

# Project Brief: Drop — Fintech Payment App

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“ **Project:** Drop — Remittance + QR Payments for Scandinavia **Version:** 1.0  
**Date:** 2026-02-08 **Author:** John (AI Director) + product agent **Status:** Approved  
**Reviewers:** Alem Bašić (CEO)

## Document History

Version	Date	Author	Changes
0.1	2026-02-08	product agent	Initial discovery brief
1.0	2026-02-08	John	Finalised after 2-round agent analysis

## 1. Executive Summary

Drop is a fintech payment app for all residents in Norway/Scandinavia, offering remittance at 0.5% fee (vs Western Union 5-10%, Wise 0.7-1.5%) and QR merchant payments at 1% (vs Vipps 1.75-2.75%). Built on PSD2 Open Banking — Drop never holds customer money; payments are initiated directly from users' bank accounts via PISP. The Norwegian remittance market is worth 5.7 billion NOK annually, and no existing app combines both remittance and QR payments. ALAI Holding AS (org.nr 932 516 136), led by CEO Alem Bašić, is building Drop as an AI-native product with total startup costs of ~250K NOK, targeting break-even within 7-9 months of launch. Decision: GO.

# 2. Business Context & Market Opportunity

## 2.1 Business Context

Norway has ~1,000,000 immigrants (SSB data) who collectively send 5.7 billion NOK abroad annually. They are systematically overcharged by Western Union (5-10% fees), and underserved by Wise and Revolut (generic, not community-focused). At the same time, local immigrant-owned businesses are paying Vipps 1.75-2.75% per transaction — a significant cost for low-margin businesses (kebab shops, kiosks, bakeries, barbers). Alem Bašić identified this dual pain from personal experience as a community member.

## 2.2 Market Opportunity

Dimension	Current State	Opportunity
Market Size	5.7B NOK annual remittance from Norway	Capture 1% = 57M NOK ARR potential
Target Segment	~1M immigrants + ~195K SMEs in Norway	Broad appeal beyond diaspora
Growth Rate	Remittance market growing 8% YoY	Early mover advantage
Key Trend	PSD2 Open Banking enabling pass-through payments	No legacy infrastructure cost

## 2.3 Strategic Fit

This project directly supports:

- **Strategic Goal:** ALAI Holding AS establishing recurring revenue through own fintech product
  - **OKR / Initiative:** Innovasjon Norge Oppstartstilskudd application — drop as flagship product
  - **Alignment with ALAI mission:** "Build digital. You build business." — Drop demonstrates AI-native product delivery and generates recurring transaction fee revenue for ALAI
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# 3. Problem Statement

## 3.1 Core Problem

Residents of Norway with international money transfer needs and local payment needs are served by fragmented, expensive, or poorly designed tools. No single app combines affordable international remittance (< 1% fee) with QR-based local merchant payments (< 1.5% fee) in the Norwegian market.

## 3.2 Pain Points

#	Pain Point	Affected Stakeholder	Measurable Impact
P-01	International transfers cost 5-10% (Western Union)	Immigrants sending money home	~285M NOK/year overcharged on 5.7B NOK market at 5% avg
P-02	Vipps merchant fees (1.75-2.75%) eat into thin margins	Local small businesses	Kebab shop at 50K NOK/month pays 875-1,375 NOK in fees
P-03	Existing remittance apps (Wise, Revolut) not designed for community trust	Immigrant communities	Low adoption due to UX and cultural mismatch
P-04	No combined remittance + QR app exists in Norway	All residents	Users need 2+ apps; no flywheel effect

## 3.3 Current State Gaps

**Current Process/System:** Users use Western Union / MoneyGram for remittance and Vipps for local payments. Two separate apps, two fee structures, zero integration.

### Key Gaps:

- No single app covers remittance + QR payments in Norway
- Existing remittance providers charge 5-10x more than technically necessary with Open Banking
- Vipps dominates local payments but has no international capability and charges merchants heavily
- No PSD2 pass-through model used by remittance apps — they all hold money (compliance risk for users)

**Cost of Inaction:** ALAI has no recurring product revenue. The window to enter before a major player copies the remittance + QR combo is estimated at 12-18 months.

