

Personal Budget – Nexus Boost

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ABSTRACT:- The project analyzed is called Nexus Boost and corresponds to the creation from scratch of the company Nexus Advisory, a management and business strategy consultancy classified under CAE 70220. This is a service company where human capital constitutes its main asset and the primary driver of value creation, which gives human resource planning decisions a decisive strategic and financial relevance. It is precisely this interdependence between the human and financial dimensions of the project that justifies the centrality of the analysis of personnel expenses in this work.

Within this framework, the work characterizes the company and the investment project, presents the adopted tax and labor assumptions, analyzes the evolution of personnel expenses over the five-year analysis horizon, and outlines the competency profile of the Human Resources Manager best suited to the context of Nexus Advisory. Together, these axes seek to demonstrate how strategic and structured human resource management is a determining factor for the viability and sustained growth of the organization throughout its life cycle.

Keywords: Personal Budget; Investment Projects; Forecast Maps; Due Dates

I. INTRODUCTION

This work falls within the scope of financial planning and human resource management applied to a greenfield investment project, developed using the financial planning model of IAPMEI - Institute for Support to Small and Medium-Sized Enterprises and Innovation. This instrument constitutes a national reference for the projection and evaluation of the economic and financial viability of business projects, allowing the integrated articulation of the main financial maps from a single assumption sheet, which ensures coherence and methodological rigor in all projections made.

1. Company and Project Characterization

1.1. Nexus Advisory Company

Nexus Advisory emerged as a response to an opportunity identified in the management consulting and business strategy market, seeking to position itself as a leading partner for organizations facing growth, restructuring, or transformation challenges. This organization combines a structured Human Resources policy with a clear focus on creating value for its clients.

The central idea is based on providing specialized services with high added value, supported by a multidisciplinary team that will grow progressively in line with the expansion of the client portfolio, aligning investment in human capital with the development of the company's operational and commercial capacity.



Figure 1. Nexus Advisory logo

1.1.1. Area of Activity and Business Model

Nexus Advisory operates within the business management and strategy consulting sector, with the main CAE code 70220, positioning itself as a benchmark for organizations seeking to optimize their performance, define strategic direction, and support transformation and growth processes. The business model is based on providing consulting services to corporate clients, focusing on quality of delivery, technical expertise, and the ability to respond to the specific needs of each organization.

The business strategy foresees a gradual expansion of the client portfolio, aligned with the growth of the team and the consolidation of Nexus Advisory's reputation in the consulting market. Client intervention may encompass areas such as strategic planning, organizational restructuring, process improvement, support for internationalization, and change management. The cost structure prioritizes operational flexibility, minimizing fixed investments in the initial phases and leveraging human capital as the main differentiating asset.

1.1.2. Organizational Structure

Nexus Advisory's organizational structure was designed to support the progressive growth of the business, with a clear hierarchy and well-defined roles from the start-up phase. The company is organized into four main functional categories:

- **Management:** Responsible for strategic leadership, decision-making, and institutional representation of the company. Ensures consistency between business objectives and operational execution. The allocation remains at 1 element for the first four years, increasing to 2 from Year 5 onwards, in line with the greater management complexity expected at that stage.
- **Administrative:** It supports internal management processes, financial control, and legal compliance, ensuring the organization's administrative efficiency. It is the category with the highest relative growth: it starts with 2 employees in Year 1, grows to 3 in Year 2, to 5 in Year 3, and reaches a peak of 6 in Year 4, stabilizing at 5 from Year 5 onwards.
- **Commercial:** Responsible for business development, customer prospecting, and managing commercial relationships, acting as the engine for company revenue growth. Maintains a consistent allocation of 1 employee throughout the analysis period.
- **Other Contributors:** It encompasses the technical and operational support profiles necessary for the provision of services, with a stable allocation of 1 employee throughout the entire analysis period, reflecting a transversal and consistent support role for the company's activity.

