

STUDY OF THE BUSINESS MODEL AND COMPETENCE ANALYSIS OF INVEST&BET

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ABSTRACT

The aim of this FINAL BACHELOR PROJECT is the analysis of the business model, the marketing plan, the risk management procedure and a forecast of the revenues of the company known as Invest&Bet as well as an analysis of the theory of competition.

The goal of this project is to help Invest&Bet to expand in Spain, the necessary task for the accomplishment of this objective are:

1. Analysis of the current situation of the company through a business canvas model.
2. Analysis of the competence.
3. Analysis of the risk management and the elaboration of a forecast of profits and new clients.

RESUMEN

El objetivo de este TRABAJO DE FIN DE GRADO es el análisis del modelo de negocio, el plan de marketing, los procesos de gestión de riesgos y la previsión de beneficios de Invest&Bet y también el análisis de las teorías de la competencia.

El objetivo de este Proyecto es ayudar a la expansión de Invest&Bet en España, las tareas necesarias para cumplir este objetivo son:

1. Análisis de la situación actual de la compañía a través del business model canvas..
2. Análisis de la competencia.
3. Análisis de la gestión de riesgos y elaboración de una previsión de beneficios y nuevos clientes.

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1. INTRODUCTION

The world of gambling is as old as the humanity . The first evidence of gambling that we have dates from 2300bc, the gambling appears for first time in a Chinese book called “Book of songs”. But gambling has been present in all the cultures from Antic Greece to the USA , without forget France (Baccarat, 1400s), Italy (first casino, 1638), France, where the roulette where invented at 1796.

But the real revolution came by the hand of the Internet and Playtech, Playtech was the first company that create a casino online. That allow the people the possibility of betting everywhere and every time without, that versatility increase the number of players and increase dramatically the amount of money that the world of gambling manage.

With the legalization of the online gambling in Spain at 2008 not only international gambling companies such as Bet365 or Betfair but also new Spanish companies, like Codere, started to offer their services. One fact that show the strength of this sector in Spain is the volume of business, during 2015 it was more than 14 thousand millions of euros (INE, Instituto Nacional de Estadística) and the cost of the salaries amounts to 1.678.788 million of euros (INE).

As the statistics says in Spain only the 20.15% obtain benefits after one year (dgojuego, Dirección General de Ordenación del Juego), and the 75.5% of the people who bets lose money with this activity.

But now has appear a new player at the arena, the name of this player is tipster. The tipster is a person who is able to defeat the bookies (bookie is the name of a company that offer the service of gambling). The tipsters are an analyst that sell his prognostics to the other people, and here is where Invest&Bet appears.

Invest&Bet was created by two students of Industrial Engineering during the spring of 2016. During the first seventeenth months

Invest&Bet only managed the initial investment of the two founders, this is because they wanted to test the profitability of the business. After that time of learning and when the founders where sure that the business model that they have created was profitable, Invest&Bet take the plunge to the real world and started the search of clients.

2. MAIN INFORMATION

2.1. The company

Invest&Bet works like a traditional investment found, where clients invest their money and Invest&Bet manage it following the predictions of his analyst.



Figure 1: Invest&Bet logo

Invest&Bet is established in the legal form of “Gambling Community”, a Gambling Community consists in a group of people who bet together not only in order to reduce the risk but also to be able to make more bets, the Gambling Community is ruled by its articles of association and they have to be accepted by all the members of the community.

The aim of Invest&Bet is to create value for its clients through the investment in sports gambling markets. Invest&Bet has an employee workforce of two, that two are the founders.

The clients of Invest&Bet are usually people between eighteen and twenty-five years old, that have been in touch with the investment world.

The success of this company is the result of not only the high profitability of the activity, an average of return of 20% monthly, but also because the low operative costs.

2.2. Model business canvas

2.2.1. Customer segments

Invest&Bet is a company that creates value for every person interested in obtaining a returnability of his money.

The Total Market of this company is every person interested in investing and in obtaining a returnability of his money. The Available Market is every

person not only interested in investing but also that has the minimum amount of 100€ which is the minimal inversion accepted at Invest&Bet.

The Target Market is every young person who has not just any contact with investments but also has the minimal quantity on 100€.

The most important clients of Invest&Bet are the ones that can make propaganda of the company to obtain more clients.

For validating the Target Market Invest&Bet has done a market study, the results of that study can be seen at the sequent graphics:

2.2.2. Costumer relationships

The client will receive a report monthly through instant messaging app, such as WhatsApp, at this report the investor will be able to see the evolution of the found during the last month. The customer will be also requested to answer some question about his level of satisfaction and what would he change of Invest&Bet.

2.2.3. Channels

Invest&Bet channels of marketing are three:

- Instagram account.
- Web page.
- Business card.

In the next lines we can see an explanation of how Invest&Bet use that channels.

The way that Invest&Bet use Instagram is this, Invest&Bet contact with possible clients through direct message. With this message Invest&Bet can contact a lot of potential new clients. Another aspect of the Instagram promotion is based on Instagramers, Instagramers are people with a high engage power at Instagram, than can promote the product of Invest&Bet among their followers, the power of this way of promotion is that the Instagramer are models for their followers, so if the Instagramer invest in Invest&Bet their followers will want to do the same.

At the web page Invest&Bet explain how they work, the benefits of investing in them and the risk that the client take when makes an investment. The web page is an important because the business model of Invest&Bet is very innovational and creates a lot of doubts at the possible clients, and one of the aspects of a corporative web page is that it create a sense of credibility and also that the company is bigger and successful than it really is. Because of that the corporate web is important now that it instils a feeling of security.

With the business card can be used in two different ways. The first one is used when Invest&Bet is making a promotion at street level, they will give a business card to the potential client after explaining him how Invest&Bet works, with the business card the possible client will not only be able to contact again with Invest&Bet but also it will remind him the

existence of Invest&Bet. The other way that Invest&Bet use the business cards consist in distributing the cards randomly among potential clients in order to create a feeling of curiosity at the possible costumer, because of that feeling the costumer will search for information of Invest&Bet.

2.2.4. Key propositions

The key proposition of Invest&Bet is the creation of value for the clients through the investment in sport markets. Invest&Bet works like a traditional investment found but based on sport markets.

The characteristics of this investment found are:

- Facilities to the clients in terms of paperwork, money withdraw and request of information.
- The returns are higher than other investments. The average return is around 10% monthly.

The downside parts of Invest&Bet are:

- The high fluctuations of the sport market, the fluctuations can arrive until 20% weekly.
- The small or zero knowledge of our potential clients about how an investment found work.

2.2.5. Key activities

The main activities required to achieve the key propositions of Invest&Bet are the use of the tipsters webpage as well as bookies web pages. As external support Invest&Bet will work with a bank in order to do the bank transactions among them and the clients.

On one hand we can understand as distribution channels the way Invest&Bet transfer capital between the company and the clients, Invest&Bet use not only bank transferences but also other ways such as PayPal or Skrill. On the other hand, we can understand as a distribution channel how Invest&Bet promotes its service, these channels are as we have seen before Instagram, corporative web page and business cards.

About the relationship with clients it is totally on-line, this is because on-line relationships are faster, easier and cheaper not only for Invest&bet but also for the clients.

2.2.6. Key resources

The key resources of Invest&bet are the next three:

- Tipsters webpage.
- Bookies.
- Bank.

The tipsters webpage is the portal where Invest&Bet communicate with tipsters, at this webpage the tipsters upload their prognostics, so it is one of the most important parts of Invest&Bet.

Bookies are the companies where Invest&Bet invest at the sport market, the bookies work as brokers, so is extremely necessary for Invest&Bet that the bookies webpages work properly in order to not lose any invest opportunity. Each bookie offers different revenues for the same investment because of that Invest&Bet works with more than one bookie, that allows them to maximize the profit at their operations.

2.2.7. Key partners

The key partners of Invest&Bet are three very differenced, they are:

- Tipsters.
- Bookies.
- Instagramers.

As we have seen at Key Resources part the tipsters and the bookies are the most important resource for Invest&Bet, because of that is extremely important for Invest&Bet create a strong relationship between them and the company.

Instagramers are also important for the company because they are the ones in charge of finding potential clients.

2.2.8. Cost structure

The main cost of Invest&Bet is: the cost of tipsters, each tipster cost between 40€ and 70€, currently Invest&Bet is working with seven tipsters, so the cost is 365€ per month, and the main point is that Invest&Bet only have to pay to the tipster if they obtain a benefit during the month. This is the main cost of Invest&Bet, as we will see in the next paragraph this cost is almost the only one.

The second cost is the rent of server in which the webpage is located, this cost is 20€ per year, as we can see this quantity is really small compared with the cost of the tipsters.

