

Given the volatile insurance market, should company XYZ implement a new social media marketing strategy to increase its brand awareness and sales?

International Baccalaureate
Internal Assessment
Business Management High Level
May 2022

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**As requested, the company's name has been kept confidential*

Research Proposal

Research Question

Given the volatile insurance market, should company XYZ implement a new social media marketing strategy to increase its brand awareness and sales?

Rationale for study

Company XYZ is a small sales promoter business that works for Inbursa. It began operating in 2010, and is managed by Beatriz XX. However, due to the current challenging and uncertain situation provided by the 2020 Pandemics, the business has struggled to gain recognition from customers among the state, thus lowering their sales. In addition, the company has no marketing plan and only a few promotional tactics provided by Inbursa. Therefore, given the necessities and nature of the business, the objective of this study focuses on evaluating the potential social media marketing strategy that the company could adopt in order to increase its brand awareness and consequently its sales.

Proposed methodology

I. Areas of the syllabus to be covered

- 1.7 Planning Tools
- 3.7 Cash flow
- 4.3 Sales forecasting
- 4.4 Market Research
- 4.5 The four P's

II. Possible sources of information

A. Primary sources

- Interview: with the manager Martín XX to better understand the business structure, its marketing strategies and issues provided by the Pandemic.
- Interview: with the manager and owner Beatriz XX to gather further information on the current marketing strategies, financial data and business interests.
- Survey: to gather quantitative information from a target audience about their preferences regarding the use of social media.
- Virtual visit: to further understand the day to day management of the business and current situation.

B. Secondary sources

- Financial reports from 2020: to analyze their financial position and elaborate forecasts based on the proposed strategy.
- Promotional material: to analyze the current marketing mix (promotion) and areas of opportunity.
- Articles about social media management: to get an idea of the costs and implications of using a social media advertising strategy, as well as the effect of this strategy on sales and brand awareness.

III. Organizations and individuals to be approached

- Company XYZ
- Beatriz XX, manager of the business
- Martín XX, manager of the business

IV. Methods to be used to collect and analyze data, and reason for choosing them

- Lewin's force field analysis: to evaluate forces that could drive or oppose the implementation of the proposed strategy.
- Marketing mix (promotion): to analyze the current promotional strategies and make suggestions.
- Sales forecast: to evaluate the sales trend and analyze the impact of the Pandemic in the future.
- Cash flow: to analyze the financial situation of the business and make recommendations.
- Statistics: to visualize through graphs the use and potential impact of social media.

Anticipated difficulties

One of the main issues is that the business is located in a different state from mine, so it might be difficult to conduct a survey that reaches the desired sample. Another main difficulty is bias in interviews, and finally, privacy considerations present a limitation when obtaining financial reports or specific information from the business.

Action Plan

Task	Estimated start date	Estimated finish date	Comments
Company selection	11/08/2021	11/08/2021	
General interview	20/08/2021	21/08/2021	Obtain basic information to get to know the business
Research question development	17/09/2021	18/09/2021	
First draft of research proposal	19/09/2021	21/09/2021	Take into consideration all tools and course material
Finish research proposal	29/10/2021	2/11/2021	
Planning for interviews	2/11/2021	2/11/2021	
Introduction	3/11/2021	3/11/2021	
Interview with Martin XX	6/11/2021	6/11/2021	Also gather promotional material
Interview with Beatriz XX	6/11/2021	6/11/2021	Also gather financial reports
Make and apply surveys	13/11/2021	19/11/2021	
Virtual visit	20/11/2021	20/11/2021	
Research methodology	21/11/2021	23/11/2021	
Data and results	25/11/2021	26/11/2021	Elaborate the proposed tools
Analysis and discussions	27/11/2021	28/11/2021	
Conclusions	25/01/2022	27/01/2022	
Recommendations	28/01/2022	29/01/2022	
Document revision	31/01/2022	31/01/2022	

Table 1: Action plan timetable.

Given the volatile insurance market, should company XYZ implement a new social media marketing strategy to increase its brand awareness and sales?

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Directed to: Manager Beatriz XX
Area: Marketing and Finance and Accounts
Word count: 1998

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Acknowledgements

I would like to thank both Beatriz XX and Martín XX for all of their support and making the elaboration of this research paper possible. I would also like to express my gratitude towards my professors Juan de Dios and Paula Marty for all their advice and finally, I would like to thank my family for their help and encouragement through this journey.

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Executive summary

In this research, the possibility of implementing a social media marketing strategy was evaluated, since due to the pandemic 2019 and the volatile insurance market, company XYZ, was struggling to gain a higher brand recognition and awareness, thus lowering their sales. Therefore, sources such as interviews, surveys, a virtual visit and research of social media were analyzed, which complemented by cash flow, forecast and Lewin's force field analysis tools, revealed the potential positive impact that social media could have on the declining sales. This strategy could also provide access to a broader audience, which could improve brand awareness and loyalty, even allowing the business to use segmentation through these platforms. However, a community manager would need to be hired and there is no guarantee that the strategy will be successful as social media can be unpredictable and sales increase may not be enough to overcome negative net cash flows. Nonetheless, risks are likely to be beneficial in the long term, so it is recommended that the business establishes a marketing plan and even though it wasn't analyzed, human resources should be considered to ensure proper communication and recruitment processes when hiring a community manager.

Word count: 200

Introduction

company XYZ is a small company founded in August 2010 by Beatriz XX. It is a sales promoter business that instructs financial advisors who sell Inbursa's insurance products, from which the business earns commissions. However, due to the volatile insurance market introduced by the 2019 Pandemic, the business has struggled to gain higher recognition and brand awareness from customers among the local state, which has led to a decrease in sales. In addition, the business only follows a few marketing tactics provided by Inbursa, nonetheless, these have not yet proven to be successful. Moreover, the business does not have a marketing strategy or plan of its own, so the purpose of this research will focus on identifying the potential use of a social media marketing strategy that the company could adopt in order to improve their brand awareness in their local state and increase their sales.

Research question

Given the volatile insurance market, should company XYZ implement a new social media marketing strategy to increase its brand awareness and sales?

Research methodology

Primary Sources

- Interview 1 with Martin XX

The general business structure, marketing strategies and the effect that the Pandemic has had on the company was discussed, however, information could be biased and only represents the perspective of the interviewee.

- Interview 2 with Beatriz XX

To understand the interests of the company and obtain financial reports, which were limited due to bias and privacy considerations. In addition, more marketing data was gathered to complement interview 1.

- Survey

Quantitative data was obtained regarding the use of social media to produce statistics that showed the potential impact of this strategy. Nonetheless, results from the selected sample represent only a portion of the population.

