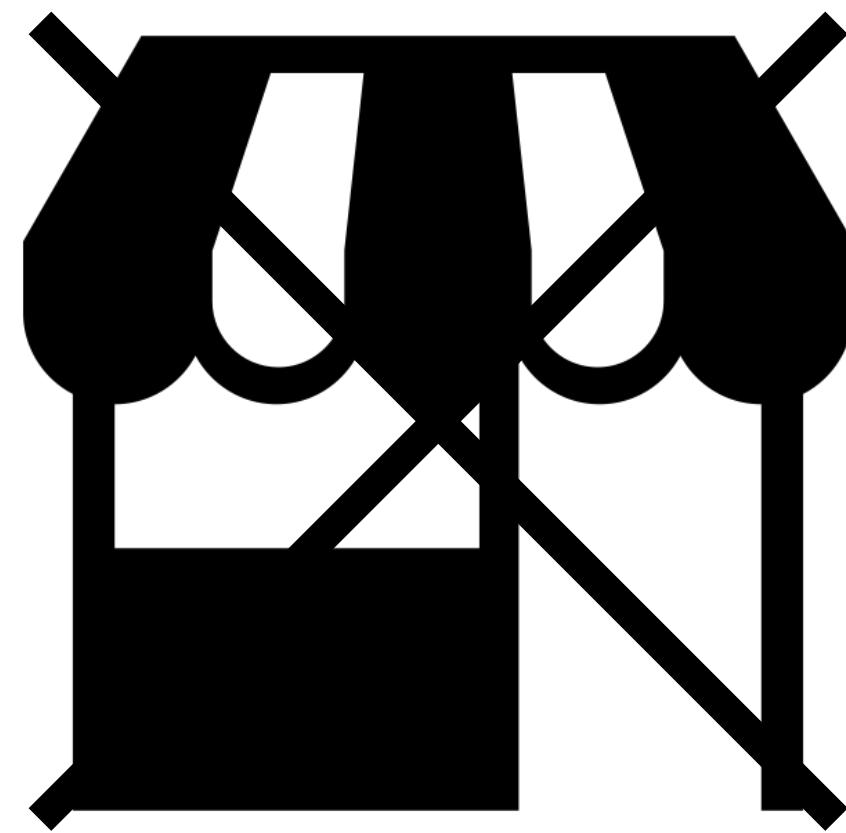


Shopify Link

Helping you find product providers for your business

SMBs are prone to failure

- 400,000 new businesses are started every year in the U.S.A., **but 470,000 are dying**
- One-third of SMBs will fail **during their first 2 years** of operations

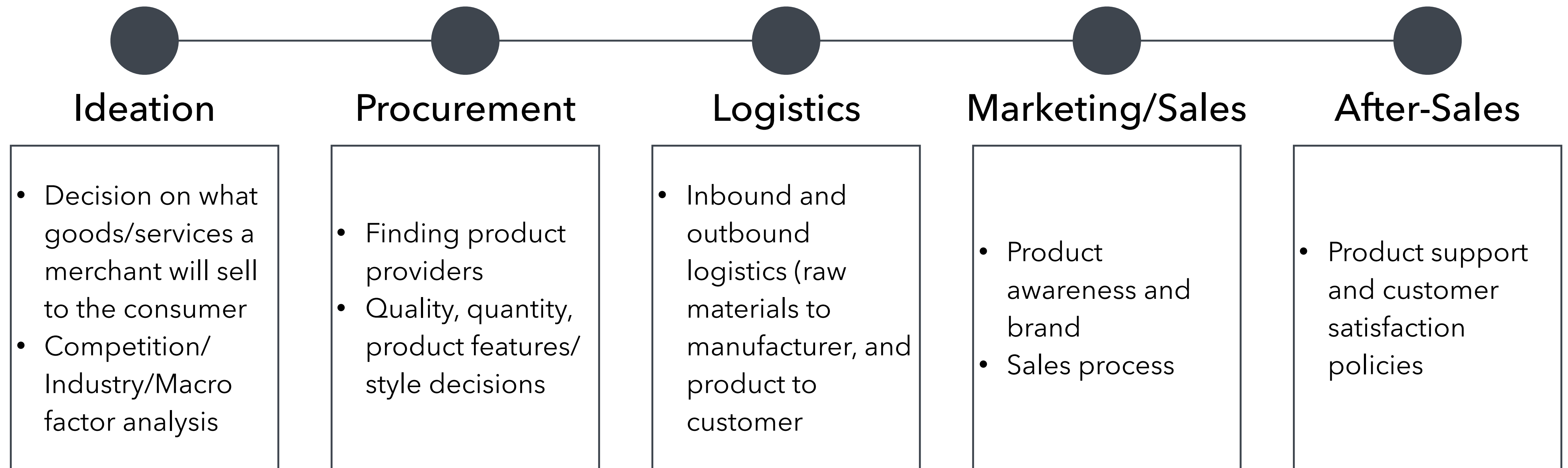


Why?