The last cost of Invest&Bet is the salary of the instagramers, this is not exactly a cost due to the fact that the instagramers are paid a percentage of the benefits obtained with the money of the clients that they have bring to the company.

2.2.9. Revenue streams

The revenues of Invest&Bet consist on a percentage of the benefits obtained with the capital invested by the clients. The revenue is dynamic due to the fact that it is not only related with the rentability obtained each month but also with the quantity on capital invested.

The revenue of Invest&Bet consist on a fixed and a variable part of the benefits. The fixed part is the 30% of the benefits and the variable part can be seen at the next table:

Table 1: variable percentage retentions

Month profit	Variable Percentage
<0%	0%
0-5%	10%
6-10%	15%
11-15%	20%
16-20%	25%
>20%	30%

2.3. Competitors

Due to the fact that the market on which Invest&Bet is working is very innovational there are only few companies that operate in it. In the next sections we are going to be able to see a review of two of the most important competitors of Invest&Bet.

Another point of this market is the fact that it is under operated, this is because the number of potential clients is bigger than the working capacity of the companies. Because of that all the companies that work at this market coexist without conflicts between them.

2.3.1. Invictus

Invictus was established in Rome at 2014, it was created by Alessandro Salvati and Domenico Gravagno. Currently the capital of Invictus amounts until three hundred thousand euros, 300.000€, and the work force is between two and ten workers.



Figure 2: Invictus logo

On the next graphic extracted of the corporative webpage we can see the profit obtained by Invictus from September of 2016 to January of 2018 (sixteenth months):



Figure 3: Invictus profits

As we can see the profit of this sixteenth months is about 320%, that percentage is close to 19% of return monthly. But as we can see there are some months that Invictus have lost money, for example December of 2016 or December of 2017.

Invictus do not work exactly like an investment found, Invictus select bets crated by tipsters, and the client has to choose the amount of money that wants to invest in each bet.

That is the main difference between Invictus and Invest&Bet, while in Invictus the client has to watch out for the investments and has to spend time not only making them but also tracking them, in Invest&Bet the client do not have to do anything, he only invests the capital and receive monthly the profits and a report with the evolution of the investment found during the las month.

2.3.2. Pyckio

Pyckio was established in 2014, It was created by Daniel Mateos and Fernando Montero. Both used to work as investment analyst, and when they got fired because of the world crisis of 2008 they decided to create Pyckio.



Figure 4: Pyckio logo

Originally Pyckio was a webpage where the tipsters were able to interchange bets in order to obtain more profit at gambling. But in October of 2017 they announced that the business model of Pyckio is going to change to transform Pyckio into a traditional investment found but based on sports market.

Currently the activity of Pyckio of working like an investment found has not started, because of that Invest&Bet has the advantage. The trump card of Pyckio is that they have his own team of tipsters, so they can control better the amount of potential investments, but it is a two-edged sword, because maintaining all the tipsters increase the cost a lot. Invest&Bet has outsourced all the tipsters, this is a goof point because

the tipsters only charge Invest&Bet if they obtain a benefit during the month, that is to say that if one tipster does not generate benefits for one month, Invest&Bet do not have to pay for the service.

3. COMPETENCE THEORY

The intention of this part is to present the concepts that make easy the understanding of the competitiveness. And, the application of them to Invest&Bet.

3.1. General framework of competence

The capacity of compete is directly related with the advantages that have the parts that are competing. Is necessary to show the concepts of absolute advantage, comparative advantage and competitive advantage.

3.1.1. Absolute advantage

When two or more parts competes, it is said that one of them has an absolute advantage if it is more productive than the rest of them.

The productivity is measured as the capacity of production more with the less quantity of production factors. This concept appears at the first theories of competence, as can be seen in *The Wealth of Nations* (Adam Smith, 1776)

3.1.2. Comparative advantage

The comparative advantage is not referred to the total productivity, it is referred to the opportunity cost. In the international trade, a country has a comparative advantage when the opportunity cost of producing a goods is lower than the one of its competitors.

The countries can have advantages in the production of certain wares, therefore every country obtain benefits when are focused in produce the goods that they can produce in a cheaper way (Krugman, 2001).

3.1.3. Competitive advantage

Michael Porter is the most important representative of the concept of competitive advantage. In his book *The Competitive Advantage of Nations* (1993), explain that the competitive strategy sets the success or the failure of a company. The strategy means the ability, while the competitiveness is the capacity of putting in practice this strategy.

The competitiveness is also the search of a favourable position in the market with regard to your opponents.

The competitiveness is the grade to which a country, Estate, region or company produce goods or services on free market conditions, facing

the competitiveness of the national or international markets, improving at the same time not only the income of the employees but also the productivity of the enterprises (Porter, 1993). Porter explains that the competitive companies make the countries also competitive, because of that Porter supposes that the sum of all of these corporations, the ones that generate profits on a free market conditions, makes as a result countries with more wealth for their inhabitants and a better social welfare (Porter, 1993).

One of the most important contributions of Porter for the understanding of this hypothesis is the Competitiveness Diamond.

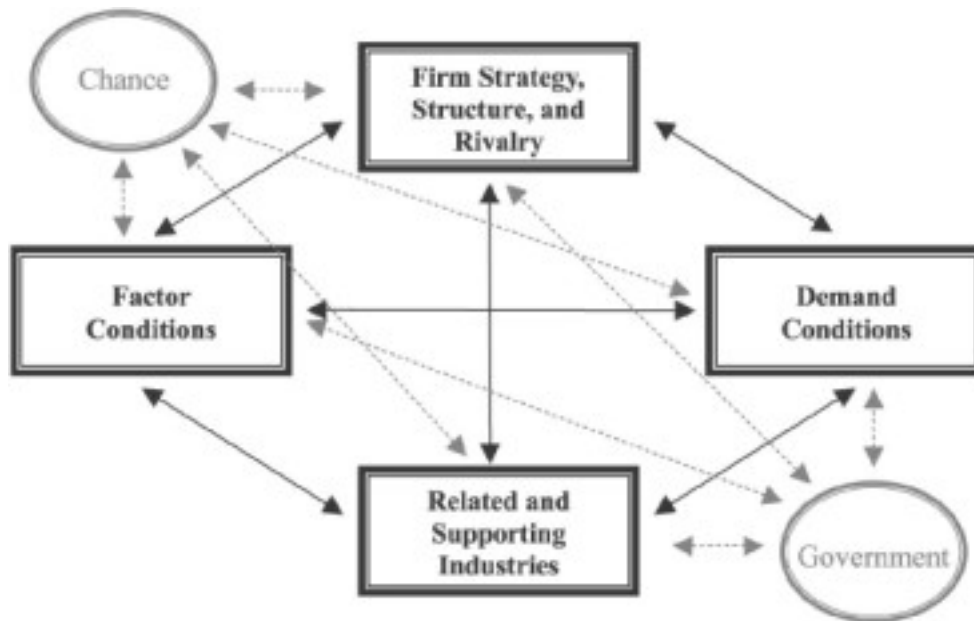


Figure 5: Porter's Competitiveness Diamond

On this model, the factors conditions are those elements that allow the companies to produce commodities and services that compete on the market. The demand conditions are those that allow to the enterprises to discover and study not only the preferences, demographic variables, social and cultural of the population but also the consumption structure and the new tendencies. And also, to catalogue the competing firms, what they produce and how, how much and if new competitors are entering onto the market.

The related and supporting industries factors lead the companies to find strengths and supports in his external relationships. The factors associated to the chances are related to the ability of the company to look outward in order to detect situations on which is possible to obtain a benefit for the company.

The next aspect is the existence of government or institutional support because their supports can affect positive your enterprise or your competitors company. Finally, firm strategy factors are they that allow the organization making structural and strategical decisions.

3.2. Porter's Diamond analysis

On the next lines we are going to apply the Diamond analysis to our company, Invest&Bet.

About factors conditions, the main factor is the tipster, the tipsters are who study the market, evaluate the opportunities of investment and also who makes the report on which is justified the investment. About the demand condition, Invest&Bet take a lot of information from the reports made by the "Dirección General de Ordenación del Juego", the Spanish government organization in order to control the gambling. The reports include information about gamblers profile and gambling market surveys.

With the supporting companies the most important one is the relation with the tipsters because the tipsters are as we have seen before all the work related with the research of the investment opportunities. About the chances Invest&Bet is always focus on new business opportunities in order to diversify the company.

There is no special support of the government to the gambling sector, but the new laws about gambling are on the way to more liberalization.

Finally, the strategy of Invest&Bet is to get more clients through the marketing strategies.