- Virtual visit

Due to the Pandemic, the visit was conducted online and even though this presents a limitation, it was possible to gain a different perspective on the day to day running of the business.

Secondary sources

- Financial reports

These were necessary to analyze the business's financial position and to construct sales and cash flow forecasts, which may not be very precise as they are based on predictions. Also, only the reports from the year 2020 were available and the opening balance for that year was unknown.

- Promotional material

To analyze the business current marketing mix on promotion and identify areas of improvement, considering that the material obtained was only a sample.

- Articles about social media management

Several sources were consulted to get an idea of the effect of a social media strategy, however these could not necessarily apply to this case. Average costs of hiring a social media manager were also investigated.

Data and Results

Primary research

Interviews¹

The business hires and instructs advisors who then promote and sell Inbursa's products. From their sales, they receive a commission and could earn additional financial aid from Inbursa depending on their rank, as there are over 500 other sales promoter businesses around the country. The business usually focuses on selling one distinguished insurance product, even though they have more than 180.

However, due to the Pandemic, the company has struggled to gain recognition by more customers and thus, their sales have decreased. Therefore, the business is interested in adopting a social media marketing strategy that could help raise sales at a low price, yet, none of the business' employees have experience with this type of strategy.

Surveys

1.

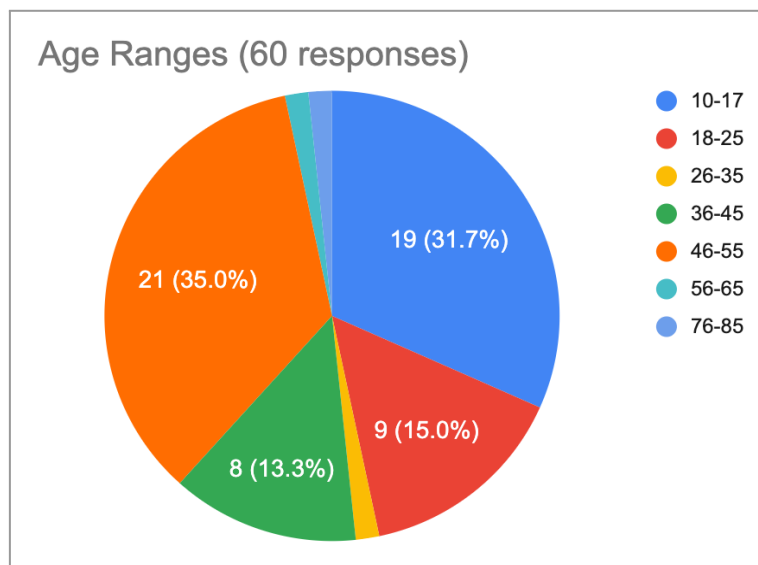


Figure 1: pie chart of age ranges

¹ Transcripts in **appendix 1 and 2**.

2.

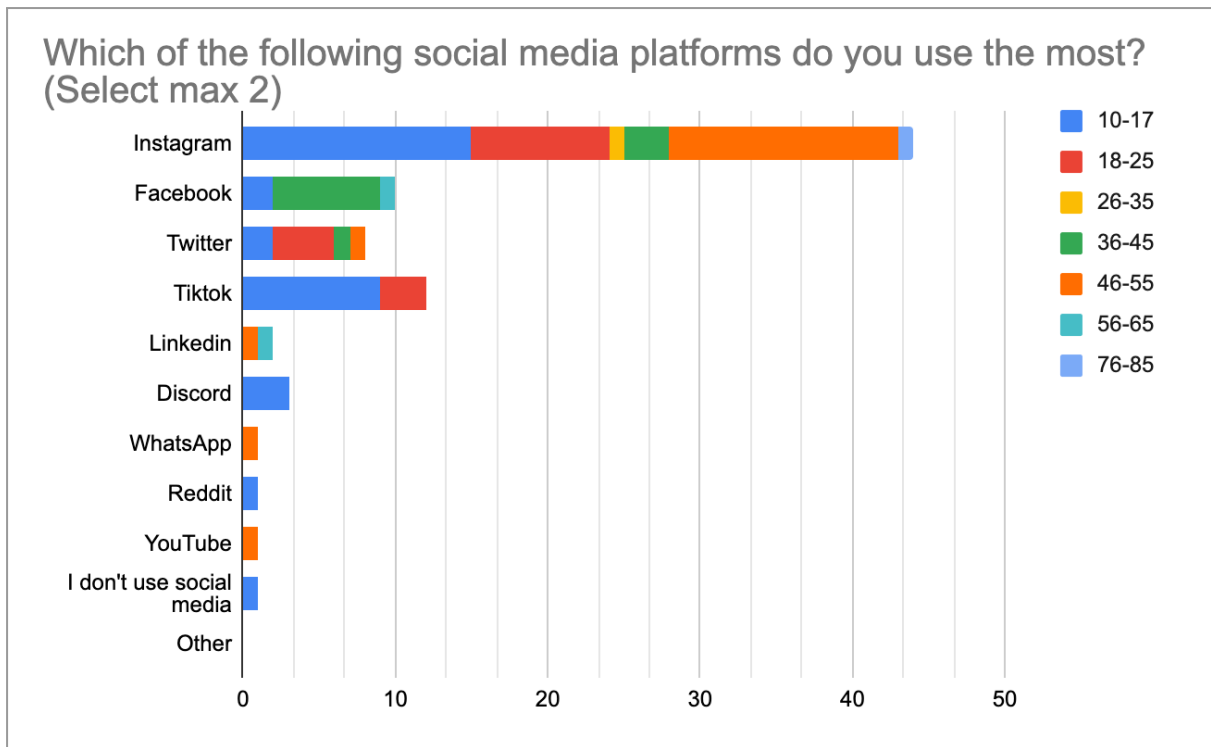


Figure 2: stacked bar graph showing instagram to be the most popular social media platform for all age ranges except 36-45.

3.

