White Paper

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Zupply.net

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Zupply

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Abstract: Zupply.net introduces the new Supply BlockChain system on Ethereum network by using ERC-20 compatible tokens or Ethereum Name Service (ENS) domains as a collateral. The system is born to help buyers and suppliers to reduce costs, expand their business and open new markets.

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Zupply

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Introduction

Zupply is the new Supply **Block**Chain system for the new Era in industrial sector.

The system is born to help **buyers and suppliers** to **reduce costs**, **expand their business** and open **new markets**.

Working for several years in manufacturing companies, between purchasing office and suppliers, we understood there were many things to improve and speed up processes. The opportunity arrived one year ago when we heard about the BlockChain system and smart contracts, so they immediately looked perfect for our purpose.

We want Zupply to become, in few years, one of the most important systems to support purchasing departments in reducing costs and discovery new reliable suppliers. At the same time, we think it is an effective instrument for suppliers to expand their business much faster than with the tools they now have available.

2. Definition of the problem

Traditionally, the process to activate new suppliers, to try to reduce manufacturing costs of components, is very slow and expensive. Purchasing departments usually spend months to get to save 10% on a component price dealing among different suppliers, exchanging documents and projects. For these reasons, purchasing departments can do this process rarely during the year so often losing the opportunity to save money.

On the other side, the big problem of a supplier is open new markets and expand his business without spend huge amounts of money in marketing and sales department.

2.1 Examples

For the first case, we can think about a medium big company called PIERINI that produce machineries to pack toilet paper. As you can imagine, hundreds of mechanical components compose these machineries. At the start of the New Year, the executives make the decision to try to produce some big components in the China area to try to have a save of 25% on these components. Considering PIERINI purchasing department composed by very good employers but without the knowledge of the China market, their first step is open new channels and contact the highest number of possibly suppliers. Now, the PIERINI P.O. have to find the right compromise between time and number of suppliers to discover because at the same time they have to do the normal activities and processes to allow PIERINI continue the standard production. If PIERINI P.O. is lucky can discover how much it can save after 3 months from the start of the process, but usually it can last also 6 months and sometimes can happen this process leads to understand that there is not enough save to open this new channel. **So, why not a platform to reduce this time and helps PIERINI P.O. to find hundreds suppliers instead of dozens and save money?**

The second example concerns the smallest and cheapest components that compose the PIERINI machineries. Because they are cheap, they do not attract attention by the PIERINI P.O. engaged in the normal activity to support the production. Every single part is too cheap to warrant the time and costs to a cost revision but all these components together are the 60% of the value, so, they are forgotten by P.O. and the costs remain the same for years. This is a typical situation with a P.O. dimensioned just to support the production processes, so, **why not a platform that permit P.O. to save money on these cheap parts, and continuing his normal work?**

The last example is focused on the problem of all middle/small suppliers to reach new customers. As you can imagine these type of suppliers do not have much resources to dedicate to marketing and obtain new clients require long time. To arrive at the step where they can make offers is complicated and often all these efforts are not repaid. **Why not a platform that permit them to make hundreds offers in short time and know new customers easily?**

2.2 Solution

The solution is Zupply, a platform that create a big network of thousand customers and suppliers. On Zupply, Purchasing Departments can publish quickly and easily the requests for their components. They can use many tools to direct their research in specific areas, specific type of suppliers, can choose the dimension of the suppliers and restrict the search to suppliers who have certain evaluations from other customers. At the same time, on Zupply, suppliers can search among thousand offers, specifying the sector and the research area, the dimensions of the possibly customers and those customers with a good economic evaluation. Someone can think is not safe publish on a network like Zupply the projects of their components, but we made a total anonymous publishing system. What does it means? It means the suppliers can see just the projects and information necessary to make a reliable offer but they can't see what is the company owner of the project so they cannot understand what it is for and who uses this component.

2.3 Advantages for buyers

With “buyers” we mean the Purchasing Department of our client companies.

Reliable

Buyers can evaluate the suppliers by a rating system. It allows knowing how the other customers evaluate the suppliers through their previous experiences and, by a partnership with the most important rating companies, knowing the financial situation of customers.

