

BUSINESS PLAN- BILINGUE THEME BAR

Business Plan: Create a Theme Bar in Bogota to promote Bilingualism

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Graduation project work presented to qualify for the title of Professional in Modern Languages

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Bogota, Colombia

September 2017

Acknowledgments

We thank God for our lives, also to our parents for having raised us as responsible women and their inception of values in our minds; besides allowing us to form ourselves as good people and to trust in our capacities. We thank our teachers who gave us their time and their knowledge with their dedication. We give special thanks to our tutors who accompanied us throughout the process of this project and finally to the university for letting us be part of it and the chance to prepare for our future as professional and responsible people.

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Chapter 1: Introduction

This business plan is made with the purpose of presenting it to potential investors in business rounds and/or venture capital funds proposed by the Government within its national development plan. A business opportunity regarding the creation of a theme bar in Bogota that encourages bilingualism is considered in this document. Said idea arises in the formation process of the Modern Languages major as ECCI University students.

There is a law in Colombia, the 1014 2006, the Promotion of a Culture of Entrepreneurship, that seeks to encourage the development of innovative business ideas that motivate the creation of companies to sustain the economy, from educational establishments.

Entrepreneurship is a way of thinking, reasoning, and acting focused on opportunities, outlined with a global vision and carried out through a balanced leadership and the management of a calculated risk which result is the creation of value that benefits the company, the economy and society. (Law 1014, 2006, Art. 1)

In this regard, the National Ministry of Education performs an important role because that is one of the responsible pillars for producing and developing the entrepreneurship culture to educate integral professionals who are capable of responding to the needs demanded by the productive sector thus guaranteeing development and well-being to society. Hence, Minister Campo (2012) stated:

A quality education through which better humans are being formed, citizens with ethical values, respecting the public, is the one that exercises human rights and coexist in peace. An education that generates legitimate opportunities of progress and prosperity for them and for the

country. A competitive education, which helps to fill gaps of inequity¹, centred on the educational institution with the participation of the whole society. (p3)

¹ **Inequity**: means inequality or lack of equity. It is a term used especially in Latin America and is associated with a situation of inequality that generates injustice

Chapter 2: Precedents

In the summer of 1943, while which is considered today as the worst world war of all times; governments collided their political differences, cultures and religions are torn apart for the control of most European lands and others enraged due to the genocide and the excessive control of a German politician.

Clandestine places appeared in France to which people attended to listen and dance recorded music. One of the most frequented places was called “La discothèque”, which by the way today these ballrooms are known; this type of place ended up being extinguished, but left a precedent of name and operation. (Ballesta, Gómez, Gil, Márquez and Verduzco 2009, párr.1)

The closing of this establishment marked the beginning of the real night clubs when in Germany after a crisis in the restaurant business, the first night club appeared and triumphs provoking the diffusion of the local genre; its name “Scotch Club” in the German city of Aachen in 1959, which by then the music is suppressed by the “canned” one as it was known then that was nothing more than recorded music. Its initial intention was only to reduce expenses without knowing that this modality would mark the history of discotheques. (Ballesta et al., 2009, párr.2)

2.1 The development of the bars in The U.S.

However, not long after when this model is taken to the U.S. where it finally becomes popular under the phenomenon of “Studio 54”. A disco opened on April 26th of 1977 and located at 54 Street in the west corridor of Manhattan. Studio 54 became since its beginning into the most “in” nightclub of New York. Its owners were Steve Rubell and Ian Schrager. Celebrities

like Andy Warhol, Mick Jagger, Salvador Dali, Liza Minelli, Cher, Woody Allen and Frank Sinatra were frequent visitors. (Ballesta et al., 2009, párr.14)

2.2 The implementation of Bars in Colombia

The emergence of many dancers in Colombia appeared as Paz (2012) states: In the 70's and 80's, after the arrival of genres in Colombia such as rock, jazz and salsa from New York and Puerto Rico, great international artists of salsa came to Cali, so they promoted the emergence of salsa music in Cali that influenced the youth of Cali the taste and the passion for it. Although, this happened at the beginning only in the slums of Cali, since salsa came to the city mainly through the railroad that reached the Obrero and Sucre districts of Cali, characterized for having a low status that little by little became centers of popular recreation moved by the dance of the salsa. (párr.3)

In the 80's electronic music entered Colombia directly through Cartagena, which can represent a paradox before the current paradigm that undergoes most events in the colorful Cartagena de Indias.

2.3 The emergence of the Bars in Bogota

Meanwhile, in this era, in the city of Bogota there was another famous discotheque of the time, which was attended by the boys who later would be known as 'gomelos', it was "Discovery", a temple of music in which one of the best artists was the band Soda Stereo. Besides, the Abbott & Costello bar was and remains one of the classic rock temples in Bogota, located in the Chapinero neighborhood. It was founded in June 1985 with the perpetual slogan 'Rock of yesterday, today and forever'. . (Anonymous, 2015, párr.6)

This situation started electronic nightclubs in Bogota; Vinilo emerges as the first Techno club that is where international artists began to perform. Then, thanks to the Morris family, Seven Eleven was born as the first electronic room, place where several DJ's performed and we know today.

In the course of the history, it is possible to demonstrate that the bars, restaurants, discotheques and cafes are places intended for the development of the night life; allowing people to dedicate a little time to leisure. Now, considering the economic development, it is possible to analyze as an opportunity of business having in mind the conveyance of foreigners into the city with the intention of promoting the cultural exchange in Bogota.

Chapter 3: Problem Statement

A preference exists for interacting in bars and not in others due to the high cost, after comparing such evidences, it is possible to raise the idea of establishing a place of cultural type in the Chapinero locality that allows to exchange ways of life, cultures and at the same time, to strengthen the learning process the second language. Additionally, offering theme spaces where it is easy to estimate the cultural diversity of the different countries of the world and to have affordable prices for all types of public.

According to the research, specially of the bars' history in Bogota, the lack of theme places is evident and allows people to enjoy a cozy environment and a great variety of services as cultural exchange, entertainment and amusement that is focused mainly on young people, students with interests to extend their knowledge in the second language and to generate a global vision of cultural diversity.

That is why after analyzing the transcendence of the bars in Colombia and specifically in Bogota, creating a bar that allows the interaction with foreigners is considered as a business opportunity where the second language is put into practice; then, it is asked as a question of research.

Does a bar allow the practice of a second language through interaction with foreigners?

Chapter 4: Business Idea

Create a theme bar in Bogota in order to promote bilingualism

4.1 Economic object

Otton Bar S.A.S is a service company of the tertiary sector, where its economic activity consists of generating spaces where activities are developed to allow interaction with foreigners, with the purpose of promoting bilingualism.

According to the Chamber of Commerce, this sector includes; the sale of alcoholic beverages, mainly for consumption inside the establishment with or without service to the table, the activities of discotheques, with preferably nocturnal hours, where recorded music is heard, it must have adequate spaces to dance and perform the sale of drinks, which are mostly alcoholic.

4.1.1 Location.

Otton Bar S.A.S, will be located in the Chapinero neighborhood, on 13 street # 81-48 (Zona Rosa from Bogota). This area has been positioned as a place that provides different activities for healthy fun and recreation. The sector has 100% coverage in public services (energy, water, sewerage, natural gas, telephone and garbage collection).

This location of Otton Bar S.A.S in the sector offers alternatives to people looking for environments where music, food, drinks, fun and the exchange of languages are provided, that represents a relevant factor to determine the point of location.

4.2 Organizational Structure

Organization chart is intended to present a clear, objective and direct the hierarchical structure of Otton Bar S.A.S. Order to achieve a set of functions which have to develop members of the bar to work together optimally and achieved the goals set out in the planning.

The organizational structure model of Otton Bar SAS has 5 departments, the Management Department comprised by the manager, the Planning Department. Then, the Human Resources Department with the areas of occupational health, recruitment and selection area, the department of Financial Resources with the areas of tax, portfolio, treasury and accounting. The Marketing department has one area; the advertising area and finally the Operations department comprised by the supply area, the human capital one and the security area.

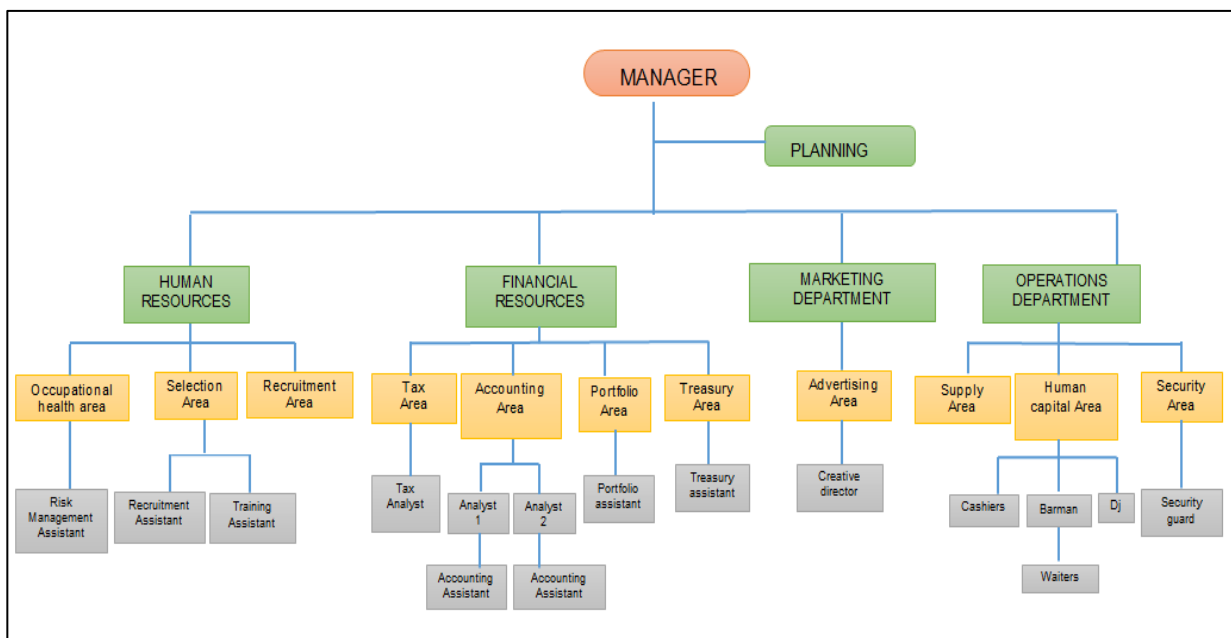


Figure 1 Organization chart Otton Bar S.A.S

Chapter 5: Objectives

5.1 General objective

Create a theme bar in Bogota where bilingualism is promoted through practice and interaction with foreigners.

5.1.1 Specific objectives

- ✓ Identifying the business opportunity of Otton Bar S.A. compared with the current market.
- ✓ Developing a marketing study of the bar sector that determines the demand and the strategies suitable for the feasibility of the business.
- ✓ Determining the regulations governing the operation of bars in Bogota, specifically in Chapinero locality for the constitution and the business start-up.
- ✓ Conducting the financial study in order to determine the viability and economic sustainability of the business..

5.2 Mission

Otton Bar S.A.S promotes multiculturalism² through the generation of spaces and activities outside the classroom and social interaction with foreigners for enabling the practice of languages and promoting bilingualism.

5.3 Vision

In 2028 Otton Bar S.A.S. will be a leading company in the bar sector by fostering the multiculturalism in Bogota, being a meeting point recognized and distinguished by the type of entertainment, music and the diversity of foreign people who visit them.

² **Multiculturalism:** is the existence of several cultures living in the same physical, geographical or social space.

5.4 Corporative Image

5.4.1 The Brand

OTTON BAR S.A.S

Otton Bar S.A.S comes from the word “Otto” in German, which means "richness", although as time goes by its definition changed to "Owner". For the purpose of positioning it in the market with a short and easy brand to remember.

5.4.2 Logo



The Logo is represented by two elements, the flags of various countries symbolizing cultural diversity and it is interpreted as practice and interaction between communities that inhabit the world. The second element depicts a young man with headphones, which symbolizes feeling the music and its party rhythms which encourage to stay active. The combination of colors around black gives seriousness and confidence, at the same time, a touch of youthful happiness.

5.4.3 Slogan

“As we practice, so we are interacting”

Chapter 6: Technical Study

6.1 Facilities

Otton Bar S.A.S will have a total built area of 850 square meters, located in the heart of the Zona Rosa. It is expected to be a stored building with a terrace having a smoking area and accommodating up to 400 people.

