

QING CHUANG FINANCE WORKSHOP BUSINESS PLAN

Qiang Liu*

* *Graduate School, Southeast Asia University, Bangkok, Thailand,*

*E-mail:s6341B20035@live.sau.ac.th

ABSTRACT

The creative team of QING CHUANG Finance Studio has targeted the market segment of tax planning services for individuals and families with medium and high income and young self-initiators in its tax service products, and the extra funds after helping these customers with tax planning. This mutual trust will make it logical for the self-initiated enterprises to serve these young self-initiators, and integrate various resources to help young self-initiators and solve their. In order to pursue the lifetime value of this group of clients, we integrate various resources to help young self-starters solve all their financial and taxation problems in the process of "0 to 1" entrepreneurship. Financial and feasibility shows the present value of the five-year project was calculated to be CNY 1,379,452, and the net present value (NPV) was CNY 1,187,425. Since the cash flow of the project is CNY 273,610 in the first year, CNY 351,290 in the second year, and CNY 444,450 in the third year, the cost can be recovered in three years. After calculation, the payback period of this project is 3 years and 7 months.

Keywords: Taxation, Young self-starters, Tax Planning Service

INTRODUCTION & COMPANY DESCRIPTION

QING CHUANG Finance Studio was established in December 2019 and completed its business registration in September 2020 with a total registered capital of CNY400,000. QING CHUANG Finance Studio is a project jointly created by university teachers and students.

As a young entrepreneur, he understands the difficulties and helplessness of a start-up business, and also understands that a good financial team can help companies avoid many financial problems in personal tax planning, corporate tax planning, cost control and other personal and corporate financial tax issues. Therefore, after repeatedly revising the prototype of the company project, Wang Junqi finally established QING CHUANG Finance Studio in December 2019, in which "Qing Chuang" is taken from the meaning of "young entrepreneurs", aiming to help youth workers and young self-creators. QING CHUANG And the original intention and mission of QING CHUANG Finance Studio is also: the finance studio of QING CHUANG, the personal finance and tax manager of young people!

The main business of QING CHUANG Finance Studio revolves around three aspects: bookkeeping, capital verification and taxation services, which can be divided into five categories: special business, permanent agency business, special agency business, taxation planning service and agency enterprise bookkeeping and accounting business. With the business development of QING CHUANG Finance Studio found that tax services still have huge development space in the market, so QING CHUANG Finance Studio began to adjust the cost of agency bookkeeping and capital verification services down to entry-level products, and

vigorously improve and develop tax services.

Taking Xi'an City in Shaanxi Province as an example, after market research of nearly 500 enterprises, it is found that 85% of the tax companies in the market only serve the enterprise-level users, and 20% of the tax companies only serve the ultra-high income (annual income greater than 30 million) group of individual (family) users. The tax planning services for medium and medium-high income (annual income of 150,000-1 million, especially with complex income structure) individual and family users, and young self-initiators (self-employed businessmen) belong to the market gap. Therefore, the creative team of Finance Studio has targeted the market segment of tax planning services for individuals and families with middle and high income (annual income of 150,000-1 million, especially with complex income structure) and young self-initiators (self-employed entrepreneurs) in the tax service products.

INDUSTRY ANALYSIS

According to the "Analysis Report on the Current Competitive Situation and Future Prospects of China's Tax Service Industry for 2021-2027" released by the National Bureau of Statistics, the demand for tax services in the market mainly comes from the tax bureau side and the enterprise tax service market. The market of taxation bureau and enterprise taxation service market. After years of development, coupled with the development of "Golden Taxation Project", the market of taxation bureau is already in a saturation state. At this time, the taxation service market of the enterprise side has started to open gradually with the improvement of relevant tax laws and regulations in recent years.

According to the data, the market size of China's taxation service reaches 166.41 billion yuan in 2020, with an average annual compound growth rate of 11.47% by 2020. After data analysis, it can be seen from the market segmentation that in 2020, China's enterprise financial outsourcing service market is estimated to be as high as 115 billion yuan, accounting for 69.11% of the total scale of the taxation service industry; financial software product service market scale reaches 17.02 billion yuan, accounting for 10.23% of the total scale of the taxation service industry; enterprise taxation outsourcing service market scale reaches 27.02 billion yuan, accounting for 16.24% of the total scale of the taxation service industry. The market scale of taxation software products and services reached 7.37 billion yuan, accounting for 4.43% of the total scale of the taxation service industry.