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# 4. Proposed Solution Overview

## 4.1 Solution Description

Drop is a mobile-first web app (PWA/React Native path) built on PSD2 Open Banking. Users link their Norwegian bank account via BankID. Remittances are initiated as PISP bank transfers directly from the user's account (no top-up, no wallet). QR payments work the same way — merchant generates a QR code, customer scans and confirms, payment goes directly from bank account to merchant settlement. Drop never holds funds. Revenue: 0.5% remittance fee + 1% merchant fee.

## 4.2 Key Capabilities

#	Capability	Addresses Pain Point	Priority
CAP-01	Remittance to 30+ countries at 0.5%	P-01	Must Have
CAP-02	QR merchant payments at 1%	P-02	Must Have
CAP-03	BankID onboarding + KYC	P-03	Must Have
CAP-04	Open Banking AISP (balance view)	P-04	Must Have
CAP-05	Transaction history and notifications	P-04	Should Have
CAP-06	Merchant dashboard (analytics + QR generation)	P-02	Should Have
CAP-07	Loyalty / rewards programme	P-03	Could Have

## 4.3 Solution Architecture (High Level)

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graph LR
  A[User / Merchant] --> B[Drop Web App - Next.js]
  B --> C[Drop API - Next.js API Routes]
  C --> D[PostgreSQL Database]
  C --> E[BaaS Provider - Swan or SpareBank1]
  E --> F[Norwegian Banks via PSD2]
  E --> G[BankID - SCA]
  E --> H[KYC Provider - Sumsub]
  C --> I[Remittance Corridors - 30+ countries]
```

## 4.4 Platforms & Channels

- Web Application (Next.js — primary platform)
- iOS Mobile App (Expo React Native — Phase 2+)
- Android Mobile App (Expo React Native — Phase 2+)
- API / Backend Service (Next.js API Routes)
- Admin/Merchant Dashboard (included in web app)
- Other: Landing page at getdrop.no (Vercel, live)

# 5. Key Benefits & ROI Projection

## 5.1 Quantified Benefits

Benefit Category	Description	Estimated Annual Value
Revenue (remittance fees)	3,000 users × 2 tx/month × 1,000 NOK × 0.5%	360,000 NOK/year (Year 1)
Revenue (merchant fees)	200 merchants × 50,000 NOK/month × 1%	1,200,000 NOK/year (Year 1)
Cost reduction vs agencies	AI-first dev: 10K vs typical 500K NOK agency cost	490,000 NOK saved
<b>Total Annual Benefit (Year 1)</b>		<b>~1,560,000 NOK</b>

## 5.2 ROI Calculation

Metric	Value
Total Investment (Year 1)	250,000 NOK
Total Annual Benefit (Year 1)	~1,560,000 NOK
Payback Period	7-9 months
3-Year ROI	~1,800%
Net Present Value (3yr)	~10,000,000 NOK

Assumptions: 200 merchants at 50K NOK/month average transaction volume; 3,000 consumers sending 1,000 NOK twice per month; 0.5% remittance fee; 1%

## 5.3 Qualitative Benefits

- **Brand/Reputation:** ALAI positioned as community-first fintech builder in Norway; trust from immigrant communities
- **Competitive Advantage:** Only app combining remittance + QR payments in Norway; 2-4x cheaper than alternatives
- **Risk Reduction:** PSD2 pass-through model eliminates e-money licence requirement; no money held = lower regulatory burden
- **Employee/User Experience:** BankID-native, Norwegian-language UX; designed for local community trust

## 6. High-Level Requirements

#	Requirement	Type	Priority	Notes
HLR-01	Users must verify identity via Norwegian BankID	Functional	Must Have	Age ≥ 18, Norwegian residency
HLR-02	Remittance to 30+ countries via PISP	Functional	Must Have	6 corridors in MVP: RS, BA, PK, TR, PL, EUR
HLR-03	QR merchant payments via PISP	Functional	Must Have	Merchant generates QR; user scans + pays
