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Independent Digital Transformation and Growth Advisory Agency

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Capstone Project Submitted in Partial Fulfillment

of the Requirements for the Degree of

Master in Management

KSE Graduate Business School

May 2026

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Abstract

Small and medium-sized enterprises (SMEs) play an essential role in economic resilience and recovery in Ukraine; however, many struggle to effectively implement and use digital automation systems. This study addresses the structural gap between the availability of digital solutions and SMEs' ability to select, implement, and manage them effectively.

The purpose of this Capstone project is to evaluate the feasibility of establishing Independent Digital Transformation and Growth Advisory Agency that supports SMEs in selecting, implementing, and governing digital systems. The research combines secondary market analysis with primary survey data from SME representatives. Analytical tools included PESTEL analysis, Porter's Five Forces, market sizing methods, and financial modeling with break-even analysis.

The findings indicate significant unmet demand for structured digital advisory services and demonstrate the economic feasibility of the proposed business model. The results suggest that digital governance advisory services can improve operational efficiency and strengthen the resilience and competitiveness of SMEs, contributing to broader economic development and positive social change.

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Chapter 1: Background and Problem Statement

Context: The Role of SMEs in the Ukrainian Economy and the Challenges of Wartime

Small and medium-sized enterprises (SMEs) represent the foundation of the Ukrainian economy. According to the State Statistics Service of Ukraine (2024), 98% of approximately 1.1 million enterprises operating in the services and trade sectors, belong to the SME category. However, this sector currently operates under conditions of unprecedented instability. Following a sharp GDP decline of 28.8% in 2022, economic recovery has remained slow and increasingly unstable, with growth rates of 2.9% in 2024 and only 1.8% in 2025, largely due to continued attacks on energy infrastructure (The State Statistics Service of Ukraine, 2026).

Beyond macroeconomic shocks, SMEs are facing a serious structural labor crisis. In 2025, the primary business challenges included workforce mobilization (reported by 51% of companies), difficulties in hiring qualified specialists (39%), and workforce migration abroad (29%) (Kyivstar Business, 2025, December 15). This shortage of human capital is compounded by electricity disruptions, rising production and service costs, and declining consumer purchasing power. Under such conditions, business survival and long-term development critically depend on the ability of enterprises to optimize resources, increase labor productivity, and automate routine operations. Consequently, digital transformation becomes not only a competitive advantage, but a fundamental condition for operational resilience and business continuity.

Structural Gap in the Digital Maturity of SMEs

Digital transformation is widely regarded as one of the key mechanisms for enhancing operational efficiency and managerial transparency. The availability of technological solutions —

including CRM and ERP systems, data analytics tools, and document workflow automation — continues to expand in the market, and a significant share of Ukrainian companies declare digitalization as a strategic priority.

Despite Ukraine's strong performance in the digitalization of public services — notably ranking among global leaders in the development of e-government — digital transformation within the business sector remains uneven. For comparison, within the Europe's Digital Decade 2030 strategy, the European Union has set a target that at least 75% of enterprises should use cloud computing, data analytics, or artificial intelligence in their business operations (Eurostat, 2025, September 25, p.108).

In contrast, Ukraine demonstrates a significant gap between large enterprises and SMEs in terms of digital maturity. According to OECD estimates, approximately 70% of large Ukrainian companies have their own website, whereas only about half of medium-sized enterprises (47%) and less than one third of small enterprises (30%) engage in such basic digital activity (Organization for Economic Co-operation and Development, 2024, p.15). This indicates a structural asymmetry in digital integration and a limited capacity of SMEs to utilize technologies at a systemic level.

The key issue lies not in the absence of technological solutions, but in the limited ability of SMEs to integrate them into a coherent management system.

Consequences of Ineffective Digitalization

A fundamental barrier is the lack of expertise: 49% of companies report a shortage of qualified IT specialists, while 46% lack a clear understanding of how to calculate the return on investment (ROI) of technological solutions (KPMG in Ukraine, & Forbes Ukraine, 2024). As a result, in 2025 there was a

decline in innovation optimism, with 31% of businesses chose not to implement new digital solutions and opting instead for cost-saving and risk-avoidance strategies. (Kyivstar Business, 2025, December 15)

At the same time, existing public initiatives and market offerings are largely focused either on providing individual digital services or on the technical implementation of specific systems, without comprehensive strategic support. Consequently, a gap emerges between the availability of technological tools and the ability of SMEs to conduct systemic digital transformation with measurable managerial outcomes.

Therefore, the problem lies in the absence of an operational model of structured digital advisory adapted to the Ukrainian context, which would integrate technology selection, process integration, change management, and performance evaluation into a unified governance framework. It is precisely this gap between technological potential and managerial implementation that defines the relevance of this research and justifies the development of an operational digital governance model for SMEs.

Empirical Findings on the Needs of SMEs

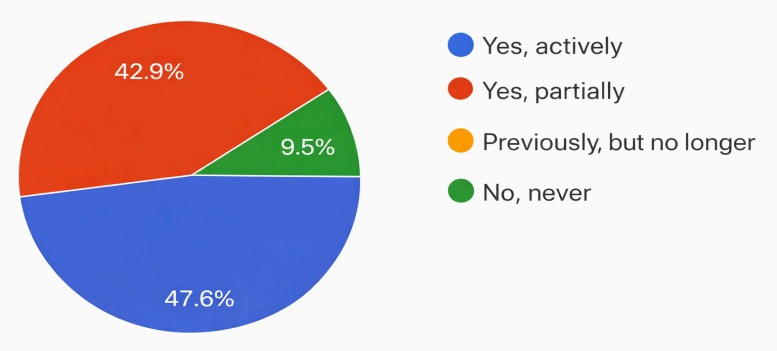
To verify the relevance of the formulated problem and to identify the practical needs of the target segment, an original empirical study was conducted in the form of a structured survey of owners and top managers of SMEs. Primary data was collected through a structured digital survey via Google Forms (Appendix A).

A total of 26 responses were received. For further analysis, 15 questionnaires were selected that met the target audience criteria: non-technology sector enterprises with between 5 and 150 employees. Responses from freelancers and representatives of the IT sector were excluded from the sample to ensure the relevance of conclusions to traditional businesses without in-house IT expertise.

The findings demonstrate a high level of formal adoption of digital tools within the SME segment. Among all respondents, more than 90% reported experience with automation systems (CRM, ERP, financial systems, etc.) (Figure 1). Specifically, 47.6% use such systems continuously, 42.9% partially, and 9.5% do not use them at all. However, overall satisfaction with current systems remains moderate (mean score: 3.25 out of 5).

Figure 1

Share of Companies Using at Least One Automation Tool



Thus, the problem of digital transformation within the studied segment does not lie in the absence of software in itself, but rather in the nature and depth of its operational use.

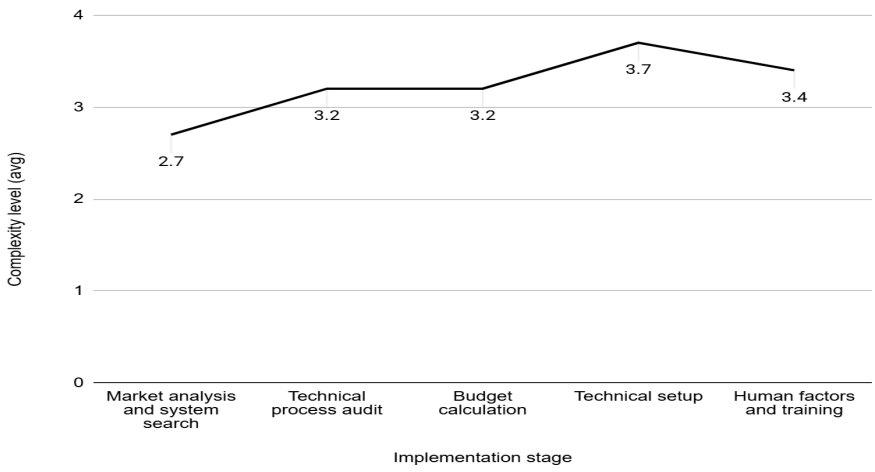
The most widely used tools are CRM systems (89.5% of respondents) and ERP solutions (57.9%). A portion of companies (21.1%) also use no-code platforms to integrate systems and automate specific processes.

When asked to rate the complexity of different implementation stages, respondents identified technical configuration as the most challenging stage (average score: 3.7 out of 5) (Figure 2). The high perceived complexity of technical setup, combined with a low level of overall satisfaction with existing

systems (mean score: 3.25 out of 5), indicates a structural gap between software acquisition and its effective operational use. While companies are willing to invest in licenses, they often remain at the stage of basic configuration and do not progress to full-scale automation.

Figure 2

Perceived Implementation Stage Complexity



Note. To assess the complexity of the implementation stages, respondents were asked to rate each stage on a five-point scale (1 = minimal complexity; 5 = maximum complexity). Based on the responses received, the average score was calculated for each stage.

This creates the effect of “non-performing investments,” where:

- Functionality is only partially used: businesses pay for advanced ERP/CRM systems but use them only as digital notebooks for record-keeping.

- The system is not adapted to business processes: instead of the software being configured to fit operational workflows, employees are forced to perform additional manual steps, leading to accumulating data quality issues.
- Lack of seamless integration: technical complexity results in fragmented system environments, in which different services operate in isolation. This forces staff to transfer data manually between platforms an issue respondents explicitly identified as one of the most significant pain points.

High scores related to the human factor (average score: 3.4 out of 5) confirm that barriers to digitalization are not solely technical in nature but also organizational (Figure 2). At the same time, the comparatively lower complexity rating assigned to the system selection stage (average score: 2.7 out of 5) may indicate a superficial perception of the complexity of the decision or an underestimation of its strategic implications.

Although respondents evaluated the system selection stage as the least complex, qualitative analysis of open-ended responses revealed substantial dissatisfaction with the outcomes of these decisions. The primary concerns expressed by businesses regarding the automation market include:

- Vendor bias: Respondents report feeling that they are being steered toward software solutions in which the current internal integrator specializes, rather than those best aligned with their business needs.
- Lack of evaluation expertise: The comment “it is difficult to assess a system without prior experience” highlights the need for an independent advisor who has observed and managed numerous implementations.

- Budget misalignment: Businesses seek functional solutions at the price level of standardized packages but frequently encounter costly custom development requirements that significantly increase total implementation costs.

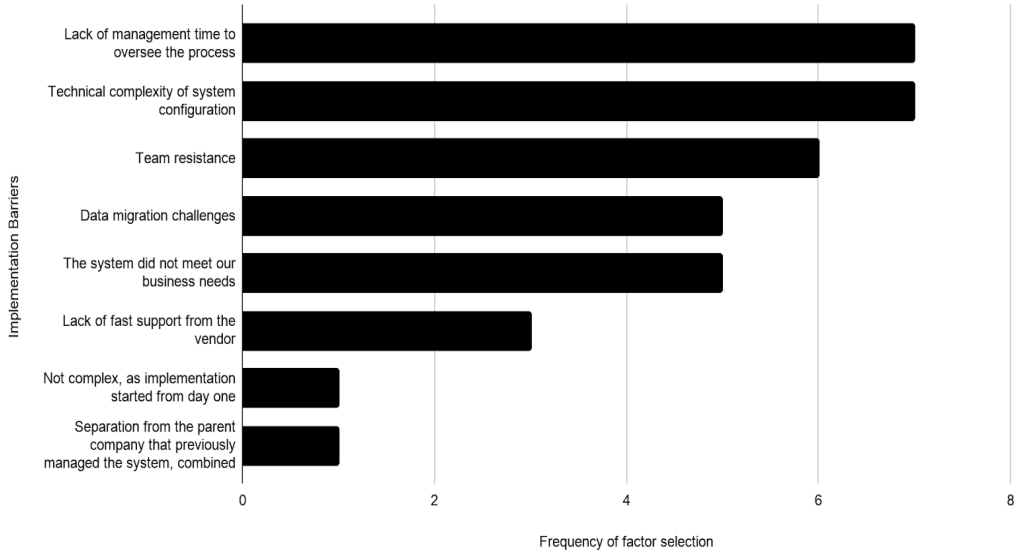
The findings point to a clear market demand for an independent digital architecture advisory function capable of ensuring objective system selection and coordinated governance of digital solutions.

Among the key factors hindering the implementation process, respondents identified the following (Figure 3):

- Limited management time (46.7%): Owners and senior managers are often required to personally oversee technical processes, creating managerial bottlenecks and reducing their strategic capacity.
- Technical complexity (46.7%): Implementation requires specialized knowledge in system integration, configuration, and customization expertise that most SMEs do not hold within the organization internally.
- Team resistance (40.0%): Changes in workflows generate organizational resistance, particularly where communication is poor and structured training is absent.
- Data migration challenges (33.3%): Errors during the transfer of client databases, inventory records, or historical data can temporarily disrupt operations and undermine trust in the new system.
- Expectation misalignment (33.3%): In many cases, systems fail to meet core business needs, a gap that often becomes apparent only three to six months after implementation.

Figure 3

Perceived Barriers to Implementation



Open-ended responses further reveal the issue of so-called vendor bias — a dependency on specific integrators or providers who recommend solutions within their own portfolio, which do not always align with the specific needs of the business.

Thus, the primary risk of digitalization lies not merely in the selection of tools, but in the absence of independent expertise and systematic governance throughout the implementation process.

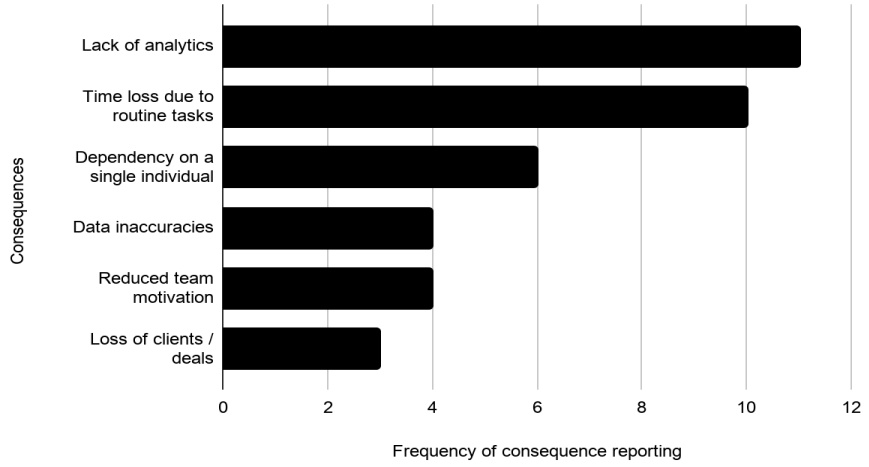
The most illustrative finding of the study relates to the post-implementation stage. A substantial 93.8% of respondents indicated that their systems contain functionalities they would like to use, yet these features remain unconfigured or insufficiently integrated.

This indicates a significant gap between the potential capabilities of digital systems and their realized operational value. In practice, software frequently serves as a digital archive rather than as a tool for strategic management.

Among the consequences of ineffective or incomplete automation, respondents identified the lack of high-quality analytics (73.33%), time losses due to manual operations (66.67%), and dependency on a single key individual (40%) (Figure 4).

Figure 4

Perceived Consequences of Ineffective Automation



Thus, automation without systematic oversight may generate additional managerial burden rather than delivering the expected release of organizational resources.

42.1% of respondents report spending more than five hours per week managing systems, correcting errors, or manually consolidating reports. Some executives indicated time expenditures exceeding ten hours weekly. Given the role of the owner or CEO in small and medium-sized enterprises,

such time commitments significantly reduce the company's strategic capacity and limit its focus on growth, scaling, and the pursuit of new opportunities.

The combined quantitative and qualitative findings indicate that SME digital transformation has reached a stage of instrumental maturity but has not yet achieved architectural maturity. While companies adopt individual digital tools, they lack a structured mechanism for governing the digital environment, resulting in operational inefficiencies and managerial overload.

Project Idea, Vision, Goal

Given the identified structural gap between the availability of technologies on the market and their actual effectiveness in SME operational activities, there is a need to transform digitalization from a technical burden and "non-performing investments" into a strategic development instrument. Such an instrument should free up management time, provide transparent managerial analytics, and enhance the operational resilience of companies.

To address this systemic gap between technology availability and operational effectiveness, the proposed solution is the launch of an independent Digital Automation Advisory Agency operating as a virtual IT department for SMEs. The agency is designed not as a technology vendor, but as a governance-oriented partner responsible for aligning digital tools with business strategy and operational realities.

Unlike traditional system integrators that focus on implementing specific platforms, the agency will act as a neutral strategic partner. Its core role will be to ensure that digital solutions are selected based on real business needs, budget constraints, and scalability requirements — rather than vendor

incentives. In doing so, digitalization shifts from fragmented tool adoption to a structured, value-driven transformation model.

Project Idea

The agency will provide a structured, end-to-end support model that includes:

- Independent selection of best-fit digital solutions
- Implementation and integration support to ensure smooth adoption
- Role-based employee training and structured change management to build internal capability, reduce resistance, and ensure real-world system adoption
- Ongoing advisory support as the business grows
- Stability and crisis-resilient partnership in uncertain environments

The solution is designed not as a one-time implementation project, but as a long-term governance model that reduces founder dependency, minimizes operational bottlenecks, and increases transparency and managerial control.

Project Vision

The long-term vision of the agency is to build and scale structured digital infrastructure, grounded in trust and steady partnership, that enables Ukrainian SMEs to operate with resilience, strategic control, and long-term competitiveness — contributing to Ukraine's economic recovery and modernization.

In this approach, infrastructure is built not only through technology, but through sustained partnership and structured governance.

The agency aims to make digital transformation simple, accessible, and stress-free — even in times of uncertainty. Rather than overwhelming businesses with complex systems, the focus will be on structured integration, clarity of processes, and practical operational impact.

The envisioned outcome is that every supported SME:

- Operates with confidence using appropriate digital tools
- Understands and manages its own processes transparently
- Has access to a reliable advisor during both growth and crisis
- Builds a digital foundation strong enough to support long-term ambitions and contribute to Ukraine's economic recovery

Thus, the agency's role extends beyond automation — it contributes to resilience, competitiveness, and sustainable economic rebuilding.

Project Goal

The primary strategic goal is to launch a fully operational Digital Automation Advisory Agency within 12 months.

This objective will be achieved through the establishment of a complete organizational structure, the development of more than ten standardized operating procedures, and the approval and testing of an MVP service model. In parallel, the agency will configure essential operational and analytical tools — including the AI-assisted delivery infrastructure — to ensure structured service delivery and internal performance tracking. The first stage of validation will include the successful execution of at least two pilot projects with SME clients.

By the end of the first year, the agency must be capable of independently delivering a full-cycle advisory model: independent system selection, structured change management and role-based employee training, implementation coordination, AI-ready data preparation, and ongoing digital governance. The measurable outcome of this phase is not merely operational launch readiness, but the demonstration of proven capability through real SME engagement and validated service delivery. Successful completion of this stage constitutes readiness for Horizon 1 commercial scaling.

Chapter 2: Market and Industry Analysis

Macroeconomic Analysis (PESTEL)

To assess the macro-environmental forces shaping the development of a Digital Automation Advisory Agency for Ukrainian SMEs, a PESTEL analysis was conducted. Given the wartime conditions, workforce shortages, accelerating digitalization trends, and regulatory shifts in Ukraine, understanding these external dynamics is critical for assessing market readiness, risk exposure, and long-term strategic sustainability.

Political factors

After the war ends, Ukraine is expected to move toward political stabilization and reconstruction. EU integration is a strong driver of reforms. To become a member of the EU, Ukraine must improve its institutions, laws, and governance system (Lutsevych, O., 2025, July 7). The government has stated its goal to join the EU by 2030. This may create a more transparent and predictable business environment. A stable regulatory system increases trust and creates better conditions for SMEs and consulting agencies.

Ukraine has approved a Strategy for SME Development and Digital Transformation until 2027. The strategy focuses on rebuilding the economy using the principle “build back better” and supports innovation and digital tools for small businesses. This shows political support for digital transformation. For a Digital Automation Advisory Agency, this creates opportunities to work with SMEs that need support in implementing digital solutions.

International support and integration make another positive political factor. Ukraine receives financial and political support from international partners such as the EU, the US, the International

Monetary Fund (IMF), and the World Bank (2025, February 25). Integration into the EU Single Market may open new export opportunities for Ukrainian SMEs. However, it also requires higher standards of transparency and compliance. This increases the need for structured digital systems and better internal processes.