It should also be noted that, although the IAPMEI Excel spreadsheet recognizes the category of Operational workers, given the nature of Nexus Advisory's business model, which focuses on providing management consulting and business strategy services, this category does not have any allocation throughout the entire analysis period, and the incorporation of operational profiles is not foreseen in the period considered.

The company starts with 5 employees in its first year of operation, growing progressively until reaching 9 employees in Year 3 (cruise year), a structure that remains stable until the end of the analysis period. This evolution reflects the alignment between investment in human capital and the expansion of Nexus Advisory's productive and commercial capacity.

1.2. Characterization of the Root Project

Nexus Boost is a project conceived from scratch by Nexus Advisory, which required the careful definition of all financial, operational, and human resource assumptions that underpin the viability of the business, without any prior business history as a reference.

The project falls under a service activity, with investment starting in Year 0 and operations beginning in Year 1. The initial operational period covers only one month of activity, corresponding to the start-up period, and from Year 1 onwards the company operates twelve months a year, with 365 days of operation annually. The benchmark year, the point at which the company is considered operationally stable, was set at Year 3, consistent with the planned gradual progression of the personnel structure.

The monetary unit adopted is the Euro (EUR), and the financial model was developed based on the IAPMEI tool, a reference instrument for personnel management and evaluation of investment projects in Portugal.

1.2.1. Strategic and Financial Objectives of the Project

Nexus Boost's main strategic and financial objectives are as follows:

- Develop a phased and sustainable Human Resources structure, growing from 5 employees in Year 1 to 9 from Year 4 onwards, with stabilization by the end of the analysis horizon, ensuring that investment in human capital keeps pace with the company's operational maturity;
- To efficiently manage the growth of the wage bill, which evolves from €16,800 in the start-up period to €233,806 in Year 1, reaching €312,191 in the cruising year (Year 3) and stabilizing at €375,852 from Year 4 onwards, ensuring that this growth is supported by the activity generated in each phase;
- Reaching the cruising year in Year 3, with a team of 8 employees distributed across the categories of Management, Administration, Sales and Others, consolidating the company's benchmark operational structure;
- Continuously investing in the development and well-being of the team through expenses on training, occupational health and safety, and other support costs, which evolve from €650 in the start-up period to €9,360

in Year 1, growing progressively until stabilizing at €14,040 from Year 3 onwards, in line with the growth of the staff structure.

The organizational structure and compensation policy were designed to attract and retain talent from the start-up phase, recognizing that human capital is the main factor in creating value at Nexus Advisory.

II. FINANCIAL PLANNING AND PROJECT ASSUMPTIONS

a. Application of the IAPMEI Model

Financial planning is a fundamental pillar for the viability and sustainability of any investment project. In the case of Nexus Boost, a consulting and management services company, this exercise was conducted using the financial planning model provided by IAPMEI, the Institute for Support to Small and Medium-Sized Enterprises and Innovation, a national benchmark tool for the financial projection and evaluation of business projects, which offers an integrated structure that automatically articulates all financial maps from a single assumption sheet.

The tool is organized around an assumption sheet, where user input data, and a set of automatic spreadsheets that generate the project's main financial documents: Income Statement, Balance Sheet, Financial Valuation, Financial Ratios, Working Capital, Investment, Debt Service, Cash Flow Statement, and Equity.

In the case of Nexus Boost, the only section that the team filled in directly was 3.3 - Personnel Expenses, since the remaining assumptions (general, tax and labor) were already parameterized with the reference values defined by IAPMEI, which are identified and described in the following sections.

b. General Assumptions

The general assumptions define the operational framework of the project, namely the type of activity, the time horizon, and the operating conditions. The following table summarizes the main parameters adopted:

Parameter	Adopted Value
Monetary Unit	EUR (Euro)
Type of Activity	Services
CAE Principal	Business Consulting and Management Activity - 70220
Year Investment Began	Year 0 (2026)
Year Cruise	Year 3 (2029)
Exploration Period	5 years (2027–2031)
Number of Months in Year 0	1 month (start-up phase)
Number of Months in Years 1 to 5	12 months a year
Number of Days of Operation (Years 2 to 5)	365 days

It should be noted that the benchmark year corresponds to year 3 of the project, the point at which Nexus Boost is estimated to operate at full capacity. The first year of operation includes only one month of effective activity, reflecting the company's operational start-up time.

c. Tax and Labor Assumptions

Tax and labor assumptions define the rates and obligations applied to company profits and employee compensation. The IAPMEI model incorporates the reference values in force in Portugal, which have been fully maintained.