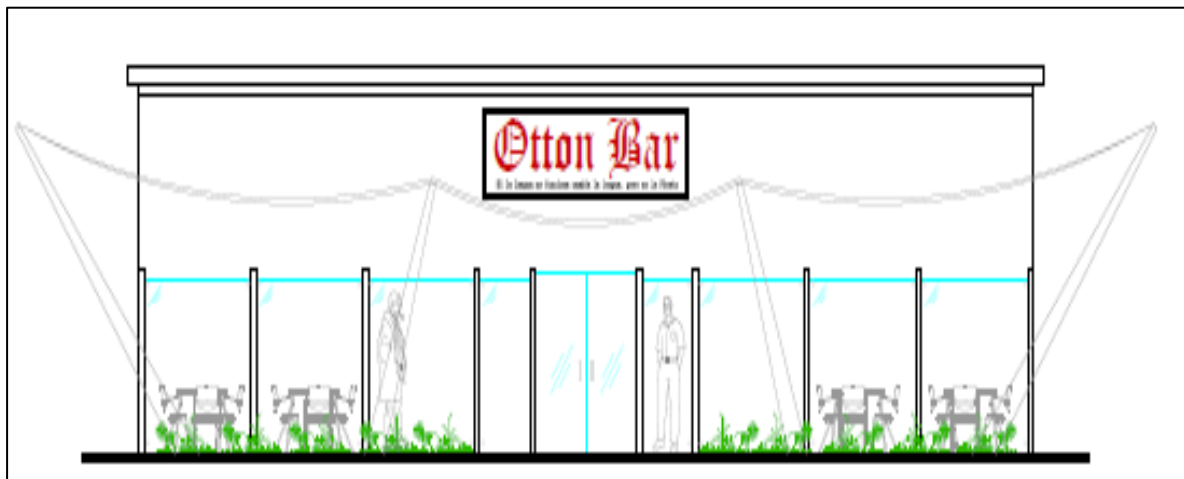


Figure 2 Facade Otton Bar S.A.S

6.2 Administrative Installation

The human capital is important and indispensable for Otton Bar S.A.S. Taking aside their jobs, people are the soul of every organization, since they do what no machine can do: give life to the bar.

So, it is necessary and essential to maintain the balance between the different areas of the Organization; also to make the employees feel comfortable with their jobs and this is reflected in

the satisfaction of the customer. For this reason, the staff will be trained in each of the areas, this training will be kept constant every three months.

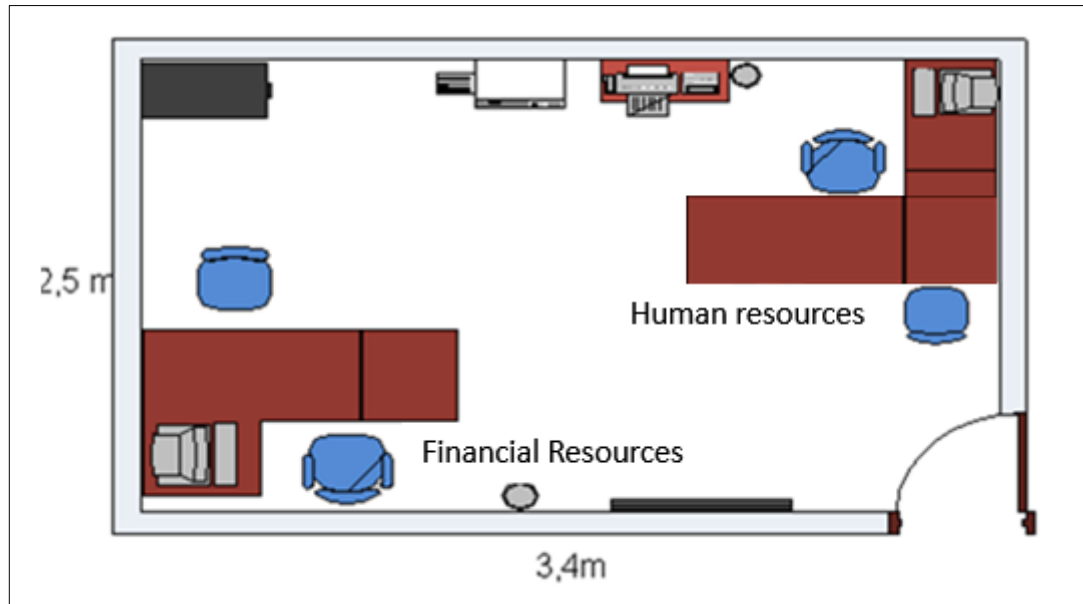


Figure 3 Administrative Plant Otton Bar S.A.S

6.3 Production Plant

The bar area is distributed in the following manner: it will have two bathrooms, one for men and one for women, which will be located at the back of the bar. In addition, a deposit that stocks liquor, food, packaging and utensils to prepare and deliver the final product to the customer and it will be located at the right-end side, next to the bathrooms.

Additionally, the counter where the cash register, the stand for drinks and drink-display cabinet are located in the central part, right side, in front of the stage. There is also a dance floor in front of the stage where the sound consoles are; as well as the computer and DJ work station.

Finally the tables and chairs that will be by the entrance of the bar next to the stage and the counter.

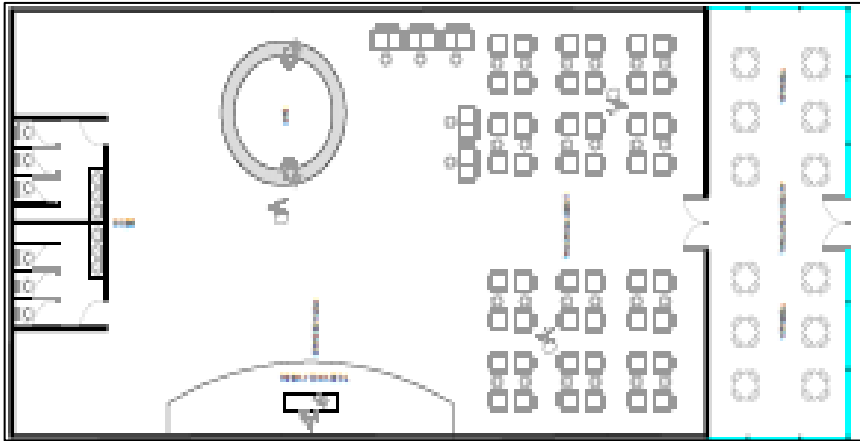


Figure 4 Production Plant Otton Bar S.A.S

Chapter 7: Legal Framework

The regulations for constitution and Registry of business in Colombia, initiates with the incorporation minutes or public note to be registered in the Chamber of Commerce Bogota for verifying that there is no duplication in the company name at any trading establishment; after this, the entity assigns the code ISIC: 5530- Alcoholic beverages sales for consumption inside the establishment (Code of business activity) in order to obtain the certificate of existence and legal representation and also register the accounting books in the Chamber of Commerce. Finally, the Mercantile matriculation of natural persons, legal entities and commercial establishments must be renewed before March 31 of each year. (Chamber of Commerce Medellin, 2015).

Next, the registration protocol must be complied before the National Tax and Customs Office, where the forms of the Single Tax Registry will be filled for the assignment of Tax Identification Number; besides, it makes the registration in the RUT as responsible entity for sales tax (VAT).

7.1 Normativity for the implementation of bars in Bogota

According to decree 80 of 1963, established by the Mayor of Bogota, an establishment with orchestra, as well as dance room and dancers where alcoholic beverages are sold will be defined. Such establishment is allowed to operate between 9:00 and 4:00 the next day, with the exception of Sundays and holidays on which its operation is not authorized.

The establishments included in this Decree require for their operation the issuance of the corresponding patent, given by the Office of the Secretary of Government. The term by which this patent is granted is subject to payment of industry and commerce tax and it may not exceed six months.

The applicant must give a 15 days in advance notice to Office of the Secretary of Government for giving the service a new establishment, which may, if it deems appropriate, grant provisional license for up to thirty (30) days, term for the applicant obtains the patent for operation.

Issuing the operating patent discussed in the previous article, it is necessary that the administrator, the Owner or its representative present the following documents to Office of the Secretary of Government and meet the following requirements: No debts-tax Certificate of Industry and Commerce; Health patent of the respective premise must be issued by the Ministry of Health; certificate issued by the Fire Chief on compliance with safety and prevention conditions and certificate of the ocular inspection carried out by the District Police Inspector of the corresponding sector.

In addition to the above, Article 8 says that all personnel, managers, artists, musicians and employees who work in the establishments contemplated in this Decree, must possess its corresponding Health Booklet; and said document must be submitted to the police authority when required.

On the other hand, Decree 731 of 1973 specifies that any industrial or commercial establishment requires police permission issued by the District deputy, because its lack will not allow it to operate within the jurisdiction³ of Special District of Bogota. An industrial or

³ **Jurisdiction:** it is used to designate the territory on which a State exercises its sovereignty.

commercial establishment is understood as any place, where goods or services are sold, or those dedicated to the production, extraction, transformation or repair of any kind of materials or goods and business offices in general.

The inspectors and the councilors will order suspension of operation to those establishments which permits are either expired or non-existing, until issued by the District Deputy. The offenders shall be sanctioned under the terms of article 18 of Decree 522 of 1971.

Additionally, to obtain a permit of operation, the applicant will submit a written request to the Mayor that consists of:

- ✓ The name and identification of the applicant, who must state its condition as owner, manager, legal representative or any other quality in which he acts.
- ✓ Name of the establishment.
- ✓ Establishment's address.
- ✓ If it has performed as such in previous years.
- ✓ Sort of activities to be developed.
- ✓ If the applicant has filed a declaration of Industry and Commerce. If so, the applicant will indicate the number and date of the presentation of such request.

According to Law 232 of 1995, which states that no authority may require a license or operating permit for the opening of defined commercial establishments in article 515 of the Commercial Code, or to continue their activity if they are already exercising it and does not require the fulfillment of any requirement, which are not expressly ordered by the legislator.

However, the provisions of the previous article, it is mandatory that those establishments open to the public meet the following requirements for exercising its business:

- ✓ Comply with all rules regarding land use, hearing intensity, schedule, location and destination issued by the competent authority of the respective municipality.
- ✓ Interested persons may request the issuance of the concept of the same to the planning entity or who acts in the respective municipal or district jurisdiction. For complying with the sanitary conditions described by Law 9^a of 1979 and other existing rules on the matter.
- ✓ For those establishments where musical plays are conducted publicly causing copyright payment, they will be required to bring proof of payment issued by the legally recognized authority, in accordance with the provisions of Act 23 of 1982 and other supplementary rules.
- ✓ Having a valid Mercantile Matriculation of the Chamber of Commerce in its respective jurisdiction.

Meanwhile, Project Agreement No. 233 of 2014, grants an acknowledgment or incentive through the certification "SAFE BAR SEAL" for commercial establishments dedicated to the sale and consumption of alcoholic beverages such as bars, nightclubs, liquor stores, social clubs, stables, reception halls that meet all the established requirements in this agreement by promoting and strengthening legality, self-regulation⁴, the optimal conditions of security for the users,

4 Self-regulation: the ability of an entity to regulate itself on the basis of voluntary control that will take place from its own resources.

citizen coexistence, responsibility, competitiveness and quality of night commercial establishments.

7.2 Rules of Functioning

According to AGREEMENT 581 of 2015 in which the "SEAL INSURANCE" will be issued by the mayor to those establishments of commerce dedicated to the sale and consumption of liquor, in which it will be stated that on the date of issuance of the seal the norms and parameters established are fulfilled:

- ✓ Complying with Law 361 of 1997 which states in article 48 that the main doors must be opened outwards or in both directions as well as having automatic handles when pushing and if they are made of glass, they will always wear orange or white-fluorescent bands at the indicated height.
- ✓ Complying with the Agreement 304 of 2007. Having an evacuation plan, emergency exits, lighting of corridors and access.
- ✓ Possessing favorable concepts about land use for the place where they work.
- ✓ Constituting Extra-Contractual Civil Liability Policies derived from a damage or injury that may be caused to a third party.
- ✓ Provide or have service agreement for the designated driver or safe taxi.
- ✓ Provide or have an agreement to arrange for parking service with the option of leaving the vehicle overnight with a flat rate.
- ✓ Having an artificial or natural ventilation system.
- ✓ Having security personnel identified, who specifically fulfill the function of ensuring the safety of persons who are in the establishment's facilities.
- ✓ Complying with the operating schedules.