On the other hand, the war continues to create uncertainty for businesses. According to Organization for Economic Co-operation and Development (OECD) data (2024, p.13), about 64% of SMEs stopped or reduced operations at the beginning of the war, although 84% later resumed work. Attacks on infrastructure, power outages, and communication problems still affect business activity. For the agency, this creates risks in project implementation and financial planning.

Although reforms are planned, there is a risk of political instability or delays in implementation. In 2025, 66% of respondents still considered corruption a major risk for reconstruction (Lutsevych, O., 2025, July 7). If reforms are introduced slowly, investor confidence may decline. This could reduce SME growth and limit demand for advisory services.

Moreover, frequent changes in tax policy, accounting rules, or business regulations may reduce SMEs' financial stability. During periods of uncertainty, companies often postpone investments in digitalization. This may temporarily decrease demand for automation services.

Economic factors

Ukraine's economy experienced a sharp decline due to the war. GDP decreased by 28.8% in 2022. However, recovery began in 2023 (Samoniuk, M., 2025, February 5). Although economic growth slowed in 2025, significant investment inflows are expected after the war. For SMEs, this may lead to

new projects and business opportunities. For the agency, this creates potential demand for services related to process optimization and digital transformation.

To restart the economy, the government and international donors offer financial support for businesses. These include affordable loans, grant programs, and war-risk insurance mechanisms presented at international recovery conferences. In addition, international organizations such as USAID and the European Bank for Reconstruction and Development (EBRD) provide grants to support Ukrainian SMEs, especially in innovation, digitalization, and access to EU markets. Access to financial resources increases SMEs' ability to invest in modernization. Companies may be more willing to invest in automation if part of the costs is covered by grants or tax incentives. The agency can support SMEs in applying for funding and effectively implementing digital tools.

On the other hand, the war has significantly reduced Ukraine's economic potential. Millions of working-age people have left the country or been mobilized, and many enterprises have been destroyed. As a result, SME purchasing power may remain limited in the medium term. This can create two opposite effects: businesses may seek efficiency improvements to survive, or they may postpone investments in IT infrastructure until the situation becomes more stable.

Inflation and currency fluctuations also create economic risks. According to forecasts from the National Bank of Ukraine (2026), inflation in 2026 is expected to range between 6.6% and 7.5%, while the exchange rate may fluctuate between 43–45 UAH per US dollar. Such volatility makes long-term financial planning more difficult for SMEs and may affect their readiness to commit to long-term advisory subscriptions.

Social factors

Ukrainian society is becoming more digital. The government supports digital development through initiatives such as Diia.City and Diia.Education. Younger entrepreneurs are more open to technology and actively use online services and cloud solutions. The war also accelerated digital adoption. Many companies shifted to remote work, e-commerce, and digital tools to continue operations during wartime challenges. As a result, attitudes toward automation are gradually becoming more positive. For a Digital Automation Advisory Agency, this creates opportunities to provide educational workshops and demonstrate real business cases. Entrepreneurs who were previously hesitant may now better understand the value of digital transformation.

At the same time, many small business owners still do not fully understand the benefits of digitalization or lack the necessary IT skills. According to OECD data (2024, p.32), Ukrainian SMEs lag behind large companies in digital adoption. For example, around 70% of large firms have a website, compared to only about 30% of small businesses.

Low digital literacy creates additional challenges for the agency. Consultants may need to spend more time training client teams. There is also a challenge of resistance to change or incorrect use of digital systems after implementation.

In addition, a persistent labor shortage remains one of the most serious challenges for Ukrainian SMEs. According to recent surveys by the Institute for Economic Research and Policy Consulting, 62% of businesses identify labor shortage as their main obstacle. More than half report difficulties hiring qualified employees, while about one-third struggle to hire unqualified workers. This situation reflects broader demographic pressures, migration flows, and mobilization effects that reduce the available workforce. As a result, companies face higher operational costs and limited growth capacity. In this

context, digitalization and automation become not only efficiency tools but strategic instruments for maintaining business continuity and competitiveness. (Konev, V., 2026, January 20)

Technological factors

Despite the war, Ukraine's information and communication technology sector continues to grow and makes a significant contribution to the economy. Ukraine has become a global hub for IT outsourcing and startups. This means there is a large pool of technical specialists, innovative startup solutions, and local software developers. For the agency, this creates opportunities to build partnerships with Ukrainian software vendors (such as the CRM system Creatio, developed by a Ukrainian company) and to involve relatively affordable local IT experts in projects. The active IT community (meetups, conferences, courses) supports continuous learning and knowledge exchange. This enables the agency to maintain a high level of expertise and offer modern solutions to clients.

The Ukrainian government actively promotes digital transformation. Through the Diia application, many public services are already available online. Digital tools such as e-tax reporting, electronic document management, and digital cash registers are becoming standard practice. As a result, businesses are becoming more accustomed to using digital tools in daily operations. This creates a favorable environment for automation services, as entrepreneurs increasingly accept digital solutions as a normal part of business.

Additionally, the European Union has set ambitious digital goals for 2030, including the objective that 90% of SMEs reach a basic level of digital intensity (currently around 55%) (EU4Business: SMEPIS, 2025, May 29). Ukrainian companies that aim to compete in the EU market will need to meet these standards. This creates long-term demand for automation, analytics, cloud services, and AI-based tools.

The agency can position itself as a bridge between Ukrainian SMEs and advanced European technologies, supporting CRM and ERP implementation aligned with EU market requirements. There are also opportunities to participate in EU-funded digital innovation projects.

The automation market evolves quickly. New ERP versions, AI modules, and no-code platforms appear every year. International SaaS providers are also likely to expand their presence in the Ukrainian market after the war. This gives the agency access to ready-made solutions without having to develop expensive, proprietary products. However, it also increases competition and requires constant monitoring of technological trends.

Unfortunately, the technology sector depends heavily on electricity, internet access, and data centers. Russian attacks have significantly damaged the energy infrastructure, causing power outages and instability. Despite efforts to stabilize the system (including the use of generators and Starlink), the risk of further disruptions remains. For the agency, this means the need to invest in backup systems, data protection, and risk mitigation measures, which increases operational costs. Infrastructure instability may also make some clients hesitant to adopt complex cloud-based solutions.

According to the Kyivstar Business Hub report (2025, December 15), in 2025 many companies shifted from large-scale innovation projects to smaller, low-risk digital improvements. Some businesses even canceled planned innovation initiatives. This trend supports a phased digital transformation approach. The agency can adapt by offering step-by-step implementation with lower financial risk for clients.

Many small enterprises still use limited digital tools. This creates a paradox: there is a large untapped market, but sales may be difficult because the value of automation must first be explained.

The agency may need to invest in educational marketing, pilot projects, and simplified service packages to attract more conservative clients.

Environmental factors

In the SME Development Strategy 2024–2027, the “green transition” is defined as one of the key priorities. Planned measures include the creation of an online tool for assessing the carbon footprint of SMEs, preferential loans for renewable energy and energy efficiency projects, subsidized energy audits, and educational campaigns through the Diia.Business platform. In addition, many EU grants and funds are already available for Ukrainian companies that implement green technologies and digital solutions. Access to such funding increases SMEs’ ability to invest in modernization and sustainable practices.

Environmental responsibility and business reputation are becoming more important. Post-war reconstruction is expected to follow the principle of “build back better,” with a focus on energy efficiency and clean technologies. SMEs that adopt green practices may improve their image among partners and clients, especially international ones. The consulting agency can use this trend in its positioning. It can help clients to reduce resource consumption through automation: less paper due to CRM systems, optimized logistics through ERP solutions. This may attract additional clients, particularly those working with international partners who require green compliance.

However, environmental regulations are not only an opportunity but also an obligation. Compliance with EU emission standards, adoption of clean technologies, and certification according to environmental requirements demand substantial financial resources and expertise. Under such conditions, SMEs may be compelled to prioritize direct environmental investments, such as equipment upgrades or emission-related expenditures, instead of investing in digital systems like CRM or ERP. For

the agency, this creates a commercial risk: if environmental compliance becomes the main financial focus of SMEs, digitalization projects may be deprioritized or postponed.

Legal factors

The Ukrainian government has declared a policy aimed at simplifying the regulatory environment. Hundreds of outdated legal acts have already been canceled, and during martial law, most inspections are temporarily suspended. The SME Strategy until 2027 also emphasizes deregulation and improved access to finance as key priorities. A less bureaucratic business environment makes it easier for SMEs to grow and operate. As a result, the potential client base for a consulting agency may expand in the long term.

Still, Ukraine is currently under martial law, which includes several legal limitations. These include currency restrictions imposed by the National Bank of Ukraine, mobilization of employees, restrictions on men leaving the country, and the temporary suspension of inspections, which may lead to an increased number of inspections after the war. These restrictions affect both the consulting agency and its clients. The agency faces the risk of losing employees due to mobilization. Clients may experience project delays if key specialists are called to military service. In addition, currency controls and financial limitations may complicate international transactions or subscription payments.

Overall, the PESTEL analysis demonstrates that the external environment in Ukraine is complex and unstable, but it also creates significant opportunities for a Digital Automation Advisory Agency. Political support for EU integration and SME development, economic recovery expectations, growing digital culture, and rapid technological progress form favorable conditions for long-term demand for automation services. At the same time, war-related risks, regulatory uncertainty, infrastructure

vulnerability, and financial limitations of SMEs create operational and market challenges. In this context, digitalization becomes not only a tool for efficiency but a strategic necessity for business resilience and competitiveness. Therefore, despite short-term volatility, the macro-environment supports the relevance and long-term potential of the proposed business model.

Market Size and Growth Potential

A rigorous assessment of market size is essential to evaluate the commercial feasibility and scalability of the proposed Digital Governance Advisory Agency. Quantifying the Total Addressable Market (TAM), Serviceable Available Market (SAM), and Serviceable Obtainable Market (SOM) allows for a structured estimation of revenue potential and strategic positioning. Given the structural digital maturity gap among Ukrainian SMEs and the increasing institutional and economic pressure for operational transparency, automation, and resilience, the market for digital advisory services represents a significant and growing opportunity.

Market Size

For the purpose of market sizing, the target segment is defined as SMEs operating in Ukraine's service sector, excluding companies that provide IT services.

More specifically, the focus is on:

- SMEs with 10–150 employees
- Companies operating in the service sector (education, healthcare services, logistics, professional services, beauty & wellness, e-commerce, etc.)
- Businesses that do not provide IT services
- Organizations without an internal IT department or structured digital governance

Statistical data on active business entities in Ukraine were obtained from the State Statistics Service of Ukraine (2023). Using NACE classification codes corresponding to the defined target industries (service-sector activities excluding IT), the total number of enterprises amounts to 1,119,668 entities (Appendix B).

According to widely cited national statistics, SMEs account for more than 95% of all business entities in Ukraine. Applying this proportion to the selected population (1,119,668 enterprises) results in an estimated 1,063,684 SMEs within the defined service-sector scope.

Thus, the preliminary quantitative base for further market calculations comprises approximately 1.06 million SMEs, representing the maximum structurally relevant population before further segmentation by size, employment structure, and digital maturity level.

Within the selected segment, 991,772 individual entrepreneurs are registered. However, not all of them represent structurally relevant clients for digital governance services. It is reasonable to assume that approximately 60% of registered sole proprietors operate without hired employees, functioning as self-employed individuals rather than structured businesses. This corresponds to approximately 595,063 entities.

After excluding this group, the remaining pool of sole proprietors with at least minimal organizational complexity amounts to approximately 468,621 entities. These businesses are more likely to face operational coordination challenges, process inefficiencies, and scalability constraints that create demand for structured digital solutions.

According to international benchmarks, including OECD reports and the EU SME Digitalization Index, approximately 40–60% of SMEs demonstrate low levels of digital maturity. Applying a midpoint

assumption of 60% to the filtered population suggests that approximately 281,172 enterprises fall into the low-digital-maturity category and therefore represent the core demand segment for digital governance support.

Assuming a conservative average annual spending on digital governance support of USD 6,000 per enterprise (USD 500 per month), the potential market size can be estimated as 1.7 billion USD annually.

While the Serviceable Available Market (SAM) reflects the structurally relevant demand segment (approximately 281,000 enterprises), it is neither realistic nor methodologically sound to assume immediate large-scale market penetration.

The Serviceable Obtainable Market (SOM) represents the portion of SAM that can be realistically captured within the first 5 years of operation, considering: limited organizational capacity in early stages, gradual brand recognition, relationship-based sales cycles typical for SME advisory markets, competitive landscape, and trust-building requirements in the Ukrainian SME environment.

Given the fragmented nature of the SME segment and the absence of dominant governance-focused advisory providers, even a very small penetration rate represents a meaningful commercial opportunity.

A conservative penetration assumption of 0.05–0.1% of SAM within the first five years is methodologically justified for a specialized advisory agency entering the market.

Growth Potential

Beyond the static market volume, the demand for digital governance advisory among Ukrainian SMEs is projected to experience accelerated growth over the next 5 years. While EU spending on digital

transformation is expanding at a Compound Annual Growth Rate (CAGR) of approximately 28% (Grand View Research, n.d.), the Ukrainian context introduces unique localized growth catalysts:

Acute Labor Shortages and Automation Imperative. Due to war-induced migration and mobilization, the service sector faces critical workforce deficits. SMEs are fundamentally shifting their strategies from labor-intensive operations to digital automation (cloud migration, AI integration, ERPs) to maintain business continuity, directly driving the demand for digital advisory.

Mandatory Legacy Software Migration and Process Re-engineering. Historically, a vast majority of Ukrainian SMEs relied on highly localized, legacy enterprise systems (frequently of Russian origin, such as 1C or Bitrix). The strategic and security imperative to decommission these compromised platforms and migrate to secure, modern, cloud-native ERP/CRM solutions (Western or Ukrainian) is triggering a massive wave of digital infrastructure overhauls. Since SMEs typically lack the internal architectural expertise to seamlessly map existing business processes to new software ecosystems, there is an urgent, non-discretionary demand for external digital governance and change management advisory.

Donor-Stimulated Purchasing Power. The market's financial capacity is significantly bolstered by international donor programs (e.g., USAID, EBRD, and the EU Ukraine Facility). These institutions actively provide grants specifically earmarked for SME digitalization and consulting services, thereby converting latent demand into active, funded market opportunities.

Consequently, this market segment presents a profound commercial opportunity. It is not only vast but also inherently dynamic, fueled by an increasing readiness among SMEs to invest in digitalization and bolstered by external donor funding.

Competitive Environment Analysis

Unfortunately, this market cannot be considered a “blue ocean.” While multiple players have already entered the space, significant gaps in meeting client needs persist.

They can be broadly divided into two categories: direct competitors (those offering solutions similar to the agency’s model) and indirect competitors. Indirect competitors include IT solution vendors, industry-specific consulting firms, independent consultants and fractional CTOs.

Direct Competitors

These are companies with a similar business model: they act as partners of various vendors and generate revenue from license sales, system configuration, customization, and technical support of ready-made solutions (CRM, ERP, accounting systems, etc.).

Such competitors include CRMiUM (specializing in three CRM systems), Innoware (implementing Microsoft Dynamics), BDO in Ukraine (focused on ERP systems), PROCRM (specializing exclusively in CRM), and others.

Their strengths include substantial experience in configuring specific systems, certified developers, and ready-made industry solutions. However, a narrow specialization in a single system often leads to attempts to “fit the client to the product” rather than selecting the most appropriate solution for the client. A standardized implementation approach and a limited understanding of the client’s business processes (with a primary focus on IT rather than business logic) are also common.

Among the respondents interviewed, several noted that “most integrators work with a specific system; therefore, clients are offered the solution the integrator implements rather than the one that best fits their needs” (Appendix A). This creates distrust toward integrators and encourages companies to search for solutions independently. It was also noted that some companies intentionally selected a

system first — avoiding vendor bias — and only then searched for an integrator who worked with that system.

To compete effectively with such players, the agency should operate on the principle of "selecting the system to fit the client, not fitting the client to the system," conduct in-depth business analysis prior to implementation, and provide a higher level of client service.

Indirect Competitors

Vendors (Software Developers). These are companies that directly develop the software implemented for clients. Although they may formally act as partners, they become competitors when they offer direct implementation services through their in-house teams.

Their strengths include deep product expertise, direct access to source code and updates, and the ability to modify functionality. However, these companies are primarily product-oriented rather than client-oriented. They implement only their own solutions and are not incentivized to seek alternatives or additional integrations if their product does not fully address the client's needs. Implementation is often delivered through a standardized, "assembly-line" approach or at a higher cost.

In contrast, flexibility, the ability to integrate multiple systems into a cohesive digital ecosystem, a tailored approach, and a willingness to act in the client's best interest are advantages that vendors typically cannot provide.

Industry Consulting Firms. These companies address specific business problems (e.g., financial chaos, logistics inefficiencies, high employee turnover) and offer automation as an additional service. They include audit and financial advisory firms (e.g., EBS, Baker Tilly, companies specializing in management accounting setup), sales consulting agencies, and HR consulting firms.

Their primary strength lies in deep business and industry expertise. Clients approach them to solve fundamental issues (e.g., “I want clear visibility into business margins”), and the level of trust from business owners is typically very high.

Their weakness, however, is limited IT expertise. Automation is often delivered at a basic level, sometimes involving freelancers or junior specialists. There is frequently insufficient understanding of system architecture and the complexity of integrating multiple systems into a unified environment.

Independent Consultants and Fractional CTOs. A distinct category of indirect competitors includes independent consultants and fractional CTOs — experienced specialists who work with multiple SME clients simultaneously on a part-time or project basis, providing strategic technology advice, system selection guidance, or implementation oversight without full-time employment commitment.

Their strengths include senior-level expertise, flexibility, and relatively low cost compared to hiring a full-time IT director. For SME owners, an independent consultant or fractional CTO may appear to be a cost-effective alternative to engaging an agency — particularly in the early stages of digital transformation when the scope of work is unclear.

However, this model carries structural limitations that become apparent over time. First, the independent consultant is a single person — meaning that all accumulated knowledge, client context, and system expertise is concentrated in one individual. If the engagement ends, the client loses not only the advisor but all institutionalized knowledge about their own digital infrastructure. Second, the fractional CTO typically operates at the strategic advisory level — recommending solutions and overseeing direction — but does not have an execution team to implement, configure, and support systems in practice. The gap between advice and delivery remains the client's problem to solve. Third,

independent consultants rarely provide structured change management or ongoing employee training — the human dimension of digitalization that determines whether systems are actually adopted.

In contrast to this model, the agency combines strategic advisory capability with an execution team, structured delivery methodology, institutionalized knowledge management, and ongoing governance — ensuring continuity of expertise regardless of individual personnel changes.

Therefore, rather than engaging in direct competition with indirect competitors, a partnership-based approach may be more strategically sound. Such collaboration can strengthen each party and create integrated value for the client instead of competing for a limited market resource.

Porter's Five Forces

Although the market includes numerous players, its long-term attractiveness depends not only on the competitors presence but also on the balance of power among buyers, suppliers, substitutes, and potential entrants. Therefore, Porter's Five Forces framework is applied to assess the structural dynamics of the digital transformation services market for service-based SMEs in Ukraine.

Industry Rivalry – Medium

The Ukrainian IT services and digital implementation market is highly concentrated. Numerous companies compete for SME clients, including system integrators, consultants, and industry-focused advisory firms.

Competition is typically driven by pricing and speed of implementation. However, the market remains fragmented, and a significant share of SMEs still lack a structured digital architecture. This creates space for differentiation through strategic partnership and continuous ecosystem improvement rather than purely project-based implementation.

Threat of New Entrants - Medium

The entry barrier for consulting and software configuration services is relatively low. Vendor partner programs and the absence of strict regulatory constraints facilitate market entry.

However, informal barriers exist, including the need for reputation and trust, competencies in business analysis and system integration, and access to qualified specialists—who are a constrained resource in the current labor market environment.

Bargaining Power of Suppliers – Low

Key suppliers include software vendors, developers, and technical specialists. Vendors may increase subscription fees, modify APIs, or discontinue products.

However, the agency's core strength lies in its vendor-agnostic approach. If one system becomes economically or strategically unfavorable, the agency maintains the expertise to transition the client's architecture to alternative solutions without significant disruption. Additionally, the development of structured vendor partnerships is planned to secure preferential terms, positioning vendors as strategic allies rather than dominant power holders.