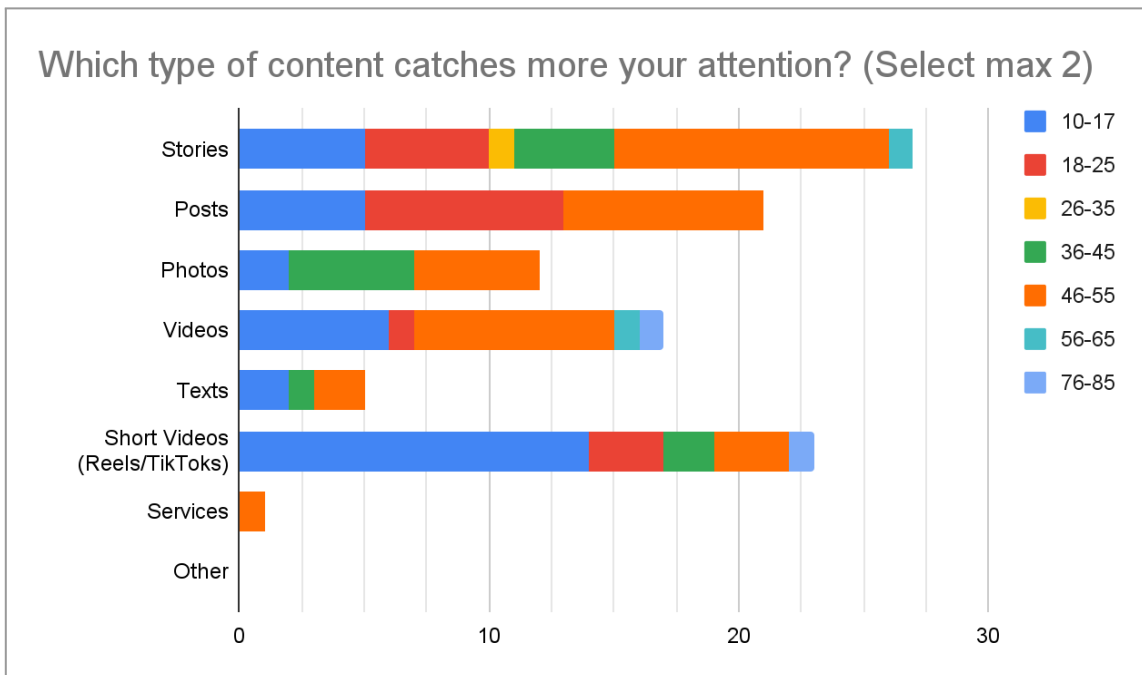


Figure 3: stacked bar graph where story type of content seems to be the most attractive, followed by short videos and normal posts.

4.

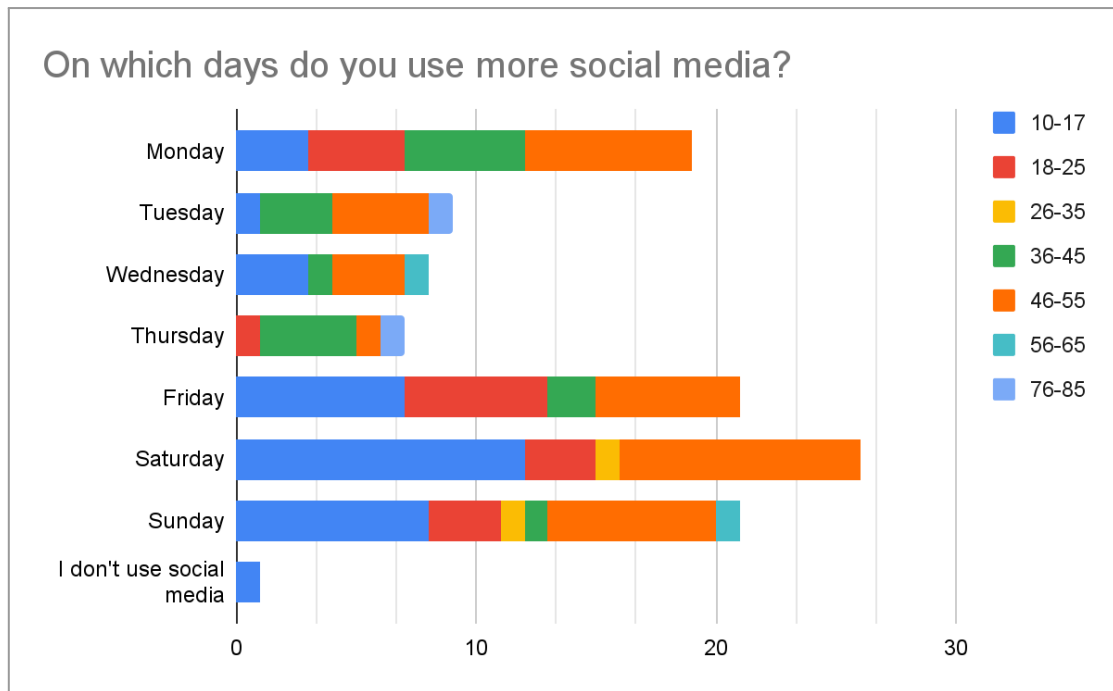


Figure 4: stacked bar graph where the most frequent days are from Friday through Monday, Saturday being the highest.

5.

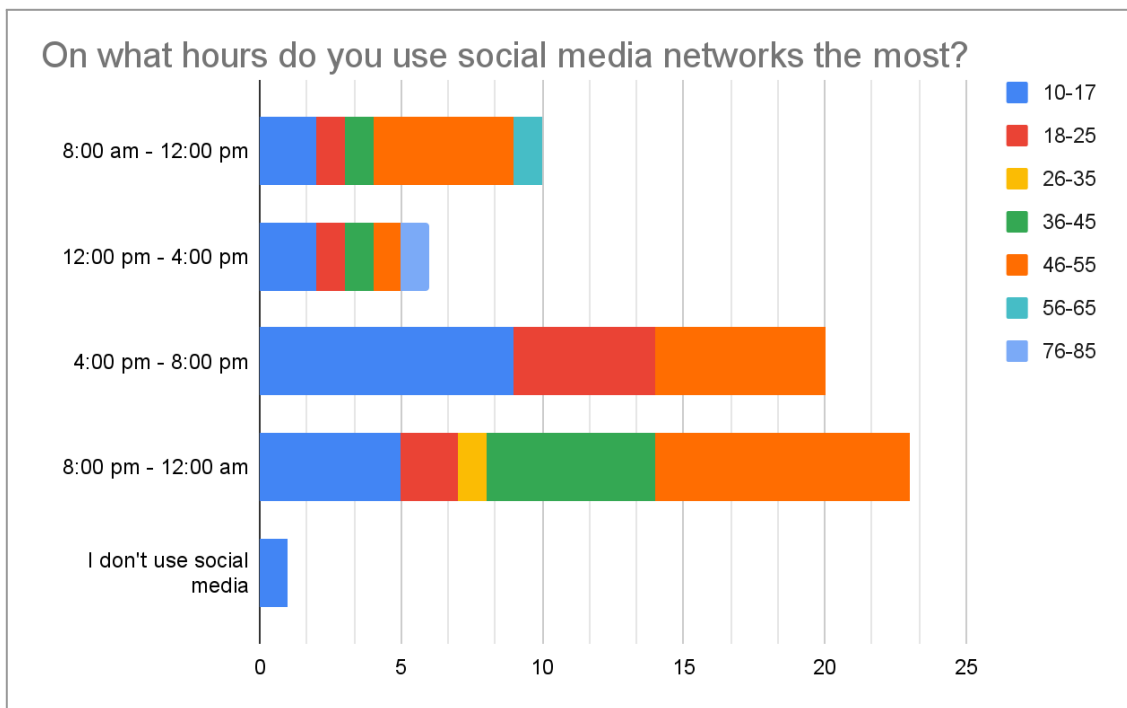


Figure 5: stacked bar graph showing the periods of time when social media is mostly used.