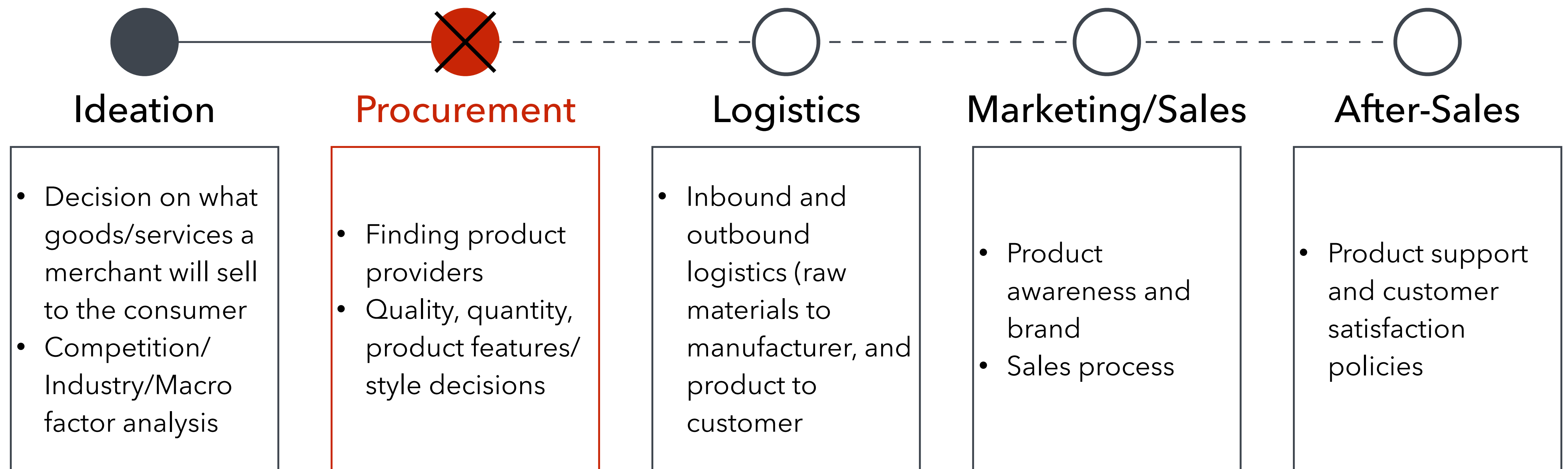
It all comes down to **execution**

People poorly execute critical areas in the
“entrepreneur value chain”

The Ideal Scenario



The Common Scenario



And all of these processes don't happen

AKA, people encounter a lot of friction going from
idea to tangible product

Merchants fail before they even get started

And this is because of the fact that finding people
to build your product is
challenging, confusing, and frustrating

\$1.7 trillion in fake goods: That's Alibaba's uphill battle - USA Today

www.usatoday.com/story/tech/news/2017/01/16/alibaba...17...fake.../96633850/ ▼

Jan 16, 2017 - Chinese online shopping giant forms coalition to use big data to stop **counterfeit** sales.

Is Organizing Your Supply Chain a Challenge for You?



*asked to U.S. business owners

And this happens more often to **certain types** of aspirational entrepreneurs than others

People who pursue entrepreneurship as a “side-hustle”

“This is too complicated and I have another life to live - forget about it”