Reduce costs

Buyers can find the cheapest supplier who can build their part simply comparing the different received offers.

Easy to use

Buyers can manage easily their requests and the supplier offers.

Reduce time

As we saw in the past examples, the time is the most used resource to find new reliable and cheaper suppliers. With Zupply we think to reduce this time by 80%.

2.4 Advantages for suppliers

Safe

Suppliers can choose the right clients and secure offers thanks to our economic rate system. One of the most problems for a supplier is understand if a customer can pay in the right terms the commissioned work.

New Markets

Zupply give the opportunity to answer thousand offers everywhere in the World. We think it is a unique instrument to expand their business and open new markets faster than you have ever seen.

Smart

An automatic alerts system and a smart search engine give to suppliers the opportunity to find the right offers for their business. It allows you not to waste time with requests not related to your type of business.

2.5 Advantages for business

We are convinced that Zupply can reach a good portion of the manufacturing market in the World in few years. It can helps middle/small suppliers to create new markets allowing them to grow up and ease the life of Purchasing Departments of big/middle companies.

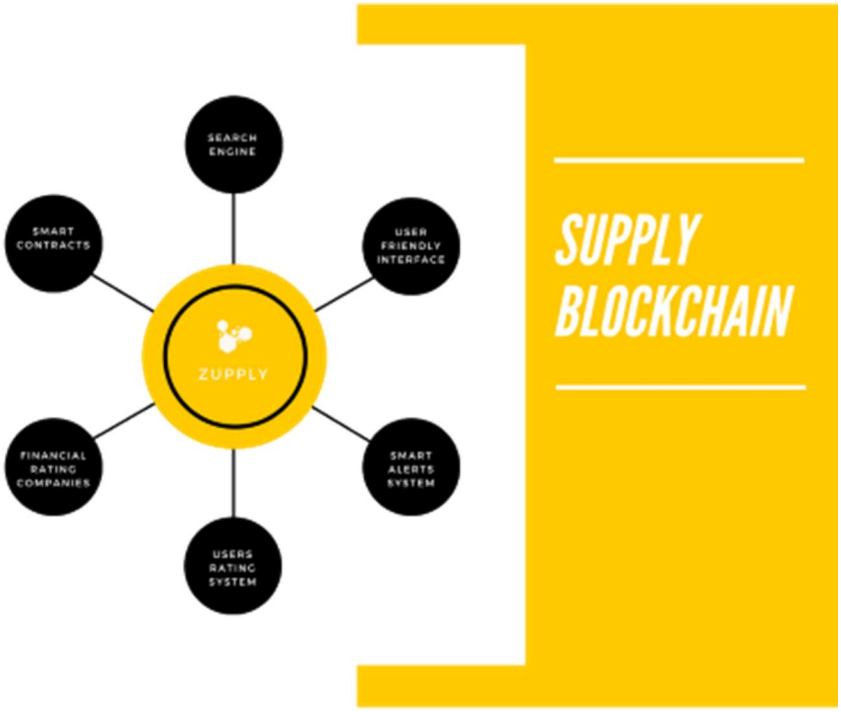
Manufacturing market often suffers from the slowness of looking at new technologies so we think an instrument like Zupply can revolutionize this sector thanks to its simplicity.

3. The Project

The project is ambitious but at the same time is quite easy, because the idea behind it is simple, but very effective. Our development target is create a user-friendly interface, able to enter in every Purchasing Department, regardless of the technologies used.

We are building a platform made to revolutionize the manufacturing world where buyers can publish their requests and suppliers can answer with their offers. It is based on a clever search engine, smart contracts, clear interface to publish requests, smart alerts to warn suppliers and a reliable rating system.

3.1 Features



Search Engine

The Search Engine is made for suppliers to find fast the right offers. They can choose the area where try to expand their business, among thousand possibly clients and offers everywhere in the World, and choose easily the right offers that respond to their type of business.

Interface

Everyone who worked in manufacturing companies knows the problem of adaptation to new technologies and the slowness of learning. Our target is build an interface easy to use and fast to manage requests and offers.