Bargaining Power of Buyers – High

Service-based SMEs in Ukraine operate under high uncertainty and demonstrate strong price sensitivity. Business owners often seek comprehensive solutions within limited budgets. They may postpone decisions, choose freelancers, or attempt in-house implementation.

Buyer power can be mitigated through the establishment of a long-term subscription model, demonstration of measurable ROI, partial substitution of in-house technical roles, and positioning as a strategic partner rather than a purely technical contractor.

Threat of Substitutes – High

The main substitutes include in-house IT employees, independent consultants, freelancers, or self-managed implementation efforts. Clients may also choose inaction, continuing to operate within inefficient processes rather than investing in structural improvement.

To address this risk, marketing and sales processes must focus on market education. Hiring a full-time CTO or senior IT specialist is often economically unjustified for small service businesses, while maintaining the status quo erodes operational efficiency and margins. A subscription-based governance model may represent the only financially viable way for SMEs to access top-level expertise.

Thus, the market is characterized by moderate to high competitive pressure and significant buyer power. At the same time, it reveals structural gaps: most players focus on implementing individual systems but do not assume responsibility for the coherence of the client's overall digital structure, cross-system integration, and long-term operational manageability.

Therefore, market attractiveness depends not on reducing competitive intensity but on occupying a clearly differentiated position — as an independent strategic partner acting in the client's best interest, building a coherent digital ecosystem, and ensuring continuous improvement of operational processes.

Chapter 3: Value Proposition and Service Offering

Market Segmentation and Target Customer Selection

The Ukrainian SME market is highly heterogeneous in terms of digital maturity, managerial sophistication, operational complexity, and automation readiness. SMEs differ significantly in their prior experience with digital tools, internal capabilities, and willingness to invest in structured system architecture.

The analysis focuses on service-based SMEs, where operational fragmentation and integration needs are structurally higher compared to production-oriented firms.

Digital Maturity-Based Segmentation

Segmentation is based on the level of digital maturity and prior automation experience. Five distinct segments were identified, reflecting differences in implementation readiness, pain intensity, and long-term revenue potential. The full digital maturity segmentation matrix is provided in Appendix C.

The segments differ significantly in terms of implementation complexity, sales cycle length, revenue potential, and long-term partnership opportunity.

- Early-stage SMEs demonstrate low readiness and require high educational effort, resulting in limited short-term scalability.
- Underperforming digital SMEs present recurring revenue potential but often require incremental optimization rather than architectural redesign.
- Expanding digitizers offer premium project opportunities but demand more customized solutions and may involve higher operational complexity.

- Internal IT-driven companies exhibit lower structural dependency on external governance partners due to internal capabilities.

SMEs with prior unsuccessful automation attempts (Failed Implementers) demonstrate the strongest alignment with the agency's business model.

Target Segment Selection

SMEs with prior unsuccessful automation attempts represent the primary target segment. These companies have experienced tangible operational inefficiencies and failed implementations, increasing their awareness of digital complexity and their readiness for a structured, governance-based digital architecture approach.

Entering through system redesign and structured implementation allows the agency to establish architectural control, rebuild trust, and create a foundation for long-term subscription-based governance support.

This segment offers high implementation revenue potential, strong problem awareness, opportunity to establish long-term growth partnerships, high lifetime value through governance subscription.

Ideal Customer Profile

Following the segmentation and target selection process, a detailed Ideal Customer Profile (ICP) was developed to precisely define the characteristics of the primary client segment. A structured representation of the ICP is provided in Appendix D, while the key analytical components are summarized below.

The primary client is a service-based SME with 10–100 employees operating in sectors such as education, beauty and wellness, automotive repair, and computer services. These companies are typically founder-led and experience increasing operational complexity during stabilization or early scaling phases.

Digitally, they have previously attempted automation initiatives that were unsuccessful. This includes abandoned chosen systems, unsustainable custom-built solutions, or fragmented vendor-driven tool adoption. As a result, they operate without an integrated digital architecture and rely heavily on manual data reconciliation and disconnected software tools. Information is stored across multiple platforms that do not communicate with each other, requiring employees to transfer data manually between systems. This fragmented environment frequently leads to low user adoption, with staff reverting to familiar but inefficient spreadsheet tools.

The primary decision-maker is typically the Founder or CEO, who remains directly involved in operations and bears financial responsibility for past failed investments. Key influencers include heads of department, who directly deal with the consequences of inefficient workflows. Decision-making is centralized but influenced by operational pain and financial risk considerations.

While clients typically articulate their needs in practical terms—such as requiring a reliable, simple, and financially justified system that eliminates repetitive manual tasks and improves process speed—the underlying structural need is a vendor-neutral architectural redesign supported by integration logic and governance framework implementation.

This ICP aligns strongly with the agency's hybrid revenue structure. Entry through structured system redesign establishes architectural control and trust, creating a pathway toward long-term

governance subscription. The segment demonstrates high lifetime value potential due to long-term strategic partnership created through integrated system architecture and ongoing optimization.

Services and Value Proposition

To effectively address the operational complexities and past digital failures of the defined ICP, the agency offers a structured, three-tiered service model. This approach is designed not merely to install software, but to architect sustainable digital workflows, ensure high user adoption, and provide ongoing strategic IT governance. The core services are: process and systems audit, including software selection; structured implementation with change management and organizational adaptation; and ongoing support delivered through a Managed IT Governance.

Independent Systems Audit and Software Selection. This service involves a comprehensive diagnosis of the client's current digital ecosystem, business processes, and operational bottlenecks. Rather than pushing a specific vendor product, the agency develops a custom functional requirement document and selects the most appropriate software stack based on the client's actual size, budget, and strategic goals.

Implementation and Employee Training. This service focused deployment and integration of the selected systems, combined with organizational change management. This includes creating data integration logic, setting up automated workflows, and conducting intensive, role-based onboarding and training for the client staff.

Managed IT Governance (Ongoing Support). This service provides transitioning from project-based implementation to a long-term retainer partnership. The agency acts as an outsourced IT governance unit, providing ongoing technical support, system administration, and direct support for the

client's employees — addressing day-to-day operational questions, resolving system issues, and ensuring that staff continue to use digital tools effectively as workflows evolve. The agency also provides workflow optimization and continuous adjustments of digital tools as the client's business processes develop.

To illustrate how these services translate into tangible value for SME clients, the following benefit ladder matrix (Table 1) demonstrates the progression from service activities to operational, economic, and strategic benefits.

While the product features focus on vendor-neutral audits and system integrations, the functional benefits deliver unified data and automated workflows. However, the true driving force for this specific ICP lies in the higher tiers of the ladder.

At the emotional level, the solution provides founders with increased confidence in the reliability of their digital infrastructure, helping to mitigate the risks associated with previous unsuccessful automation initiatives.

Ultimately, the transformational value of the agency’s offering lies in enabling founders to transition from reactive operational management to a more strategic leadership role, supported by a stable and scalable digital operating environment and a reliable outsourced IT governance partner.

Table 1

Service-Based Benefit Ladder Matrix

Benefit Level	Independent Systems Audit and Software Selection	Implementation and Employee Training	Managed IT Governance (Ongoing Support)
Strategic Impact	Creation of a structured digital architecture aligned with business objectives	Establishment of scalable and transparent operational processes	Founder is fully liberated from IT micromanagement; sustainable digital governance enabling long-term operational efficiency, and scalable growth
Emotional Benefits	Avoidance of incorrect software investments; relief from the fear of repeating past IT failures; confidence in a vendor-neutral choice	Faster implementation cycles; reduced operational errors; improved productivity of employees	Lower operational disruptions; reduced costs of maintaining internal IT expertise; increased managerial confidence and operational control
Functional Benefits	Clear understanding of operational bottlenecks; alignment between business processes and digital tools; selection of appropriate technologies	Effective system adoption by employees; reduction of implementation errors; standardized workflows and operational consistency	Stable system performance; continuous improvement of processes; and rapid expert assistance for system adjustments, workflow updates, and operational changes
Service Activities	Analysis of existing business processes and digital tools; assessment of digital maturity; identification of inefficiencies; selection of suitable software solutions	System configuration and integration; operational data migration; process guidelines development; employees training and workflows adaptation; development and documentation of operating procedures tailored to the client's processes	Service Level Agreement-backed technical support, continuous workflow iterations, periodic updates, and employee assistance

Chapter 4: Business Strategy

Mission, Vision, Values

A clearly articulated mission, vision, and value system defines not only the strategic direction of the agency but also its positioning within a competitive and structurally complex market. Given the agency's governance-based model and long-term partnership approach, these foundational statements reflect its role as a strategic orchestrator of digital infrastructure rather than a project-based implementation provider.

The agency's mission is to be a strategic partner for Ukrainian SMEs in implementing digital solutions that enhance process transparency, improve business manageability, and strengthen competitiveness and resilience in conditions of uncertainty.

The agency's core values define the principles that guide its strategic decisions, client relationships, and organizational culture:

- Integrity and Intellectual Honesty. We act with integrity, base our decisions on data-driven reasoning, and communicate risks transparently — even when it is difficult.
- Shared Responsibility. We operate as a strategic partner, sharing responsibility for outcomes rather than simply executing tasks.
- Long-Term Partnership. We build long-term relationships focused on the client's business resilience and growth.
- Accountability and Learning. We cultivate a culture of accountability, continuous improvement, and professional development.

- Practical Impact. We focus on solutions that deliver measurable operational impact rather than formal implementations.
- Resilience and Adaptability. We design digital systems that enable business continuity and strategic flexibility in uncertain environments.

The agency's vision is to build and scale structured digital infrastructure that enables Ukrainian SMEs to operate with resilience and strategic control and sustainable control over their operations.

Strategy

The company positions itself as an external digital governance function for Ukrainian service-based SMEs. Rather than focusing on one-time system implementation, the company delivers ongoing structured digital governance that ensures operational clarity, control, and continuous performance optimization. Implementation projects serve as onboarding into a long-term governance relationship.

Scope of Competition

The company operates within:

- Ukrainian service-based SMEs;
- Businesses operating without an internal IT department, technical operations manager, or structured digital governance function;
- Companies using multiple digital tools (CRM, accounting, task management, marketing automation, etc.) without integrated architecture;
- Organizations seeking structured operational control rather than pure technical support;
- Businesses both with and without prior IT implementation experience.

The company does not compete in:

- Enterprise-level digital transformation
- Custom software development
- IT outsourcing or managed IT services
- IT companies or digitally mature organizations with internal technical governance capacity
- Pure system integration projects without ongoing governance

Core Strategic Thesis

The fundamental hypothesis underlying the agency's business strategy is as follows: the primary problem faced by service-sector SMEs is not the shortage of digital tools available on the market, but the absence of structured management (digital governance) of these tools.

Rather than competing in the saturated market of traditional IT outsourcing or one-time software integration services, the agency shifts the paradigm of competition. The company competes by deeply embedding a standardized digital governance framework into the client's business processes.

This model is supported and monetized through long-term governance delivered via a subscription-based model. Thus, the strategic objective of the company is not merely to sell software, but to establish structured operational control as a permanent and continuous function within the client organization.

In practice, the agency becomes integrated into the client's business, performing the role of an outsourced Chief Information Officer (CIO) or functioning as a full-fledged IT department operating under a subscription-based model.

Competitive Advantage

The agency's competitive advantages can be summarized in several core elements of its operating model:

1. Continuous Digital Governance Model. Digital architecture is ongoing managed function, not just one project.
2. Standardized SME Digital Operating Framework. A codified and repeatable governance structure tailored specifically to service SMEs.
3. Subscription-Led Revenue Structure. Recurring governance model ensures continuous value delivery and predictable revenue.
4. Embedded Digital Operating Function. The company integrates its standardized digital operating framework into client processes, ensuring structural alignment and operational coherence without replacing internal decision-making authority.
5. Structured Change Management and Ongoing Employee Support. The agency manages digitalization as an organizational transformation. From stakeholder communication and role-based training during implementation to continuous end-user support during the governance phase, the agency ensures that digital tools are adopted and used effectively by the people who matter most — the client's employees.

Business Model Canvas

To visualize the logic of how the company creates, delivers, and captures value, the Business Model Canvas methodology was applied. A structured visual representation of the business model is

presented in Appendix E, while the following section explains the key mechanisms underlying the interaction of its elements.

The business model follows a structured revenue architecture designed to support a subscription-led governance strategy. The entry point for clients is a Digital Architecture Audit, which serves as a diagnostic phase to assess operational fragmentation, tool usage, and governance gaps. This stage establishes the architectural foundation and defines the roadmap for structured implementation.

The next step consists of Structured Implementation, which functions as an onboarding phase into the company's standardized Digital Operating Framework. During this phase, selected digital tools are integrated into a coherent architecture aligned with business processes and operational control objectives. Implementation is not positioned as a standalone service, but as a transitional step toward long-term governance.

The core of the business model is a Tiered Governance Subscription, which provides ongoing structured digital oversight. Through recurring governance services—such as performance monitoring, standardized monthly reviews, KPI dashboards, and continuous optimization—the company embeds operational control into the client's business. This subscription-based model represents the primary long-term revenue engine.

A key strategic asset that protects the company from competitors is its standardized methodology — the Digital Operating Framework. This framework allows the agency to transform complex consulting work into a structured and repeatable process, enabling the firm to serve dozens of SMEs simultaneously without significantly expanding its internal team. Partnerships with software

vendors help secure preferential licensing conditions, while the agency maintains a vendor-neutral advisory position toward its clients.

The defining feature of this business model lies in its revenue structure. The model is designed to transition clients from one-time capital investments (CapEx) toward predictable operational subscriptions (OpEx). Project-based payments for audits and implementation cover customer acquisition costs and expert labor. Meanwhile, the tiered governance subscription generates high-margin recurring revenue, which ultimately ensures the agency's long-term financial sustainability and enterprise value creation.

Strategic Development Across the Three Horizons

To structure the long-term development of the agency, the strategic roadmap is organized according to the Three Horizons framework. This approach distinguishes between the stabilization of the core business, technology-enabled scaling, and the long-term development of a scalable digital governance infrastructure. The following section outlines the strategic priorities and expected outcomes for each horizon.

Horizon 1 – Portfolio Development and Operational Standardization (Years 1–2)

The strategic objective of this stage focuses on building a diversified client portfolio within service industries while codifying internal expertise and operational processes to support structured delivery at scale.

The strategic priorities for this horizon include the following areas:

- Client Portfolio Development: Acquire clients across multiple service industries, build cross-sector expertise, identify transferable digital patterns across industries, develop industry-agnostic but structurally robust solutions.
- Vendor Partnerships: Establish partnerships with selected technology vendors, negotiate implementation collaboration models, secure preferential pricing or referral mechanisms, reduce operational cost through structured vendor cooperation.
- Internal Process Standardization: Standardize audit methodology, implementation workflows, support and governance processes, develop a structured monthly review model, define internal delivery playbooks.
- Operational Automation: Automate internal workflows, build capacity to manage ~30 concurrent clients, build structured delivery systems to reduce operational bottlenecks.
- AI-Assisted Delivery Integration: Deploy AI assistance across internal delivery workstreams — including requirements structuring, vendor database querying, technical specification generation, and usage monitoring. This establishes the operational foundation for AI-enabled scaling in subsequent horizons.

As a result of these initiatives, the agency is expected to establish a structured delivery engine capable of supporting scalable service provision. The development of cross-industry expertise will enable the identification of transferable digital patterns and the application of standardized solutions across different service sectors. In parallel, vendor partnerships will contribute to a more efficient cost structure through preferential licensing conditions and collaboration mechanisms. Together, these elements will create a scalable operational foundation capable of supporting the agency’s future growth.

Horizon 2 – Technology-Enabled Scaling (Years 2–4)

The strategic objective of this stage is to increase operational leverage through deeper AI integration and to strengthen the subscription model — scaling the client base while increasing revenue per existing client and building analytical capabilities that compound as the portfolio grows..

The development of this horizon focuses on several key areas:

- Automated Monitoring and Reporting: Automate parts of performance tracking, standardized performance dashboards, structured KPI reporting system, semi-automated governance reviews.
- Operational Efficiency Expansion: Increase client capacity beyond 30, reduce hours per client without loss of quality, increase subscription penetration.

As a result of these developments, the agency is expected to achieve significantly higher scalability of its service model. The integration of AI-enabled tools and automated monitoring systems will reduce the delivery cost per client while maintaining service quality. At the same time, the expansion of subscription-based governance services will strengthen the recurring revenue base. Together, these improvements will create strong technology-enabled operational leverage, allowing the company to scale its client portfolio efficiently.

Horizon 3 – Digital Governance Infrastructure (Years 4–6)

The strategic objective of this stage is to establish a scalable digital governance infrastructure serving 200+ service-based SMEs, and to launch a self-serve diagnostic platform that extends the agency's market reach beyond direct sales capacity.

Key strategic focus areas on Horizon 3 include:

- Self-Serve Diagnostic Platform: Launch a semi-automated SME diagnostic tool that enables prospective clients to independently assess their digital readiness and receive AI-generated solution recommendations. This platform serves a dual purpose: as a scalable lead generation engine that expands market reach without proportional sales investment, and as a standalone product accessible to SMEs not yet ready for full agency engagement. The platform draws directly on the Vendor Database and knowledge assets developed in Horizons 1 and 2.
- Advanced Governance Intelligence: Deploy predictive AI capabilities that identify optimization opportunities before clients recognize them — shifting the agency's value proposition from responsive governance to proactive digital leadership.
- Standardized Performance Infrastructure: Implement fully structured dashboards, tiered governance packages, and automated alert and escalation logic across the client base.
- Subscription Revenue Dominance: Establish recurring revenue as the primary income source, supported by high client retention, scalable governance delivery, and platform-generated lead inflow.

The strategic outcome of this stage is a dual-model organization: a high-quality managed governance agency serving an established SME portfolio, and a platform business capable of reaching a significantly broader market. Together, these two models create a defensible, scalable, and recurring revenue structure with strong barriers to competitive replication.

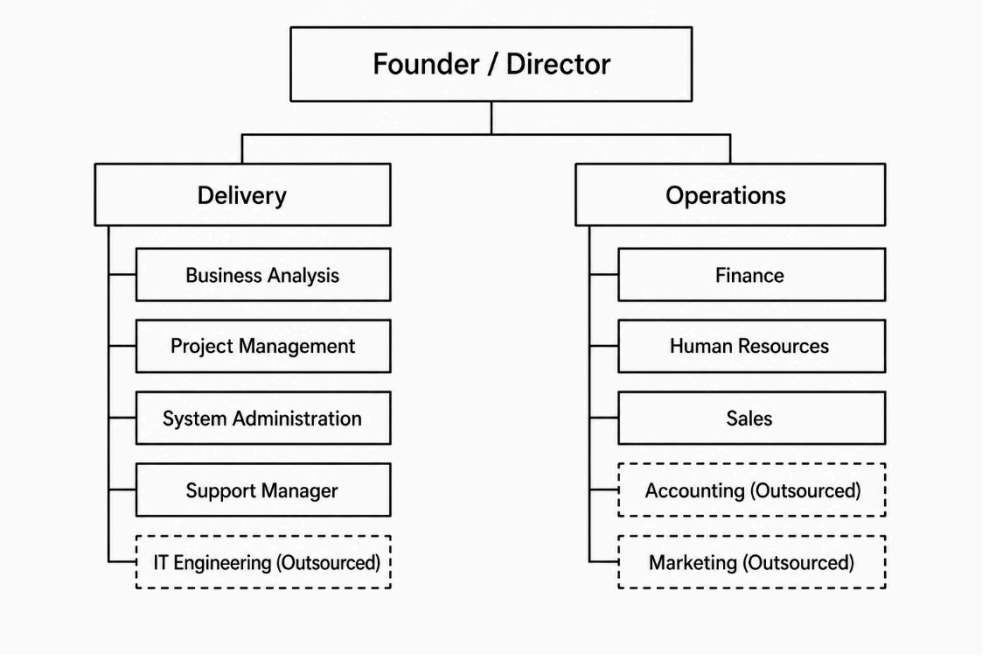
Chapter 5: Organizational Strategy

Organizational Model and Delivery Structure

The agency is structured as a scalable delivery system rather than a founder-dependent practice. Expertise is codified into repeatable frameworks, checklists, and delivery standards, enabling junior specialists to execute structured workstreams with limited senior involvement. Senior capacity is concentrated on methodology design, solution architecture, and quality control — not on day-to-day task execution (Figure 5).

