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ESCUELA DE POSGRADO



Consulting Report - Municipality of Surco

**TESIS PARA OBTENER EL GRADO DE MAESTRA EN ADMINISTRACIÓN DE
NEGOCIOS OTORGADO POR LA PONTIFICIA UNIVERSIDAD CATÓLICA DEL
PERÚ**

PRESENTADA POR

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- David Pichler

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- Diego Esteban Tejada Santander

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- Daneka Thomas

DEDICATIONS

I dedicate this work to my family. My personal dedication is to always do my best. If I put in more effort in this project, maybe the entrepreneurs of Surco will benefit from it accordingly.

The topic is a passion of mine and therefore I will further investigate it throughout my professional career by being in contact with startup hubs and entrepreneurial ecosystems.

- David Pichler

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- Daneka Thomas

EXECUTIVE SUMMARY

This report investigates the significant challenges entrepreneurs in Surco, Lima, face particularly the limited access to capital. The analysis emphasizes that the lack of access to formal financing is the main challenge for small and micro-businesses, which make up 90% of businesses in Surco. Additionally, over 70% of these businesses operate informally, which limits their ability to get bank loans or other financial support. Key findings suggest that improving financial literacy, encouraging businesses to formalize, and creating better connections between entrepreneurs and investors are essential steps to building a stronger, more inclusive entrepreneurial ecosystem.

The proposed solution focuses on creating a digital platform that connects local entrepreneurs with both local and international investors. This platform offers educational resources and provides certifications to build trust. The platform was built using agile methodologies and it was designed based on user feedback. Its features include a Spanish-language interface, secure communication, and access to business resources, which directly addresses the specific challenges faced by entrepreneurs in the region.

This business model not only enhances the local economy but also aligns with global Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure). The research concludes that the platform's innovative and disruptive approach can transform Surco's entrepreneurial landscape by offering a sustainable, scalable, and socially responsible solution to the capital access problem.

ABSTRACT

Este estudio investiga los desafíos significativos que enfrentan los emprendedores en Surco, Lima, particularmente el acceso limitado al capital. El análisis destaca que la falta de acceso al financiamiento formal es el principal desafío para las pequeñas y microempresas, que representan el 90% de los negocios en Surco. Adicionalmente, más del 70% de estas empresas operan de manera informal, lo cual limita su capacidad para obtener préstamos bancarios u otro tipo de apoyo financiero. Los hallazgos clave sugieren que mejorar la educación financiera, fomentar la formalización de los negocios y crear mejores conexiones entre emprendedores e inversionistas son pasos esenciales para construir un ecosistema empresarial más fuerte e inclusivo.

La solución propuesta se centra en la creación de una plataforma digital que conecta emprendedores locales con inversionistas tanto a los locales como a los internacionales. Esta plataforma ofrece recursos educativos y proporciona certificaciones para generar confianza. Fue construida utilizando metodologías ágiles y diseñada en base a la retroalimentación de los usuarios. Entre sus características se incluyen una interfaz en español, comunicación segura y acceso a recursos empresariales, lo que aborda directamente los desafíos específicos que enfrentan los emprendedores en la región.

Este modelo de negocio no solo mejora la economía local, sino que también se alinea con los Objetivos de Desarrollo Sostenible (ODS) globales, particularmente el ODS 8 (Trabajo Decente y Crecimiento Económico) y el ODS 9 (Industria, Innovación e Infraestructura). La investigación concluye que el enfoque innovador y disruptivo de la plataforma puede transformar el panorama empresarial de Surco, ofreciendo una solución sostenible, escalable y socialmente responsable al problema del acceso al capital.

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Chapter I: Defining The Problem

The social problem in Surco, Lima, is the significant challenge local entrepreneurs and small businesses face in accessing the capital to finance their businesses. This lack of opportunity for capital is a main issue that stunts business growth, obstructs innovation, and perpetuates economic inequality in the district. While there are secondary factors like lack of business education and burdensome regulations, the inability to secure funding remains the main obstacle to entrepreneurial success in Surco. This problem is not just an economic issue but a social one, affecting livelihoods, employment rates, and the overall development of the community.

1.1. Lack of Access to Capital as a Central Issue

Access to capital is crucial for any business, especially for small and micro-enterprises, which make up 90% of all businesses in Surco. Entrepreneurs need funding to start their operations, invest in infrastructure, hire employees, purchase inventory and scale their businesses. Without sufficient financial resources, even the most promising businesses are doomed to fail. In Surco, another factor that is related to this problem is the high level of informality, where over 70% of businesses operate outside the legal framework because informal businesses are often unable to access traditional forms of financing, such as bank loans, credit lines, or government grants.

Capa, Capa, and Ollague (2018) emphasize that proper financial management through banking systems is vital for commercial operations and the long-term growth of businesses. The financial strength of a company, which is a combination of internal and external assets, helps drive business value. Nevertheless, numerous small enterprises tend to rely on their

investors and informal funding sources. These businesses also turn to less conventional financial tools, although these are often low in value and offer limited support.

Similarly, Botello (2015, p.248) identifies financing as a key factor in the success of small businesses, though gaps in the lending market make it difficult for many to obtain credit, especially the smaller firms. Access to financing depends on the company's size and potential, which can either provide an advantage or limit opportunities. Brancati (2015) also identifies three core financial obstacles facing small businesses: how they structure their capital, their ability to access financial resources, and the effectiveness of their strategic management. These elements are crucial for the advancement of small enterprises and the enhancement of their eligibility for loans.

Thus, this lack of access to capital is especially concerning because it directly impacts the survival rate of businesses in Surco. According to data shared by Mr. Lazo, in this district more than half of the businesses established fail within the first year. The primary reason for this high failure rate is the inability to secure funding, which prevents businesses from building a sustainable foundation. Without capital, entrepreneurs struggle to cover basic operational costs, leading to premature closures.

Additionally, the inability to access capital in Surco is not just a financial issue but a deeply social one. Small businesses play a vital role in the local economy, providing employment opportunities and contributing to economic growth. When these businesses fail, it does not only affect the entrepreneurs but also the whole community, leading to job losses, decreased economic activity, and a decline in living standards.

This interview made to Mr. Lazo can be found at the end of the document (See Appendix A).

1.2. Challenges with Financial Support and Informality

Diving into another of the factors that contributes to the lack of access to capital, there is the high rate of informality in Surco's entrepreneurial ecosystem. Informal businesses, which are the ones that do not follow legal requirements nor pay taxes, are excluded from accessing formal financial systems. Banks and other financial institutions are reluctant to lend to informal businesses due to the perceived high risk and lack of proper documentation, such as financial statements or tax records.

Castro (2015) observes in a state of Mexico that while 15% of small enterprises take advantage of loans with favorable interest rates, a significant majority of 85% do not pursue such opportunities. This affects the stability of the surrounding. As Mr. Lazo mentioned, 70% of the businesses are informal in the district of Surco. Thus, they cannot access some of these facilities.

Moreover, operating outside legal and regulatory frameworks also make these businesses unable to contribute to the formal economy through taxes. This exclusion weakens the government's ability to fund public services and infrastructure, impacting the overall well-being of the district and country. According to Brown Jara (2020), the persistence of informality contributes to cycles of poverty and inequality, as these businesses struggle to meet legal standards and miss out on the benefits of formal economic participation. Therefore, tackling informality is essential for promoting a more inclusive and equitable economic environment, especially in districts like Surco, where small businesses are central to the local economy.

Mr. Lazo pointed out that informal businesses in Surco often do not issue receipts nor maintain formal accounting practices, making it nearly impossible for them to qualify for traditional loans or credit. This creates a vicious cycle where businesses remain

informal because they cannot access funding, and they cannot access funding because they are informal. As a result, these businesses are forced to rely on informal and often lending sources from their friends and family.

The municipality of Surco does not currently offer direct financial support or grants to local entrepreneurs, which further worsens the problem. Entrepreneurs are left with limited options for securing the necessary capital to start or grow their businesses. On the other hand, there are training programs and workshops offered in partnership with well-known institutions like PUCP, ESAN, and INDECOPI to help entrepreneurs formalize their businesses and improve their competitiveness.

1.3. Broader Economic Impact of Limited Capital Access

The lack of access to capital not only obstructs individual business growth but also has bigger implications for the local economy of Surco. Small businesses are the backbone of the district's economy, and their success is crucial for creating jobs, generating income, and helping in economic development. In a district with a population of nearly half a million people, the failure of small businesses has a ripple effect, leading to higher unemployment rates, lower household incomes, and reduced consumer spending.

The incapacity of small businesses to secure funding also limits their capacity for innovation. Additionally, businesses that are unable to invest in other areas like marketing, new technologies, expand their product lines, or improve their services are less competitive in the market. This slows down the overall growth of Surco's business sector. In a globalized economy, where innovation and competitiveness are key to survival, the lack of capital for small businesses in Surco puts them at a significant disadvantage.

Furthermore, the district's economic structure is highly dependent on small and micro-enterprises. These businesses provide essential goods and services to the community, ranging from retail shops and bodegas to professional services and small-scale manufacturing. When these businesses fail due to a lack of capital, it disrupts the local supply chain and creates gaps in the availability of services. This makes Surco more vulnerable to external economic shocks and reduces its resilience as a community.

1.4. Social Relevance and Urgency of Addressing the Issue

Addressing the lack of access to capital for entrepreneurs in Surco is not just an economic imperative, it is a social necessity. As mentioned, the failure of small businesses contributes to broader social inequalities, particularly in lower-income areas of the district. Surco is a district with a wide range of socioeconomic classes, from affluent areas like Casuarina to more economically disadvantaged areas like Sector 9. The incapability of entrepreneurs from lower socioeconomic backgrounds to access capital disproportionately affects these vulnerable communities, perpetuating cycles of poverty and limiting opportunities for upward mobility.

The social relevance of this issue is further highlighted by the fact that entrepreneurship is very often seen as a way out of poverty. For many residents of Surco, starting a business represents an opportunity to improve their economic situation, create jobs for others, and contribute to the development of their community. However, without access to the necessary financial resources, these opportunities remain out of reach for many aspiring entrepreneurs.

In addition, supporting entrepreneurship aligns with global development goals, for instance the Sustainable Development Goals (SDGs). Specifically, improving access to capital for small businesses in Surco contributes to SDG 8 (Decent Work and Economic

Growth) and SDG 9 (Industry, Innovation, and Infrastructure). Thus, building a more supportive financial environment for entrepreneurs, Surco can create a more inclusive and sustainable local economy that benefits the residents.

1.5. Addressing Secondary Factors to Support Capital Access

While the lack of capital is the main issue, the lack of education also plays a role when it comes to this topic. Many entrepreneurs in Surco lack the financial literacy and business skills needed to effectively manage their finances and seek out funding opportunities. Education plays a crucial role in enhancing the financial literacy and capabilities of entrepreneurs in any region. Additionally, improving their financial knowledge and understanding can help mitigate the challenges they can go through and to be better equipped to secure funding (Becicova, 2015, p.5). Therefore, initiatives aimed at increasing financial education are crucial for helping entrepreneurs overcome these barriers and gain access to essential funding. This is why training programs and workshops offered by the municipality are also crucial for addressing this gap. As mentioned, entrepreneurs who are better educated about financial management and business planning are more likely to succeed in securing funding. Moreover, in Surco there is going to be a change in the bureaucratic processes, as the municipality is working towards digitization efforts. So, it will make it easier for entrepreneurs to obtain the necessary licenses and permits to operate better and legally.

1.6. Conclusion

Highlighting the size of the potential market of entrepreneurs in Surco taking in consideration the information provided by Mr. Lazo:

- Surco has an estimated 13,000 businesses with 90% classified as micro-enterprises. These businesses, being the majority, dominate the market and are concentrated in sectors such as small offices, bodegas (small grocery stores), and markets, representing the core of the local economy.
- More than 50% of these businesses fail within their first year, largely due to limited access to capital, which remains the main obstacle to success.
- About 70% of these businesses operate informally, which prevents them from accessing formal financing options.

In conclusion, the lack of access to capital for entrepreneurs and small businesses in Surco is a deeply entrenched social problem that affects not only the businesses themselves but the economic vitality of the district. So, without financial resources, small businesses struggle to survive, leading to high failure rates, unemployment, and economic stagnation. While there are secondary issues like lack of education and regulatory barriers, addressing the central issue of capital access is key to unlocking the full potential of Surco's entrepreneurial ecosystem. By improving access to financing, the district can create a more dynamic and inclusive economy that benefits all its residents, especially those from disadvantaged backgrounds.

Chapter II: User (And Customer) Research

A questionnaire was made with the aim of knowing more about our users, the entrepreneurs in Surco. Questionnaires are a great way for businesses to get to know their users better and deeply. By utilizing specific data in the questions, companies can obtain valuable insights into user behaviors and preferences, thereby facilitating crucial decisions. According to Emerald Publishing (2024), questionnaires ensure effectiveness in gathering accurate information, leading to more actionable insights and better alignment with research objectives. Similarly, Díaz-Oreiro et al. (2019), emphasize the importance of using questionnaires in user experience evaluation as a practical solution for evaluating a range of factors like emotional responses. Thus, this crucial questionnaire made for 15 entrepreneurs in Surco consisted of 30 questions.

2.1 User profile

2.1.1. The questionnaire guide used to collect information with users

The questionnaire was conducted to the entrepreneurs, who were asked a few things about their personal life like their lifestyle, beliefs, pride, social circle and other small topics. It was found that most of them started their businesses with the goal of improving their lifestyle and the quality of life of their family and they expressed how much they had a special relation towards their beloved ones.