- ✓ Being provided with a system or adaptation that isolates the noise to the outside of the establishment (soundproofing).
- ✓ Carrying out an evacuation drill once a year and broadcast it on social networks.
- ✓ Contar Having a web page of customer service where the complaints and claims of users are met.
- ✓ Having at disposal a fire system, which must have a (1) multipurpose fire extinguisher and one (1) fire spreader for every 150 square meters.
- ✓ Harboring the maximum capacity of people.
- ✓ Having a system of video surveillance cameras inside and outside the trading establishment.
- ✓ Encouraging constantly customers to adopt behaviors of respect to neighbors and passers-by (sic) in the vicinity of the establishment. Besides, it must comply with the Colombian Technical Standard NTS-USNA 008.

7.3 Rules of Local Functioning

First, the concept and authorization of the space in the area before the Curaduría Urbana must be obtained, furthermore the realization of a study of floors, if it is the case, the environmental license is requested before DAMA, which is located on 6th Street # 14-98, on floors 2, 5 and 6.

In addition to this, the concept of Firemen is processed annually, on 9th Street # 61-77 which value is \$ 19,067 because it is a new establishment. This amount must be charged into a Banco de Occidente account in the Chapinero branch, on behalf of the District Treasury.

Ultimately, the health concept is provided for free and (if applicable) the food handling course at the hospital or CAMI nearest to the establishment is performed.

7.3.1 Sayco and Acinpro

According to the established in Law 232 of 1995 as a requirement to operate a commercial establishment, the payment vouchers of copyright for those establishments that communicate music publicly must be accounted for.

Composers or artists set the rate through their collective management societies in exercise of their rights that empower them to dispose of their works or artistic performances. That said, by legal provision, the rate must be proportional to the income that users obtain for the use of music or audiovisuals.

The most important aspect is that payment vouchers can be issued by the collecting societies. The individual handlers can issue these payment vouchers; however, they are only valid when mentioning the works or services administrated by the individual manager.

7.3.2 Local regulations of Chapinero

According to the established regulations by Chapinero locality in the District Decree 310 of 2014 (which modified the Decree 345 of 2002), "by which it establishes the schedule of operation of establishments for the sale and consumption of alcoholic beverages in the Capital District", in its Article 1.

That the District Decree 581 of 2014 extended the schedule of operation of commercial establishments open to the public where alcoholic beverages are sold and / or consumed until five (05:00) hours of the following day from Fridays and Saturdays of

each week, in the sectors and localities and commercial establishments that define the Office of the Secretary of Government.

That Decree 581 of 2014 acknowledged the strategy of "Fiesta Sana y Segura" as the effort of the District Administration, Bogota Metropolitan Police, commercial establishments dispensing and / or consumption of alcoholic beverages and the community, for generating controlled spaces and responsible for entertainment and consumption of alcohol with an extended and controlled schedule in order to generate spaces under the premise of social co-responsibility⁵ and respect for the living conditions and healthy coexistence of the inhabitants of Bogota.

That the Office of the Secretary of Government issued Resolution 347 of July 25, 2014, which defines the sectors and localities of the Capital District, where the schedule of operation was extended for commercial establishments open to the public with the sale and / or consumption of alcoholic beverages, until five (05.00) hours of the following day from Fridays and Saturdays of each week, as is contemplated by District Decree 310 of 2014.

Whilst the strategy of "Fiesta Sana y Segura" arises from the process of political construction of a human, dynamic and productive Bogota in which it seeks to consolidate a different citizenship, that includes and does not segregate the population, advancing in the full enjoyment of rights where everyone can enjoy and experience the city according to its potential and can choose the type of life they want. "A city that is densified in harmony with the population and with the environment, where the culture of

⁵**Co-responsibility:** responsibility shared with another person or entity.

individualism is transformed, and the rejection of violence is promoted, in a collective culture, the difference and the creation of life”. (District Decree 345 of 2002, Article 1)

Therefore, the independence of the definition of localities and sectors corresponds to the Office of the Secretary of Government to assess fundamental aspects in order to enable the operation in extended hours of establishments within the framework of the implementation of the "Fiesta Sana y Segura" strategy.

Likewise, the District Office of Environment sent to the Office of the Secretary of Government, a developed report by the Division of Air Quality, audio and visual, where the results obtained from the visits and measurements made to the establishments of commerce located in the sector of Galerías locality 13 of Teusaquillo are presented in detail and takes into consideration fundamental aspects such as: the operating conditions of the establishments in environmental matters, the infrastructure conditions of establishments and the conditions of self-regulation.

In compliance with the draft agreement 239 of 2012, the District Environmental Department delivered measurement equipment to the local mayors, it permanently trained designated officials by the Mayors for the handling of the required equipment to carry out measurements of sound pressure levels.

As of 2007, the District Office of Environment had to assume the technical responsibility of noise control throughout the city, conducting control and follow-up visits with technical and operational support, issuing the respective technical concepts of noise produced by commercial establishments open to the public.

7.4 Fiscal responsibility – Taxes

According to Law 1706 of 2012, the Tax Statute, “Service sale of food and beverages prepared in restaurants, cafes, supermarkets, ice cream shops, fruit shops, bakeries and pastry shops for consumption indoors must be carried by the buyer or delivered at home, food services under contract and the service of selling food and alcoholic beverages for consumption inside bars, taverns and nightclubs”.(Article 512-1 numeral 3).

Article 512-10. Bars, taverns and discos, whatever denomination or modality they adopt. For numeral third of article 512-1 purposes of this Statute, it is understood by bars, taverns and nightclubs, those establishments with or without dance floor or presentation of shows, in which alcoholic beverages and snacks are sold, to be consumed in them, regardless of the denomination given to the establishment.

Article 512-11. Taxable base⁶ and rate in the services of bars, taverns and nightclubs. The taxable base in the services provided by the establishments referred in the previous article, will be integrated by the total value of the consumption, including meals, entry price and other values additional to the same. In any case tips, as they are voluntary, will be part of the consumption tax base.

The applicable rate to the service is eight percent (8%) above all consumption. The tax should be sorted out in the collection account, ticket, invoice or equivalent document must be pre-calculated and included in the public price list, without prejudice to the noted in article 618 of these Bylaws.

In accordance with Law 223 of 1995, Article 189, under no circumstances it will be possible to define a tax for domestic beverages that is higher than the one paid by foreigners should be clarified; based on this premise, it is defined that the consumption tax must be paid.

⁶ **Taxable base:** value on which the rate is applied to obtain the respective tax.

7.5 Social Responsibility

Social responsibility is "the voluntary contribution of a company to social, economic and environmental improvement, either internally or externally" (Larrota, S. Sierra, O. 2010).

Therefore, within the policies of Otton Bar S.A.S the continuous, active and voluntary work is present for the improvement of the previously mentioned aspects, with the purpose of complying with the laws or regulations established to contribute to the social and national educational projects as well as committed to the generation of employment in the country. Especially, for those people who do not have experience and require a job that allows them to strengthen their knowledge and generate agreements with the SENA to sponsor students who want to present their internship in the bar. Additionally; this will contribute to the conservation of the environment, through an environmental policy in all supply processes, inverse logistics, production, management of preservation and water conservation, distribution, emission of gases and noise pollution.

All of this revolves under Law 70 of 2010 that has as its objective "the promotion of voluntary behaviors, socially responsible, from the organizations starting with the design, development and implementation of policies, plans, programs, projects and operations, in such a way that they tend to the achievement of social objectives, focusing on aspects like the protection of childhood, child labor and poverty eradication⁷ and at the same time respect for human rights and responsible environmental behavior based on the prevention by taking care of environmental damages. "(Approved Bill 70/2010 Senate).

⁷ **Eradication:** Elimination or definitive suppression of a something, especially something immaterial that is harmful to many people.

Chapter 8: Marketing Study

Kotler, Bloom and Hayes (2004), define the study of marketing as "the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company" (p.98); it is a systematic process of collection and analysis of data from the

market in order to get an idea about the commercial viability of an economic activity. This study should be very complete because the more information you have available, the more accurate the estimate of the sales which the business could achieve. In order to develop the study it is necessary to carry out a series of analysis, among which are: analysis of the economic sector, consumer study and analysis of the competition.

First, the analysis of the economic sector, which makes reference to the classification of products according to their characteristics of elaboration or extraction and the parameters of the national economy. This is one of the most important steps of the marketing study, because it will show what is happening and what is expected to happen in the sector to which it is going to enter, which at the same time will allow to have a first notion about the viability of the business idea

Firstly, it is necessary to define how to catalogue the service within the market, after clarifying in which sector the company is, it is necessary to investigate how the behavior has been of that category in the last years, what the possibilities for growth are, social or cultural trends affecting the sector, changes in law, among others.

Secondly, the study of the consumer; it is the way to identify the needs and characteristics of the persons who will be the consumers of the service, through market segmentation, Stanton, Etzel and Walker (2007), state that "The essence of segmentation is that the members of each group are similar to the factors that influence demand. "(p. 149) therefore it is necessary, divide the population into sub-groups that have similar motivations. The most used criteria are the personal, geographic, demographic, and psychological aspects. Hence it is essential to detect the consumption needs and how to meet them. A good way to do this is to find out their buying habits (places, moments, preferences...), likewise; the analysis of the consumer must

demonstrate that the service offered is precisely what the customer needs, wants and is willing buy.

According to the *District Administrative Department of Statistics* as it states in Spanish (DANE, 2015) in its Technical Bulletin *Micro business 2014* indicates that:

In 2014, 4.5 million micro-businesses were identified in the national total, of which 40.2% is part of the commerce sector, 13.9% of the manufacturing industry, 11.7% of Transportation, 11.3% of other communities, social and personal services, health and education services, 8.7% are hotels, restaurants, bars and similar, the 8.4% belongs to the real estate activities, business and rent, and finally the 5.8% to construction (p. 3)

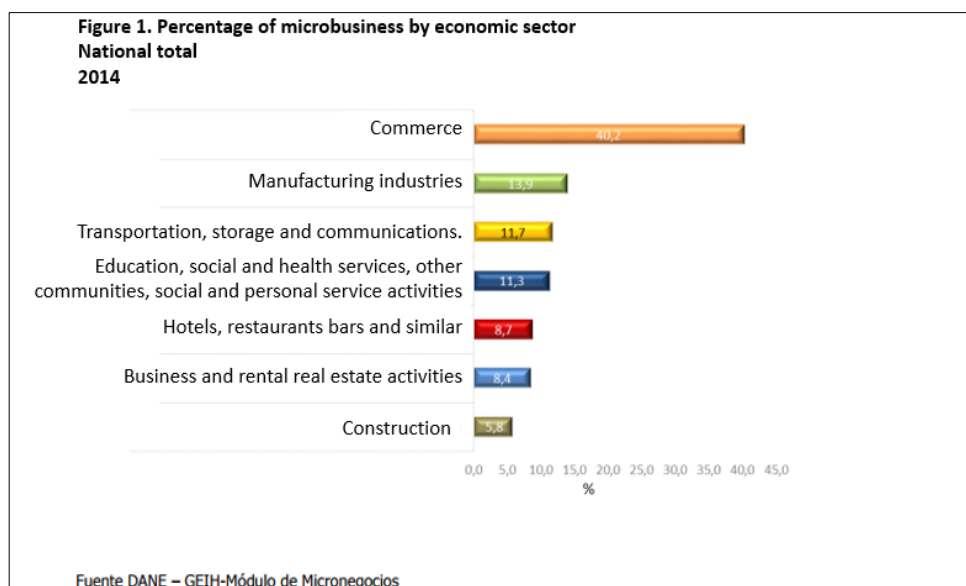


Figure 5 Taken from Technical Bulletin Microbusiness 2014 DANE

Similarly, the DANE (2015), in the Technical Bulletin *Shows Quarterly Services of Bogota II Quarter of 2015* shows that:

In the second quarter of 2015, the largest increases in nominal revenues in relation to the same period from the previous year, were in the production of cinematographic films and television programs with (45.1%), computer science with 16.2%, private human health with 13.5%, storage and complementary

activities to transportation with 11.6%, administrative and office support activities and other activities with 10.7%, real estate and rental of machinery with 10.7% and other entertainment, and other services with 10.6% (p. 6)