Corporate Income Tax and Municipal Surcharge

Tax	Rate	Observation
Corporate Income Tax (IRC)	20%	General tax rate applicable to companies resident in Portugal
Municipal Surcharge	1.5%	Additional Corporate Income Tax; maximum legal rate (Finance Portal)
Stamp duty on interest	4%	Applicable to loan and financing interest.

IRS and TSU

Charge	Rate	Observation
IRS - Personal Income Tax	15%	Estimated average rate applicable to the remuneration of all collaborators
TSU - Enterprise (entity employer)	23.75%	Contribution from the enterprise to the Social Security
TSU - Collaborators	11%	Discount in remuneration of the worker
Workers' Compensation Insurance	1%	Supported by the employer

VAT and Other Charges

VAT rate	Rate	Application
Standard Rate	23%	Services provided and general FSE (advertising, communication, electricity, etc.)
Intermediate Rate	13%	Certain goods and services specified in the legal table
Reduced Rate	6%	Applicable, for example, to water ESFs.
VAT Exempt / Not Subject	0%	Operations of export and intra-community transactions

Inflation Rate and Loss Reporting

Assumption	Value	Observation
Inflation Rate	1% / year	Applied to the evolution of sales prices and inflation-indexed costs over the 5-year projection period.
Tax Loss Report	5 years	It allows you to deduct tax losses from previous years from subsequent taxable income, within a defined timeframe.

All identified tax and labor assumptions were predefined in the IAPMEI model as reference values. Maintaining them ensures compliance with current legislation and guarantees the consistency of the financial projections prepared for Nexus Boost.

III. ANALYSIS OF PERSONNEL EXPENSES

a. Characterization of Human Resources Costs

In a consulting services company like Nexus Advisory, personnel costs constitute the largest item in the operating budget. This reality stems structurally from the adopted business model, which is based on the provision of specialized business management and strategy services. In this context, the Nexus Boost project presents human capital as its main asset and primary driver of value creation, so the size, quality, and sustainability of the team directly condition the organization's productive and commercial capacity. In this sense, the personnel expenditure structure is broken down into five interdependent components: base salary, other remuneration, meal allowance, mandatory social security and tax contributions, and other support expenses. Each of these components is simultaneously determined by legal requirements in force in Portugal and by the human resources policy options deliberately defined for the project.

The monthly base salary was established by functional category, in order to reflect the responsibilities, complexity, and strategic positioning of each group within the Nexus Advisory organizational structure. Thus,

Management, responsible for strategic leadership, decision-making, and institutional representation of the company, receives €4,500 per month, the highest amount in the structure, in line with the level of demand and responsibility inherent in the role.

Sales Representatives, whose core mission is market prospecting and client portfolio development, acting as the primary driver of revenue growth, receive €1,500 per month.

Regarding the Administrative area, which ensures support for internal processes, financial control, and compliance with the organization's legal and tax obligations, the budget is set at €1,200 per month.

Finally, the category designated as Others, which corresponds, in the specific context of Nexus Advisory, to the Information Technology (IT) Technician, responsible for managing the technological infrastructure, the security of information systems, and digital support for the company's operation, has a remuneration position of €1,300 per month. This value is slightly higher than that of the Administrative Assistant, reflecting the technical specificity of the profile and the growing dependence of consulting organizations on digital work and communication platforms.

In addition to base salaries, there are other monthly payments of a supplementary nature, not subject to employer social security contributions, which serve as a differentiated recognition and retention mechanism by category. Specifically, Management receives an additional €500, corresponding to supplementary compensation such as allowances or performance bonuses; Sales Representatives receive €400, typically associated with sales performance incentives; and Administrative and IT Technicians each receive €100 per month as operational support.

