



Master in business administration

PATH Consulting firm

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Executive summary

PATH is a consulting, coaching, and mentoring firm aiming to serve mid-sized and large companies in Colombia. The objective of this master's thesis is to conduct a comprehensive study of the business coaching/consulting market in Bogotá, Colombia, to determine the feasibility and viability of establishing this new firm. The study focuses on identifying market players, current trends, profitability, and demand for services.

To analyze the market, I will examine the competitive environment, unique value proposition, and potential opportunities for PATH. In this text I will assess the profitability of starting the business by evaluating the costs, potential income, and forecasted profitability. PATH differentiates itself by offering tools like brain dominance tests, 360 assessments, and personalized guidance to bring out the best in each person.

The industry analysis considers social, technological, environmental, and legal factors in Colombia. The hierarchical organizational culture, increased internet access, and a complex legal system are among the key factors. The consulting industry in Colombia has relatively low barriers to entry, but established firms possess economies of scale and established client relationships, making it challenging for new entrants to gain market share.

PATH's business strategy revolves around segmenting clients based on unique business requirements, like team dynamism and leadership execution providing customized solutions, and building strong relationships with decision-makers. By targeting companies across various industries, PATH aims to position itself as a firm that delivers adaptable consulting services.

However, the industry faces threats such as increasing competition, economic and political instability, and rapid technological changes. To mitigate these risks, PATH will focus on developing specialized expertise, and maintaining high-quality service delivery.

To drive growth, PATH will leverage channels like personalized sales and marketing efforts, media channels, referrals, and customer relationship management. The company will collaborate with informed lawyers and accountants to navigate Colombia's legal and audit system effectively.

In conclusion, PATH's focus on delivering high-quality, customized services, managing client relationships, maintaining financial stability, and leveraging its uniqueness to increase the brand name in the mid-term. By positioning itself as a provider of specialized solutions and building strong client relationships, PATH aims to carve out a niche in the competitive consulting/coaching industry in Colombia.

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Introduction and motivation

How can leaders adjust their mindset and their employee's mindset to bring the best potential of themselves and the company? At PATH we want to focus on helping companies to achieve their goals in a comprehensive management and improve the leadership in a personal and professional way by introducing tools like brain dominance test, 360 assessment and different guidance to bring the best of each person.

Currently there is a trend to externalize some problems that companies have because they prefer to find a different point of view and bring great expertise to solve them in the best possible way. However, a lot of businesses decide to do it by themselves and sometimes they could stumble thru the way, that is why we want to focus on the businesses that want those problems to be solve and bring to them an aggregated value which is where our business, PATH, might be of assistance.

There are 582 million entrepreneurs worldwide, and over 26,000 businesses were closed in Colombia alone in 2022, according to latest statistics (LaVanguardia, 2023). We now have a big potential to provide firms in need with our services. As a consulting and advisor firm, our purpose is to support our clients in achieving their objectives by offering them specialized answers to their particular problems.

At PATH, we understand that most consulting companies focus solely on financial analysis, but we believe that there is much more to consider when it comes to running a successful business. PATH will not focus on providing financial analysis instead in analyze the balance between teams, the brain dominance of each leader with their team and how to distribute it to obtain the greatest potential of each person.

The specific needs of our customers will be attended to in our services. We will collaborate closely with them to understand their objectives and problems in order to create a unique strategy that will support their success. To assist clients in making good decisions and achieving their goals, our team of experts will give accurate analysis of their company's team dynamics and their leadership balance.

Our strategy is based on a deep understanding of the difficulties faced by organizations in the fast-paced, competitive climate of nowadays. We understand that each client is different and needs a solution that is specifically built to meet their demands. Therefore, we will work together with our clients to design a plan that is successful and efficient.

Finally, we believe that there is a significant opportunity in the Colombian market for consulting, coaching and mentoring services, and we are excited to introduce PATH as a new player in this space. Bringing a team of experts that is committed to provide our clients with personalized solutions to their business challenges, and we are confident that our approach will help them achieve success.

Objectives

The opportunity that I am going to address for this thesis is in the coaching/consulting industry. I want to create a company that helps other companies to improve their value from the inside to the outside of them. The opportunity that I see is a lot of companies don't realize their potential and I want to be the key for their success. Leaders of their companies must ask themselves: How can we change the mindset of my employees and make them realize that we are part of something bigger than just a job? The answer to this question will be the added value my company will bring to them.

The main objective of this master's thesis is to do a comprehensive study of the business coaching/consulting market in Bogotá, Colombia, and determine if it would be feasible or viable from a strategic and financial point of view to establish this new firm there. The project intends to identify the important market players, the current trends and dynamics in Colombia's coaching and consulting market, as well as the demand for services from both mid-sized and large businesses.

The work will also concentrate on studying the competitive environment, determining the unique value proposition that can be provided to clients, and examining the possible chances for a new consulting firm in the area. This study will further investigate how PATH consulting company may provide value to its clients by offering specialized solutions that address their unique demands.

Finally, the project will assess whether starting the consulting business is profitable by looking at the cost of starting up, possible income, and forecast profitability of the business. The objective of this project is to provide comprehensive information and help for the creation of a successful and attractive consulting business in Bogotá, Colombia.

Situational analysis

External analysis

Consumer Analysis

PATH is a mix between a consulting, coaching and mentoring firm that will focus initially on serving mid-sized and large companies in Colombia. To better understand our target customers and develop effective growth in sales:

PATH should consider the demographic characteristics of our target customers, such as size of the firm, income statement, sector, industry, main competitors, and geographic location. This information can help PATH adapt its services to meet the specific needs and preferences of our customers.

In addition to demographics, PATH should also consider the psychographic characteristics of its target customers or company leaders, including their values, beliefs, attitudes, and lifestyles. This information can help our company to develop messaging and relationships

that will be more effective with our target customers and differentiates the firm from our main competitors. This analysis is especially relevant for us because of the type of service that PATH is going to provide to its clients so we can understand much better the psychology of the leader.

PATH's target customers are likely to have complex business needs that require specialized consulting services. We can develop consulting services that provide better value added to our target customers and differentiate us from our competitors. Additionally, we will consider clients that big consulting companies cannot take because of their size or budget.

For the buying behavior of our target customers, I want to focus on the leader of each business that we want to attract, we will focus on his/her decision-making process and brain dominance behavior, so we can engage in the best way to our target customers.

Overall, a thorough consumer analysis is essential for our business that seeks to effectively serve its target customers and achieve long-term success. By understanding the demographic and psychographic characteristics of our customers, their business needs and their buying behavior, PATH can develop consulting services that provide value to our target clients and stand out in the competitive consulting market.

Segmentation

The unique business requirements of the clients could serve as the basis for a segmentation strategy for PATH. For instance, some businesses could need more help with budgeting and strategy development, whereas others might require help with team reorganization or mergers and acquisitions. PATH might also think about segmenting its clients based on the amount of consulting services that they require, providing specialized options for businesses looking for market research or C-level coaching.

The geographic location of the potential clients is another factor that PATH will take into account when segmenting its target clients. Despite the fact that the company's headquarters are in Bogotá, there may be potential to service clients in other Colombian towns or regions, each of which has its own distinct market conditions and business requirements. Understanding these variations and adjusting our services in accordance with them allows PATH to provide better customer service and build a solid reputation across a variety of sectors.

Overall, segmentation will be a crucial component of PATH's business strategy since it enables us to concentrate our experience and resources on the clients who will profit the most from our services and to provide solutions that are specifically adapted to their needs.

Targeting

PATH can focus on establishing relationships with important decision-makers, such as CEOs and top executives, in order to effectively target mid-sized and big businesses. To raise our

profile and reputation in the industry, we may network with other professionals by attending events and conferences.

PATH might conduct extensive research to find prospective clients and their particular requirements to target businesses who are dealing with complicated business difficulties. We might also get in touch with our current network and request recommendations or referrals. We may position ourselves as a trusted and dependable partner for businesses facing difficult business challenges by developing a solid reputation for offering specialized solutions and achieving quantifiable outcomes.

Understanding potential consumers' spending power and willingness to pay for advisory services is another crucial aspect of targeting them. PATH may adapt to a variety of customers with differing budgets and wants by providing various service levels and pricing alternatives. Potential clients could also benefit from complimentary consultations or initial meetings as a way for us to show off our knowledge and worth.

