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National Chengchi University

碩士論文

Master's Thesis

Beacon! 結盟力量大！

Beacon! A real partnership to create a bigger impact.

Student: Marilyn Vanessa Blanco Coto

Advisor: Professor Sandra Liu

中華民國一〇九年六月

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研究生：白莉琳　　Student: Marilyn Vanessa Blanco Coto

指導教授：劉秀明　　Advisor: Prof. Sandra Liu

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To my beloved husband Richard, for being my main support and always noticing my potential.

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Abstract

Beacon! A real partnership to create a bigger impact.

By

Marilyn Vanessa Blanco Coto.

There's an extensive number of social issues being cared by nonprofit organizations in Costa Rica, the environment created for them to subsist is highly competitive. Beacon! is reaching to them to create real partnerships with common impact goals, the non-profits need new and more sustainable ways to solicit resources.

Beacon! will be the matchmaker between corporate enterprises, its employees and the non-profit organizations in Costa Rica, based on common objectives for social change and community impact, it will lead and transform donations into projects that will reach further and be sustainable in time. Providing a holistic corporate social responsibility consulting package, this consultancy will promote the non-profits on the database for each employee to become an engaged citizen and support with their own time, money and advocacy.

The new generations recognize the role of the nonprofits in society and are looking for effective ways with meaning, mission and the sense of making the world a better place. The enterprises and its employees will get a genuine chance to work towards the causes they support and advocate, mitigating the impact their business create in the Costa Rican society.

Keywords: (Social Entrepreneurship), (Corporate Social Responsibility), (Community Investment), (Social Outreach).

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1. Executive Summary.

In different areas, Costa Rica is a success story in terms of development. Considered as a middle-high income country, Costa Rica experienced a sustainable economic development in the last 25 years. This development results from a growth strategy that is oriented toward international exposure, based on foreign investment and commercial freedom. Costa Rica is also a leader in environmental development in consequence of the policies and Green Brand building focus.

In Costa Rica, the mix between political stability, social contract and sustainable growth has resulted in the lowest poverty rates in Latin America with the decrease of the population with below-the-minimum wage. This is the main reflection of the success of the country in the latest decades in its human development indicators.

Still, the country also needs to focus on sustaining the growth and keep reducing poverty. During the 2009 global crisis, the GDP reduced around -1% although after it; the economy experienced rapid growth. In the last two years, the growth has been slowing down, and the projected growth for 2020 is only 2% in part because of a shrinking in areas such as agriculture, commerce and construction.

There has always been community help as a well-established practice in many countries, including Costa Rica, wealthier parts of the society have organized and contributed to the most vulnerable, to offer support after a natural disaster or national emergency, leading to the creation and establishment of groups that eventually became charitable or nonprofit organizations, working towards different social and environmental causes.

With so many social issues and causes fighting to preserve their existence, the environment created in the country for the non-profits to subsist is highly competitive. Therefore, there is a need to create real partnerships with common impact goals, whether by supporting a climate change action, social need or health issue. The non-profits need new and more sustainable ways to solicit resources. Most of them work by the day, which makes them vulnerable and unstable upon any disruption.

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Beacon! will create a reliable platform for both stakeholders to keep working towards the impact they want to create. To be more successful, the people need to be involved and engage beyond the money they donate. People want to be part of the strategy and decision making, they want to decide who to help and how, propose and be aware of the destiny of their money all the time. Costa Ricans wants to help and Beacon! will address this altruist impulse by channeling their efforts in one place.

The scope of the project will cover better preparation of the non-profits present in the business portfolio, so they won't miss out on the opportunities for funding, helping them to establish longer and stronger relationships so their projects can go on with the years. Beacon! will assess these client companies on their main business strategy, legal conformation and operational actions in order for the nonprofit companies to receive funds and work on bigger projects. Beacon! will match each nonprofit with the donor(s) who support the cause of the company. Each match will support each other and will have a common ground and objectives.

With the generational behavior in the present days, the role of the nonprofits in society has become bigger and more needed. Nowadays, effective leaderships follow meaning, mission and the sense of making the world a better place, whether at a nonprofit or a company. The enterprises and its employees will get a real chance to work towards the causes they support and advocate, mitigating the impact their business create in the Costa Rican society.

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2. Company Description.

There are two main challenges for development in Costa Rica: fiscal situation and persisting inequality. These challenges affect the basic foundations of Costa Rican development model: inclusion, growth and sustainability. The government set up the priority of addressing these issues and has compromise to an inclusive society that guarantees the well-being of the population by partnering with public institutions that are transparent and accountable for.

However, the same government doesn't comply with its rules, establishing some offices for social development filled with bureaucracy and corruption, people are still waiting for opportunities that allow them to improve their quality of life. Therefore, there are non-profit organizations in Costa Rica addressing social and environmental issues on their own in order to enhance their communities. These non-profits work mostly on their own with limited resources, in a highly competitive scenario for fundraising, living paycheck to paycheck, it is time for innovation, leverage and deeper corporate engagement.

Beacon! will be the matchmaker between corporate enterprises, its employees and the non-profit organizations in Costa Rica, based on common objectives for social change and community impact.

Working on community investments Beacon! will lead and transform donations into projects that will reach further and be sustainable in time, leading to a more stable, frequent and honest way to address social and environmental issues.

Beacon! will consist in two main parts. One section will provide holistic corporate social responsibility consulting, including an impact study, work plan, project management, funds handling, reporting, public relationship and branding alignment management.

The other arm of the company will work with the client company and promote direct donations among the employees. Every time Beacon! reach a service agreement with the company it will promote the non-profits on the database for each employee to become an engaged citizen and support with their own time, money and advocacy.

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The knowledge base to reach out to companies and its employees will consist on a complete database with the non-profit organizations around the country, under its own category, and recommended accordingly. There will also be an assessment and preparation of each non-profit to be legally and operationally ready to start projects and receive funding.

Beacon! will obtain a small revenue, which is separate from the donation amount, from each non-profit as a fee for belonging to the database, which includes the complete assessment and business development plan, and from a percentage recognition coming from the direct donations each employee will make on a personal level.

The common ground for a more meaningful and socially conscious business will be the core value of Beacon! where no one is good until everyone are all good.

2.1. Business concept.

2.1.1. Market offering.

A business development consulting office, that will integrate corporate social responsibility activities and projects, as customs' business strategy for companies and its employees in Costa Rica.

2.1.2. Target market.

The main target will be national and international companies in Costa Rica, alongside its employees, and the global non-profit organizations around the country.

2.1.3. Benefits.

Beacon! will help the companies to reach their socially aware customers and potential employees by creating and reinforce their branding and social marketing strategies, matching them with the non-profit that best fits their mitigation efforts and community outreach objectives.

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2.1.4. Position.

Integrated solution for all corporate social responsibility needs by offering the consulting, project management, event and PR execution of the package chosen, with honest and transparent funds handling alongside with BAC Credomatic bank.

2.1.5. Sales & distribution.

2.1.5.1. How to reach out the customers.

The first step will be to start connecting with the non-profits for networking, having them profiled on the database will give Beacon! the first tool to start pitching to companies around the country. At the same time, workshops and events will start in order to raise the main customer targets awareness. This will create word of mouth. Then Beacon! will be partnering with communication and marketing agencies in order to leverage the initial exposure gained.

2.1.5.2. Channels & Partnerships.

The main contacts for networking and exposure will be the chambers of commerce in the country, starting with the American Chamber of Commerce and the Costa Rican Chamber of Commerce as the leaders and influencers of business practices in the country, then Beacon! will reach out to CINDE (office for international investment attraction), to the European Union office and the embassies of relevant nations in business investment like the United States of America, Germany, Japan and the United Kingdom.

The line of work and development will align with the United Nations' sustainable development goals, which is why the office in Costa Rica will also be an important channel. And to complete the partnerships, Beacon! will rely on the most important asset on hand: the non-profits in the different areas around the country.