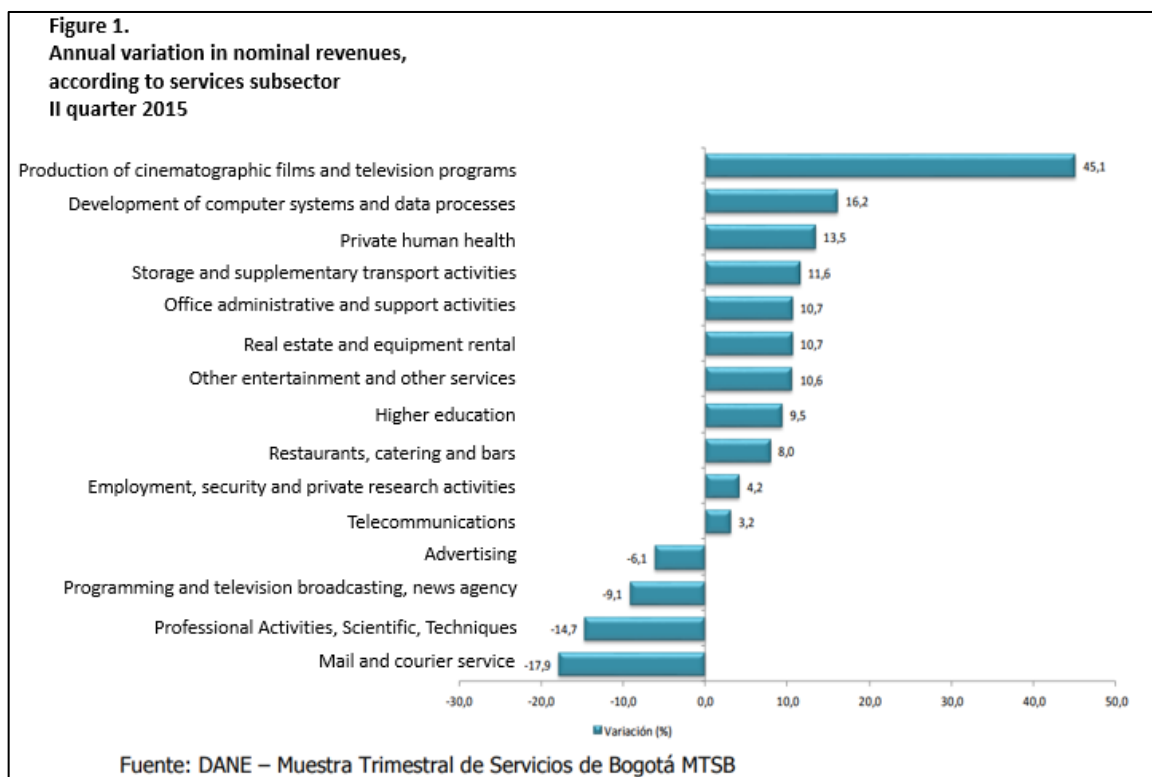


Figure 6 Taken from the Technical Bulletin Shows Quarterly Services of Bogota II Quarter of 2015 DANE

Resuming with the statistics, the DANE (2016), evidences in the Technical Bulletin quarterly sample of services of Bogota-MTSB II Quarter of 2016, that:

In the third quarter of 2016, the largest increases in nominal income were presented in the private higher education services (10.1%), restaurants, catering and bar (9.3%) and real estate, rental and leasing (9.0%), compared with the same quarter of the previous year (p. 4)

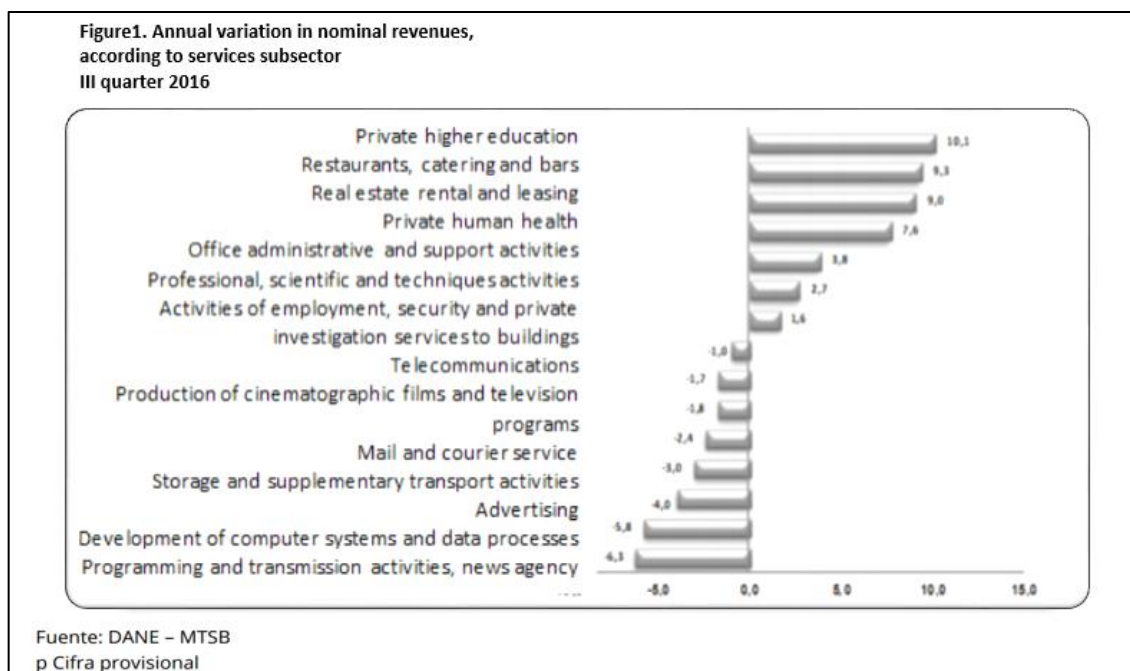


Figure 7 Taken from the Technical Bulletin Shows Quarterly Services of Bogota II Quarter of 2016 DANE

The statistics can also be shown in the third quarter of 2016, as detailed in DANE in this document:

In the third quarter of 2016, the services of the restaurants, catering and bars registered a growth of 9.3% in nominal income and 4.3% in the employed personnel, as compared with the same period of 2015. In the course of that year, until the third quarter of 2016, the nominal income growth was 8.1% and 3.8% in the employed personnel. In the last twelve months, until the third quarter of 2016 revenues grew 8.0% and 3.4% increased in employed personnel regarding the previous year (p. 9)

After analyzing these statistics presented by DANE, the conclusion is that the entertainment market in the country is large and growing even more every day, the tourism offer of Bogota increases and this industry will be one of the most promising business in the next years in Colombia. The potential market focuses on cities such as Bogota, Cali and Medellin where the entertainment offer is really limited.

It is important to analyze the competition, to determine and study the strategies, competitive advantages, strengths, weaknesses, opportunities and threats of the current and direct competitors of a company, and thus can make effective decisions and develop strategies that allow them to compete in the market. The goal of any company is to offer their customers more benefits than its competitors, thus the "added value"⁸ is created and influences each company to provide something specific that differentiates it from others, which means that many consumers are loyal to the company, products and / or services.

Thanks to this reason the market study is based on the observation of the bars located in the sector to end the direct and indirect competition, analyzing variables such as: the preferences for drinks, accompaniments, events and infrastructure to determine the feasibility of creating this type of business in the Chapinero area.

8.1 Indirect competition

Inside this competition there are companies that operate in the same sector, offering a different product or service, but which may meet the same or similar needs; then it is possible to

⁸ **Added value:** In terms of marketing, it is an extra feature or service that is given to a product or service in order to give a greater value in consumer perception.

say that although these companies are not the direct competition, they must be analyzed taking into account the price, target⁹, advertising in order to know in which part of the market they are.

Otton Bar S.A.S has 4 indirect competitions in the market, to analyze these companies variables were used such as: price, days and hours of operation, activities, infrastructure, reservations, admission¹⁰; and said companies were:

- ✓ OPERA BAR: from Friday to Saturday, admission of 40 thousand pesos on Fridays and 43 thousand pesos on Saturdays from 8 am to 3 am. Free bar. Live presentations, theme parties per month. It has 2 floors with terrace in each.
- ✓ ARMANDO RECORDS: From Wednesday to Saturday from 8 p.m. to 3 a.m., it has 3 floors, on the third floor, it has a terrace with sliding roof for rain. Bookings and admission of 20 thousand pesos, the prices of the products revolve 10 thousand pesos on beers. Live performances by foreign artists take place. Theme parties of music for example rock, punk, reggaeton among others.
- ✓ BOGOTA BEER COMPANY: From Monday to Saturday starting at 12 p.m. until 12 a.m. It offers services like a restaurant as well, and also its own craft beers. It has handicap access, parking, televisions, terrace, and designated smoking area. Entrance is free, and for special celebrations they offer reservations service.
- ✓ THE IRISH PUB: From Sunday to Sunday starting at 12 p.m. until 2.30 a.m. It has a single floor with terrace for smokers. Prices from 20 thousand pesos. Free entrance, but reservations preferably for the amount of public and a few tables.

⁹ **Target:** refers to the target audience targeted by the products and advertising of a marketing campaign.

¹⁰ **Admission:** Refers to a fee charged in an establishment for income, under the conditions determined by it, generally used as a marketing strategy.

8.2 Direct competition

Direct competition are companies that are in the same sector, with identical distribution channels and their products or services are similar. Which means that both companies are looking for the same customers to provide the same service. These companies should not be underestimated, because they are leaders in the market and are always looking for new targets; therefore, there must be a deeper analysis with all possible variables in order to know what kind of company Otton bar S.A.S is facing.

The direct competition of is La Villa, with which the above-mentioned variables were analyzed, and some were added as accessibility to the place, parking, days and theme parties

LA VILLA: From Tuesday to Saturday starting at 9 p.m. until 3 a.m. It has 2 floors. Prices revolve the 20 thousand to 200 thousand pesos. It offers lockers, smoking area, rotation of dj's. It also has an activity that is held on Tuesdays "Gringo Tuesday" where foreign and local people attend and where it is possible to find a very international environment because it is frequented mostly by foreigners who reside in Bogota.

Within its main activities, there is a habit of putting together tables or allocate spaces for the practice of languages, allowing the user, particularly for Colombians to make a route through which they pass from one table to another practicing a language in common; when this activity ends, rumba and interaction between people begins. This activity is not carried out properly by the administration and the directors of the discotheque, it is an activity organized by foreign residents of the capital and rent the discotheque to do this activity only on Tuesdays.

8.2.1 Variables

- ✓ Facilities
- ✓ Prices of drinks
- ✓ Days and Hours of Operation
- ✓ Parking
- ✓ Parties or Theme Days
- ✓ Admission
- ✓ Reservations
- ✓ Accessibility to the place (routes)

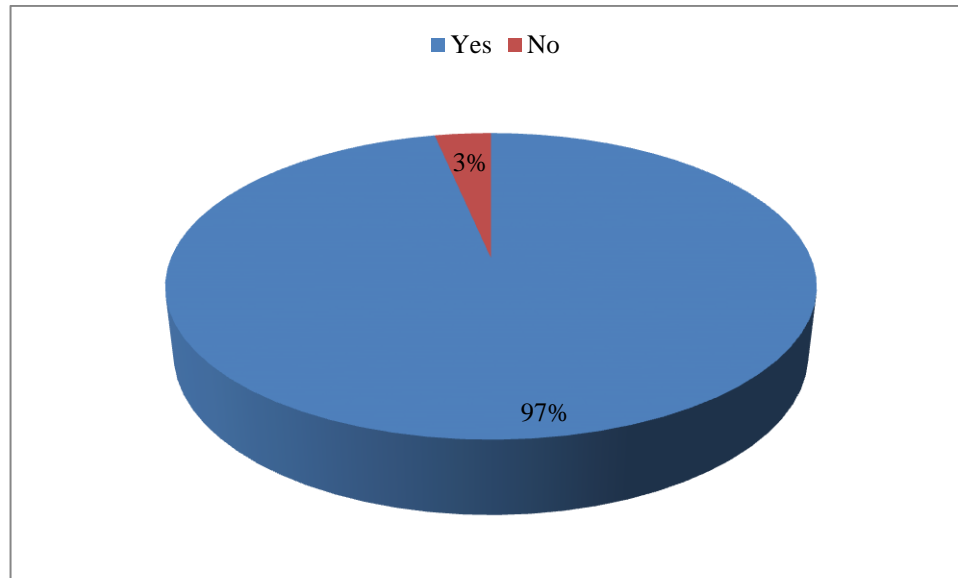
8.3 Instrument of data collection

For the field study and data collection, a survey is used as a tool, using variables such as: why? What? Time intervals, money intervals, levels of importance, among others. The population between the age ranges of 18 to 30 was the object of application. In order to validate the feasibility of creating a theme bar in the Chapinero district, in order to promote bilingualism.