PATH's targeting approach should, in general, put an emphasis on developing relationships, doing research, and providing customized solutions to businesses facing tough situations. We should also be adaptable with our pricing and service offerings to appeal to a wide range of customers.

Positioning

We could position ourselves as a boutique consulting firm that provides high-quality, customized solutions for mid-sized and large companies. PATH could emphasize its expertise in various industries and its ability to build strong relationships with clients. Additionally, we could differentiate from larger consulting firms by emphasizing our personalized approach and agility in responding to client needs.

Overall, this strategic marketing approach would focus on targeting mid-sized and large companies in a variety of industries, positioning PATH as a firm that provides customized solutions, and emphasizing our expertise and strong client relationships. This approach could help the company differentiate from larger competitors and attract clients who are looking for a more personalized and adapted approach to consulting services.

Pestel

Political Factors:

Colombia used to have a stable democratic government, but since last year it's facing some political challenges, as in 2022 Gustavo Petro won in the presidential elections and it's the first time in history that a left party won the presidential election and a lot of instability in the future of the country is growing every day. Additionally, corruption, disagreement in the congress and political tensions increment. The government has implemented policies

to combat these issues, which may impact the private sector and the consulting industry as well. (Lewin, J. E. 2023, February 15).

If we focus on the fiscal policies in Colombia the government is implementing a tax reform that seeks to raise 20 billion Colombian pesos (3.900 million in euros) to invest in social programs and decrease the deficit of the country. To achieve this, the government has implemented some new taxes that could affect the creation of our company and our potential clients (Morales, V. L. 2022, August 12).

First, an increase in the rent surcharge for the financial sector of 5% paying at the end 40% between 2023 and 2027, these could affect the clients of the banks due to an increment in the interest rates of their loans or new fees that lead to lower profitability to the final customer. (INFOBAE. 2022, November 18).

Finally, wealth tax, the increment of taxes will be progressive with rates of 0.5% for those who have more than 3,000 million pesos (588.000 euros), 1% for those of more than 5,000 million pesos (980.000 euros) and 1.5% for those of more than 10,000 million pesos (1.960.000 euros). (INFOBAE. 2022, November 18).

There are more increases in taxes for oil production, junk food, one time use plastic that we are not going to focus on these TFM.

Economic Factors:

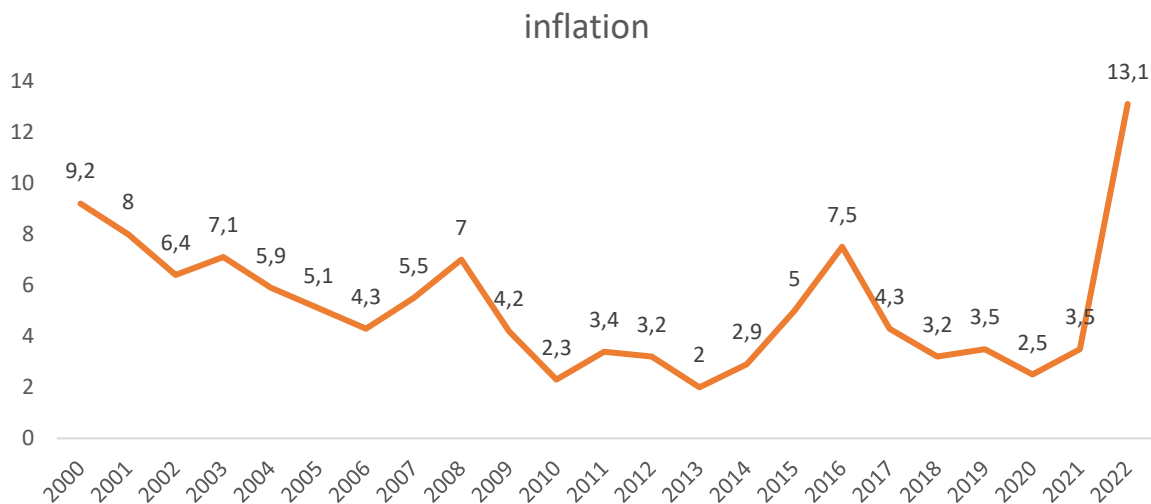
Colombia has experienced steady economic growth in this century, as you can see in exhibit ¹, the growth of the country has been between 0% and 6% with an average of 3,8% but it has also faced some challenges since the beginning of the pandemic, not only being more unstable but increasing income inequality and higher unemployment rates.

Exhibit ¹: Economic growth of Colombia. World Bank Open Data. (2023)

Economic Growth



Exhibit 2: Inflation in Colombia – source: World Bank Open Data. (2023)



Additionally, the inflation in Colombia has a moving average in the last 22 years of 5,18% and in 2022 the country reaches an inflation of 13,1% being the biggest one in this century. However, the government has implemented policies to address these issues, targeting to reach the levels before pandemic and maintain a stable growth in Colombia to be attractive again for investors, said that we can imply that this may benefit the consulting industry due to the government need to decrease the unemployment rates and the interest rates to incentive the economic growth again in a stable way in the midterm.

At the end of January of 2023, the interest rates impose by the central bank of Colombia reach an interest rate of 12,75%, reaching a new maximum on rates in this century and

this is affecting every business in the country due to the amount of money they are losing on interest. (BBC News Mundo. 2022, May 6).

If I want to create a firm that will require debt for their operations, it's very important to understand that the interest rates in Colombia are higher than Europe and the US and our capital will be affected if we do not focus on control over our expenses or the capital structure of the company.

Social Factors:

Colombia, like the vast majority of Latin American countries, have an organizational culture in companies that is a little more hierarchical where the boss is the highest authority and normally everyone obeys or does what the highest authority says, without questioning whether what we are doing is the best option. In recent years thanks to globalization and more trained personnel in companies, the structure is now much more collective, which is why the boss has had to learn to lead and trust his employees depending on their qualities and don't focus on ordering them what to do all the time. This is why we believe that PATH can help these bosses transition and become excellent leaders by understanding themselves and their team.

Technological Factors:

Colombia has made significant investments in developing its technology infrastructure, including increasing internet access, and implementing e-government initiatives. (Higuera, J. M. (n.d.). 2023) The coaching / consulting industry can leverage these advancements to improve their services and delivery faster. PATH can focus on increasing internet penetration and developing a technological culture not only in the inside of the company but provide a complete website for clients so they can access in the easiest way to our products. As a company, it's important to stay up to date with technological advancements to remain competitive and offer innovative and easier solutions to our clients.

Environmental Factors:

Colombia has significant environmental factors, it's the second country most biodiverse in the world and one of the TOP countries in natural resources, but it also faces environmental challenges, including deforestation in the amazon region and faces climate change challenge. PATH want to be an environmentally friendly company where we can develop sustainable practices inside the business by reducing the carbon footprint and increase the recycling culture.

Legal Factors:

The civil law-based legal system in Colombia offers a favorable climate for international business. However, despite government efforts to make the legal system more efficient, it

continues to be known for being complex and inefficient because for every petition, it usually takes months to process. This may significantly affect the consulting sector's capacity to deliver quick and effective services. Legal processes that take too long can cost money since projects aren't finished on time and clients miss their chances.

Given these circumstances, it is crucial for consulting companies like PATH to collaborate with informed, competent lawyers who are familiar with Colombia's legal system. They can assist us in ensuring compliance with any relevant laws and rules, such as tax and labor legislation, and in overcoming any obstacles that may occur in the legal system. This will make it possible for us to give our clients trustworthy counsel that is unimpeded by legal issues.

Porter five forces

Threat of New Entrants:

The consulting industry in Colombia has relatively low barriers to entry. The industry is not heavily regulated, and it is possible for new firms to enter the market and offer consulting services. However, established firms in the industry like EY, Mckensey and PWC may have economies of scale and established client relationships, which could make it difficult for new entrants to gain a foothold in the market. However, there may be opportunities for a new company to differentiate itself by offering specialized services, new products like brain dominance services and team organization or leveraging innovative technology.

Bargaining Power of Suppliers:

It is important to highlight that the main service we offer, and the value of our employees is the knowledge that they can offer, it's a cognitive service.

Although the consulting sector needs highly qualified professionals to deliver its products and services, suppliers negotiating power is still weak in Colombia. This is a result of both the market's abundance of highly skilled professionals and the fact that many of them are self-employed. (Diario La República. 2023) When it comes to finding qualified personnel, consulting companies have several possibilities, which limits the bargaining power of individual suppliers. As a result, consulting businesses are better positioned to negotiate with their suppliers for advantageous terms and pricing, which may raise the overall profitability.