Virtual visit²

The office of the business is small, as there are usually around 5 people on a regular day. However, besides the managers, in the business there are 2 assistants, one employee who finds more advisors and 12 advisors, who don't work everyday in the office.

Secondary research

According to Nabil, Bader, Al-Qreini (2016) and Momany, Alshboul (2016), several studies have proven that social media is a cost effective tool to increase brand recognition and loyalty and is likely to have a positive influence on sales.

- "46% of today's internet users depend on social networks to take their purchasing decisions."(Nabil, Bader, Al-Qreini, 2016, p.16).
- "A survey by *Social Media Today* revealed that 71% of social media users are more likely to purchase products from brands that are connected on social media websites" (p.17).

However, social media may not necessarily have a positive impact if it is not managed properly.

- "their results showed that the number of people who "like" a company's Facebook page does not necessarily have an effect on the company's sales (Momany, Alshboul, 2016, p.39).

Either way, a community manager or social media marketing business would need to be hired. Therefore, several options and cost averages from the state were found:

Position	Approximate cost (in pesos)	Source
Social media manager (Specifically for facebook)	4,500	<i>PubliGeek</i>
Digital marketing managers (Specifically on facebook)	5,220 - 8,120	<i>Mosaico</i>
Community manager	8,500	<i>Talent</i>
Community manager	9,000	<i>Crehana</i>
Community manager	15,000	<i>Marketing capacitación</i>

Table 2: Costs for hiring social media managers, with an average of 8,390 pesos.

² Photos in **appendix 3**.

Tools

Marketing mix: promotion³

The business currently uses below the line promotion tactics such as sharing infographics or videos through personal social media or in person.

Analyzing their promotional material, it mainly focuses on eye-catching images that promote their products through short relatable messages. In addition, this material is provided by Inbursa, which means there are no extra costs on the production of these posters or images.

Therefore, the business could adapt an above the line social media marketing strategy, as they already have the material, but no specific place to share it.

Sales Forecast (January 2020 - December 2020)

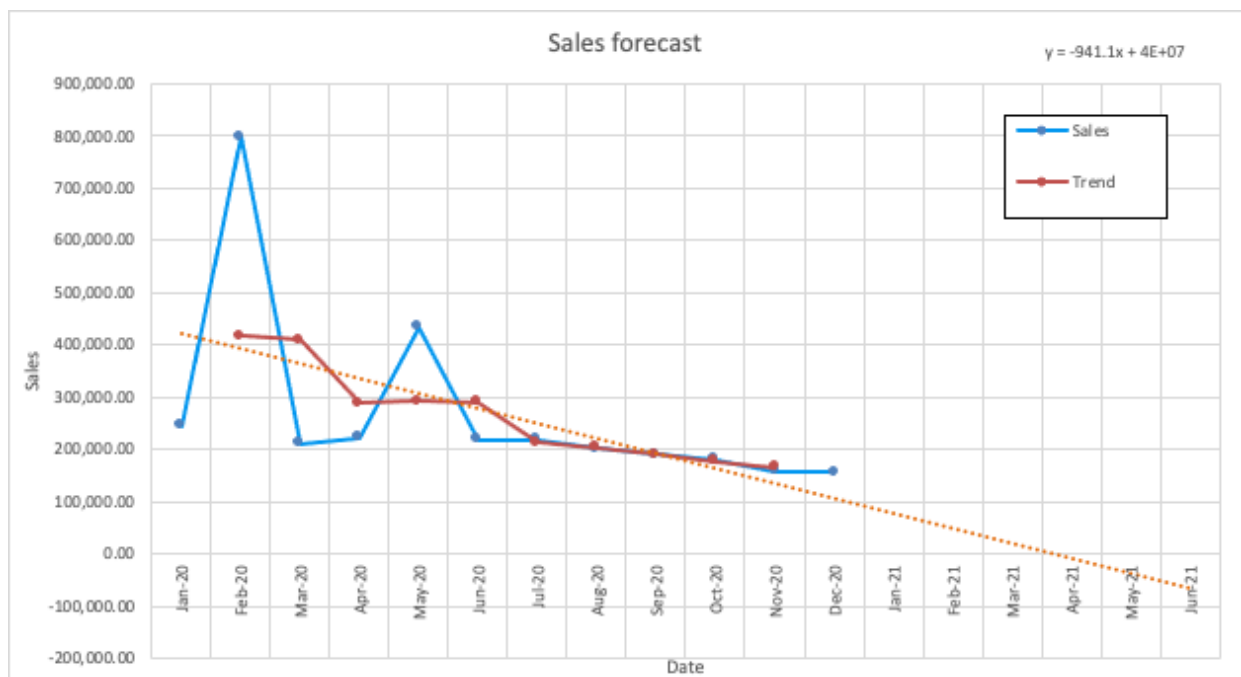


Figure 6: Sales forecast that shows a decline in sales.

Date	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Sales forecast	77977	49242	20507	0	0
Adjusted prediction	96,524.13	67,789.13	39,054.13	18,547.13	18,547.13

Table 3: Sales forecast for the next 5 months.

³ Promotional material in **appendix 4**.

Cash flow (January 2020 - December 2020)

	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Opening balance		-17,696.45	519,809.21	447,634.66	503,653.33
Opening balance with modifications		-13,887.68	555,108.32	485,046.88	543,775.29
Sales revenue	244,175.41	797,806.98	210,261.91	222,194.87	434,171.19
Sales revenue increase (5%)	12,208.77	39,890.35	10,513.10	11,109.74	21,708.56
Total cash inflows	245,020.22	799,439.53	211,540.15	222,737.74	434,813.72
Total cash inflows with increase	257,228.99	839,329.88	222,053.24	233,847.48	456,522.27
Social media marketing	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
Total cash outflows	262,716.67	261,933.87	283,714.69	166,719.07	478,667.35
Total cash outflows with marketing expenses	271,116.67	270,333.87	292,114.69	175,119.07	487,067.35
Net cash flow	-17,696.45	537,505.66	-72,174.54	56,018.67	-43,853.64
Net cash flow with modifications	-13,887.68	568,996.01	-70,061.45	58,728.41	-30,545.08
Closing balance	-17,696.45	519,809.21	447,634.66	503,653.33	459,799.70
Closing balance with modifications	-13,887.68	555,108.32	485,046.88	543,775.29	513,230.21

Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
459,799.70	434,084.14	489,620.34	531,930.56	588,502.96	576,061.91	415,914.31
513,230.21	490,060.85	548,159.29	592,146.51	649,786.75	637,989.13	477,374.11
218,923.94	219,244.78	201,540.00	189,356.88	180,868.38	158,651.67	155,869.24
10,946.20	10,962.24	10,077.00	9,467.84	9,043.42	7,932.58	7,793.46
219,831.00	219,739.56	216,610.03	256,617.22	181,283.56	159,006.14	156,344.60
230,777.20	230,701.80	226,687.03	266,085.06	190,326.98	166,938.72	164,138.06
8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
245,546.56	164,203.36	174,299.81	200,044.82	193,724.61	319,153.74	316,477.60
253,946.56	172,603.36	182,699.81	208,444.82	202,124.61	327,553.74	324,877.60
-25,715.56	55,536.20	42,310.22	56,572.40	-12,441.05	-160,147.60	-160,133.01
-23,169.36	58,098.44	43,987.22	57,640.24	-11,797.63	-160,615.02	-160,739.54
434,084.14	489,620.34	531,930.56	588,502.96	576,061.91	415,914.31	255,781.31
490,060.85	548,159.29	592,146.51	649,786.75	637,989.13	477,374.11	316,634.57

Table 4: summarized cash flow, where blue rows indicate the proposed social media strategy modifications. Extended cash flow on the **Supporting documents** section.

	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Opening balance	255,781.31	151,564.47	18,612.64	-183,074.19	-365,268.02
Opening balance with modifications	316,634.57	218,496.35	87,312.89	-116,915.82	-304,727.58
Sales revenue	96,524.13	67,789.13	39,054.13	18,547.13	18,547.13
Sales revenue increase (15%)	14,478.62	10,168.37	5,858.12	2,782.07	2,782.07
Total cash inflows	103,984.79	75,249.79	46,514.79	26,007.79	26,007.79
Total cash inflows with increase	118,463.41	85,418.16	52,372.91	28,789.86	28,789.86
Social media marketing	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
Total cash outflows	208,201.62	208,201.62	248,201.62	208,201.62	208,201.62
Total cash outflows with marketing expenses	216,601.62	216,601.62	256,601.62	216,601.62	216,601.62
Net cash flow	-104,216.83	-132,951.83	-201,686.83	-182,193.83	-182,193.83
Net cash flow with modifications	-98,138.21	-131,183.46	-204,228.71	-187,811.76	-187,811.76
Closing balance	151,564.47	18,612.64	-183,074.19	-365,268.02	-547,461.85
Closing balance with modifications	218,496.35	87,312.89	-116,915.82	-304,727.58	-492,539.34

Table 5: cash flow forecast based on sales forecast and previous averages from table 4. Extended cash flow forecast on the **Supporting documents** section

Lewin's force field analysis

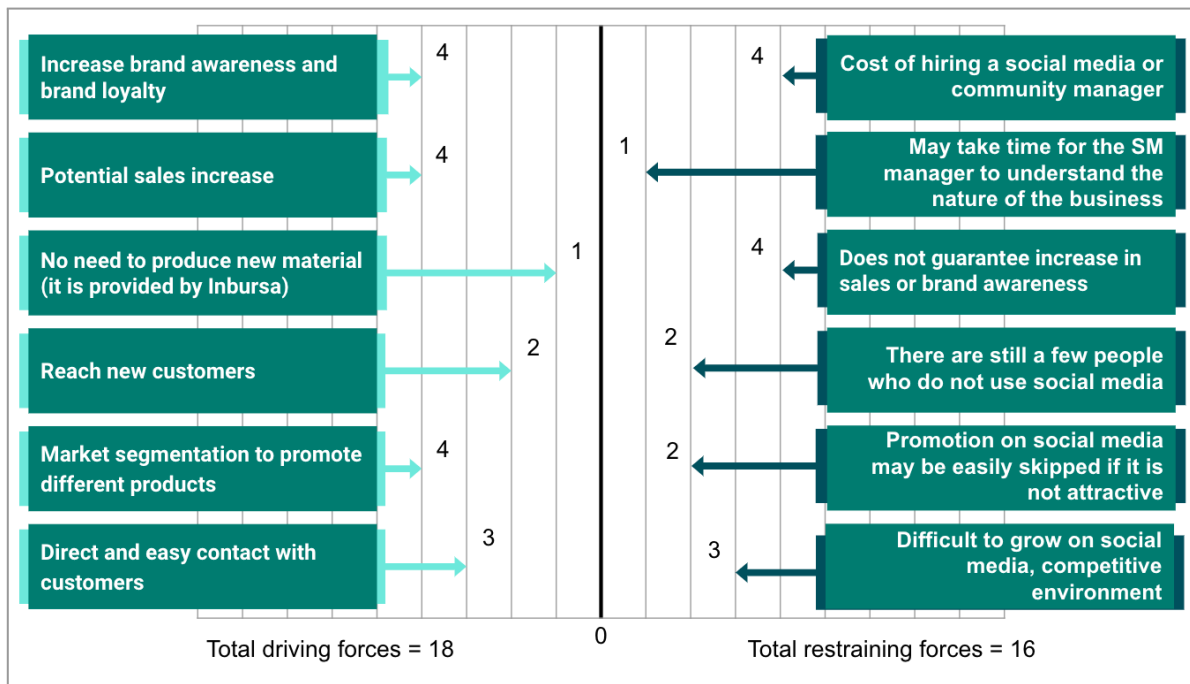


Figure 7: Lewin's force field analysis, where driving forces are slightly higher.

Analysis and Discussion

As discussed on **Interview 1**, the business has been struggling to increase its brand awareness and as seen in **Figure 6**, sales have been decreasing since January 2020 when the Pandemic began, and are estimated to drop almost completely by April 2020 if the trend doesn't change. Also, from both **interviews**, it was discovered that Inbursa may provide extra financial assistance according to the rank of the business, so the company is currently interested in finding a new low cost strategy to change its current situation, specifically on marketing, since as seen on the **marketing mix (promotion)** they currently only have a few below the line promotional tactics that consist on sharing **promotional material** from Inbursa through personal social media or in person.