The main service content of the taxation service industry revolves around the whole enterprise life cycle of all small, medium and large enterprises and individual merchants, and the service form is traditional, but along with the continuous refinement of national documents, the personalized needs of enterprises are also derived. With the continuous deepening of "mass entrepreneurship and innovation" advocated by the state, the boom of innovation and entrepreneurship, the emergence of the new self-media industry and the rapid structural reform of the commercial system, the market access environment has been continuously improved, and these changes have made the market vitality and creativity rapidly active, and new tax-related subjects have been added along with the The number of new tax-related subjects along with industrial upgrading has also started to rise year after year, and this change has laid a sufficient user base for the company's tax services and brought good market opportunities for the development of the tax service industry. According to the statistical disclosure of the State

Administration of Taxation data, the number of new tax-related subjects nationwide reached 11.44 million in 2020, an increase of 10.1% compared with 2019. And the development of the Internet industry digital application, the focus of development has begun to gradually extend from the C-side where users are located to the B-side where enterprises are located, and new Internet enterprise service companies are also emerging rapidly. At the same time, traditional tax service providers hold a large number of client resources. Driven by capital and the rapid upgrade of technology, these enterprises begin to actively seize the enterprise service market, and the enterprise service field begins to show the characteristics of intelligence, specialization, scale and platform, and the platform is the most prominent among them.

MARKET ANALYSIS

As we all know, the main business content of the tax service industry has its own special characteristics, so the industry service enterprises are provided with comprehensive and professional financial services by organizations with relevant qualifications and professional technical capabilities for various types of industry enterprises, thus meeting the needs of enterprises in finance, taxation, industry and commerce, internal control, etc., further helping enterprises to find problems and solve them, and providing the production, operation and management efficiency of the enterprises being served. management efficiency of the served enterprises, and at the same time reduce the financial and tax risks of enterprises. At present, China's taxation service industry is classified according to the customer groups served, one category is comprehensive taxation service institutions mainly providing taxation services for large state-owned enterprises, listed companies, multinational enterprises and large local business groups; the other category is local small and medium-sized taxation service institutions mainly providing single or comprehensive taxation services for small and medium-sized enterprises and individual entrepreneurs, which are numerous in number, but the market concentration is not high. There are a large number of such organizations, but the market concentration is not high, and the development is mixed, and the whole is in a slightly profitable state. Most of the main businesses of such entities mainly provide services such as agent bookkeeping and taxation, industrial and commercial agency, and taxation services, etc. The homogenization of business is serious, and the problems of standardization and standardization of operation process cannot be effectively solved.

QING CHUANG Finance Studio, as a small financial and taxation service enterprise, mainly serves the permanent agency business, special agency business, tax planning and agency enterprise bookkeeping and account building business of small and medium-sized enterprises. Since May 18, 2020, the Central Committee of the Communist Party of China and the State Council issued "Opinions on Accelerating the Improvement of Socialist Market Economy System in the New Era", it is clearly proposed that "deepen the reform of the tax system, improve the direct tax system and gradually increase its proportion", from the emphasis on enterprises to the emphasis on individuals. Therefore, QING CHUANG Finance Studio started to focus on the new market segment of individual tax clearance.

According to the data of National Bureau of Statistics, there will be two waves of growth in the scale of small and medium-sized industrial enterprises above the scale in China from 2020 to 2021. The forecasted size will rise to 266.44 billion yuan.

OPERATIONS PLAN & PRODUCTION DESIGN DEVELOPMENT PLAN

Based on a careful review of the strengths and weaknesses, strengths and weaknesses of QING CHUANG Finance Studio's operation, the Enterprise Development Strategy Center made a basic judgment on the current competitive situation and trends in the industry, and set the operation policy for 2022 as follows: live strategy to win the market, expand scale to increase strength, and build a private tax housekeeping platform.

QING CHUANG Finance Studio will start working on building a private tax housekeeping platform. Taking personal income tax clearance and remittance as an example, the studio will split the workflow can be divided into: small program for personal data collection - online declaration - R language program for linear analysis and regression analysis, etc. - -tracking service, three links, while setting up review positions.

With the development of 5G, AI and other technologies, new technologies also gradually penetrate into the field of finance and taxation, and the field of finance and taxation continues to develop in the direction of wisdom, digitalization and intelligence. The market share of taxation service providers such as taxation robots and taxation platforms is expected to continue to expand. Based on their low error rate, high efficiency, low cost and strong timeliness, they help enterprises to better fill and check VAT invoices under the financial sharing mode to meet the increasing requirements of the taxation bureau for VAT invoice management. With the gradual implementation of "Golden Tax Phase III" and "Tax Control by Invoice" and the gradual tightening of supervision, the convenience of taxation services will become more prominent and will gradually become a tool just needed by enterprises for taxation management.