Additionally, we can search for a data storage or a software company that help the logistic and operations of PATH to improve our efficiency. Right now, there is a lot of companies offering these services and will allow us to select between a variety of products with a good price reducing the threat of supplier's power.

Bargaining Power of Buyers:

The bargaining power of buyers is high in the consulting industry in Colombia. There are many consulting firms operating in the market, and buyers have a wide range of options to choose from. Additionally, buyers may have significant negotiating power due to the competitive nature of the industry. If PATH wants to succeed in the market the products that we have to offer to the customers has to be differentiated and customers should clearly see the value creation or benefit for them if they choose us.

For new clients to change from another firm to us could be impacted in two different ways, first, clients may need to invest time and resources to start at PATH like giving information, explaining business processes, and training the team members. The other one can be the fees that clients must pay to leave their consulting / coaching firm. Because of these reasons PATH will focus on provide an excellent service with the highest quality and expertise, deliver a customize solution depending on the client needs with a competitive price where our potential clients prefer to come with us and start establishing a strong relationship with them to increase our clientele.

Threat of Substitutes:

The threat of substitutes is moderate in the consulting industry in Colombia. While there are no direct substitutes for consulting services, buyers may choose to use in-house resources, outsourcing to other countries or hire freelancers to provide similar services.

By demonstrating the unique value that PATH's services will provide, such as expertise, customized solutions, and strong relationships, we can justify the cost of our services and differentiate the firm from competitors. In addition, we want to provide a clear and transparent pricing and billing practices to help clients understand the cost of the services and how they can compare to alternative options in the market. This will help build trust and confidence with our clients and demonstrate the value of PATH services.

Although the cost of substitution can be significant for clients seeking alternatives, it's important to focus on delivering the services previously mentioned to minimize the risk of substitution and demonstrate the unique value that PATH can provide.

Rivalry:

The intensity of competitive rivalry is high in the consulting industry in Colombia. There are many consulting firms operating in the market, and firms may compete on quality, reputation, and expertise or a few of them on price.

However, established consulting firms may have a competitive advantage due to their reputation and expertise. To mitigate this threat, it's important for PATH to build a strong reputation and track record and develop specialized expertise in certain areas.

Each top competitor has its unique value proposition and differentiation against other companies, for example, EY is known for its client-centric approach and expertise in digital

transformation, McKinsey for its deep expertise in strategy and data-driven approach, and PwC for its ability to leverage technology and build long-term client relationships. To enter in the market, you have to bring a new value proposition that people consider relevant to acquire or improve what already exists but this top companies already have a big portfolio of clients that are loyal to their services.

In conclusion, after all of the above, the consulting industry is attractive for PATH to enter for different reasons, the amount of companies that need our services and we would love to be their choice, there is an attractive profit with competitive prices, we can grow significantly in Colombian market due to is not completely develop in these industry and despite there is stablish competitors we will focus on deliver the best service to grow in the next years.

Internal analysis

Business Model Canvas

- Key Partners:

Other consulting firms or technology providers for potential partnerships and collaboration

Independent consultants who can provide potential clients to the company and increase the activities of the company

Our clients will be the best marketing for PATH due to their satisfaction after our services because they can recommend us to new potential clients

Professional networks and associations for business development and customer insights

- Key Activities:

Consulting services for mid-sized and large companies across a variety of industries

If we are going to focus on the consulting services by project:

Meeting with our clients to be aligned on the problems they want us to solve

Diagnosis of the company to assure we are focusing on the relevant problems, **Analysis** in each company's problem and **presentations** providing solutions that we consider relevant to help our client to implement them to the company

Control and follow up of the process of the clients to assure the success of our clients

If we are going to focus on team structure and growth of the leadership, we will focus on:

Brain dominance test and leadership dominance test to understand the team we are going to approach

Group activities: “Asumiendo lo nuestro”, “Del Micro al macro”, “Cambio o la vida me cambia” and “Somos lo que pensamos” presentations with leaders their teams to provide a growth in the personal and professional development of each team

Leaders and team **one to one** meetings to understand what the main problems is, the company needs and focus on the best solutions for the client

Customizing and presentation of solutions to meet the specific needs of clients

Follow up of the process and results presentation with videos to assure the growth of each participant

Building and maintaining strong client **relationships** for further programs or recommendations of the company

- Key Resources:

Experienced team of consultants with expertise in various industries

Build a strong reputation and track record in the consulting industry

Technology and tools for delivering services and collaborating with clients

Clients that big consulting companies can not take because of their size or budget

- Value Proposition:

Customized consulting solutions for mid-sized and large companies across a variety of industries.

In PATH we want to provide a complete program where our clients can evidence that we want to achieve with them the best results, for that we want to start with some coaching questions so they understand what are they focusing on solve, the consulting approach that will be the diagnosis and the tools to fulfill the target they want to achieve, and finally the mentoring part that is with the knowledge and experience of our consultants take the best path to deliver the best result. With this our clients will receive a complete program to solve their problems the best way possible.

Our value proposition is for our clients to understand that PATH is offering a service that combines consulting, coaching, and mentoring to help them address the decision-making process of leaders in the what, when, how and how much of their problems. Helping our clients understand and solve these problems will provide an aggregated value in our services that will increase our attractiveness. We will provide our clients flexible and specialized services so they can benefit as much as they want.

Expertise in various industries and ability to build strong relationships with clients

High-quality services adapted to the specific needs of clients

In the VRIO analysis I will deepen topics about the value of our products and how can PATH differentiate against main competitors.

- Customer Segments:

Mid-sized companies: These will be companies that have between 50 and 500 employees and are looking for consulting services to help them improve their operations, grow their business, or overcome specific challenges.

Large corporations: These are companies that have more than 500 employees and have complex operations and diverse business units. They require consulting services to help them organize the leadership of the company, optimize their operations, increase the efficiency of their processes, and develop new strategies to increment or maintain their market share.

Government organizations: These are government agencies at the national or regional level that require consulting services to improve their operations, increase efficiency, and deliver better services to citizens.

Startups: These will be focused on newly established companies that require consulting services to help them develop business plans, organize the leadership of the company depending on the needs of the startup, acquire funding, and establish their operations.

By targeting these four customer segments, PATH can provide adapted solutions that meet the specific needs of each group, while also leveraging its expertise and experience in various industries and sectors. This can help the company build a strong reputation and establish itself as a trusted and reliable consulting partner for businesses and organizations in various fields.

- Channels:

Personalized sales and marketing efforts targeting mid-sized and large companies

Professional networks and associations for business development

Professional media channel like linkedin

Participation and networking on relevant events that can promote PATH

Mails contacting C-level officers to offer our services

Referrals from satisfied clients that will increase their loyalty in the midterm

- Customer Relationships:

By creating personalized solutions that respond to each client's unique demands and expectations, a personalized approach to customer relationship management is achieved. This can promote long-term cooperation and the development of solid client relationships.

PATH might keep in touch with clients on a frequent basis through phone calls, emails, and meetings to keep them informed about the status of projects and to answer any queries or issues they may have.

Customers' opinions about the caliber of the company's services might be gathered, and the company could use this data to enhance its operations and service selection.

The business might concentrate on building long-lasting connections with customers by exceeding their expectations, offering high-quality customer service, and showing a genuine interest in their business and success.

PATH can establish a solid reputation, promote long-term client relationships, and boost customer loyalty and retention by putting these customer interaction ideas into practice.

- Revenue Streams:

The primary revenue stream for PATH would be the fees we charge for our consulting services. These fees could be structured as hourly rates, project-based fees, or retainer-based fees, depending on the needs of the client. We would like to focus our prices on the project-base fee depending on two things, how many workers will do the program, how many sessions are we going to do and finally the level of the problem the company wants to solve.

In price point (section 6. Marketing plan a. 4P analysis II. Price) it will be explaining in detail the calculation of the tariffs and simulation for a project. As I have already said, it depends on the amount of people involved in the project, for this PATH will impact an average of 50 people per project and around 8 leaders. After all the sessions PATH will charge around € 24.600 for the project and it will be around €500 per participant. PATH can be in 14 projects per year depending on the number of consultants and distribution of the time.

Finally, my consulting company could generate revenue by receiving referral fees from other businesses or service providers for referring clients to them.

By diversifying our revenue streams, PATH can increase its profitability, reduce its reliance on any one revenue stream, and provide more value to our clients.