Figure 5

Organizational Structure



The delivery model is organized around four functional layers aligned with the three-stage service cycle (Table 2):

Table 2

Delivery Model Matrix

Role	Audit	Implementation	Managed Governance
Business Analyst	Leads – Diagnosis and requirements	Supports – Specs and documentation	Not involved
Project Manager	Supports – Scope and planning	Leads – Delivery & client communication	Supports – Escalations and reviews
System Administrator (implementation)	Not involved	Leads – System Configuration and Data Migration	Supports – Complex issue escalation
System Administrator (subscription)	Not involved	Supports – Go-live handover	Leads – System maintenance
Support Manager	Not involved	Supports – User training	Leads – Client support and requests

- Business Analysts lead the audit stage — gathering requirements, mapping processes, and producing structured diagnostic outputs that form the basis for implementation planning.

- Project Managers coordinate implementation delivery — managing scope, timelines, and client communication while translating diagnostic findings into executable plans.
- Systems Administrators (Implementation) handle technical configuration, system setup, data migration, and integration during project delivery.
- Systems Administrators (Subscription) and Support Managers provide ongoing governance, system maintenance, and client support post-implementation. Support capacity is planned by package intensity: one Support Manager serves up to 15 Reactive, 10 Active, or 5 Proactive clients.

Enabling functions — finance, sales, and HR — operate as internal roles, while accounting and marketing are outsourced to preserve organizational focus and cost flexibility during early-stage growth. Where client engagements require custom code development — such as API integrations or non-standard automation logic that falls outside the scope of no-code tooling — the agency engages external IT engineering specialists on a project basis. This approach provides access to technical depth without the fixed cost of maintaining in-house development capacity.

The talent pipeline is reinforced through partnerships with automation training schools, providing access to pre-trained junior talent adaptable to the agency's delivery standards. AI tools are selectively used to reduce routine workload in documentation, formatting, and first-level analysis — freeing human capacity for higher-value advisory and client-facing work.

This structure supports scale without architectural redesign: as the client base grows, capacity expands through role replication rather than organizational restructuring.

Talent Acquisition and Pipeline

The shortage of qualified automation specialists represents a structural risk for the Agency's growth. To address this, the business model is designed to minimize dependency on scarce senior talent through a structured junior pipeline — a system for developing entry-level candidates into productive delivery specialists within a predictable timeframe.

The Agency sources candidates through three complementary channels.

First, partnerships with educational institutions — including MASC, Business Automation Union, Projector Institute, and NoCode program graduates (Make, Zapier, Odoo, n8n and other) — provide access to candidates with foundational tool knowledge, reducing onboarding time and positioning the Agency as a preferred first employer.

Second, career switchers with prior SME experience — administrators, junior managers, operations specialists — bring practical business process understanding that purely technical profiles often lack, making them particularly effective in Business Analyst and Support Manager roles.

Third, a remote-first hiring model across Ukraine removes geographic constraints, broadening the talent pool beyond major urban centers and enabling more flexible salary structures without compromising delivery quality.

So the agency targets full junior productivity within 60 days through a four-stage onboarding process (Table 3):

Table 3

Onboarding Process

Stage	Timeline	Key Activities
Orientation	Week 1	Internal SOPs, methodologies, tools
Shadowing	Weeks 2–3	Observation under senior supervision
Supervised Execution	Weeks 4–6	Standardized tasks with full verification
Independent Execution	Weeks 7–9	Autonomous work within defined scope

Retention and People Development

In a knowledge-intensive advisory business, people are the primary mechanism through which value is created, delivered, and scaled. Therefore, the agency's approach to retention is designed not as a standalone HR function, but as an integrated system that combines fair financial conditions with a structured non-financial environment — one that larger organizations typically cannot replicate.

The agency provides market-rate compensation benchmarked against the Ukrainian IT market, treating financial stability as a baseline condition rather than a primary motivator.

Non-Financial Motivation System

The retention model is built on a structured set of non-financial drivers that address the professional, developmental, and psychological needs of team members — and that larger, more rigid organizations typically cannot replicate.

Structured entry into IT without a technical background. For junior specialists and career switchers, the agency offers a supported entry point into IT-adjacent work that does not require programming skills. New team members work within established methodologies, receive active mentoring, and gain real delivery responsibility from the early stages of employment. This immediate connection between individual effort and tangible client outcomes is a powerful motivator — particularly for those who have chosen to transition precisely because they seek work with visible, practical relevance.

Breadth of professional experience. Unlike specialists working within a single vendor ecosystem, agency team members work across multiple digital platforms, industries, and client environments. This diversity accelerates skill development and increases long-term market value — which itself becomes a retention argument, as employees recognize that staying with the agency continues to build their professional capital in ways that a narrower role cannot.

Autonomy and meaningful responsibility. Team members are given genuine decision-making authority within their defined scope of work. Rather than executing tasks under continuous supervision, specialists manage their workstreams independently once onboarding is complete. This autonomy is paired with clear accountability — each role carries defined outcomes and quality standards — creating an environment where ownership is real, not nominal. From the earliest stages of employment, team members contribute to live client engagements rather than internal or simulated tasks, reinforcing the sense that their work carries direct operational significance.

Remote-first work model. The agency operates with full geographic flexibility, enabling team members across Ukraine to work without relocation constraints. While remote work has become a

market standard, the agency's intentional remote-first culture — supported by structured communication protocols and digital collaboration tools — ensures that flexibility translates into genuine work-life balance rather than informal expectation.

Access to tools and resources. All team members are provided with the digital tools, platform access, and knowledge resources necessary to perform their work effectively — including the internal knowledge base, automation platforms, and AI-assisted tools that reduce routine workload and allow specialists to concentrate on higher-value activities. Removing friction from daily work is treated as a direct investment in both productivity and job satisfaction.

Psychological safety. The agency cultivates a working environment in which team members can raise concerns, acknowledge mistakes, and propose improvements without fear of negative consequences. In a client-facing delivery context, psychological safety is not a soft value — it is a functional requirement for honest communication, early problem identification, and continuous improvement of internal processes.

Retention Risk and Mitigation

The primary retention risk is attrition after the initial development period, when specialists have accumulated experience and may be approached by larger organizations or international remote employers. This risk is managed at two levels.

At the structural level, the agency's knowledge management system ensures that expertise is institutionalized rather than held by individuals. Delivery standards, SOPs, and client documentation are maintained in a centralized knowledge base, meaning that the departure of any team member does not

result in knowledge loss. A replacement hire reaches full productivity within the established 60-day onboarding cycle.

At the cultural level, the agency positions itself as an environment where autonomy, trust, and meaningful work are consistent daily realities — not aspirational values. For specialists who priorities professional agency and psychological comfort over maximum compensation, this proposition remains compelling even as external salary offers increase.

Knowledge Management

In a professional services organization, the primary risk to operational continuity is not client churn or market volatility — it is the concentration of critical knowledge in individual people. When expertise exists only in the minds of specific team members, the departure of any one specialist creates a gap that neither hiring nor reorganization can quickly fill. Knowledge management is therefore not a secondary administrative function — it is the structural mechanism that transforms a group of capable individuals into a scalable, resilient organization.

The agency identifies three distinct categories of organizational knowledge, each requiring dedicated capture, storage, and governance.

Methodological knowledge defines how the agency works. This includes standard operating procedures for each recurring process — client audit execution, system selection, CRM and ERP implementation, data migration, and client onboarding — as well as delivery playbooks adapted to specific service sectors such as education, beauty and wellness, and logistics. Quality checklists for each stage of the service cycle are also maintained as part of this category, ensuring that delivery standards are explicit and verifiable rather than dependent on individual judgement.

Technical knowledge captures how systems work. This includes a structured library of integration scenarios, automation workflows, and platform configuration guidelines accumulated across client engagements. Equally important is the documentation of errors encountered and solutions developed during past projects — a resource that prevents the repetition of known mistakes and accelerates problem resolution in future engagements.

Client knowledge records what the agency knows about each individual client. This encompasses the architecture of the client's digital infrastructure, the history of implementation decisions and their rationale, system-specific configurations, and the operational specifics of the client's business processes. This category of knowledge is particularly significant from a governance perspective: it ensures that any team member can assume responsibility for a client engagement without a prolonged handover period, and that service continuity is maintained regardless of internal staffing changes.

These three knowledge categories are housed within a centralized digital workspace built on Notion, organized into four functional areas: Delivery Standards (SOPs, checklists, templates), Technical Library (integrations, automation workflows, troubleshooting records), Client Workspaces (per-engagement documentation), and an Onboarding Hub (role guides and learning materials for new hires).

This structure ensures that knowledge is accessible, navigable, and consistently organized across the organization. AI-assisted search and retrieval tools are integrated into the workspace to reduce the time required to locate relevant documentation and to support junior specialists in accessing contextually appropriate guidance during active project work.

A knowledge asset without an owner degrades over time. The agency therefore operates a defined governance model that assigns clear responsibility for knowledge creation, maintenance, and quality control.

Knowledge is created continuously: each specialist is expected to document key decisions, solutions, and process adaptations at the conclusion of every project engagement. This practice is embedded into the project closure checklist rather than treated as a discretionary activity, ensuring consistent capture regardless of individual habits or time pressures.

Knowledge is maintained at two levels. At the project level, documentation is updated in real time as implementations evolve and client environments change. At the organizational level, a designated methodology owner — initially the founding team, transitioning to a Practice Lead role as the organization scales — conducts a quarterly review of all SOPs and delivery standards to ensure continued relevance and accuracy.

Quality control is applied before new knowledge assets are published to the shared workspace. Newly developed SOPs and technical documentation undergo peer review by at least one experienced team member before becoming part of the official knowledge base. This process prevents the institutionalization of errors and maintains the reliability of the system as a reference tool for junior specialists.

A common concern among SME clients considering external advisory partnerships is the risk of vendor dependency — the possibility that, upon termination of the engagement, critical operational knowledge will remain with the agency rather than with the client. The agency's knowledge management model directly addresses this concern.

All client-specific documentation — including system architecture records, configuration logic, integration specifications, and process guidelines — is treated as the property of the client and is made fully accessible to the client throughout the engagement. Upon termination of the partnership, a structured offboarding process ensures that the client receives a complete and organized record of all decisions made, systems configured, and processes established during the engagement.

This approach is not a concession — it is a deliberate strategic choice. By removing the fear of knowledge lock-in, the agency lowers the psychological barrier to entering a long-term governance partnership. Clients who might otherwise hesitate to commit to an ongoing subscription model are more willing to engage when they understand that their operational knowledge remains under their own control at every stage of the relationship.

Thus, the agency knowledge management system is the structural foundation that distinguishes it from a project-based consultancy or a network of independent specialists. By institutionalizing methodological, technical, and client knowledge into a governed, accessible, and continuously maintained system, the agency ensures that service quality, delivery consistency, and operational continuity are independent of any single team member. This same system protects clients from knowledge dependency, accelerates the onboarding of new specialists, and creates the organizational conditions under which scaling becomes a matter of replicating a proven model rather than rebuilding expertise from scratch with every new hire or engagement.

AI-Assisted Delivery Model

Artificial intelligence in the agency's operating model functions as an integrated delivery layer that supports human specialists at every stage of the service cycle (Appendix F). The governing principle

is deliberate human-AI collaboration: AI generates, structures, and recommends — the human expert validates, decides, and takes accountability for the final output. All AI-generated outputs are reviewed and approved by a qualified specialist before reaching the client.

At the first stage, client discovery and requirements structuring, AI helps structure incoming information from the business owner, key employees, and the company's internal materials. Its task is to transform unstructured answers, process descriptions, complaints, and business goals into an initial requirements map. For example, AI can group problems into categories such as sales, operations, finance, customer service, analytics, communications, and execution control. This reduces the time a business analyst needs for the initial processing of information.

At the second stage, AI-assisted solution research and option design, AI is used to search not only for individual digital solutions, but also for possible combinations of systems. For example, a client may need not one CRM system, but a combination of a CRM, a messaging automation service, a BI dashboard, and a task management tool. To support this task, the agency needs to create its own database of vendors, tools, functions, limitations, pricing models, integration capabilities, and typical use cases. This database must be continuously updated, as the functionality of SaaS products changes rapidly.

At the third stage, AI-assisted technical specification and configuration design, AI helps develop the technical specification not simply as a description of requirements, but as a step-by-step instruction for system configuration. This is important because, in small and medium-sized businesses, implementation often fails not because the wrong system was selected, but because of poor configuration, unclear integration rules, and insufficient documentation. AI can help prepare checklists,

configuration scenarios, data migration rules, user instructions, and technical notes for system administrators.

At the support stage, AI-enabled monitoring, analysis and governance review, AI is used to analyze the actual use of the implemented systems. At this stage, the agency is interested not only in whether the system works, but also in how exactly the client uses it. For example, which functions are used regularly, which are ignored, which processes are still performed manually, how much time typical operations take, which recurring requests come to support, and where team resistance or inefficiency appears.

This makes it possible to define topics for the monthly governance review. For example, if the client does not use automatic reminders in the CRM, AI can identify this as an area of system underutilization. If a certain procedure takes too much time, AI can suggest it as a topic for optimization. If support receives many similar questions, this may indicate the need for an additional instruction or training material.

A separate element should be the AI knowledge base. This is the agency's internal knowledge base, which includes not only text documents, but also web pages, videos, screenshots, instructions, examples of system configuration, descriptions of integrations, system limitations, and typical errors. Importantly, this knowledge base cannot be static. It needs to be regularly reviewed, updated, and validated, because vendor documentation is often incomplete, outdated, or not adapted to real SME cases.

AI is also used for internal and client materials generation. This includes the rapid creation of instructions, SOPs, training materials, short user guides, knowledge base updates, and responses to

client requests. For example, when a client submits a question, AI can suggest clarifying questions, help formulate a task for an agency employee, prepare step-by-step instructions, or propose a draft response to the client.

Human validation is not an optional review step — it is a structural requirement at every stage. This preserves both delivery quality and the agency's accountability for client outcomes.

Chapter 6: Go-To-Market Strategy

Pricing Structure and Service Packages

The agency monetization strategy is based on a hybrid revenue model that reflects the "land-and-expand" approach. This model combines project-based payments for system implementation, which help cover the higher operational costs during the initial engagement phase, with a tiered recurring subscription that constitutes the core source of long-term revenue and customer lifetime value (LTV).

The pricing model is organized around two core phases: an initial project-based engagement phase and a subsequent subscription-based governance phase.

The first phase focuses on the diagnostic and implementation stages of the digital infrastructure and is typically financed as a capital expenditure (CapEx) by the client:

1. Digital IT Audit and Infrastructure Selection: This stage is monetized using a fixed value-based fee. The client pays not for consulting hours but for the value of reducing the risk of failed digital investments. The deliverable of this phase is a structured digital architecture roadmap and a vendor-neutral selection of appropriate software tools aligned with the company's operational processes.

2. System Implementation (Project-Based Engagement): Because this stage requires the involvement of senior specialists, including system architects and integration experts, pricing is based on a Fixed Time-and-Materials model. At this stage, margins are expected to remain relatively modest. The implementation phase is designed to ensure cost recovery for the project team while preparing a robust technical foundation that facilitates the client's transition to a long-term governance subscription.

Upon completion of the implementation phase, clients transition to one of three ongoing service packages structured according to value-based pricing, reflecting the level of strategic involvement and operational support provided by the agency:

1. Basic Support (Reactive Governance) — $350/month.

This package provides reactive technical support through a structured ticketing system. Services include system maintenance, minor configuration adjustments, and the addition of new users or operational units within the existing system architecture.

2. Comprehensive Management (Active Governance) — $550/month.

This tier provides more proactive engagement, allowing clients to communicate directly with the agency's specialists. Services include ongoing consulting, onboarding support for new employees, modifications to system configurations to accommodate evolving business processes, and prioritized support.

3. Outsourced CIO (Proactive Governance) — $1000/month.

This package represents a strategic partnership model in which the agency acts as an external digital infrastructure advisor. The agency proactively identifies operational inefficiencies, recommends process improvements, and designs the implementation of new features, integrations, and API-based automation to support the client's business growth and scalability.

A key challenge in selling B2B advisory services is demonstrating the financial justification for long-term subscriptions. One of the main advantages of the proposed model is that the highest-tier package ("Outsourced CIO") costs approximately 2.5–4 times less than employing a full-time mid-level or senior IT specialist when accounting for taxes, workspace costs, and employee benefits. At the same

time, the client gains access to a multidisciplinary team of experts, including analysts, system architects, and integration specialists. A detailed specification of each package, including scope of services, boundary conditions, escalation protocol, and internal operational guidelines, is provided in Appendix L.

Additionally, from a Total Cost of Ownership perspective, a recurring governance subscription is more economically efficient than occasional technical support requests. In ad-hoc engagements, a significant portion of the budget is often spent on re-establishing project context and understanding existing system configurations. Continuous collaboration ensures context retention, enabling faster implementation of improvements, reducing technical debt, and minimizing the risk of operational disruptions.

Customer Acquisition Channels and Communication Strategy

Client acquisition is based on strategies that prioritize trust building, demonstration of expertise, and targeted engagement with decision-makers. Given the advisory nature of the agency's services and the relatively high level of client involvement required during digital transformation initiatives, the marketing strategy focuses on high-trust B2B channels rather than mass marketing approaches.

Customer acquisition is structured around three primary pillars: a referral partner network, account-based marketing, and authority-building content and public relations.

Referral Network

Strategic partnerships represent one of the most effective channels for acquiring qualified leads in B2B consulting services. The agency plans to build a network of referral partners among professionals who are often the first to observe operational inefficiencies or digital infrastructure problems within SMEs.

Potential referral partners include financial auditors, management consultants, business coaches, and professional business communities or industry associations. These actors frequently interact with SME founders and executives who experience operational complexity and may require external digital advisory support.

The referral channel is monetized through a structured referral fee model, in which partners receive compensation for introducing qualified leads. This approach aligns incentives between partners and the agency while enabling scalable client acquisition through trusted professional networks.

Account-Based Marketing

Instead of pursuing broad audience reach, the agency applies an account-based marketing (ABM) approach focused on a clearly defined decision-making unit. Communication efforts are directed primarily toward founders and CEOs of service-sector SMEs employing approximately 10–100 people, who typically act as primary decision-makers for digital transformation initiatives.

Targeted outreach may be conducted through professional platforms such as LinkedIn, direct email communication, and participation in professional networking environments where SME leaders exchange operational knowledge and experiences.

Expert Content and Public Relations (Authority Building)

To overcome the initial barrier of trust and stimulate demand through education, the agency's communication strategy includes the development of expert content and thought-leadership initiatives that demonstrate a deep understanding of SME operational challenges.

Content activities may include the publication of educational materials explaining the value of process automation, reviews and comparisons of existing digital tools, and practical recommendations for implementation.

Case studies will play an important role in demonstrating the practical impact of the agency's services. These cases will follow a structured format—problem, implemented solution, and resulting operational or financial outcomes—illustrating how digital infrastructure improvements can reduce employee workload, improve process efficiency, and optimize operational costs.

Additional content formats may include white papers, checklists, and diagnostic tools designed as lead magnets to capture contact information from interested business owners. Examples include a "SME Automation Readiness Checklist" or a calculator estimating hidden operational losses associated with manual data processing.

Finally, the agency plans to participate in both online and offline professional events, including business forums, entrepreneur clubs, and industry podcasts, where agency representatives can share expertise on digital transformation for SMEs.

Chapter 7: Financials

Initial Investment and Capital Structure

To launch the business, the total initial funding requirement is estimated at $30,000. According to the fundamental accounting equation (Assets = Liabilities + Equity), this amount will be financed entirely through founders' equity (Owner's Equity) without the use of external debt financing at the initial stage.

Such a financing structure reflects a deliberate strategic choice. By avoiding bank loans or other liabilities during the launch phase, the company minimizes financial risk and maintains greater flexibility in managing cash flows during the first year of operations, when revenue streams are still being established.

The initial investment is divided into two primary components: capital expenditures (CAPEX) and working capital (Table 4).

Capital Expenditures (CAPEX) — $5,000

CAPEX is allocated to the creation of the company's intangible operational infrastructure, which forms the foundation for market entry and service delivery. These investments include: development of the corporate website, creation of branding and marketing materials, legal registration of the business and preparation of standardized Service Level Agreement (SLA) templates for future clients.

An important managerial decision supporting capital efficiency is the adoption of a BYOD (Bring Your Own Device) policy. Team members will use their own hardware for operational tasks, eliminating the need for upfront investments in computer equipment. This approach significantly reduces initial capital requirements while remaining appropriate for a consulting-based business model.