2.2. Company overview.

2.2.1. Name and logo.

Based on being a guiding reference for both companies and non-profits on the development of corporate responsibility projects that helps mitigate social causes and create an impact on the

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main social and environmental issues in Costa Rica, the name Beacon! was assigned, regarding a guiding light strategically placed. The admiration point denotes action, which combined lets the partners know that Beacon! will leverage the community investment they want to create.

The logo bears a san serif font called “Glacial Indifference” to denote a modern, serious and professional consulting office, in a white color to show clarity, the two overlapping squares in different sizes denote unity and support on one another in a bright orange tone to show a call to action. All of this in a strong blue background to show trust, respect, authority, formality, hope and harmony.

Figure 1 Beacon! Logo.

Figure 2 Beacon! Brand color palette.

2.2.2. Vision.

Always collaborating to end social and environmental problems in Costa Rica and the region.

2.2.3. Mission.

To be the best partner in corporate social responsibility companies and non-profits in Costa Rica will have in order to accelerate the impact and achieve more together.

2.2.4. Goal of the business

A strong platform to connect corporations and non-profits, to help allocate the resources in a reliable and credible system with banking institutions alongside PR/advertising activities.

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3. Business Model Analysis.

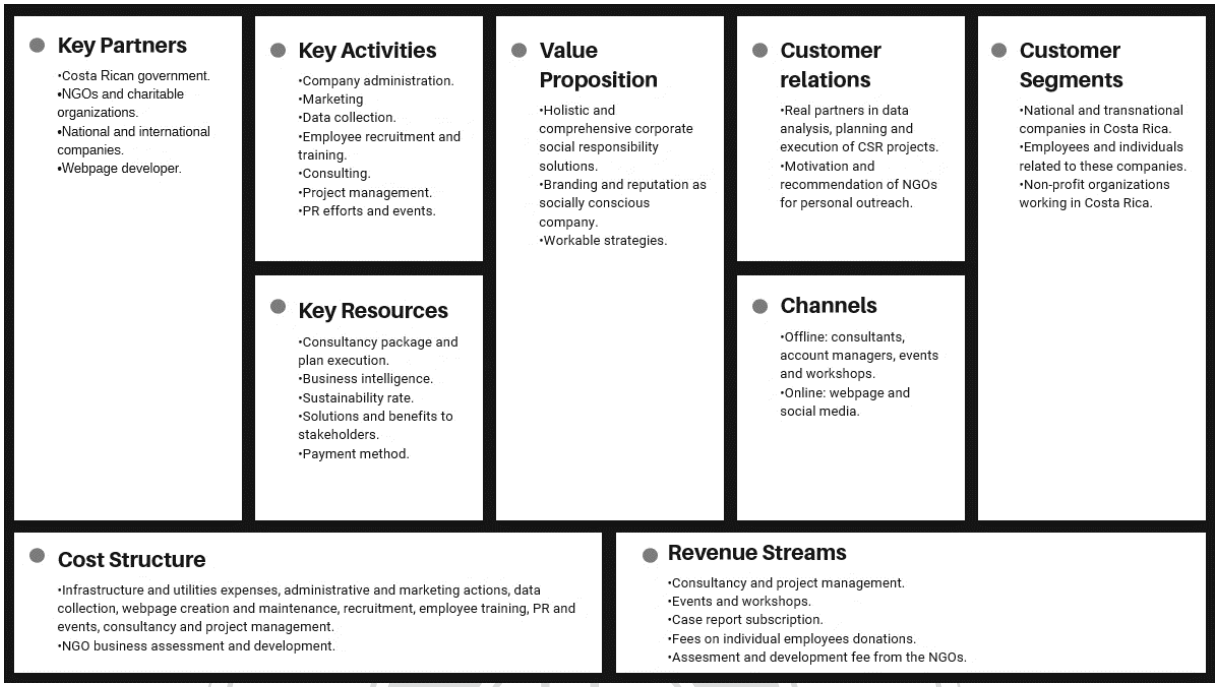

Figure 3 Beacon! business canva.

3.1. Value proposition.

A holistic and comprehensive corporate social responsibility consulting for companies. Beacon! will handle every detail, from start to finish, focusing on branding and reputation as socially conscious company. For the companies, there will be two main packages to work and offer to the customers.

The consulting package offers:

- Market research.
- Non-profits access through the portfolio.
- Cost structure.
- The logistics and project management package offers all the consulting package features plus:
- Organizing Project Logistics.
- Legal requirements.

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- Cost Control.
- Marketing.
- Financial advisory.

Having BAC Credomatic as the Trust Fund Issuer will be Beacon's main advantage. Working with one bank and letting them manage all the funds will create a history of collaboration and strengthen the credit exposure, with time this will lead to better credit terms, financial upgrades and products, better interest rates, etc.

When the payment method granted by the bank becomes the core competence, the portfolio of additional services will be expanded, and the customer will have more possibilities of lowering expenses from CSR.

The business relationship with the bank will give credibility to the company and could benefit the bank in terms of brand image as it will also receive attention from being the party that ensures that the CSR projects and consultancies reach the non-profits.

Taking advantage of the relationship with the companies, Beacon! will offer their employees two ways to get in contact with the non-profits of their choosing at a personal level, this way they can donate their money and time becoming an advocate of the social cause they support.

3.2. Customer segments.

3.2.1. National and transnational companies in Costa Rica**.**

3.2.2. Employees and individuals related to these companies.

3.2.3. Non-profit organizations registered in Costa Rica.

3.3. Channels.

3.3.1. Sales channel.

Handle all in-person activities related for the development of this business, consultants and account managers visiting potential customers regarding each project. In charge of events and

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workshops for the promotion and development of the main three customer's segments.

3.3.2. Communication channel.

With the webpage as a main role, trust creator and broadcaster of the projects. Source for business cases and PR derived from customer's interaction, and impact tracker for the individual donor program, also the platform for the non-profit database center. Alongside the webpage, there will be a social media presence through LinkedIn, Facebook and Twitter.

3.4. Customer relationships.

The main relationships in this project are with the companies, its employees and non-profit organizations. Each of them will have with Beacon! partners in data analysis, planning and execution of social responsibility projects, a platform for personal outreach and impact mitigation for individual donors and a portfolio for motivation and recommendation of non profits.

When the process reaches the last step of the whole value chain, it will include the final data of customers back to the knowledge base; from both enterprise and non-profit channels and will make it circulate within the management information system, which will cooperate with trusted educational institutions to improve the service.

3.5. Revenue streams.

3.5.1. Consulting and project management.

Each project will have a different cost according to the goals of the company to work with, there will be two main packages that they can choose services from. Each consulting package will provide workable strategies for real impact and mitigation projects. As well, Beacon! will manage the funds with the banks in order to offer honesty, transparency and leverage of the efforts.

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3.5.2. Events and workshops.

Creation and hosting of different conferences, business related events and workshops where there will be a cover fee. For this, companies can sign up to get a spot and/or take part, they will have the option to be a sponsor on the events, allowing Beacon! to reduce costs and give an opportunity for having frequent sponsors.

3.5.3. Case report subscription.

Because of the continuous data collection and research, there will be reports on the projects and on the general socio-economic position of Costa Rica. This information will be offered in the website as a subscription. Besides documentation for the companies, there will be students, professors, researchers, universities as clients.

3.5.4. Fees on individual donations.

Beacon! will keep 1% of individual donations, these amounts can range from ₡100 colones to ₡10000 colones per donor per month ($0.20 to $20 approximately).

3.5.5. Non-profit assessment and development fee.

Based on each case basis, the non-profit needs to comply legally and operationally in order to be part of the portfolio from the knowledge base. They will have a complete assessment to ensure they are ready to receive the funds and develop the projects as expected by the donor company. This will include a complete management, marketing and branding business consulting to reach a sustainable growth, in exchange for an affordable fee, which will be defined on each case.

3.5.6. Ads-revenue from the website.

Beacon! will place advertisements on the webpage, with Google Adsense and digital banners.

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3.6. Key resources.