- Cost Structure:

Salaries and benefits for the team of consultants, accountant, lawyer, and secretary

Technology and tools for delivering services and collaborating with clients

Marketing and business development expenses

Overhead costs such as office space and utilities

Overall, our Business Model Canvas is trying to show the key elements of PATH's business model, including the value proposition of customized consulting solutions, customer

segments of mid-sized and large companies, and the channels and customer relationships used to acquire and maintain clients. The company could generate revenue through project-based consulting fees and potentially recurring revenue from ongoing consulting relationships with clients. The cost structure includes the basic, salaries and benefits for PATH's team, technology, and tools for delivering services, and marketing and business development expenses.

VRIO

Value: The consulting services offered by PATH provide value to clients by addressing complex business needs and helping our clients achieve their goals in the short-mid term

We will offer our clients flexible and specialize services so they can benefit as much as they want, we want them to understand that PATH is providing a service with a mix between consulting, coaching and mentoring that will help our clients to address the **WHAT, WHEN, HOW** and **HOW MUCH** of their problems. With those attributes PATH can differentiate more against competitors and bring a unique value to its clients helping us to be more competitive and attractive to the market.

Rarity: The team's expertise in various industries and ability to offer customized solutions is relatively rare in the market, which could give the company a competitive advantage.

Additionally, the product that we are offering is not common in the majority of the consulting firms, usually they focus only on the consulting part, the analysis, and the delivery of the product, we want to provide our clients different approaches and questions with a wide variety of tools and expertise to accompany them in the process so they can achieve their goals the best way possible while understanding their brain dominance and potentializing their best attributes. We can show our differentiation in the market to become a more attractive company in the mid-term.

In the next table we can evidence the services provided by the biggest consulting firms in Colombia. After seeing all their services, I will focus on the ones that could be a threat for PATH. In the second table we can find the services and products that are focused on human resources, leadership, or Management. First, EY does not count with a product similar and focus more on the organization of the work force instead of the leaders. On the other hand, McKinsey has three services that could start threatening PATH, the management program is focus on helping middle managers with the management and leadership competencies needed to lead teams and drive change, usually they focus on the performance but don't help them to understand their brain dominance and their teams. Aberkyn focus on leadership and culture transformation community. The purpose is to help leaders be a force for good. And Finally, OrgSolutions applies data and rigor to the most important organizational decisions in the human resources of the organization and we are not focusing on that.

Accenture provides a product of equality on the organization; they don't focus on the leadership and team dynamics of their clients. Deloitte focus more on bringing good management of the employee experience and consider is a competitive advantage for any organization but do not provide the same product as PATH. After analyzing the services of the top main competitors of us, we can consider having a unique product that is not offer by our rivals and we can focus on this market.

Company	services	services
EY	Strategy Consulting transactions & corp finance Audit & finance	Taxes EY Legal services technology talent and workforce
McKinsey	Culture & Change M&A Diversity, equity & Inclusion Organization design	Enterprise agility Talent Leadership
Accenture	Automatization E-commerce business strategy Metaverse ecosystem services business process outsourcing finance consultancy client experience technology innovation	oper models supplychain management change management tech consultancy M&A Artificial intelligence Security sustainability Data & Analytics
Deloitte	Audit & assurance Consulting Risk asesory	finance consultancy Taxes Legal

Company	services	products
EY	talent and workforce	experience and change HHRR transformation integrated workforce mobility learning and development consultancy recognition and reward consulting workforce analytics
McKinsey	Leadership	Management program Aberkyn OrgSolutions
Accenture	change management	accelerating equality
Deloitte	Consulting	Human capital

Sources: (Accenture Colombia. (n.d.). Accenture.com. Retrieved May 18, 2023)

Crawford, S., & Di Sibio, C. Experiencia y gestión del cambio. ey.com. 2023)

Nuestro Trabajo. Mckinsey.com, 2023)

Imitability: Other consulting firms could potentially imitate the company's services and business model or products, but building the same level of expertise and reputation would take time, additionally an integration of PATH operation we consider that will take longer time to imitate.

In the mid-term we can become attractive for other companies or even big competitors, and they might try to replicate our product or buy PATH, now we want to focus on provide the best service and focus on the loyalty of our clients. Replicate our product will take some time and additionally our competitors do not count with the expertise of our team. If a good offer comes to the table, I will not consider selling the whole company, we can license our products to competitors or even lend consultants to help them, but initially we don't consider selling PATH.

Organization: PATH's organizational structure, services, products, and processes are designed to deliver high-quality services and build strong relationships with clients and address problem in a different way, which could be difficult for competitors to replicate.

SWOT

After all the analysis above and the comprehension of the external market and an introduction of our products (In 4P analysis I will explain more the product I will offer) I highlight in the SWOT analysis what is relevant to have into account for PATH

- Strengths:

Experienced team of consultants with expertise in various industries and sectors.

New product in the market that will be attractive for its uniqueness to new clients.

Unique and proprietary methodologies and frameworks.

Flexible and adaptable approach to consulting services.

- Weaknesses:

Limited brand recognition and awareness.

Relatively small team of consultants, which may limit the company's capacity to take on large projects.

Dependence on key personnel, with the loss of key team members potentially impacting the company's ability to deliver services effectively.

Lack of established track record and case studies.

Dependence on a small number of key clients for a significant portion of revenue.

Limited marketing and advertising resources.

- Opportunities:

Unique product that can be exploited in the market.

Main competitors focus on different products there's a niche that can be satisfied.

Build a strong network of contacts and relationships with potential clients due to exceptional services and follow up with them.

Potential to leverage the company's unique methodologies and frameworks to establish itself as a good competitor in the consulting industry.

- Threats:

Increasing competition in the consulting industry, particularly from larger firms with greater resources.

Economic instability or downturns, which may reduce demand for consulting services.

Political instability or regulatory changes that could impact the company's ability to operate in certain markets.

Rapidly changing technologies and industry trends, which may require significant investment in training and development to keep up with.

Market Research

Survey development

A survey was conducted among approximately 500 to 900 individuals using a Google Forms questionnaire, it was shared on LinkedIn, Instagram and whatsapp, with a total of 88 responses obtained. It is important to note that this sample is considered relatively small and may not be fully representative of the target population. However, the survey serves as an initial exploration to gather insights and understand certain perspectives. To generate a more significant sample, PATH is going to conduct the survey to wider population and more targeted on company's leaders, ensuring a more representative and focused approach.

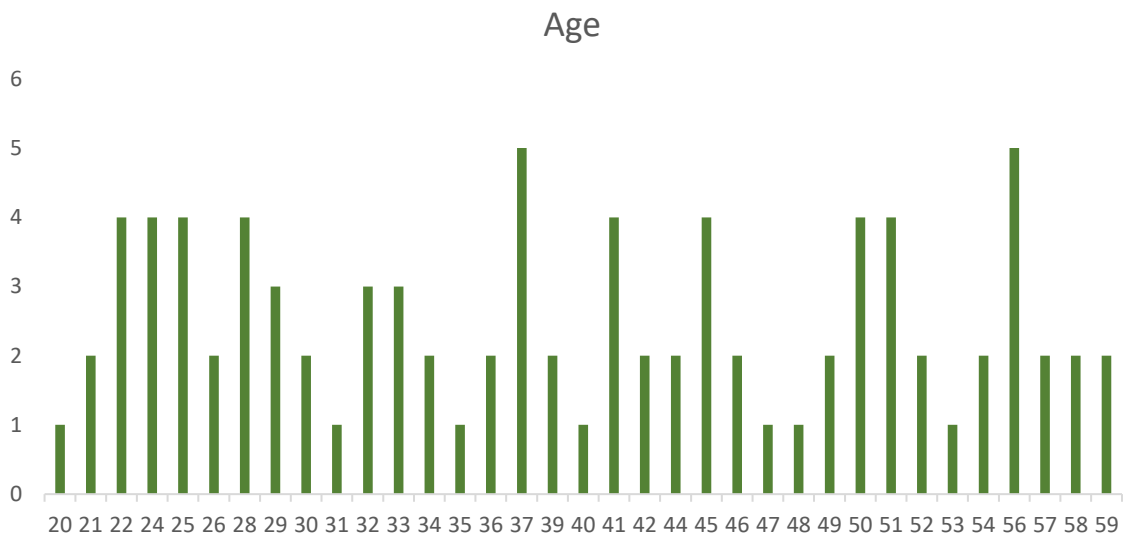
The questionnaire done contains the following questions:

- How old are you? As an open answer in numbers to understand the age of people consider relevant a consulting service
- What is your current occupation? They can select between: Student, Employee or Independent. With this information we can see which is the most common occupation of the survey
- Which position do you currently have? I try to organize it in Jr position, Sr position,

Manager, Director/CEO and NA (do not apply) to understand which position considers more relevant to acquire a consulting service

- Do you know any consulting company? Binary answer
- If your answer is “Yes”, which ones? Open answer to start understanding which is the most common or biggest competitors and focus on them
- Have you ever hired a consulting service? Binary answer
- How much are you willing to pay for those services? Range of prices bellow 20.000€, between 20.000€ and 30.000€, between 30.000€ and 50.000€ and above 50.000€
- What do you expect of the consulting company? Open answer

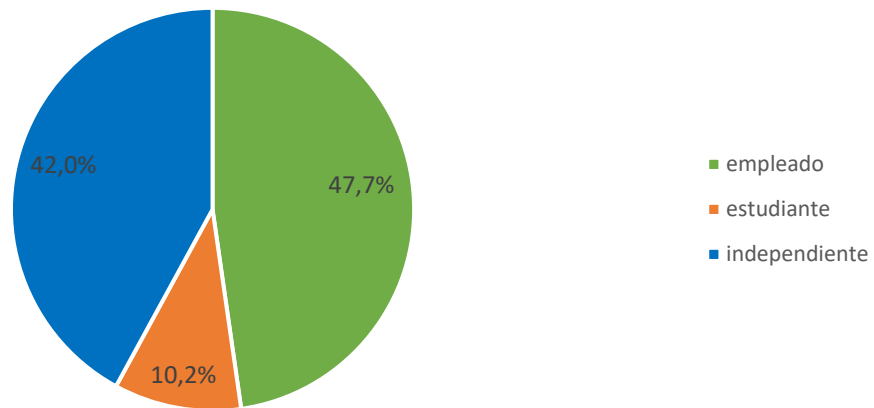
Survey results



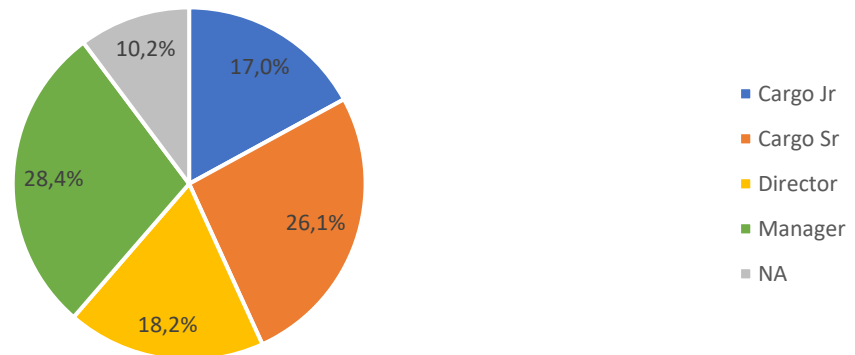
In the first question the average age of the people that respond the questionnaire was 39 years old where the youngest person that answer was 20 years old and the oldest person only 59. These numbers might not say too much but we can group them in three groups people below 30, people older than 50 and people between 30 and 50.

100% of people above 30 know a consulting firm, but people between 20 to 30 years old only 29% of them knows a consulting firm, we will focus more on the answers of people above 30. In term of the occupation, we will focus on the people employed or as independents not in the students and all of the students that replied the survey were below 30.

occupation



Job title



Finally, we will focus on people with higher job title than Sr, we want to know the responds of manager and director for this survey because we want to focus on the leaders of each company. After these filters for our responses, we will focus on people older than 30, working as an employee or independent with a job title of manager or director, at the end we end up with 36 people and their responses will be helpful to understand what our potential clients would identify with us.

After narrowing our group of people, I separated them in two groups, the ones that already acquired in the past a consulting service and the one who don't. with these I can focus on understanding what value they consider relevant to buy a consulting service, which companies do they consider initially and what do they expect from the consulting company.

PRICE	Haven't acquire	Have acquire	TOTAL
€20.000 - €30.000	22,2%	13,9%	36,1%
€30.000 - €50.000	13,9%	11,1%	25,0%
<€50.000	8,3%	5,6%	13,9%
>€20.000	19,4%	5,6%	25,0%
TOTAL	63,9%	36,1%	100,0%

After analyzing the results, the majority of the directors and managers are willing to pay between € 20.000 to € 30.000 for a consulting service or project, people who have already acquired a service in the past is willing to pay sometimes more, depending on the size and relevance of the project, while people who haven't bought a consulting service before, 64% of the people who answer, is tempted for a lower price. We can consider price between € 22.000 to € 28.000 is affordable for potential customers and at the same time competitive in the market when most consulting firms charge around € 20.000 to € 30.000 (Torres, I. 2022, May 5).

In term of which are the first consulting firms that comes to mind to all the people who answer the questionnaire when they are asked about it are EY, Accenture, Mckinsey and BCG, with a total of 52, 48, 35 and 26 respectively, each person can put one to three consulting firms, as we analyze the competition before EY focuses on digital transformation, strategy, and operations, instead of brain dominance on leaders.



Finally, in the survey most people respond what they were expecting of a consulting firm with these five answers. They expect that the company possess specialized knowledge and experience in their industry, providing valuable services and solutions.

On a second position, people look for consultants who can effectively identify and address complex challenges, offering practical and actionable solutions. Additionally, the responders seek consultants with a proven track record and a strong reputation for delivering trustworthy advice, ensuring confidence in their recommendations.

Another point is that clients value consultants who understand their unique business needs and can offer customized solutions that align with their specific goals and objectives. Finally, people who answer the survey expect consultants to deliver tangible outcomes and a positive return on investment, whether it's improving financial performance, operational efficiency, or non-financial growth.

Marketing Plan

4 P Analysis

Product

PATH's primary product offering is a comprehensive consulting program that includes both group and individual sessions. The program is designed to provide personal and professional growth opportunities for key leaders and teams within mid-sized and large companies in Colombia, while also delivering tangible benefits for the organization as a whole.

The group sessions consist of five sessions where PATH presents initially a personal growth services to the client and then we focus on the professional part, while also providing customized tasks that each participant is expected to complete. These tasks are designed to help participants develop new skills and insights, which can be applied to their work and personal lives. The group sessions provide a unique opportunity for participants to interact with one another, share their experiences and perspectives, and learn from one another as well form themselves.

In addition to the group sessions, PATH offers individual sessions for each participant, providing a more personalized approach to consulting. During these sessions, PATH consultants work closely with each participant to assess their strengths and weaknesses, identify areas for improvement, and develop strategies for personal and professional growth. Through this process, PATH helps participants to increase their value to the company and maximize their potential.

One of the key benefits of PATH's consulting program is its ability to identify which employees have the potential to contribute the most to the organization. By assessing the strengths and weaknesses of each participant, PATH can help companies make informed decisions about team structure, promotions, and other incentives that can help to retain top talent.

In addition to identifying top performers, PATH's consulting program also helps companies to identify areas where improvement is needed. By pointing the employees who are not contributing to the company's growth, PATH can help companies to make tough decisions about restructuring or downsizing.

Finally, throughout the consulting program, PATH focuses on solving the problems that its clients want to address. Whether it's developing a new growth strategy, analysis of financial structure and strategy to improve it, develop an analysis of financial problem that the company considers relevant our help, reorganizing teams, or conducting market research, PATH works closely with its clients to deliver customized solutions that meet each client specific needs and objectives.

The second product that we want to offer is going to be more focused on a consulting service, where our clients can separate it in different approaches such as corporate strategy, competitive strategy, functional strategy, and financial strategy. They can choose if they want to approach all of them to fulfill their objectives or if they only need one of them.

If we focus on the corporative strategy product it will be a program where we will provide four sessions with our clients to understand what they want to position themselves on the market and to organize the company to fulfil the vision of our clients. In each session PATH will provide initially a follow up and a proposition to control the progress of the client.

In the case of the competitive strategy, we will provide four sessions that will focus on the benefits that our clients can provide to the market and how can them exploit it to become a better-known brand and increase their market share.

Finally, if our clients want to focus on the functional strategy, we will begin with four sessions starting with a diagnose of the operational functions of the company and how can they rearrange to be more effective in each business unit and become more productive from the inside to the outside.