Table 4

Initial investment

Investment Item	Amount (USD)
Corporate Website Development	$3,000
Branding, Logo, Sales Materials	$1,000
Legal Setup	$1,000
Employee Equipment (Laptops)	$0
Total CAPEX	**$5,000**
Working Capital Buffer	$25,000
Total Capital Required	**$30,000**

Working Capital — $25,000

The remaining $25,000 is allocated to working capital in order to support the company's operational stability during the early stages of activity.

The agency's business model involves delivering consulting and implementation services to B2B clients, where some payments are received after service delivery (post-payment terms). As a result, the company will initially experience a build-up of accounts receivable, which may create temporary cash flow gaps.

Maintaining a working capital reserve ensures that the company can cover fixed operating expenses (OPEX), including contractor compensation and administrative costs, during the first three to four months of operations. This financial buffer allows the business to maintain operational continuity until it reaches a stable positive operating cash flow (Cash Flow from Operations, CFFO).

Revenue Forecast and Key Assumptions

The 3-year financial forecast is based on the unit economics of two areas: project activities and subscriber services (Table 5). This hybrid structure allows the company to generate immediate income from implementation projects while gradually building a predictable stream of recurring income through long-term client support.

Table 5

Revenue Forecast

Service	Average Check, USD	Target Clients per Month	Monthly Revenue, USD
Audit and Software Selection	$1,500	7	$10,500
Implementation	$2,000	4	$8,000
Subscription (Support)	$665	30	$19,950
Total Monthly Revenue			**$38,450**

The average fee for the “Audit and Software Selection” service is estimated at $1,500. This estimate is based on approximately 40 hours of team involvement, including the analysis of the client's

business processes, evaluation of the existing digital ecosystem, and preparation of a structured recommendation for software selection.

The average price for "System Implementation" services is approximately $2,000, although the final cost depends on the complexity of the client's digital architecture, the number of required integrations, and the scope of configuration and staff training.

After the implementation stage, clients are offered a monthly support subscription, which ensures ongoing system governance and generates stable recurring revenue. The agency provides three service tiers: Reactive ($350 per month), Active ($550 per month) and Proactive ($1,000 per month)

To simplify further financial calculations related to the subscription model, the analysis will use an average subscription price derived from the expected distribution of clients across the available service tiers. The projected client distribution assumes that 10% of clients will subscribe to the “Reactive” package, 60% to the “Active” package, and 30% to the “Proactive” package.

The relatively low share of the Reactive tier reflects its role primarily as a client retention option rather than a strategically promoted offering, as it delivers a more limited value proposition compared to the higher-tier packages. The majority of clients are expected to select the Active package, which represents the optimal balance between service depth and price. Meanwhile, approximately 30% of clients are projected to adopt the Proactive package, which provides a more comprehensive level of digital governance and strategic support.

From a unit economics standpoint, the business model benefits from a strong lifetime value (LTV) potential, as clients typically require ongoing digital system support after implementation. The

initial project phase serves not only as a revenue source but also as a customer acquisition and onboarding mechanism that transitions clients into long-term subscription relationships.

Given the relatively low marginal cost of providing ongoing advisory support compared to the initial implementation effort, the subscription model allows the company to increase profitability over the client lifecycle. As the client base expands, recurring revenue is expected to become the dominant component of the revenue structure, improving cash flow stability and financial predictability.

A key characteristic of consulting-based businesses is that the largest share of total costs is associated with payroll. In order to accurately reflect the company profitability and cost structure in the Profit and Loss (P&L) statement, the team is divided into two categories: production personnel and administrative personnel.

Production Personnel are directly involved in service delivery and therefore constitute the cost of providing services. The production team includes: Project Managers, Business Analysts, System Administrators, Support Managers (Table 6).

These costs scale proportionally with the number of client projects. Therefore, the production team will be expanded gradually in line with the growth of the client portfolio, allowing the company to maintain operational flexibility while controlling costs.

Table 6

Staffing Plan and Payroll

Position	Category	Headcount	Salary, USD	Tax (+22%)	Total per Person, USD	Monthly Total, USD
Project Manager	Production	2	$1,500	$330	$1,830	$3,660
Business Analyst	Production	2	$2,000	$440	$2,440	$4,880
Systems Admin (Projects)	Production	3	$1,000	$220	$1,220	$3,660
Systems Admin (Subscription)	Production	3	$1,000	$220	$1,220	$3,660
Support Manager	Production	6	$700	$154	$854	$5,124
Total COGS (Payroll)		**16**			**$7,564**	**$20,984**
Financial Manager	Admin	1	$1,000	$220	$1,220	$1,220
Sales Manager	Sales	2	$1,000	$220	$1,220	$2,440
Sales Commission (5% assumed)	Sales	–	% of new revenue	–	–	$525
Total OPEX (Payroll)		**3**				**$4,185**

Administrative roles support business operations but are not directly involved in service delivery. These costs are recorded as operating expenses and include: Financial Manager, Sales Managers, and others. In addition to internal personnel costs, the company allocates budget for several outsourced operational services (Table 7).

Table 7

Fixed Operating Expenses

Expense Item	Monthly Cost (USD)
Accountant (Outsourced)	$400
Marketing Agency	$1,000
Advertising Budget (Google/Meta)	$3,845
SaaS Subscriptions	$615
Admin Expenses	$500
Total Fixed OPEX	**$6,360**

This cost structure reflects a flexible operating model, where core expertise remains within the team while certain support functions are outsourced to reduce fixed overhead and increase scalability.

The company target operating capacity for Horizon 1 is defined as servicing 30 subscription-based clients while delivering approximately 7 new implementation projects per month. According to the financial model, during Year 1 the company is expected to operate at approximately 30–50% of its target capacity, reflecting the initial market entry and client acquisition phase. During Year 2, the company is projected to reach its planned operational capacity as the client base expands and sales processes stabilize. In Year 3, further growth is expected to be driven by process optimization, increased operational efficiency, and the expansion of the subscription client base, allowing the company to scale beyond the initial capacity assumptions.

Profit and Loss Forecast

The Profit and Loss (P&L) statement presented in this section has been prepared on an accrual basis. A detailed financial table supporting the analysis is provided in Appendix G, while this section summarizes the key financial indicators and explains the main drivers of the company's financial performance.

The forecast illustrates the company's operating efficiency and its ability to generate profits at different stages of business development: from the start-up phase (year 1) to reaching the target operating capacity (year 2) and further growth in the following years.

Due to a balanced business model that combines implementation projects with recurring subscription payments for ongoing support, the company is able to generate a stable revenue stream. In Year 1, total revenue is projected to reach $204,390.

The Cost of Goods Sold (COGS) primarily consists of compensation for the production team. These costs scale proportionally with the number of projects delivered and the number of clients under subscription. The company gross profit in Year 1 is projected at $109,586, resulting in a gross margin of 53.6%. This level of gross margin is considered strong for a consulting-based IT service business and indicates a healthy unit economics structure.

Operating expenses (OPEX), which include marketing costs, administrative personnel, advertising, and corporate software subscriptions, are estimated at $68,199 in Year 1. As revenue increases in subsequent years, the company benefits from positive operating leverage. Since a significant portion of operating costs remains relatively fixed, their share in the overall cost structure decreases as

revenue grows. As a result, EBITDA is projected to increase from $41,387 in Year 1 to $188,160 by Year 3, reflecting the scalability of the business model.

The financial model accounts for the amortization of intangible assets. Using the straight-line method, the annual amortization expense equals $1,667, representing a non-cash expense that reduces the taxable base without affecting cash flow. During the first year of operations, the company plans to utilize the simplified taxation system, which supports financial stability during the launch phase. Starting from Year 2, the company is expected to transition to the general taxation system, reflecting the anticipated growth of revenue and operational scale. As a result, net income in Year 1 is projected at $27,457, while profitability improves significantly as the business scales. In terms of efficiency, Return on Sales (ROS) increases from 13.4% in Year 1 during the ramp-up phase to 43.5% by Year 3, confirming the strong scalability and profitability potential of the business model.

Cash Flow Forecast

The detailed Cash Flow Statement used for the financial projections is presented in Appendix H. This section summarizes the key assumptions and explains the main drivers of the company's cash flow dynamics.

In financial management, the key conceptual difference between the Profit and Loss Statement (prepared on an accrual basis) and the actual balance of cash accounts arises from changes in working capital and non-cash expenses such as depreciation. For this reason, the Cash Flow Forecast is prepared using the Indirect Method.

The calculation of operating cash flow begins with net income, to which non-cash expenses are added back, primarily the annual depreciation charge of $1,667. However, for a B2B consulting business,

the most important adjustments relate to changes in working capital. Because clients typically pay after the completion and formal acceptance of implementation services, the company accumulates accounts receivable, which creates a temporary cash outflow. At the same time, the increase in accounts payable partially offsets this effect by allowing the business to defer part of its cash obligations. As a result, net cash flow from operating activities amounts to $32,124 in Year 1, $132,208 in Year 2, and $162,004 in Year 3. This confirms that, despite temporary working capital pressure during the ramp-up period, the core business model generates a strong and improving operating cash flow over time.

Cash flow from investing activities reflects capital expenditures on the company's digital infrastructure and intangible assets. The initial investment of $5,000 in Year 0 covers the development of the corporate website and other start-up intangible assets. No additional investments are planned in Year 1. In Year 2, the company allocates $10,000 for process improvement and operational standardization. In Year 3, capital expenditures increase to $50,000 to support the development of AI-based tools and the expansion of the technological infrastructure required for scaling operations.

Financing activities in Year 0 reflect the founders' equity contribution of $30,000, which fully covers the initial funding requirement of the business. In later periods, financing cash flows are primarily related to dividend payments to founders.

The projected cash balance remains positive throughout the entire planning horizon. The company starts with a closing cash balance of $25,000 in Year 0, which increases to $179,336 in Year 3. This indicates that the business model is capable of maintaining solid liquidity, funding its growth internally, and avoiding cash shortfalls even while making investments and distributing dividends.

Break-Even Analysis

To evaluate the sustainability of the business model, a multi-product CVP (Cost–Volume–Profit) analysis was conducted using the contribution matrix approach. Since the company generates revenue from five different sources - Audit, Implementation, and three types of Subscription - the classical break-even calculation was adapted to reflect the target monthly sales structure. The detailed calculations and assumptions underlying the CVP analysis are presented in Appendix I.

In the financial model, variable costs consist primarily of sales commissions (5%) paid to sales managers. The payroll of the delivery team (COGS) is treated as traceable fixed costs, as the salaries of project managers, analysts, and support specialists are fixed in the short term but can be directly associated with specific service lines. Other operating costs — including marketing, accounting services, software subscriptions, and administrative staff compensation — are treated as common fixed costs and are covered from the overall contribution margin. The total fixed cost base (delivery payroll plus operating expenses) in the target operating month is estimated at approximately $12290.

Based on the weighted contribution margin across the service portfolio, the company reaches its break-even point at a monthly revenue level of approximately $34078. At this level, the break-even sales mix corresponds to approximately 4 Audit projects, 5 Implementation projects, 3 “Reactive” Subscriptions, 15 “Active” Subscriptions, and 9 “Proactive” Subscriptions. Compared with the target monthly revenue in the scaling phase, this indicates that the business can cover its full fixed cost base before reaching maximum planned capacity. This confirms that the model has a relatively accessible break-even threshold and provides a meaningful buffer for operational sustainability.

The portfolio analysis highlights the different roles of individual services in profit generation. The System Implementation service ($2,000) generates the largest absolute contribution to total contribution margin, acting as a cash-generating driver within the portfolio (Table 8). However, it also requires significant delivery resources, particularly project management and business analysis capacity.

Table 8

Product Contribution Matrix to Overall Profitability

Indicator	**Audit**	**Implemen-tation**	**Support (reactive)**	**Support (active)**	**Support (proactive)**	**Total (Average)**
Sales Structure, %	17,49%	29,15%	3,06%	24,05%	26,24%	100,00%
Contribution Margin Ratio (CMR)	13,67%	11,80%	18,67%	64,51%	53,91%	36,06%
Contribution to Total Contribution Margin	6,63%	9,54%	1,58%	43,02%	39,22%	100,00%

In contrast, the “Proactive” Subscription package ($1,000 per month) demonstrates the highest internal profitability, as ongoing support services benefit from economies of scale and require relatively lower incremental effort once the client base expands. As the number of subscription clients grows, the recurring revenue component increasingly becomes the most scalable and stable source of profit for the company.

Chapter 8: Project Implementation

Project Structure and Implementation Phases

Project management for the launch of the consulting agency is based on an Agile-Hybrid methodology. This approach combines the flexibility of Agile — enabling iterative hypothesis testing and rapid decision-making — with classical Stage-Gate methods, which ensure structured financial, legal, and regulatory reviews before progressing to the next stage of investment.

The lifecycle of the consulting agency launch project spans 12 months (January–December 2026) and is structured into key work packages using a Work Breakdown Structure (WBS). The project serves as an execution vehicle for establishing the operational foundation required to scale the agency to a target portfolio of 30 clients. All phases of the launch are directly mapped to the strategic priorities defined for Horizon 1.

Phase 1. Strategic Planning and Financial Modeling

This phase includes the comprehensive development of the business plan, definition of the go-to-market strategy, and in-depth development of the financial model. The financial model plays a critical role in assessing the economic viability of the agency and validating the sustainability of the proposed business model.

Phase 2. Partner Ecosystem Formation.

This phase focuses on negotiations and the selection of strategic business partners. Establishing these partnerships creates the foundation for a future vendor-neutral service architecture and enables the agency to provide independent advisory services to SME clients.

Phase 3. Operational and Legal Business Setup

This is the largest operational phase, transforming the agency from a conceptual initiative into a functioning business entity. It includes a combination of sequential and parallel implementation sprints:

- Legal registration of the company and preparation of corporate documentation (NDA, SLA);
- Establishment of the internal IT infrastructure;
- HR management: team formation and recruitment of key specialists;
- Finalization of partnerships with software vendors;
- Development of marketing tools, sales materials, and implementation frameworks;
- Configuration of AI-assisted delivery infrastructure — including the vendor database, configuration library, and requirements structuring tools — as core components of the agency's operational setup.

Phase 4. Business Model Validation and Pilot Launch

This phase involves the final revision of the financial model based on actual operational costs and the execution of 1–2 pilot projects with real SME clients. The MVP is defined as a fully executed two-client pilot cycle — covering audit, implementation with structured change management, and initial subscription — in which the three-stage service model, AI-assisted internal delivery, and unit economics are simultaneously validated under real market conditions. Successful MVP completion is the gate condition for Horizon 1 commercial scaling.

Phase 5. Preparation for Commercial Scaling

The final phase includes a retrospective analysis of pilot project results and the preparation for full commercial market entry in 2027. The retrospective analysis conducted in this phase explicitly

includes an assessment of the AI-assisted delivery model validated during the pilot engagements. Key questions addressed at this stage include: which AI workstreams performed as expected; where human intervention was most frequently required; and how the vendor database and configuration library should be expanded based on real project experience. The findings of this assessment are incorporated into the refined delivery playbooks that form the operational foundation for Horizon 1 commercial scaling.

Project Timeline and Milestones

To ensure strict quality control and effective risk management, the overall project timeline is divided into three key milestones (Table 9). Progression to the next macro-stage is allowed only after the successful completion of the current milestone.

As illustrated in the timeline, the application of the Agile-Hybrid methodology enables the parallel execution of multiple operational tracks. For instance, the formation of the partner ecosystem (Phase 2) runs concurrently with the operational and legal setup of the business (Phase 3). This deliberate overlapping strategy reduces the overall time-to-market without compromising quality.

Furthermore, Phase 4 serves as the ultimate Agile validation loop. Empirical insights and client feedback (measured through NPS) gathered during the pilot projects directly inform the adjustments implemented in Phase 5.

However, achieving these milestones and managing overlapping phases requires a highly coordinated effort and sufficient organizational resources.

Table 9

Project Timeline and Key Milestones for Year 1

Phase and Milestone	Due Date	Key Deliverables and Acceptance Criteria
Phase 1: Strategic Planning and Financial Modeling	January – May 2026	
Milestone 1: Business Plan Completion	25 May 2026	Completed business plan with: a clearly defined business model, an identified strategy and target market, a developed product portfolio, a 3-level organizational structure, a defined one-year marketing strategy, a calculated financial model of the company, identified key risks and a strategy for managing them, a drafted one-year company roadmap, project strategy and financial model approved.
Phase 2: Partner Ecosystem Formation.	April – May 2026	
Phase 3: Operational and Legal Business Setup.	June – August 2026	
Milestone 2: Operational Setup Completed	1 Sep 2026	Company legally registered, core team hired, implementation methodology (SOPs) developed, marketing materials and legal framework (SLA, NDA) prepared.
Phase 4: Business Model Validation and Pilot Launch	September-December 2026	
Milestone 3: Pilot Project Retrospective	31 Dec 2026	2 pilot projects successfully completed, feedback collected (NPS ≥ 90%), and the business model validated under real market conditions.
Phase 5: Preparation for Commercial Scaling	November 2026 - January 2027	
Final Gate: Go-To-Market Readiness	31 January 2027	Agency is ready for Horizon 1 scaling: financial model updated based on pilot project actuals, internal delivery playbooks refined, sales engine activated for continuous lead generation

Successful completion of the Year 1 implementation plan and Final Gate milestone establishes the operational foundation for long-term strategic development, aligned with the Three Horizons roadmap defined in the Business Strategy chapter.

In the first year after launch, the primary objective is to grow to 15 concurrent subscription clients, expand the team to 11 specialists, and achieve annual revenue of $204,390. The goal is to develop a stable client base, retain clients for ongoing governance support, deepen cross-sector expertise, and refine AI tools within the agency's internal delivery processes.

In the second year after launch, the agency scales to 30 concurrent subscription clients with a team of 20 specialists and annual revenue of $587,400. The focus shifts toward deepening subscription penetration, expanding AI delivery capabilities, increasing operational leverage as the delivery model matures, and improving the employee onboarding system.

In the third year after launch, the target is 60 concurrent subscription clients, a team of 27 specialists, and annual revenue of $701,400. At this stage, the agency strengthens its operating model by using AI tools to process client requests, generate structured task instructions for managers and system administrators, automate internal documentation, and reduce repetitive manual work — allowing the team to serve a larger client base without proportional growth in headcount.

Project Resources

To successfully navigate the project phases—from initial conceptualization to commercial scaling—the agency relies on a consolidated allocation of four resource categories. The resource strategy follows a "Lean" approach, minimizing fixed overhead during the launch phase and transitioning to a scalable infrastructure as recurring revenue grows.

Human Resources

During the launch and pilot stage, the core delivery team consists primarily of the agency founder, who define the strategic direction, manage client acquisition, and oversee the initial service delivery processes. To maintain financial flexibility and minimize fixed payroll costs at this early stage, specialized technical tasks—such as system integrations and advanced platform configurations—are outsourced to external contractors on a project-by-project basis using a Time and Materials engagement model. In addition, a system administrator is engaged to establish and secure the agency's internal IT infrastructure required for operational work.

As the agency transitions from the pilot stage to commercial scaling and the client portfolio expands, the organizational structure gradually evolves toward a more formalized in-house expert team. This stage involves hiring Business Analysts and Project Managers responsible for managing implementation projects and coordinating client engagements. To ensure the consistent quality of the Governance Subscription services, Support Specialists are introduced based on defined operational capacity metrics, typically at a ratio of approximately one full-time equivalent per 5–10 active client projects, depending on the client's service level agreement (SLA) tier (Reactive or Proactive support). Further organizational development includes the establishment of a Customer Acquisition team responsible for structured sales and lead generation, as well as the addition of a Financial Manager and a Recruiter to support financial governance and ensure the sustainability of the talent pipeline. This phased staffing approach allows the agency to maintain a lean cost structure during the early stages while preserving the flexibility to scale operational capacity as the client portfolio grows. As a result, the model balances financial sustainability with service quality, supporting the agency's transition from a

founder-driven initiative to a structured advisory organization. The detailed monthly staffing plan by role for Year 1, together with annual headcount targets for Years 2 and 3, is provided in Appendix J.

