

hyperXchange

# Franchise Proposal



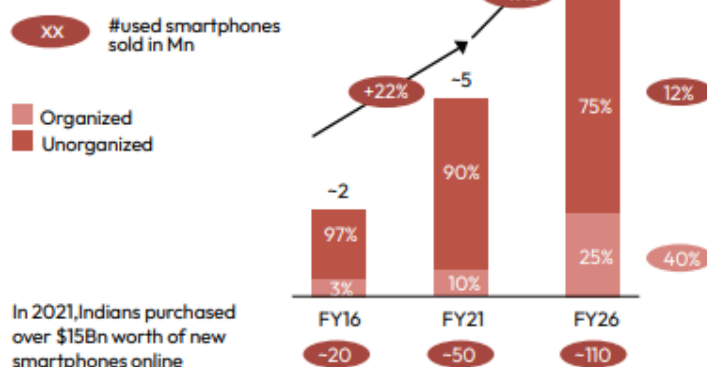
**Partner with India's No.1 premium  
electronics brand**

***Mobiles | Laptops | Smart TVs | Accessories***

# Opportunity



Used smartphone market TAM-India  
USD Bn, FY16-21-26P



Source(s): RedSeer Analysis and Estimates  
Note(s):

redseer

Globally, we believe that the market for refurbished mobiles and electronics stands somewhere near \$25 billion. By 2025, it is going to be at \$45 billion.

About 14 million refurbished smartphones were sold last year (organised sector) and India is definitely the fastest growing market in this space, making 40% of global revenue, expanding by 25% CAGR.

Choices in the mid-market with second-hand devices today create an attractive offering for customers with smaller budgets and shorter usage cycles. Moreover the refurbished devices market is so fragmented now, that no single player holds even 1% share.

We see this as a huge opportunity

The Indian refurbished market is exploding but needs to ....

## Benchmark Pricing

Create a uniform and rational price experience

## Build Trust

Automate the quality check process to build scalable manufacturing with predictable output  
Offer a comprehensive warranty program that speaks to product quality.

## Enhance Availability

Explore every possible sales channel that enhances ease of access.

# About us



The world around us is sharing, composing, designing e-mailing, downloading, texting, talking and listening. Now that's a significant market opportunity for product and service providers to focus on their 'unmet needs' and give them choices to change, upgrade and vote for latest choices. HX decided to catch the wave early on guided by its executive team, constantly thinking, doing, communicating with the opportunity, to arrive at its strategy -to create the AS GOOD AS NEW proposition ( AGAIN ).

We are by the market, for the mind and with our omnichannel distribution model, edge commerce approach and technology transformer - The Faraday, we are striving to disrupt disrupted market. This is our story.

Top 10 startups  
Collision 2018  
New Orleans



**COLLISION**

Emerging  
Entrepreneur  
2020



TIE CON  
2021

Winner  
Retail startup  
2020



**rai**  
RETAIL FRANCHISE ASSOCIATION OF INDIA

Top 25 startups 2019  
Japan VC network  
Tokyo



**10000**  
START-UPS  
A NASCOM INITIATIVE

HX was one of two start-ups from India to be selected for the global event, Collision 2018; Was Incubated by IIM Calcutta Innovation Park and Microsoft in its BizSpark program.

Declared 'Outstanding Start-up in East India' by Calcutta Angels; Declared 'Top 3 Start-up in East India' by Indian Chamber of Commerce; Selected in IIT Mumbai for '10 minutes to millions'; Selected in 'The Pitch, Istanbul', and featured in Nasscom Product Conclave, Bengaluru.

**HX**  
hyperXchange



# HX products



Mobile



Accessories



Laptop



Tablet



Smart watches



# Our Team



**CP GURNANI**

*Chairman*

\*CEO & MD, Tech Mahindra  
\*Best CEOs in the World  
CEOWORLD 2018



**SATANIK ROY**

*Product*

\*4 years experience working  
as an entrepreneur  
\*Key skills : Moonshot thinking,  
Networking, Tenacity



**DIPANJAN  
PURYAKASTA**

*CEO*

\*Co-founded 3 start-ups including  
HyperXchange  
\*20+ years of experience working  
in the Fintech Space across US & India  
\*Ex-VP & Head - Banking & Financial  
Services at Tech Mahindra  
\*Key skills : Strategy, Business  
Development, Networking



**ASISH  
CHAKRABORTY**

*Technology*

12+ years experience in the  
technology industry  
\*Prior experience with TCS  
and Capgemini  
\*Key skills : Front end/ back  
end Infra, Negotiation

# Our USP



## Refurbished and Open box

The products which were previously owned by someone may have some dents and scratches in outer body but in a usable condition they are called refurbished. The unsealed products which are with minimum usage , zero defects and are in new condition are called Open box. Open box products are generally the products which were returned by customers for some reason other than defect.

