BUSINESS PLAN · INDIA

Compensation & Benefits Consultancy

Salary benchmarking, pay structures, incentives & ESOP design

HR-TECH

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Compensation & Benefits Consultancy** in India — a specialist HR-advisory firm that designs and benchmarks pay: salary structures, market benchmarking, pay-band and grade design, incentive and variable-pay plans, sales-commission schemes, ESOP/long-term incentive frameworks, and total-rewards strategy. Delivered via projects and ongoing rewards-partner retainers, supported by compensation data and analytics.

As talent competition intensifies and pay transparency rises, employers need to get compensation right — competitive, fair, cost-effective and motivating. Most SMEs and mid-market firms lack in-house rewards expertise. This consultancy provides it, monetising through benchmarking studies, plan-design projects and rewards retainers with strong repeat business.

The promoter — a rewards/compensation professional — seeks total funding of **₹4.5 lakh** (₹1.75 lakh promoter + ₹2.75 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹26 lakh** revenue in Year 1 and **₹66 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: A rewards partner that helps companies pay competitively and fairly — with benchmarked structures and incentive plans that attract, retain and motivate while controlling cost.

Vision: To be a trusted compensation & rewards advisor for employers in the region.

Mission: Design pay and incentives that are market-competitive, internally fair, cost-effective and motivating — backed by data.

Legal structure options

- **Proprietorship / LLP** — LLP recommended as the team and clients grow.
- **Private Limited** — for scaling or productising benchmarking data.

> **Data note:** credible compensation advice relies on quality market data (surveys, benchmarks). Building or accessing reliable data and maintaining confidentiality of client pay data are core. Advice must be practical and cost-aware, not just market-matching.

3. Promoter & Ownership

Led by a promoter with compensation, rewards or HR-analytics experience. Delivery uses rewards analysts and consultants, with compensation data sources. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

Compensation is a top lever for talent attraction and retention, and getting it wrong is costly. Rising pay competition, variable-pay adoption, ESOP proliferation and transparency pressures drive demand for expert rewards advice. SMEs and mid-market firms, and PE/VC-backed companies structuring pay, are strong, under-served segments.

Demand drivers

- **Talent competition** requiring competitive pay.
- **Variable pay & incentives** design needs.

- **ESOP/LTIP** proliferation.
- **Fairness & transparency** pressures.
- **Cost control** — paying right, not just more.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Employers needing compensation advice in India	Large
SAM	Reachable SMEs/mid-market in region/sectors	Focused
SOM (Yr 1–3)	Projects + retainer clients	30 → 90 clients

Target segments

- SMEs & mid-market structuring/benchmarking pay.
- Startups & PE/VC-backed firms designing rewards/ESOPs.
- Sales-led firms needing incentive design.
- Growing firms professionalising compensation.

5. Competition & Competitive Advantage

Landscape: large rewards consultancies, HR consultants adding comp, and survey providers. The firm differentiates on practical, data-backed advice, affordability for the mid-market, and rewards specialisation.

The firm's edge

- **Data-backed benchmarking** and structures.
- **Practical, cost-aware design.**
- **Incentive & ESOP expertise.**
- **Mid-market affordability & service.**
- **Rewards-partner retainers.**

6. Services & Pricing

Service	Model	Indicative fee (₹)
Salary benchmarking study	Project	30,000–2,00,000
Pay structure & band design	Project	40,000–2,50,000
Incentive / variable-pay design	Project	30,000–2,00,000
Sales-commission scheme	Project	25,000–1,50,000
ESOP / LTIP framework	Project	50,000–3,00,000
Rewards-partner retainer	Monthly	15,000–60,000/mo

> Benchmarking and design projects drive core revenue; rewards retainers and repeat annual reviews add recurring income.

7. Go-to-Market — Marketing & Sales

- **HR & leadership relationships** — the primary channel.
- **Referrals:** HR consultants, CAs, and existing clients.
- **PE/VC & startup ecosystems** for rewards/ESOP work.
- **Content & benchmarking insights** as thought leadership.
- **Annual-review cycles** for repeat engagements.

Sales approach

Enter via benchmarking/design projects and convert into rewards retainers and annual reviews; layer incentive/ESOP work. Data credibility and outcomes drive repeat business.

8. Operations Plan

- **Location:** a lean office or remote-first setup; delivery is analytical and advisory.
- **Process:** data gathering → benchmarking & analysis → structure/plan design → recommendations → implementation support → review.
- **Data & tools:** compensation surveys/benchmarks, analytics tools, and design templates.
- **Quality & confidentiality:** robust methodology; data confidentiality; practical, cost-aware recommendations.
- **Capacity:** a consultant + analyst pod handles many engagements; scale by adding consultants and data.