Additionally, a meal allowance of €10 per working day is provided to all employees, regardless of their job category, via a meal card. This fixed cost per active employee is directly proportional to the number of staff in each period, representing a structural cost that is sensitive to team growth.

Regarding the total gross remuneration mentioned, mandatory social security and tax charges arising from Portuguese legislation apply. The Single Social Tax (TSU) constitutes the most significant charge in this area, representing the employer's contribution of 23.75% of the gross salary and the employee's contribution of 11%, deducted directly from payslips. Withholding tax at source is estimated at an average rate of 15%, applied homogeneously to all categories, due to the heterogeneity of the salary brackets involved.

The company also supports contributions to the Employment Compensation Fund (FCT), broken down into two parts: 0.925% for financial investment and 0.075% for charges, levied on gross remuneration. In addition, there are Work Accident Insurance premiums, at a rate of 1% on the total payroll, a legally mandatory charge that guarantees coverage for all employees in the event of a work-related accident. Taken together, employer contributions, such as Social Security contributions, FCT, and insurance, represent an effective rate exceeding 25% of the gross payroll, highlighting the importance of their systematic monitoring within the project's financial planning.

Integrating the cost structure in a complementary way, there are also other personnel expenses directly associated with professional development, workplace safety, and operational support for the team. These expenses, all subject to VAT at the standard rate of 23%, are grouped into three distinct categories: Professional Training, Occupational Health and Safety (OHS), and Other Operational Support Expenses.

The first allowance, set at €65 per month for the initial period, is intended to ensure the continuous updating of the technical and behavioral skills of employees, an essential condition in a consulting company where the quality and up-to-dateness of knowledge constitute the main competitive differentiator.

The second item, with a monthly charge of €30, covers occupational medicine services, periodic assessments of occupational risks, and compliance with legal obligations arising from the legal framework for occupational safety and health.

Finally, the third item, amounting to €35 per month, corresponds to smaller expenses associated with the team's daily operations, specifically support materials and other current costs not classifiable under the previous items.

Together, these three items total €130 per month per employee, amounting to €650 in the start-up period (Year 0), with 5 employees working for only one month. As the staff structure expands, these expenses grow proportionally, reaching €9,360 annually in Year 1, €12,480 in Year 2, and stabilizing at €14,040 from Year 3 onwards, a level that is maintained until the end of the analysis period, in line with the stabilization of the team at 9 employees.

b. Evolution of Personnel Expenses

The evolution of personnel expenses throughout the analysis horizon, from Year 0 to Year 5, is a direct result of the phased hiring decisions that structure Nexus Advisory's growth. This is because each team reinforcement generates an immediate and permanent impact on all cost components, from base salary and social security contributions to meal allowances and other support expenses. The following table systematizes

the evolution of the main items throughout the analysis period, clearly identifying the points of disruption and stabilization patterns:

Number of Workers	5	6	8	9	9	9
Remuneration Base Total	€11,317	€152,600	€186,200	€203,000	€249,200	€249,200
Subsidy of Total Nutrition	525€	€14,490	€19,320	€20,790	€20,790	€20,790
Others Remuneration	1,200€	€15,600	€18,000	€19,200	€24,000	€24,000
Social Security	€4,350	58,450€	€70,960	€77,215	94,937€	94,937€
IRS	1,878€	€25,230	€30,630	€33,330	€40,980	€40,980
Workers' Compensation Insurance	125€	1,682€	2,042€	2,222€	2,732€	2,732€
Others Expenses with Personal €	650€	9,360€	€12,480	€14,040	€14,040	€14,040

Analysis of the table allows us to identify three distinct phases in the trajectory of personnel expenses at Nexus Advisory, each corresponding to a specific moment in the project lifecycle.

The first phase corresponds to Year 0, the start month, in which total expenses amount to €20,054. This value, substantially lower than in subsequent years, is exclusively explained by the partial nature of the period, since the company only operates for one month, with an initial team of 5 employees: 1 in Management, 2 Administrative staff, 1 Sales representative, and 1 IT Technician. The total base salary in this period is €11,317, and employer social security contributions amount to €4,350, which immediately illustrates the significant weight of these costs on the payroll even in an embryonic phase.