4. RISK MANAGEMENT AND FORECAST OF REVENUES

The intention of this part is divided in two, the first one is the presentation of the risk management procedure used in Invest&Bet, and the second one is a forecast of revenues for the next twelve months.

4.1. Risk management procedure

At this part we are be able to see the process of the analysis of a new investment, the analysis is going to be done from the report received of a tipster. The report received is showed in the next image:

Cuota		Stake
1.85 ²		1 ³

Enviado: 21:53 11/04/2018

Buenas noches a todos, vamos con otro pronóstico para la última jornada de la liga regular de la NBA, más concretamente para el encuentro que disputarán en el Moda Center de Oregon los Portland Trail Blazers y los Utah Jazz. Me gusta bastante la línea que nos ofrece William Hill para las asistencias repartidas durante el partido por CJ McCollum, ya que creo que puede ser demasiado larga. Línea un punto más baja, y mejor ajustada en mi opinión, en el resto de casas de apuestas habituales.

Vamos con CJ McCollum, el escolta de los Blazers, que durante ¹ esta temporada promedia 3'4 asistencias por partido, lejos de las cinco que le exigen esta noche para que el pronóstico fuera fallido. Ha superado la línea propuesta tan sólo en 18 de los 80 partidos en los que ha tomado parte hasta la fecha, números más que positivos de cara al pronóstico.²

Al margen del respaldo estadístico el motivo principal para ir con su under de asistencias es el rival al que se enfrenta esta noche. Los Jazz son una de las mejores defensas de la NBA, como hemos comentado ya en bastantes ocasiones, y son el segundo equipo que menos asistencias permiten repartir a los jugadores rivales. Vienen en una dinámica fantástica y a pesar de tener asegurado su puesto en Playoffs el partido es importante para ellos para intentar lograr la mejor clasificación posible. Es por ello que espero un partido intenso en defensa por su parte, con poco ritmo y con un tanteador bajo ante otro equipo muy fuerte defensivamente como los Blazers.

⁵ Tenemos tres precedentes de McCollum ante Utah y en ninguno de ellos fue capaz de superar la línea, quedándose en 2, 4 y 2 asistencias respectivamente.³

Poco más que añadir, creo que la línea está un punto más alta de lo que debería y que ante un rival como Utah merece la pena probarla. Saludos a todos y suerte a quienes decidáis seguirlo.

Figure 6: example of a tipster report

The report that we are going to analyse is from a basketball match of the NBA between Portland Trail Blazers and Utah Jazz. The report is divided in two parts, the first one (the one with the red references) shows the investment, the odd and the stake. The second one (the one with the green references) shows the reasons to support the investment.

In advance we are going to analyse the first part of the report, this analysis is going to be done in the order the references are located:

1. CJ McCollum less than 4.5 assistances: that is the investment, here we can read what is the investment suggested by the tipster.
2. Odd: the odd is the number which shows the profitability of this investment, this is given by the bookie. The odd means that for each one unit that you invest you will received the unit that you

have invest plus 0.85 units more, if your investment is correct. The off should be higher than 1.80 to be profitable, due to the fact that if the odd is lower the benefits will be not high enough to make them attractive.

3. Stake: the stake is not only a measure of the difficulty of the investment but also indicate how many monetary units you should invest. The stake is a number between a 1 and a 10, number 1 indicates that the investment is very uncertain and a 10 indicates that the investment is 100% secure. As we have said that scale also indicates the amount on monetary units that its recommended to invest by the tipster, number 1 indicates that you should invest 1 monetary unit and a 10 indicates that recommended investment is of 10 monetary units. One monetary unit is usually a percentage of your total money and this percentage is between 1%-5% of your total bank.

Now we are going to analyse the second part of the report, as we have seen at this part the tipster explains the reasons of his investment recommendation.

1. "This season the average number of assistances of this player is 3.4 per match". As we can see on average the number of assistances of this player is lower than the number said before (4.5 assistances)
2. "In this season only in 18 of 80 matches the player has make more than 4.5 assistance", that means that on 77.5% of the times our investment will be successful, and as we can see on

the point 2 the rentability of this investment is 85%. So, with this data we can say that the investment is profitability.

3. "The Utah Jazz has one of the best defences of all NBA", the better is the defence the less opportunities to attack, so less opportunities to make assistances.
4. "The Utah Jazz is the second team that less assistances permit", we are investing in that CJ McCollum is going make less than 4.5 assistances, so the less number of assistances the Utah Jazz allow to make to the other team the more probabilities of being our investment successful.
5. "In the last three matches on which CJ McCollum played against Utah Jazz he made 2, 4 and 2 assistances", so as we see here our investment would be successful in the last three investment opportunities.

The formula to calculate the profit of the investment is:

$$Profit = ((Odd * Stake) - Stake) * Succes Investments - (Failure Investments * Stake)$$

$$Profit = ((1.85 * 1) - 1) * 62 - (18 * 1) = 34.7$$

As we can see in these simple calculations, with the data we have, the profit of this investment in the long term will be 34.7 monetary units, so the rentability percentage is:

$$Rentability = \frac{Profits}{Total investment} * 100$$

$$Rentability = \frac{34.7}{80} * 100 = 43.4\%$$

As we can see this investment is profitable in the long term, so Invest&Bet should follow the investment proposal of this tipster.

4.2. Forecast of revenues

The forecast of revenues is 12 months long and it includes these three scenarios:

1. Pessimistic scenario.
2. Regular scenario.
3. Optimistic scenario

The variables of this forecast are the number of clients, the profitability of each tipsters and the average of money invested by each client. Those variables are modified each month of the forecast, in order to contemplate a bigger number of scenarios.

At the pessimistic scenario is supposed and average rentability of 7% before deducing the payments to the clients, the average of the number of clients is 121 and about the average invested is 525€. The next part of the forecast is the show of different graphics of the pessimistic forecast, at the annex the calculations of this forecast will be included.

Here we can see a graphic that shows the rentability (**Figure 7**) predicted for the next twelve month, as we see the months with the biggest rentability are the month one and ten, 21% and 15% respectively. During

the months 9 and 5 Invest&Bet has lost money, being the worst the month 5 with a loss of 5%.

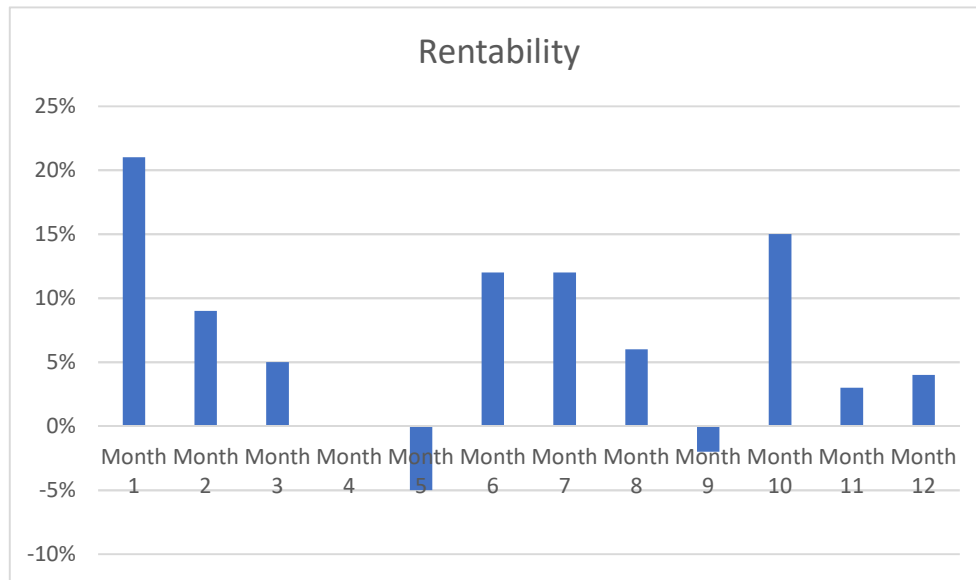


Figure 7: rentability graphic of pessimistic scenario

The next two graphics are “Accumulated profits” (**Figure 8**) and “Profits” (**Figure 9**) of the next twelve months. As we see at the “Accumulated profits” at the end of the twelve months Invest&Bet will be generated a profit of a little bigger than 20.000€, that means an average of benefits of 1723€ monthly, that is the double of the minimum wage in Spain (858€ per month).