3.6.1. Consulting package and execution.

Including the market research, that will bring the data research related to the area of interest, like education, environment, animal welfare and others. The companies will have access to the non-profits in the portfolio. Beacon will provide the elaboration of project main costs based on the companies' budget, an initial expense analysis for companies to know the main costs and the handle of donation funds thru BAC Credomatic. Organization of project logistics, that will involve transportation and a collection of resources (materials, human expertise, etc.), as well as work permits, government permits, construction permits or any other permissions/ legal papers needed for the project. Lastly, the consulting will also provide the plan for social and traditional media marketing, brand exposure, coordination of PR events related through the project.

3.6.2. Business intelligence.

The key partners bring the best and most useful insights to provide the most accurate information according to each case. The database and the network propose the best contacts, timing and execution plan of each project.

3.6.3. Sustainability rate.

Each project leverages the next one. There will be a strategic partnership between the companies, non-profits and Beacon! to be more efficient and collaborative to create a bigger impact, meaning and social wellbeing.

3.6.4. Solutions and benefits to stakeholders.

3.6.4.1. Credibility.

Each project supports the next one; the extended network that Beacon! will create will support the work over time.

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3.6.4.2. Tailored projects.

Each goal and cause is different; therefore the different approach for every project.

3.6.4.3. Irreplaceable credit trust.

The partnership with the bank brings benefits to share with every stakeholder, so each project reaches its highest potential.

3.6.4.4. Reduce the expense on project management.

Expertise and network lead Beacon! to cut down intermediaries and take advantage of the supply chain.

3.6.4.5. Accountability.

Beacon! believes in its mission and vision, it will share goals and responsibility with each stakeholder.

3.6.4.6. Speed of execution.

The knowledge and active participation in the industry will let Beacon! offer effective and fast development of each project.

3.6.5. Payment Method.

As the company does B2B businesses while offering consulting services, there is a need of a different payment method to accommodate the fees, budgeting and financial expenses that each consulting project will incurred in. Based on this the payment method will rely on an escrow or fund trust, which is a financial service that is legal and established to hold property or assets for a person or organization, managed by a trustee who is a neutral third party. Trust funds can hold a variety of assets such as money, property, stock, a business, or a combination of many properties or assets. The fund trust management comprises a contract made by three main parties, the Trustor (the client company), the Trustee (BAC Credomatic bank) and the Beneficiary (non-profit).

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This financial service is very flexible, as usually banks will have a designated department only for Fund Trust management, and for the account there is a Bank account executive that has to manage all the contracts related to Beacon!

By using this payment method, the relationship with the company and the non-profit will be continued, the duty will not finish only by matching the parties, but it will be present in the project, products, proposal, program stages and after. This will help the business to grow a relation with partners, sponsors and direct customers.

3.7. Key activities.

The following activities will help run the business and generate revenue:

3.7.1. Company administration.

Includes office operation, maintenance and salary for office staff (human resources, accountant), office rental, utilities (water, electricity, stationeries, etc.)

3.7.2. Marketing activities.

Activities to let companies and non-profits know about Beacon! and promote the brand.

3.7.3. Data collection.

Get the data of companies and non-profits for the market and project research.

3.7.4. Recruitment.

Recruit consultants and other job positions to enhance the work of Beacon!

3.7.5. Training employees.

Employees will get prepared with sufficient knowledge and techniques to provide services to companies.

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3.7.6. Consulting.

Elaboration of projects expenses based on the companies' budget.

3.7.7. Project management.

Project logistics, legal processes, cost control and financial advisory.

3.7.8. PR and events.

Hosting and organization of CSR events, workshops, conferences and networking events.

3.8. Key partners.

3.8.1. Costa Rican government.

As the main employer for the public sector workforce and principal information center, includes the Labor Ministry and the CCSS (Costa Rica Social Security office) as providers of all statistical data and compliance plans.

3.8.2. Non-profits and charitable organizations.

As the core value in the consulting plans and individual donor program, a joint venture to shape fully operational organizations and ensure real impact.

3.8.3. National and international companies.

Alongside CINDE (Costa Rican Investment office) as a strategic partner in the development of relationships with the international companies already in the country and principal channel for new companies to arrive to Costa Rica. Also, targeting the growing number of SME's present.

3.8.4. Webpage developer.

As the main tool for the creation and maintenance of the webpage for one of the main activities and customers outreach.

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3.9. Cost structure.

3.9.1. Primary level.

Infrastructure and utilities expenses, administrative and marketing actions, data collection, webpage creation and maintenance, recruitment, employee training, PR and events, consulting and project management.

3.9.2. Secondary level.

Non-profits business assessment and development.

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4. Market and Competition Analysis.

4.1. Industry structure.

Costa Rica as a small but stable country in the region is home to many satellite offices from many American and European companies, whose, in the lookout for an affordable but quality talent has come and set up operations in the country.

As in the consulting area, many small and medium offices are present in the country, especially focused on architecture, stocks, law and accounting activities. At this moment there is no consulting practices specialized in corporate social responsibility, however is important to note, that there are several institutions that provide guidance to companies in this matter, like CINDE (Costa Rican Investment office) and AED (Alianza para el Desarrollo), both focused on the business and investment development by attracting international firms to invest in the country. Is important to note that AED works alongside United Way as its representation in Costa Rica, however it hasn't replicated its model inside the country.

Another reference for social responsibility in Costa Rica is the ICE (Instituto Costarricense de Electricidad), a governmental office in charge of electricity generation and distribution for the country, who runs a program called "Ecological Blue Flag" which is a yearly award that promotes the community organization and competition in order to benefit the future generations by the recognition of good and sustainable environmental and social practices, different organizations, including companies, takes part every year and is safe to mention that this award means prestige among those awarded.

4.2. External analysis.

Costa Rica is a stable and innovative place in the region which has brought up the country's image regarding competitiveness and a good combination for investment and success. Independent from Spain since 1821, has always been a reference point for solid democracy, economy and political stability. The second most politically stable and democratic country in the region after Uruguay, and San Jose the second safest capital after Santiago, Chile, males of this country an attractive choice for business investment and development.

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In Central America, close to Panama and its canal, and with ports on both the Atlantic and Pacific Ocean, Costa Rica has gained access to a compelling trade agreements that provides access to negotiate and deal with over 57 countries around the world. It has strong connections and preferential access to markets like United States, China and the European Union.

The human talent is another factor to noticed, with over 5 million people population, Costa Rican people is literate and peaceful, with a strong ambition for excellence. The government invests the 7.6% and 9.9% of the country's GDP in education and health assurance, respectively. With Spanish as native language and English as a second main, the people of this country is also fluent in Portuguese, German and French, setting a bigger standard and quality for the jobs that are settle there.

The Costa Rican government makes a hard work of providing better infrastructure facilities in highways, airports and ports, as well in energy and telecommunications supply and the creation of industrial zone parks and business centers to keep the edge.

4.2.1. Risk of entry by potential competitors.

In the Costa Rican market exists several advertising, marketing and public relations agencies who could handle small and medium projects related to corporate social responsibility in order to work on brand awareness or position for its clients.

The companies in Costa Rica are located mostly in the central valley's industrial trade zones, Costa Rica's workforce represents 61.8% of the population. The public and private sector shares almost the same amount of employees, but the activities may differ. In the country the major attractor of international investment is the CINDE (Costa Rican Investment and Promotion agency), as a private, nonprofit and apolitical entity it has attracted over 200 companies including big names like Intel, Accenture, McKinsey & Co, Procter & Gamble, etc.

As mentioned before the AED office in Costa Rica is a partner of United Way in the region, and might provide the same services, but they only hold events related to the SDG's development

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from the United Nations. A similar situation is faced with the CINDE office.

Final, but equally important, is to consider each company's human resources and general administration departments, as they are the main organizers and coordinators of any corporate responsibility effort held at the moment.

4.2.2. Bargaining power of buyers.

The main aspect to consider is the total budget each company will destine to the social responsibility efforts, because it will hold the capacity to pay the project management fees, and the decision to work with one or the other consulting packages. These budgets will hold the community investment they would like to do, holding the fees and the total amount the non-profit organization will receive as money or as another type of donation.