There were also questions about their business in the context of the district of Surco, aimed at understanding their entrepreneurial experiences and challenges. Entrepreneurs were asked about their level of knowledge before starting their business, their thoughts on entrepreneurship in Surco, and the ease of accessing financing for their ventures.

Additionally, there were questions focused on the main sources of financing they rely on, the financial barriers they face, and the specific areas in which they feel they need more

training, such as financial management, marketing, and strategic planning. The questionnaire also explored the frequency of participation in business development programs and the perceived effectiveness of available resources in Surco, such as support networks and mentorship programs.

Furthermore, participants provided insights on the regulatory challenges they encounter, the ease of complying with local regulations, and the infrastructure improvements they believe would benefit their business. Other questions included their workload, confidence in managing their business responsibilities, and whether they have ever considered abandoning their venture due to difficulties. Finally, they were asked to reflect on their past failures, either their own or those of others, and why they believed entrepreneurs in Surco might struggle. These questions allowed this research to gain a comprehensive understanding of the challenges and needs of the entrepreneurs in this district.

This questionnaire can be found at the end of the document (See Appendix B).

2.1.2. Meta User Canvas

To develop the User Profile, the tool Meta User Canvas was used to illustrate how much we know about the life of the people affected by a problem we want to solve.

Thus, it is essential to understand users in order to develop solutions that address their problems. By collecting data about users' behaviors, motivations, and environments this is possible. As UXPin (2022) informs, user analysis helps to uncover opportunities and improvements that might not be evident through assumptions alone. This approach ensures that decisions are based on a comprehensive understanding of the users lives, making the creation of solutions more accurate when reflecting their actual needs and contexts.

Moreover, Jessica Sherratt (2023) explains the importance of getting to know the users better and techniques like data segmentation and mindset profiling. Businesses can make a better solution that resonates with their target audience.

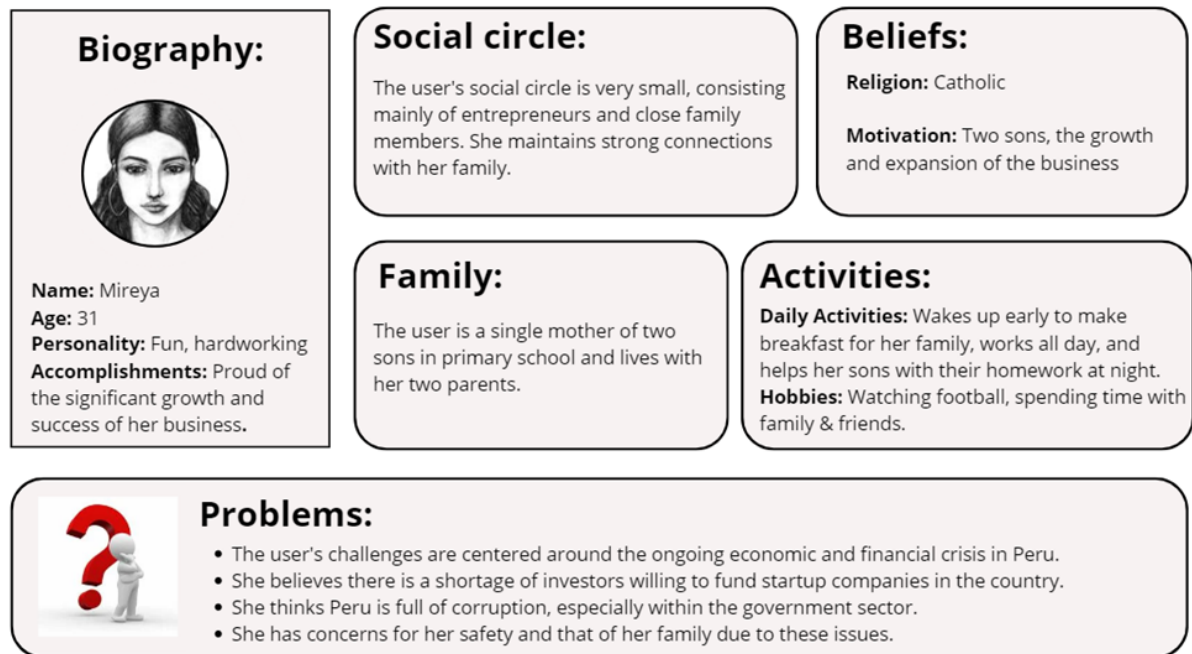


Figure 1: Meta User Canvas

As shown in figure 1, Mireya is a 31-year-old woman who is fun and hardworking. She has two sons in primary school. She lives with her two parents and is dedicated to the growth and success of her business, which she takes great pride in. Her social circle is small and consists mainly of entrepreneurs and close family members, with whom she maintains strong connections.

Mireya is Catholic, and her motivation is driven by her beloved two sons and the continued growth of her business. Her daily routine involves waking up early to make breakfast for her family, working throughout the day, and helping her children with their homework in the evenings. During her leisure time, she enjoys watching football and spending time with her family and friends.

Mireya's main challenges revolve around the ongoing economic and financial crisis in Peru. She believes that there is a lack of investors willing to support startup companies in the country. Additionally, she is concerned about the growing corruption in Peru, especially within the government. These issues have led Mireya to be concerned about her and her family's safety.

2.2 User Experience Map

There are tools utilized in this type of thesis that are critical for capturing the full scope of user interactions and experiences across various touchpoints. They capture the entire range of user interactions and experiences. For example, the Customer Journey offers a comprehensive visualization of the customer experience, aiding businesses in identifying areas for improvement and optimizing service interactions (Musulin & Strahonja, 2023, p. 7). This type of tool aids to know better the user pain points, making it a key tool in crafting effective solutions.

Experience maps are essential tools in understanding user interactions by identifying frustrations and inefficiencies throughout their experience. These insights are critical for designing more seamless and effective user experiences. Experience maps are especially helpful for identifying frustrations and instances of difficulty that may not be obvious at first (Freeman, Lawrence, and Bucchieri, 2017). This helps businesses design more seamless and efficient user interactions.

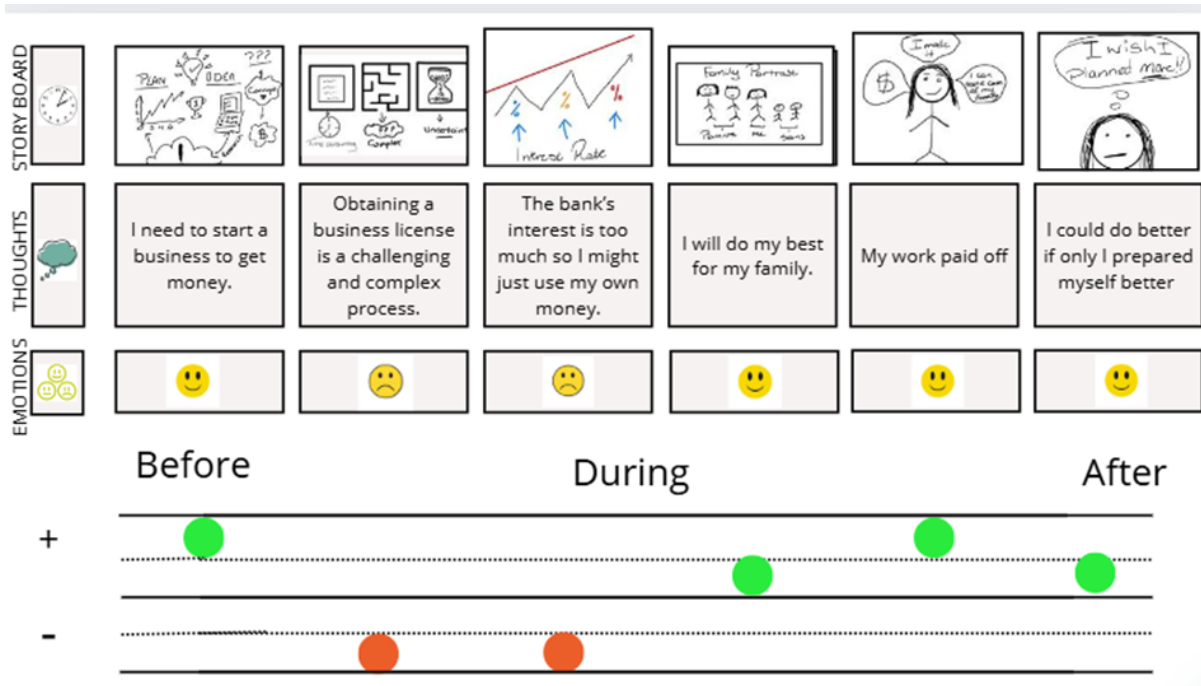


Figure 2: User Experience Map

2.2.1. Analyzing the different stages of the User Experience in Figure 2

"I need to start a business to get money": Mireya feels positive as she starts with the idea of creating a business to improve her financial situation. Also, she seems motivated about that idea.

"Obtaining a business license is a challenging and complex process": In this stage her mood shifts. She encounters a difficult situation when dealing with the bureaucratic process of acquiring a business license. Mireya feels frustrated, as the complexity of the process weighs heavily on her.

"The bank's interest is too much, so I might just use my own money": At this stage, her emotions remain low as financial stress hits. The high interest rates at the bank discouraged her from seeking a loan, pushing her towards the difficult decision of using her own savings, which makes her feel some uncertainty.

"I will do my best for my family": Despite the challenges, Mireya's motivation bounces back. She feels a strong sense of responsibility to work hard for her family, which boosts her morale. Her determination returns, and she's feeling positive again.

"My work paid off": Mireya feels accomplished here. She reaches a moment of success where her efforts are recognized and rewarded. The hard work she put into her business starts thriving, and she seems to be satisfied with the outcome.

"I could do better if only I prepared myself better": Although Mireya had success, she reflects on how she could have done things differently. She regrets not planning better and realizes that with better preparation, things could have gone even smoother. Her mood remains positive, but there's a hint of dissatisfaction with herself.

2.2.2. Analyzing the results

When the questionnaire was performed, there was relevant information gathered that some of the entrepreneurs decided to share. Analyzing that information it was found:

When conducting the interviews, most entrepreneurs identified that their problems stem from the ongoing economic crisis in Peru. This is a crucial insight because it demonstrates that macroeconomic conditions significantly affect individual entrepreneurial efforts.

The primary motivation for entrepreneurs is their family. This finding is impactful because it highlights the deep personal connections and responsibilities that drive entrepreneurial efforts. Entrepreneurs are not only working for personal success but are also motivated by the desire to provide for and support their loved ones.

The entrepreneurs self-identified areas for improvement, specifically highlighting the importance of marketing knowledge. They acknowledged that digital marketing is crucial for attracting public attention and enhancing their overall business success.

The combined age group expected was between 25 and 44 years old. However, during and after conducting the interviews, there were a few entrepreneurs older than 55. Looking back, it made more sense, as most of the interviewed entrepreneurs cited experience and knowledge in the field as some of the most important aspects of maintaining competitive businesses.

Regarding the location, the interviewed entrepreneurs were generally very satisfied with the district of Surco, as it provided them with a good environment to start and maintain their businesses. Additionally, they stated that Surco is safe and does not have much traffic. The only downside mentioned was that the costs of running a company in Surco are slightly higher compared to other districts in Lima.

2.3 Identification of the need to solve for the user

In conclusion, as observed in Figure 2, while both “obtaining a business license” and “getting a loan from the bank” were identified as difficult touchpoints in the user's journey, the financial aspect was considered the most challenging. The overwhelming burden for our users of obtaining affordable finance has a direct effect on the user's ability to make their business thrive. Financial challenges, especially those tied to high interest rates, tend to exert greater emotional and practical stress on users, making this the most crucial touch point to work in.

Chapter III: Product Or Service Design - Solution

3.1 Conception of the Product or Service

The conception of the product began by identifying the key pain points faced by the user. The main key pain points highlighted were the lack of investors, high interest rates from the bank and lack of experience in business management. The ideation process followed a structured approach that included both secondary research (e.g., online resources, reports, and governmental data) and primary research (interviews with 15 entrepreneurs and conversations with the municipality). After conducting extensive research, the key pain points became clear which allowed the team to develop the Meta User and map out the User Experience, focusing on entrepreneurs struggling to secure funding. From here, brainstorming sessions were conducted using agile methodologies. Some potential solutions were developed and later evaluated using the 6x6 Canvas. This method helped with addressing the most relevant issues faced by entrepreneurs. After this the Cost vs. Impact Matrix (see Figure 3) was used to evaluate the feasibility and the potential impact of the proposed solutions. Moreover, this matrix identified the optimal solution highlighting the quick win approach.

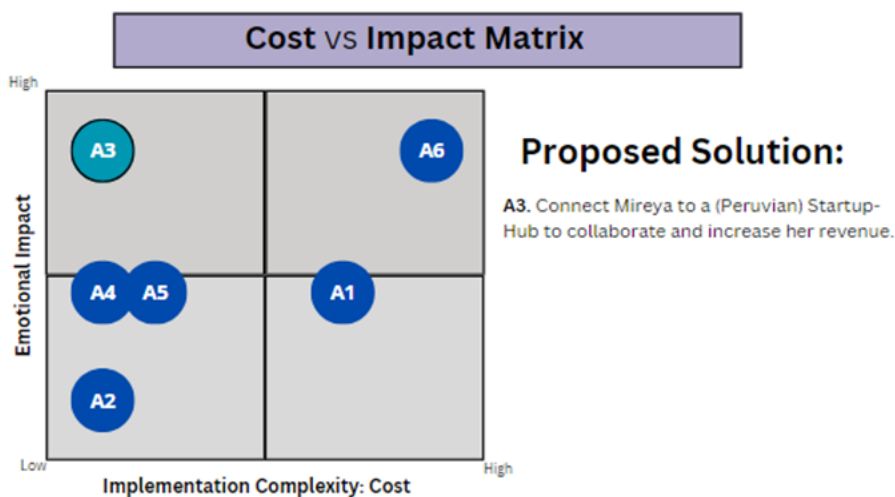


Figure 3: The Cost vs Impact Matrix

Initially, the solution was to connect the user to a Peruvian Startup-Hub, however, after conducting further research, startup hubs in Peru were either scarce or nonexistent. Thus, during the agile prototyping phase, a decision was made to create a platform that offer this service, filling the gap in the market. According to Scott Ambler, Agile prototyping can be seen as a methodology where product development occurs in iterative cycles, known as sprints. Each sprint involves the creation of a working version of the product (or part of it) that is then tested, reviewed, and refined based on user feedback (2004).

