



BUSINESS PLAN · INDIA

HR Consultancy

Outsourced HR advisory: policies, compliance, POSH & org design for SMEs

HR-TECH

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **HR Consultancy** in India — a firm providing outsourced HR advisory and delivery to SMEs and startups: HR policies and employee handbooks, statutory and labour-law compliance, organisation design, performance-management systems, compensation structuring, POSH setup, HR process design, and ongoing HR-partner support on retainer.

Most small and mid-sized businesses lack a strong HR function yet face growing people-management and compliance complexity — hiring, policies, the new labour codes, POSH, performance and retention. An HR consultancy provides this expertise affordably, on recurring retainers plus projects, building a sticky, advisory-led practice.

The promoter — an HR 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: An outsourced HR partner that gives growing businesses sound policies, full compliance, and the people systems to hire, manage and retain well — without a full in-house HR team.

Vision: To be the trusted HR partner for SMEs and startups in the region.

Mission: Build compliant, effective, people-first HR foundations for every client, and support them as they grow.

Legal structure options

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

Positioning: HR consultancy is an advisory/delivery service. Legal opinions on labour law are coordinated with employment lawyers where needed; payroll processing (if offered) follows statutory norms. The value is practical, compliant, people-effective HR.

3. Promoter & Ownership

Led by a promoter with HR generalist/leadership experience across policy, compliance and org development. Delivery uses HR consultants and associates, with legal/payroll partners as needed. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's large and growing base of SMEs and startups increasingly needs professional HR — driven by the new labour codes, POSH obligations, talent competition, and the shift to formal, structured people practices. Most cannot afford a senior in-house HR leader, making outsourced HR advisory a strong, expanding market.

Demand drivers

- **Labour codes & compliance** raising the HR bar.
- **POSH & policy** obligations for employers.
- **Talent competition** needing better people practices.

- **Startup/SME growth** professionalising HR.
- **Cost of in-house HR leadership** favouring outsourcing.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	SMEs & startups needing HR support in India	Very large
SAM	Reachable businesses in the firm's region	Large
SOM (Yr 1-3)	Retainer + project clients served	40 → 120 clients

Target segments

- Startups building their first HR foundation.
- SMEs needing policies, compliance and performance systems.
- Growing firms professionalising HR.
- Employers needing POSH and labour compliance.

5. Competition & Competitive Advantage

Landscape: HR freelancers, other consultancies, HR-tech tools, and payroll/staffing firms adding advisory. The firm differentiates on practical expertise, compliance rigour, and an ongoing-partner model.

The firm's edge

- **Practical, compliant HR** — usable policies and systems.
- **Labour-code & POSH fluency.**
- **Ongoing HR-partner retainers** — not just one-off projects.
- **People-effectiveness focus** (performance, retention).
- **Technology-enabled delivery** where useful.

6. Services & Pricing

Service	Model	Indicative fee (₹)
HR policies & employee handbook	Project	15,000–1,00,000
Labour-law & statutory compliance	Project/retainer	10,000–75,000
POSH policy, IC & training	Project	10,000–50,000
Performance-management & org design	Project	25,000–2,00,000
Compensation & structure	Project	20,000–1,50,000
Ongoing HR-partner retainer	Monthly	10,000–50,000/mo

Retainers provide recurring revenue; policy, compliance, POSH and org-design projects add high-margin income and lead into retainers.

7. Go-to-Market — Marketing & Sales

- **Referrals:** CAs, lawyers, business networks and existing clients.
- **Startup & SME ecosystems:** incubators, accelerators, co-working spaces.
- **Content & thought leadership** on labour codes, POSH and people practices.
- **POSH-driven acquisition** as an entry point.
- **Partnerships** with payroll/staffing/HR-tech firms.

Sales approach

Enter via policy/POSH/compliance projects and convert into ongoing HR-partner retainers; layer performance, comp and org work. Build a renewing client base.

8. Operations Plan

- **Location:** a lean office or remote-first setup; delivery is advisory and documentation.
- **Delivery model:** consultants deliver under the promoter's oversight; standardised templates and frameworks; a state-wise compliance framework.
- **Technology:** document management, HR templates/toolkits, and a client/project tracker.
- **Quality:** senior review; practical, compliant outputs; confidentiality.
- **Capacity:** a consultant pod handles many retainers and projects; scale by adding consultants.