Users Rating System

Before accept an offer or evaluate a request, suppliers and buyers can rate each other by the experiences of the Zupply users. They can see the opinions about:

- Delivery time respect
- Payment terms respect
- Quality
- Communication skills

Financial Rating Companies

We are working on partnerships with the most important rating companies. This type of partnership can give to buyers the opportunity to evaluate the economic strength of the supplier to understand if he can really take the request job. At the same time it is important for a supplier have the guarantee that the customer can actually pay for the work done.

Smart Contracts

Every time a buyer company accept an offer by a supplier, it has made a smart contract to ensure the respect of all terms in the offer. Quality, payment terms, delivery time and much more are defined in the smart contract.

3.2 Smart Contracts

We want to focus on Smart Contracts. They permit to transform the normal Supply Chain in what we call Supply BlockChain.

Smart Contracts in general definition provides a solution to deploy commands on the blockchain network, which affect the way on how data is stored, represented or handled in the Ethereum blockchain network. This means that we can deploy code that executes but cannot be modified once deployed.

Supply agreement as a Smart Contract. The basic function of a supply agreement is the storage of data. This data includes the information on payment terms, delivery time and the guarantee on the quality of the component to be produced.

We are developing our own technology for implementing a Smart Contract.

3.3 Zupply Token

Cryptographic tokens of which the speech is going, these tokens are on the working blockchain what supports Zupply.net. They are ERC-20, which are available on the blockchain Ethereum. We will exchange Zupply tokens **[ZUP]** for Ethereum during crowdsale. You will need the Ethereum wallet, which supports ERC-20 (just do not use the wallet address on the exchange). If you have a BTC or another crypto currency, then you will need to exchange it somewhere for ETH to participate in the crowdsale.

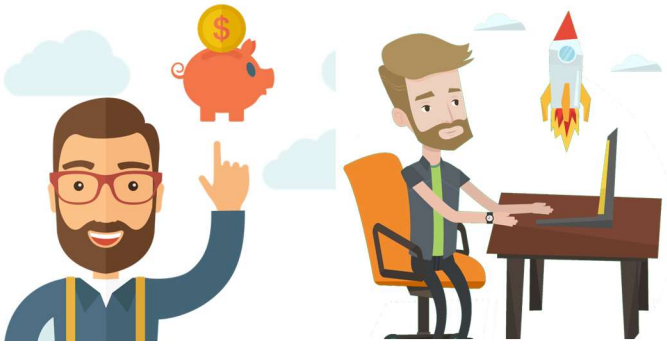
You can find the code of the contract, used to build the token, on www.etherscan.io at the address of Smart Contract.

4. Zupply Business

As you can see by the numbers below, this sector is very important and very wide. The opportunities to transform our project in high economic value are many. We want to start to introduce Zupply in the most important economy in the World like North America, Europe and China because they are the most important areas in this sector. With just a small percentage of this business and becoming a reliable service for an adequate number of suppliers and customers we can reach easily our economic targets.

4.1 Our Customers

At this point, it is clear what our potential customers are but maybe you have not noticed something yet: **every supplier is a customer at the same time of another supplier**. What does it mean? **It means that our business is theoretically infinite. Not bad** !