8.3.1 Data Analysis

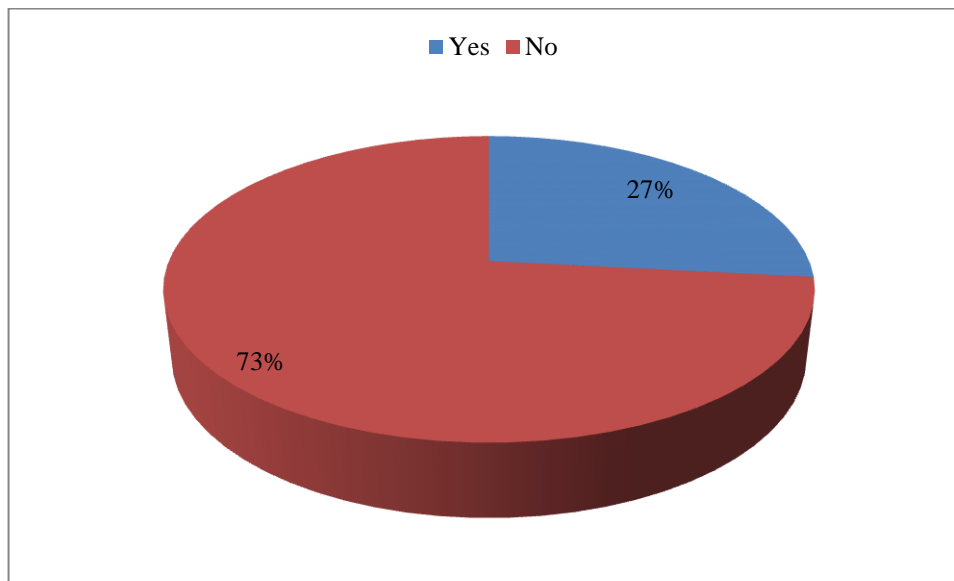
A survey was carried out to obtain the results and applied to 30 students of the ECCI University with the following results:

1. Would you like to find a bar where you can practice languages? Why?



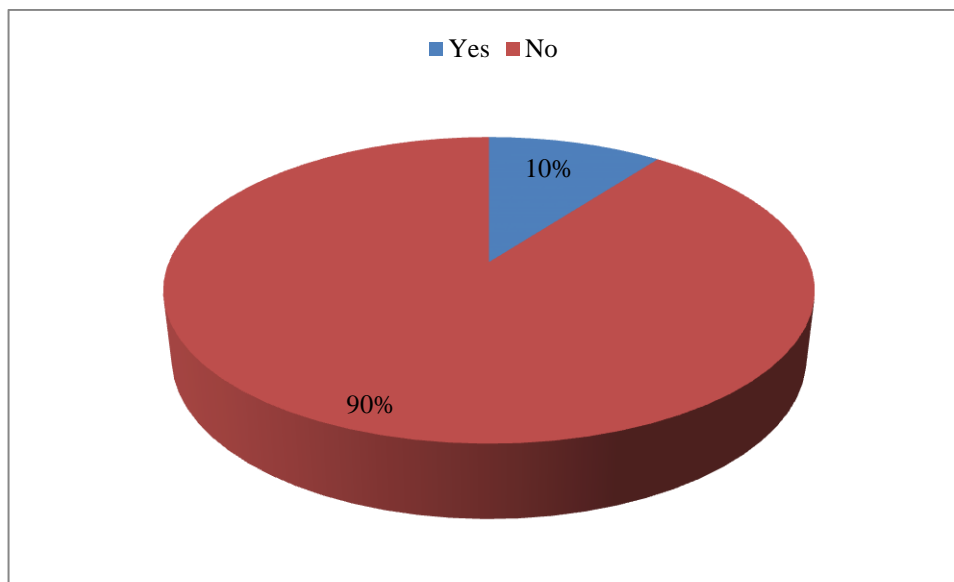
The pie chart shows that from the 100% of the people surveyed, 97% agree, while 3% disagree. They state that they do not like attending bars.

2. Do you frequent bars in Chapinero?



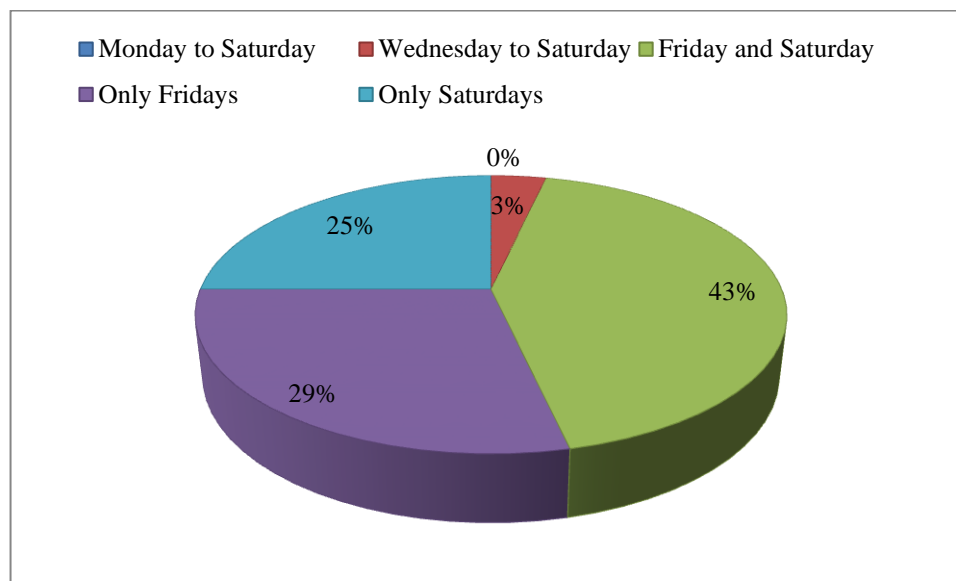
As shown by the pie chart, 27% of people indicated that they do frequent bars in Chapinero district, the others correspond to 73% who responded that they do not frequent that district.

3. Do you know a bar in Chapinero where you can practice other languages besides Spanish? Which?



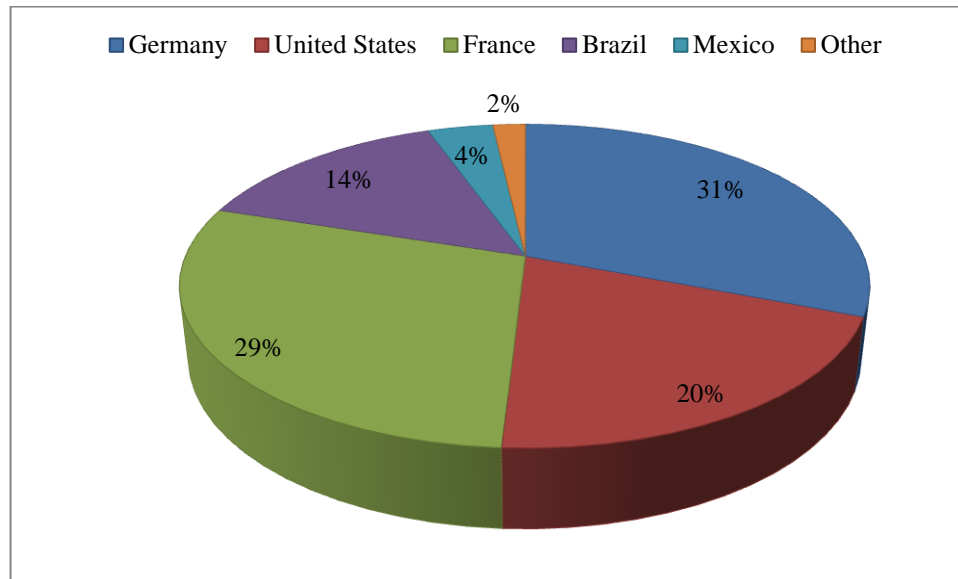
From the 100% of the surveyed population, 90% answered that they did not know Indigo Bar, while the 10% answered that they did. (Where it could be confirmed that they do not carry out activities related to the practice of a foreign language)

4. In this range of probabilities, what days would you attend a bar?



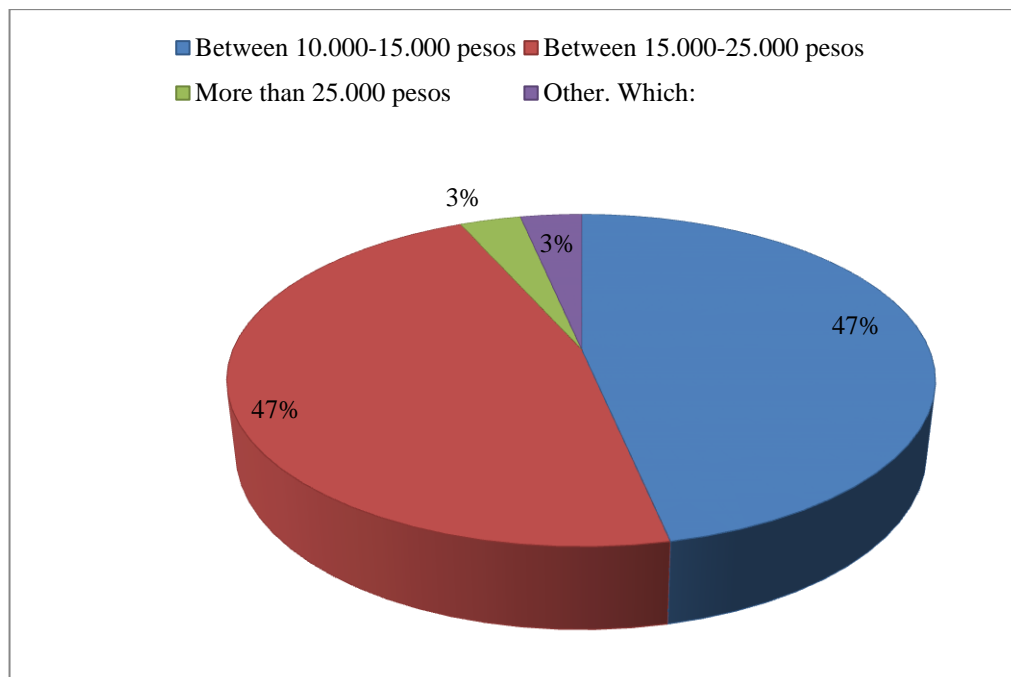
According to the pie chart, the days of greatest attendance are Friday and Saturday with 43% of the population surveyed, 29% is equivalent to Friday, 25% to Saturdays and the remaining 3% is from Wednesday to Saturday.

5. Regarding bilingualism, would you like to find a bar with foreign countries' environment? Like:



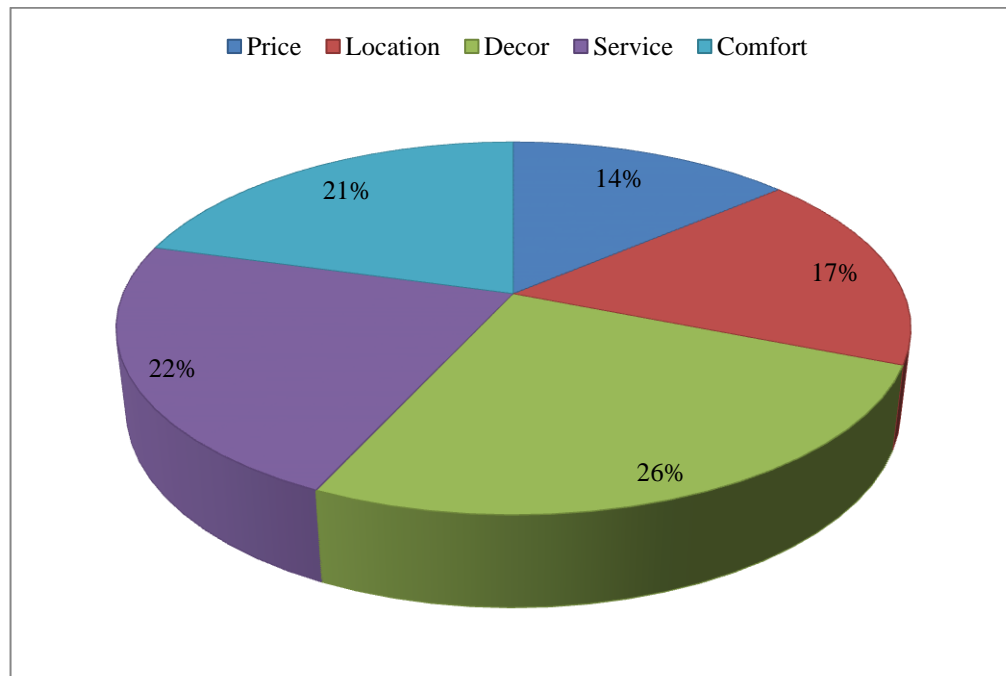
According to the pie chart, 31% of the respondents said they would like to find a theme bar with a setting about Germany, 29% to France, 20% to the United States, 14% to Brazil, 4% to Mexico And 2% to other countries. In response to other countries, respondents chose Italy.