Figure 8: accumulated profits graphic of pessimistic scenario

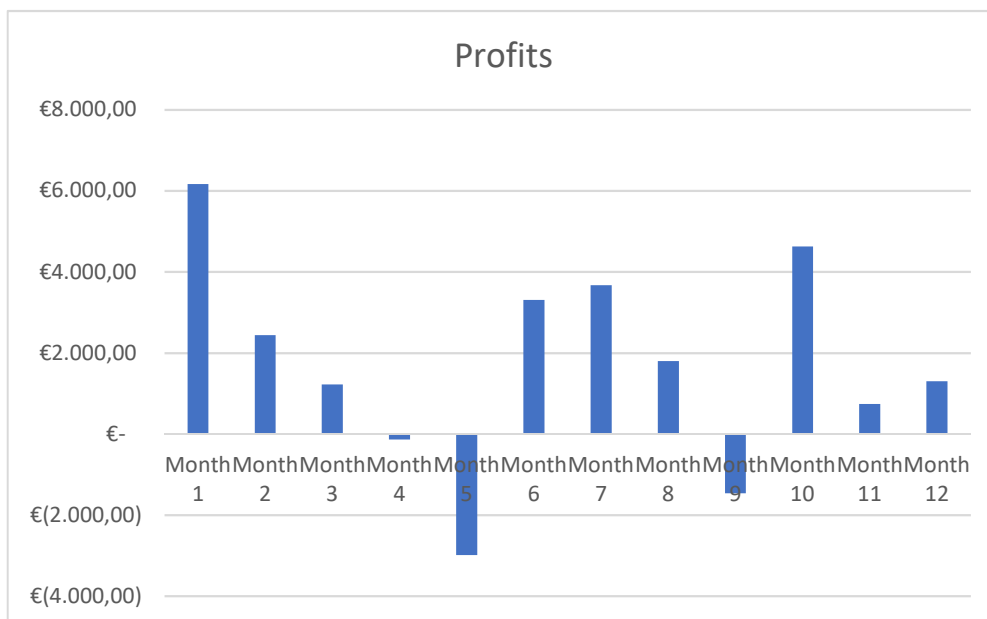


Figure 9: benefits graphic of pessimistic scenario

On the next two graphics we can see the “Number of clients vs Average invested” (**Figure 10**) and the “Rentability vs Number of clients” (**Figure 11**) twelve months. On the Number of clients vs Average invested

graphic we can see that the average of money invested increase during the time, that can be caused because the confidence of the clients is increasing because the results. On the Rentability vs Number of clients is possible to see that after a month with bad results the number of clients decrease, that is because the clients feel afraid of losing their money, being the major number of clients 130 on the month 8 and 9.

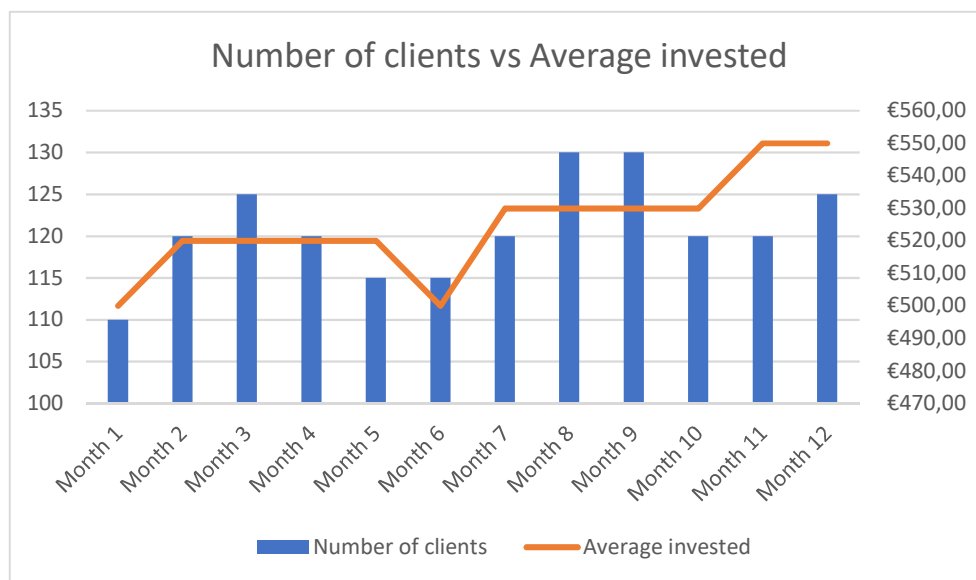


Figure 10: number of clients vs average invested of pessimistic scenario

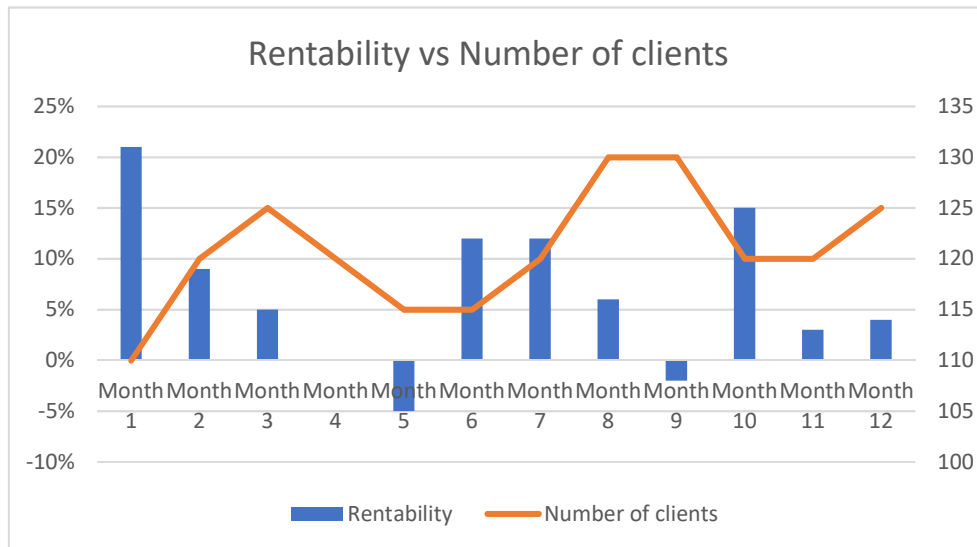


Figure 11: rentability vs number of clients graphic of pessimistic scenario

At the regular scenario is supposed and average rentability of 12% before deducing the payments to the clients, the average of the number of clients is 126 and about the average invested is 539€. The next part of the forecast is the show of different graphics of the regular forecast, at the annex the calculations of this forecast will be included.

Here we can see a graphic that shows the rentability (**Figure 12**) predicted for the next twelve month, as we see the months with the biggest rentability are the month 1 and 12, 21% and 22% respectively. During the months 4 and 8 Invest&Bet has lost money, being the worst the month 5 with a loss of 4%.

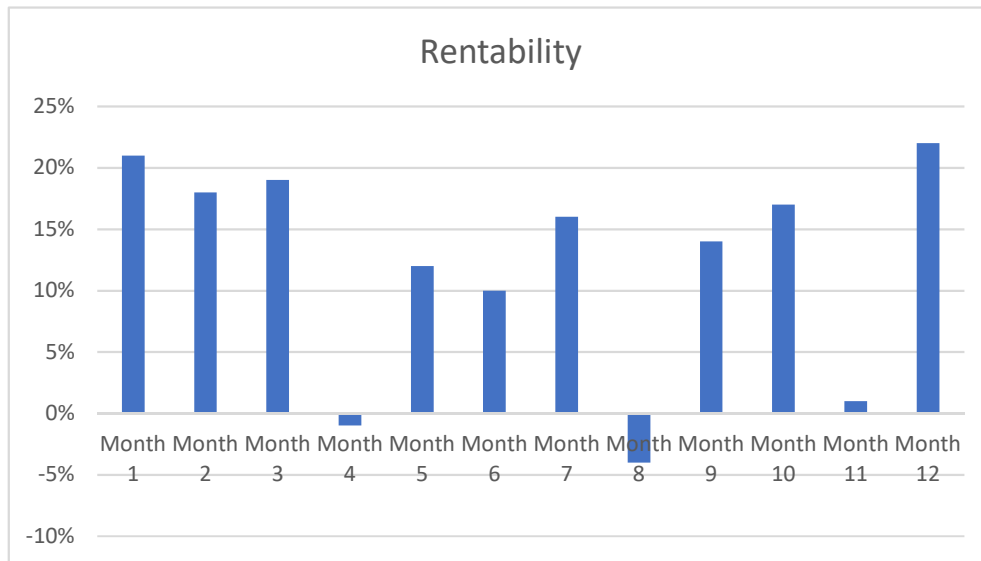


Figure 12: rentability graphic of regular scenario

The next two graphics are “Accumulated profits” (**Figure 13**) and “Profits” (**Figure 14**) of the next twelve months. As we see at the “Accumulated profits” at the end of the twelve months Invest&Bet will be generated a profit of a little bigger than 50.000€, that means an average of benefits of 4166€ monthly, that is more than 4 times the minimum wage in Spain (858€ per month).