The development of the agile prototype was done through the sprinting exercise. During this phase, emphasis was placed on the creation of the platform. After the sprint, users feedback was collected through interviews to determine areas for improvement. The feedback suggested that the platform should be translated to Spanish to accommodate the users' native language, adding certifications to enhance the platform's legitimacy, providing information about government policies regarding business and improving data security. Following this, the Relevance Target Canvas was used to analyze the users' feedback and to identify the most relevant insights. Based on this analysis, adjustments were made to the platform such as changing the language to Spanish and providing information about the government policies. These adjustments ensured the platform met the key pain points of the user by providing an easy-to-use and secure solution.

3.2 Development of the Narrative

The development of the platform's narrative was shaped by several key tools and methodologies, including the 6x6 Canvas, Relevance Target Canvas, and Value Proposition Canvas. These canvases played a major role with ensuring that the narrative was focused on addressing the specific needs and pain points of the users.

3.2.1 The 6x6 Canvas

The 6x6 Canvas was used early in the brainstorming process to identify to define the core objectives and user needs. Brainstorming involves the active use of the brain to creatively solve problems, and the goal of a brainstorming session is to generate innovative solutions to problems (Jarwan, 2005). During this phase, several solutions were proposed, including connecting the user to a Peruvian startup hub, conducting workshops focused on financial literacy, creating a consulting business to guide entrepreneurs in areas like marketing, and finding financial aid from the municipality. Thus, the 6x6 Canvas was specifically used to both generate ideas while prioritizing the most viable solutions. This canvas allowed the brainstorming process to be effective because it ensures that the final solution targets the needs the user.



 6x6 Canvas 					
1	2	3	4	5	6
Find finance aid	Connecting	Startup-Hub	Book	Cost evaluation	Participation
Scholarships	Own account	gofundme	Videos	Get Coaching	Create platform
Invest in app	Social Partnerships	Investor	Workshops	Be Teacher	Provide service
Nutritional food	Online giveaways	Sell anything	Income	Workshops	Offer consulting
Connect with parents	Gen Z to help	Youtube	Videos	Broker	Organize program
Invest in app	Online giveaways	Startup-Hub	Workshops	Cost evaluation	Offer consulting

Figure 4: The 6x6 Canvas

3.2.2 The Relevance Target Canvas

Undoubtedly, the Relevance Target Canvas played a crucial role in the development of the narrative by refining and focusing the story of the platform based on actual user feedback. After interviews were conducted this tool analyzed the feedback provided and ensured that the platform targeted the needs of the user. For instance, the users suggested

adjustments such as the platform to be in Spanish, certifications and information about government policies. This canvas served as a mechanism to ensure that the platform's narrative focused on being user-friendly and relevant to the users' needs. Through this process, the narrative shifted towards promoting the success of entrepreneurs by addressing the main reason for their failures. The platform's development was centered on tackling the users' challenges, ultimately supporting entrepreneurial success.

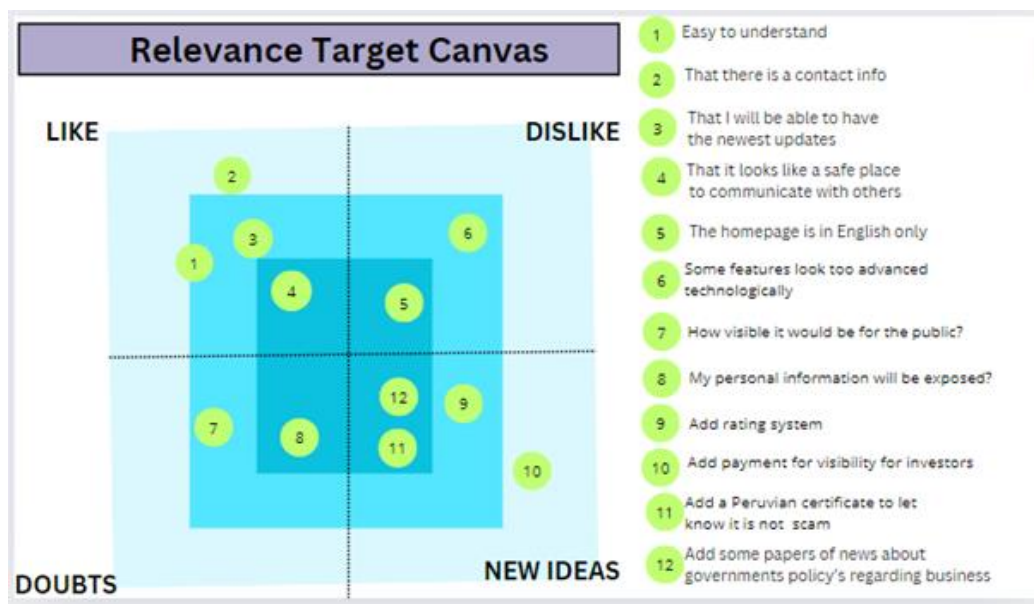


Figure 5: The Relevance Target Canvas

3.2.3 The Value Proposition Canvas

The Value Proposition Canvas was crucial in developing the narrative further by focusing on the products and services that would create value for the users. Osterwalder and Pigneur states that the Value Proposition Building Block defines why customers choose one company over another, as it either solves a problem or satisfies a need (2010). In this case, the narrative focused on addressing the key pain points identified in the value proposition, such as the shortage of investors and high interest rates. By focusing on these elements, the platform not only targets the users' pain points, but also create value by offering a user-friendly solution tailored to their needs.

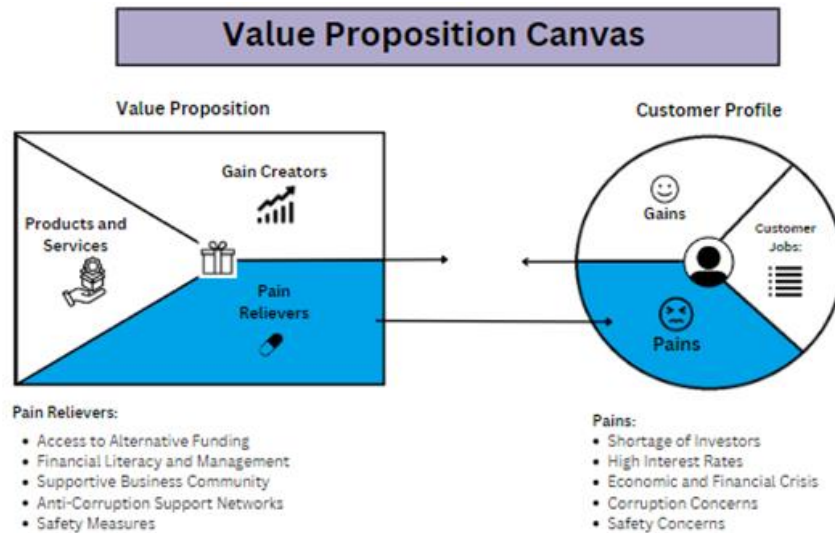


Figure 6: The Value Proposition Canvas

3.3 Innovative and disruptive nature of the product or service

3.3.1 Review of Patents and Case Studies

To evaluate the innovative and disruptive nature of the platform, it's important to review similar solutions and case studies, such as platforms like AngelList, the U.S.-based Y Combinator and Impact Hub Vienna. These platforms highlight how these initiatives have successfully transformed the traditional startup ecosystems by providing direct access to investors, mentorship, and resources for entrepreneurs. However, after extensive research, it is evident that these platforms do not fully address the localized challenges faced by entrepreneurs in emerging markets, such as Peru, where factors like high-interest rates and lack of funding significantly impact business activities. For instance, Y Combinator offers general mentorship and funding opportunities. It also but operates predominantly in English and caters to a U.S. audience, with limited adaptations for international entrepreneurs facing specific regional challenges (Y Combinator, n.d.).

Similarly, AngelList also connects entrepreneurs with investors but lacks localized features that could address certain concerns for Peruvian entrepreneurs (AngelList, n.d.).

Meanwhile, Impact Hub Vienna provides an excellent for a case study comparison. This hub provides an example of how localized startup ecosystems can thrive by combining funding opportunities with community support and education. Even though Impact Hub offers such valuable resources, it lacks features tailored to dealing with safety measures that are necessary in the Peruvian context (Impact Hub, n.d.).

3.3.2 Why the Product or Service is Innovative

Innovation plays a crucial role in the success of industry-leading companies today. It is essential for any organization aiming to grow, expand, and thrive over the long term (Akbarina, Lusiangrum, & Pratiwi, 2024). Product innovation involves efforts made by businesses to improve and develop their offerings. This extends beyond tangible products to include services as well. Businesses must be willing to innovate continuously, ensuring that customers remain engaged and look forward to new offerings (Abdallah et al., 2017). One effective strategy for increasing consumer satisfaction is through product innovation—the more innovative a company's products or services, the more satisfied its consumers will be (Antanegoro et al., 2017). This platform is innovative because it offers a localized, user-friendly solution specifically tailored to the needs of Peruvian entrepreneurs. By using a Spanish-language interface, financial education workshops, and certifications to build trust, it directly addresses the unique challenges entrepreneurs face in Peru. These pain points include high-interest rates from traditional banks and concerns around transparency.

One of the most innovative aspects of the platform is the planned partnership with universities, such as the University of Lima, to provide essential educational resources and training for entrepreneurs. These universities will help entrepreneurs with the skills to effectively manage their cash flow, budget responsibly, and make informed financial decisions that drive long-term business success. Moreover, these partnerships will provide

specialized training on building and refining business models, with expert guidance on key areas such as market analysis, crafting compelling value propositions, and developing sustainable growth strategies. The collaboration will also help entrepreneurs learn to structure their presentations, clearly communicate their value, and confidently approach both local and international investors through workshops. This approach ensures they are not only prepared for immediate funding but are also positioned for long-term success.

The collaboration will also extend to software companies like Belatrix Software, which will play a crucial role in enhancing the platform's technical capabilities. These partnerships will ensure the platform remains user-friendly, secure, and scalable. Entrepreneurs will not only benefit from educational resources but also from a reliable digital infrastructure that supports their business growth. Partnering with software companies like Belatrix Software will allow the integration of advanced technological solutions, such as secure data management systems and enhanced user interfaces, to ensure smooth navigation and data protection. Additionally, Belatrix will assist in building features that are adaptable to future growth, including scalability options to handle increased user traffic and advanced analytics to provide entrepreneurs with insights into their business performance. This combination of cutting-edge technology and educational support ensures that the platform not only meets the immediate needs of users but also remains agile and responsive to future demands, ultimately supporting long-term entrepreneurial success.

These features are different from the alternatives like AngelList, Impact Hub and Y Combinator which lack regional specificity and issues. By providing tailored solutions that combine both technology and education, the platform equips entrepreneurs with the tools and resources needed to thrive in the local market. Collaboration with universities and software companies creates a supportive environment of continuous learning and technical

advancement, covering all aspects of entrepreneurial growth: financial literacy, business strategy, investor relations, and data security. These innovative features empower entrepreneurs to confidently pursue investment opportunities, build sustainable businesses, and contribute to Peru's broader economic development, preparing them for both immediate and long-term success.

3.3.3 Why the Product or Service is Disruptive

According to Christensen (1997) and Danneels (2004), a disruptive innovation is characterized by a new technology that displaces incumbent firms by making the prior technology obsolete. Disruptive technologies shift the foundations of competition by changing the features that users prioritize and altering the performance metrics that businesses compete on (Nieto Cubero et al., 2021). In this context, the platform is disruptive because it challenges traditional banking systems in Peru, where entrepreneurs rely heavily on high-interest loans from banks. By connecting entrepreneurs directly to investors, both local and international, the platform reduces the need for traditional financial institutions. Furthermore, by doing this, the platform offers a more affordable and flexible funding options. This disrupts the traditional banking system by creating a new way to access capital which is not reliant on costly bank loans.

Moreover, the platform focuses transparency and security which disrupts the standard business environment in Peru, where corruption is prevalent. Feature like certifications and data security provides a safe and reliable environment for entrepreneurs and investors to connect. Platforms like AngelList and Y Combinator do not offer these specialized features, like certifications or other trust-building mechanisms which are vital in emerging markets where transparency is a major concern.

Furthermore, the partnerships with universities, like the University of Lima, and software companies, like Belatrix Software, increase the platform's disruptive potential. These collaborations provide both technological innovation and educational resources, adding more value to the platform's ability to deliver value that goes beyond just funding. The partnership with universities equips entrepreneurs with financial literacy and business management skills, while software companies ensure that the platform remains scalable and secure as user demand grows. This comprehensive approach disrupts traditional business support systems, which often focus solely on funding, by providing a complete ecosystem that supports both business development and investor relations.