6. How much money would you be willing to pay for the admission in a theme bar? Which?



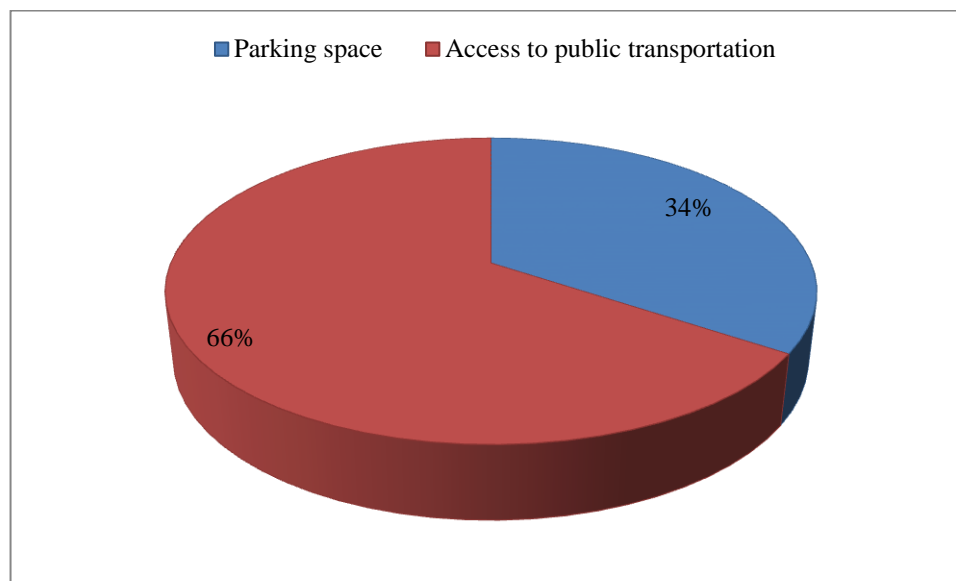
47% of the respondents are willing to pay for the admission in a theme bar between \$ 10,000 and \$ 15,000, while the other 47% of respondents would pay between \$ 15,000 and \$ 25,000. Only 3% of them would pay more than \$ 25,000, of those who responded to others with 3%, said they would like it to be free.

7. Order the following aspects according to the importance when choosing a bar, in the scale from 1 to 5 the first being the least important and the latter being the most important:



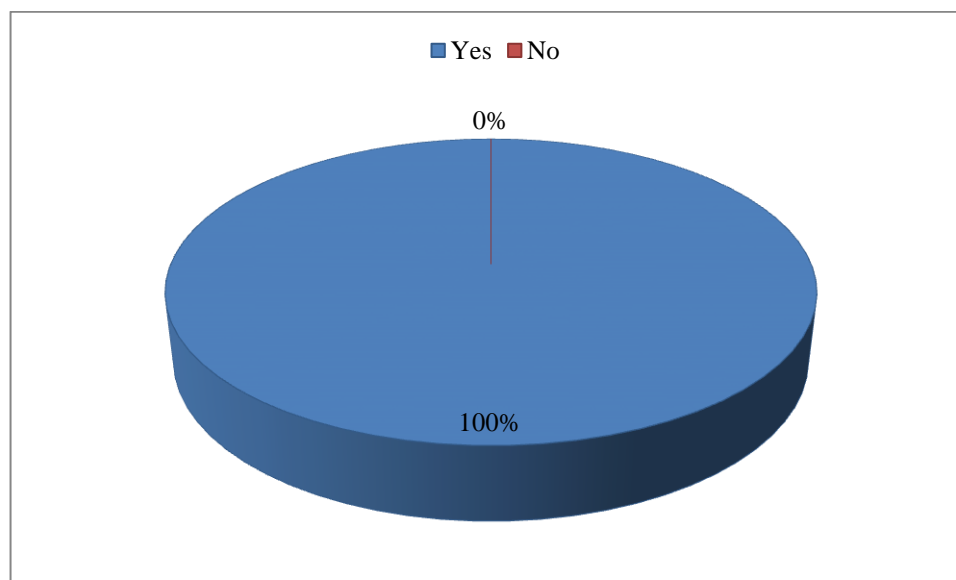
It is evident that the tendency of the people in the search and selection of a bar, the first option is the decoration with a 26%, followed by the service with 22%, comfort 21%, location with 17% and by Last price with 14%.

8. Would you consider important that the bar has?



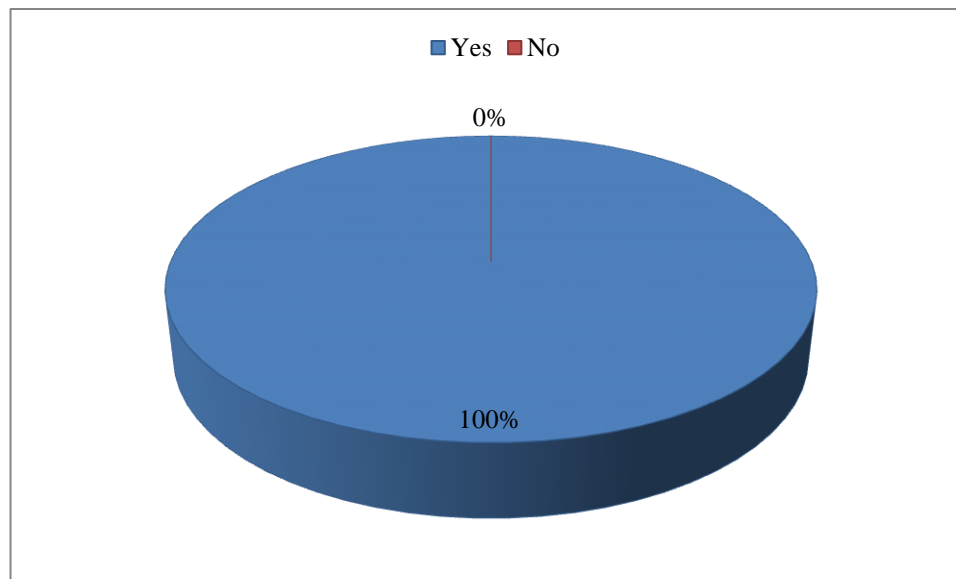
66% of respondents said that they consider important that the theme bar has access to public transportation, which facilitates the arrival at the place. 34% responded that it would be important for the bar to have parking spaces.

9. Do you believe that through interaction with foreigners a good practice of another language is achieved?



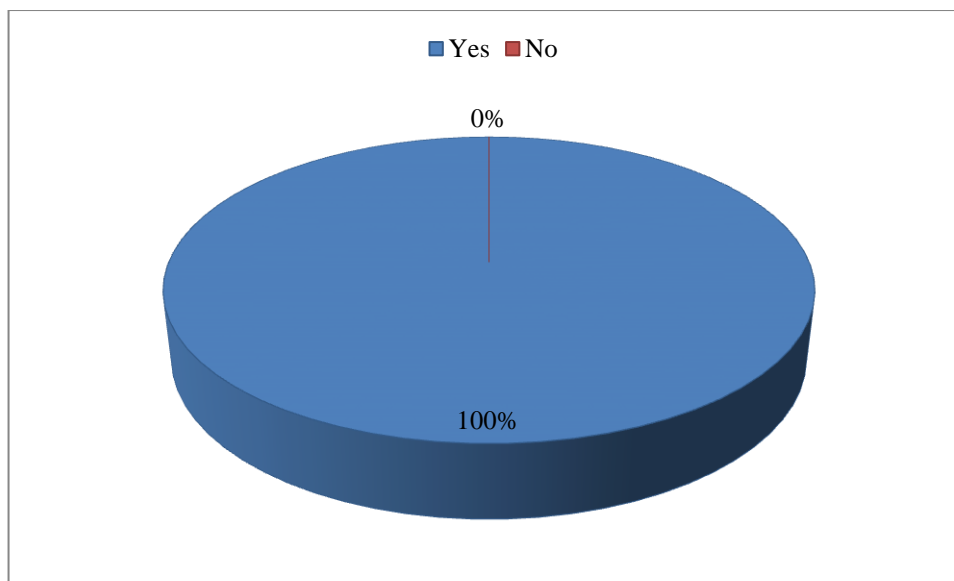
As shown in the pie chart, 100% of the population responded that it is possible to practice a language through interaction with foreigners; stating that one has the opportunity to practice another language knowing it correctly.

10. Do you consider bilingualism important in Colombia? Why?



The pie chart shows that for 100% of respondents, bilingualism is important. In response to the "why", they indicate that there are job opportunities because they have knowledge of a second language, either inside or outside the country.

11. Would you say that is feasible to implement a theme bar in Chapinero with the purpose of practicing another language? Why?



100% of the respondents do consider that the implementation of a theme bar in Chapinero is viable. Stating the "why", they say, being located near universities, being flashy and crowded by foreigners and students is an opportunity to strengthen other languages and exchange cultures.

8.4 Analysis Matrix

Strategic arrays of data analysis are very useful tools that include some of the factors and most relevant characteristics, so as to know which strategy is the most appropriate to achieve the proposed objectives, taking into account also the circumstances of the environment as well as the elements of the company that can favor when developing these strategies. Through the matrixes internal and external aspects of the company are analyzed within the sector to which it belongs:

There are two ways for classifying the analysis matrixes: **Positioning:** Which indicate the global position of an organization within the market in which it operates and **Evaluation:** through which some aspects of the internal organization (S and W) or external (O and T) are evaluated, which allow to have knowledge about the most accurate strategy with the reality appreciated or valued.

8.4.1 S.W.O.T Matrix

It is one of the most used matrixes, due to it allows to make a real diagnosis of the company, and in this way to know how it is, and to have more awareness of the reality, because by knowing the environment, it will be clearer what should be done and how to act.

The decision to apply a S.W.O.T matrix for Otton Bar S.A.S was because it clearly shows the strengths, weaknesses, opportunities and threats; elements that by detailing them, they allows to have a global and integral vision of Otton Bar S.A.S true situation. It is important to know the weaknesses, to be objective and to decide what risks can or cannot be taken and could generate future problems, in the same way this also allows knowing what situations to improve and to create strategies to diminish these weak points.

The same occurs with opportunities, because by identifying and clearing them, it will be easier to know where and how to use capital and efforts, so that there are advantages to be taken from those opportunities before they disappear or before someone else takes advantage of them.

8.4.2 S.W.O.T Matrix of analysis Otton Bar S.A.S

Chart 1

S.W.O.T Matrix of analysis Otton Bar S.A.S

Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ Accessibility to the place (routes): It has a strategic geographical location, which allows easy access to the public through various routes such as 7 Street – Transmilenio and 30 Avenue. ✓ Admission: Otton Bar S.A.S has cover service on Friday and Saturday which can be consumable, in addition whit the monthly accumulated claims a price. ✓ Parties or Theme Days: Each month has a different innovative and fun theme that will attract attention on the viewer. 	<ul style="list-style-type: none"> ✓ Parking: It doesn't have a service that can be important for customers such as the parking lot. ✓ Reservations: It has little implementation in the booking service for the web page
Opportunities	Threats
<ul style="list-style-type: none"> ✓ Prices of drinks: Otton Bar S.A.S will offer a special rate to customers from Monday to Thursday. In addition, frequent customers will receive discounts on our products. ✓ Days and Hours of Operation: Otton Bar S.A.S is an innovative project in the wide existing market, knowledgeable about the environment and competition so it has days of operation from Monday to Saturday and a more extended hours, from 5:00 pm to 3:00 am. 	<ul style="list-style-type: none"> ✓ Facilities: The presence of the competition of Otton Bar S.A.S has a larger space that consist of two floors, which can enter more affluence than Otton Bar.