Figure 13: accumulated profits graphic of regular scenario

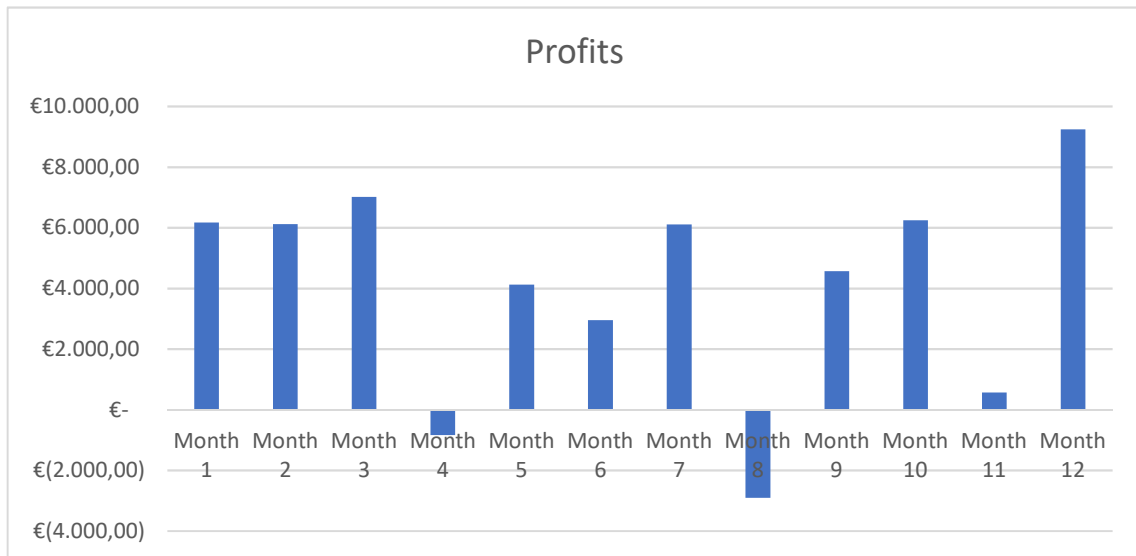


Figure 14: profits graphic of regular scenario

On the next two graphics we can see the “Number of clients vs Average invested” (**Figure 15**) and the “Rentability vs Number of clients” (**Figure 16**) twelve months. On the Number of clients vs Average invested graphic we can see that the average of money invested increase during the first 5 months to stabilize after the it, that can be caused because the confidence of the clients is increased because the good results of the firsts months, and the next ones our clients do not have more money to invest, so a solution to keep increasing the average invested can be to target another public with more economic power. On the Rentability vs Number of clients is possible to see that the firsts 3 months the number of clients increase very fast because the good results, but after those months that number is stablish around 130 clients. We also can see that after a month with bad results the number of clients decrease, one reason to explain that is that the clients feel afraid of losing their money, as is said before.

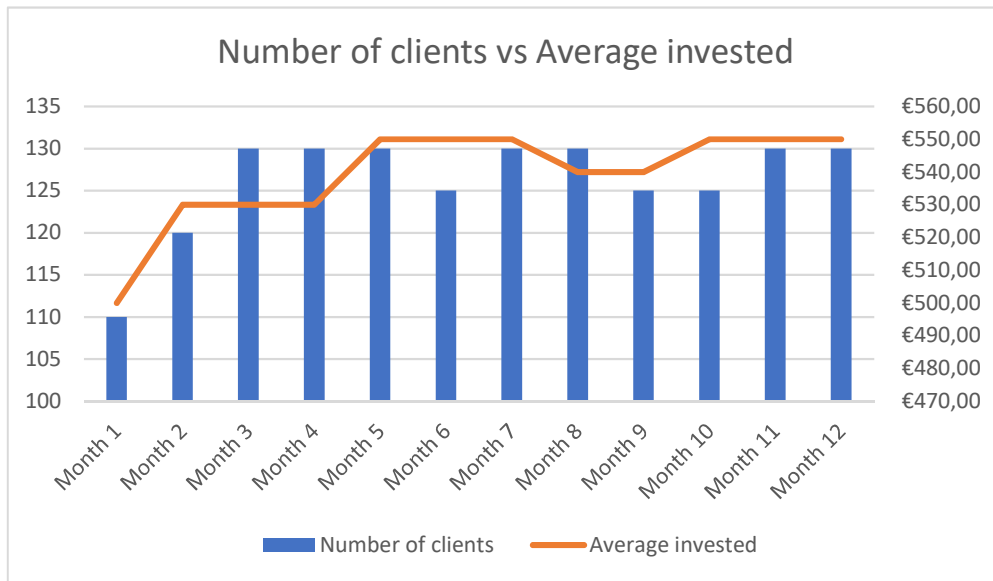


Figure 15: number of clients vs average invested graphic of regular scenario

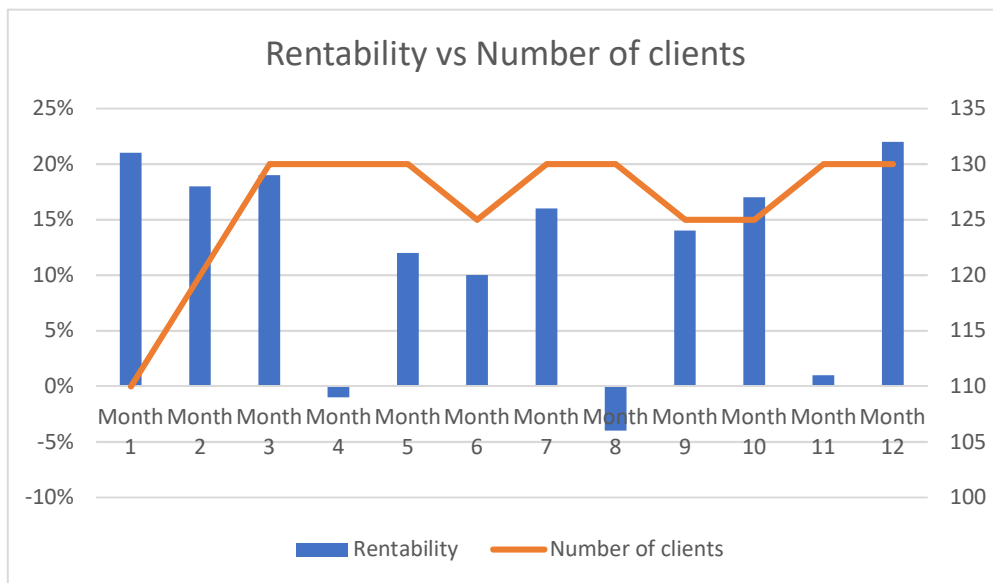


Figure 16: rentability vs number of clients graphic of regular scenario

At the optimistic scenario is supposed and average rentability of 17% before deducing the payments to the clients, the average of the number of clients is 138 and about the average invested is 540€. The next part of

the forecast is the show of different graphics of the optimistic forecast, at the annex the calculations of this forecast will be included.

Here we can see a graphic that shows the rentability (**Figure 17**) predicted for the next twelve month, as we see the months with the biggest rentability are the month 5 and 8, 26% and 22% respectively. During the months 4 and 8 Invest&Bet has lost money, being the worst the month 7 with a rentability of 8%.