Thus, the platform is disruptive because it moves away from traditional banks for financing methods, provides transparency in a market where it's critically needed, and offers a complete solution that combines education, technology, and investor connections. It not only provides immediate access to capital but reshapes the way entrepreneurs build, finance, and sustain their businesses in Peru, challenging existing norms in the market.

3.4 Value Proposition

The value proposition for this platform addresses several key factors. Firstly, the platform brings joy to entrepreneurs by offering them a reliable and easy-to-navigate solution that directly connects them with local and international investors. One main joy generator is the easy-to-use design which caters to the needs of multiple age groups, making the platform accessible to both the Gen Z and Gen X users. In addition to this, the platform's secure and reliable communication channels ensure safety and transparency. This will give the users the confidence to seek funding and other resources. These features reduce the stress of securing funding through the traditional methods like high-interest loans from banks. Thus, making the overall process more efficient and less burdensome for entrepreneurs.

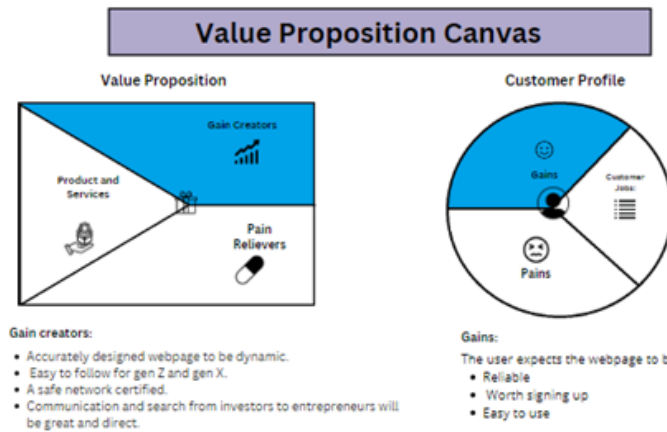


Figure 7: Value Proposition Canvas – Gains & Gain Creators

On the other hand, entrepreneurs in Peru face several frustrations or pain points, including limited access to investors, high-interest rates from banks, and concerns about the economic and financial instability in the country. To address these pains, the platform offers several pain relievers, such as alternative funding options that reduce the dependency on traditional banks. Additionally, it offers financial literacy resources and business workshops that equip entrepreneurs with the tools they need to make better financial decisions. Furthermore, safety features and certifications will be integrated into the platform to build trust and reduce concerns. By doing this, it will make the platform a safer and more reliable choice for funding and business growth.

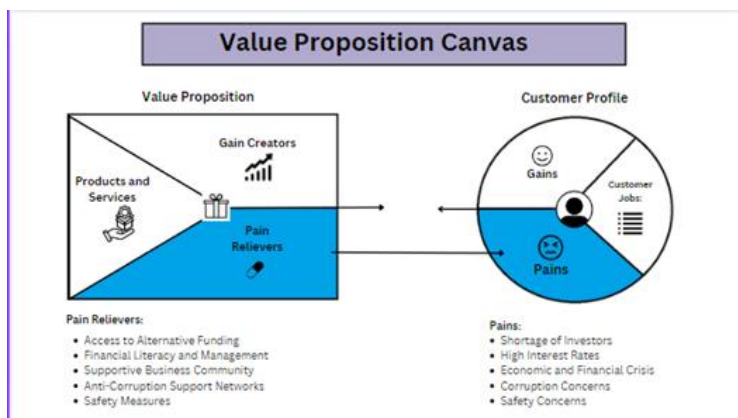


Figure 8: Value Proposition Canvas –Pains & Pain Relievers

The jobs entrepreneurs need to accomplish include finding investors, gaining business knowledge, and communicating effectively with investors and other entrepreneurs. The platform fits well with these needs by offering a Spanish database, direct access to investors, and relevant educational resources. By addressing the main challenge entrepreneurs face, the platform not only focuses on their immediate pain points but also supports their long term goals. This alignment between the platform's features and the users' needs ensures that the solution provides real value while helping entrepreneurs to succeed in a difficult economic environment.

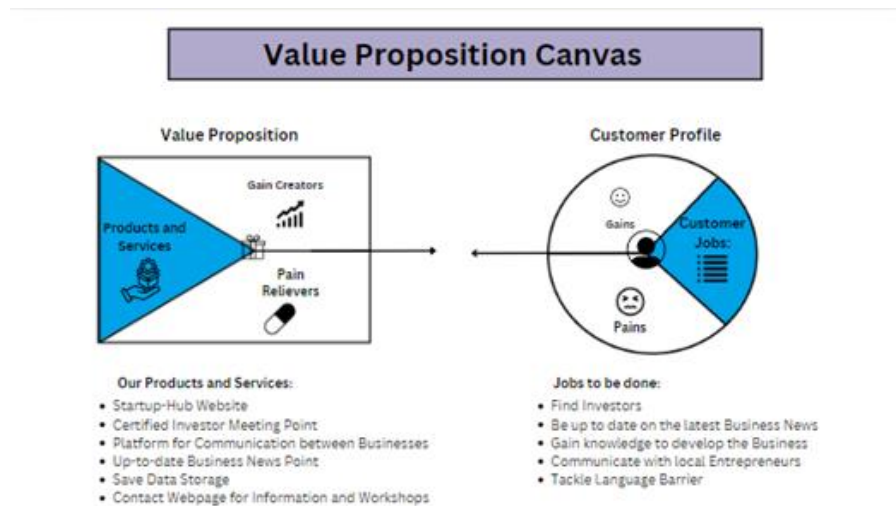


Figure 9: Value Proposition Canvas – Customer Jobs & Product and Services

Hence, the platform fits well with the needs of the entrepreneurs by offering a localized and user-friendly solution that is tailored to their unique challenges. With features like a Spanish language interface, direct access to investors, and educational resources, the platform is aligned with the primary needs of the users. By addressing key pain points like high-interest rates and limited investor access, the platform provides a holistic solution that improves the user experience and supports their entrepreneurial journey. The combination of

joy generators and pain relievers ensures that the platform not only meets the needs of entrepreneurs but also enhances their overall satisfaction with the service.

3.5 Minimum Viable Product (MVP)

The journey toward the Minimum Viable Product (MVP) involved a series of iterative improvements based on user feedback and insights from both primary and secondary research. According to Eric Ries, the MVP is a product version that allows a team to collect the maximum amount of validated learning about customers with the least effort (2011). Following this approach, the platform's prototype was refined through ongoing feedback and multiple development cycles, ensuring it met user needs.

The initial version of the platform was launched with core features such as an English-language interface, an investor connection tool, and a contact us section (see figure 10). However, feedback from interviews, which closely align with Eric Ries' Lean Startup methodology, indicated the need to improve the platform's usability. Based on feedback collected through interviews, the platform required adjustments, including switching the interface to Spanish to better serve Peruvian entrepreneurs. There were also suggestions to include educational resources, which were later implemented to provide additional support for entrepreneurs. Further iterations aimed to improve the platform's usability, ensuring that it catered to users from different generations. This provides the tools needed for business development and investor engagement.

Prototype

Purpose:

- To connect entrepreneurs with investors through a user-friendly platform that enables networking, funding opportunities, etc.

Key Features:

- About Us explaining the platform's mission and goals
- Investor Profiles showcasing detailed information on local and international investors
- Contact Us feature for direct communication.

Development Process:

- This prototype represents the first phase of our development process.
- Conducted research on investors who are actively seeking to fund entrepreneurs in Peru, both **locally** and **internationally**.
- Conducted market research and identified key pain points.



Figure 10: Prototype

In later iterations, additional features such as certifications, financial literacy workshops, and secure communication channels were incorporated. These improvements reflect the principles outlined by Blank and Dorf in their work on customer development, where gathering continuous feedback and iterating on the product are key to meeting users' needs (2012). Through each phase of iteration, the platform evolved to better meet the needs of entrepreneurs in Peru, particularly in overcoming challenges like high-interest rates and limited access to investors. The final MVP represents a comprehensive, localized solution that offers access to investors, financial education, and a secure environment for business development. Each iteration brought the platform closer to fully solving the key pain points faced by its users, supporting their entrepreneurial journeys.

Chapter IV: Business Model

In this part of the paper, all the findings that we gathered in the previous chapters are to be found here and put in the Business Model “B” Canvas. (InnoDriven, 2024.) It took us two full days to gather all the data for this report. In conducting our interviews with the entrepreneurs of Surco, we tried to contact interviewees which are as authentic and applicable for this solution as possible. In that way our report and this business model is a representation of the target audience.

4.1 Business Model “B” Canvas

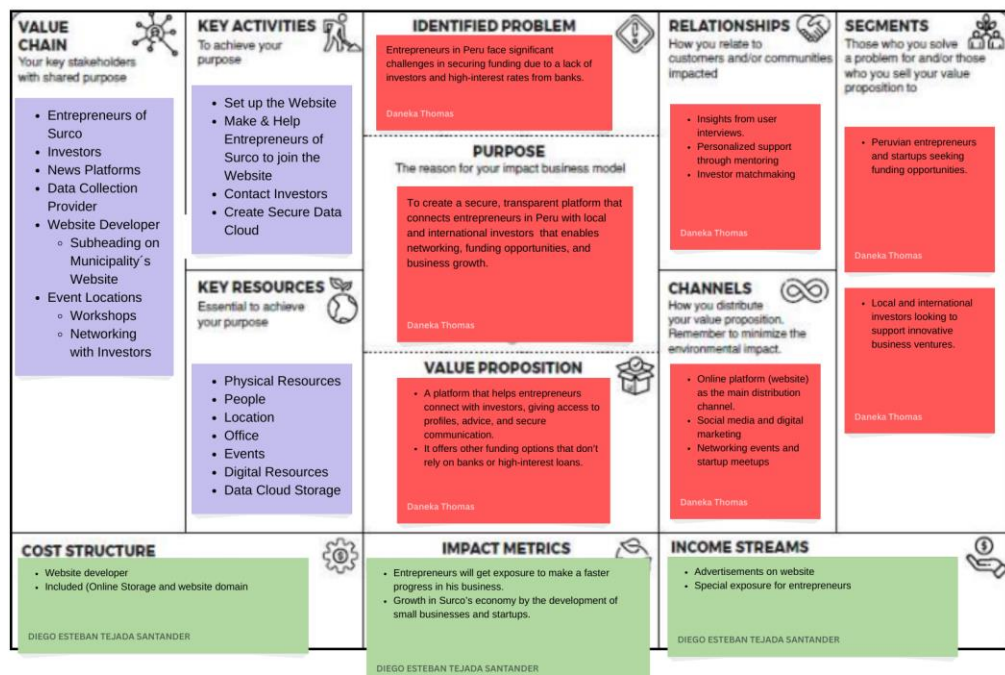


Figure 11: The Business Model “B” Canvas from our proposed solution

In comparison with the well-known Business Model Canvas by Alex Osterwalder (Osterwalder & Pigneur, 2010), this Business Model “B” Canvas is more complex.

Therefore, additional parts of the Canvas like Impact Metrics, the Purpose and the Problem have been added (InnoDriven, 2024). In that way, the sustainable aspect of the business model created will be portrayed in more detail compared to the original Business Model Canvas (Osterwalder & Pigneur, 2010).

4.1.1 Problem

Entrepreneurs in Surco face significant barriers to accessing the necessary knowledge and financial resources to successfully run their businesses and more importantly develop them and make them grow. A major obstacle in funding is the difficulty in obtaining loans from e.g. local banks, particularly for informal businesses because they tend to show a lesser amount of sales because they want to pay fewer taxes. Informality makes the challenge more difficult as banks in Lima or Surco often perceive informal businesses as high-risk businesses, largely due to a lack of proper financial documentation, such as financial statements or tax records, which are critical to be approved for loans by local banks (Self-conducted interviews, 2024). The banks' past negative experiences with informal businesses in Surco, is leading to an increased reluctance to lend the entrepreneurs of Surco money, thereby hindering the growth and sustainability of these businesses, because the entrepreneurs tactic of reducing costs is focused on saving taxes instead of getting subsidies by applying sustainability practises. As Mr. Lazo, a municipal representative, pointed out, many businesses in Surco do not issue receipts, avoiding proper tax payments and thus continuing their informality (Self-conducted interviews, 2024). This behavior not only impacts the businesses themselves but also reduces the municipality's tax revenue, limiting public spending capacity for community development.

In the United States, lenders who focus on financial technologies like Funding Circle and LendingClub have used alternative data and credit scoring models to lend more effectively especially to small businesses in areas with higher unemployment and bankruptcy rates (Cornelli et al., 2024). This evidence suggests that these financial technology platforms could provide an alternative source of funding for small businesses in Surco, used by investors to save resources. On top of that, this method of lending could potentially reduce doubt to lend by traditional lenders and investors. These platforms may also offer lower interest rates and better access to credit, particularly for informal businesses that lack conventional credit histories and have trouble getting loans from their local banks. I

In regions with extremely high informality, such as Sub-Saharan Africa, it has been shown that leveraging low-skill-biased digital technologies can boost productivity and incentivize informal businesses to formalize (Nguimkeu & Okou, 2021). Similar approaches could be applied in Surco, where entrepreneurs could benefit from the adoption of digital platforms not only to access credit but also to enhance their skills and business operations, like our solution provided for the entrepreneurs of Surco. Such initiatives could provide a more conducive environment for formalization by highlighting the positive trade-offs of being formal, such as improved access to credit and government incentives for instance for applying sustainable practises. By addressing both the knowledge and financial barriers, these measures could help entrepreneurs in Surco to grow their businesses sustainably, formalize their operations, and contribute more significantly to the local economy by paying higher taxes and providing more work opportunities for the citizens of Surco.