Technical Resources

The agency's internal digital ecosystem is designed to support remote service delivery, efficient client management, and secure data handling. The core technology stack includes a CRM system for managing the sales pipeline and client relationships, as well as project management and task-tracking tools used to coordinate implementation sprints and monitor project progress. Cloud-based storage solutions, such as Google Workspace and Google Drive, provide centralized document management and secure access to project materials, while corporate communication platforms such as Slack enable asynchronous collaboration within the distributed team environment. In addition, web hosting services support the agency's corporate website and landing pages used for marketing and client acquisition.

To facilitate vendor-neutral advisory services, the agency will maintain authorized demo access to selected CRM, ERP, and automation platforms. These environments allow consultants to conduct live demonstrations for potential clients and to evaluate system functionality before recommending specific technological solutions.

From a financial perspective, the technical infrastructure follows a resource optimization strategy aligned with the project's phased development. During the initial launch and pilot stages, the agency primarily relies on freemium or basic subscription tiers for core software tools, allowing it to minimize the initial cash burn rate while establishing the first client relationships. As the agency moves toward commercial scaling and operational complexity increases, upgrades to premium or enterprise-level licenses will be implemented when justified by operational requirements and stable revenue streams.

Financial Resources

The financial baseline required to execute the launch phase includes budget allocations for contractor labor, foundational marketing and branding activities, legal and administrative setup fees, and essential software subscriptions such as web hosting and core operational tools. A detailed breakdown of capital expenditures (CapEx) and operational expenses (OpEx) is provided in Chapter 6: Financial Plan.

Operational Resources

Operational resources represent the agency's intellectual assets and standardized methodologies that enable scalable service delivery without compromising quality. These resources include the codified Digital Operating Framework that structures the advisory and implementation process, as well as standardized audit templates and implementation playbooks used to guide system selection and deployment. Additional operational assets consist of the Vendor Database — a continuously maintained repository of digital tools, their functions, integration capabilities, and tested combinations — and the configuration library containing setup guides, integration rules, and technical documentation accumulated across client engagements. The operational resource base is further supported by documented standard operating procedures (SOPs) that ensure consistency in service delivery and internal workflows, together with pre-drafted legal frameworks such as service-level agreements (SLAs) and non-disclosure agreements (NDAs), which streamline client onboarding and contractual processes.

To support professional client communication and market presence, operational resources also include the agency's corporate website, presentation materials, and structured onboarding documentation. Collectively, these assets function as the agency's internal knowledge base, enabling

consistent project execution and facilitating the transition from founder-led service delivery to a scalable advisory model.

Chapter 9: Risk Management

Risk Identification and Classification

The company's risk management system is based on internationally recognized standards, particularly the principles of the PMBOK framework, and follows a proactive approach to identifying, assessing, and responding to both potential threats and emerging market opportunities.

A comprehensive Risk Register, including the underlying causes of each identified risk, assigned risk owners, and a full probability–impact assessment matrix, is provided in Appendix K.

Potential factors that may affect the successful implementation and operational sustainability of the project were identified through environmental analysis and grouped into several key categories.

External Macroeconomic and Market Risks

These risks are primarily associated with economic environment in which Ukrainian SMEs operate. Potential challenges include market contraction resulting from the closure of client businesses, limited financial capacity of SMEs to invest in digital transformation, and increasing competitive pressure from larger consulting or technology providers entering the SME segment.

Infrastructure Risks

Given the wartime context and the vulnerability of national infrastructure, operational disruptions may occur due to electricity outages or instability of communication networks caused by attacks on the energy system. Such disruptions may temporarily affect service delivery and client operations.

Client-Related Risks and Opportunities

A key operational risk arises from potential resistance to change within client organizations. Low digital literacy among employees may lead to delayed adoption or partial implementation of newly introduced systems. At the same time, the analysis identified an important strategic opportunity: the availability of international grant programs and venture initiatives aimed at supporting SME digitalization, which may partially subsidize implementation costs and accelerate client acquisition.

Internal Organizational Risks (HR, financial, and operational)

Internal risks include the shortage of qualified IT professionals in the labor market, potential cash flow gaps during the early stages of company operations, and the risk of operational inefficiencies in the first implementation projects. Such early-stage delivery failures could negatively impact the agency's reputation and slow down the formation of a stable client portfolio.

Discuss your financials here. Refer to the MBA Capstone Guidelines and Criteria for content expectations, including applicable models and methodologies. For structural and technical requirements, consult the Capstone Project Checklist.

Risk Register and Risk Assessment

Risk assessment was conducted using the Probability–Impact model. Within this framework, the risk priority score is calculated as the product of the probability of occurrence (1–5) and the potential impact or consequence (1–5), resulting in a composite score ranging from 1 to 25.

This approach enables the prioritization of risks based on their potential influence on project implementation and long-term operational sustainability.

Market contraction due to SME closures represents the most critical external risk. Economic instability and wartime conditions may lead to business closures among SMEs, potentially reducing the

size of the agency's addressable market. Mitigation requires adaptive positioning, including diversification across industries and the development of scalable service models.

Additionally, due to the ongoing war and vulnerability of the national energy system, infrastructure instability remains a high-probability operational risk. Preventive mitigation measures include reliance on cloud-based infrastructure, distributed teams, and remote-first operational processes.

The shortage of qualified IT specialists represents a structural constraint within the Ukrainian labor market. This risk may affect the agency's ability to scale its delivery capacity and maintain consistent project quality.

At the same time, the level of aggressive market competition was assessed as relatively moderate. Consequently, this factor can be addressed through a risk acceptance strategy, while maintaining continuous monitoring of competitive dynamics.

The analysis also identifies important strategic opportunities - grant-based financing programs. International and domestic grant programs supporting SME digitalization represent a significant opportunity to subsidize implementation costs for clients and accelerate market entry.

Risk Response Strategies

To address the identified risks, the company has developed a set of targeted response strategies integrated into its operational and strategic management processes. These measures combine mitigation, avoidance, exploitation, and acceptance approaches in line with established risk management practices.

To mitigate potential market contraction among SMEs, the agency adopts a phased implementation model that enables clients to achieve quick operational improvements and early return on investment. In parallel, a subscription-based service model will be introduced, offering a more accessible alternative to hiring in-house IT specialists. In response to the limited purchasing power of SMEs, the value proposition is reframed from digital tools for growth toward solutions focused on cost optimization, operational efficiency, and business resilience.

Grant programs supporting SME digitalization represent a key strategic opportunity. The company will incorporate grant advisory support into the pre-sales process, assisting clients in identifying and applying for relevant funding programs. Marketing activities will emphasize donor-supported digitalization initiatives while building partnerships with international development funds and accelerators.

To reduce the operational impact of potential blackouts and infrastructure disruptions, the agency will rely on cloud-based systems and distributed workflows. The team will operate within an asynchronous work structure supported by backup power solutions and resilient communication channels.

To ensure successful implementation and prevent resistance from client teams, all projects will include structured training and onboarding programs. These will be supported by customized instructional materials and post-implementation assistance during the system adoption phase.

To address talent shortages, the agency will implement a hybrid staffing model, combining a core internal team with external experts engaged on a project basis. Operational processes will be standardized to reduce dependency on individual employees. Financial stability will be ensured through

the establishment of a reserve fund equivalent to four months of operating expenses, combined with milestone-based payment structures and continuous cash flow monitoring. Early projects will receive direct executive oversight and enhanced quality control to safeguard the company's reputation.

Competitive risks associated with price-based competition from larger firms will be addressed through a differentiation strategy focused on service quality, professional expertise, and long-term client relationships rather than price competition.

Together, these measures form an integrated risk response framework that enhances the resilience of the proposed business model and supports sustainable operational development.

Chapter 10: Conclusions and Reflection

Conclusion

The research examined the macroeconomic and structural conditions in which Ukrainian SMEs operate and identified the key challenges affecting their development. Although SMEs represent the vast majority of businesses and play a crucial role in economic stability and post-war recovery, wartime disruptions, labor shortages, and economic uncertainty significantly increase operational pressure on these companies. The empirical findings confirm the existence of a structural gap in SME digital transformation: while many firms have adopted automation tools such as CRM or ERP systems, their use remains fragmented and inefficient due to limited expertise, integration difficulties, and vendor-driven implementation decisions. As a result, digitalization often generates “non-performing investments” rather than real operational improvements, highlighting the need for independent advisory support capable of ensuring structured digital governance.

The market and industry analysis indicates that despite short-term economic volatility, the macroeconomic environment in Ukraine supports the long-term development of digital advisory services for SMEs. Political support for SME development, EU integration, donor-funded digitalization programs, and the growing need for automation create favorable conditions for market growth. Market sizing further confirms significant potential demand: after segmenting SMEs by size, sector, and digital maturity, approximately 281,000 enterprises represent the core addressable market. Even a conservative penetration rate would allow the proposed agency to capture a meaningful share of this market, particularly as workforce shortages, the replacement of legacy software, and grant-supported digitalization initiatives continue to stimulate demand.

The value proposition developed in this project directly addresses the operational challenges identified in the research. The proposed service model focuses not merely on software implementation but on establishing a structured digital governance framework for SMEs. Through a three-stage service architecture—independent systems audit and software selection, structured implementation with training, and ongoing governance support—the agency provides a comprehensive approach that aligns digital tools with business processes and strategic objectives.

This approach is specifically designed for service-based SMEs that have previously experienced unsuccessful automation initiatives and now require a vendor-neutral partner capable of rebuilding their digital architecture. By positioning the agency as a long-term governance partner rather than a one-time implementation provider, the model creates strong opportunities for recurring revenue and sustained client relationships. Ultimately, the value of the service lies not only in technological improvements but in enabling founders to transition from operational firefighting to strategic management supported by reliable digital infrastructure.

The strategic framework developed for the agency emphasizes differentiation through continuous digital governance rather than traditional system integration services. The business model is structured around a hybrid revenue architecture in which project-based implementation activities serve as an entry point for clients, while subscription-based governance services form the core long-term revenue engine. This approach enables the company to build recurring revenue streams while simultaneously embedding its Digital Operating Framework into the operational structure of client organizations.

To support long-term development, the strategy is structured using the Three Horizons framework. In the initial stage, the focus lies on building a diversified client portfolio and standardizing internal processes. In the medium term, technology-enabled scaling through AI-supported diagnostics and automated monitoring tools increases operational leverage. In the long term, the agency aims to develop a scalable digital governance infrastructure capable of serving hundreds of SMEs while maintaining consistent service quality and operational efficiency.

The financial analysis confirmed the economic feasibility of the proposed business model. The initial investment required for launching the agency is relatively modest, estimated at $30,000 and fully financed through founder equity. The hybrid revenue structure combining implementation projects and subscription-based governance services enables the company to generate stable cash flows while gradually increasing the share of recurring revenue. Financial projections demonstrate strong unit economics, with a projected gross margin exceeding 50% and significant profitability improvements as the business scales.

Break-even analysis further indicates that the company can reach operational sustainability at a moderate level of monthly revenue relative to its target operating capacity. As the client base expands, subscription services are expected to become the dominant source of profit due to their higher contribution margin and scalability. This confirms that the proposed model has strong potential for long-term financial stability and growth.

The implementation plan outlines a structured roadmap for launching the agency over a twelve-month period using an Agile-Hybrid project management methodology. The launch process includes sequential stages of strategic planning, partner ecosystem formation, operational setup, pilot

project validation, and preparation for commercial scaling. This phased approach enables continuous validation of the business model while reducing strategic and financial risks during the early stages of development.

Finally, the risk management framework demonstrates that although the project operates within a complex wartime environment, most identified risks can be effectively mitigated through proactive management strategies. These include diversification across industries, reliance on cloud-based infrastructure, hybrid staffing models, structured client training, and the integration of grant-supported digitalization initiatives into the agency's service offering. Together, these measures increase the resilience of the business model and support sustainable long-term development.

In conclusion, the findings of this study confirm the relevance and feasibility of establishing a Digital Automation Advisory Agency for Ukrainian SMEs. The proposed business model addresses a clearly identified structural gap between the availability of digital technologies and the ability of SMEs to implement them effectively. By combining vendor-neutral advisory services, structured implementation methodologies, and long-term digital governance support, the agency has the potential to improve operational efficiency, enhance managerial transparency, and strengthen the resilience of Ukrainian SMEs during the country's economic recovery and future development.

Reflection

The idea for my Capstone project emerged from my personal professional experience. Before the full-scale invasion, one of the business directions of FoxmindEd, in addition to the programming school, was providing IT outsourcing services, particularly the development of complex software solutions for businesses. Despite the fact that, thanks to the FoxmindEd educational ecosystem, we had access to a

large pool of qualified developers and were able to organize effective teams composed of junior specialists, the cost of such projects still remained high for most Ukrainian companies. In many cases, I had to decline potential clients, explaining that ready-made software solutions already existed on the market that could address their needs at a significantly lower cost than custom development. In some situations, I even personally consult companies in selecting and implementing such systems.

Through these interactions with entrepreneurs, I began to notice a recurring pattern. Many business owners lacked a clear understanding of the capabilities and limitations of existing digital tools. Different systems vary significantly in functionality, complexity, and quality, making them difficult to evaluate without prior experience. Moreover, I frequently observed situations in which, after the initial implementation of a system, companies once again had to search for consultants to introduce additional changes or provide ongoing support as their businesses evolved. These observations helped me recognize that the problem extended far beyond the initial choice of software. It was closely connected to the entire lifecycle of digital transformation, including system selection, implementation, adaptation, and long-term governance. This realization became the starting point for exploring the feasibility of creating a company capable of addressing these challenges in a systematic way for small and medium-sized enterprises.

Working on the Capstone project provided an opportunity to apply many of the frameworks and analytical tools studied during the MBA program in a practical context. The use of strategic and managerial frameworks helped not only to structure the research itself but also to examine the business idea from a broader systemic perspective. In particular, the application of PESTEL analysis and Porter’s Five Forces made it possible to evaluate both the external environment and the competitive structure of

the market. One important insight that emerged during the research was the recognition of how strongly the issue of digitalization has been elevated to a strategic priority within the European Union. Observing this policy-driven emphasis helped place the Ukrainian SME digitalization challenge into a broader international context.

The Business Model Canvas helped structure the logic of value creation and revenue generation for the proposed venture, while the Three Horizons Framework supported the development of a longer-term perspective on the company's potential evolution.

One of the most important lessons for me during the MBA program was the importance of grounding strategic ideas in quantitative analysis. Previously, many managerial decisions in my professional practice relied heavily on intuition and accumulated experience. However, the MBA encouraged a more evidence-based approach to decision-making. Financial tools, particularly break-even analysis, allowed me to evaluate the economic viability of the business model, while the application of the PMBOK risk management approach provided a structured method for identifying potential threats and designing mitigation strategies.

At the same time, the research has several limitations. The empirical component of the study is based on a relatively small survey sample, which limits the ability to generalize the findings across the entire SME market. In addition, the economic environment in Ukraine remains highly dynamic due to the ongoing war, meaning that some assumptions regarding market development may change over time.

During the work on the Capstone project, I also improved several managerial competencies, including strategic thinking, financial modeling, and market research. In addition, courses in project management, operations management, and risk management significantly influenced the way I

approached the design of the business concept, helping me evaluate the stages of business launch and potential operational challenges more systematically.

Further research could deepen the development of the company's operational model, particularly with regard to policies for attracting and retaining specialists, as well as additional investigation into the technical aspects of internal process automation — including the configuration of AI-assisted delivery workflows, knowledge base architecture, and tools for monitoring service quality across client accounts.

Another important area for future development is the formation of organizational culture and team development systems. In this context, I plan to apply approaches and tools studied during the Leadership and Organizational Behavior courses to design a system that supports professional development, motivation, and employee engagement. Such a system should foster a culture of learning, accountability, and collective achievement of results, which is a key factor for sustainable organizational development.

Overall, working on the Capstone project became not only an analytical exercise but also a process of reflecting on my own managerial experience. It helped me develop a more structured approach to strategic thinking, managerial decision-making, and the evaluation of new business opportunities in complex and uncertain environments.

Disclaimer of AI Usage

During the preparation of this Capstone Project, generative artificial intelligence tools were used to support several technical, linguistic, and research-related tasks. The primary tool utilized was ChatGPT (OpenAI), which served as a writing assistant, research support tool, and technical advisor during the preparation of the document.

First, AI was used to assist with source identification and background research. AI-powered queries helped locate relevant analytical reports and statistical data related to digital transformation, SME digitalization, and market trends in Europe and Ukraine.

The prompts used for this purpose included:

- “Find credible sources about digital transformation adoption among SMEs in Europe and Ukraine. Provide links to the sources.”
- “Provide recent reports or statistics about digitalization barriers for SMEs with links.”

Second, AI tools were used for language editing and stylistic improvement. The AI assisted in refining sentence structure, reducing repetition, improving clarity, and adapting text to a formal academic style suitable for an MBA thesis. It was also used to translate certain working notes and drafts from Ukrainian into English and to ensure consistent academic terminology across the document.

The prompts used for this purpose included:

- “Rewrite this paragraph in a more academic style. [My text fragment]”
- “Suggest synonyms for [the word] suitable for a business plan.”
- “Reduce repetition and improve the academic tone of the following paragraph. [My text fragment]”

- “Rewrite this text using formal English appropriate for academic writing. [My text fragment in Ukrainian]”
- “Based on the following Capstone template guidelines, help refine my abstract to meet the required structure and academic style. [Capstone template guidelines]”

Additionally, AI was used for technical formatting assistance during the preparation of the final document. This included guidance on how to correctly generate and update automatic elements in Microsoft Word, such as the List of Tables, List of Figures, and sorting sections of the document.

The prompts used for this purpose included:

- “How to automatically generate a List of Figures in Microsoft Word?”
- “How to sort a reference list alphabetically in Word?”
- “Recreate the diagram shown in the image. Translate all text in the image into English and ensure consistent terminology and style. [Picture of diagram from Google Forms survey results summary]”

Finally, AI tools were used to assist with reference formatting. Based on the provided list of sources, AI helped format bibliographic entries and in-text citations according to the required academic referencing style.

The prompts used for this purpose is: “Format the following sources according to APA referencing style. [My draft references including source links]”

It is important to note that while generative AI tools were used to support technical and editorial tasks, all analytical reasoning, interpretation of research findings, financial calculations, and strategic conclusions presented in this Capstone Project are the original work of the author.

