The roadmap contains only high-level action items, and before each next step it



Visuals 25. Roadmap

The roadmap includes five milestones:

- 1 Preparation phase with a finish at H1 of 2021. During the preparation phase should be done:
 - market research
 - The first customer should be found
 - The first version of MVP should prove a hypothesis about customers’ needs
 - More advanced MVP should be planned in this phase
- 2 Launching MVP with a finish at H2 of 2021. More matured MVP should be built on this phase, which contains more functionality than on first MVP 0.1 and might be used by innovators and early adopters (15).
- 3 Build product around MVP with a finish at H1 2022. The main goal of this phase is the transformation of the MVP into a product that customers can use from the early majority.
- 4 Go to new market with the finish at H2 2022. The main goal of this phase is release product with support new countries which were not covered by the first version of the MVP.
- 5 Build global product – whole 2023. Go to the global market.

This is just the roadmap, and we can decide about pivoting or restarting each phase if new insights appear from the customers or market.

5. CONCLUSIONS

The current time is a time of digital transformation of a huge number of companies around the world. COVID-19 and restrictions related to the outbreak of the virus speed up these changes and show that digitalization of the process is vital to survive the business. When work is done primarily remotely, more and more companies try to hire around the globe to decrease costs and increase the talent pool.

During market research, we found out the list of the countries which our service should cover. Also, this is significant input for the understanding of the potential customers which we need to interview. Market research shows that companies actively hire overseas from 1st year of launching. So, our early adopters might be small startups from 1st day of creation. During the course of the project, basic requirements for the service were collected and described. We will start to validate them within the first version of MVP. Part of the MVP was developing the architecture of the service. The roadmap and draft of the profit and loss statement were developed.

The main goal of the current step is to release MVP as soon as possible, which allows us to tune how the service will look and see how the market responds to our product. What we learn during building startup:

- We need to start from the research of the market. Before starting the project, I believed that the startups hire in Europe, especially in Eastern Europe, but I found out that the main destination of hiring is India, Canada, Mexico, and the UK. Also, I thought that startups in California start hiring foreign employees after several years of working or receiving investments in Seed/Pre-Seed round. However, according to the data I collect during research, startups start hiring globally from the first years of launching.
- Not all data can be found in one source, so to receive answers to your questions, we need to use several sources of information.

- Early sales can be made without any investments in the advertisement, use social network or tools such as LinkedIn Sales Navigator
- We're in a time of a huge shift in how we work, and it is an opportunity for new services.
- To start a project, you don't need a big team. You can start as a solo and buy the required competency on the market, for instance in Fivver.
- Try to check the idea without building the whole solution. It is possible to start with just a landing page and show it to potential customers.

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Appendix - 1

The foreign employees in startups launched in California, USA from 2018 till May of 2021

Country	Employees						Companies with employees from country					
	2018	2019	2020	2021	Total	% from total	2018	2019	2020	2021	Total	% from total
India	3900	2579	694	20	7193	29.48%	394	243	101	8	746	30.86%
Canada	607	508	163	13	1291	5.29%	271	170	76	4	521	21.56%
United Kingdom	506	822	196	8	1532	6.28%	246	180	76	5	507	20.98%
Brazil	432	199	118	1	750	3.07%	99	64	20	1	184	7.61%
France	175	143	59	7	384	1.57%	87	60	28	2	177	7.32%
Australia	578	161	32	1	772	3.16%	93	57	21	1	172	7.12%
Philippines	475	170	33	4	682	2.79%	95	52	18	4	169	6.99%
Germany	272	117	41	0	430	1.76%	82	53	30	0	165	6.83%
Mexico	376	1000	67	2	1445	5.92%	73	51	16	2	142	5.88%
Russian Federation	254	189	62	0	505	2.07%	62	54	23	0	139	5.75%
Ukraine	334	144	72	1	551	2.26%	69	45	18	1	133	5.50%
China	263	444	26	16	749	3.07%	70	49	10	2	131	5.42%
Spain	192	139	40	0	371	1.52%	70	43	16	0	129	5.34%
Israel	469	288	55	6	818	3.35%	53	43	12	1	109	4.51%
Argentina	390	150	37	2	579	2.37%	50	39	15	2	106	4.39%
Pakistan	242	139	35	5	421	1.73%	44	38	20	2	104	4.30%
Poland	108	176	15	1	300	1.23%	50	35	8	1	94	3.89%
Nigeria	105	117	25	5	252	1.03%	40	39	12	2	93	3.85%
Netherlands	221	197	24	3	445	1.82%	42	33	16	1	92	3.81%
Indonesia	115	53	12	1	181	0.74%	53	26	6	1	86	3.56%
Turkey	159	54	131	0	344	1.41%	40	23	20	0	83	3.43%
Colombia	164	177	15	0	356	1.46%	37	27	9	0	73	3.02%
United Arab Emirates	43	54	12	1	110	0.45%	31	32	9	1	73	3.02%
Singapore	82	69	20	4	175	0.72%	40	16	11	2	69	2.85%
Bangladesh	66	37	11	3	117	0.48%	32	20	5	1	58	2.40%
Hong Kong	40	29	18	0	87	0.36%	28	21	6	0	55	2.28%
Egypt	104	57	11	0	172	0.70%	33	13	7	0	53	2.19%
Portugal	79	13	6	0	98	0.40%	26	12	6	0	44	1.82%
Belgium	70	13	12	1	96	0.39%	19	13	10	1	43	1.78%
Taiwan	38	84	23	0	145	0.59%	17	12	10	0	39	1.61%
Malaysia	26	56	13	0	95	0.39%	16	10	10	0	36	1.49%
Kenya	1829	39	6	1	1875	7.68%	19	11	3	1	34	1.41%
Belarus	31	87	9	0	127	0.52%	14	14	6	0	34	1.41%

Romania	21	42	16	0	79	0.32%	13	12	8	0	33	1.37%
Ireland	18	15	11	0	44	0.18%	16	11	4	0	31	1.28%
Denmark	24	9	2	0	35	0.14%	20	8	2	0	30	1.24%
Estonia	10	28	11	0	49	0.20%	8	10	3	0	21	0.87%
Bulgaria	18	30	0	0	48	0.20%	13	6	0	0	19	0.79%
Latvia	5	7	1	0	13	0.05%	5	6	1	0	12	0.50%
Dominican Republic	205	2	2	0	209	0.86%	7	2	2	0	11	0.46%
Venezuela	54	3	0	0	57	0.23%	8	3	0	0	11	0.46%
Lithuania	4	4	16	1	25	0.10%	4	3	2	1	10	0.41%
Cyprus	3	4	1	0	8	0.03%	3	4	1	0	8	0.33%
Jamaica	75	3	0	0	78	0.32%	3	3	0	0	6	0.25%
Uganda	305	0	1	0	306	1.25%	4	0	1	0	5	0.21%
Malta	2	2	0	0	4	0.02%	1	2	0	0	3	0.12%