4.1.2 Purpose

The primary aim of this business model is to connect the entrepreneurs of Surco with essential resources, such as primarily funding, knowledge, and opportunities, through a secure, transparent digital platform. The platform is designed to serve as a hub that fosters

entrepreneurship by linking either local, national and international investors with Surco's entrepreneurs. By providing access to relevant and up-to-date business knowledge and improving connections among entrepreneurs, the platform tries to create a talent pool and provides a foundation for both new and established businesses to do well. This approach addresses critical issues such as the transition from informality to formal businesses and offering much-needed advice and guidance to innovative entrepreneurs at the early stages of their ventures by connecting them with investors and knowledge transfer also within the community of entrepreneurs of Surco.

In eastern Europe, in this case in Estonia, early-stage entrepreneurs with innovative business ideas often seek advice from researchers and engage in cross-border networking, whereas others rely more on family and friends (Elenurm & Reino, 2013). Similarly, in Surco, interviewees identified the need for better access to financial resources and business knowledge with gaining more marketing expertise being critical to improving their businesses (Self-conducted interviews, 2024). Moreover, interviews with Mr. Lazo highlighted the importance of tackling the informality issue and improving connections to formal financial institutions like local banks and business support networks, where our solution steps in (Self-conducted interviews, 2024).

The role of innovation and competitiveness, particularly in developing countries, cannot be overlooked. In Latin American countries like Peru, efforts to increase competitiveness through public and private incentives often face challenges such as low business growth rates and high informality, maybe because the incentives are not placed in a correct way (Barcellos-Paula et al., 2023). As seen in other emerging economies, connecting entrepreneurs to global knowledge networks and fostering cross-border collaboration can significantly enhance business success and sustainability (Elenurm & Reino, 2013).

Therefore, the proposed platform for Surco aims to tackle these challenges by creating a structured ecosystem where entrepreneurs can not only seek funding by investors but also engage in meaningful knowledge-sharing practices and network with experienced entrepreneurs and investors also potentially making it more likely to get loans from the local banks.

By focusing on connecting early-stage entrepreneurs with our proposed solution, the platform also has the potential to improve the entrepreneurial ecosystem in Surco and in Lima. This business model also considers the need for a customized approach to mentoring and supporting entrepreneurs based on their specific needs. In a workshop setting for instance, specific pain points from the entrepreneurs of Surco can be dealt with (Elenurm & Reino, 2013). All in all, this platform aims to empower entrepreneurs in Surco by providing them with the tools, skills and social networks necessary for sustainable growth and development.

4.1.4 Key Activities

Website creation and development is a critical component of many organizations' IT strategies, however the practices surrounding it often lack formalization. Taylor, McWilliam, Forsyth, and Wade (2002) reveal that despite the importance of website development, many organizations in their study relied on informal practices, with limited use of structured design techniques and standards. Specifically, the research found that while some organizations utilized basic layout standards, formal documentation and testing procedures were rarely implemented (Taylor et al., 2002). In the case of the development process for the website for our solution, it is important that the website follows a clear standard through-out the subsidies so that it can affect the effectiveness and reliability of digital platforms and looks visually appealing for users.

In the context of our project and provided solution, establishing a robust website requires addressing several key activities to ensure its success. The initial setup involves significant investment of time and resources, which includes choosing a secure cloud data provider and managing contractual agreements. The necessity of engaging stakeholders, including entrepreneurs and investors from Surco, emphasizes the importance of awareness and collaboration. The input from local entrepreneurs basically was that they value connections and are motivated by personal and familial responsibilities, which underscores the importance of effective stakeholder communication (Self-Conducted Interviews, 2024).

Furthermore, our approach aligns with the need for better integration and formalized practices in website development. In event-based social networks (EBSNs), similar challenges are addressed through methodologies that combine explicit and latent features to overcome data sparsity and imbalance (Li, Cheng, Su, & Jiang, 2016). While EBSNs focus on recommendation systems, the principles of optimizing user engagement and system reliability through advanced techniques can be adapted to improve website development practices.

To summarize, the successful execution of our website development and stakeholder engagement strategy involves leveraging insights from both academic research and practical interviews. By addressing the limitations identified in current practices and focusing on formalizing processes, we can enhance the effectiveness of our digital platform and better support the entrepreneurial ecosystem in Surco by making the website more efficient.

4.1.5 Key Resources

To achieve the platform's objectives, several key resources are essential. According to Lee, Hsiao, Chen, and Guo (2020), the choice between developing physical or virtual platforms is significantly influenced by organizational capacity and slack resources. Firms

with higher levels of available slack, potential slack, research and development (R&D) capacity, and marketing capacity are more inclined to develop physical platforms, which generally result in better performance compared to virtual platforms (Lee et al., 2020). This finding underscores the importance of these resources in enhancing platform effectiveness and firm performance. In our case, we do not have a designated department and an abundance of resources in order to follow through on a physician approach, making a virtual platform more applicable for the entrepreneurs of Surco.

In the context of the municipality of Surco, the necessity for some physical resources is also evident. For instance, effective setting-up and management of the platform will require 1-2 individuals to oversee website operations, address entrepreneur and investor requests, and provide feedback (Lee et al., 2020). Additionally, an office space is crucial to facilitate continuous interaction with municipal colleagues and to support new personnel who may take on additional responsibilities (Guillamón, Bastida, & Benito, 2013). This aligns with the observations from interviews with Surco entrepreneurs, who noted that operational challenges often arise from bureaucratic and financial hurdles, including high costs associated with physical resources (Self-conducted interviews, 2024).

Events play a vital role in the platform's operation. Historical data from the municipality of Surco indicate that hosting networking events and other functions in the municipality's building could significantly benefit both entrepreneurs and investors (Self-conducted interviews, 2024). However, if municipal spaces are unavailable, alternative venues such as hotels or universities may be considered, with the costs potentially covered by entrepreneur taxes or entrance fees, though this may reduce attractiveness for participants (Guillamón et al., 2013).

Overall, while both virtual and physical platforms offer distinct advantages, the decision to develop a physical platform might yield superior performance outcomes, particularly when supported by robust R&D and marketing capabilities (Lee et al., 2020). This strategic choice should be carefully considered in light of the available resources and the specific needs of the municipality and its entrepreneurs. Therefore we suggest a virtual platform combined with physical events such as networking, workshops and talks with investors.

4.1.6 Value Proposition

In the context of supporting sustainable entrepreneurship, effective funding mechanisms and access to relevant business information play crucial roles. Venture capital (VC) is a significant source of funding for startups, including those with a sustainable focus. However, research indicates that sustainable startups often face challenges in securing venture capital, partly due to traditional venture capitalist investors' reluctance to invest in sustainable business models (Wöhler & Haase, 2022). Despite the increasing importance of sustainability in driving economic development they typically do not want to integrate sustainability into their investment decision-making processes. Our developed solution aims to provide entrepreneurs with access to alternative funding sources beyond traditional banks and high-interest loans (Wang, 2014).

Additionally, insights from interviews with local entrepreneurs and municipal officials underscore the importance of tailored support in overcoming barriers to business formalization and funding (Self-conducted interviews, 2024). Entrepreneurs in Surco have identified the need for a supportive network and access to comprehensive business resources as critical factors for their success during the conduction of the interviews. By addressing these needs through a well-designed, secure platform that facilitates direct communication with investors and provides alternative funding options, this value proposition aligns with the growing demand for innovative solutions in the entrepreneurial ecosystem of Surco.

4.1.7 Relationships

The role of relationships in supporting the well-being and success of entrepreneurs is multifaceted, particularly for older adults and in the context of challenging economic environments. (Fujihira et al., 2024). Similarly, for entrepreneurs in Surco, relationships and communication form essential touchpoints in their journey. Interviews with local entrepreneurs revealed that the complexity of obtaining business licenses and securing affordable financing are significant stressors (Self-Conducted Interviews, 2024). The role of municipal workshops and face-to-face interactions in reducing these stressors is critical. Workshops offered by the municipality of Surco, for instance, provide valuable opportunities for entrepreneurs to address their specific needs and concerns (Self-Conducted Interviews, 2024). Face-to-face interactions with investors and peers are also vital, enabling direct discussions that can resolve issues related to funding and business development.

The significance of these interactions is further supported by the experience shared in the Transcon project, which involved education and training for small entrepreneurs in Poland and the Czech Republic. This project emphasized the value of face-to-face educational courses in providing essential business knowledge and financing options. (Mezulanik & Vesely, 2005).

In conclusion, maintaining robust relationships and ensuring frequent face-to-face communication are crucial for the well-being of older volunteers and the success of entrepreneurs, not only relying on virtual relationships via our developed solution, the website.

4.1.8 Channels

Digital communication has significantly transformed societal and business landscapes. Investing in multimedia for content creation and digital marketing is now a

cornerstone for promoting companies. As Guerra and Silva (2022) emphasize, a well-defined digital marketing strategy, which includes multimedia content creation and an effective social media presence, is crucial for enhancing a company's visibility and engagement with its target audience.

In the context of Surco, interviews with local entrepreneurs and Mr. Lazo highlight the importance of these digital channels for business success. The entrepreneurs in Surco recognized that while they support digital platforms, the complexity and costs associated with obtaining business licenses and securing funding often overshadow these efforts (Self conducted interviews, 2024; Lazo, 2024). Despite the growing significance of digital marketing, the financial and regulatory challenges remain substantial barriers.

In Surco, the double focus on digital and physical networking channels reflects a comprehensive strategy. For instance, social media and online platforms serve as primary distribution channels for promoting services and products, aligning with Guerra and Silva's (2022) findings on the necessity of multimedia content. Concurrently, physical networking events and workshops play a crucial role in connecting entrepreneurs with investors and municipal support. These interactions, whether virtual or in-person, are essential for fostering relationships and gaining the support needed for business growth (Self conducted interviews, 2024; Lazo, 2024).

In summary, while digital marketing strategies and multimedia content are vital for business visibility and engagement, the effective use of both digital and physical channels is crucial for overcoming challenges and improving successful entrepreneurial ecosystems. This balanced approach can enhance business outcomes by leveraging the strengths of each channel and addressing the multifaceted needs of entrepreneurs (Guerra & Silva, 2022; Self conducted interviews, 2024; Lazo, 2024).

4.1.9 Segments

Entrepreneurs in Surco face a dynamic landscape of funding opportunities, where local, national, and international investors play different roles. The insights gathered from interviews with Surco entrepreneurs highlight significant challenges in accessing capital, which are compounded by the current economic conditions in Peru (Self conducted interviews, 2024). According to Mr. Lazo's interview, one of the critical issues is the high interest rates associated with bank loans, which often discourages entrepreneurs from seeking external funding and pushes them towards using their own savings (Self conducted interviews, 2024). This financial strain underscores a crucial segment of the entrepreneurial ecosystem where innovative financing solutions are needed.

Local and national investors, primarily familiar with the Peruvian business environment, may face limitations in leveraging international knowledge and resources. In contrast, international investors, who bring diverse insights and experiences from other markets, have the potential to exploit opportunities more effectively due to their broader perspective (Pollack, Maula, Allison, Renko, & Günther, 2021).

In the context of the broader research literature, the focus on crowd-funded entrepreneurial opportunities presents a promising avenue for advancing our understanding of investment dynamics. Moreover, the application of Data Envelopment Analysis (DEA) to measure regional competitiveness, as demonstrated by Charles and Zegarra (2014), illustrates the value of innovative methodologies in assessing and improving business environments. Although DEA has not been previously applied to regional competitiveness in Peru, its introduction offers a novel approach to understanding and addressing disparities among different regions. This method could potentially inform policies aimed at enhancing the

competitiveness of entrepreneurial ventures by providing a comprehensive evaluation of regional strengths and weaknesses.

Addressing the financial challenges faced by Surco's entrepreneurs requires a multifaceted approach that includes leveraging both local and international investment insights. Further research into crowd-funded opportunities and the adoption of innovative analytical methods, such as DEA, can provide valuable contributions to enhancing the overall entrepreneurial ecosystem and regional competitiveness.

4.1.10 Income Streams

The income stream for a project designed to support entrepreneurs in Surco can be built around indirect financial benefits, as the service itself is intended to be free for users. This decision stems from the fact that entrepreneurs in Surco already contribute to the municipality through taxes. As outlined by the municipality representative, Mr. Lazo, the municipality benefits indirectly from these contributions and, therefore, is motivated to foster entrepreneurship through cost-effective platforms (Self conducted interviews, 2024). By maintaining and running a website that allows entrepreneurs to connect with investors, the municipality can facilitate business growth, which may, in the long term, lead to increased tax revenues as these businesses thrive and formalize their operations (Marsan et al., 2020).

In this context, the creation and maintenance of a digital platform serve as a strategic investment. Similar to corporate websites, which are recognized for their ability to disseminate information at relatively low costs (Laco & Kallova, 2017), the Surco website provides essential services such as networking opportunities and access to a local talent pool. These features enhance the attractiveness of the municipality as a hub for entrepreneurship, offering investors efficient ways to acquire ownership stakes in firms and discover talent (Self conducted interviews, 2024). There is a possibility to show ads from local companies on

the website, adding to the income streams. The ripple effect suggests that as more firms formalize and grow, tax contributions will increase, generating a sustainable income stream for the municipality (Marsan et al., 2020).

Additionally, the government's role in supporting entrepreneurial activities is crucial in fostering economic cycles. Research indicates that while direct government investments may have varying effects on different industries, local government investments tend to have a significant short-term impact on economic growth (Liu, 2010). In Surco's case, the investment in digital infrastructure to support free services for entrepreneurs could stimulate the local economy by promoting business growth, creating jobs, and encouraging formalization, which, in turn, benefits the local government through a higher tax return.