## Grade (device condition) we offer

- Open box – As good as new
- Excellent – Scratches (5-10 mm on LCD ands minor dents on back panel)
- Good – minor scratches on screen (Less than equal to 5 mm in length) and minor dents on back less than 5mm.
- Fair – scratches( 5-10 mm on LCD ands minor dents on back panel)

## Our USP

- 12 months doorstep warranty
- 3 days worry free return/replacement
- 9 months assured buyback
- 150 points Faraday tested

## We sell on

- Online – [hyperxchange.com](http://hyperxchange.com), Hxkart, shopclues
- Offline – Franchisee Store, Distributors

*"Culturally, Indians have always been fine with reusing products. However, winning people's trust and providing convenience with respect to using reused electronic products is the tougher task," Dipanjan says. Around 95 percent of the the refurbished market – mainly comprising mobile phones – is unorganised and dominated by the grey market. "Now, this market is being taken up by organised players who provide warranty, repairs with genuine parts, and also after-sales services. New-age recommerce companies have helped customers gain confidence in second-hand products," Dipanjan CEO HX says.*

# Financials & Requirement



## Franchise Financials

- Hxclusive /Hxpress/Hxperience
- Area required 150-700 sq.ft
- Estimated Investment 20 L to 50 L
- Estimated Payback 2 Years approx.
- Agreement Term 5 year

## Great reasons to partner with HX

- Comprehensive pre-opening and operational support by HX
- Moderate investment and attractive returns
- Multiple revenue sources owing to omnichannel sales
- Proven business model with operational centres pan India
- Extensive training and support provided

## Desired franchisee profile

- Entrepreneurs with required space and investment
- Knowledge of local retailers and market intelligence
- Connected to nearby institutions and colleges
- Willingness to dedicate time and effort towards business



# HX stores





# Support



Presently, HX successfully operates its franchise stores in Bangalore ,Kolkata ,Guwahati ,Patna, Kochi and Hyderabad. We look forward to setting up state of the art stores in different cities across India through Franchise owned Franchise operated (FOFO) business model. For this, the management is inviting partners with investment capability or desired space

## Expanding footprint via partnership

Our business model gives ownership sense and complete control to the business partner. The business partner gets maximum revenue earned and can monetize and benefit from the industry trend.

We provide our franchise partners with the initial operational support, comprehensive training, marketing launch expertise and ongoing collaboration and assistance

## Support provided by HX

- Business Model
- Manpower recruitment and Training
- Business planning and strategising
- Store design and layout
- Branding and artworks
- Operation manual
- Technology support
- Startup kit
- Centralised Marketing

# Flow of events

1. *Initial meeting and discussions*
2. *Discussion of Business model and financials*
3. *Identify suitable location*
4. *Obtain approval for location*
5. *Sign agreement and remit franchisee fees*
6. *Release of layout ,furniture design, equipments for stores*
7. *Interiors and fitout in progress*
- 8 . *Recruitment and training of staff*
- 9 . *Attend franchisee orientation program (FOP)*
- 10 . *Release of standard operating procedures manuals*
- 11 . *Launch plan and commencement of operations*

# FAQ

## 1. Duration of Agreement

The basic term for the franchise agreement is 5 years

## 2. Franchise Fee and Margin

The franchise fee is Rs 3 lacs to Rs. 5 Lacs depending on the format of the store  
Margins

Procurement / Buy back - 4.0% Mobile Sales - 10.0% IT Assets-Laptops - 10.0% IT Assets-TV - 8.0% Accessories - 30.0% Warranty - 20.0%

## 3. How much would I need to invest in a HX franchise?

The capital requirement for a HX franchise, inclusive of initial opening inventory based on several factors, such as physical size and current conditions of the premises and the area, is approximately 20 lacs to 50 lacs

## 4.. What floor area space is suitable for the store?

HX store sizes fall into a few broad categories: •

Hxpress – 150 Sq Ft

Hxclusive – 500 Sq Ft

Hxperience – 700 Sq Ft

## 5. Can I find my own location?

Yes, it is your responsibility to locate a prime location and conduct a site analysis on the demographics, traffic counts and visibility criteria, A Hx representative will advise and assist you in the process, which leads to the approval or disapproval of the identified site.