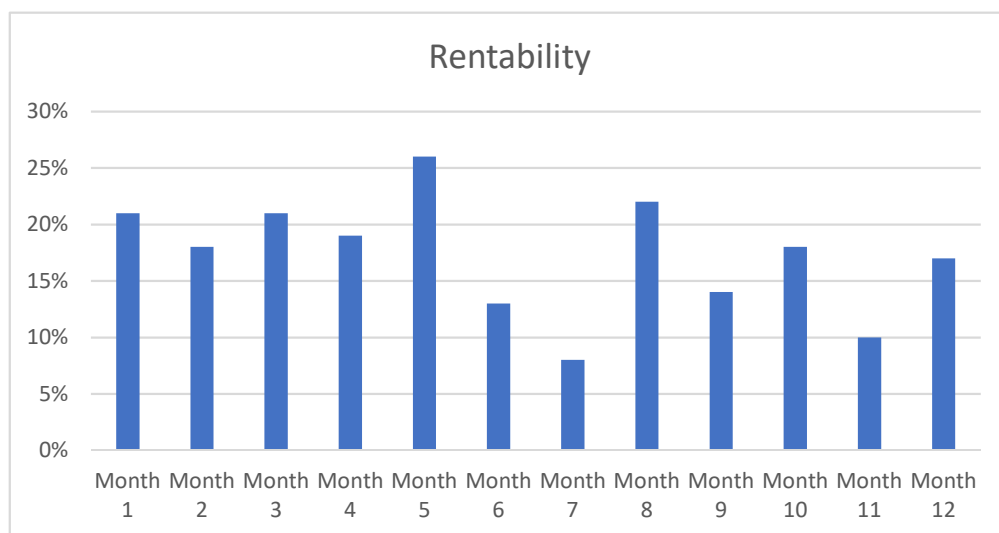


Figure 17: rentability graphic of optimistic scenario

The next two graphics are “Accumulated profits” (**Figure 13**) and “Profits” (**Figure 14**) of the next twelve months. As we see at the “Accumulated profits” at the end of the twelve months Invest&Bet will be generated a profit of a little bigger than 80.000€, that means an average of benefits of 6666€ monthly, that is more than 7 times the minimum wage in Spain (858€ per month). Also, we can see at the

“Profits” that the best month the profits are around 11.000€ and in the worst month the profits are 2646€.



Figure 18: accumulated profits graphic of optimistic scenario

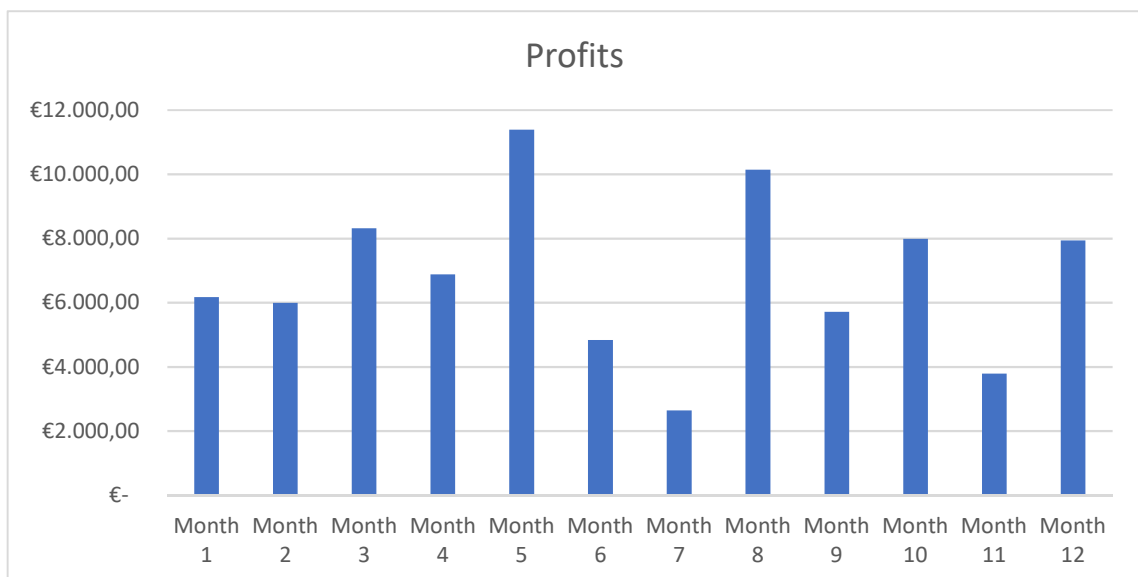


Figure 19: profits graphic of optimistic scenario

On the next two graphics we can see the “Number of clients vs Average invested” (**Figure 20**) and the “Rentability vs Number of clients” (**Figure 21**) twelve months. On the Number of clients vs Average invested graphic we can see that the average of money invested increase during all the month, starting in 500€ and achieving the last month the 560€. On the Rentability vs Number of clients is possible to see that the number of clients increase gradually from 110 to 155, that is because the good results and also because the adequation of the clients targeted. We also can see that in any month the number of clients is reduced, that is also a consequence of the good results month after month.

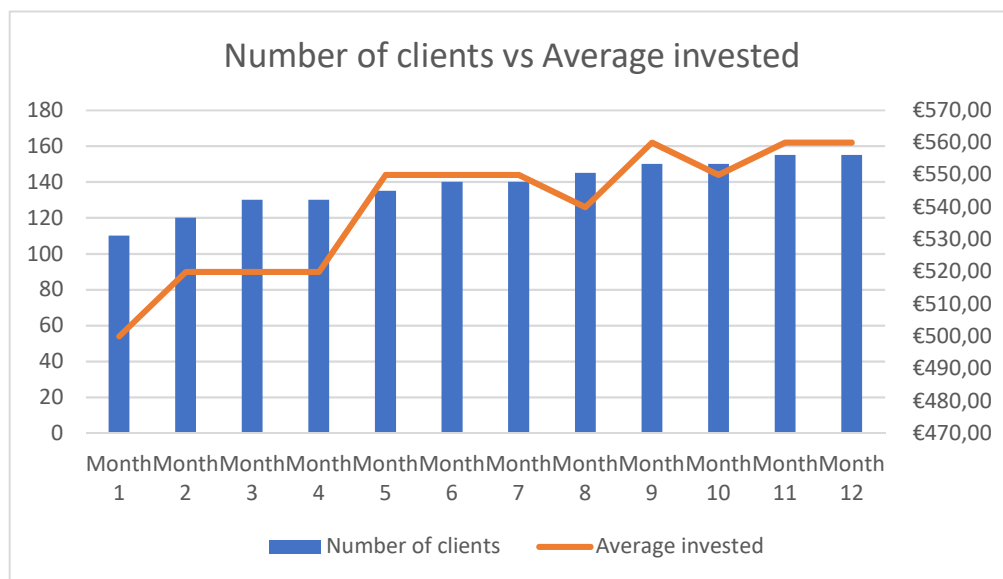


Figure 20: number of clients vs average invested graphic of optimistic scenario

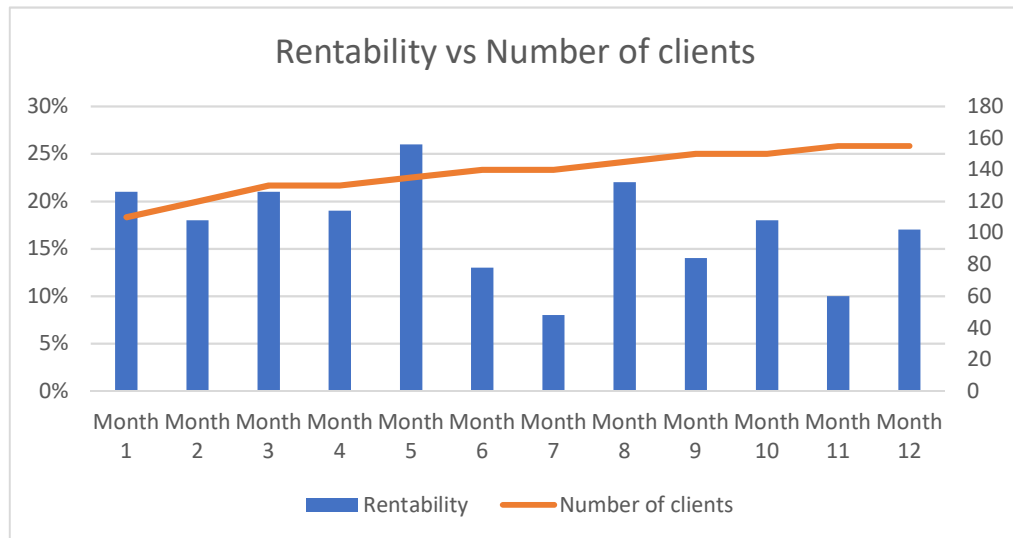


Figure 21: rentability vs number of clients graphic of optimistic scenario

4.3. Forecast of new clients

The main way to obtain clients that Invest&Bet has is through the social networks, and more specially Instagram. But due to the novelty of the business that Invest&Bet is managing instead of using the advertising that Instagram offers is better to promote the company through instagramers.

An instagramer is a person that not only has a high number in followers in Instagram but also that the followers try to copy his behaviours and also follow his advices. That last point is on which Invest&Bet is more interested, this is because if an instagramer says that Invest&Bet is a good and reliable company with which is possible to obtain a rentability of your savings, is more likely that the followers wanted to invest in Invest&Bet.

In Spain the 83% of the people who gamble are men (dgojuego, Dirección General de Ordenación del Juego), so because of that Invest&Bet is focused in to attract the men public, due to the statistics is the group of the society that more is in touch with the investment in sports markets.