There is no close second competitor fully specialized in corporate social responsibility consulting, there is no option to buy in big quantities however there is the possibility of compromising future projects based on the first contact. Each company could do their own projects but they will not have the strong network Beacon! will create, besides the knowledge and the leverage created with BAC Credomatic as partner. Another point to a favor is the amount of tax deductions they could get by reporting the complete project costs and investment achieved with Beacon!

4.2.3. Bargaining power of suppliers.

Because of the business model, it is consider that the non-profits are both, customers and suppliers, and as main partners they will have the chance to decide whether to work on a certain project or to receive the donation from a certain company, and this is mandatory for Beacon! to respect and understand.

The hotels and convention centers in the country could influence the way the company work and develop each workshop and networking event, according to the partners and the approach to each event, and the season it will be hold.

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4.2.4. Threat of substitutes.

There is a strong threat of substitutes, each company human resources and administration department that could run social responsibility efforts on their own. Also offices like CINDE, AED, the coordinator office of the Environmental Blue Flag program, and the First Lady of the Republic office that normally handles the social outreach from the government.

4.2.5. Complementors.

On Beacon's side there is the strong portfolio on non-profits ranked from its social and environmental approaches, by size, capabilities and approach. The network will also have the hotels and conference centers for all the events the customers will take part of, and finally the partnership with BAC Credomatic for the funds transparency, leverage and handling.

4.3. Competitor analysis.

Beacon! will be the first of its kind in the Costa Rican market, it will combine a strong network among non-profits to work with, hotels and conference centers for events, media and communication partners to leverage the branding, the human resource to develop each profit and the strategic alliance with BAC Credomatic to handle and increase the reach of the funds.

The main competitors can be another consulting firms in the country, mostly dedicated to business development and assessment of another type, like accountancy, marketing, finance and law; however, each business focus could develop projects similar to Beacon's.

They could extend their portfolio and develop more social outreach projects if their potential or current client decides so. There are offices like CINDE and AED who are the major sources for workshops and events related to these topics.

Most firms dedicate its efforts entirely to audits (internal and financial), accounting and tax, strategic management and human resources, IT web and graphic design and evaluation of environmental impact and mitigation projects for new construction sites.

Also, most of them belong the business chamber of their area, making this their main source

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for networking, as well for a strong online presence with a well-established web page, where they display all their services, testimonials and other information. Some of them advertise on the business section of the main local newspaper, La Nacion, and on one of their business magazines called Summa.

They reach out for their main activities by direct contact with the potential client, the creation of the project proposal with feasibility and economic studies, until the development of the projects and future final report and evaluation. They will cover the design and development of projects with certain customization according to each company size, goals and budget.

In their content strategy they will communicate the different assessments and consulting efforts they handle and how they handle them, they will display the method their work with and the testimonials based on numbers and success cases. The competitors strongly focus on the global solutions they provide and the solid network they belong to.

The engagement they provide has a look and feel very professional and serious, focusing on their success stories as back up to their proven methodologies, their social media channels, mostly LinkedIn and Facebook, follow this same path.

They orient their marketing efforts to each assessment and consulting project, showing the main problems they offer a solution for, they mention most generic topics related to consulting and business development projects, and the rank of customers, projects and markets they have covered.

4.3.1. Direct competitor.

As for this moment it could establish there is no direct competitor as there is none with the same offering as Beacon!

4.3.2. Indirect competitor.

To start, CINDE and AED offices are an indirect competitor because they offer guidance to different companies need to established and grow their operations in Costa Rica, including

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events and workshops based on the Sustainable Development Goals by the United Nations. Beacon! consider each company human resources and administration department that could run social responsibility efforts on their own are as well a possible indirect competitor.

4.4. Internal analysis SWOT.

4.4.1. Strengths.

- Customize and specialized business development plans in the corporate social responsibility area.
- Experts, passionate and knowledgeable employees with updated know-how's in the industry.
- Reliable portfolio of non-profit organizations in Costa Rica.
- Located in San Jose, the financial and business center of the country, and role model for the region.
- Alliance with BAC Credomatic for financial transparency and leverage.
- Human engagement with strong social approach.
- Up-to-date information of the industry and in compliance with national and international regulations.
- Strong network of experts and leaders in the corporate social responsibility area in the country.
- Systematic cost control system.

4.4.2. Weakness.

- Lack of reputation as a new business in the industry.
- Slow process to transfer financial benefits to customers during the first year.
- One location only.
- Finite number of non-profit organizations to work with.
- Only one type of offering.
- Strongly dependent of customers good will and social awareness. The workshops and event could motivate the potential clients to do the projects on their own.

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4.4.3. Opportunities

- Potential growth and business replication for regional expansion.
- Few indirect competitors in Costa Rica, no direct ones.
- Press and media alliances to leverage coverage.
- Branding for social awareness as a marketing tool.
- Smart alliances with the government.
- Offer sustainability certifications in the consulting packages, like the one offer by B-Corp.

4.4.4. Threats.

- Emerging competitors or indirect competition copying the business style and strategy.
- Current global situation and downturn in macroeconomic growth.
- Indifference towards corporate social responsibilities scope.
- Companies double standards and the possibility of the non-profit organization rejecting the project because of it.
- Changes in the non-profits and company's interests on CSR and their business models.
- Changes in demographics and economic factors.
- Economic recession could lead to a slower market growth.

4.5. Business strategy.

A consulting service provider and delivery partner, matching companies with the ideal non-profit organizations to work community outreach projects, with reliable and systematic approach to manage funds in order to leverage the social investments they are doing.

4.6. Business key success factors.

The consulting packages comprise the organization of the project's logistics, legal requirements, cost control, marketing and financial advisory alongside a deep market research, smart cost structure matrix and strong, reliable non-profit portfolio ready to work.

The partnership with BAC Credomatic brings an irreplaceable credit trust, and this becomes the core competency.

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5. Strategy and Company's Position.

As a new player in the industry, Beacon! will be an industry leader and pioneer by redefining the approach companies take on a corporate social responsibility project. Beacon! brings the right combination of tools, expertise and passion to set a high mark as an industry breakthrough.

This consulting office knows and understands firsthand what non-profits struggle in order to attend their causes, also understands the new business approach companies take on impact and meaning, therefore Beacon! will match these needs with the business development for both stakeholders. As spectators on the big changes in the business world, Beacon! wants to input an unique and customizable solutions for each work couple created, the results will be the main proof of the value added to society.

5.1. Goals.

5.1.1. Goal #1.

Position Beacon! in the Costa Rican market by getting the first three projects using the portfolio and expertise to reach out to the community by 2021.

5.1.1.1. KPI.

Consulting packages inquired and pitched.

5.1.2. Goal #2.

Host the corporate social responsibility workshop for the first group of potential clients using the network of experts to show the expertise in the first quarter of 2021.

5.1.2.1. KPI.

Number of attendees to the workshop.

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5.1.3. Goal #3.

Grow the non-profits portfolio by partnering with at least the 70% of organizations present in Costa Rica, through active assessment and strategic development to work alongside them for the network of companies the company will have during 2021.

5.1.3.1. KPI.

Rise in the number of new non-profits in the portfolio.

5.2. Segmentation.

The focus will be the national and multinational companies in the country, the employees of these two figures and the nonprofit organizations working in Costa Rica. Each persona is described below:

5.2.1. Multinational company.

Ranging from ten to a hundred years old, this company has at least operated twenty years in Costa Rica. Mostly from American origin, are also Canadian, French, German, or Chinese.
Looking to increase their profits, they settle in order to take advantage of the location and the quality of the workforce in order to leverage their presence globally. As part of the Costa Rican business industry, they have created a strong bond with their employees and other peers in the market, and they like to get involved in their interest and proposals.