## 6. What store design assistance will I receive?

We work with architects and designers to create detailed and functional building plans, product display counters and store designs that are another integral part of HX uniqueness. Each store features a carefully coordinated interior décor to provide a warm, pleasant and inviting ambience.

## 7. What experience do I need to operate my store?

The primary considerations are financial stability and capability, enthusiasm combined with a good work ethic and the desire to excel. The character and motivation of the franchisee is considered more critical to the performance of the business than previous retail or business experience, as our extensive training program and store assistance will prepare you to operate a HX store

## 8.. Do HX stores require franchisees to be actively involved in operating them?

Yes. One of the criteria before awarding the franchise rights to a successful franchisee is that the stores must be owner operated. HX require and respond to the personal input and attention of the owner. It is very important that the franchisee becomes personally involved in all aspects of the business. You can expect to work many long hours, especially in the start-up stage. You should be willing and capable of performing sales, promotions, and other functions that are required on a daily basis. The demands on you personally can be minimized by your ability to attract, motivate and retain capable employees.



### **9. How long will it take to open HX store?**

**That depends on a number of factors, including selection of a desirable location and approval of relevant permits, licenses, etc by the approving authorities. You should be able to arrange financing, complete training, and have fit-out completed within 30 days.**

### **10 . What form of training is provided?**

**Training is provided to franchisee and his team on store management processes ,systems and every aspect of store management**

### **11 . Do I receive assistance in opening my business?**

**Yes. In addition to management training, HX provides an opening training team to assist in the initial training of store staff for each opening. Size of team and duration of stay is based on the number of stores to be opened by the franchisee.**

### **12 . What form of continuing guidance will I receive?**

**First of all, you will receive the HX operations manual covering the many important facets of your business operation. As the manuals are updated, revisions will be made available to you.**

**There will be scheduled visitations by HX representatives who may consult with you and offer you useful advice and counsel information on advertising, promotions, training, communication, and any other ongoing business information you may require from time to time. Direct communications are made available for any enquiries pertaining to operations.**

### **13 . What about advertising?**

**Building recognition of the brand name and unique concept is an essential ongoing objective that benefits your HX franchise. For this purpose, each franchisee participates in our advertising and promotional program funded by monthly contribution . This includes the development cost for design and production of our brochures, distribution of press releases to the media, production of promotional literature, point of purchase displays, etc.**

### **14 . Are the products competitively priced?**

**Yes. By capitalizing on the bulk purchasing power of HX, all the products are priced for better margins.**

### **15 . Do I receive guidance on the purchase of inventory ?**

**Yes. Our purchasing & procurement department evaluates suppliers based on their ability to provide products that are equal to or exceed our specifications for high quality standards, sufficient volume and the lowest competitive prices.**

**16. Does HX store have inventory control forms and business aids I can use?**

**Yes. We have designed a complete administrative package through the approved POS software for the front end and the back end office, which includes inventory control, sales reporting, accounting, and other business aids vital towards managing an efficient operation.**

**17 . Who decides what prices will be charged for the products?**

**We do. We will provide you with a recommended guide, which will give you pricing based on our costing analysis and competitive market comparisons.**

**18 . How much money can a franchisee expect to earn?**

**Please be advised that your actual earnings depend on a number of variables including:**

**location, your personal ability to hire, train and motivate employees, the amount of time you will personally devote to your business and competitive factors. Ultimately, however, you are starting a new business and there are business risks. While we will attempt to minimize the business risks, we cannot represent or guarantee that any performance measures will be attained.**

**19. Can a franchisee own more than one store?**

**Yes, provided that the franchisee has demonstrated to the satisfaction of HX that she is financially capable and can properly manage more than one store and that there will be a dedicated owner/operator at the store. Please understand that HX will not make any prior commitment to a franchisee in this regard, and any opportunity for multiple stores is a function of performance at the franchisee's existing location over a reasonable period of time.**



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