4.2 Market Overview

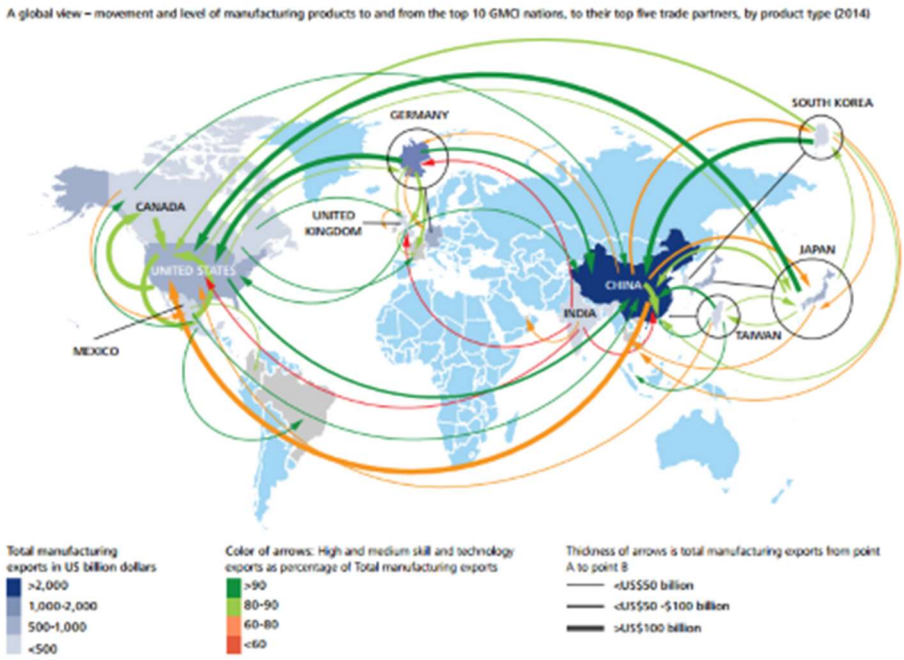
In 2013 world, trade reached a peak of more than $18 trillion, with 84.0 percent comprising manufacturing products.

	Manufacturing value added (billions, constant $ 2005)			Percentage of manufacturing value added		
	1990	2000	2014	1990	2000	2014
World	4,753	6,295	9,228	100	100	100
Industrialized countries	3,907	4,902	5,914	82	78	64
Developing and emerging industrial economies	846	1,393	3,314	18	22	36
By development group						
Emerging industrial countries	708	1,222	2,994	84	88	90
Least developed countries	20	22	54	2	2	2
Other developing countries	118	148	266	14	11	8
By region						
Africa	79	92	144	9	7	4
Asia and Pacific	315	746	2,362	37	54	71
Europe	151	164	300	18	12	9
Latin America	301	391	508	36	28	15

Note: Regional and development level classification based on Annex B1, Tables B1.1 and B1.2.
Source: UNIDO elaboration based on Manufacturing Value Added Database (UNIDO 2015a).

Advanced manufacturing technologies are key to unlocking future competitiveness: As the digital and physical worlds converge within, the path to manufacturing competitiveness is through advanced technologies, ranking predictive analytics, Internet-of-Things (IoT), both smart products and smart factories via Industry 4.0, as well as advanced materials as critical to future competitiveness.

Cost competitiveness, productivity, and supplier network are key: In an era of sluggish economic growth, containing costs and increasing productivity to boost profits remains critical for manufacturers, alongside building a strong network and ecosystem of suppliers.



4.3 Monetization

The guidelines for the monetization of the service will be as follows:

- Free registration of the companies (buyers and suppliers)
- Fee (in definition) for every supply Smart Contract
- Payment to see the economic evaluation by the rating companies (included in the premium subscription)
- Payment to launch a marketing campaign to make their company known
- Payment to launch a market analysis in a specific area (included in the premium subscription)
- Including a partnership with logistic companies we can ask a fee every logistic service sold

Users can use Zupply Tokens to pay the paid services with a discount of 15%, or use FIAT like USD or EUR.

4.4 Targets

Our target is reach 75,000 client companies in the North America, Europe and Asia areas at the end of 2019, with a total business of 1.2 Billion USD.