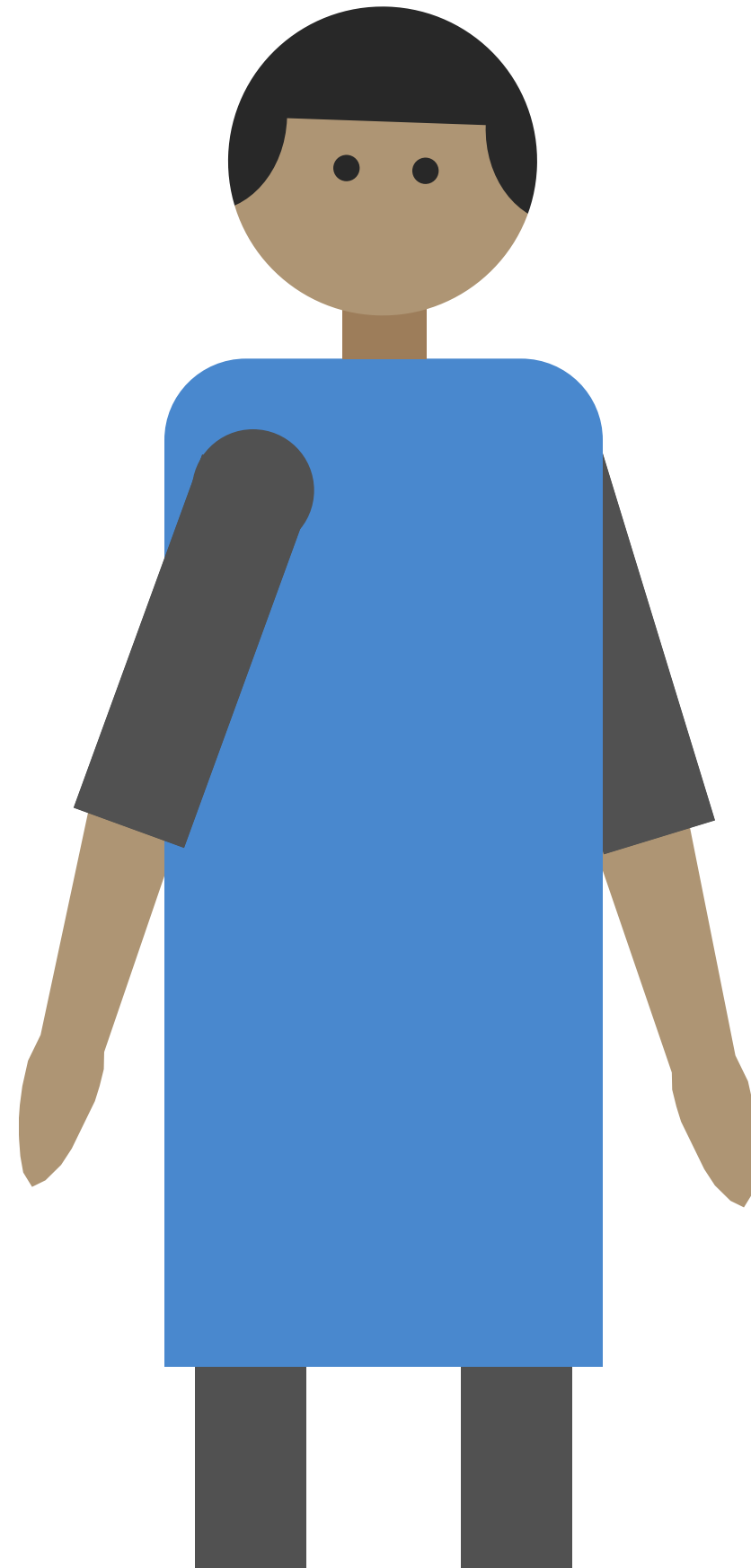
And it's hard to find the right product provider who
fits with a merchant's business

So how can we **find** the right product providers for aspiring entrepreneurs - while making sure they are the **right fit** for each other?

We'd like to introduce **Shopify Link**

And here's how **Shopify Link** works

This is Jake and he wants to start
a business that sells designer jackets



And with the help of Shopify, he knows he can get his store up and running quickly

Online Storefront

Point-of-Sale Systems

Marketing and Analytics

Consulting Services

Working Capital Management



Shopify Experts

Shopify Capital



Blog and Resources



Buy Button



+ App Store and Partnerships for almost anything



But he doesn't actually know how to get his
designer jackets manufactured

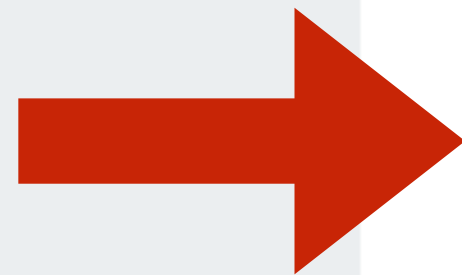


So he'll use Shopify Link to find manufacturers and suppliers for his idea



1

First, Jake will say he needs help with procurement the moment he signs up with Shopify



Tell us a little about yourself

• •

ARE YOU ALREADY SELLING?