5.2.2. National company.

Central part of the Costa Rican economy, they are not as big as the multinationals present in the different industrial parks around the country. Created, in most cases, after Jews and Italians immigrants arrive during the first and second world war.
Their sizes and forms vary, and a big part of them belongs to the “public sector” because they derived, directly and indirectly, from government activities. Here is important to recognize the form of the “Asociacion Solidarista” (solidarity association) and “Cooperativa de Empleados” (employee’s cooperative), a union like association among employees, who also play a big part of the company’s decision and shape cultural organization.

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5.2.3. Employee.

Mostly Costa Ricans, with a strong presence of Nicaraguan, Colombian, Venezuelan, American and Canadian nationalities in the workforce, belongs to the actively economic population, ranging from 18 years old to 65 years old. Those in the Central Valley, the metropolitan area of San Jose, Heredia, Alajuela and Cartago, have access to more technical and high advanced jobs, with a bigger income; in comparison those in in the coast of Limon, Puntarenas, Guanacaste and the plains of the north region who focus on agricultural and tourist activities in all ranks.

With a different social, educational and economic background they contribute with proposals and their own arrangements regarding social outreach within their companies.

5.2.4. Non-profit organization.

Self-arranged and driven, the non-profit organization in Costa Rica was born as a prompt solution to different social and environmental causes. Their managers or coordinators are passionate and truly believe in the cause they are supporting, whether by providing food and education to impoverish children, cleaning rivers and beaches or defending women and LGTB equality, these people is so committed with their social work that most times work long hours, with their own resources, living donation by donation and touching all doors in order to leverage the awareness of the cause their support.

5.3. Target audience.

5.3.1. Human resources manager or coordinator.

The human resources department inside a company in Costa Rican normally takes care of the activities regarding to their governance, but they also take care of the extracurricular or the “out of the business nature” activities, like in this case the social outreach and community impact activities.

They will be a key figure in the operation, as the main contact for networking and coordination for pitching the ideas to the general manager and board of directors.

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5.3.2. General manager.

Alongside the Human Resources manager, this person will be a key stakeholder for the projects, this will be the contact who Beacon! will pitch to and decide the goals, budget and outreach each project will have.

5.3.3. Employee association administrator.

This is the main decision taker of the guidance and direction of the employee's funds, this will be the main contact point in order to develop workshops and awareness campaigns for the individual donor program.

Is important to notice that most companies have the figure of employee association or solidarity association, but is not mandatory. This small organization inside a company serves as a small fund manager for employee's savings, their main activity is to leverage such funds and give dividends at the end of each fiscal year.

5.3.4. General employee.

This persona will be the main contributor for the individual donor program. Beacon! will get in touch with them as soon a contact with their company for any of the consulting packages starts.

Even though this will be the main approach, the handle of their engagement will be at a very personal level in order to develop a strong relationship that can last in any job position and any employer they might have.

5.3.5. Non-profit director.

The main partner in the start of the consulting period, Beacon! reach out to them in a personal and direct way in order to pitch the company and invite them to be part of the portfolio.
There will be a close work agenda with them to assess and develop their business structure, so they can have their non-profit in the best conditions and be part of the recommendations for the corporate client's projects.

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5.4. Selling position.

The expertise and strong connection with the non-profit sector of Costa Rica makes Beacon! the best partner to develop business projects related to corporate social responsibility, this consulting practice will take care of everything starting with the market study, with strong data insights to make the perfect proposal, to the legal and operational requirements, with marketing and financial advisory to ensure the project reaches every goal set.

5.5. Marketing mix.

The marketing approach for Beacon! will be social and human, it will be people matching other people with several interests in common. It will rely heavily on storytelling to convey every message, each stage of the story being built with the stakeholders will be written to appeal the sensibility, to increase awareness and recognition on how much it can be achieved when working together.

The communication channels will address awareness and destigmatizations regarding social causes, like homelessness, drug addiction and social insertion after imprisonment, for example, in order to educate clients and promote further the non-profits to work with.

5.5.1. Product.

- Unique and custom consulting package for corporate social responsibility projects.
- Direct platform for individual donations and specialized personal outreach.
- Business partner in order to get more funding and social projects leverage.
- Strong and reliable non-profit portfolio, covering the most important social and environmental issues in Costa Rica.
- Network inside the corporate social responsibility industry.
- Tools and data insights to prepare the project that will reach the goals.
- Financial transparency and leverage with BAC Credomatic partner.
- Structured and reliable cost matrix to take better advantage of the budgets.
- Knowledgeable and expert human resources.
- Data analyses for every project.
- Services for all project's logistic

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5.5.2. Place.

- In the central area, close to the main business and industrial centers in the country.
- Present in important events related to corporate social responsibility.
- Non-profit portfolio with operations around the country.
- Strong online presence through the website and social media channels.
- Executive account managers and consultants ready to visit each company and start working.
- Customer service by phone and chat, and an office ready during business hours to receive the clients.
- Host of workshops and events related to social outreach and community investment.

5.5.3. Price.

- Consulting packages according to the plan the customer would like to develop.
- Individual donor outreach with customized amounts to donate.
- Special fees to the workshops and events.
- Foreseeable bank benefits through the partnership with BAC Credomatic.
- Accessible and custom projects according to their budgets.
- Subscription fee to the educational platform.
- Leverage of their budgets with tenure.

5.5.4. Promotion.

- Personal selling through the executive account managers.
- Online presence with the website and social media channels.
- Hosting of events and workshops to attract potential clients and partners.
- Each client and individual donor will have their profile in the webpage where they could access tailored information.
- Special promotional campaign for November and December, because Christmas time appeals to the goodwill and is an inflection point for the new year.
- Company presence in the local and international events related to corporate social responsibility.

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6. Management and Organizational Structure.

6.1. Service layout.

The consulting service will comprise two channels: companies and non-profits channels. Both channels will have specific and tailored-made teams to supervise and engage with different customers. Those engagements will come from the initial value chains ranging from data contacts, portfolio and delivery. After that, it will be deliver to each customer. The teams at Beacon! will work cross functionally to ensure that the provided data and customers' need match each other.

When the process reaches the last step of the whole value chain, the final data of customers; from both the company and non-profits channels will enter and circulate within the management information system, which will be a close collaborator of trusted educational institutions to improve the service. This is to ensure the satisfaction of the customers in current and future opportunities.

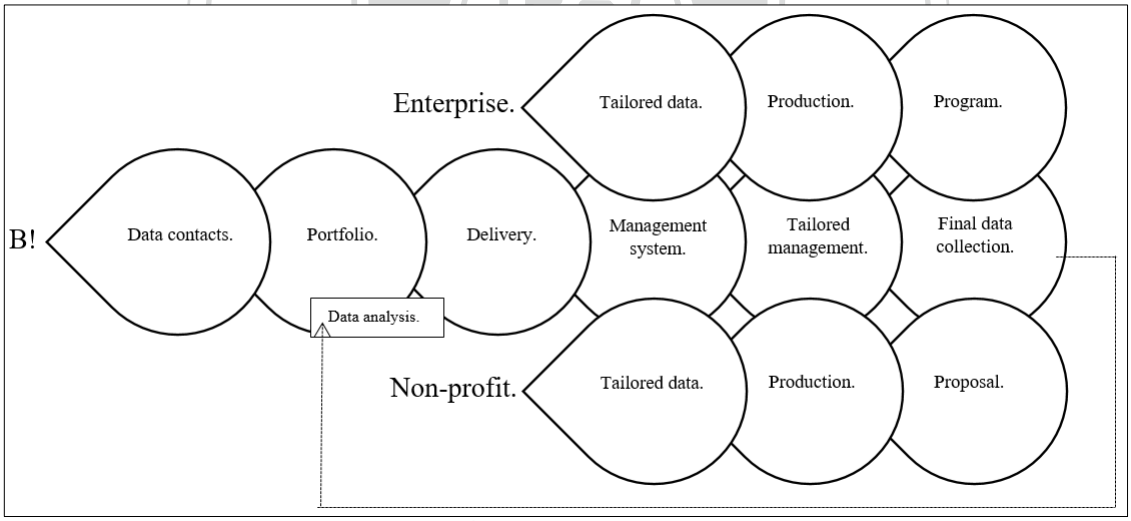

Figure 4 Beacon! Business layout.