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Appendices

Appendix A: Processed Survey Data Based on Google Forms Responses

Business Industry	Use of Automation Systems in the Company	Automation Systems Used	Need for System Integration	Most Problematic Business Processes	Decision-Making Process for Selecting Automation Tools
Sport	Yes, partially	ERP	Yes, this is important (we are looking for how to do it)	Reconciliation of internal documents (services) and payment requests	Independent search and analysis
Credit products	Yes, partially	CRM, BI / Analytical panels, Google data studio	Yes, it's important (and we already have everything integrated)	Finmon/Compliance	Based on recommendations from colleagues or partners
Trade	Yes, actively	CRM	Yes, this is important (we are looking for how to do it)	Pricing	Independent search and analysis
Retail	Yes, actively	CRM, ERP, Accounting system, BI / Analytical panels, AI tools, Excel / Google Sheets	Yes, this is important (we are looking for how to do it)	Warehouse	Independent search and analysis
Production, construction, trade	Yes, partially	CRM, ERP, Accounting system, BI / Analytical panels, AI tools, Task managers	Yes, this is important (we are looking for how to do it)	End-to-end analytics of all advertising channels, cost accounting at facilities	Independent search and analysis
Services	Yes, partially	CRM, ERP, Accounting system, AI tools, Excel / Google Sheets	Yes, it's important (and we already have everything integrated)	Difficult to answer	Based on recommendations from colleagues or partners
Consulting	Yes, partially	CRM, ERP, Accounting system, Task managers, Excel / Google Sheets	No, the systems work separately and we are fine with that.		Influenced by developer marketing
Marketing, advertising, consulting	Yes, actively	CRM, ERP, Accounting system, AI tools, Task managers, Excel / Google Sheets, Finmap, ClickUp	Yes, this is important (we are looking for how to do it)	Track employee work time	Independent search and analysis
Podological center	Yes, actively	CRM	Yes, it's important (and we already have everything integrated)	Unfortunately, I can't answer that right away. My disadvantage is that I don't know.	Based on recommendations from colleagues or partners
Education	Yes, partially	CRM	It would be desirable	initial communication with customers	Based on recommendations from colleagues or partners
Retail trade in climate control equipment	Yes, partially	CRM, ERP, Accounting system, BI / Analytical panels, Excel / Google Sheets	It would be desirable	CRM (sales and customer management)	Based on recommendations from colleagues or partners
Education	Yes, partially	CRM, No-code / Integration Services, AI Tools, Excel / Google Sheets	Yes, it's important (and we already have everything integrated)	Control between finance and customer care and integration of various marketing tools into the sales pay plan - for example, webinarstars in hubspot	Based on recommendations from colleagues or partners
EdTech	Yes, partially	CRM, Accounting system, No-code / Integration services, AI tools, Task managers, Excel / Google Sheets	Yes, it's important (and we already have everything integrated)	Difficult to answer	Based on recommendations from colleagues or partners
Construction	Yes, partially	CRM, ERP, Excel / Google Sheets	Yes, this is important (we are looking for how to do it)	Financial reporting, production, sales	Involvement of external specialists
Consulting	Yes, actively	CRM, ERP, BI / Analytics Dashboards, AI Tools, Excel / Google Sheets, TMS, WMS, BAS	Yes, it's important (and we already have everything integrated)	Customer experience management processes and inventory accounting	Involvement of external specialists

Market Research Complexity (1 = Not Difficult, 5 = Very Difficult)	Technical Audit Complexity (1 = Not Difficult, 5 = Very Difficult)	Budget Estimation Complexity (1 = Not Difficult, 5 = Very Difficult)	System Configuration Complexity (1 = Not Difficult, 5 = Very Difficult)	Team Training and Change Resistance Complexity (1 = Not Difficult, 5 = Very Difficult)	Key Challenges in System Selection
4	3	4	5	5	Integrators mainly work with a specific system, so when you contact the company, they will offer you the solution they implement, not the one that will suit you best.
2	2	4	3	4	Integration БАС/PBI
2	3	4	2	3	Functions
3	4	4	3	2	...
2	3	3	4	4	Find a comprehensive solution that covers most needs
3	4	4	3	4	Variety of options
5	4	5	5	3	each company is individual - often systems cover only part of the needs (I would say - always)
4	3	2	5	3	Support from the developer of the SRM itself
4	4	3	4	3	Price=functionality
3	4	3	5	5	it is difficult to evaluate the system without sufficient experience
1	1	1	2	2	We are still looking for options for microbusiness (when there is barely enough money for salaries)
3	3	2	4	3	The system is expensive and we need to find a way to make it inexpensive and yet functional.
2	5	3	4	1	Choose from many providers plus technical integration into our working system plus limited budget
2	3	5	5	5	The complexity of production processes, it is impossible to find the perfect system, and it is very expensive to refine it
1	2	1	2	4	Lack of qualified personnel

Responsibility for System Setup and Launch	Time to System Adoption	Factors Slowing System Implementation	Dedicated Person for System Maintenance
Company owner or manager personally	We are still in the setup process / the system has not taken root	Lack of time for management to control the process	Company owner/manager
CFO/IT	1–3 months	Problems with data migration (customer database, balances), Team resistance (employees ignore the new system)	Part of another employee's duties
External contractor (integrator)	less 1 month	Lack of time for management to control the process	Separate role (system administrator / IT specialist)
Company owner or manager personally	3–6 months	Technical complexity of settings (unintelligible interface), Team resistance (employees ignore the new system)	Company owner/manager
Company owner or manager personally	1–3 months	Lack of time from management to control the process, Team resistance (employees ignore the new system), The system did not cover our needs (it became clear during the setup process)	Company owner/manager
Full-time IT specialist / administrator	1–3 months	Problems with data transfer (customer database, balances), Lack of quick support from the developer	Separate role (system administrator / IT specialist)
Vendor (system developer) technical support	1–3 months	Lack of time, Technical complexity of settings, Problems with data transfer, Team resistance , Lack of quick support from the developer, The system did not cover our needs	No, the system works in "as configured" mode
Company owner or manager personally	3–6 months	Lack of time for management to control the process	Part of another employee's duties
Full-time IT specialist / administrator	less 1 month	It's not difficult, because they implemented it from day one.	Part of another employee's duties
Company owner or manager personally	less 1 month	Lack of time for management to control the process, Technical complexity of settings (incomprehensible interface), Problems with data transfer (customer database, balances)	Company owner/manager
Full-time IT specialist / administrator	Ми досі в процесі налаштування / система не прижилася	We parted ways with the main company that managed the system, and we ourselves do not have sufficient qualifications.	No, the system works in "as configured" mode
At different stages of integration, different employees - both full-time and outside	1–3 months	Technical complexity of the settings (unintelligible interface), Problems with data transfer (customer database, balances), The system did not cover our needs (it became clear during the settings process)	No, the system works in "as configured" mode
External contractor (integrator)	3–6 months	Lack of time for management to control the process, Technical complexity of settings (unintelligible interface)	Company owner/manager
Combined option	We are still in the setup process / the system has not taken root	Technical complexity of the settings (unintelligible interface), Team resistance (employees ignore the new system), The system did not cover our needs (it became clear during the settings process)	Part of another employee's duties
External contractor (integrator)	3–6 months	Technical complexity of the settings (unintelligible interface), Team resistance (employees ignore the new system), Lack of quick support from the developer, The system did not meet our needs (it became clear during the settings process)	External contractor (outsourcing)

Satisfaction with System Performance (1 = Very Dissatisfied, 5 = Very Satisfied)	Consequences of Ineffective Automation	Management Time Spent on System Issues	Lessons Learned from Automation Implementation
3	Waste of time on routine, Lack of analytics, Low team motivation	2–5 hours/week	I would hire a person to integrate the solution: interview employees, select the solution, and configure it.
3	Lack of analytics	0 hours — we are not dealing with the system	Started with the "internal customer"
3	Waste of time on routine, Loss of clients/deals	5–10 hours/week	New functional additions
3	Lack of analytics, Dependence on one person	2–5 hours/week	
3	Waste of time on routine, Data errors, Dependence on one person	Up to 2 hours/week	Formation of internal documentation at each stage of implementation with a description of the logic and detailed comments on the interaction between different systems
4	Waste of time on routine, Lack of analytics	2–5 hours/week	ok
	Lack of analytics, Low team motivation	More than 10 hours/week	would not rush into making a choice, would hire someone to help select the right system
4	Dependence on one person	Up to 2 hours/week	We would consult a CRM specialist.
3	Wasting time on routine	0 hours — we are not dealing with the system	I chose the necessary functionality more carefully. I know from experience that at the beginning you can't find everything you need.
4	Loss of customers/deals, Lack of analytics, Dependence on one person	Up to 2 hours/week	I would think about whether I need CRM.
	Waste of time on routine, Data errors, Loss of customers/deals, Lack of analytics	0 hours — we are not dealing with the system	If the budget allowed, I would hire a specialist
	Waste of time on routine, Data errors, Lack of analytics, Low team motivation	5–10 hours/week	I looked into a ready-made solution for managing clients and their balances instead of developing it myself. Because when a knowledgeable person leaves the company, the system becomes practically unsupportable.
3	Waste of time on routine, Lack of analytics, Dependence on one person	2–5 hours/week	It's hard to say.
2	Waste of time on routine, Data errors, Lack of analytics, Dependence on one person	It's hard to say.	Before automation, you need to build a business process architecture
4	Waste of time on routine, Lack of analytics, Low team motivation	5–10 hours/week	First, I would have picked a normal implementation team.

Value of Delegating Automation Management (1 = Not Valuable, 10 = Very Valuable)	Tasks Delegated to an Automation Partner
8	Audit of current processes and search for "weak spots", Selection of new tools and their testing, Training of new employees
1	Audit of current processes and search for "weak spots", Selection of new tools and their testing
5	Audit of current processes and search for "weak spots"
4	Regular system tuning and improvement
3	Audit of current processes and search for "weak spots", Selection of new tools and their testing
3	Audit of current processes and search for "weak spots", Selection of new tools and their testing
10	Selection of new tools and their testing, Regular system tuning and improvement, Training of new employees, Building automatic reports and analytics
5	Regular system tuning and improvement, Automatic reporting and analytics
3	Data quality control (so that managers do not make mistakes), Training new employees, Building automatic reports and analytics
5	Audit of current processes and search for "weak spots", Regular system tuning and improvement, Training of new employees
5	Regular system tuning and improvement, automatic reporting and analytics, we are not financially ready for this at the moment
7	Audit of current processes and search for "weak spots", Regular tuning and improvement of the system, Data quality control (so that managers do not make mistakes), Building automatic reports and analytics, Here again the risk is that the builder will build it and only he will know how it works
5	Selection of new tools and their testing, Regular system tuning and improvement, Building automatic reports and analytics
7	Audit of current processes and search for "weak spots", Selection of new tools and their testing, Regular tuning and improvement of the system, Data quality control (so that managers do not make mistakes), Training of new employees, Building automatic reports and analytics
7	Regular system tuning and improvement, Training new employees, Building automatic reports and analytics

Appendix B: Number of Active Business Entities by Selected NACE Sectors in Ukraine (2023)

	Code NACE	Region	total, units	including individual entrepreneurs, units
repair and installation of machinery and equipment	33	*Ukraine*	11740	7865
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	*Ukraine*	714544	634967
information service activities	63	*Ukraine*	58479	55922
Professional, scientific and technical activities	M	*Ukraine*	160419	137471
Administrative and support service activities	N	*Ukraine*	52651	37482
Arts, entertainment and recreation	R	*Ukraine*	16116	14395
Other service activities	S	*Ukraine*	105719	103670
Total			1119668	991772

Note. Table created based on data from the State Statistics Service of Ukraine (2024)

Appendix C: Digital Maturity Segmentation of Ukrainian SMEs

Segment	Early-stage	Failed implementers	Underperfor-ming digital	Expanding digitizers	Internal IT-driven
Priority	Low priority	Primary target	Secondary	Secondary	Not prioritized
Digital Status	No systems implemented	Attempted automation but unsuccessful	Systems implemented but underutilized	Partial integration, growing complexity	Have own IT team
Typical Charac-teristics	Zero automation experience Underestimate complexity Seek quick vendor tools, not systemic solutions.	No active systems in place Negative past experience (failed custom builds or abandoned software)	Active but inefficient users Current tools fail to meet their business needs	Partial automation in place Need to automate new processes and integrate disparate systems	Have internal IT driving improvements Require external expertise and resources to cover specific gaps
Key Pain Points	Chaos in manual processes Decision paralysis (don't know where to start)	Wasted budget/time on past IT failures Strong team resistance to new software Fear of repeating the same mistakes	Low ROI on current expensive software System limitations blocking business growth Employees resistance (Excel instead of the system)	Data silos ("software zoo" with disconnected tools) Manual data transfer between systems Lack of end-to-end reporting	Overloaded internal IT team Lack of niche technical expertise for some tasks
Strategic Attractiv eness	High education cost, low readiness	High implementation revenue potential, strong problem awareness, opportunity to establish architectural control and long-term growth partnership, leading to high lifetime value.	High recurring revenue potential, moderate implementation complexity	High premium potential	Limited dependency, project-based revenue more likely than recurring subscription, limited scalability for governance model

Appendix D: Ideal Customer Profile

Category	Description
Segment Name	SMEs with Prior Unsuccessful Automation Attempts (Failed Implementers)
Industry Scope	Service-based SMEs (education centers, beauty & wellness providers, automotive repair, computer service companies)
Company Size	10–100 employees
Growth Stage	Operational stabilization or early scaling phase
Digital History	Prior failed digital implementation, abandoned custom builds, fragmented tool adoption
Current Digital State	No integrated architecture, manual data reconciliation, disconnected systems
Governance Level	No structured IT governance, reactive decision-making, no system roadmap
Primary Decision Maker	Founder, CEO
Influencers	Managers of department
Trigger Events	Expiration of current bad software contract, losing a key employee who "managed the Excel", failed attempt to open a new scale.
Core Financial Pain	Wasted budget on failed IT initiatives, ongoing subscription costs without ROI
Operational Pain	Data silos, manual workflows, inconsistent reporting, process inefficiencies
Managerial Pain	Founder overload, lack of visibility, weak accountability
Organizational Barriers	Employee resistance, distrust toward new systems, previous unsuccessful experience
Strategic Need	A system that works reliably Full utilization of relevant features without unnecessary complexity Simple and intuitive interface for employees Financially justified solution with clear ROI Faster processes and reduced manual work Accurate data and transparent reporting Automation of routine operational tasks
Buying Readiness	High problem awareness, willingness to invest in structured approach, preference for accountable partner

Appendix E: Business Model Canvas

KEY PARTNERS

- **Technology vendors**
- **Cloud infrastructure providers**
- **Specialized technical contractors** (for specialized technical tasks not performed in-house)

KEY ACTIVITIES

- **Digital architecture audits**
- **System implementation and configuration**
- **Digital governance management**
- **Change management and training**
- **Methodology development and standardization**
- **Internal R&D and scalability tools**

KEY RESOURCES

- **Intellectual resources:** standardized SME digital operating methodologies.
- **Human resources:** business analysts, system implementation specialists, digital governance managers responsible for ongoing system configuration and employee support, and change management experts.
- **Technological resources:** internal tools used to automate audits and provide performance dashboards for clients (with AI-enabled tools planned in Horizon 2).

VALUE PROPOSITIONS

- **Transformational Leadership:** The Founder is fully liberated from IT micromanagement; sustainable digital governance ensures long-term operational efficiency and scalable growth.
- **Operational Transparency:** Establishment of scalable, transparent, and automated operational processes (eliminating manual chaos).
- **Architectural Clarity:** Creation of a structured digital architecture strictly aligned with the company's business objectives.

CUSTOMER RELATIONSHIP

- **Long-term strategic partnership** (embedded function within the client business)
- **Co-responsibility** (to built on trust and shared responsibility for business outcomes)
- **Client retention** (regular strategic sessions to evaluate system performance, demonstrate value, and identify opportunities for optimization)

CHANNELS

- **Account-Based Marketing.** Targeted engagement with selected SME companies through personalized communication and relationship-building.
- **Partner referrals.** Client acquisition through recommendations from business consultants, financial advisors, and other professional partners.
- **Educational content marketing.** YouTube content, guides, webinars, and case studies aimed at increasing SME awareness of digital governance and automation opportunities.
- **Industry events.** Participation in industry conferences, professional communities, and business networking events.

CUSTOMER SEGMENTS

- Ukrainian service-based SMEs
- Businesses operating without an internal IT department, technical operations manager, or structured digital governance function
- Companies using multiple digital tools (CRM, accounting, task management, marketing automation, etc.) without integrated architecture
- Organizations seeking structured operational control rather than pure technical support
- Businesses both with and without prior IT experience

COST STRUCTURE

Variable costs: payments to specialized technical contractors engaged for custom integrations or development tasks.

Fixed costs: payroll expenses for the expert team, marketing and sales expenses.

Investment costs: R&D investments,educational marketing initiatives aimed at increasing SME awareness of digital transformation opportunities

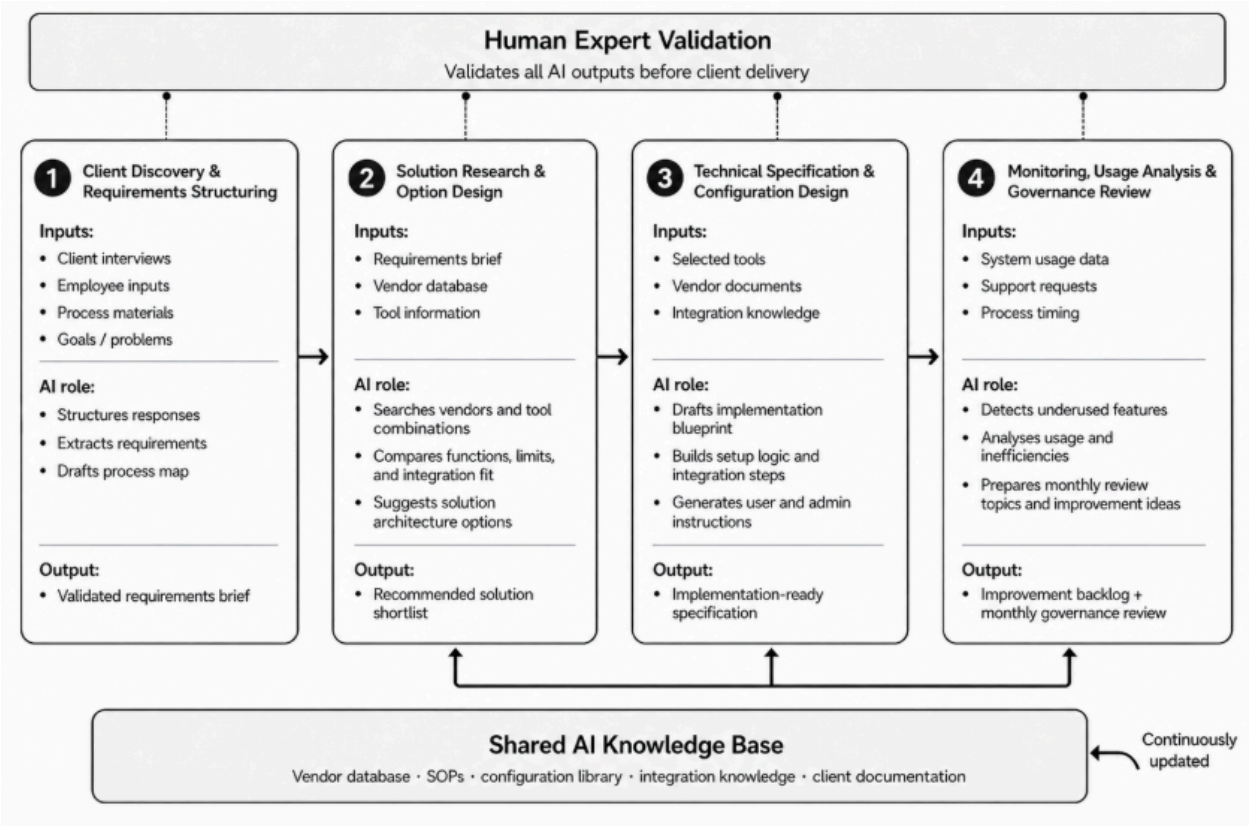
REVENUE STREAM

Project-based revenue (Entry point): One-time payments for Digital Architecture Audits and Structured Implementation projects.

Recurring revenue (Core Engine): Tiered Governance Subscription — a recurring fee for ongoing digital governance, through which the agency functions as an external IT department responsible for user support, system configuration, and continuous adaptation of digital tools to changing business processes.

Complementary revenue streams. Additional income generated through vendor referral programs, partner commissions, and the sale of custom-developed plugins or extensions created during client implementations when suitable market solutions are unavailable.