Therefore, the possibility of adopting a social media marketing strategy was evaluated. Firstly, it was found through **secondary research**, that some studies prove an increase in brand awareness and loyalty due to this strategy, which also affects customers purchasing decisions and will likely have a positive impact on sales. In addition, as discovered on **surveys**, only **1/60** participants didn't use social media. However, for the strategy to be effective, it needs to be adequately managed, which requires expertise and knowledge. Also, as it was known on the **virtual visit**, there are no marketing employees, yet the office has enough space for one. Therefore, a social media or community manager could be hired. This would also require the attention of human resources to ensure proper communication, and even though it would also imply an additional monthly **cash outflow** of approximately **8,400** as seen on **Table 2**, in the long term, sales would be expected to increase as the business grows on the networks, reaching a broader audience.

As seen on **Table 4**, the current net cash flow tends to be negative as sales and inflows are not enough to cover cash outflows. Therefore, to increase sales, better promotion is required, since the product portfolio is already extensive. Hence, taking in consideration a low sales increase of **5%** from promotion, the closing balance for December shows an increase from **255,781.31** to **316,634.57 (19.2% increase)**. However, the cash outflows increased by **8,400** each month. So, it was important to predict into the future to ensure that the strategy is more beneficial than risky in the **long term**. Thus, using **Table 3**, and the previous cash flow, **Table 5** was constructed. Assuming a higher sales increase due to social media (**15%**), there is once again a significant increase on the final closing balance from **-547,461.85** to

-492,539.34 (10% increase), however, the proposed strategy does not have a big enough impact as to avoid reaching a negative net cash flow or closing balance values.

On the other hand, as seen on **Figure 3**, some of the preferred types of content is short videos or normal posts, which the business already has for no additional expense, and as analyzed on the **marketing mix**, their promotional material already meets social media content that is appealing with short meaningful texts and due to its nature and statistics from **Figure 2**, could be promoted mainly through Instagram and Facebook. It was also known through the **interviews**, that the business has **180** different products, but focuses on one, which may change over time. Therefore, through social media, the business could benefit from **segmentation**, promoting a specific product to a target market that can be identified according to the audience's age ranges in **Figures 1-5**, enhancing customer experiences.

However, as seen on the **force field analysis**, there are strong opposing forces to adopting this strategy. The main one, besides additional expense, is that there is no guarantee that this strategy will benefit the business and it still doesn't have a great impact on cash flow numbers. In addition, it is not really possible to predict accurately the percentage of sales increase that could come from social media, which could also be affected by **external factors**. Also, this type of promotion may be easily skipped and growth on these platforms may take long periods of time due to competition given the accessibility aspect of social media. Nonetheless, even if the strategy presents short term risks, in the long term, these risks are likely to pay themselves, not only through sales increase, but also through increased brand awareness and recognition, which is the main goal of both managers and as seen on **Figure 7**, driving forces are higher.

Conclusions

company XYZ should adapt a social media marketing strategy to overcome their brand awareness issue since this strategy would present an opportunity for the business to increase brand awareness and loyalty, also acquiring access to a broader and potentially segmented market through these platforms. In addition, it is a cost effective tool that would help to increase sales in the long term, which are currently declining. However, the business would need to recruit a social media manager to ensure a successful outcome even though there is no guarantee that the strategy will benefit the business and sales may not be enough to overcome the current negative cash flows. Nonetheless, the benefits of this strategy are greater than the risks, so the business should consider trying this strategy at least over a period of time, even though the strategy will become more effective as they grow on social media.

Reflective thinking

This research had several limitations that could affect results and conclusions. Firstly, interviews could be biased and only represent the interviewee's perspective. Also, there was no precise way to fully predict the sales increase percentages due to social media, given its unpredictability, so results are based on predictions. In addition, for a more accurate evaluation, the most recent financial reports would need to be analyzed, since only the ones from 2020 were available. Finally, more answers from the survey should be obtained since due to the pandemic, convenience sampling had to be used.

Recommendations

Above the line promotion (Social media)

- It is recommended that the company establishes a social media marketing plan taking into consideration the following points:
 - According to surveys, they could begin with Instagram and Facebook for a mature audience that is more likely to buy their products.
 - The business could reuse publicitary material in posts and begin to produce short videos.

- They should establish a schedule to post, considering that weekends have a higher usage rate.
- They should adapt marketing tactics to segment the market according to age ranges and the promoted product.
- If there is a positive response, the company could eventually invest in paid advertising on these platforms.
- Content should be meaningful and engaging for the audience.

Human resources

- Even though it was not thoroughly discussed in the analysis, it is recommended that the business also studies human resources factors such as:
 - Motivation theories and types of training to ensure proper communication among business functions to transmit adequate publicity.
 - Recruitment processes to hire an efficient community manager.

Word count: 1998

Bibliography

Primary sources

- Interviews:
 - Beatriz XX, manager of the business
 - Martín XX, manager of the business
- Surveys to the public
- Virtual visit to company XYZ

Secondary sources

- Company XYZ financial report from 2020
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Supporting documents