4.1.11 Cost Structure

The cost structure for our entrepreneurial support platform will be heavily front-loaded, with the highest expenses incurred during the initial setup phase. These costs primarily stem from the development of the website and the recruitment of personnel responsible for its ongoing maintenance and event organization. A simple website platform, designed to provide essential services such as online storage, content management, and a user-friendly interface, would require an investment in both hardware and software infrastructure.. According to Liu and Rong (2015), the efficiency of website development can be enhanced through database optimization and parallel data storage technology. This approach helps mitigate bottlenecks during periods of high traffic, which is crucial for ensuring scalability as the platform grows to potentially other districts of Lima or other cities of Peru as well.

The personnel costs, which are also part of the upfront investment, will involve hiring 1-2 individuals to manage the website's daily operations and coordinate events and

workshops for Surco's entrepreneurs, investors, and the municipality. As suggested by Mr. Lazo in our self-conducted interviews (2024), having dedicated personnel for event management is vital for ensuring the platform serves its intended purpose of fostering business growth in Surco. These individuals will also be responsible for curating presentations by local entrepreneurs and organizing fairs, which will require additional logistical costs.

The selection of cloud-based services such as Amazon Web Services (AWS) or Microsoft Azure is a critical factor in the cost structure. AWS, which is used by approximately 48% of developers globally (Stack Overflow, 2024), is likely to be a cost-effective solution for handling the platform's storage and hosting needs. Cloud services offer scalability, allowing for gradual growth without the need for significant upfront hardware investment. Moreover, they provide robust security measures, which are essential for protecting sensitive user information. According to a report on cybersecurity trends (Cloud Security - Worldwide, n.d.), with the increasing demand for cloud-based solutions, investing in a platform with high security and data protection standards is a wise long-term decision.

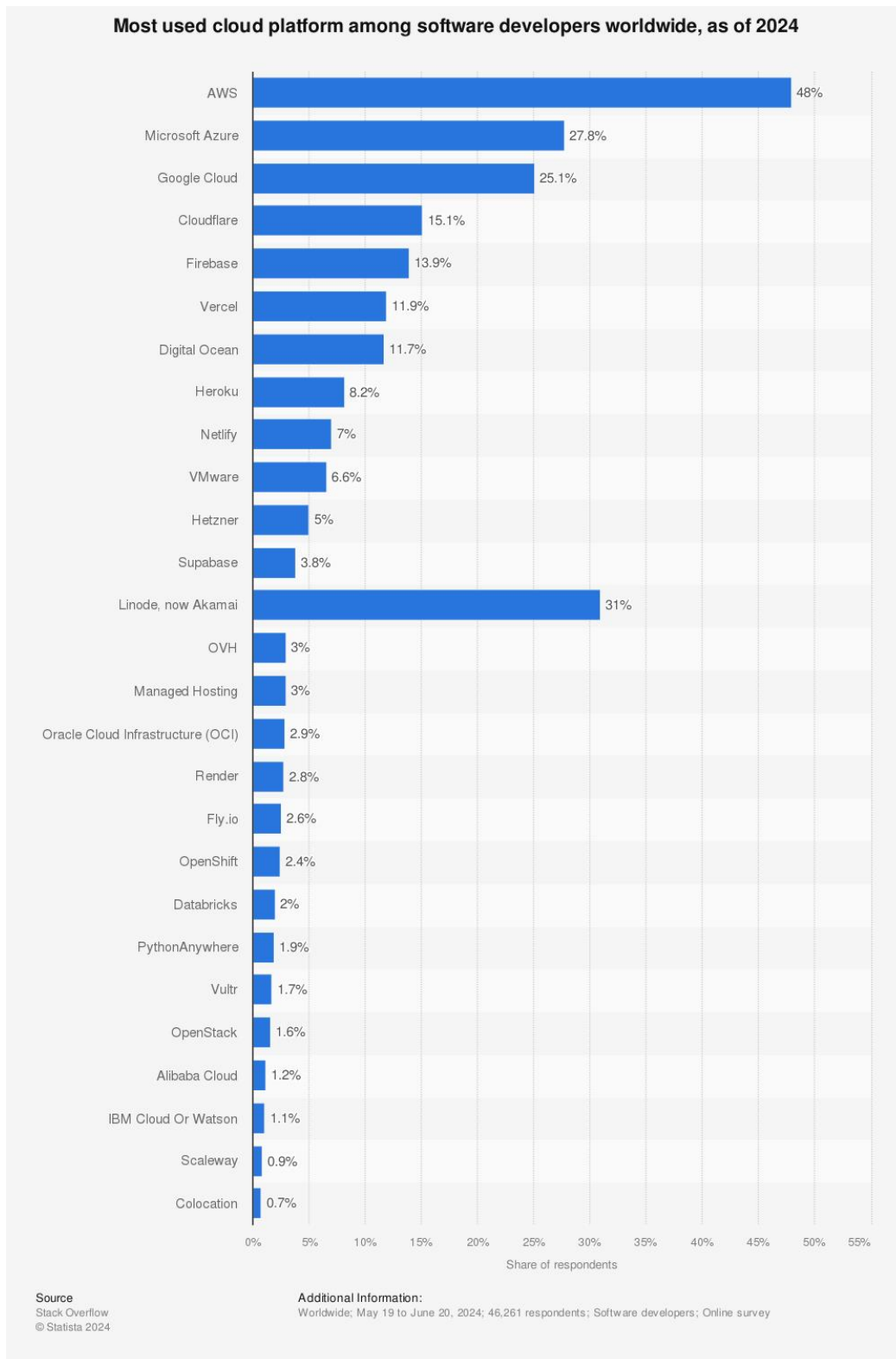


Figure 12: Most used Cloud Platforms

Considering the entrepreneurial nature of the platform, financial constraints are a critical touchpoint. The interviewees frequently mentioned the challenges of obtaining affordable financing, and this was further emphasized by the entrepreneurs of Surco, who

cited the high cost of doing business in the district as a potential barrier (Self-conducted interviews, 2024). However, by optimizing the cost structure—starting with a simple website that can expand as needed—the platform can minimize upfront expenses while ensuring long-term sustainability.

Initial costs, including website development and personnel, will be the highest due to the need for infrastructure setup and hiring. The ability to scale, supported by cloud services like AWS or Microsoft Azure, provides cost control and flexibility for future expansion (Stack Overflow, 2024). Additionally, investing in optimized data storage solutions early on will enhance the platform's efficiency, reduce maintenance costs, and ensure that the platform remains adaptable to increasing user demand over time (Liu & Rong, 2015).

The initial costs for developing a simple website platform would likely range from \$5,000 to \$20,000, depending on the complexity of the website, the storage requirements, and the security features needed. This cost includes domain registration, server space, and the initial setup of the content management system (CMS). Moreover, cloud service costs, as highlighted by Statista (2024), would vary based on usage, but leveraging scalable services like AWS ensures that costs remain manageable as the platform grows. For personnel, the average salary for website managers and event organizers in Lima would likely fall between \$12,000 and \$24,000 per year per person, depending on their experience level and responsibilities.

In conclusion, the highest costs will be incurred in the initial stages, driven by website setup and personnel hiring. However, by utilizing scalable cloud services and efficient database technologies, long-term operational costs can be optimized, ensuring that the platform remains both cost-effective and sustainable.

4.1.12 Impact Metrics

Assessing the impact of entrepreneurial support programs requires careful consideration of both social and environmental metrics, as well as traditional measures of scholarly impact. In terms of social impact, our proposed solution aims to foster faster business growth for entrepreneurs in Surco by providing them access to better resources and knowledge-sharing platforms, particularly through the website that connects entrepreneurs to funding opportunities. The anticipated result is an acceleration of Surco's economy, driven by the success of small businesses and startups, which aligns with findings from our self-conducted interviews (2024). Entrepreneurs, as identified in the interviews, are primarily motivated by their families and the desire to improve their livelihoods, a social factor deeply connected to local economic development. This ties into traditional metrics of economic impact such as business growth and community well-being (Butler et al., 2017).

From an environmental perspective, our model also intends to contribute by bundling resources and reducing the time and effort entrepreneurs must invest in sourcing financing and knowledge. This can result in a smaller environmental footprint, as less physical infrastructure is required for entrepreneurs to operate their businesses (Matuščík & Kočí, 2021). Additionally, our platform could serve as a channel for best practices in sustainability, where entrepreneurs in Surco can exchange knowledge on reducing their environmental impact, including adopting eco-friendly practices in their operations. The sharing of sustainability knowledge from investors to local entrepreneurs further reinforces this exchange, creating a cycle of improvement that benefits both business efficiency and environmental outcomes.

Moreover, the integration of sustainability best practices into entrepreneurial activities is essential for long-term growth. As Nawaz and Koç (2019) suggest, the most sustainable

organizations focus on resource optimization, business excellence, and corporate social responsibility, themes that are particularly relevant to Surco's local businesses once they start to grow.

4.2 Financial viability of the business model

The financial viability of the proposed platform for supporting entrepreneurs in Surco is based on a model that leverages both indirect financial benefits and potential direct financial benefits. By providing a free service to users, the platform aims to facilitate business growth, which in turn is expected to increase tax revenues for the municipality. This approach aligns with findings from Mr. Lazo's interview, which emphasizes the municipality's interest in fostering entrepreneurship to boost its tax base (Self-conducted interviews, 2024). Similar strategies have been successful elsewhere; for instance, the "modified parallel tax and discharge fee" model in Kushtia, Bangladesh, demonstrated that balancing affordability with long-term municipal gains can be financially sustainable. Direct financial benefits can be achieved by placing ads on the website tailored to the entrepreneurs of Surco. (Mohideen et al., 2022).

The platform's cost structure is front-loaded, with significant initial expenses for website development, infrastructure and personnel. The website's development costs are estimated at around \$10,000 depending on the chosen website developer or firm. To begin with, free website configurators could also be used in order to keep the initial costs low. Additionally, either hiring of new personnel such as a project manager or job rotation inside the municipality, accounts for another \$12,000 estimated costs annually. These costs were estimated by taking the current GDP per capita in Peru and the demands of the job. Regarding the project manager, organizational and social skills are needed for the job at hand to work as a mediator between investors and entrepreneurs and remaining key partners.

Regarding infrastructure, by using scalable cloud services like Amazon Web Services (AWS) or Microsoft Azure, the platform can manage growth efficiently and keep long-term operational costs low. Initial data storage costs are projected at \$5,000 annually, with scaling options expected as data traffic increases. (Liu & Rong, 2015). This scalable approach ensures that as the platform expands, it does so without incurring disproportionate costs, which supports its financial sustainability over time.

As mentioned above, there are two types of potential revenue streams for the Municipality of Surco. Indirect revenue through tax income suggests that as the platform helps entrepreneurs formalize their businesses, this will lead to an increase in tax revenue. The number of formalized businesses is expected to grow by 10% annually. Given Surco's current informal economy, the projected increase in tax revenue over two years would contribute an estimated \$12,500 annually to the municipality. A potential source of direct revenue could come from ad placements. By partnering with local and international firms like Amazon Web Services (AWS) and other digital service providers, the platform can monetize advertising spaces. With an estimated \$5,000 in ad revenue during the first year and an annual increase of approximately 25% if the website gains traction thereafter, this would create a secondary revenue stream.

The goal is to achieve a break-even point between 18 and 24 months, with projections relying on a combination of indirect tax income and ad revenue. Should the municipality choose to pursue a more aggressive ad monetization strategy, this period could be shortened to 12-18 months. The initial setup costs of \$24,000 would be amortized through a combination of ad revenue and indirect tax benefits. The table below outlines the amortization plan, where each six-month period reduces the remaining costs by revenue

gained. This table below provides a more detailed view of how the platform can achieve financial sustainability over time.

Time Period	Remaining Initial Costs	Revenue from Ads	Tax Income	AWS Data Costs	Net Reduction
Initial	\$24,000	\$0	\$0	\$2,500	+\$2,500
6 Months	\$26,500	\$2,500	\$6,250	\$2,500	-\$6,500
12 Months	\$20,000	\$5,000	\$12,500	\$2,500	-\$15,000
18 Months	\$5,000	\$3,125	\$6,875	\$2,500	-\$7,500
24 Months	\$0	\$6,250	\$13,750	\$2,500	-\$17500

Table 1: Financial Viability in Numbers

Regardless, research on entrepreneurial ecosystems highlights the critical role of local government investments in stimulating economic growth and business sustainability (Stam & van de Ven, 2021). By investing in digital infrastructure and supporting entrepreneurial activities, the Municipality of Surco can enhance its local economy while ensuring that the platform remains cost-effective. This strategic investment not only addresses the immediate needs of entrepreneurs but also generates indirect financial returns through increased tax revenues, thereby justifying the financial rationale of the business model.

4.3 Scalability/ exponentiality of the business model

Scalability is a crucial attribute for business models aiming for long-term success and adaptability in varying market conditions. The concept of scalability refers to the ability of a business model to handle increased workload or expansion without compromising performance (Jabłoński, 2016). For instance, if the website designed to support entrepreneurs in Surco gains traction and attracts significant interaction, this success could be leveraged to

draw investors through municipal networks and political connections. Such a model could then be replicated in other districts of Lima and potentially across major Peruvian cities like Cusco, Trujillo, and Arequipa. This approach aligns with the findings from the interviews conducted with Surco entrepreneurs, who emphasized the need for scalable solutions to address high informality rates and improve access to resources (Self-conducted interviews, 2024). By leveraging successful examples from Surco, the model can serve as a best practice, facilitating knowledge transfer and reducing costs associated with new implementations.

By addressing scalability, businesses can not only expand their reach but also ensure that they continue to meet or exceed their performance metrics, fostering a sustainable and resilient business model that benefits both the organization and its investors.