Appendix F: AI-Assisted Delivery Model



Appendix G: Forecast Profit and Loss Statement

Indicator (P&L Line)	1 month	2 month	3 month	4 month	5 month	6 month
Project Revenue (Audit)	4500	4500	4500	6000	6000	7500
Project Revenue (Implementation)		$2,000	$4,000	$4,000	$4,000	$6,000
Subscription Revenue (Support)				$665	$1,330	$1,995
Total Revenue	**4500**	**6500**	**8500**	**10665**	**11330**	**15495**
Project Manager Salary			$1,830	$1,830	$1,830	$1,830
Business Analyst Salary						$2,440
Systems Admin (Projects) Salary	$1,220	$1,220	$1,220	$1,220	$1,220	$1,220
Systems Admin (Subscription) Salary						$1,220
Support Manager Salary				$854	$854	$854
COGS – Delivery Team	***1220***	***$1,220***	***$3,050***	***$3,904***	***$3,904***	***$7,564***
Sales Commission (5% of Revenue)		225	225	300	300	375
Budget for Contractors (tecnical and HR)		$400	$800	$800	$800	$1,200
COGS (Cost of Services)	**1220**	**$1,845**	**$4,075**	**$5,004**	**$5,004**	**$9,139**
Gross Profit	**3280**	**$4,655**	**$4,425**	**$5,661**	**$6,326**	**$6,356**
Gross Margin (%)	*72.89%*	*71.62%*	*52.06%*	*53.08%*	*55.83%*	*41.02%*
Financial Manager Salary						
Sales Manager Salary		$1,220	$1,220	$1,220	$1,220	$1,220
HR Salary						
Accountant (Outsourced)	400	400	400	400	400	400
Marketing Agency	1000	1000	1000	1000	1000	1000
Advertising Budget (Google/Meta)	450	650	850	1066.5	1133	1549.5
SaaS Subscriptions	45	45	45	615	615	615
Admin Expenses	150	$150	$250	$250	$250	$500
Total Operating Expenses	**2045**	**$3,465**	**$3,765**	**$4,552**	**$4,618**	**$5,285**
EBITDA	**1235**	**$1,190**	**$660**	**$1,110**	**$1,708**	**$1,072**
Amortization (Website, intangible asset)	$138.89	$138.89	$138.89	$138.89	$138.89	$138.89
EBIT	**$1,096.11**	**$1,051**	**$521**	**$971**	**$1,569**	**$933**
Corporate Tax	270	390	510	639.9	679.8	929.7
8. NET INCOME	**$826.11**	**$661**	**$11**	**$331**	**$889**	**$3**
ROS (Return on Sales %)	18.36%	10.17%	0.13%	3.10%	7.85%	0.02%

Indicator (P&L Line)	7 month	8 month	9 month	10 month	11 month	12 month
Project Revenue (Audit)	9000	10500	10500	10500	10500	10500
Project Revenue (Implementation)	$6,000	$8,000	$8,000	$8,000	$8,000	$8,000
Subscription Revenue (Support)	$3,325	$4,655	$5,985	$7,315	$8,645	$9,975
Total Revenue	**18325**	**23155**	**24485**	**25815**	**27145**	**28475**
Project Manager Salary	$1,830	$1,830	$1,830	$1,830	$1,830	$1,830
Business Analyst Salary	$2,440	$2,440	$2,440	$2,440	$2,440	$2,440
Systems Admin (Projects) Salary	$1,220	$1,220	$1,220	$1,220	$1,220	$1,220
Systems Admin (Subscription) Salary	$1,220	$1,220	$1,220	$2,440	$2,440	$3,660
Support Manager Salary	$854	$1,708	$1,708	$1,708	$2,562	$2,562
COGS – Delivery Team	***$7,564***	***$8,418***	***$8,418***	***$9,638***	***$10,492***	***$11,712***
Sales Commission (5% of Revenue)	450	525	525	525	525	525
Budget for Contractors (tecnical and HR)	$1,200	$1,600	$1,600	$1,600	$1,600	$1,600
COGS (Cost of Services)	**$9,214**	**$10,543**	**$10,543**	**$11,763**	**$12,617**	**$13,837**
Gross Profit	**$9,111**	**$12,612**	**$13,942**	**$14,052**	**$14,528**	**$14,638**
Gross Margin (%)	*49.72%*	*54.47%*	*56.94%*	*54.43%*	*53.52%*	*51.41%*
Financial Manager Salary	$1,220	$1,220	$1,220	$1,220	$1,220	$1,220
Sales Manager Salary	$1,220	$1,220	$1,220	$1,220	$1,220	$1,220
HR Salary						
Accountant (Outsourced)	400	400	400	400	400	400
Marketing Agency	1000	1000	1000	1000	1000	1000
Advertising Budget (Google/Meta)	1832.5	2315.5	2448.5	2581.5	2714.5	2847.5
SaaS Subscriptions	615	615	615	615	615	615
Admin Expenses	$500	$500	$500	$500	$500	$500
Total Operating Expenses	**$6,788**	**$7,271**	**$7,404**	**$7,537**	**$7,670**	**$7,803**
EBITDA	**$2,324**	**$5,342**	**$6,539**	**$6,516**	**$6,859**	**$6,836**
Amortization (Website, intangible asset)	$138.89	$138.89	$138.89	$138.89	$138.89	$138.89
EBIT	**$2,185**	**$5,203**	**$6,400**	**$6,377**	**$6,720**	**$6,697**
Corporate Tax	1099.5	1389.3	1469.1	1548.9	1628.7	1708.5
8. NET INCOME	**$1,085**	**$3,813**	**$4,931**	**$4,828**	**$5,091**	**$4,988**
ROS (Return on Sales %)	5.92%	16.47%	20.14%	18.70%	18.75%	17.52%

Indicator (P&L Line)	Year 1 (Launch)	Year 2 (Growth)	Year 3 (Target)
Project Revenue (Audit)	$94,500	$180,000	$180,000
Project Revenue (Implementation)	$66,000	$168,000	$168,000
Subscription Revenue (Support)	$43,890	$239,400	$478,800
Total Revenue	**$204,390**	**$587,400**	**$701,400**
Project Manager Salary	$18,300	$43,920	$43,920
Business Analyst Salary	$17,080	$58,560	$29,280
Systems Admin (Projects) Salary	$14,640	$43,920	$43,920
Systems Admin (Subscription) Salary	$13,420	$43,920	$87,840
Support Manager Salary	$13,664	$61,488	$92,232
COGS – Delivery Team	***$77,104***	***$251,808***	***$297,192***
Sales Commission (5% of Revenue)	4500	$9,000	$9,000
Budget for Contractors (tecnical and HR)	$13,200	$25,200	$16,800
COGS (Cost of Services)	**$94,804**	**$286,008**	**$322,992**
Gross Profit	**$109,586**	**$301,392**	**$378,408**
Gross Margin (%)	*53.62%*	*51.31%*	*53.95%*
Financial Manager Salary	$7,320	$14,640	$14,640
Sales Manager Salary	$13,420	$29,280	$43,920
HR Salary		$14,640	$29,280
Accountant (Outsourced)	$4,800	$4,800	$4,800
Marketing Agency	$12,000	$12,000	$12,000
Advertising Budget (Google/Meta)	$20,439	$58,740	$70,140
SaaS Subscriptions	$5,670	$7,380	$7,380
Admin Expenses	$4,550	$6,000	$6,000
Total Operating Expenses	**$68,199**	**$147,480**	**$188,160**
EBITDA	**$41,387**	**$153,912**	**$190,248**
Amortization (Website, intangible asset)	$1,667	$1,666.67	$1,666.67
EBIT	**$39,720**	**$152,245**	**$188,581**
Corporate Tax	$12,263	$27,704	$34,245
8. NET INCOME	**$27,457**	**$124,541**	**$154,337**
ROS (Return on Sales %)	13.43%	35.30%	43.50%

Appendix H: Forecast Cash Flow Statement

Indicator	Year 0 (Launch)	Year 1	Year 2	Year 3
I. Operating Activities (CFFO)				
Net Income	–	$27,457	$124,541	$154,337
(+) Depreciation/Amortization	–	$1,667	$1,667	$1,667
Changes in Working Capital:				
(–) Increase in Accounts Receivable	–	-$8,000	-$14,000	-$14,000
(+) Increase in Accounts Payable	–	$11,000	$20,000	$20,000
Net Cash Flow from Operating Activities	**–**	**$32,124**	**$132,208**	**$162,004**
II. Investing Activities (CFFI)				
(–) Website & Intangible Assets (CAPEX)	-$5,000	$0	-$10,000	-$50,000
Net Cash Flow from Investing Activities	**-$5,000**	**$0**	**-$10,000**	**-$50,000**
III. Financing Activities (CFFF)				
(+) Equity Contribution (Founders)	$30,000	$0	$0	$0
(–) Dividends Paid to Founders	–	-$12,000	-$50,000	-$50,000
Net Cash Flow from Financing Activities	**$30,000**	**-$12,000**	**-$50,000**	**-$50,000**
Net Change in Cash	**$25,000**	**$20,124**	**$72,208**	**$62,004**
Opening Cash Balance	$0	$25,000	$45,124	$117,332
Closing Cash Balance	**$25,000**	**$45,124**	**$117,332**	**$179,336**

Appendix I: Product Break-Even Analysis for the Agency for One Month Year 2

№ п/п	Indicator	Audit			Implementation			Support (reactive)		
		per unit	Total (for Sales Volume)	Cost Structure	per unit	Total (for Sales Volume)	Cost Structure	per unit	Total (for Sales Volume)	Cost Structure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(11)	(12)
1	Sales Volume, units		4			5			3	
2	Sales Revenue, USD	1500,000	6000	100,00%	2000,000	10000	100,00%	350,000	1050	100,00%
3	Variable Costs	75,000	300	5,00%	300,000	1500	15,00%	0,000	0	0,00%
4	Contribution Margin (Level 0)	**1425,000**	**5700**	**95,00%**	**1700,000**	**8500**	**85,00%**	**350,000**	**1050**	**100,00%**
5	Traceable Fixed Costs (Payroll)	1220,000	4880	81,33%	1464,000	7320	73,20%	284,667	854	81,33%
6	Contribution Margin (Level 1)	**205,000**	**820**	**13,67%**	**236,000**	**1180**	**11,80%**	**65,333**	**196**	**18,67%**
7	Contribution Margin Structure		**6,63%**			**9,54%**			**1,58%**	
8	Common Fixed Costs									
9	Net Profit (Contribution Margin, Level 2)									
10	Break-even Point by Product (Units) and Total Company Break-even (USD)		**3,42**			**4,31**			**2,44**	
11	Margin of Safety		**0,58**			**0,69**			**0,56**	
12	Operating Leverage (Internal and External)		**6,951**			**7,203**			**5,357**	

Support (active)			Support (proactive)			Total Company	
per unit	Total (for Sales Volume)	Cost Structure	per unit	Total (for Sales Volume)	Cost Structure	Total	Cost Structure in Revenue
(9)	*(11)*	*(12)*	*(9)*	*(11)*	*(12)*	*(13)*	*(14)*
	15			**9**			
550,000	8250	100,00%	1000,000	9000	100,00%	34300	100,00%
0,000	0	0,00%	0,000	0	0,00%	1800	5,25%
550,000	**8250**	**100,00%**	**1000,000**	**9000**	**100,00%**	**32500**	**94,75%**
195,200	2928	35,49%	460,889	4148	46,09%	20130	58,69%
354,800	**5322**	**64,51%**	**539,111**	**4852**	**53,91%**	**12370**	**36,06%**
43,02%			**39,22%**			**100,00%**	
						12290	35,83%
						80	**0,23%**
5,32			**4,15**			**34078,17**	
9,68			**4,85**			**221,83**	
1,550			**1,855**			**154,625**	

Appendix J: Staffing Plan by Role

Role	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M	Year 2	Year 3
Project Manager	-	-	1	1	1	1	1	1	1	1	1	1	2	2
Business Analyst	-	-	-	-	-	1	1	1	1	1	1	1	2	1
Systems Admin (Projects)	1	1	1	1	1	1	1	1	1	1	1	1	3	3
Systems Admin (Subscription)	-	-	-	-	-	1	1	1	1	2	2	3	3	6
Support Manager	-	-	-	1	1	1	1	2	2	2	3	3	6	9
Financial Manager	-	-	-	-	-	-	1	1	1	1	1	1	1	1
Sales Manager	-	1	1	1	1	1	1	1	1	1	1	1	2	3
HR	-	-	-	-	-	-	-	-	-	-	-	-	1	2

Appendix K: Risk Register

Step 1: Risk Identification				
#	Category	Opportunity / Threat	Risk Event	Causes
1	External infrastructure	Threat	Risk of operational delays due to blackouts and unstable connectivity.	1. Attacks on energy infrastructure 2. Network overload at providers
2	Market	Threat	Market shrinkage due to client business closures	1. General economic instability 2. Rising client costs for energy resilience 3. Declining client revenues 4. Reduction in development and innovation budgets
3	Market	Threat	Low solvency of SME clients	1. Client working capital shortage 2. Reluctance to commit large upfront investments
4	External / Client	Threat	Implementation sabotage due to low digital literacy among SMEclients	1. Resistance to change from client staff 2. Lack of technology understanding among client leadership 3. Complexity of selected solution interfaces
5	Internal / HR	Threat	Talent shortage and loss of key experts	1. Mobilization of employees. 2. Migration of specialists abroad. 3. High salary expectations in the IT market.
6	Internal / Financial	Threat	Cash flow gaps	1. Delayed payments from customers 2. Insufficient start-up capital of the company
7	Internal / Operational	Threat	Failure of the first projects and loss of reputation	1. Incorrect assessment of deadlines and client requirements. 2. Poor testing before submission.
8	Market	Threat	Aggressive competition from established market players	1. Competitors offering low-cost boxed solutions 2. Large marketing budgets of market leaders
9	External / Client	Opportunity	Engaging external financing to subsidize SME implementation costs	1. Availability of active national and international business support programs 2. Donor focus on building resilience and digital capacity among traditional SMEs 3. Growing venture capital interest in improving operational efficiency of SME portfolios

Step 2: Risk Assessment					Step 3: Risk response planning
Probability (1 - 5)	Consequence (1-5)	Severity (Priority)	Response Strategy	Risk Owner	Action Plan
5	3	15	Mitigation	CEO	1. Using cloud-based solutions 2. Coworking place backup power and connectivity (ecoflow, starlink) 3. Transition to asynchronous work format
4	5	20	Avoidance / Mitigation	CEO	1. Phased implementation of systems that deliver immediate efficiency gains 2. Subscription-based service model that is more affordable than hiring in-house staff 3. Assistance with grant applications (e.g. ISAID, Diia) to finance digital transformation
3	3	9	Mitigation	Sales Manager	Shift in value proposition: from "growth and scale" to "cost optimization and survival"
3	3	9	Mitigation	Project Manager	1. Mandatory training for client teams (included in price) 2. Creation of custom video tutorials 3. Dedicated support hotline
3	4	12	Mitigation	HR	1. Building a hybrid team (in-house core + freelance project experts) 2. Standardizing processes to reduce dependence on key individuals 3. Forming backup staffing pool 4. Partnering with specialized schools for junior talent recruitment
2	5	10	Avoidance	Financier	1. Establishing a reserve fund covering at least 4 months of operations 2. Enforcing strict payment terms (prepayment & milestone-based billing) 3. Implementing regular cash flow monitoring and forecasting
2	4	8	Avoidance	Project Manager	1. Hyper-focus of leadership on the first 3–5 clients 2. Hight quality control at every project milestone
3	2	6	Acceptance	CEO	1. Aware refusal to participate in price wars. 2. Launching a quality-focused marketing campaign.
4	4	16	Exploit	CEO	1. Grant consulting as a pre-sales service 2. Marketing campaigns centered on donor-funded digitalization 3. Strategic networking with grant funds and accelerators

Appendix L: Ongoing Support Packages: Internal Service Specifications

Internal operational document. Defines the scope, boundaries, and delivery standards for each subscription tier.

Governing Principles

All subscription packages are delivered within the existing system architecture established during the implementation phase. The scope of each package is defined by the nature of the request — not by

time spent. The specific systems, tools, and request types covered are defined individually for each client in the service agreement (SLA) and detailed according to the client's operational environment.

Internal time limits are an operational tool of the agency and are not disclosed to clients. The standard operational volume of requests is communicated to the client upon signing the agreement and serves as a guideline rather than a hard ceiling — systematic exceeding of this volume is treated as a signal to transition to a higher tier rather than grounds for refusing a request.

The agency reserves the right to inform a client that a specific request falls outside their current package and recommend an upgrade. Requests requiring new system integrations, new tools, or custom code development are billed as separate project engagements regardless of subscription tier.

Proactive recommendations at all tiers are scoped to the digital operational layer only. Recommendations related to marketing strategy, pricing, HR policy, or business development are outside the agency's scope at any tier.

Reactive Governance — $350/month

For clients with stable implemented systems that require periodic maintenance and minor adjustments.

Response time: within 48 business hours.

Internal time limit: up to 5 hours per month per client.

Standard operational volume: up to 10 requests per month. Requests that exceed this volume or require deeper involvement are treated as a signal to transition to a higher service tier.

Scope of services:

- Diagnostics of technical failures and system errors — identifying the root cause, distinguishing between vendor-side failures and configuration errors, and communicating with the vendor on behalf of the client in the event of a confirmed vendor-side issue;
- Minor configuration changes affecting a single system element without impacting other modules or processes — for example updating working hours, adjusting service durations, or modifying notification settings;
- Adding new users, access roles, or operational units within the existing system architecture;
- Data entry and operational updates based on structured inputs provided by the client — for example blocking time in a staff schedule, adding new services to the price list, or updating contact information;
- Template adjustments within templates already configured in the system.

How the client initiates: all requests are submitted through the agency's ticketing system. The agency does not initiate contact or monitor system performance under this package.

Boundary conditions: requests requiring changes that simultaneously affect multiple system modules, configuration of new automations, new employee onboarding support, or strategic recommendations fall outside this package and are served under the Active or Proactive tiers. If a submitted request falls outside the package scope the agency informs the client and proposes the appropriate tier or a separate project engagement.

Active Governance— $550/month

For clients whose systems continue to evolve alongside their business processes and who require consistent operational support.

Response time: within 24 business hours. Direct access to agency specialists via a dedicated communication channel.

Internal time limit: up to 10 hours per month per client.

Standard operational volume: up to 15 requests per month. Systematic exceeding of this volume is treated as a signal to transition to the Proactive tier.

Scope of services:

- All services included in the “Reactive” package;
- Configuration changes affecting a single module within the existing system — for example adjusting automation logic, modifying workflow rules, or reconfiguring notification sequences;
- Onboarding support for new employees joining the client's team — introducing them to the system, explaining role-specific workflows, and ensuring they can operate independently;
- Execution of structured operational tasks on behalf of the client — including data entry based on provided source documents such as invoices, staff schedules, or client lists — performed strictly according to pre-agreed criteria and input formats provided by the client in a structured form. Unstructured or incomplete data is returned to the client for correction before processing. The agency does not interpret ambiguous instructions;
- Monthly governance review — a structured session to assess system performance, review open requests, and align operational priorities for the following month.

How the client initiates: requests are submitted directly via the dedicated communication channel. The agency responds proactively within the monthly governance review but does not monitor system performance between sessions.

Boundary conditions: changes that simultaneously affect multiple system modules and require cross-module testing fall outside this package and are served under the Proactive tier. Connecting new payment providers, third-party services, or external platforms requires a separate project engagement regardless of subscription tier.

Proactive Governance — $1,000/month

For clients who want their digital infrastructure to develop alongside their business — where the owner's role is limited to making decisions rather than managing the system.

Response time: within 4 business hours. Priority communication channel with a dedicated specialist.

Internal time limit: up to 20 hours per month per client.

Standard operational volume: up to 30 client-initiated requests per month. Proactive initiatives from the agency are not counted toward this limit.

Scope of services:

- All services included in the “Active” package;
- Configuration changes that simultaneously span multiple system modules — including cross-module automation adjustments, reconfiguration of interconnected workflows, and changes requiring validation of system integrity across all modules after implementation.

The agency assumes full responsibility for testing and verifying that cross-module changes do not disrupt existing processes;

- Proactive calendar and operational management — the agency initiates contact ahead of recurring operational events without waiting for a client request. This includes reminders to submit staff schedules for the upcoming month, prompts to update holiday working hours, and proposals to activate seasonal configurations such as pre-holiday client communications or loyalty program campaigns. For each initiative the agency prepares and configures the technical implementation within the existing system — the client retains full decision-making authority over business and content choices;
- Continuous system performance monitoring — the agency tracks usage patterns, identifies underutilized features, and flags anomalies without waiting for a client report;
- Monthly strategic session with the business owner or key decision-maker — structured around agency-prepared performance data and a minimum of two proactive improvement initiatives per month. No more than two active initiatives are in progress simultaneously to ensure implementation quality and avoid system instability.

How the client initiates: the client may submit requests at any time via the priority channel. In addition, the agency proactively initiates contact when operational opportunities or issues are identified. The client does not need to monitor system performance — the agency does this on their behalf.

Boundary conditions: the agency's proactive recommendations are confined to the digital operational layer. Business decisions — including pricing, staffing, marketing content, and service strategy — remain the client's responsibility and are not initiated by the agency. New system

integrations, implementation of new tools, and development of custom plugins or code are billed as separate project engagements.

Out-of-Scope Services for All Tiers

The following services fall outside the scope of all subscription packages and are delivered as separate project-based engagements billed independently of the subscription fee:

- Integration of new external systems or platforms not connected during the original implementation;
- Implementation of new digital tools not included in the original system architecture;
- Development of custom plugins, non-standard automations, or functionality requiring code development;
- Staff retraining following a significant system redesign or platform change.

Internal Time Monitoring

Time limits are an internal operational tool of the agency and are not disclosed to clients. If the actual time spent on a single client systematically exceeds the internal limit for two or more consecutive months the agency conducts an internal review across two directions:

- Process optimization through standardization, automation, or redistribution of tasks across specialist levels.
- Review of package boundaries if systematic client-side abuse is identified — requiring adjustment of the service description or initiation of a tier upgrade conversation with the client.

Time limits are not hard ceilings — they are signals for internal review rather than grounds for refusing a client request.