5. RoadMap

STEP	STATUS	Y-2017
01. THE IDEA	COMPLETE	JEN
02. CASE STUDY	COMPLETE	MARC
03. MARKET ANALYSIS	COMPLETE	AUG
04. STUDY THE ICO AND SMART CONTRACT	COMPLETE	NOV
05. LAUNCH THE PRE-ICO AND ZUPPLY TOKEN	RUNNING	FEB
06. LAUNCH THE ICO	PLANNED	MAR
07. LAUNCH ZUPPLY TOKEN ON EXCHANGES	PLANNED	MAY
08. PARTNERSHIP WITH THE MOST IMPORTANT RATING COMPANIES	RUNNING	JUL
09. DEVELOPMENT AND LAUNCH THE BETA PLATFORM	RUNNING	SEPT
10. MARKETING CAMPAIGN	PLANNED	SEPT
11. INTEGRATE THE LINKEDIN ACCESS IN THE PLATFORM	PLANNED	OCT
12. LAUNCH THE PLATFORM	PLANNED	DEC
13. LARGE MARKETING CAMPAIGN	PLANNED	JAN
14. PARTNERSHIP WITH LOGISTIC COMPANIES TO OFFER LOGISTIC SOLUTIONS INSIDE THE PLATFORM	PLANNED	JUN
14. INTEGRATE LOGISTIC SOLUTIONS IN THE PLATFORM	PLANNED	SEPT

6. Sales of Zupply Token

Pre-ICO sale

Start date 24th Feb 2018

End Date 3th Mar 2018

# of Tokens 100,000,000 ZUP

Accepted currency ETH

Exchange rate 1 ETH = 40,000 ZUP (-50%)

