

EXECUTIVE SUMMARY

Many companies in Indonesia do not have a dedicated in-house payroll system due to their small size or a desire to focus on core business activities, leading to improper payroll management. The improper payroll system is usually caused by the use of manual payroll systems, which often cause human and administrative errors, difficulty in handling large data, and inadequate time to process payroll efficiently. Furthermore, studies show that a lot of employees do not have emergency funds to cover a period of several days of expenses. This indicates that financial problems and difficulties will often emerge among those employees and personal financial problems can also be attributed to work-related stresses.

This indicates an opportunity for innovation and improvement in the payroll section and employee lending. The opportunity is that a third party is able to provide a system that specializes in the payroll system for companies that are still considered traditional and also simultaneously provide lending services to the employees of those companies. With this in mind, the four of us have formed a financial technology company idea called Gajikuy.

Gajikuy's solution is to offer companies with a more conventional and convenient digitized payroll system. In addition to providing the payroll system, Gajikuy intends to further provide financial services that target employees of said companies with short term loans called early wage access to provide emergency funds, and medium term loans called wage-based loans to finance purchases that are significant in size. Gajikuy aims to lead the way in providing companies with a more effective digitized payroll system to reduce the potential human errors and save time for the HR department, and providing financial services for employees so they can better manage their liquidity and have an improved level of financial wellness which in turn will increase productivity, lower turnover rate, and improve the liquidity of the said company.

The key resources that Gajikuy needs to conduct its business process and provide the aforementioned services are IT infrastructure of hardware and software, cash and funding, as well as its data and database. This will involve several main key partners such as financial institutions and investors, government and regulators, and technology providers. The target market for Gajikuy includes the small and medium sized enterprises since they often still utilize the manual payroll system, as well as their employees. Gajikuy will then charge a subscription fee for the company payroll services, as well as administrative fees and interest fees on the employee lending services.

Gajikuy's objective is to provide customer-centric services, increase market share, and increase the customer base. The company will first launch only its payroll services, and then will introduce the financial services for the employees in subsequent years. By the end of year three, Gajikuy is targeted to have 281 companies and 3321 employees as its customers and double digit billions of rupiah in revenue. An indicator to measure Gajikuy's valuation is Gross

Transaction Value, which in Gajikuy's case is measured through the adding up the total amount of payroll processed from Gajikuy's payroll services with the total loans disbursed from Gajikuy's early-wage access and wage-based loan services. The future Gross Transaction Value is then multiplied with a certain multiple and discounted with an appropriate discount rate to obtain the present valuation of Gajikuy.

Keywords: Early Wage Access, Wage-Based Loans, Payroll Management System, Employees, Small and Medium-sized businesses