Rewards work areas

Area	Focus	Type
Benchmarking	Market pay	Project
Structure	Bands/grades	Project
Incentives	Variable pay	Project
Equity	ESOP/LTIP	Project
Rewards partner	Ongoing advice	Retainer

9. Regulatory, Licences & Compliance (India)

- **Business registration:** proprietorship/LLP or Pvt Ltd; PAN/TAN; GST (fees attract GST); professional tax and Shops & Establishments as applicable.
- **Domain coordination:** ESOP/LTIP structuring with legal/tax/company-law experts; minimum-wage and statutory alignment in pay design.
- **Conduct:** confidentiality of client pay data; robust, defensible methodology.
- **Data protection** aligned to the DPDP Act; secure handling of compensation data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3

Promoter / Lead Consultant	1	1	1
Rewards Consultant	1	2	3
Compensation Analyst	1	2	3
Admin / BD	0	1	1
Total	**3**	**6**	**8**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Entity, data sources, templates, network
Launch	Month 1–3	First benchmarking/design projects
Traction	Month 4–9	Retainers & annual reviews; break-even nears
Scale	Year 2	ESOP/incentive line; second consultant
Growth	Year 3	Recurring rewards-partner book

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Office & fit-out	80,000
Computers & IT (3)	1,30,000
Compensation data/surveys & tools	90,000
Branding, website & setup	45,000
Deposits & pre-operative	35,000
Working-capital buffer	70,000
Total project cost	**4,50,000**
Promoter contribution	1,75,000
Term loan (Mudra / CGTMSE)	2,75,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Benchmarking & structure projects	14,00,000	26,00,000	34,00,000
Incentive & ESOP design	7,00,000	14,00,000	18,00,000

Rewards retainers & reviews	5,00,000	12,00,000	14,00,000
Total revenue	**26,00,000**	**52,00,000**	**66,00,000**
Salaries & wages	12,60,000	25,00,000	32,00,000
Rent & utilities	1,40,000	1,80,000	2,20,000
Data, surveys & tools	2,00,000	3,00,000	3,80,000
Marketing & BD	1,60,000	2,40,000	3,00,000
Admin, travel & misc	1,80,000	2,60,000	3,40,000
Interest on term loan	30,000	22,000	12,000
Total expenses	**19,70,000**	**35,02,000**	**44,52,000**
Net profit (before tax)	**6,30,000**	**16,98,000**	**21,48,000**
Net margin	24.2%	32.7%	32.5%

12.3 Unit economics & break-even

- **Per project:** benchmarking/design fees above analyst cost; ESOP/incentive projects are higher-value.
- **Recurring:** retainers and annual reviews build a steady base.
- **Break-even:** a steady project flow plus retainers — reached around month 8–10.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	70,000	55,000	95,000	1,70,000
Collections	4,40,000	6,20,000	7,60,000	8,10,000
Operating outflows	4,35,000	5,60,000	6,65,000	7,20,000
Loan EMI	20,000	20,000	20,000	20,000
Closing balance	**55,000**	**95,000**	**1,70,000**	**2,40,000**

> Project fees flow as engagements deliver; retainers and annual reviews add steadier income. The buffer covers the client-building ramp.

12.5 Key Performance Indicators to Monitor

- **Volume:** projects; retainer clients; annual reviews.
- **Quality:** data credibility; client satisfaction; implementation success.
- **Economics:** revenue per project; % recurring; utilisation.
- **Growth:** new clients; ESOP/incentive share.

13. Funding Requirement & Bankability

Total ask: **₹2.75 lakh term loan** against ₹1.75 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹6.3 lakh against annual debt service of ~₹0.75 lakh gives a **DSCR above 3.0** —

comfortably bankable, strengthening with retainers.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, data/surveys & tools	2,20,000	49%
Office setup & deposits	1,15,000	26%
Branding & setup	45,000	10%
Working-capital buffer	70,000	16%
Total	**4,50,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Data quality / credibility	Reliable sources; robust methodology; transparency
Project lumpiness	Retainers & annual reviews; broad client base
ESOP/tax complexity	Legal/tax coordination; defensible frameworks
Confidentiality (pay data)	Secure handling; DPDP alignment; NDAs
Competition	Practical, affordable, data-backed advice

15. SWOT Analysis

Strengths Specialist niche; high margins; recurring retainers; data-backed credibility.	**Weaknesses** Data-dependency; project lumpiness; talent-dependent.
Opportunities Talent competition; variable pay & ESOPs; transparency; annual reviews.	**Threats** Large consultancies; survey providers; fee pressure.

16. Recommended AiSevak Tools for This Business

This consultancy would use AiSevak's HR-Tech and Finance tools in delivery:

- **Compensation:** salary-benchmarking, pay-structure and incentive-design tools.
- **Equity:** ESOP-designer, vesting-schedule and cap-table tools (Finance vertical).
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the consultancy.

17. Key Assumptions & Notes

- ~30 clients in Year 1 growing to ~90 by Year 3 across projects and retainers.

- Reliable compensation data is a key input and cost; ESOP/tax handled with partners.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Figures exclude GST on fees (pass-through) and promoter remuneration (editable input).

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