The second phase covers Years 1 to 3 and is marked by a significant and progressive increase in expenses, in line with the expansion of the team. In Year 1, with 6 employees on a 12-month contract, total expenses increase to €277,538, more than multiplying by 13 compared to the start-up period, which reflects not only the transition to a full annual contract, but also the hiring of a new Administrative member.

In Year 2, the team grows to 8 employees with two additional administrative staff members, raising total expenses to €339,785, an increase of approximately 22% compared to the previous year. Year 3, the project's peak year, consolidates the team at 9 employees, with one more administrative member, and sets expenses at €369,964. It is at this point that Nexus Advisory's personnel structure reaches its benchmark operational maturity, representing a cumulative increase of approximately 33% compared to Year 1. In this sense, the total base salary in the peak year (€203,000) represents approximately 55% of total expenses, with the company's social security contributions (€52,773) being the second most significant component, corresponding to approximately 14% of the total.

The third and final phase begins in Year 4, with the doubling of the Management team to 2 members, while the remaining groups remain unchanged. This reinforcement at the leadership level, dictated by the

increased management complexity expected in this phase of the project, is the only structural event in this phase and causes a jump in total expenses to €446,884, an increase of approximately 20% compared to the baseline year. The base salary rises to €249,200 annually, essentially reflecting the effect of the doubling of the Management team, and the employer's social security contribution increases proportionally, reaching €94,937. From Year 4 until the end of the analysis horizon in Year 5, expenses stabilize at this level of €446,884, with no further changes in the team composition. This stabilization reflects a controlled growth model, demonstrating that after phased investment in human capital over the first few years, Nexus Advisory has consolidated a predictable and sustainable cost structure, aligned with the company's financial capacity in a cruising operation.

IV. HUMAN RESOURCES MANAGER PROFILE

Effective Human Resources management in an organization like Nexus Advisory requires a comprehensive professional profile, which the IAPMEI Entrepreneur's Manual frames into four major dimensions of competence: personal, relational, knowledge, and technical.

The HR Manager should be a liaison between organizational objectives and the people who achieve them, playing a central role from the project's inception and acting in accordance with the idea that "for newly established companies, the team that comprises them is the company's main asset" (IAPMEI, n.d., p. 55).

a. Personal Skills

- Honesty and credibility are fundamental to being accepted as a trustworthy partner by employees, management, and other stakeholders within the organization.
- The ability to face risks and a spirit of initiative, necessary to make hiring and team structuring decisions in contexts of uncertainty and growth;
- Self-confidence, persistence, and resilience are essential for managing the challenges of a project in its expansion phase, where results don't always appear when expected.
- Self-discipline, organization, and analytical skills are essential for controlling the evolution of personnel expenses and ensuring compliance with the financial parameters defined in the IAPMEI model.

b. Relational Skills

- Empathy and the ability to understand others, allowing one to anticipate needs, manage expectations, and build solid working relationships as the team grows;
- Ability to interact with colleagues, supervisors, and external partners, maintaining focus on objectives without neglecting the human factor;
- Team spirit and leadership skills are essential for motivating a multidisciplinary team that grows from 5 to 9 employees over the analysis period.
- Communication and negotiation skills, necessary for managing recruitment processes, salary progression, and conflict resolution.

c. Knowledge Competencies

- Training in Business Management, enabling alignment of HR policy with the strategy and financial results of Nexus Advisory;
- Knowledge of Portuguese labor and tax legislation, namely Social Security contributions, Personal Income Tax, Corporate Income Tax, compensation funds and mandatory insurance, in order to guarantee compliance with all legal obligations associated with hiring;
- Proficiency in HR budget planning and control tools, including the IAPMEI model, and the ability to project the evolution of personnel expenses, which in this case grow from €16,800 at startup to €375,852 from Year 4 onwards, based on the business plan.