Cash flow January 2020 - December 2020

	ene-20	feb-20	mar-20	abr-20	may-20	jun-20	jul-20	ago-20	sep-20	oct-20	nov-20	dic-20
Opening balance		-17,696.45	519,809.21	447,634.66	503,653.33	459,799.70	434,084.14	489,620.34	531,930.56	588,502.96	576,061.91	415,914.31
Opening balance with modifications		-13,887.68	555,108.32	485,046.88	543,775.29	513,230.21	490,060.85	548,159.29	592,146.51	649,786.75	637,989.13	477,374.11
Cash inflows												
INGRESOS MENSUALES	244,175.41	797,806.98	210,261.91	222,194.87	434,171.19	218,923.94	219,244.78	201,540.00	189,356.88	180,868.38	158,651.67	155,869.24
INTERESES GANADOS	378.21	1,374.05	1,064.74	342.87	406.53	689.06	281.28	247.91	145.17	197.16	140.95	207.86
COMISIONES BANCARIAS	222.50	258.50	213.50	200.00	236.00	218.00	213.50	14,675.92	67,115.17	218.02	213.52	267.50
OTROS INGRESOS	244.1							146.2				
Sales revenue increase (5%)	12,208.77	39,890.35	10,513.10	11,109.74	21,708.56	10,946.20	10,962.24	10,077.00	9,467.84	9,043.42	7,932.58	7,793.46
Total cash inflows	245,020.22	799,439.53	211,540.15	222,737.74	434,813.72	219,831.00	219,739.56	216,610.03	256,617.22	181,283.56	159,006.14	156,344.60
Total cash inflows with increase	257,228.99	839,329.88	222,053.24	233,847.48	456,522.27	230,777.20	230,701.80	226,687.03	266,085.06	190,326.98	166,938.72	164,138.06
Cash outflows												
SUELDOS Y SALARIOS	87,750.60	87,750.60	89,598.90	91,447.20	91,447.20	95,143.68	72,964.80	72,964.80	72,964.80	72,964.80	72,964.80	72,964.80
PRIMA VACACIONAL						924.12	0.00	0.00	0.00	0.00	0.00	0.00
AGUINALDO	2,886.00	2,886.00	3,033.00	3,033.00	3,033.00	3,033.00	3,033.00	3,033.00	3,033.00	3,033.00	3,033.00	7,670.51
INDEMNIZACION	38,328.96				251,649.54							
BECAS Y LIBROS							4,624.00	4,624.00	4,896.00	4,896.00	0.00	4,896.00
CUOTAS SINDICALES											16,710.40	34,134.05
HONORARIOS MEDICOS						11,111.11	0.00	0.00	0.00	0.00	0.00	0.00
MEDICINAS Y ACCESORIOS	3,476.86	6,520.00	5,316.29	2,591.00	314.92	10,759.80	11,387.62	5,494.70	0.00	10,148.74	16,476.80	14,237.86
IMSS	8,112.57	7,653.33	8,466.85	8,643.85	8,931.96	8,643.85	7,244.95	7,244.95	7,011.26	7,244.95	7,011.26	7,244.95
SAR	4,724.03	4,724.03	4,955.51	4,955.51	5,005.25	5,005.25	4,059.19	4,059.19	4,059.00	4,059.37	4,059.37	3,928.06
5% INFONAVIT	4,046.37	4,046.37	5,342.06	4,261.92	5,408.70	4,310.21	4,481.19	3,382.70	4,499.21	3,382.70	4,993.89	3,877.38
IMPUESTO DE NOMINA	2,193.76	2,193.76	2,239.97	2,286.18	2,286.25	2,517.58	1,824.12	1,824.12	1,824.66	1,824.12	1,824.12	2,726.78
RENTA	18,000.00	18,357.68	18,357.68	18,357.68	18,357.68	18,357.68	18,357.68	18,357.68	18,357.68	18,357.68	18,357.68	18,357.68
PRIMAS Y SEGUROS	7,688.12	7,038.12	15,264.61	7,038.12	6,678.04	13,433.01	6,970.70	17,589.08	13,160.10	3,785.81	14,343.22	13,239.88
COMBY LUB	5,651.23	6,473.13	4,781.17	330.00	736.46	2,484.98	2,481.32	4,395.60	3,470.60	7,838.80	12,423.35	10,380.67
MTO Y CONSERVACION	6,209.48	13,896.30	8,152.38	0.00	50,529.64	804.50	347.15	9,183.41	5,471.91	7,772.46	19,301.55	12,302.26
DEP. ACUM EQPO TRANS	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62
ARRENDAMIENTO FINANCIERO	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00
PAPELERIA Y ART DE OFICIN	3,388.71	7,058.03	2,200.00	0.00	9,634.92	2,209.96	1,250.00	1,360.78	1,678.80	5,514.21	360.15	8,653.44
TELEFONO	3,363.25	3,209.64	3,202.22	3,375.49	3,208.59	3,207.56	3,203.08	3,206.54	3,386.77	3,240.33	3,208.59	3,204.11
MENSAJERIA		275.51	0.00	443.63	0.00	0.00	260.50	0.00	0.00	680.17	0.00	0.00
GASTOS DE VIAJE		1,656.58	3,741.89	0.00	0.00	0.00	0.00	0.00	0.00	63.80	8,464.89	3,023.36
ASESORIA EN VENTAS	0.00	0.00	40,000.00	0.00	0.00	40,000.00	0.00	0.00	40,000.00	0.00	0.00	40,000.00
ASIMILADOS A HONORARIOS	19,119.60	4,780.00	4,780.00	4,780.00	4,780.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NODEDUCIBLES	2,993.21	1,044.49	0.00	0.00	0.00	2,000.00	0.00	0.00	0.00	1,658.30	3,415.52	735.54
DIVERSOS	4,801.89	6,563.88	9,927.97	1,029.96	423.60	5,309.39	3,618.55	952.56	3,857.10	4,059.72	7,269.38	8,781.73
PASAJES	6,300.00	8,400.00	0.00	0.00	0.00	0.00	0.00	0.00	8,100.00	20,265.82	14,375.29	
DONATIVOS		18,000.00	0.00	0.00	0.00	1,800.00	0.00	0.00	0.00	2,550.00	7,446.00	2,550.00
CAFETERIA, AGUA, Y OTROS	523.87	0.00	0.00	0.00	2,700.89	1,430.70	0.00	0.00	0.00	0.00	393.60	1,281.66
ROPA Y ACCESORIOS	39.66	87.24	6,201.62	146.55	71.38	0.00	0.00	92.79	189.31	2,216.03	5,949.80	848.50
RECARGOS	363.00	278.00	0.00	0.00	399.00	370.12	0.00	27.00	164.00	0.00	0.00	0.00
COMISIONES ASESORES	20,597.88	36,869.94	35,994.95	1,841.44	881.28	532.44	2,570.40	0.00	0.00	0.00	56,034.48	764.15
COMIDA P/EMPLEADOS											2,688.45	11,982.77
OTROS GASTOS							3367.49	4376.29		8012		2144
GASTOS EXTRAORDINARIOS	0	13.62			31.43							14.55
Social media marketing	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
Total cash outflows	262,716.67	261,933.87	283,714.69	166,719.07	478,667.35	245,546.56	164,203.36	174,299.81	200,044.82	193,724.61	319,153.74	316,477.60
Total cash outflows with marketing expens	271,116.67	270,333.87	292,114.69	175,119.07	487,067.35	253,946.56	172,603.36	182,699.81	208,444.82	202,124.61	327,553.74	324,877.60
Net cash flow	-17,696.45	537,505.66	-72,174.54	56,018.67	-43,853.64	-25,715.56	55,536.20	42,310.22	56,572.40	-12,441.05	-160,147.60	-160,133.01
Net cash flow with modifications	-13,887.68	568,996.01	-70,061.45	58,728.41	-30,545.08	-23,169.36	58,098.44	43,987.22	57,640.24	-11,797.63	-160,615.02	-160,739.54
Closing balance	-17,696.45	519,809.21	447,634.66	503,653.33	459,799.70	434,084.14	489,620.34	531,930.56	588,502.96	576,061.91	415,914.31	255,781.31
Closing balance with modifications	-13,887.68	555,108.32	485,046.88	543,775.29	513,230.21	490,060.85	548,159.29	592,146.51	649,786.75	637,989.13	477,374.11	316,634.57

Table 6: Complete cash flow of the business, where blue rows are the suggested modifications.