4.4 Social sustainability of the business model

The integration of the Sustainable Development Goals (SDGs) into business models is key to increase social sustainability by promoting inclusive economic growth, equality, diversity, inclusion, and consequently community development. In the case of the Surco entrepreneurs, our proposed business model, which provides access to updated business news relevant for business in the region, workshops from entrepreneurs and investors, and networking opportunities to connect and get to know entrepreneurs, staff of the municipalidad of Surco, aligns with multiple SDGs, specifically SDG 1, SDG 11, SDG 8, and SDG 9, and SDG 11 (United Nations, 2024).

SDG 1, “No Poverty” seeks to eradicate poverty in all its forms, globally. By improving access to capital and providing resources that help entrepreneurs formalize their businesses, the proposed business model enables them to overcome financial barriers, making their businesses more sustainable. This support helps lift people out of poverty by fostering

entrepreneurship as a pathway to financial independence and stability (United Nations, 2024.).

Secondly, SDG 11 “Sustainable Cities and Communities” focuses on making cities inclusive, safe, resilient, and sustainable. Our business model directly addresses this by encouraging formalization and providing entrepreneurs with the tools to thrive in Surco, which contributes to the city's socio-economic development. As entrepreneurs gain access to capital and employ more people, the local community becomes more stable and attractive for foreign direct investment and tourism (United Nations, n.d.; Oigenblick & Kirschenbaum, 2002).

Furthermore, improving the financial ecosystem for Surco entrepreneurs, which is aligned with SDG 8, “Decent Work and Economic Growth” and SDG 9, “Industry, Innovation, and Infrastructure”, helps generate employment, reduce informality, and foster innovation. These actions create a more inclusive and sustainable local economy (Morton, Pencheon, & Squires, 2017).

Interview data retrieved from local entrepreneurs in Surco reveals that the primary challenges faced include high levels of informality and limited access to funding. These challenges underscore the need for targeted interventions to improve financial inclusion and reduce informal economic activities. The implementation of a website that facilitates access to capital and reduces informality aligns with these goals by providing a supportive environment for business growth and employment generation (Self-conducted interviews, 2024).

Moreover, the broader economic context of Peru, characterized by fluctuating mineral prices and a declining GDP growth rate, highlights the need for sustainable and diversified economic strategies (IMF, 2024). As the economy's dependence on mineral resources makes it vulnerable to global market changes, enhancing the local entrepreneurial ecosystem becomes essential for stabilizing and boosting economic performance.



Figure 13: GDP in Peru 2029

4.5 Conclusion

In summary, the proposed business model for Surco not only addresses immediate financial and operational needs of entrepreneurs but also aligns with global development goals. By promoting formal business practices and improving access to funding, it supports sustainable local economic development and enhances the attractiveness of Surco for foreign

direct investment and tourism. This approach demonstrates a commitment to creating a more resilient and equitable economic environment that can contribute to broader social and economic benefits for the region and beyond.

Chapter V: Conclusion

In conclusion, this project addresses the critical issue of limited access to capital for entrepreneurs in Surco by introducing an innovative digital platform that connects local entrepreneurs with investors. The platform not only helps entrepreneurs find funding but also offers valuable educational resources and certifications to enhance business credibility. By focusing on both local and international investors, it opens new doors for entrepreneurs who otherwise struggle with high interest rates and limited financing options from traditional banks.

Moreover, the project highlights the importance of formalizing businesses, as informality remains a significant barrier to accessing financial resources in Surco. The platform encourages the transition from informal to formal business practices, helping entrepreneurs become eligible for loans and other forms of financial support. This effort directly contributes to the broader economic development of Surco by increasing job opportunities and improving the overall economic environment.

The scalability of this business model makes it applicable not only to Surco but to other districts in Peru as well, promoting regional economic growth. By aligning with global sustainability goals, the project also contributes to the advancement of Sustainable Development Goals (SDGs) such as decent work, economic growth, and sustainable communities.

Overall, the project successfully combines innovative digital solutions with real-world challenges, creating a sustainable and impactful model that benefits both entrepreneurs and the broader community. It promotes financial inclusion, addresses key economic challenges, and strengthens the local entrepreneurial ecosystem, positioning Surco as a district capable of fostering innovation and sustainable growth.

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Apéndices

Appendix A: Interview Conducted with Mr. Lazo From the Municipality of Surco

The questionnaire made in July included the following questions:

1) What are the main reasons for entrepreneurial failure in Surco? (e.g lack of access to capital, lack of education and training, regulatory barriers, inadequate infrastructure, limited support networks, etc)

The main reasons for entrepreneurial failure in Surco are, first, a lack of preparation, and second, insufficient financial backing. A third significant reason is informality, as entrepreneurs seeking financing often face very high interest rates. Additionally, more than half of the businesses that are established fail before their first year. This high failure rate is partly due to entrepreneurs copying business models they see, without sufficient understanding or planning.

2) Can you provide an overview of the current state of entrepreneurship in Surco?

Surco, with a population of around half a million, is the district with the highest local government revenue in Peru. It includes neighborhoods from socioeconomic classes A, B, C, and D. However, informality affects approximately 70% of businesses in the district, posing a significant challenge to the local economy. The municipality issues operating licenses classified by risk level: low, medium, high, and very high risk. Low and medium-risk businesses, such as small offices, bodegas, and markets, make up around 90% of all businesses. These micro-enterprises, typically with a small number of employees, dominate Surco's business landscape. The remaining 10%, which includes larger enterprises, consist of high and very high-risk businesses like the Jockey Plaza shopping center.

3) How significant is the role of small businesses in Peru's economy?

In Surco, 90% of businesses are small (micro and small enterprises).

- 4) What are the main challenges persons in Surco face when trying to access funds/capital?

Basically, through various programs promoted by the municipality in partnership with different institutions (such as PUCP), efforts are being made to encourage entrepreneurs to overcome their fear of formality (as they would obtain financial tools).

- 5) Are there specific sectors that struggle more with funding than others?

Undoubtedly, small businesses because they are generally informal. These businesses usually do not produce receipts, so it is difficult for them to obtain regular financing tools due to their informality.

- 6) What financial support programs and funds does the municipality offer to local entrepreneurs?

The municipality does not have the function of generating financial support funds.

In what way could you connect local SMEs with enterprises and potential capital givers?

The idea is that, having received the business failure statistics from our small entrepreneurs, they will be trained. We do this thanks to agreements with La Católica, with ESAN, with SUNAT, with INDECOPI. These are free trainings that are very successful, attracting a large number of interested people. We are giving preparation courses in business management. So, the idea is to prepare them, help them create their business plan mainly through different courses, different information, and then hold business fairs. In August, we will hold our first entrepreneurs' meeting in Surco, where we will invite all these 1,200 entrepreneurs we have been able to contact (entrepreneurs or micro-entrepreneurs) to offer their products and services, network among themselves, and also invite large companies to let them know that Surco has opportunities.

- 7) How effective have these programs and funds been in helping businesses secure necessary funding?

There is no concrete data. But it is expected that after the training stage, the next step would be to set up entrepreneurship fairs to invite savings banks to present financial tools for entrepreneurs and micro-entrepreneurs to promote their development. ADEX will also be asked for help in preparing entrepreneurs for export.

- 8) Are there specific funds allocated for particular age groups or types of businesses? Please inform us in detail about the platform you mentioned (where the training sessions were posted).

The municipality of Surco is developing a platform called SURCO EMPRESARIAL, which will provide entrepreneurs with detailed information on the requirements for obtaining business licenses and permits, streamlining the process for those looking to start or formalize their businesses. The local government, which generates its revenue through public services such as cleaning, security, and licensing, collaborates with institutions like INDECOPI, CENTRUM, PUCP, ESAN, and SUNAT to offer training sessions through digital platforms and physical locations. These initiatives aim to help entrepreneurs become more competitive by introducing them to tools they can apply in their businesses.

A digital platform is also being designed to allow entrepreneurs to apply for business licenses online, reducing the need for in-person visits. The platform will also post all available training sessions. Through ongoing programs and collaborations, the municipality has created a database of 1,500 entrepreneurs, most of whom are between the ages of 30 and 45. In addition to providing training, the municipality plans to organize business fairs, inviting banks to present their financial tools. These efforts are aimed at enhancing entrepreneurial

skills, promoting business formalization, and addressing the lack of information that many entrepreneurs face.

9) What is the age range of entrepreneurs in Surco who are starting new businesses?

All age groups, from young to old. But the majority are between 30 and 40 years old.

10) What age range of entrepreneurs in Surco experiences the highest rate of business failure?

Between 30 and 40 years old.

11) What kind of support services does the municipality provide to help entrepreneurs navigate regulatory requirements?

At the bottom right of the Municipality of Surco's website, information is provided on license permits for authorizations.

12) Are there plans to streamline bureaucratic processes to make it easier for businesses to operate?

Procedures have a legal framework; all municipalities apply the same because there is a law called the framework law on operating licenses that establishes the requirements to obtain an operating license. Currently, we are working on digitizing this process so that it can be done virtually, and people do not need to go in person.

13) What are the most common skills gaps that entrepreneurs in Surco face?

Regarding this and the next question, the data indicate that there is a serious problem of informality, more than 70% of the economy is informal. It means that those businesses are operating without complying with the law, which does not help the development of the country or their company. This means they may not have much economic support from other entities. (This is also for question 14).

14) How is the municipality addressing these gaps to ensure entrepreneurs are well-equipped to run their businesses?

15) Are there any mentorship or advisory programs available to support new entrepreneurs in Surco?

Yes, the ones mentioned in the other answers.

16) How successful have these programs been in aiding business sustainability and growth?

The agreements were achieved in the summer of 2024, and the Surco Emprende program that trains micro-entrepreneurs and entrepreneurs has been very successful. Thanks to the classes given by ESAN professors, it has reached 1,700 enrolled entrepreneurs. And the training sessions held for market traders in Surco have had the participation of 700 people.

Undoubtedly a success.

17) How would you describe the regulatory environment for starting and operating a business in Surco?

This originates from the law that establishes the operations and mechanisms. There are 3 points in different parts of the district where the entrepreneur can go in person. There is also information on the website and a phone number. Additionally, the Surco Empresarial website is being created, which will even include business advisory services so that entrepreneurs can consult us before making any investment.

18) Are there specific regulations that entrepreneurs frequently cite as barriers to their success?

Many inexperienced entrepreneurs rent a location first and then go to apply for a license, but for various reasons, they cannot be granted. This results in losing money and time.

19) How does the entrepreneurial ecosystem of Surco compare with other districts in Lima?

Surco has many important institutes, an academic and commercial hub. It is very well connected to the North and South roads. It is an attractive district for businesses to reside.

20) What kind of tax incentives exist to promote the creation of new businesses in Surco?

There are no tax incentives.

21) How important is innovation for entrepreneurs in Surco and how is it fostered by the municipality?

We are interested in creating business niches in Surco. The co-working space was built, which offers offices for rent at a very low price that includes internet, study rooms, meeting rooms, conference rooms, a convention center, and parking. They are also trained for free.

22) What is the level of access to international markets for entrepreneurs in Surco?

There is no clear information yet.

23) Are there support programs for the internationalization of small businesses in Surco?

There is no clear information yet.

24) What do local entrepreneurs think about the support received from the municipality?

Voluntary satisfaction surveys are usually conducted, and 90% consider that the training provided is very useful.

25) What indicators does the municipality use to measure the success of support programs for entrepreneurs?

The municipality measures the success of its support programs for entrepreneurs by tracking the number of business licenses issued. Recently, there has been an increase in this number, with 13,000 businesses currently operating in the district, 90% of which are small businesses. To foster economic development and enhance competitiveness, the municipality offers free workshops to these enterprises.

26) How many existing businesses are in the area of Surco?

13,000 businesses.

27) How many (percentage) of these businesses are small businesses?

(Questions 27 to 29) There are 13,000 businesses, of which 90% are micro-enterprises.

28) What is in that case defined as a small business?

(It was answered before)

29) How many of these are 1 person businesses?

Don't know the answer.

30) How do you as a municipality guide them towards being able to run the business?

We do not manage anyone's business in particular.

31) What forms of guidance and assistance can you offer to SMEs? (legal, finances)

Guidance on licenses and permits on how to reside in Surco.

32) What is your goal for the region? (# of businesses/ success rate)

Don't know.

33) How important is sustainability?

Don't know.

34) Do you reward companies who act upon SDGs or fine those who don't?

Don't know.

35) In what way do you want the Surco Community to profit from these SMEs besides job creation?

The Surco community benefits from formal businesses that also create jobs for the community, as they are businesses that guarantee quality service and products.

36) Do you provide funding at all? - If yes, how?

We do not provide funding.

37) Are you in contact with big enterprises, to act as a project manager between the possibility of creating jobs in Surco and in return creating jobs there?

We have a program within the social development management called Surco Laborando, with which we contact large companies to provide their job offers and share them with the population seeking employment.

- 38) Do you have ongoing construction projects in Surco? If yes, did you think about demanding free or cheap office spaces for SMEs in these new buildings?

What has been built this year is Surco's first co-working space, which was mentioned in one of the answers above.

- 39) How can you act as a medium between the capital givers and the SMEs who need the funding not to fail their business?

We cannot be intermediaries; we are the state.