The data we can see in the next lines is from a real Instagram profile with 21.200 followers, the percentage of men is represented by colour blue and the women by colour orange.

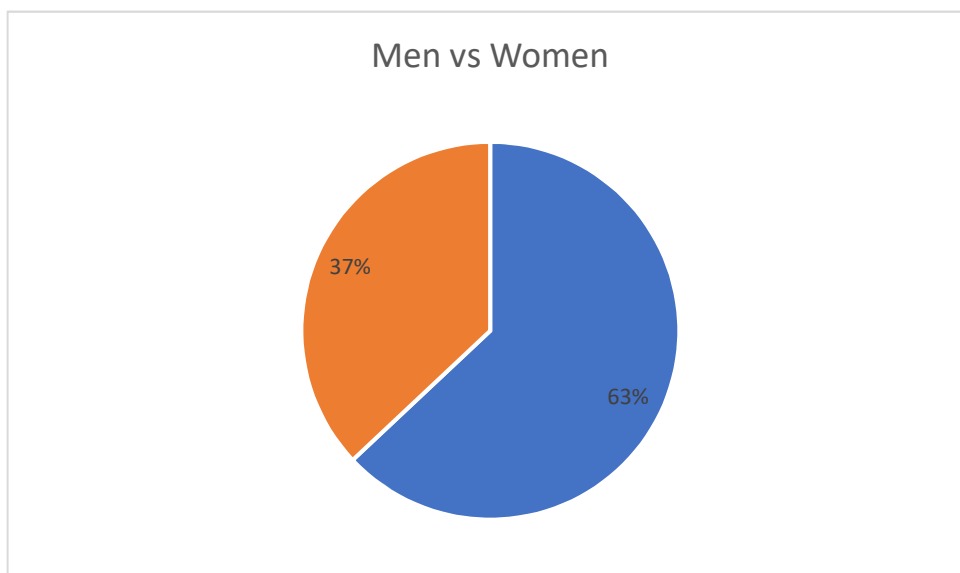


Figure 22: graphic of Men vs Women of an Instagram profile

As we can see the 63% of the followers are mans, therefore this profile is suitable for Invest&Bet, and a publicity campaign in this profile will be seen by the clients on which Invest&Bet is interested.

With that data an including that only the 20% of the followers are active, active means that they response to the instagramer promotions and

recommendations, the target market is reduced from 21.200 persons to 2671 persons, this is because Invest&Bet consider as target market the men and active followers, that means the 12.6% of the followers in these case.

If we consider a percentage of conversion of 1% of the target market, the number of potential new clients is 13. As the average monthly profit per each client is 32€ when them invest the average quantity in a regular scenario, 540€, the results will be increased in 427€ since the next month.

To obtain the rentability of that investment in marketing, we need to know which are the cost of the hole campaign.

Table 2: cost and rentability calculation

Cost and rentability calculation	
Campaign cost	Average monthly profit per client
100,00€	32,00€
Cost each converted client	Result by new clients
50,00€	427€
Total cost	Amortisation time
768,00€	2 months

As we see in the time of two months, the investment in marketing is recuperated, so the third month the incrementation in the profits caused by the new clients will be 427€ on average.

5. CONCLUSIONS

As is said at the beginning of the project the aim of it is the expansion of Invest&Bet in Spain, through the application a Canvas model, an analysis of the competence and a forecast of revenues and new clients. After the analysis of all of these points we can conclude:

- The application of a Canvas model is a good option because allow us to see how Invest&Bet is structured, which is the product, and the client in a general perspective. As we can see in Invest&Bet know which their product is, investment found based on sports market, and also know who their client is, young man with more than 100€ to invest.
- Through the analysis of the competence, specially applying the Porter's Competitiveness Diamond, we are able to see the strengths of the company, but also the weakness. The main weakness are the lack of support of the government and the novelty of the model business, but the weight of the advantages is bigger than the weakness, the advantages are not only an agile and easy way to invest and to disinvest for the client but also the rentability, that is really high, around 10% monthly.
- After the forecast of revenues, we see that the model of the company is profitable, not only in an optimistic scenario but also in the pessimistic one, this is possible because the diversification of tipsters and the high rentability that is possible to obtain. And about the forecast of new clients, as we have seen the search and conversion of clients through social networks, especially

Instagram is very worthy, this is because not just because a campaign on Instagram is really cheap but also is easy to deliver your message to a big amount of people

To conclude this project is possible to say that Invest&Bet is a company with a lot of options of growing, thanks to the social scenario, the high profits, the flexibility of the costs and the facility to obtain new clients.

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7. ANNEX

At this part, the calculations of the revenue forecast are going to be shown, the calculations are going to be divided in three parts as before, pessimistic, regular and optimistic scenario.

Pessimistic scenario:

Month	Tipster	Salary	Rentability	Clients	Invested	Result	Result after salaries	Payed to client	Profit
Month 1	Tipster 1	40,00 €	3%	110	55.000,00 €	11.550,00 €	11.220,00 €	5.049,00 €	6.171,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	3%	Average inve	500,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	3%						
	Tipster 7	60,00 €	3%						
		330,00 €	21%						
Month 2	Tipster 1	- €	-1%	120	62.400,00 €	5.616,00 €	5.421,00 €	2.981,55 €	2.439,45 €
	Tipster 2	45,00 €	3%						
	Tipster 3	- €	0%	Average inve	520,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	60,00 €	-2%						
	Tipster 7	195,00 €	9%						
	Month 3	Tipster 1	40,00 €	3%	125	65.000,00 €	3.250,00 €	3.050,00 €	1.830,00 €
Tipster 2		- €	-5%						
Tipster 3		50,00 €	3%	Average inve	520,00 €				
Tipster 4		50,00 €	3%						
Tipster 5		- €	-2%						
Tipster 6		- €	0%						
Tipster 7		60,00 €	3%						
		200,00 €	5%						
Month 4	Tipster 1	40,00 €	2%	120	62.400,00 €	-	-	135,00 €	-
	Tipster 2	- €	0%						
	Tipster 3	50,00 €	1%	Average inve	520,00 €				
	Tipster 4	- €	0%						
	Tipster 5	- €	-2%						
	Tipster 6	45,00 €	3%						
	Tipster 7	- €	-4%						
		135,00 €	0%						
Month 5	Tipster 1	- €	0%	115	59.800,00 €	- 2.990,00 €	-	2.990,00 €	-
	Tipster 2	- €	0%						
	Tipster 3	- €	-2%	Average inve	520,00 €				
	Tipster 4	- €	0%						
	Tipster 5	- €	-1%						
	Tipster 6	- €	-2%						
	Tipster 7	- €	0%						
		- €	-5%						
Month 6	Tipster 1	- €	0%	115	57.500,00 €	6.900,00 €	6.610,00 €	3.305,00 €	3.305,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	500,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	1%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		290,00 €	12%						
Month 7	Tipster 1	- €	0%	120	63.600,00 €	7.632,00 €	7.342,00 €	3.671,00 €	3.671,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	1%	Average inve	530,00 €				
	Tipster 4	50,00 €	4%						
	Tipster 5	40,00 €	1%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		290,00 €	12%						
Month 8	Tipster 1	- €	0%	130	68.900,00 €	4.134,00 €	3.994,00 €	2.196,70 €	1.797,30 €
	Tipster 2	45,00 €	3%						
	Tipster 3	- €	-2%	Average inve	530,00 €				
	Tipster 4	50,00 €	4%						
	Tipster 5	50,00 €	0%						
	Tipster 6	45,00 €	1%						
	Tipster 7	- €	0%						
		140,00 €	6%						
Month 9	Tipster 1	- €	-2%	130	68.900,00 €	- 1.378,00 €	-	1.463,00 €	-
	Tipster 2	45,00 €	3%						
	Tipster 3	- €	0%	Average inve	530,00 €				
	Tipster 4	- €	-3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	- €	-2%						
	Tipster 7	- €	-1%						
		85,00 €	-2%						
Month 10	Tipster 1	- €	0%	120	63.600,00 €	9.540,00 €	9.250,00 €	4.625,00 €	4.625,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	530,00 €				
	Tipster 4	50,00 €	4%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		290,00 €	15%						
Month 11	Tipster 1	- €	0%	120	66.000,00 €	1.980,00 €	1.840,00 €	1.104,00 €	736,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	550,00 €				
	Tipster 4	- €	0%						
	Tipster 5	- €	-3%						
	Tipster 6	45,00 €	2%						
	Tipster 7	- €	-1%						
		140,00 €	3%						
Month 12	Tipster 1	- €	0%	125	68.750,00 €	2.750,00 €	2.600,00 €	1.300,00 €	1.300,00 €
	Tipster 2	- €	-2%						
	Tipster 3	50,00 €	2%	Average inve	550,00 €				
	Tipster 4	- €	0%						
	Tipster 5	40,00 €	3%						
	Tipster 6	- €	-1%						
	Tipster 7	60,00 €	2%						
		150,00 €	4%						