I'm not selling products yet

DO YOU HAVE SOMETHING TO SELL?

I have an idea, but I need help making the physical product

HOW MUCH REVENUE DOES YOUR BUSINESS CURRENTLY MAKE IN A YEAR?


\$0 (I'm just getting started)

ARE YOU SETTING UP A STORE FOR A CLIENT?

☐ Yes, I'm designing/developing a store for a client

Next

1 But anyone can use Shopify Link anytime they like



PRODUCTS

Shopify LINK

Products

Transfers

Inventory

Collections

Gift cards

🔍

🏠

✅

🏷️

👤

📊

✂️

🌐


Shopify LINK

Browse

Procure with LINK

Procure with Shopify Link

Get closer to your product by matching and communicating with manufacturers, suppliers, and exporters with the guidance of LINK



Procure with LINK

[Browse Procurement Directory](#)

2 Now a step-by-step process begins with more information on Jake's business

Products

Transfers

Inventory

Collections

Gift cards

Merchant Profile

Quotations

Supplier Matching

Supplier Review

Supplier Inquiry

Sample Review

Service Agreement

???

Tell us a little bit about your business

HOW MUCH DO YOU WANT TO CONTRIBUTE TO INITIAL UPSTART COSTS?

0

50+

100+

500+

1000+

∞

HOW MANY UNITS ARE YOU PLANNING TO SELL A MONTH?

0

10

50

100

500

1000+

WHAT KIND OF A PRODUCT ARE YOU PLANNING TO MAKE?

Filter products ▾

Start typing to search for products...

☐ Apparel, Textiles, & Accessories

☐ Gifts, Sports, & Toys

☐ Packaging, Advertising, & Office

☒ Home, Garden, Lights & Lighting

Get Quotations

3

Shopify Link now focuses on obtaining quotations for Jake based on product customizations he needs

Inventory

Collections

Gift cards

Merchant Profile

Quotations

Supplier Matching

Supplier Review

Supplier Inquiry

Sample Review

Service Agreement

???

Tell us more about your product

WHAT KIND OF BRANDING, CUSTOMIZATIONS, OR MODIFICATIONS WILL YOU NEED?

Filter

Start typing to search

☐ Custom Packaging

☐ White label service

☐ Match paint/material to sample

☒ Ecommerce Photography

Add attachments

!

Great news! We'll have quotations from manufacturers that think will best suit your product and business within the next day. **Hang tight.** We'll send you an email when they're ready for you to pick from.

4

Shopify Link then matches a number of potential suppliers and does legitimacy/background checks

Inventory

Collections

Gift cards

Merchant Profile

Quotations

Supplier Matching

Supplier Review

Supplier Inquiry

Sample Review

Service Agreement

???

Sort by BEST MATCH

Taizhou Ai-Cathlon Furniture Factory

A furniture manufacturer for 12 years

★★★★★ over 136 Shopify Transactions

Business credit check

Profile and reference check

Import/Export records available

Trading info from reporting agencies available

Minimum 50 units

~60 USD per unit

View Details

Panan Fengsen Factory	Hejian Machine Tool Co	Wuyi Leisure Products	Quindao Sino Furniture
5 years	7 years	3 years	10 years
4.5 ★ (42)	4.7 ★ (89)	4.2 ★ (32)	4.6 ★ (32)
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
Min. 25	Min. 30	Min. 10	Min. 40
~40 USD per unit	~45 USD per unit	~30 USD per unit	~50 USD per unit

JG

4

Shopify Link then matches a number of potential suppliers and does legitimacy/background checks