FINANCIAL ANALYSIS & FEASIBILITY ANALYSIS

QING CHUANG Finance Studio has 3 shareholders who are all invested with monetary capital with a registered capital of CNY 400,000. The initial capital will be used for product design and development, market testing, marketing, daily operation, etc. During the development of the company, it is necessary to accelerate the development of tax services and the design and development of "tax housekeeping service platform". At the same time, QING CHUANG Finance Studio will increase the advertising of new media during the stage of market notification and market warm-up, so as to establish the reputation of QING CHUANG Finance Studio as "safe and professional" through the actual cases served and high-frequency advertising, and complete the transformation from corporate reputation to corporate brand. Finally, the transformation is achieved by optimizing and reforming the existing business model and organizational structure of the finance studio.

QING CHUANG Finance Studio will make a reasonable forecast of the capital required for the establishment of the company, and forecast and plan the financial indicators for the next five years. Analyze the feasibility of the economic indicators of the project.

	Year 1	Year 2	Year 3	Year 4	Year 5
Pro Forma Profit and Loss					
Sales	¥340,000	¥467,500	¥587,800	¥647,850	¥758,500
Direct Cost of Sales	¥91,000	¥125,400	¥155,600	¥172,800	¥202,400
Other Costs of Sales	¥0	¥0	¥0	¥0	¥0
Total Cost of Sales	¥91,000	¥125,400	¥155,600	¥172,800	¥202,400
Gross Margin	¥249,000	¥342,100	¥432,200	¥475,050	¥556,100
Gross Margin %	73.24%	73.18%	73.53%	73.33%	73.32%
Expenses					
Payroll	¥79,520	¥95,680	¥124,500	¥134,520	¥138,556
Technical Infrastructure	¥0	¥0	¥0	¥0	¥0
Depreciation	¥3,573	¥3,680	¥3,791	¥3,904	¥4,021
Rent/Utilities	¥20,000	¥20,600	¥21,218	¥21,855	¥22,510
Leased Equipment	¥0	¥0	¥0	¥0	¥0
Insurance	¥5,500	¥5,665	¥5,835	¥6,010	¥6,190
Other Expenses	¥10,000	¥10,300	¥10,609	¥10,927	¥11,255
Payroll Taxes	¥47,500	¥48,925	¥50,393	¥51,905	¥53,462
Accounting	¥7,000	¥7,210	¥7,426	¥7,649	¥7,879
Total Operating Expenses	¥173,093	¥192,060	¥223,772	¥236,770	¥243,873
Profit Before Interest and Taxes	¥75,907	¥150,040	¥208,428	¥238,280	¥312,227
EBITDA	¥79,480	¥153,720	¥212,219	¥242,185	¥316,249
Interest Expenses	¥0	¥0	¥0	¥0	¥0
Tax Incurred	¥18,977	¥37,510	¥52,107	¥59,570	¥78,057
Net Profit	¥56,930	¥112,530	¥156,321	¥178,710	¥234,170
Net Profit/Sales	16.74%	24.07%	26.59%	27.59%	30.87%
Pro Forma Cash Flow					
Cash Received					
Cash From Operations					
Cash Sales	¥340,000	¥467,500	¥587,800	¥647,850	¥758,500
Subtotal Cash from Operations	¥340,000	¥467,500	¥587,800	¥647,850	¥758,500
Additional Cash Received					
Non-operating (Other) Income	¥0	¥0	¥0	¥0	¥0
Sales Tax, VAT, Received	¥0	¥0	¥0	¥0	¥0
New Current Borrowing	¥0	¥0	¥0	¥0	¥0