Our clients can choose if they want to take one, two or all of our products depending on their necessity, additionally we will offer a financial support to follow the process of the program.

Overall, PATH's consulting program provides a comprehensive approach to personal and professional development, while also delivering tangible benefits for mid-sized and large companies in Colombia. By combining group and individual sessions, PATH helps companies to identify the best solution in different problems that any company could present additionally select top talent, improve areas of weakness, and solve the issues that matter the most to our clients.

Price

Our prices will vary depending on the service that our client needs, the number of sessions they require, size of the group we are going to help, the amount of time that the company

needs our services, the size of the company and problem we will address and finally the number of consultants they require for the service.

In the next table you can find a simulation of a project. As I have already said, it depends on the amount of people involved in the project, for this example and one assumption that I will have for the finance of PATH is that the average amount of people per project will be 50 people, with 8 leaders in the company, meaning each leader will have a team of around 5. If they buy a complete project that comes with 4 group sessions, 32 individual leader sessions, 32 follow up with the leader and his/her team, we will need 50 brain dominance and 50 emotional intelligence tests and a closure session with the results of the project. After all of this, PATH will charge around € 24.600 for the project, and it will be around € 500 per participant.

Coaching y Mentoring en liderazgo			
Descripción	Cantidad	Valor Unitario	Valor Total
Ejecutivos en el programa de coaching y mentoring	8		
Total empleados dentro del programa	50		
Total sesiones de coaching ejecutivo por líder	4		
Total sesiones de coaching del líder y su equipo	4		
Sesiones de coaching y mentoring en liderazgo de equipo	4	1.000	4.000
Total sesiones de coaching ejecutivo	32	150	4.800
Coaching de equipo para acompañamiento a cada líder y su equipo para alinear y ajustar brechas de la implementación de las herramientas en el proceso. Son sesiones de una hora.	32	150	4.800
Test de neurociencia de estilos de liderazgo	50	100	5.000
Test de Inteligencia Emocional	50	100	5.000
Cierre del proceso, presentación de resultados de cada participante	1	1.000	1.000

Inversión Total	24.600 €
Inversión promedio por ejecutivo	492
Inversión promedio por ejecutivo mes	41

Each project will take about six months to be executed between the group and individual sessions and for each session the whole day will be dedicated exclusively for the client, meaning that it will take around 15 days to complete the whole project in the 6 months. Take into consideration the holidays in Colombia (18 per year) and vacations days (15 per year) and days to negotiate term with potential clients we will have around 212 working days, if we divide the amount of working days by the total days of each project we will be able to have 14 projects per year, if we want to increase the amount of clients or project per year we will need to acquire more consultants.

Cronograma		Mes 1				Mes 2				Mes 3				Mes 4				Mes 5				Mes 6			
Descripcion	sesiones de equipo	SM1	SM2	SM3	SM4	SM1	SM2	SM3	SM4	SM1	SM2	SM3	SM4	SM1	SM2	SM3	SM4	SM1	SM2	SM3	SM4	SM1	SM2	SM3	SM4
Diagnostico	dominancia cerebral	x																							
	inteligencia emocional	x																							
Conocernos	Somos lo que pensamos	x																							
	coaching ejecutivo			x																					
	coaching lider y equipo					x																			
Potenciarnos	Del micro al Macro						x			x															
	coaching ejecutivo										x														
	coaching lider y equipo											x													
Asumiendo	Asumiendo lo nuestro													x											
	coaching ejecutivo														x										
	coaching lider y equipo															x									
Gestionarnos	Cambio o la vida me cambia																	x							
	coaching ejecutivo																			x					
	coaching lider y equipo																				x				
Logrando	Cierre del programa																								x

Project day	15
Work days	260
WD- vacations -	
holidays	212
Project per year	14,1
Revenues per year	347.680

We consider that PATH will not start the first year full of clients and we implemented three scenarios the optimistic scenario with 14 projects per year, realistic with 8 and pessimistic with 5 impacting the revenues on each of them. For the financial analysis I will take into account the realistic scenario plus an 85% percentage of assistance.

optimistic	realistic	Pesimistic
14	8	5
344.400 €	196.800 €	123.000 €

Place

Initially, PATH would offer its services in its own website, additionally via LinkedIn and with meeting with the leaders of companies, we will start by connecting with potential customers and explaining about our products then we can arraign a meeting with them. Clients additionally can call us if they need more information about the company or products, we will attend events to promote the brand and acquire potential clients.

In term of visiting an office, initially we will not have a point where our clients can come to discuss about the services but depending on the performance and other factor we will consider stablishing in an office.

Promotion

For the promotion we will promote ourselves with our clients and external consultants that will bring new clients, we can offer a referral program that if our clients bring a new client, we can offer a 5% discount for their next program purchase and if a consultant brings a new client, he will get 1% of the revenues for the services that the new client purchase.

In case of the discounts for a new client it will depend on each client, but we will standardize our prices on each category of service provided so at the end it will depend on the revenues that this new client can bring to the company, the problem addressed to be solve, the amount of executives that will be on the program, and the amount of sessions our client will need, we can consider a maximum discount of 5 to 10 percent depending on the profit that we will receive.

Operational Analysis

PATH would focus on delivering high-quality and customized services to its clients. This would involve understanding the unique needs of each client and developing solutions that are adapted to the client needs. PATH would need to ensure that our team of consultants has the necessary skills and expertise to deliver the best solutions, and that we have access to the right technology, analysis, and tools to support the service we want to achieve.

The company would need to focus on managing and developing its team of consultants. This would involve recruiting and hiring the right people, providing training and development opportunities to help them grow and improve, and providing ongoing support and feedback to ensure that they are delivering high-quality services to clients. PATH would also need to establish clear roles and responsibilities for each team member and ensure that they are working together effectively to deliver great solutions to clients.

PATH would also have to concentrate on managing client connections. This can be interpreted as building solid relationships with customers, getting to know their wants and needs, and making sure the business is coming up with and implementing the best solutions for our clients. In order to ensure that clients are receiving regular updates and progress reports on their projects, PATH would need to set up effective channels of contact with them via email, phone calls, and other meetings.

We would need to focus on managing our finances effectively. This would involve setting clear financial goals and targets, developing, and implementing a structured and well-balanced budget, monitoring expenses and revenues, and ensuring that the company is generating sufficient projects to cover our costs and generate a profit. We also need to establish clear billing and payment processes with clients and employees and ensure that all of them are receiving payments on time.

Finally, we need to focus on developing and maintaining the right technology and infrastructure to support all of the operations. This would involve selecting and implementing the right software and tools for delivering services and collaborating with clients the best possible way, ensuring that the company's data and information is secure and protected, and ensuring that the company has the right physical infrastructure to support all the meeting and operations.

In this operational analysis I want to highlight the key areas that PATH should focus on to ensure that it is delivering a high-quality and customized products and services to our clients, managing a competitive team and client relationships effectively, managing properly our finances, and developing and maintaining the right technology and infrastructure to support all of our operations. By focusing on these areas, PATH might ensure that it is going to be able to deliver greater value to our clients while also achieving the business goals while generating a profit.

Human Resources

First, there should be the CEO/consultant who would oversee managing all aspects of the firm, including client management, business development, and financial management. In addition, I would be in charge of recruiting new customers for the business and provide consulting services to existing customers. If we consider having a board of directors, that initially will not be the case but in the long term could be necessary, I will have to report directly to the board of directors and would be responsible for providing them overall performance of the company.

Second, the consultants, they would be responsible for delivering consulting services to our clients. PATH would be interested on hire 3 to 4 consultants initially. They would need to have expertise in various industries and be able to understand the different needs that our clients will bring to the company, develop customized analysis and solutions that meet each unique needs of each client and maintain a great relationship with them.

In the other hand, we consider relevant to have an accountant in the company. They would be responsible for managing the financial operations of the company, including developing and implementing a budget, monitoring expenses and revenues, and ensuring that the company is generating sufficient revenue to cover its costs and generate a profit. We can consider having a lawyer that would be responsible for managing legal operations of the company, including ensuring compliance with relevant laws and regulations, managing contracts but it would be better for PATH to externalize both positions and reduce our costs of have two more people in the company when they're not going to be a daily need.

The secretary would be responsible for managing administrative tasks for the company, including managing schedules, organizing meetings, calls for confirmation and cancelation, reservation for potential new clients meeting, and handling communications with clients and other stakeholders. Additionally, the secretary would report directly to the CEO.