HR service coverage

Area	Work	Type
Policy & handbook	Documentation	Project
Compliance	Labour codes, statutory	Project/retainer
POSH	Policy, IC, training	Project
Performance & org	Systems, design	Project
HR partner	Ongoing support	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 expertise:** labour codes, POSH Act, state labour rules; legal coordination for opinions.
- **Conduct:** confidentiality, practical compliance, and ethical advice.
- **Data protection** aligned to the DPDP Act; secure handling of employee/client data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Lead Consultant	1	1	1

HR Consultant	1	3	4
Compliance / Associate	1	2	3
Admin / Support	0	1	1
Total	3	7	9

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-1	Entity, templates, compliance framework, network
Launch	Month 1-3	First projects & retainers
Traction	Month 4-9	Retainer book grows; break-even nears
Scale	Year 2	Performance/comp/org line; second consultant pod
Growth	Year 3	120 clients; renewing retainer base

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
HR toolkits & software	55,000
Branding, website & setup	50,000
Deposits & pre-operative	45,000
Working-capital buffer	90,000
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
HR-partner retainers	12,00,000	24,00,000	34,00,000
Policy, POSH & compliance projects	9,00,000	17,00,000	22,00,000
Performance, comp & org design	5,00,000	10,00,000	10,00,000

Total revenue	26,00,000	51,00,000	66,00,000
Salaries & wages	12,60,000	24,00,000	31,00,000
Rent & utilities	1,80,000	2,20,000	2,60,000
Toolkits, software & IT	1,40,000	2,10,000	2,60,000
Marketing & networking	1,60,000	2,40,000	3,00,000
Admin, travel & misc	2,00,000	2,90,000	3,80,000
Interest on term loan	30,000	22,000	12,000
Total expenses	19,70,000	33,82,000	43,12,000
Net profit (before tax)	6,30,000	17,18,000	22,88,000
Net margin	24.2%	33.7%	34.7%

12.3 Unit economics & break-even

- **Average retainer:** ~₹18,000/client/month; projects add high-margin income.
- **Leverage:** consultants deliver under oversight, keeping delivery efficient.
- **Break-even:** a base of retainers plus projects — reached around month 8-10.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	90,000	70,000	1,30,000	2,40,000
Collections	4,40,000	6,30,000	7,80,000	8,70,000
Operating outflows	4,40,000	5,50,000	6,50,000	7,40,000
Loan EMI	20,000	20,000	20,000	20,000
Closing balance	70,000	1,30,000	2,40,000	3,50,000

Retainers and compliance projects give a steady, growing cash line; the buffer covers early client-building.

12.5 Key Performance Indicators to Monitor

- **Book:** retainer clients; projects; new-client additions.
- **Delivery:** compliance completion; client satisfaction; outcomes.
- **Retention:** retainer renewals; repeat projects.
- **Economics:** revenue per client; % recurring; utilisation.

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, backed by recurring retainers.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, HR toolkits & software	1,85,000	41%
Office setup & deposits	1,25,000	28%
Branding & setup	50,000	11%
Working-capital buffer	90,000	20%
Total	4,50,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Advice / compliance error	Senior review; legal coordination; up-to-date frameworks
Labour-code / rule change	Continuous tracking; client advisories; template updates
Client churn	Retainers; POSH/compliance stickiness; broad base
Talent dependence	Build consultant bench; templatised; document methods
Confidentiality	Secure handling; DPDP alignment

15. SWOT Analysis

Strengths Recurring retainers; high margins; rising demand; low capex; sticky.	Weaknesses Talent-dependent; state-law complexity; project-to-retainer conversion needed.
Opportunities Labour codes; POSH mandate; startup/SME growth; performance & org work.	Threats HR-tech & freelancer competition; fee pressure; regulatory shifts.

16. Recommended AiSevak Tools for This Business

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

- **Policy & compliance:** HR policy, handbook, POSH, leave/code-of-conduct and labour-compliance tools.
- **People systems:** performance-management, compensation-benchmarking and org-design tools.
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the consultancy.

17. Key Assumptions & Notes

- ~40 clients in Year 1 growing to ~120 by Year 3 across retainers and projects.
- Average retainer ₹18,000/month — replace with local pricing and client mix.
- 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).

► **Use these tools now — free on AiSevak**

Every tool referenced in this plan is available on aisevak.in. Open the [HR-Tech toolkit](https://aisevak.in/verticals/hrtech) to browse and use them all at <https://aisevak.in/verticals/hrtech> — or go straight to any specific tool at <https://aisevak.in/service/<tool-name>>.

No signup needed to explore; each tool guides you step by step.

Prepared by AiSevak.in — a product of ABL Digital Technologies. AI-powered business services for India. This is AI-assisted guidance; figures are illustrative and not a guarantee of results. Verify all numbers, licences and regulatory requirements with a qualified professional before relying on this plan for binding decisions. © 2026 ABL Digital Technologies Private Limited.