Inventory

Collections

Gift cards

Merchant Profile

Quotations

Supplier Matching

Supplier Review


Supplier Inquiry

Sample Review

Service Agreement

Monitor Supply Chain

Sort by BEST MATCH ▾



Taizhou Ai-Cathlon Furniture Factory

A furniture manufacturer for 12 years

★★★★★ over 136 Shopify Transactions


✓ Business credit check

✓ Profile and reference check

✓ Import/Export records available

✓ Trading info from reporting agencies available

Minimum 50 units



Your Taizhou Contact: Robert Lin

Account Manager

Robert's Time Zone (GMT +8) is 12 hours ahead

Click to View | Powered by CBI Corporation

Click to View | Powered by CBI Corporation

Click to View | Powered by Intracen

Click to View | ic.gc.ca

\$50.47 USD per unit

Contact Robert

Panan Fengsen Factory	Hejian Machine Tool Co	Wuyi Leisure Products	Quindao Sino Furniture
<div>✓</div> <div>5 years</div> <div>4.5 ★ (42)</div>	<div>✓</div> <div>7 years</div> <div>4.7 ★ (89)</div>	<div>✓</div> <div>3 years</div> <div>4.2 ★ (32)</div>	<div>✓</div> <div>10 years</div> <div>4.6 ★ (32)</div>
<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>
Min. 25	Min. 30	Min. 10	Min. 40
\$43.21 per unit	\$47.18 per unit	\$38.18 per unit	\$48.52 per unit

JG

And has a system for Jake and potential suppliers to discuss Jake's needs



6

If both Jake and the potential supplier agree, the supplier sends a sample product for Jake to review

Inventory

Collections

Gift cards

Link Supplier Chat

JAKE GREEN | Phone: 6043101010; Preferred communication: chat. 199 Lester Street Waterloo ON N2L3W3 and more merchant profile info, etc.

Hi Robert, I am interested int placing an order for Widget A, What are your payment terms of new customers? I would also like to order a sample of Widget A. Please send me the sample cost including shipping.

Hi Jake, thanks for all the clear info from the link inquiry form.

The sample will be \$80 dollars, shipping included with the LINK discount

Jake has send your samples via China Post

Item	Quantity	Expected Arrival Date	Tracking Number
Table Sample	X 1	3/10/2017 (Today)	CP12304123241232412

You confirmed receipt of the samples on 3/10/2017 at 1730 EST

In general, verify the following of your sample

☒ Material & Dimensions

☒ Fit and Finish

☐ Functionality

Leave comments on your sample for Robert...

REJECT Samples

ACCEPT Samples

Taizhou Ai-Cathlon Furniture Factory

A furniture manufacturer for 12 years

★★★★★ over 136 Shopify Transactions

Your Contact: Robert Lin, Account Manager

Robert's Time Zone (GMT +8) is 12 hours ahead

Business credit check

Profile and reference check

Import/Export records available

Trading info from reporting agencies available

Minimum 50 units

Establish a Service Agreement with Robert

If the sample is up to Jake's standards, Shopify Link will help him draft a service agreement

Inventory

Collections

Gift cards

Merchant Profile

Quotations

Supplier Matching

Supplier Review

Supplier Inquiry

Sample Review

Service Agreement

Monitor Supply Chain

Establish Service Agreement

Agreement Purpose and Definitions	✓	✓
Scheduling and Cancellation	✓	✓
Pricing and Payment Terms	!	<

Quantity ordered:

Unit Cost:

Payment Date:

Payment Method:

Your Proposal

50

54.21

Net-30

PayPal

(Taizhou) Robert's Proposal

50

54.21

Net-60

Letter of Credit

Counteroffer

ACCEPT Robert's Proposal

Scheduling and Cancellation	✓	✓
Inventory Management	✓	✓
Supplier Warranty	✓	✓
Intellectual & Customer Property	✓	✓
Quality Assurance	✓	✓
Termination	✓	✓
Exhibits	✓	✓
Schedules	✓	✓

Taizhou Ai-Cathlon Furniture Factory

A furniture manufacturer for 12 years

★★★★★ over 136 Shopify Transactions

Your Contact: Robert Lin, Account Manager

Robert's Time Zone (GMT +8) is 12 hours ahead

- ✓ Business credit check
- ✓ Profile and reference check
- ✓ Import/Export records available
- ✓ Trading info from reporting agencies available


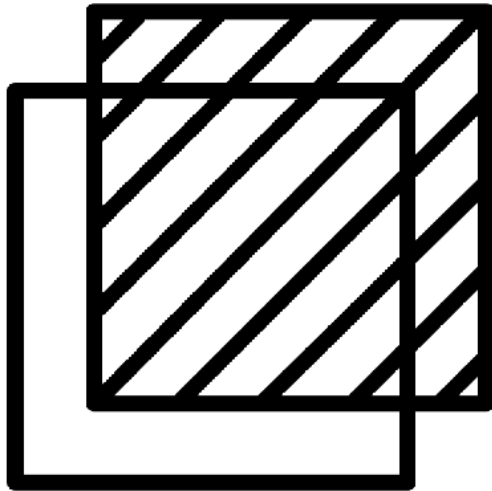
Minimum 50 units

Resolve dispute and finalize agreement

And now that Jake found the right manufacturer through **Shopify Link**, Jake is one step closer to setting up a successful store