There will be five main tasks in order to provide what the future customer is expecting:

6.1.1. Diagnostic and research.

Based on the customer's needs to provide relevant information and guide them on the implementation plans, what non-profits they can work with, and any other information that helps asses the case.

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6.1.2. Plan structure.

With the options for implementation plans, the customers also receive advisory on the costs they will have to incur and any other steps to take into consideration for the project management.

6.1.3. Execution.

Organizing the project logistics. If the customer decide to execute the project with Beacon! this step will assess the professionals needed to build the team, and after discussing with the customer, the final project will be chosen, to start the legal requirements related to it. In this step, if customers choose so, Beacon! will build the marketing and PR strategy according to the exposure of the project and the partnership between the selected non-profit and customer.

6.1.4. Measurement.

With the execution of the project, evaluations will come to verify that it complies with the requirements, implementing the changes as necessary and keeping the costs under budget, working on contingencies as soon as they appear.

6.1.5. Sustainability of change.

This stage means presenting the final executed project to the customer, to make sure that it meets the goals, by doing metric on the KPIs. PR and marketing is more present in this stage by presenting to the public the results of the partnership between the non-profit and the company. On Beacon's side, a record of all the information will represent a final case report and be part of the knowledge base.

6.2. Non-profit selection.

There are two situations that describe the status of the non-profits in Costa Rica, fully operational and on survival mode, but the common ground is that in order to operate at any degree they have to be on the governmental system. From here, the organizational level of each will vary. However, in order to be part of the portfolio and taken into consideration for future projects, they need to reach Beacon's standard.

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The company will work with non-profits on 98% of the time. Is important to clarify that Beacon! will also focus on the public education system, specifically on the infrastructure and resources for kindergarten, schools and high schools of the public in the urban-marginal areas around the country. Even though they belong to the government, and the government establishes all the administrative rules and conditions, most of them are in terrible conditions and face many issues, based on previous experiences, companies like to work closely with the schools in their community, and they can benefit.

To start, an assessment will be made in order to advise them, so they can get ready to start the projects, Beacon! will focus on management, marketing and branding in order to ensure a sustainable growth and compatibility with the future donor.

Regardless of the size, cause, location and other details both companies can work together, and Beacon! will ensure to establish and follow real goals in order to find suitable partners easier and not to influence or interfere into their essence. In exchange for this initial service, Beacon! will receive a 1% of the first donation they receive, this way it will ensure a strong commitment on both ends.

The process to follow is:

- Initial contact and meeting to assess the situation.
- Categorization of each non-profit according to its cause (social, animal care, environmental, health, violence, etc.)
- Assessment on management, financial and marketing in order to establish the standard operation procedures.
- Incorporation on the business portfolio, this will lead to appear on the website and social media channels.
- Recommendation and part of the proposal to future clients and for the individual donor program.
- Once this has been established, each non-profit will be able to:
- Be part of the portfolio, and Beacon! will be actively looking to match the non-profits already in the database with a corporate partner and program.

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- Start receiving donations from each of the programs, corporate or individual.
- Presence on the social media channel and webpage thru special content to appeal the engagement of the viewer.

Is very important for Beacon! to highlight good operational, financial and managerial practices among the non-profits in order to guaranty a good partnership. Part of the value added for them is to receive this consulting service directly from experts so they can work with the corporate clients, the strategy with them is not to give them charity, but to provide them with strategies that allowed them to reach further and create a real change.

At this moment the companies are creating strategic partnerships to be more efficient, collaborative and mitigate the impact of their operation, as well they attract more business partners and potential employees with their ability to do good and provide a more meaningful workspace.

6.3. Client selection.

The initial clients will come from those present at the workshops, mostly because they will denote a special interest in the corporate social responsibility approach that Beacon! is presenting. For them, Beacon! will present a focus on the consulting service in each of their variations, and will proceed accordingly when the need for logistics and project management of the proposal is present.

There will be the option to join efforts with other companies in their area or industry, in order to enhance their social branding, collaboration image and to provide a greater benefit for the non-profit in the proposal.

Once a company becomes a client, they will have their own profile on the webpage, where they can access the status of their project and decide which parts to make public, so Beacon! can use them on the external communication reports and channels. With this profile they can check for themselves the list of non-profits on the portfolio, and the projects managed for other clients (with due discretion). This tool will also provide them with the information needed for their

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CSR report or annual reports of other type, in case they decide not to have that service with Beacon!

The relationship with each company will provide Beacon! with a gate to reach out to their employees and invite them to the individual donor program.

6.4. Individual donor program.

As stated in the previous point, the first donors on the individual program will be reached thru the contract established with the companies, there will be a campaign at their workplace as part of the agreement with their employers, with both of the consulting packages.

Once they become an individual donor, Beacon! will align the platform with their payroll facility and will deduct the desired amount at the desired frequency. They will choose the non-profit to destine such amount from the database or leave it to Beacon's discretion, they will also be able to split the amount into two non-profits each month.

The individual donor program will work with the following process:

- Campaign and capture individual donors at each company.
- Profile creation on the webpage, where they can see and track their donations, this will also be a tool for Beacon! to know their interest and suggest new non-profits to work with.
- When they reach their anniversary, it will provide them with a certificate and motivate to upgrade their contribution and change the non-profit of their choosing.
- From their profile on the website, they will be able to:
- Check and choose the non-profit of their preference.
- Recommend new non-profit of their liking, however, for them to be part of the network need to follow the initial procedure.
- Access and read information regarding to the cause of their choosing, and the non-profit they are following.
- Receive information regarding volunteering opportunities with the cause of their preference.

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- Prepare and print volunteer certificates (public universities, and most private, in Costa Rica asks for community service activities as a graduation requirement.)
- They will have access to the official photo gallery where they can share in their own social media channels and become advocates.
- Will receive the monthly gratitude bulletin where they can check on the process of their non-profit and receive other recommendations to support.

For the individual donor program will be very important for Beacon! to create an engagement with each participant, and develop the relationship on a personal level, so regardless of their employer and career transition, this person can continue in the program with the consulting office.

6.5. Management of the company.

The company will start with the registry of the name and company before the Costa Rican government in order to get the operational permits and tax codes needed to operate. Then, will start by hiring the executive account manager and the office assistant, with their due registry before the Labor Ministry and the CCSS (Caja Costarricense del Seguro Social) as required by the law. With them onboard it can start preparing for the plan and content creation for the webpage, so the hiring of the developer to work the webpage can be in place.

Once the web developer is on board and almost ready with the first stage of the webpage, the later will show the mission, vision and work expectations and expertise. With this, the company will start looking for the non-profits to work, assess, prepare and include on the portfolio, so each will start being displayed on the webpage.

When there are at least 20 non-profits ready to work, Beacon! will start developing the first event and workshop, where the company will invite most potential clients from the central region of Costa Rica, this will give a map in order for the company to prioritize those present in order to contact them directly and pitch the consulting packages.

When the relationships with the clients get closer and the confirmation of some of them with projects, the promotion and communication of the individual donor program will start.

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At all moments the information will be recorded, in order to help with internal organization and content creation, to open the social media accounts and start the user engagement. Each quarter there will be a review the goals and their KPI's, in order to determine whether the initial approach is correct and decide accordingly.

6.6. Feedback management.

Each project will include a final meeting with stakeholders, in order to evaluate and receive the comments of each part. While the project is ongoing, it will have an open digital notebook where each part can write comments and issues related. The executive account manager is the one in charge of the close follow up and proper delivery of such comments.

Beacon! will create satisfaction surveys for the individual donor program, the corporate clients and the non-profits involved. Each project will have their goals, KPI's and in-progress evaluation so it can analyze the development of each and provide a proper solution.

On the company's end, it will take care of these comments and used to them to train employees and to create guidelines for future and ongoing projects that could use them, also will use the positive comments to recognize and motivate employees and the not so positive for an improvement plan.

6.7. Content creation.

Since there are different segments, Beacon! will prepare different communication according to the approach, however, it will keep a serious and professional look and feel at all times.