	Year 1	Year 2	Year 3	Year 4	Year 5
New Other Liabilities (Interest-free)	¥0	¥0	¥0	¥0	¥0
New Long-term Liabilities	¥0	¥0	¥0	¥0	¥0
Sales of the Other Current Assets	¥0	¥0	¥0	¥0	¥0
New Investment Received	¥0	¥0	¥0	¥0	¥0
Subtotal Cash Received	¥340,000	¥467,500	¥587,800	¥647,850	¥758,500
Expenditures from Operations					
Cash Spending	¥95,310	¥119,110	¥162,950	¥195,970	¥231,356
Bill Payments	¥15,790	¥23,430	¥38,450	¥61,450	¥92,800
Subtotal Spent on Operations	¥95,310	¥119,110	¥162,950	¥195,970	¥231,356
Additional Cash Spent					
Non-operating (Other) Expense	¥0	¥0	¥0	¥0	¥0
Sale Tax, VAT Paid out	¥0	¥0	¥0	¥0	¥0
Principal Repayment of Current Borrowing	¥0	¥0	¥0	¥0	¥0
Other Liabilities Principal Repayment	¥0	¥0	¥0	¥0	¥0
Long-term Liabilities Principal Repayment	¥0	¥0	¥0	¥0	¥0
Purchase Other Current Assets	¥0	¥0	¥0	¥0	¥0
Purchase Long-term Assets	¥0	¥0	¥0	¥0	¥0
Dividends	¥0	¥0	¥0	¥0	¥0
Subtotal Cash Spent	¥95,310	¥119,110	¥162,950	¥195,970	¥231,356
Net Cash Flow	¥244,690	¥348,390	¥424,850	¥451,880	¥527,144
Cash Balance	¥273,610	¥351,290	¥444,450	¥461,430	¥563,324

Pro Forma Balance Sheet

Assets					
Current Assets					
Cash	¥342,988	¥432,788.00	¥542,978.00	¥677,476.00	¥846,568.00
Other Current Assets	¥0	¥0.00	¥0.00	¥0.00	¥0.00
Total Current Assets	¥342,988	¥432,788.00	¥542,978.00	¥677,476.00	¥846,568.00
Long-term Assets	¥80,000	¥80,000	¥80,000	¥80,000	¥80,000
Accumulated Depreciation	¥10,860	¥22,040	¥33,558	¥45,422	¥57,642

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Long-term Assets	¥49,140	¥37,960	¥26,442	¥14,578	¥2,358
Total Assets	¥1,927,612	¥4,237,365	¥8,115,784	¥14,935,903	¥25,925,750
Liabilities and Capital	Year 1	Year 2	Year 3	Year 4	Year 5
Current Liabilities					
Accounts Payable	¥15,023	¥204,235	¥326,066	¥521,016	¥833,002
Current Borrowing	¥0	¥0	¥0	¥0	¥0
Other Current Liabilities	¥0	¥0	¥0	¥0	¥0
Subtotal Current Liabilities	¥15,023	¥204,235	¥326,066	¥521,016	¥833,002
Long-term Liabilities	¥0	¥0	¥0	¥0	¥0
Total Liabilities	¥15,023	¥204,235	¥326,066	¥521,016	¥833,002
Paid-in Capital	¥400,000.00	¥400,000.00	¥400,000.00	¥400,000.00	¥400,000.00
Retained Earnings	(¥288,618)	¥1,31,753	¥3,33,130	¥729,718	¥137,886
Earnings	¥142,353	¥261,377	¥388,588	¥695,168	¥1,677,861
Total Capital	¥172,735	¥403,130	¥791,718	¥1,414,886	¥2,092,747
Total Liabilities and Capital	¥196,758	¥437,365	¥8,245,784	¥1,493,902	¥2,925,749
Net Worth	¥472,735	¥533,130	¥6919,718	¥7414,886	¥9092,747

The difference between the net cash flow generated by an investment project discounted at the discount rate of the cost of capital and the original investment amount is called the net present value (NPV). The NPV indicator measures the profitability of a project investment. The present value of the five-year project was calculated to be CNY 1,379,452, and the net present value (NPV) was CNY 1,187,425. Since the cash flow of the project is CNY 273,610 in the first year, CNY 351,290 in the second year, and CNY 444,450 in the third year, the cost can be recovered in three years. After calculation, the payback period of this project is 3 years and 7 months.

CONCLUSION AND FUTURE WORK

QING CHUANG Finance Studio 2022 will focus on the investment and development of tax services, among which is the creation of a private tax housekeeping platform by splitting the workflow of personal tax filing and personal tax planning into its smallest units.

This paper analyzes the tax industry in China in detail, while segmenting the tax market, identifying the target market and market positioning, and providing the basis for the subsequent marketing plan, financial analysis and risk analysis. In the financial analysis, the project was modeled and projected from investment estimates to future cash flows.

The cash flow estimated to the next 5 years is calculated to be 3 years and 7 months for this project's payback period. This paper demonstrates the feasibility of the project from the inside out through theoretical research and rigorous financial argumentation.

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