Here are some of the great benefits of Shopify Link:

	<p>Reduction of merchant turnover/failure rate</p> <p>Shopify Link will lead to increased merchants and higher revenues for existing merchants</p>
	<p>Increased merchant/supplier transparency</p> <p>Shopify Link makes it easier to understand supplier/manufacture offerings, and empowers trust to enable "right fit" relationships</p>
<p>JUST DO IT</p>	<p>"There's no excuse to not try running a store!"</p> <p>Shopify Link utilizes a step-by-step process - making store setup easier and more enticing (especially to "side-hustlers")</p>

And some considerations before we start:



Creating the Matching System

- Questionnaire
- Determining fields (product quantity, quality, shipping time)



Attracting Supplier Network


- Initial data scraping to create base
- Outreaching



Supplier Quality

- Customer driven reviews
- Decreased merchant risk

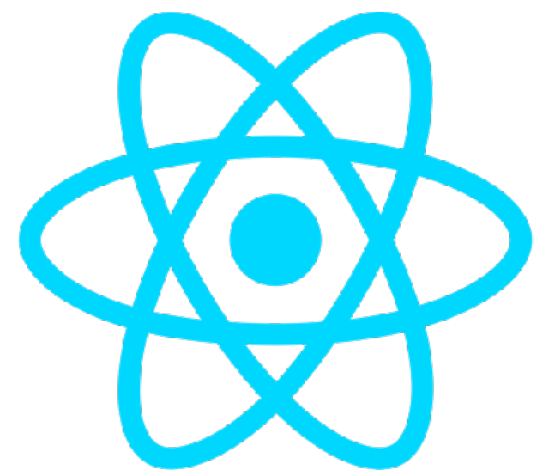
Some key points in our implementation plan:

- 
- Analyse target customers, figure out their pains, gains, and determine value proposition
 - Analyse competitive space - extract competitor features and their value proposition
 - Determine product market fit; create requirements, benchmarks, and feature roadmap based on ease of implementation and impact
 - Design UI, iterate with user testing
 - Build back-end and front-end
 - Iterate with MVPs (minimal viable products) to validate assumptions
 - Initiate web scraping and onboarding of producer information
 - Full product release

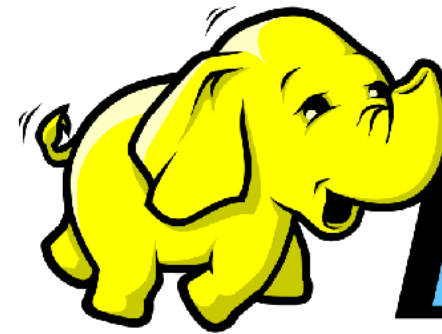
Shopify Link's Potential Technology Stack:



elastic



React



hadoop



Now let's get sh*t done.