Appendix B: Questionnaire For Entrepreneurs

The questionnaire included the following questions:

1. How old are you?
2. What is your gender?
3. Describe your personality.
4. What achievements are you proud of?
5. What is your motivation in life?
6. Describe your social circle.
7. What is the highest level of education you have completed?
8. How long have you been operating your business?
9. How many employees does your business have?
10. What problems do you consider you face in your daily life?
11. Briefly mention your family and your relationship with them.
12. How well do you think you were prepared before starting your business?
13. Share your thoughts about your entrepreneurship in the district of Surco.
14. How easy is it for you to access financing for your business?
15. What are your main sources of financing?
16. What financial barriers do you face when securing financing?
17. In which business skills do you feel you need more training?
18. How often do you participate in training or business development programs?
19. How effective are the available training programs in Surco in helping you manage your business?
20. What are the main regulatory challenges you face when operating your business?
21. How easy is it to comply with local regulations and requirements?
22. What infrastructure improvements would benefit your business the most?

23. How accessible are business support networks and mentorship programs for you?
24. How effective are business support networks and mentorship programs in helping you grow your business?
25. How often do you feel overwhelmed by your workload?
26. How confident do you feel in your ability to handle the responsibilities of your business?
27. How often do you consider abandoning your business due to the challenges you face?
28. Have you ever failed to start a business? If so, can you describe the main reasons for your failure?
29. Do you know anyone who has failed when trying to start a business? If so, what do you think were the main reasons for their failure?
30. Why do you think entrepreneurs in Surco fail?

Appendix C: Interview Conducted with Small Businesses In Surco



Exhibit 1: Interview 1



Exhibit 2: Interview 2



Exhibit 3: Interview 3



Exhibit 4: Interview 4



Exhibit 5: Interview 5



Exhibit 6: Interview 6



Exhibit 7: Interview 7



Exhibit 8: Interview 8



Exhibit 9: Interview 9



Exhibit 10: Interview 10



Exhibit 11: Interview 11



Exhibit 12: Interview 12



Exhibit 13: Interview 13



Exhibit 14: Interview 14

Appendix D: Images Depicting the Entrepreneurial Journey of Interviewees

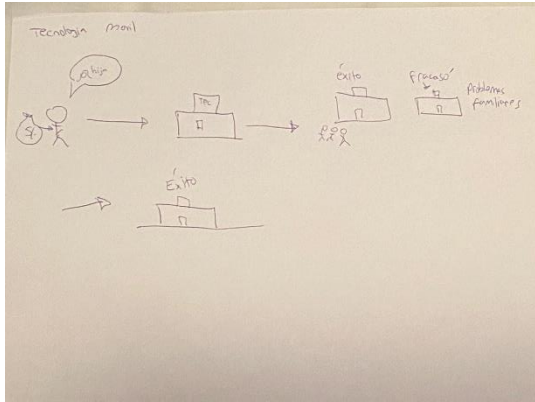


Exhibit 15: Tecnología Móvil

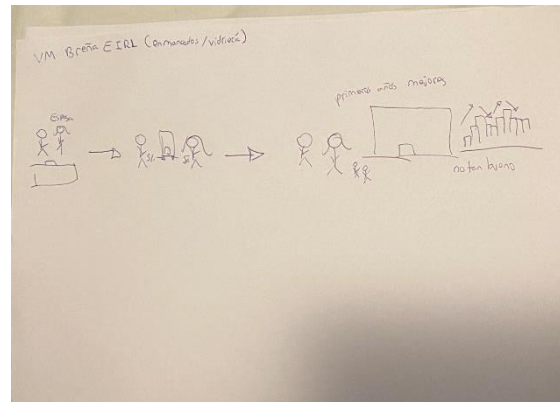


Exhibit 16: VM Breña EIRL

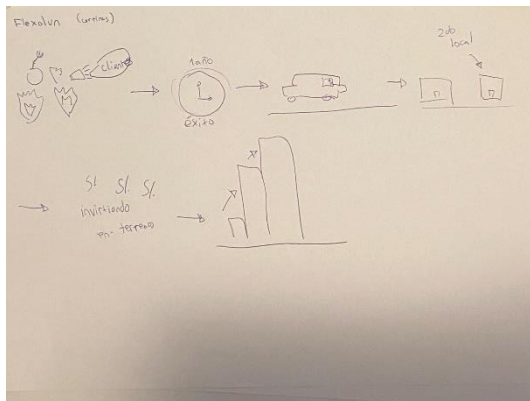


Exhibit 17: Flexalum

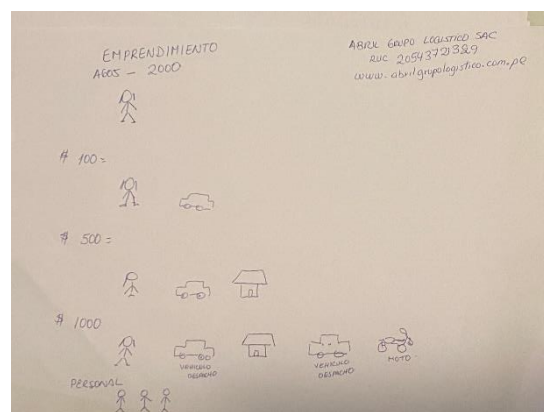


Exhibit 18: Abril Grupo Logístico Sac

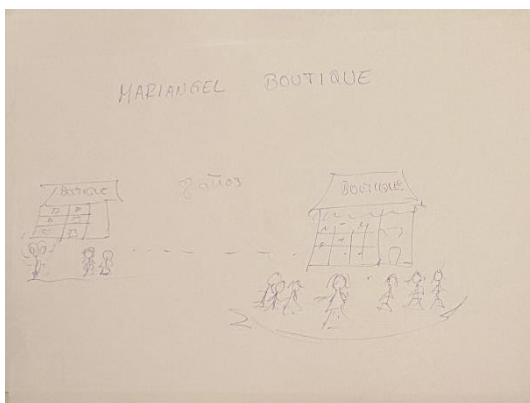


Exhibit 19: Mariangel Boutique

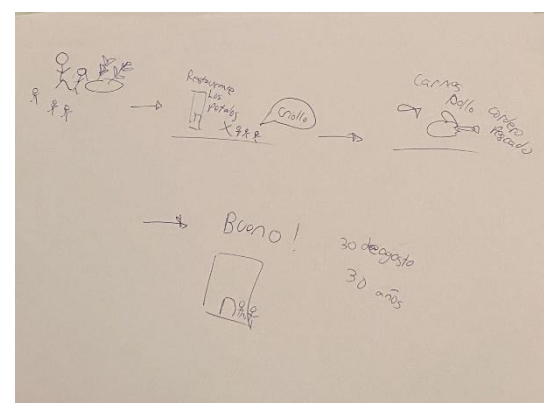


Exhibit 20: Restaurante Los Petalos

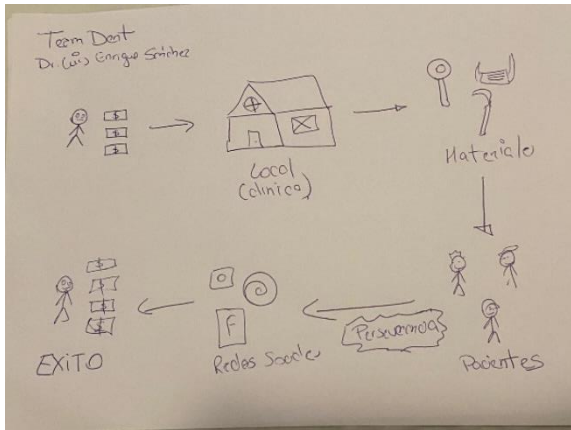


Exhibit 21: Team Dent

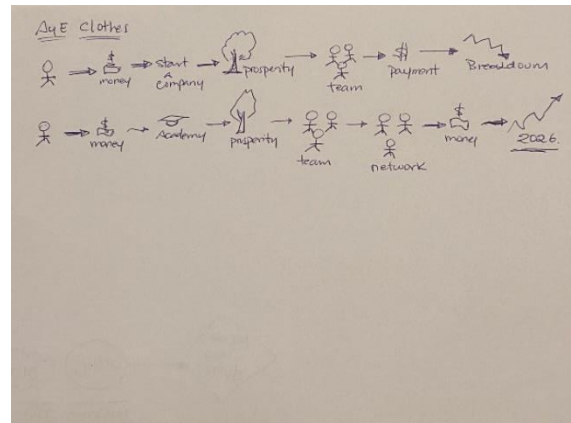


Exhibit 22: AJE Clothes

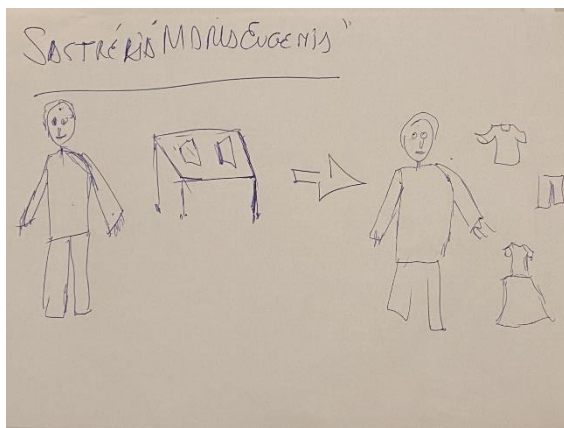


Exhibit 23: Sastrería Moni's

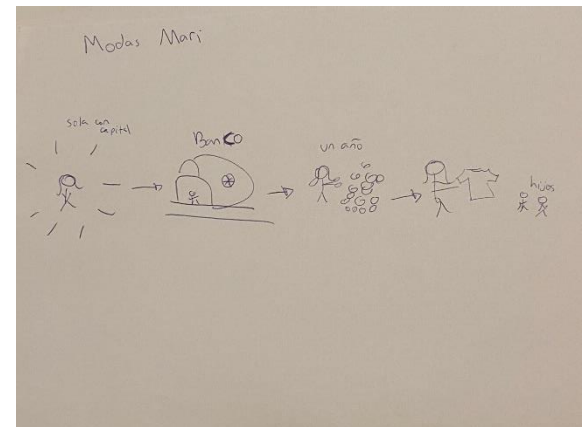


Exhibit 24: Modas Mari

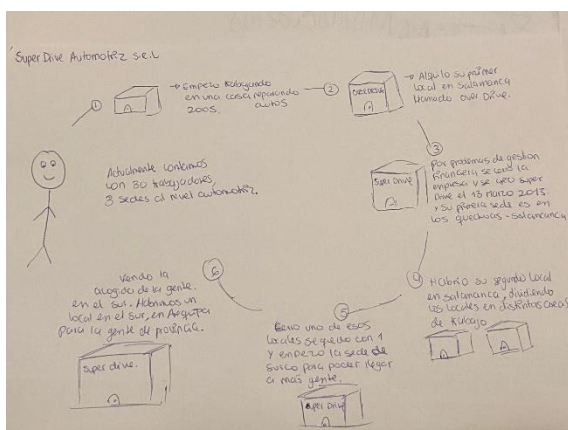


Exhibit 25: Super Drive Automotriz S.R.L.

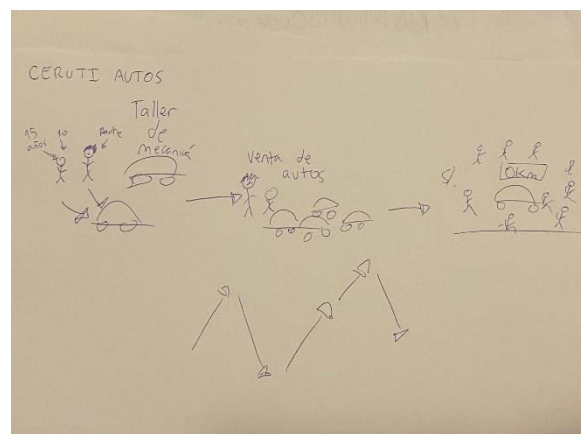


Exhibit 26: Ceruti Autos

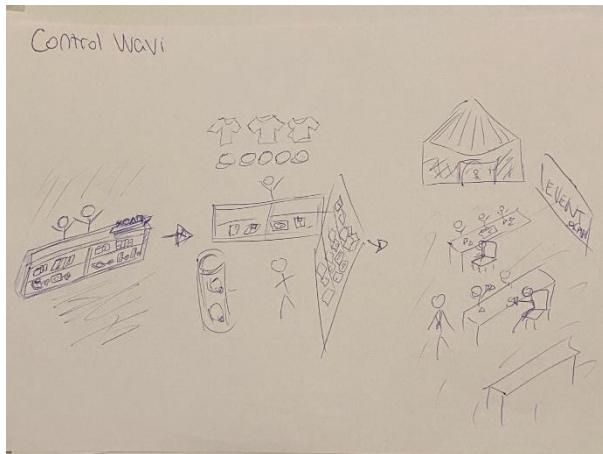


Exhibit 27: Control Wavi

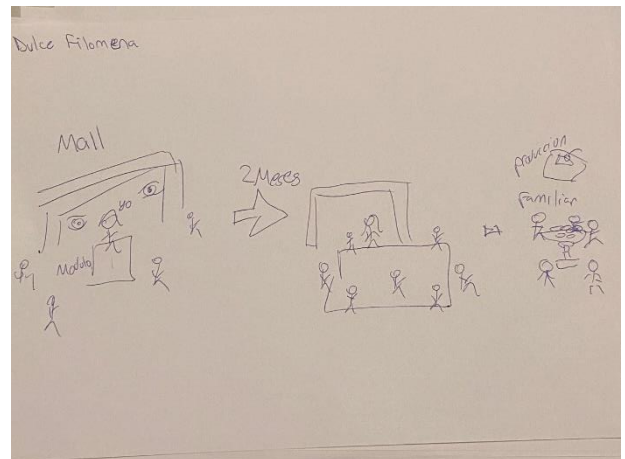


Exhibit 28: Dulce Filomena