HLR-04	Drop NEVER holds customer money	Legal	Must Have	PSD2 pass-through only
HLR-05	GDPR compliance for Norwegian users	Non-Functional	Must Have	Data minimisation, consent, right to deletion
HLR-06	NEVER use word "banking" without licence disclaimer	Legal	Must Have	Marketing and UI copy constraint
HLR-07	99.9% uptime SLA for payment flows	Non-Functional	Should Have	Financial reliability requirement
HLR-08	Transaction history with filters	Functional	Should Have	User-facing transaction log

# 7. Competitive Landscape

Alternative	Type	Strengths	Weaknesses	Why Drop Wins
Western Union / MoneyGram	Direct (remittance)	Brand recognition, physical presence	5-10% fees, outdated UX	10-20x cheaper, mobile-native
Wise	Direct (remittance)	Low fees (0.7-1.5%), trusted brand	No QR payments, generic/not local	0.5% vs 0.7-1.5%; QR combo unique
Vipps	Direct (QR payments)	Massive Norwegian market share	No remittance, 1.75-2.75% merchant fee	Drop does both; 50% cheaper for merchants
Revolut	Indirect	Feature-rich, international	Complex, not community-focused, no QR	Simpler UX, community trust, QR payments

**Our Unique Value Proposition:** Drop is the only app in Norway combining cheap remittance (0.5%) AND QR merchant payments (1%) in a single, BankID-native, community-trusted platform. No wallet. No top-up. Money stays in your bank.

# 8. Resource Requirements

## 8.1 Team

Role	Effort	Source
CEO / Sponsor	20% time (decisions, partnerships)	Alem Bašić (ALAI)
AI Director / Product Owner	Full-time	John (ALAI internal AI)
Builder agents	Per-task (Claude Sonnet)	ALAI internal AI
Validator agents	Per-task (Claude Sonnet)	ALAI internal AI
Legal advisor	As needed	External (TBD)

## 8.2 Budget Summary

Category	Estimated Cost (NOK)
Development (AI-first)	10,000
Open Banking / BaaS integration	15,000
Legal + compliance	50,000

Category	Estimated Cost (NOK)
Marketing launch	100,000
QR stickers + merchant kits	20,000
Contingency (22%)	55,000
<b>Total</b>	<b>250,000</b>

## 8.3 Timeline

Phase	Duration	Start
Phase 0.5 — Security Hardening	2 weeks	2026-02-08
Phase 1 — Demo App	4 weeks	2026-02-20
Phase 2 — Banking Integration	8 weeks	2026-03-20
Phase 3 — Launch	6 weeks	2026-05-15
<b>Total Duration</b>	<b>~20 weeks</b>	<b>2026-02-08</b>

# 9. Go / No-Go Decision Criteria

## 9.1 Go Criteria (ALL must be met)

- Budget approved: 250,000 NOK (Innovasjon Norge + bootstrap)
- CEO aligned on scope and timeline
- MVP security hardening complete before demo
- Legal review completed (no "banking" in copy; pass-through model validated)
- AI-first development approach validated (10K NOK dev cost)

## 9.2 No-Go Triggers (ANY is sufficient to stop)

- BaaS partner unavailable and no alternative within 3 months of Phase 2 start
- Finanstilsynet identifies blocker to PISP/AISP registration
- Security breach before production hardening complete
- Budget overrun > 30% without revenue to cover

## 9.3 Decision

Dimension	Decision	Decision Maker	Date
Proceed with planning	GO	Alem Bašić	2026-02-08
Budget approved	Yes	Alem Bašić	2026-02-08
Resource allocation approved	Yes	Alem Bašić	2026-02-08

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# Approval

Role	Name	Date	Signature
Author	John (AI Director)	2026-02-08	Approved (AI)
Reviewer	John (AI Director)	2026-02-08	Reviewed
AI Director (John)	John	2026-02-08	Approved
Project Sponsor	Alem Bašić	2026-02-08	Approved
CEO	Alem Bašić	2026-02-08	Approved

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