Thank You

Q&A + Appendices

About Us

Alibaba
Comparison

Service
Agreement
Components

Cost Structure

About Us



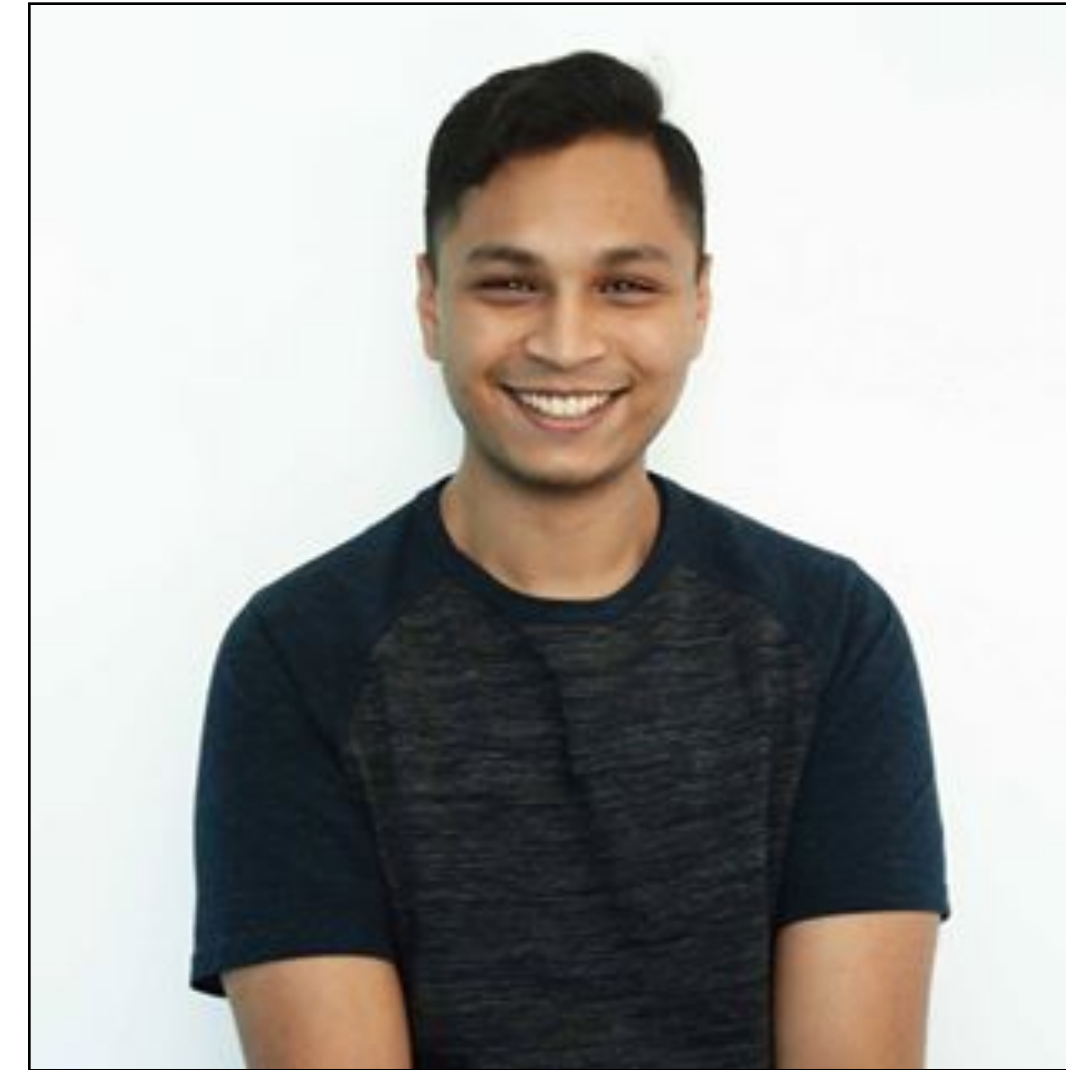
Jerry Bai

- 3rd Year Systems Design Engineering
- Junior Product Manager at Flipp



Aaron Yim

- 2nd Year Management Engineering
- Previously Software Development at Blackberry



Aniket Patel

- 4th Year Finance
- Previously Venture Capital Analyst at Extreme Venture Partners



Victor Valencia

- 2nd Year Management Engineering
- Previously Asset Management Intern for Niagara Region

Alibaba Comparison (Shopify Link vs. Alibaba)



Advantages	<ul style="list-style-type: none">• Step-by-step procurement discovery• Integration with Shopify platform• Matching process	<ul style="list-style-type: none">• Vast supplier network• Dominance in Chinese and greater Asia network
Disadvantages	<ul style="list-style-type: none">• Supplier network will not be as extensive as Alibaba	<ul style="list-style-type: none">• Confusing/inconsistent information• Allegations of poor or illegal suppliers

Service Agreement Components

Typical components of standardized service agreements include:

- Quantity
- Payment Terms
- Pricing/Credit Terms
- Scheduling
- Cancellation Policies
- Inventory Management Policies
- Transportation Method
- Warranty/Quality Policies
- I.P. Rights and Security Policies

Cost Structure

*non-exhaustive cost structure - based on sources from Glassdoor and personal estimates

Timeline:

- 1/2 month - design UI
- 1/2 month - user tests to finalize UX/UI
- 4 months - back-end system
- 3 months - front-end system
- 1 month - testing, fixed and revisions

Designer Hiring:

- 2 designers for 1 month
- 6 back-end developers for 4 months
- 4 front-end developers for 3 months

Total Cost - \$~300K

Yearly Costs

Designers - \$53K

Back-end Developers - \$110K

Front-end Developers - \$50K