The content will be based on testimonies from the non-profits and from the clients who have worked together to denote the success of the approach, and will respect their privacy if they decide so, but the main goals and results from the project will be the company's to communicate.

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The webpage will be the main source of all the communications and engagements, it will display the profiles of the non-profits to work with in a personal and human way to increase the interest of the future clients. It will display each successful client with their logo only. There will be a tab named “Social Business Cases”, where it will display the abstract of each case developed in order to attract subscribers to the educational platform, and to generate revenue on this site.

The social media will focus on LinkedIn, where it will use the Sales Navigator tool to find potential clients, when they access the profile they will see important information related to the services, highlights of the non-profit portfolio, testimonials from the causes benefit, and a call to action to inquire for the services; this platform will also advertise the workshops and events, and will serve to connect directly with Human Resources managers and coordinators.

The Facebook and Instagram page will be slightly more casual, because of the platform, but will serve as another way to get in contact with the target segment, especially with the non-profits, since most of them don’t own a webpage or a LinkedIn user. These platforms, alongside Twitter, will provide live updates on the events and to share relevant information related to corporate social responsibility from another source.

6.8. Organizational management.

As a new consulting office, during the first year there will be a team of three people, the efforts will focus on the establishment of the non-profit portfolio, the foundation base of the webpage, that will be outsourced, and the networking on the business industry in order to set up the first event and workshop, where Beacon! will expect to start conversations with the first clients.

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6.8.1. Organization structure.

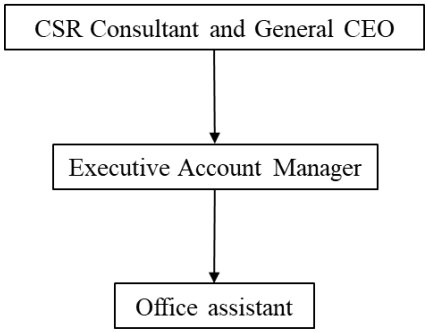

Figure 5 Beacon! Organizational structure.

6.8.2. Roles and responsibilities.

As a small team the employees will share many of the efforts during the first year, however, the following is a more detailed expectation on each role:

6.8.2.1. CSR Consultant and General CEO.

- In charge of the main decisions and direction of the company.
- Will be the main master of ceremony when the workshops and events occur.
- In charge of the financial, marketing and branding decisions and communication.
- Training for the new hires.
- Will visit non-profits and clients when required.
- Will be present alongside the Executive Account Manager when pitching a new project to a corporate client.
- In charge of assessment and training the non-profit when needed.
- Attendance to main events in the CSR area in the country.
- Trust fund management contact with BAC Credomatic.
- Approval and publication of the business cases develop after each project.
- Approval and publication of social media content.
- Internal communication to reinforce the office goals and commitment.

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6.8.2.2. Executive Account Manager.

- Follow up on clients and get new companies to pitch the portfolio and plans.
- Follow up on project creation and proposal according to client needs.
- Handle logistic, budget and operation of each project.
- Creation of business cases for the educational platform.
- Digital journal tracking for handling events to create content for social media.

6.8.2.3. Office Assistant.

- In charge of phone and chat inquiry responses.
- Creation of content for social media according to instructions and guidelines provided by Executive Account Management.
- Daily office administrative chores to ensure the good development of the business efforts.
- Support to event logistics, quote and follow up details for the event and workshop success.

6.8.2.4. Compensation and benefit.

- Salary as stated by law and according to industry.
- One-day vacation per every month work, to redeem as needed after the three-month probation period.
- Thirteen-month salary paid at the end of each natural year.
- Career path development, including university subsidy.
- Private medical insurance.
- Paid sick leave.
- One-month parental leave after the birth of the baby. Four months' maternal leave, one prior and three after the birth. Applicable for adoptive parents.
- Access to events related to Corporate Social Responsibility, Costa Rican labor law, non-profits related regulation and SDG's by the United Nations.

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7. Financial Statements

Based on cost structure and revenue stream the company has estimated the following operational and income statements for the first three years.

7.1. Operational expenses.

7.1.1. Employee related expenses.

The first assumption is related to employee salary, compensation and benefits for the first year. Please note:

- The company will start with three employees for the first year, one in each position.
- Each salary base according to industry and is above of the labor law recommendation.
- In Costa Rica the social security is mandatory by law, and it represents the 14.5% of the employee salary. The employer should pay every month.
- The law states thirteen-month bonus, and it represents the average of the income received by the employee in the past twelve months.
- Any other related compensation is related with the 5% of the worker's salary.
- The private health insurance represents an investment related to 5% of the worker's salary.
- Estimation of employee related expenses for year two and three with a 20% growth rate.

Table 1 Wages and salaries for year 1.

Employee	Number	Hourly pay	Hours a week	Monthly pay	January	February	March	April	May	June	July	August	September	October	November	December	13th/m bonus	Annual total
CEO/ Consultant	1	$26.00	40	$ 4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$4,506.67	$ 4,506.67	$ 58,586.67
Executive Account Manager	1	$14.50	40	$ 2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$2,513.33	$ 2,513.33	$ 32,673.33
Office Assistant	1	$5.00	40	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 866.67	$ 11,266.67
Total salary	3	$45.50	120	$ 7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$7,886.67	$ 7,886.67	$102,526.67
Payroll benefits and compensations			% of salary	Monthly benefits	January	February	March	April	May	June	July	August	September	October	November	December		Annual total
Costa Rican social security			14.50%	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57	$1,143.57		$13,722.80
Worker compensation			5%	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33		$4,732.00
Private health insurance			5%	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33	$394.33		$4,732.00
Total payroll benefits			24.50%	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23	$1,932.23		$23,186.80
Salary, compensation and benefits related expenses				$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$9,818.90	$7,886.67	**$125,713.47**

Table 2 Wages and salaries forecast.

Employee	Year 1	Growth rate year 2	Year 2	Growth rate year 3	Year 3
CEO/ Consultant	$ 58,586.67	20.00%	$ 70,304.00	20.00%	$ 84,364.80
Executive Account Manager	$ 32,673.33	20.00%	$ 39,208.00	20.00%	$ 47,049.60
Office Assistant	$ 11,266.67	20.00%	$ 13,520.00	20.00%	$ 16,224.00
Total salary	$102,526.67		$123,032.00		$147,638.40
Payroll benefits and compensations	**Year 1**	**Growth rate year 2**	**Year 2**	**Growth rate year 3**	**Year 3**
Costa Rican social security	$13,722.80	20.00%	$16,467.36	20.00%	$ 19,760.83
Worker compensation	$4,732.00	20.00%	$5,678.40	20.00%	$ 6,814.08
Private health insurance	$4,732.00	20.00%	$5,678.40	20.00%	$ 6,814.08
Total payroll benefits	$23,186.80		$27,824.16		$ 33,388.99
Salary, compensation and benefits related expenses	**$125,713.47**		**$150,856.16**		**$181,027.39**

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7.1.2. Fixed operating expenses.

Considering the key activities and resources needed, the following is the expenses report for the first year. Please note:

- The legal services are related to the constitution and registration of the company in the first year, therefore only one time.
- Web development and supplies major expenses are incurred in the first month.
- The first two years the company will rent a coworking space in the San Jose area, the third year will be upon consideration.
- Transportation is calculated based on the mileage suggested by the Costa Rican government.

Table 3 Operational expenses year 1.