Variables to be taken into account at the time of analysis (Own elaboration)

8.4.3 S.W.O.T Matrix of analysis direct competition La Villa

Chart 2

S.W.O.T Matrix of analysis La Villa

Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ Facilities: La villa has wide space for the view of its guests, consisting of two floors. 	<ul style="list-style-type: none"> ✓ Parties or Theme Days: La Villa only has an activity with foreigners, which is done only on Tuesdays that is # Gringo Tuesday "
<ul style="list-style-type: none"> ✓ Accessibility to the place (routes): La Villa has a strategic geographical location, which allows easy access to the public through various routes such as 7 Street – Transmilenio and 30 Avenue. 	<ul style="list-style-type: none"> ✓ Days and Hours of Operation: La Villa has a slightly reduced schedule regarding its direct competition, from Tuesdays to Saturdays from 9:00 pm to 3:00 am.
Opportunities	Threats
<ul style="list-style-type: none"> ✓ Parking: La villa has an agreement with a parking sector for customers who wish to take this service with a special rate. 	<ul style="list-style-type: none"> ✓ Admission: La Villa doesn't have cover service, which is very appealing to many of the customers and it proves to be beneficial in consumption and customer loyalty.
<ul style="list-style-type: none"> ✓ Reservations: La villa has a reservation system through the website and through WhatsApp 	<ul style="list-style-type: none"> ✓ Price: La villa handles prices from 20 thousand to 200 thousand pesos, however the competition handles very similar prices and creates a strategic alliance with suppliers to offer special rates to its customers.

Variables analyzed of direct competition (Own elaboration)

8.5 Marketing Strategy

After analyzing the matrix, Otton Bar S.A.S should consider implement the following strategies:

- ✓ Otton Bar S.A.S will implement a strategy to advertise its product, which consist in extending the hours of operation, compared to its direct competition. From Mondays to Saturdays starting at 5:00 pm until 3:00 am.
- ✓ The innovation strategy will be the most used by Otton Bar S.A.S, each month will have a different attractive and fun theme which will attract attention of the viewer.
- ✓ Otton Bar S.A.S will implement the use of the "admission" on Friday and Saturday, which will be consumable and by the accumulation of the same in the month , it will be able to grant access awards that Otton Bar S.A.S will provide
- ✓ Taking into account that public attends less from Mondays to Saturdays, Otton Bar S.A.S will create a strategy of special rates in these days to attract the attention of the public and encourage them to attend these days also. In addition to this, frequent customers will have benefits from events that take place.
- ✓ The strategy to enter with lower prices in comparison to the competition's is very important in order to apply aggressive tactics of penetration and expansion of the market, especially in the introduction stage of the product that assures a fast knowledge of the same, positioning and participation.
- ✓ Otton Bar S.A.S will create a strategic alliance with the nearest parking, offering a free first hour rate, and after this time a rate of 50% up to 5 hours.

- ✓ Due to the wide offer of restaurants and shopping centers in the sector, Otton Bar S.A.S will make strategic alliances with these places, offering discount bonuses so that the public will be encouraged to attend the bar.
- ✓ Considering that Otton Bar SAS has little implementation in the booking service by the website, it will perform a strong management through social networks, interacting in them in order to make the events known, products and services that are offered, and can take reservations through the social network Facebook and WhatsApp.
- ✓ Otton Bar S.A.S will conduct flyer handout all days, with innovative and attractive elements that will attract the attention of the public.

8.6 Market Segmentation

According to the District Secretary for Culture and Sports – Chapinero District Basic Sheet (2008):

In Chapinero, there is a high socioeconomic class: 45.8% of states are of 6th class and is in the greater part of the local urban area, 30.8% belongs to premises of 4th class, 5th class represents 11, 7%, 5.5% corresponds to properties of 3rd class, 1.6% corresponds to non-residential properties and the remaining 1.5% corresponds to estates of 1st class (p. 53)

Otton Bar SAS, within its study determines that the segmentation of the market is focused on the population between the ages of 18-30, but not excluding ages higher than the mentioned ranges, determining as target market: university students, tourists and people who want to secure the language (apart from the native), through interaction with foreigners as well as sharing experiences and learning from different cultures.

Chapter 9: Financial Analysis

Weinberger (2009) says that “a financial plan is the process of translating plans and strategies that are in the business in economic terms ”(p, 93), which show what the owner plans to do with the finances of itself. In this way, the importance of making a financial plan is shown to become into a fundamental tool to indicate and compare the actual results of operating the business according to the plan. From the information obtained due to the financial plan, it is evident that the profitability can be received for the money invested and the moment when the investment can be recovered.

The financial analysis of Otton Bar S.A.S is developed taking into account two stages, the estimation of the maximum investment considering the estimated time in strategic planning and the calculation of the minimum investment identified for the implementation which values are determined regarding aspects like: assets, payroll expenses, general expenses, and costs of commodities, considering that the projection will increase over 1.50% in terms of employees’ liabilities and 0.60% corresponding to the Consumer Price Index (CPI), over a period of 9 years.

9.1 Table of Assets

The table of assets shows all the goods and property rights of the company and the furniture, equipment and computer gear as well as other technological elements required for Otton Bar S.A.S in the development of its activity are depicted below:

Chart 3
Assets

MAXIMUM INVESTMENT ASSETS				
AREA	POSITION	NOUN	QUANTITY	PRICE
MANAGEMENT	MANAGER	DESK	1	\$ 800.000
		CHAIR	1	\$ 300.000
		FILE CABINET	1	\$ 400.000
		COMPUTER	1	\$ 1.000.000
		PRINTER	1	\$ 600.000
PLANNING	PLANNER	DESK	1	\$ 500.000
		CHAIR	1	\$ 100.000
		FILE CABINET	1	\$ 400.000
		COMPUTER	1	\$ 900.000
OCCUPATIONAL	RISK	DESK	1	\$ 500.000
HEALTH AREA	MANAGEMENT	CHAIR	1	\$ 100.000
	ASSISTANT	FILE CABINET	1	\$ 600.000
		COMPUTER	1	\$ 900.000
SELECTION AREA	RECRUITMENT	DESK	1	\$ 500.000
	AID	CHAIR	1	\$ 100.000
		FILE CABINET	1	\$ 600.000
		COMPUTER	1	\$ 900.000
		TRAINING AID	DESK	1
		CHAIR	1	\$ 100.000
		COMPUTER	1	\$ 900.000
TAX AREA	TAX ANALYST	DESK	1	\$ 500.000

		CHAIR	1	\$	100.000
		FILE CABINET	1	\$	600.000
		COMPUTER	1	\$	900.000
	ANALYST 1	DESK	1	\$	500.000
		CHAIR	1	\$	100.000
		FILE CABINET	1	\$	600.000
		COMPUTER	1	\$	900.000
ACCOUNTING	ACCOUNTING	DESK	1	\$	500.000
AREA	ASSISTANT	CHAIR	1	\$	100.000
		COMPUTER	1	\$	900.000
	ANALYST 2	DESK	1	\$	500.000
		CHAIR	1	\$	100.000
		FILE CABINET	1	\$	600.000
		COMPUTER	1	\$	900.000
	ACCOUNTING	DESK	1	\$	500.000
	ASSISTANT	CHAIR	1	\$	100.000
		COMPUTER	1	\$	900.000
PORTFOLIO AREA	PORTFOLIO	DESK	1	\$	500.000
	ASSISTANT	CHAIR	1	\$	100.000
		FILE CABINET	1	\$	600.000
		COMPUTER	1	\$	900.000
TREASURY AREA	TREASURY	DESK	1	\$	500.000
	ASSISTANT	CHAIR	1	\$	100.000
		FILE CABINET	1	\$	600.000
		COMPUTER	1	\$	900.000

ADVERTISING	CREATIVE	DESK	1	\$ 500.000
	DIRECTOR	CHAIR	1	\$ 100.000
		FILE CABINET	1	\$ 600.000
		COMPUTER	1	\$ 2.800.000
	ALL AREA	PRINTER	1	\$ 600.000
HUMAN CAPITAL	CASHIER	DESK	1	\$ 500.000
AREA		CHAIR	1	\$ 100.000
		CASH REGISTER	1	\$ 850.000
	BARTENDERS	BOTTLE RACK	1	\$ 1.000.000
	AND WAITERS	FRIDGE	1	\$ 1.000.000
		SHELVING	3	\$ 1.140.000
	DJ	CHAIR	1	\$ 100.000
		DESK	1	\$ 500.000
		MIXER CONSOLE	1	\$ 650.000
		WITH AMPLIFIER		
		SPEAKERS	3	\$ 250.000
		AUDIO PLAYER	1	\$ 130.000
		HEADPHONES	1	\$ 300.000
SECURITY AREA	SECURITY	WALKIE - TALKIE	1	\$ 120.000
	GUARD			
		TABLE	7	\$ 1.050.000
ALL AREA	ALL STAFF	CHAIR	40	\$ 3.200.000

MICROWAVE	2	\$ 200.000
OVEN		
BLENDER	3	\$ 600.000
KITCHENWARE	2	\$ 4.000.000
THEMATIC	50	\$ 2.500.000
DECORATION		
TABLE	1	\$ 250.000
CHAIR	8	\$ 1.000.000
80 GB INTERNET	1	\$ 35.000
SPEED		
INTERCOM	1	\$ 220.000
PHONES	8	\$ 656.000
VIDEO BEAM	1	\$ 330.000
KIT DVD + 4	1	\$ 450.000
CAMERAS		
MULTIFUNCTION	1	\$ 1.400.000
PRINTER		
TOTAL		\$ 51.331.000

(Own elaboration)

9.2 Payroll Expenses Table

This table describes the wages assigned to employees for each position; these are set according to the compensation scale of 2017 based on each profile.

Chart 4
Payroll Expenses

MAXIMUM INVESTMENT PAYROLL EXPENSES		
Department-Area	Profile	Salary
General Manager	Professional with experience in the administrative area (1-3 years) - Bilingual	\$ 4.940.000
Planning	Professional with experience in the administrative area (1-3 years)	\$ 2.380.000
Human resources	Professional without experience in the area of human resources (1 year)-Bilingual	\$ 3.952.000
Inner Affairs	Bilingual technologist in the area of occupational health	\$ 3.105.000
Risk management assistant	Technologist without experience in the area of safety and health (1 year)	\$ 1.920.000
Hiring	Professional with experience in the area of psychology (1-3 years) - Bilingual	\$ 3.105.000
Recruitment assistant	Technician without experience in the area of human resources (1 year)	\$ 1.800.000
Training assistant	Technician without experience in the area of human resources (1 year)	\$ 1.800.000
Recruitment	Bilingual Technician	\$ 3.105.000
Financial	Professional with experience in the area of training (1-3 years)	\$ 2.380.000

Resources		
Taxes	Professional with experience in public accounting (1-3 years)	\$ 2.380.000
Tax analyst	Technology without experience in the area of accounting management (1 year)	\$ 1.120.000
Accounting	Professional with experience in public accounting (1-3 years)	\$ 2.380.000
Tax analyst	Technician experienced in accounting or finance (1-2 years)	\$ 935.000
Tax analyst	Technician experienced in accounting or finance (1-2 years)	\$ 935.000
Junior accountant	Technician without experience in the area of accounting management (1 year)	\$ 910.000
Junior accountant	Technician without experience in the area of accounting management (1 year)	\$ 910.000
Payroll	Professional with experience in the administrative area (1-3 years)	\$ 2.380.000
Payroll assistant	Technician with experience in accounting management (1-2 years)	\$ 935.000
Treasury	Professional with no experience in administrative, financial and/or accounting careers	\$ 2.380.000
Treasury assistant	Technician with experience in accounting management (1-2 years)	\$ 935.000
Marketing Department	Professional without experience in the area of training (1 year) Bilingual	\$ 3.952.000
Advertising	Professional without experience in advertising (1 year) Bilingual	\$ 3.952.000

Art director	Professional with experience in the advertising area (1-3 years)	\$ 3.105.000
Operations Department	Professional with experience in the advertising area (1-3 years) - Bilingual	\$ 2.680.000
Supply office	Technician without experience in the administrative area (1 year)	\$ 1.800.000
Human talent	Professional with experience in the administration in human resources (1-3 years) - Bilingual	\$ 3.105.000
Tellers	Technician without experience in table and bar (1 year) (2)	\$ 1.820.000
Barman	Technician with experience in table and bar (1-2 years) (3)	\$ 2.805.000
Waiters	Professional foreign language teaching experience (1 year) 3	\$ 2.213.151
Dj	Bilingual music production technician	\$1.800.000
Security	Technician without experience in the area of security (1 year)	\$ 1.920.000
Security guard	Understudy with minimal experience ongoing monitoring (1 year) 2	\$ 1.640.000
TOTAL		\$ 75.479.151

(Own elaboration)

9.3 General Expenses Chart

The general expenses both fixed and variable are determined like: legal expenses inauguration, utilities, leasing, advertising, stationery and janitor equipment.