d. Technical Skills

- Ability to plan, organize, manage and control the team, anticipating recruitment needs before starting each new growth phase, as recommended by the IAPMEI Entrepreneur Manual;
- Aptitude for defining balanced remuneration structures by category, in the case of Nexus with base salaries ranging from €1,200 per month in Administration to €4,500 in Management, ensuring team motivation without compromising financial sustainability;
- Skills in reading and interpreting income statements and financial charts, in order to continuously align HR policy with business results.

e. The Importance of the HR Manager in Project Management

At Nexus Advisory, the HR Manager plays a central role in realizing the team's growth plan. As highlighted in the IAPMEI Entrepreneur's Manual, "neglecting human resources planning and thinking that this is an issue to address at a later stage of the process, when the company is already established, is not the correct approach to adopt in the process of creating companies" (IAPMEI, n.d., p. 55).

In this sense, it is the HR Manager's responsibility to ensure that each hiring decision is made at the right time, aligned with the operational needs of each phase and with the financial parameters defined in the IAPMEI model. This implies not only controlling the evolution of the payroll, which grows from €16,800 in the start-up period to €375,852 from Year 4 onwards, but also anticipating the impact of each team reinforcement on total personnel costs, which include social security contributions, work accident insurance, compensation funds and other support expenses such as training and occupational health and safety.

This also means ensuring that the progression of the organizational structure, with the Administrative team growing from 2 to a maximum of 6 members and Management doubling in Year 5, is managed in a phased and coherent manner with the company's financial capacity at each stage. As the IAPMEI Entrepreneur's Manual underlines, it is "necessary to define who does what and under what terms" (IAPMEI, n.d., p. 54), and this clarity in defining roles and responsibilities becomes progressively more demanding as the team grows. It is this ability to articulate the human dimension with the financial dimension of the project that distinguishes strategic HR management from merely administrative management, transforming team growth into a lever for the development of Nexus Advisory.

V. CONCLUSION

This work has demonstrated, in a well-founded manner, how strategic human resource planning is a key pillar for the viability and sustained growth of Nexus Advisory within the Nexus Boost project, developed using the IAPMEI financial planning model.

The analysis reveals that, in a consulting services company, human capital represents an operational cost, but also the main asset and primary driver of value creation. This reality dictates that decisions regarding hiring, team structuring, and remuneration policy must be made rigorously, proactively, and with full awareness of their financial impact. Indeed, personnel costs grow from €20,054 in the start-up month (Year 0) to €446,884 from Year 4 onwards, representing the largest item in the company's cost structure throughout the entire five-year analysis period.

The application of the IAPMEI model proved essential in this process, allowing for a coherent and integrated projection of the evolution of personnel expenses in conjunction with the other financial maps of the project. Maintaining the reference tax and labor assumptions, namely the social security contributions of 23.75% payable by the employer, estimated personal income tax of 15%, corporate income tax of 21%, and municipal surcharge of 1.5%, ensures compliance with current legislation and the methodological robustness of the projections made.

The team's growth trajectory, from 5 employees in Year 0 to stabilizing at 9 from Year 3 onwards, the project's cruising year, reflects a phased expansion model organized around the four defined functional categories: Management, Administration, Sales, and Others, and aligned with the gradual progression of the company's operational and commercial capacity. The cruising year establishes a sustainable personnel structure, with base pay representing approximately 55% of the total expenses of €369,964, highlighting the centrality of salary decisions in the project's financial management.

Finally, the profile of the Human Resources Manager, based on the IAPMEI Entrepreneur's Manual, shows that the HR function at Nexus Advisory goes far beyond administrative management. This function requires the constant articulation between the human and financial dimensions of the project, solid technical skills, in-depth knowledge of labor legislation, and a strategic vision capable of ensuring that each hiring decision is made at the right time, aligned with financial parameters and the operational needs of each phase. It is precisely this integration between people, strategy, and finance that distinguishes strategic HR management from merely administrative management, and that transforms team growth into a lever for the sustained development of Nexus Advisory.

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