Additionally, the consultants would report directly to the CEO or the consultant in charge of the client and would be responsible for delivering consulting services to clients. The accountant and lawyer would report directly to the CEO and would be responsible for managing the financial and legal operations of the company.

Overall, with these human resources organization we would ensure that each team member is responsible for their specific tasks and functional areas on the business operations and would establish clear lines of reporting and accountability. With a competent and skilled team in place, PATH will provide clients with outstanding services providing more success over the medium to long term.

Financial viability

Assumptions and calculations

For the financial analysis of PATH, I consider relevant to create an accurate WACC for Colombia. First, I brought the performance of the S&P 500 and T-bonds since 1928 until 2022 and do an average of each of them, as you can evidence that in the next image.

I1. Risk premium		
Year	S&P 500 (Rm)	T - Bonds 10y (Rf)
Average	11,51%	4,87%

Source: Historical Returns on Stocks, Bonds and Bills: 1928-2022 (Stern, nyu.edu, 2023)

After bringing the performance of the market in the last century I have to focus on the Beta of the company, Initially there is no Beta only for consulting industry but in (Stern, nyu.edu, 2023) I took the Business & Costumer services that can apply for PATH, the leverage Beta for the analysis will be 1,17 meaning that the company will outperform the market when there is an expansion in the market.

I2. Beta				
Segment	Firms	Average Beta	Market D/E Ratio	Unlevered Beta
Business & Costumer services	164	1,17	27,47%	0,97

I consider relevant to bring the Country Risk for the analysis of PATH due to Colombia is a developing country and still has more risk that a European country or the US, for this I took the historical monthly risk of Colombia since January 1999, but the country was unstable until May 2009, after the US market crisis Colombia improve its risk performance. For PATH I will take the average of the risk since June 2009 until March 2022, with an average of 2,32%.

13. Country Risk (EMBI)

Date	Colombia
Arithmetic average	3,24%
Grade point average	2,32%

Finally, I brought all the previous information and create the WACC for PATH, for that I calculate the Cost of equity of the company with the Rf, the leverage Beta and the Market premium, but I add the Country risk and the exchange parity to have a more realistic Cost of equity in the Colombian market, giving me a 15,9% of cost of equity.

In the other hand, right now you can ask for a credit in Colombia with an annual interest rate of 18% (Banco Davivienda, 2023). I consider having debt after the third year of operations to have tax shield it will decrease the cost of debt to 11,70%. With both costs of PATH, I calculate the WACC of the company, with the target D/A and E/A PATH will have a WACC of 15%. After this I can focus on the forecast of the company's operation.

14. Discount Rate

Rf (Bonos USD 10y)	4,87%
Rm (Prima Rm - Rf)	6,64%
Country Risk (EMBI Colombia)	2,32%
Leverage Beta	1,14
Unleverage Beta	0,97
D / E	27,47%
D / A	21,55%
E / A	78,45%
Effective tax rate	35,00%
exchange parity	0,98%
estimated Inflation COL	3,00%
estimated Inflation EUR	2,00%
Cost of Equity	15,90%
Cost of Debt LT	18,00%
Cost of Debt with Tax Shield	11,70%
WACC without Tax Shield	16,35%
WACC with Tax Shield	15,00%

As I talk before in the Price section, PATH will charge around € 24.600 for each project with 50 people, as we can see in the last image, the estimated inflation for Colombia each year is around 3% (Banco de la República, 2023), meaning that the price of each project will increase this amount per year. Initially, we will start with only 8 projects per year and will grow 1 extra project per year, I will consider that sometimes a few employees change of my client's company, or they can't assist so in 2024 only 85% of the people can finish the whole

process and each year we will increase one basic point until reach 96% in assistance by 2035.

After these three assumptions I calculated the sales of the company each year, starting with € 167.280 in 2024 and after 12 years of operations we will reach € 621.111 on revenues.

Sales forecast													
	G YoY	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Quantity	1	8	9	10	11	12	13	14	15	16	17	18	19
% of assistance sessions	1,0%	85,0%	86,0%	87,0%	88,0%	89,0%	90,0%	91,0%	92,0%	93,0%	94,0%	95,0%	96,0%
Average Price	3,0%	24.600	25.338	26.098	26.881	27.688	28.518	29.374	30.255	31.163	32.097	33.060	34.052
Sales		167.280	196.116	227.054	260.209	295.703	333.662	374.221	417.518	463.699	512.917	565.332	621.111

COGS forecast													
	G YoY	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Brain dominance test	3,0%	-40.000,0	-41.200,00	-42.436,00	-43.709,08	-45.020,35	-46.370,96	-47.762,09	-49.194,95	-50.670,80	-52.190,93	-53.756,66	-55.369,35
Emotional intelligence test	3,0%	-40.000,0	-41.200,00	-42.436,00	-43.709,08	-45.020,35	-46.370,96	-47.762,09	-49.194,95	-50.670,80	-52.190,93	-53.756,66	-55.369,35
COGS		(80.000)	(82.400)	(84.872)	(87.418)	(90.041)	(92.742)	(95.524)	(98.390)	(101.342)	(104.382)	(107.513)	(110.739)

If we focus on the COGS of PATH we will start with two variable costs that will depend on the amount of people that take the services that we provide, each brain dominance or emotional intelligence test cost € 100 and multiplied by the amount of clients we will have it will be a total variable cost of € 80.000 and it will increase each year as the inflation of Colombia is on average 3% (Banco de la República, 2023).

In terms of the SG&A of the company we can return to the human resources section where we talk about the amount of employees of the company. PATH will have 3 senior consultants and their salary will increase by 3%. The assistant will receive around € 1.500 in a monthly basis and an increase of 3% of their salary each year. As I said before I will outsource the accountant and lawyers of the company to decrease our expenses with a total of € 12.000 annually.

For the marketing costs PATH will pay for some events in the year to promote the brand and social media of the brand to increase its exposure and increase the company's projects. Finally, for the CEO I will charge 10% of the revenues of the company as salary. After all these assumptions the company will have an administrative cost in 2024 of € 137.000 increasing around 3% per year until reaching € 242.000 by 2035.

SG&A and Other Cost													
	G YoY	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CEO	10%	16.728	19.612	22.705	26.021	29.570	33.366	37.422	41.752	46.370	51.292	56.533	62.111
Consultants	3,0%	90.000	92.700	95.481	98.345	101.296	104.335	107.465	110.689	114.009	117.430	120.952	124.581
Assistant	3,0%	18.000	18.540	19.096	19.669	20.259	20.867	21.493	22.138	22.802	23.486	24.190	24.916
Outsourcing	3,0%	12.000	12.360	12.731	13.113	13.506	13.911	14.329	14.758	15.201	15.657	16.127	16.611
Marketing	3,0%	10.000	10.300	10.609	10.927	11.255	11.593	11.941	12.299	12.668	13.048	13.439	13.842
Administrative		(136.728)	(153.512)	(160.622)	(168.075)	(175.886)	(184.072)	(192.649)	(201.635)	(211.050)	(220.912)	(231.242)	(242.062)

P&L

In the P&L I brought all the forecast and assumptions that where discuss above and apply them, additionally, I take the effective tax rate in Colombia of 35% to end up 2024 with a negative net income of € 39.941 but after we increase the amount of projects done by year,

we start increasing our net income to surpass above € 50.000 per year in 2031. In terms of the depreciation, we will depreciate our computers, vehicles, and office items in a constant line in ten years and every three years we will buy more equipment needed.

