Market Expansion in Latin America

Objective
Evaluate Latin American markets for potential expansion opportunities and develop a recommendation for a successful market entry strategy.

Company Background
- Cumplo is a marketplace lending platform that connects individual and institutional investors with small and medium enterprises (SME’s) looking for funding.
- Cumplo’s value proposition is higher returns for investors, and fast, fair rates for SME’s.
- The company was founded in 2012 and is headquartered in Santiago, Chile.

Methodology and Process
2016

<table>
<thead>
<tr>
<th>2016 Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan 2017</th>
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<tbody>
<tr>
<td>20+ discussions with lawyers, entrepreneurs and businesspeople in multiple countries</td>
<td>120 hours of on-site work</td>
<td>50+ meetings with Cumplo capability teams</td>
<td>12 weeks of remote research</td>
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Market Analysis

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<tr>
<th>Mexico</th>
<th>Colombia</th>
<th>Argentina</th>
<th>Peru</th>
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<tbody>
<tr>
<td>Competitive Landscape</td>
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<td>Market Dynamics</td>
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<td>Regulatory Landscape</td>
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<td>Legal</td>
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<td>Human Capital</td>
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<td>Overall</td>
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Recommendation
After extensive primary research and on-site discussions, our final recommendation was for Cumplo to enter Colombia as a springboard into the rest of Latin America.

Team
Four weeks of working, living, and traveling together.

Opportunities
- Large interest rate spread
- Industry fit with target SMEs
- Government with pro-SME policies and openness to innovation
- Single operating competitor

Challenges
- Relatively small formal SME market
- Young market for business models based on crowdfunding
- Crowdfunding regulation may constrain operating model
- Anecdotal reports of difficulty to set up a business
- Cost and length of legal process
- Tax on financial transactions and transfer fees may impede investment
- Operations and technology
- Organizational culture

Team Members
Laura Grochowina
Scott McArthur
Pilar Carvajo Lucena
Maddie Wasser