Expenses	January	February	March	April	May	June	July	August	September	October	November	December	Annual total
Advertising	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$4,980.00
Transportation	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$2,880.00
Web development and maintenance	$5,000.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$7,750.00
Coworking space	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$2,100.00
Supplies	$500.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$940.00
Miscellaneous	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$360.00
Total Expenses	$6,360.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$1,150.00	$19,010.00
Other Expenses	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**	**Annual total**
Interest													
Commercial loan	$375.00	$372.00	$369.00	$365.00	$362.00	$359.00	$355.00	$352.00	$349.00	$345.00	$342.00	$338.00	$4,283.00
Credit line		$120.00	$195.00	$275.00	$351.00	$432.00	$510.00	$584.00	$666.00	$745.00	$829.00	$913.00	$5,620.00
Total Other Expenses	$375.00	$492.00	$564.00	$640.00	$713.00	$791.00	$865.00	$936.00	$1,015.00	$1,090.00	$1,171.00	$1,251.00	$9,903.00
Total Fixed Operating Expenses	**$6,735.00**	**$1,642.00**	**$1,714.00**	**$1,790.00**	**$1,863.00**	**$1,941.00**	**$2,015.00**	**$2,086.00**	**$2,165.00**	**$2,240.00**	**$2,321.00**	**$2,401.00**	**$28,913.00**

The following is the expense report estimation for year two and three with growth rate between years of 3%.

Table 4 Operational expenses forecast.

Activity	2021	Growth rate 1 to 2	2022	Growth rate 2 to 3	2023
Advertising	$4,980.00	3%	$5,129.40	3%	$5,283.28
Transportation	$2,880.00	3%	$2,966.40	3%	$3,055.39
Coworking rent	$2,100.00	3%	$2,163.00	3%	$2,227.89
Web development and maintenance	$7,750.00	3%	$7,982.50	3%	$8,221.98
Office supplies	$940.00	3%	$968.20	3%	$997.25
Miscellaneous	$360.00	3%	$370.80	3%	$381.92
Total Expenses	**$19,010.00**		**$19,580.30**		**$20,167.71**
Other Expenses	**2021**		**2022**		**2023**
Commercial loan	$4,282.00		$3,778.00		$3,227.00
Credit line	$5,619.00				
Total Other Expenses	**$9,901.00**		**$3,778.00**		**$3,227.00**
Total Operating Expenses	**$28,911.00**		**$23,358.30**		**$23,394.71**

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7.2. Operating capital.

In order to start the business running, the following are the capital amounts for consideration. Please note:

- The amounts are based on six months' contingency plan.
- Social security in Costa Rica is mandatory and represent 14.5% of worker's salary.
- There are no utilities because are included in the rent of the coworking space.
- There is no inventory.

Table 5 Operating Capital.

Operating Capital	Amount
Opening salaries	$55,000.00
Social security	$7,975.00
Rent	$1,300.00
Supplies	$1,000.00
Advertising and promotion	$1,200.00
Other initial cost	$22,525.00
Total operating capital	**$89,000.00**
Total required funds	**$89,000.00**

And the sources of funding.

Table 6 Sources of funding.

Sources of funding	Percentage	Total	Loan Rate	Term	Monthly payments
Owner's equity	44.44%	$39,000.00			
Commercial loan	55.56%	$50,000.00	9%	84	804
Total sources of funding	**100%**	**$89,000.00**			

The commercial loan is needed in order to fund the efforts, and will work alongside the partnership with BAC Credomatic.

7.3. Revenue.

The principal sources of revenue will come from the consulting packages, as stated both will include unique services, and will vary according to the goals, budget and timing that the client wish to obtain.

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The second source of revenue will be the events and workshops, which will be at least every four months, three during the first year; Beacon! will try to partner with another offices, potential clients and leaders in the industry, also with hotel or conference center in order to have sponsorship for the events and reduce the initial costs.
With the first event, the first clients will come, and so the opportunity to present the individual donor program, in which the company will charge a 1% of the amount destined by each participant.

For the assessment and development of the non-profits, necessary to be part of the portfolio, there will be a charge of 1% from the first donation they will receive from the project proposal Beacon! will work with the client.

Finally, after the first year and a half, the company will start selling the subscription for the case report, based on the first success cases, they will contain all relevant data and research, logistics and reasoning for each project; the major target will be scholars and students of the area, and researchers, universities and anyone interested in the field.

After the first year and with the movement of traffic on the webpage Beacon! will start offering online advertisements banners to companies so that they can place the ads and reach the customer segment. The Google Adsense account will be created and synchronized since the launched of the webpage.

7.4. Forecast for income statement.

Due to the nature of the business and consulting plans, the income statement can't be completely accurate, the amounts and quantity of sales are based on the worst case scenario.

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Table 7 Income statement year 1.

Revenue	January	February	March	April	May	June	July	August	September	October	November	December	Annual total
Consultancy package 1			$3,000.00	$3,000.00	$6,000.00	$6,000.00	$6,000.00	$6,000.00	$6,000.00	$9,000.00	$9,000.00	$9,000.00	$63,000.00
Consultancy package 2			$4,500.00	$4,500.00	$9,000.00	$9,000.00	$9,000.00	$9,000.00	$9,000.00	$13,500.00	$13,500.00	$13,500.00	$94,500.00
Events & Workshops		$4,250.00		$4,250.00					$4,250.00				$12,750.00
Case report subscription					$30.00	$30.00	$30.00	$30.00	$30.00	$60.00	$60.00	$60.00	$330.00
Ads from website					$750.00	$750.00	$750.00	$750.00	$750.00	$750.00	$750.00	$750.00	$6,000.00
Total revenue	**$0.00**	**$4,250.00**	**$7,500.00**	**$11,750.00**	**$15,780.00**	**$15,780.00**	**$15,780.00**	**$15,780.00**	**$20,030.00**	**$23,310.00**	**$23,310.00**	**$23,310.00**	**$176,580.00**
Payroll	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$9,898.00**	**$118,776.00**
Operating expenses													
Advertising	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$415.00	$4,980.00
Transportation	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$240.00	$2,880.00
Coworking space rent	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$175.00	$2,100.00
Web development and maintenance	$5,000.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$7,750.00
Supplies	$500.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$40.00	$940.00
Miscellaneous	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$30.00	$360.00
Total operating expenses	**$6,360.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$1,150.00**	**$19,010.00**
Income before other expenses	**($17,258.00)**	**($6,798.00)**	**($3,548.00)**	**$702.00**	**$4,732.00**	**$4,732.00**	**$4,732.00**	**$4,732.00**	**$8,982.00**	**$12,262.00**	**$12,262.00**	**$12,262.00**	**$37,794.00**
Other expenses													
Amortized expenses	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$30,000.00
Interest													
Commercial loan	$375.00	$372.00	$369.00	$365.00	$362.00	$359.00	$355.00	$352.00	$349.00	$345.00	$342.00	$338.00	$4,283.00
Credit line		$120.00	$172.00	$202.00	$204.00	$204.00	$204.00	$204.00	$204.00	$204.00	$204.00	$204.00	$2,126.00
Total other expenses	**$2,875.00**	**$2,992.00**	**$3,041.00**	**$3,067.00**	**$3,066.00**	**$3,063.00**	**$3,059.00**	**$3,056.00**	**$3,053.00**	**$3,049.00**	**$3,046.00**	**$3,042.00**	**$36,409.00**
Net income before tax	**($20,133.00)**	**($9,790.00)**	**($6,588.00)**	**($2,365.00)**	**$1,666.00**	**$1,669.00**	**$1,673.00**	**$1,676.00**	**$5,930.00**	**$9,213.00**	**$9,216.00**	**$9,220.00**	**$1,387.00**
Net profit	**($20,133.00)**	**($9,790.00)**	**($6,588.00)**	**($2,365.00)**	**$1,666.00**	**$1,669.00**	**$1,673.00**	**$1,676.00**	**$5,930.00**	**$9,213.00**	**$9,216.00**	**$9,220.00**	**$1,387.00**

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In order to provide a better guidance, the following is a break even analysis in order to have more clarity of the efforts needed in order for Beacon! to have financial stability and possible growth.

Table 8 Break even analysis.

Gross margin percentage of sales	
Gross margin	$176,580.00
Total sales	$176,580.00
Ratio	100%
Total fixed expenses	
Payroll	$118,773.20
Operating expenses	$25,344.55
Total	$144,118.00
Break even sales in dollars per year	
Gross margin of sales	100%
Total fixed expenses	$144,118.00
Yearly breakeven amount	**$144,118.00**
Monthly breakeven amount	**$12,010.00**

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