**New Market Entry Assessment**

<table>
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<tr>
<th>PROJECT GOAL</th>
<th>RESEARCH METHODOLOGY</th>
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| • Develop a strategy framework for new market entry for dLocal in their future expansion effort | • Interviews
  ➢ Call and on-site interviews with stakeholders across different business units
  ➢ Collected comprehensive list of factors to be taken into the overall model |
| • Framework will be used as a uniformed decision-making tool allowing dLocal to know the status of each potential market across different criteria | • Survey
  ➢ Built survey to assess different criteria relevance to the model and shared across key stakeholders
  ➢ Obtained information on prioritized items and established framework |

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**NEXT STEPS**

- Allocate responsibilities for different aspects of the model
- Analyze the metrics of each potential market and tackle the problematic categories first
- Set a single team that would own the tool. Such team should constantly update the tool according to the market’s and company’s needs.

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**TEAM**

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**Market Potential**

- Assesses the market potential by estimating the Total Addressable Market (TAM) for the country; the numbers account for the competition in the market
- The higher the TAM and fewer the competition, the better the market

**Merchants**

- Focuses on the possibility of luring existing merchants into the new market, also assessing the possibility to lock-in merchants
- We also account for minimum caps promised in the proposed market

**Margins**

- Serve as the critical piece in deciding revenue potential in a new market
- We look at currency volatility and potential payment options of a particular market to predict margins for a market

**Regulations**

- Assesses the regulatory hurdles and opportunities in a specific market
- We look into the ease of setting up local entity, KYC compliances needed and stability of a country to assess the hurdles. We also look at the ease of extracting funds from a country to evaluate the opportunities

**Partners**

- Evaluates local processors and technical infrastructure in a specific country, by assessing the transaction time averages and redundant processor networks for better reliability and and bargaining power