Regular scenario:

Month	Tipster	Salary	Rentability	Clients	Invested	Result	Result after salaries	Payed to clie	Profit
Month 1	Tipster 1	40,00 €	3%	110	55.000,00 €	11.550,00 €	11.220,00 €	5.049,00 €	6.171,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	3%						
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	3%						
	Tipster 7	60,00 €	3%						
		330,00 €	21%						
Month 2	Tipster 1	40,00 €	2%	120	63.600,00 €	11.448,00 €	11.118,00 €	5.003,10 €	6.114,90 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%						
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	3%						
		330,00 €	18%						
Month 3	Tipster 1	40,00 €	3%	130	68.900,00 €	13.091,00 €	12.761,00 €	5.742,45 €	7.018,55 €
	Tipster 2	45,00 €	2%						
	Tipster 3	50,00 €	3%						
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	1%						
	Tipster 6	45,00 €	3%						
	Tipster 7	60,00 €	4%						
		330,00 €	19%						
Month 4	Tipster 1	- €	-1%	130	68.900,00 €	- 689,00 €	- 844,00 €	-	- 844,00 €
	Tipster 2	45,00 €	2%						
	Tipster 3	- €	-3%						
	Tipster 4	50,00 €	3%						
	Tipster 5	- €	-3%						
	Tipster 6	- €	0%						
	Tipster 7	60,00 €	1%						
		155,00 €	-1%						
Month 5	Tipster 1	40,00 €	2%	130	71.500,00 €	8.580,00 €	8.250,00 €	4.125,00 €	4.125,00 €
	Tipster 2	45,00 €	1%						
	Tipster 3	50,00 €	1%						
	Tipster 4	50,00 €	2%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		330,00 €	12%						
Month 6	Tipster 1	40,00 €	1%	125	68.750,00 €	6.875,00 €	6.545,00 €	3.599,75 €	2.945,25 €
	Tipster 2	45,00 €	1%						
	Tipster 3	50,00 €	2%						
	Tipster 4	50,00 €	1%						
	Tipster 5	40,00 €	2%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		330,00 €	10%						
Month 7	Tipster 1	40,00 €	1%	130	71.500,00 €	11.440,00 €	11.110,00 €	4.999,50 €	6.110,50 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%						
	Tipster 4	50,00 €	4%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		330,00 €	16%						
Month 8	Tipster 1	- €	-1%	130	70.200,00 €	- 2.808,00 €	- 2.903,00 €	-	- 2.903,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	- €	-2%						
	Tipster 4	50,00 €	1%						
	Tipster 5	- €	0%						
	Tipster 6	- €	-1%						
	Tipster 7	- €	-4%						
		95,00 €	-4%						
Month 9	Tipster 1	40,00 €	1%	125	67.500,00 €	9.450,00 €	9.120,00 €	4.560,00 €	4.560,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	3%						
	Tipster 4	50,00 €	2%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	1%						
	Tipster 7	60,00 €	1%						
		330,00 €	14%						
Month 10	Tipster 1	40,00 €	1%	125	68.750,00 €	11.687,50 €	11.357,50 €	5.110,88 €	6.246,63 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%						
	Tipster 4	50,00 €	4%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	2%						
		330,00 €	17%						
Month 11	Tipster 1	- €	0%	130	71.500,00 €	715,00 €	560,00 €	-	560,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	- €	-2%						
	Tipster 4	50,00 €	2%						
	Tipster 5	- €	-3%						
	Tipster 6	- €	-1%						
	Tipster 7	60,00 €	2%						
		155,00 €	1%						
Month 12	Tipster 1	40,00 €	2%	130	71.500,00 €	15.730,00 €	15.400,00 €	6.160,00 €	9.240,00 €
	Tipster 2	45,00 €	4%						
	Tipster 3	50,00 €	2%						
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	5%						
	Tipster 7	60,00 €	3%						
		330,00 €	22%						

Optimistic scenario:

Month	Tipster	Salary	Rentability	Clients	Invested	Result	Result after salaries	Payed to clie	Profit
Month 1	Tipster 1	40,00 €	3%	110	55.000,00 €	11.550,00 €	11.220,00 €	5.049,00 €	6.171,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	3%	Average inve	500,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	3%						
	Tipster 7	60,00 €	3%						
		330,00 €	21%						
Month 2	Tipster 1	40,00 €	2%	120	62.400,00 €	11.232,00 €	10.902,00 €	4.905,90 €	5.996,10 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	3%	Average inve	520,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	1%						
	Tipster 7	60,00 €	3%						
		330,00 €	18%						
Month 3	Tipster 1	40,00 €	3%	130	67.600,00 €	14.196,00 €	13.866,00 €	5.546,40 €	8.319,60 €
	Tipster 2	45,00 €	4%						
	Tipster 3	50,00 €	3%	Average inve	520,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	2%						
	Tipster 6	45,00 €	3%						
	Tipster 7	60,00 €	3%						
		330,00 €	21%						
Month 4	Tipster 1	40,00 €	3%	130	67.600,00 €	12.844,00 €	12.514,00 €	5.631,30 €	6.882,70 €
	Tipster 2	45,00 €	5%						
	Tipster 3	50,00 €	3%	Average inve	520,00 €				
	Tipster 4	50,00 €	2%						
	Tipster 5	40,00 €	1%						
	Tipster 6	45,00 €	3%						
	Tipster 7	60,00 €	2%						
		330,00 €	19%						
Month 5	Tipster 1	40,00 €	3%	135	74.250,00 €	19.305,00 €	18.975,00 €	7.590,00 €	#####
	Tipster 2	45,00 €	4%						
	Tipster 3	50,00 €	1%	Average inve	550,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	4%						
	Tipster 6	45,00 €	6%						
	Tipster 7	60,00 €	5%						
		330,00 €	26%						
Month 6	Tipster 1	40,00 €	1%	140	77.000,00 €	10.010,00 €	9.680,00 €	4.840,00 €	4.840,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	550,00 €				
	Tipster 4	50,00 €	2%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	1%						
	Tipster 7	60,00 €	1%						
		330,00 €	13%						
Month 7	Tipster 1	40,00 €	1%	140	77.000,00 €	6.160,00 €	5.880,00 €	3.234,00 €	2.646,00 €
	Tipster 2	45,00 €	1%						
	Tipster 3	50,00 €	2%	Average inve	550,00 €				
	Tipster 4	50,00 €	0%						
	Tipster 5	40,00 €	1%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		280,00 €	8%						
Month 8	Tipster 1	40,00 €	3%	145	78.300,00 €	17.226,00 €	16.896,00 €	6.758,40 €	#####
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	540,00 €				
	Tipster 4	50,00 €	4%						
	Tipster 5	40,00 €	5%						
	Tipster 6	45,00 €	1%						
	Tipster 7	60,00 €	4%						
		330,00 €	22%						
Month 9	Tipster 1	40,00 €	1%	150	84.000,00 €	11.760,00 €	11.430,00 €	5.715,00 €	5.715,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	560,00 €				
	Tipster 4	50,00 €	3%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	1%						
	Tipster 7	60,00 €	1%						
		330,00 €	14%						
Month 10	Tipster 1	40,00 €	3%	150	82.500,00 €	14.850,00 €	14.520,00 €	6.534,00 €	7.986,00 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	550,00 €				
	Tipster 4	50,00 €	4%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	2%						
	Tipster 7	60,00 €	1%						
		330,00 €	18%						
Month 11	Tipster 1	40,00 €	1%	155	86.800,00 €	8.680,00 €	8.410,00 €	4.625,50 €	3.784,50 €
	Tipster 2	45,00 €	3%						
	Tipster 3	50,00 €	2%	Average inve	560,00 €				
	Tipster 4	50,00 €	2%						
	Tipster 5	40,00 €	1%						
	Tipster 6	45,00 €	2%						
	Tipster 7	- €	-1%						
		270,00 €	10%						
Month 12	Tipster 1	40,00 €	3%	155	86.800,00 €	14.756,00 €	14.426,00 €	6.491,70 €	7.934,30 €
	Tipster 2	45,00 €	2%						
	Tipster 3	50,00 €	2%	Average inve	560,00 €				
	Tipster 4	50,00 €	1%						
	Tipster 5	40,00 €	3%						
	Tipster 6	45,00 €	4%						
	Tipster 7	60,00 €	2%						
		330,00 €	17%						