Minimum transaction 0.2 ETH

ICO sale

Start date 10th Mar 2018

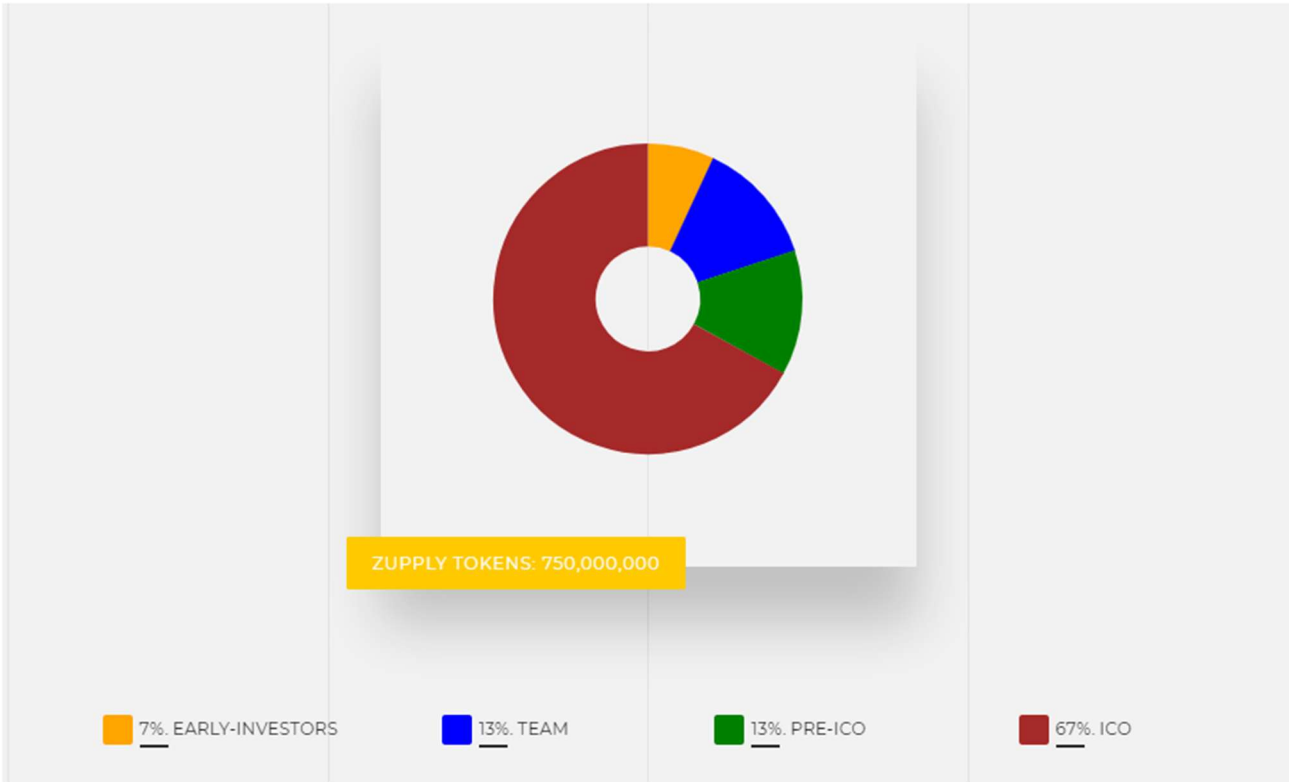
End Date 21th Apr 2018

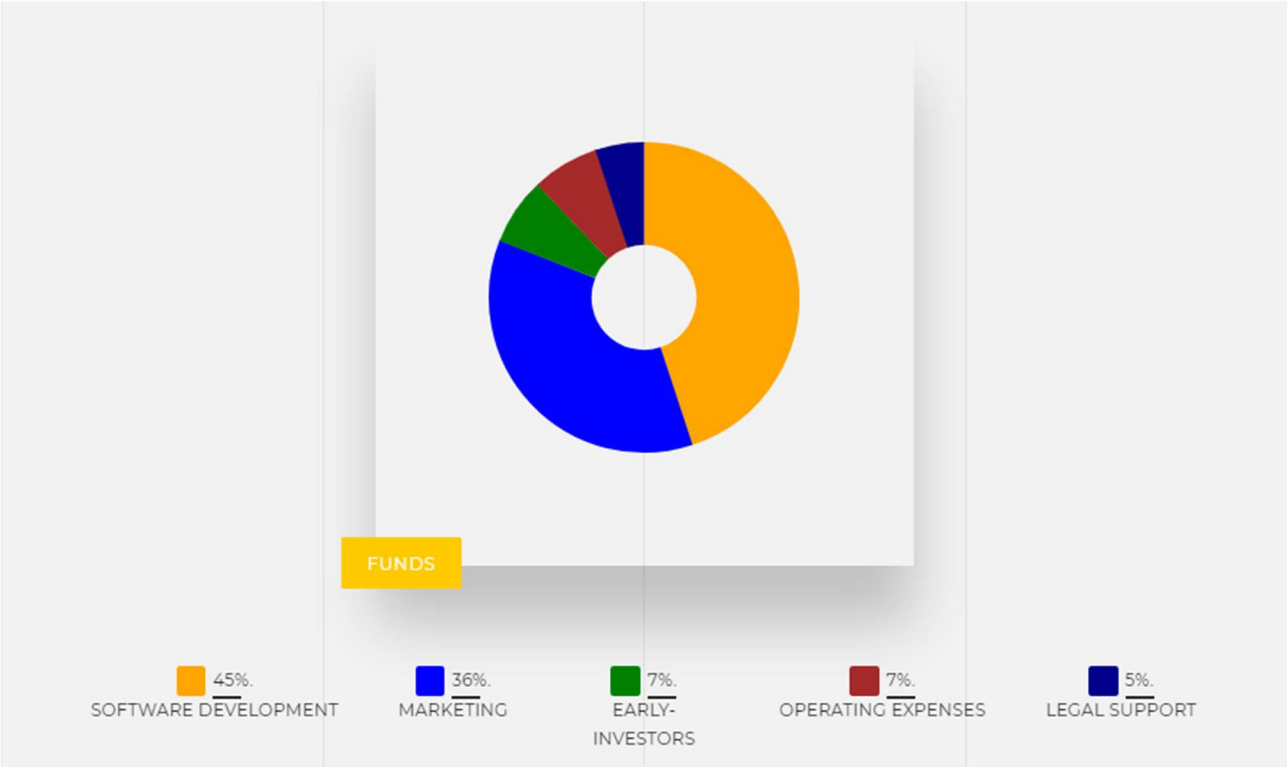
# of Tokens 500,000,000 ZUP

Accepted currency ETH

Exchange rate 1 ETH = 20,000 ZUP

Minimum transaction None




FUNDS
45%.
SOFTWARE DEVELOPMENT
36%.
MARKETING
7%.
EARLY-INVESTORS
7%.
OPERATING EXPENSES
5%.
LEGAL SUPPORT