P&L (K)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sales	167.280	196.116	227.054	260.209	295.703	333.662	374.221	417.518	463.699	512.917	565.332	621.111
COGS	(80.000)	(82.400)	(84.872)	(87.418)	(90.041)	(92.742)	(95.524)	(98.390)	(101.342)	(104.382)	(107.513)	(110.739)
Brain dominance test	(40.000)	(41.200)	(42.436)	(43.709)	(45.020)	(46.371)	(47.762)	(49.195)	(50.671)	(52.191)	(53.757)	(55.369)
Emotional intelligence	(40.000)	(41.200)	(42.436)	(43.709)	(45.020)	(46.371)	(47.762)	(49.195)	(50.671)	(52.191)	(53.757)	(55.369)
Gross Profit	87.280	113.716	142.182	172.791	205.662	240.920	278.697	319.128	362.357	408.535	457.819	510.373
Marketing	(10.000)	(10.300)	(10.609)	(10.927)	(11.255)	(11.593)	(11.941)	(12.299)	(12.668)	(13.048)	(13.439)	(13.842)
Administrative	(136.728)	(153.512)	(160.622)	(168.075)	(175.886)	(184.072)	(192.649)	(201.635)	(211.050)	(220.912)	(231.242)	(242.062)
EBITDA	(59.448)	(50.095)	(29.050)	(6.212)	18.520	45.256	74.107	105.194	138.639	174.575	213.137	254.469
Depreciation	2.000	2.000	2.000	3.000	3.000	3.000	4.000	4.000	4.000	4.000	3.000	3.000
EBIT	(61.448)	(52.095)	(31.050)	(9.212)	15.520	42.256	70.107	101.194	134.639	170.575	210.137	251.469
Interest	0	0	0	0	(6.520)	(6.823)	(7.140)	(7.473)	(7.821)	(8.187)	(8.569)	(8.970)
EBT	(61.448)	(52.095)	(31.050)	(9.212)	9.001	35.433	62.967	93.721	126.818	162.388	201.568	242.499
Income tax	21.507	18.233	10.867	3.224	(3.150)	(12.402)	(22.038)	(32.802)	(44.386)	(56.836)	(70.549)	(84.875)
Net Income	(39.941)	(33.862)	(20.182)	(5.988)	5.851	23.031	40.929	60.918	82.432	105.552	131.019	157.624

Balance sheet

In terms of the Balance sheet there will be an initial investment in equity of € 152.000 to pay the operating expenses of the first two or three years of the company and maintain operations while the company start to grow, the company will not have inventories due to it sells services, I'm calculating that our clients might take around 60 days to pay the services so we will have an account receivable of two months per year. Finally, in 2027 we will start having debt to increase our tax shield and finance our expenses with a leverage. We will end up increasing our cash (payment of the service) and increasing our equity to end up with € 721.000 in 2035.

BS (K)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Cash	72.180	36.267	3.292	31.380	36.401	58.293	88.755	148.862	230.118	334.110	452.164	606.395
Accounts Receivable	27.498	32.238	37.324	42.774	48.609	54.849	61.516	68.633	76.224	84.315	92.931	102.100
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets	99.678	68.505	40.615	74.154	85.009	113.141	150.271	217.495	306.342	418.425	545.095	708.495
PPE	18.000	16.000	24.000	21.000	18.000	15.000	21.000	17.000	13.000	9.000	16.000	13.000
Goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Assets	117.678	84.505	64.615	95.154	103.009	128.141	171.271	234.495	319.342	427.425	561.095	721.495
Accounts Payable	5.619	6.309	6.601	6.907	7.228	7.565	7.917	8.286	8.673	9.079	9.503	9.948
Debt	0	0	0	36.221	37.904	39.668	41.516	43.453	45.482	47.607	49.833	52.165
Liabilities	5.619	6.309	6.601	43.128	45.132	47.232	49.433	51.739	54.155	56.686	59.336	62.112
Equity	112.059	78.197	58.015	52.027	57.877	80.909	121.837	182.756	265.187	370.740	501.759	659.383
Liabilities & Equity	117.678	84.505	64.615	95.154	103.009	128.141	171.271	234.495	319.342	427.425	561.095	721.495

Cash Flows, NPV & IRR

For PATH's cash flows we will suffer the first four years a little bit, but we start to gain positive free cash flow by 2028, as we can see in the accumulated cash flows of the company, we can actually see that until 2032 we will start to have positive accumulated cash flow meaning we will start recovering from the initial investment.

Cash Flows (K)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
EBIT (1-t)	(39.941)	(33.862)	(20.182)	(5.988)	10.088	27.466	45.570	65.776	87.516	110.874	136.589	163.455
Depreciation	2.000	2.000	2.000	3.000	3.000	3.000	4.000	4.000	4.000	4.000	3.000	3.000
- Delta WCR	(21.879)	(4.050)	(4.793)	(5.144)	(5.514)	(5.904)	(6.315)	(6.748)	(7.205)	(7.685)	(8.192)	(8.725)
- CAPEX	-20.000	0	-10.000	0	0	0	-10.000	0	0	0	-10.000	0
FCF	(79.820)	(35.913)	(32.976)	(8.132)	7.575	24.563	33.255	63.028	84.311	107.188	121.397	157.730
Net Borrowing	0	0	0	36.221	1.683	1.764	1.848	1.937	2.029	2.125	2.226	2.332
After tax expenses	-	-	-	-	4.238	4.435	4.641	4.857	5.084	5.321	5.570	5.830
CFe	(79.820)	(35.913)	(32.976)	28.089	5.020	21.892	30.462	60.107	81.256	103.992	118.054	154.231
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Change in cash	(79.820)	(35.913)	(32.976)	28.089	5.020	21.892	30.462	60.107	81.256	103.992	118.054	154.231
Investment analysis												
PCF Accumulated	(79.820)	(115.733)	(148.708)	(120.620)	(115.599)	(93.707)	(63.245)	(3.138)	78.118	182.110	300.164	454.395
Discounted CF	79.820	31.229	24.936	18.471	2.871	10.886	13.172	22.602	26.570	29.570	29.191	33.163
WACC	15%											

In terms of the investment, we will end up with a NPV for PATH of € 50.509 and with an IRR of 18%, it means that if we invest in the company, we will have a better return on this investment than the WACC or the discounted rate of return of the market. Additionally, the return of investment will be of 2,91 that means that if we invest € 100K we will receive 2.9 times our investment, all of this if the investment is for 12 years and we close the company after that time instead of selling it.

NPV	50.509
IRR	18%
Payback	8/9 years
ROI	2,91

Conclusions and limitations

After all the information provided, we can conclude, PATH's entry into the consulting and coaching market in Bogotá, Colombia holds significant potential for success. The comprehensive study conducted in this master's thesis has provided valuable insights into the market dynamics, competitive landscape, and opportunities for PATH to establish itself as a reputable consulting, coaching, and mentoring firm.

The analysis of the business coaching/consulting market in Bogotá revealed a growing demand for services from mid-sized and large companies, presenting a viable market opportunity for PATH. The firm's unique value proposition, which includes tools like brain dominance tests, 360 assessments, and personalized services, sets it apart from competitors and offers a differentiated approach to addressing clients' needs.

PATH's business strategy, centered around segmenting clients based on their unique requirements and providing high quality services, aligns with industry best practices, PATH can leverage its expertise and resources effectively to deliver tailored and adaptable consulting solutions.

The financial analysis indicates that PATH's revenue streams, projected projects, can support the company's growth and profitability in the long term, after more than a decade. The cost structure, which considers salaries of the consultants, assistant and outsource services, the technology for operations, and marketing expenses, has been carefully evaluated to ensure efficient resource allocation.

The fact that the sector is underdeveloped in the region where the project is planned to be developed, in terms of consulting for team dynamism and brain dominance on leaders. I would invest, knowing that it's an untouched market where every market share gained will have a positive effect on the IRR. However, if this market is already taken and consultants are already creating these kinds of services, it would be more difficult because doing so would mean taking away from other competitors' market share.

Furthermore, the analysis on social, technological, environmental, and legal factors in Colombia provides a comprehensive understanding of the market landscape and potential challenges. PATH's strategic focus on collaborating with informed lawyers, establishing a strong reputation, and developing specialized expertise will help mitigate these risks and ensure smooth operations.

To drive growth, PATH will implement a robust marketing and sales strategy, leveraging personalized efforts, professional networks, referrals, and customer relationship management. By positioning itself as a provider of high-quality, customized services, PATH aims to attract different companies seeking a more personalized approach to consulting.

In conclusion, the research conducted in this master's thesis strongly supports the feasibility and viability of establishing PATH in the consulting market in Bogotá, Colombia. With its unique value proposition, targeted business strategy, and a focus on delivering high-quality, customized solutions, PATH is well-positioned to become a reputable consulting firm and contribute to the success of its clients in the region.

The potential limitations of PATH could be the sample size and representativeness of the survey. While the survey included responses where only 88 people, the overall sample size of 1000 may not be large enough to provide a comprehensive understanding of the entire target population. Additionally, the sample may not be entirely representative of the broader population or potential clients. To address this limitation, I recommended to conduct a more extensive and diverse survey that includes a larger sample size so I can cover a wider range of people to ensure a more accurate representation of the population's expectations.

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Annexes



finance PATH
Final.xlsx



comparacion
competencia.xlsx