Chart 5
General Expenses

MAXIMUM INVESTMENT - GENERAL EXPENSES			
TERM	QUANTITY	UNIT VALUE	TOTAL VALUE
Local leasing	1	3.500.000	3.500.000
General expenses	1	2.000.000	2.000.000
Legal expenses	1	3.100.000	3.100.000
water bill	1	1.000.000	1.000.000
Power bill	1	1.200.000	1.200.000
telephone bill	1	200.000	200.000
Advertising Flyers Fullcolor 1/2 letter X1000	1	150.000	150.000
Janitor Equipment			\$ 283.820
Cream dishwasher	10	3.548	35.480
Multipurpose cleaner 500ml	10	4.512	45.120
Paper napkin x75	10	2.750	27.500
Broom	5	3.550	17.750
Mop	5	5.700	28.500
Large toilet paper x 12	10	7.613	76.130
Disinfectant for bath with chlorine x500ml	10	5.334	53.340
Office Paper Supplies			\$ 1.163.300
Kit of Stapler+ hole punch + staples + Staple Remover	10	17.400	174.000
Acrylic desktop organizer	27	14.900	402.300
Paper Reams - Cartoprint Letter Bond 75gr box x 10	5	97.000	485.000
Pen- Box X 12 Units	10	5.000	50.000
Pencils Mirado # 2 x 12	10	5.200	52.000
TOTAL			\$ 12.597.120

(Own elaboration)

9.4 Cost Table

For the calculation of costs, the values of the purchase of inputs or raw material are taken, as well as the profit margin established for the calculation of the sale price of 30%.

The value of the salary for the calculation of the labor force of the people involved in the development of the activity are considered, taking into account that the bar will open for a 6 days period and also the average consumption is calculated.

Chart 6
Cost of 8 cocktails

COST OF 8 COCKTAILS				(Own elabor ation)
PRODUCT	COST	30%	PRICE	
Andaluz	17.132	5.140	22.271	
Dracula	15.182	4.555	19.736	
Mojito	16.482	4.945	21.426	
Margarita	18.458	5.537	23.995	
Daiquiri	15.468	4.640	20.108	
Piña Colada	13.882	4.165	18.046	
Dry Martini	18.367	5.510	23.877	
Manhattan	17.717	5.315	23.032	
TOTAL	132.686	39.806	172.492	

Chart 7
Cost of 8 bottles

COST OF 8 BOTTLES			
PRODUCT	COST	30%	PRICE
Vodka	60.000	18.000	78.000
Grant's	96.900	29.070	125.970
Chivas Regal	160.000	48.000	208.000

Old Par	159.000	47.700	206.700
Jack Daniel's	150.000	45.000	195.000
Bacardi	87.000	26.100	113.100
Viejo de CaLdas	76.000	22.800	98.800
Nectar	76.000	22.800	98.800
TOTAL	864.900	259.470	1.124.370

(Own elaboration)

Chart 8
Cost of 24 beers

COST OF 24 BEERS			
PRODUCT	COST	30%	PRICE
Aguila	39.300	11.790	51.090
aguila light	43.200	12.960	56.160
Aguila Cero	39.300	11.790	51.090
Club Colombia	52.600	15.780	68.380
Redd's	52.600	15.780	68.380
Corona	72.900	21.870	94.770
TOTAL	299.900	89.970	389.870

(Own elaboration)

Chart 9
Cost of soda package 18

COST OF SODA PACKAGE 18			
PRODUCT	COST	30%	PRICE
COCACOLA	21.500	6.450	27.950
RED BULL	34.000	10.200	44.200
TONIC WATER	34.000	10.200	44.200
TOTAL	89.500	26.850	116.350

(Own elaboration)

Chart 10
Direct Labor

DIRECT LABOR			
EMPLOYEE	WAGE		
Bar tender	900.000	60.000	600
Waiter	820.857	82.086	4.104
TOTAL	1.720.857	142.086	4.704

(Own elaboration)

Chart 11
General expenses

GENERAL EXPENSES			
water bill	800.000	400.000	400.000
Power bill	1.000.000	33.333	33.333
telephone bill	100.000	3.333	3.333
Local leasing	3.500.000	116.667	116.667
Advertising	65.000	2.167	2.167
Office Paper Supplies	792.400	26.413	26.413
Janitor Equipment	166.065	5.536	5.536
TOTAL			587.449

(Own elaboration)

9.5 Investment Table

For the calculation of the investment two scenarios are presented, the first is the calculation of the maximum investment and the second is the minimum investment. Based on the variables about the selling price, the units to sell and the days that the bar will open; then the exact time in which the money invested will be recovered is calculated. Likewise, the legal increase established for the projection of expenses is 1.50%, which refers to the assigned wage,

and 0.60% referring to the increase in the CPI for general expenses and commodities costs for a projection period corresponding to 9 years.

Chart 12
Maximun Investment

MAXIMUM INVESTMENT 10 YEARS						
	First Month	1st YEAR	1,50%	INCREASE	9th YEAR	TOTAL
Assets	51.331.000					51.331.000
Payroll	75.479.151	905.749.812	13.586.247	919.336.059	8.274.024.533	8.274.024.533
Expenses						
General expenses	12.597.120	151.165.440	90.699.264	241.864.704	2.176.782.336	2.176.782.336
Commodities Costs	7.287.541	43.725.246	26.235.148	69.960.394	629.643.542	629.643.542
						11.131.781.411

(Own elaboration)

9.6 Balance point

The balance point determines the exact time period and the sells average for recovering the money invested at the beginning.

Chart 13
Balance Point

BALANCE POINT		
PRODUCT	PRICE	QUANTITY
COCKTAILS	4.528.020	50 PERSONS
BOTTLES	5.059.656	
BEERS	13.645.380	
SODAS	13.961.880	
TOTAL SALE	37.194.936	WEEKLY
	148.779.744	MONTHLY
	1.785.356.928	1 YEAR
	3.570.713.856	2 YEAR
	5.356.070.784	3 YEAR
	7.141.427.712	4 YEAR
	8.926.784.640	5 YEAR
	10.712.141.568	6 YEAR
	12.497.498.496	7 YEAR
	14.282.855.424	8 YEAR
	16.068.212.352	9 YEAR
		MAXIMUM INVESTMENT
		3.475.347.919
		MINIMUM INVESTMENT
		11.131.781.411

(Own elaboration)

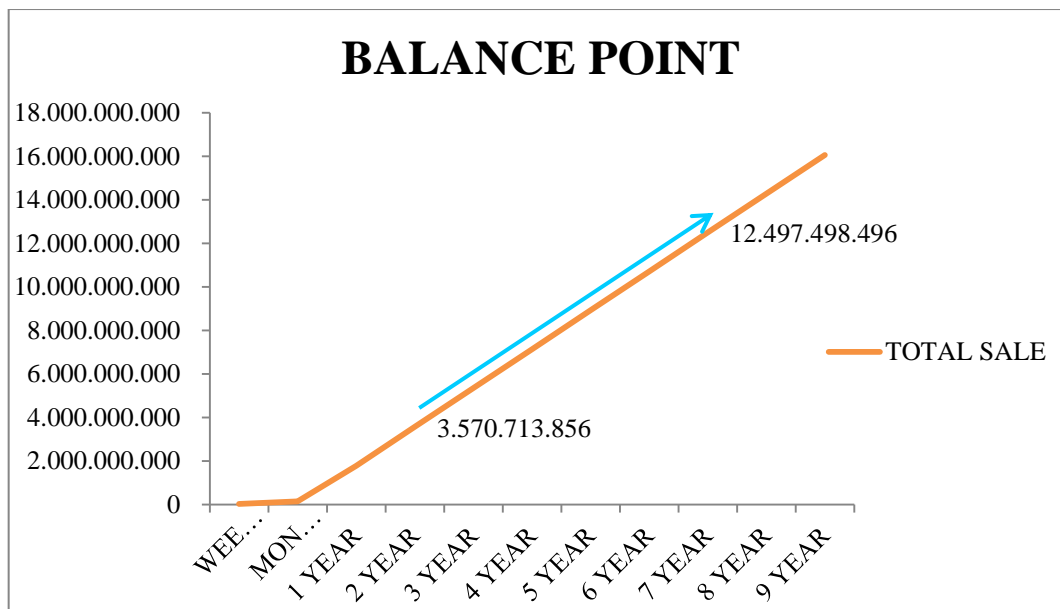


Figure 8 Balance Point

Chapter 10: Venture Capital Fund

The Law 1014 of 2006 about promoting the culture of entrepreneurship, fosters entrepreneur spirit among students in schools across the country and makes them people who can

innovate, create and build a better future, based on an entrepreneurial culture, starting from the importance of generating company, jobs, and social capital.

In Colombia, entrepreneurship has been recently showing a remarkable increase in new initiatives, which do not progress due to lack of experience and financing, the latter being a variable that has led us to think about ways of financing that will allow growth in the sector. Because of this this reason there have been people who are willing to empower small and medium enterprises, giving them access to new ways of financing through the Venture Capital Funds; thus contributing to the development of business conditions and these in turn foster economic growth hence overcoming poverty and unemployment in the country.

The investment fund chosen by OTTON BAR S.A.S is the emprender (name in Spanish) Fund created by the National Government, which exclusive purpose will be to finance business initiatives that come from and are developed by apprentices or associations between apprentices, university or professional interns.

The requirements to be eligible for accessing the resources of the fund are: initially the entrepreneur must present a business plan properly structured, which implies that the business plan must compete with other projects for financing The fund finances up to 100% of the project's value up to a minimum of 224 monthly salaries. These resources are not reimbursable to the extent that the entrepreneur complies with indicators and objectives, and in the case of noncompliance, the resources must be reimbursed by paying a very comfortable interest.

Finally, after carrying out the study of the venture capital funds, presenting the business plan to the fund is proposed to undertake since it meets the requirements demanded by them.

Chapter 11: Conclusions

After conducting the respective study on the business plan for the OTTON BAR S.A.S project, we conclude that:

- ✓ Regarding the general objective set out in the project, creating a theme bar in Chapinero district that promotes bilingualism; since practice and interaction with foreigners develop idiomatic skills in people, such as listening and speaking.
- ✓ In relation to the business opportunity, the initiative to create a theme bar in Chapinero district was generated in order to offer a different alternative in terms of generating spaces in which both foreigners and citizens congregate for the practice of a second language and the cultural exchange, since in the sector of the bars in Bogota there are only a few establishments that meet these characteristics to satisfy the needs of the client.
- ✓ About the market study, after applying the research instrument (survey), in order to determine if it is feasible to create a theme bar in the Chapinero district where bilingualism is encouraged, the results reveal that the population shows interest and affirms the viability of the project due to the fact that they consider it would be interesting to have a space that allows them to practice a second language and that in turn, they are able to find environments which belong to other countries like Germany, the United States and France.
- ✓ Responding to Law 1014 of 2006 about promoting entrepreneurship and considering it as an opportunity to create business and support the economic development of the country; presenting the business plan of OTTON BAR S.A.S to the venture capital fund "Fondo Emprender" is proposed in order to request the financial support to perform the business idea.
- ✓ With the development of this project as students of the ECCI University presented to be Professionals in Modern Languages, we conclude that we have managed to put into practice all the knowledge learned throughout our academic process, forming us as

integral professionals with the opportunity to create a business, thanks to the culture of entrepreneurship, being able to respond to the needs demanded by the productive sector thus guaranteeing development and well-being to society as well as helping to sustain the economy through the generation of employment.

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