Cash flow forecast for the next 5 months

	ene-21	feb-21	mar-21	abr-21	may-21	
	255,781.31	151,564.47	18,612.64	-183,074.19	-365,268.02	
	316,634.57	218,496.35	87,312.89	-116,915.82	-304,727.58	
	96,524.13	67,789.13	39,054.13	18,547.13	18,547.13	Adjusted sales predictions
	456.32	456.32	456.32	456.32	456.32	
	7,004.34	7,004.34	7,004.34	7,004.34	7,004.34	Averages
	14,478.62	10,168.37	5,858.12	2,782.07	2,782.07	15% sales increase
	103,984.79	75,249.79	46,514.79	26,007.79	26,007.79	
	118,463.41	85,418.16	52,372.91	28,789.86	28,789.86	

	81,743.92	81,743.92	81,743.92	81,743.92	81,743.92
			0.00	0.00	0.00
	3,394.96	3,394.96	3,394.96	3,394.96	3,394.96
			0.00	0.00	0.00
			0.00	0.00	0.00
			0.00	0.00	0.00
	7,227.05	7,227.05	7,227.05	7,227.05	7,227.05
	7,787.89	7,787.89	7,787.89	7,787.89	7,787.89
	4,466.15	4,466.15	4,466.15	4,466.15	4,466.15
	4,336.06	4,336.06	4,336.06	4,336.06	4,336.06
	2,130.45	2,130.45	2,130.45	2,130.45	2,130.45
	18,327.87	18,327.87	18,327.87	18,327.87	18,327.87
	10,519.07	10,519.07	10,519.07	10,519.07	10,519.07
	5,120.61	5,120.61	5,120.61	5,120.61	5,120.61
	11,164.25	11,164.25	11,164.25	11,164.25	11,164.25
	1,957.62	1,957.62	1,957.62	1,957.62	1,957.62
	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00
	3,609.08	3,609.08	3,609.08	3,609.08	3,609.08
	3,251.35	3,251.35	3,251.35	3,251.35	3,251.35
	150.89	150.89	150.89	150.89	150.89
		0.00	0.00	0.00	0.00
		0.00	40,000		0.00
		0.00		0.00	0.00
	987.26	987.26	987.26	987.26	987.26
	4,716.31	4,716.31	4,716.31	4,716.31	4,716.31
	4,786.76	4,786.76	4,786.76	4,786.76	4,786.76
		0.00	0.00	0.00	0.00
	527.56	527.56	527.56	527.56	527.56
	1,320.24	1,320.24	1,320.24	1,320.24	1,320.24
	133.43	133.43	133.43	133.43	133.43
	13,007.25	13,007.25	13,007.25	13,007.25	13,007.25
	7,335.61	7,335.61	7,335.61	7,335.61	7,335.61
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
	208,201.62	208,201.62	248,201.62	208,201.62	208,201.62
	216,601.62	216,601.62	256,601.62	216,601.62	216,601.62
	-104,216.83	-132,951.83	-201,686.83	-182,193.83	-182,193.83
	-98,138.21	-131,183.46	-204,228.71	-187,811.76	-187,811.76
	151,564.47	18,612.64	-183,074.19	-365,268.02	-547,461.85
	218,496.35	87,312.89	-116,915.82	-304,727.58	-492,539.34

Table 7: Complete cash flow forecast for the next five months, taking into consideration previous average expenses and the sales forecast

Appendices

Appendix 1

Interview transcript highlights with Martín XX, manager of the business

1. How has the Pandemic affected the business?

Since the beginning of the Pandemic, we have struggled to promote our products. We find it difficult to find new customers and our business is not very known among the state.

2. How is the business managed?

We, as a business, usually find and train advisors who will then promote our products and recommend insurances to customers. These products are the ones that Inbursa provides us and there are over 180 different products. However, there is usually one product that stands out, currently that product is insurance for government teachers.

3. What process is required to hire new advisors?

Usually our hiring assistant conducts several interviews and when a candidate is selected, the training process begins, which lasts approximately one month. Then the employee receives a key to access our platforms and they receive commissions for each product sold.

4. Which marketing strategies does the company follow?

We currently receive promotional material directly from Inbursa and then share it through personal social media networks or share it in person, which almost doesn't happen these days due to the pandemic.

5. Does the business count with marketing employees?

No, we do not have a marketing department or other marketing strategies besides the promotional material.

Appendix 2

Interview transcript highlights with Beatriz XX, manager and owner of the business

1. What are some of the current business's interests?

Recently, we have wanted to try new marketing strategies that could help to boost our brand recognition so that we can gain more customers and hopefully increase our sales.

2. What do you think about social media as a marketing strategy?

We are no experts on social media, however we have thought of using this strategy, but are not really sure of all the implications that this would have. For instance, we do not know which platform would be the best for our products or what days or even time would be the best to promote insurances.

3. How is the business financed?

Inbursa usually helps us with some expenses such as the office. However we earn money

through the products that we sell, since each product has a commission. Also, there are other sales promoter businesses like ours around the country, probably around 500, so there are some ranks in different categories according to each state and the higher rank position, the greater aid will be given by Inbursa.

4. How is the business doing financially due to the Pandemic?

We are currently having some issues as our sales have been decreasing and we had some unexpected expenses over the past few years. However, we are slowly getting back on track as we are adapting to this new reality. We even began to go back to the office a few months ago, which we were previously unable to do.

Appendix 3

Virtual visit photos



Figure 8: photo 1 from the office



Figure 9: photo 2 from the office (inside)

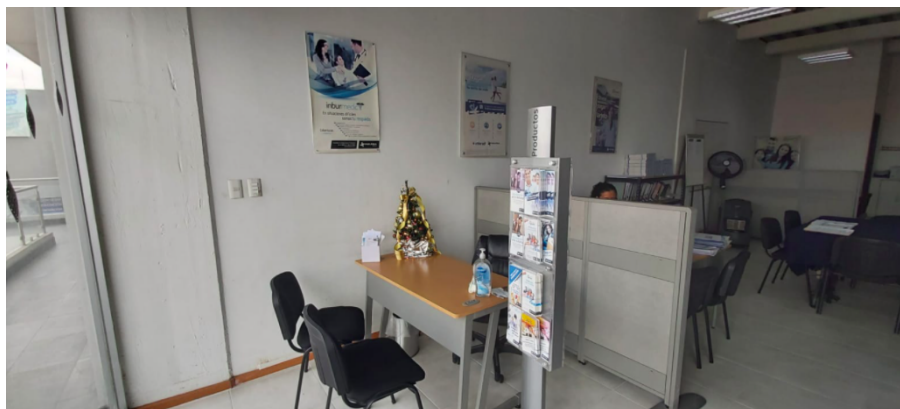


Figure 10: photo 3 from the office (inside)

Appendix 4

Promotional material example



Figure 11: example of the promotional material