



INCREASE SMART FEE

Smart Ibérica was born in 2013 without competition, being the first Business Boosting cooperative in Spain. In 2015, competition started to arise, and by 2017, we found ourselves with 5,230 entities that allowed individuals to invoice. Although they did not follow the concept of Business Boosting cooperatives, they became our direct competitors. The profit margins of these entities range from 2% to 5.5%.

In response to this situation, the government introduced measures to encourage self-registration in the social security regime as self-employed, with a flat rate of 60 euros per month. The malpractices of the so-called billing platforms led the government to create a cooperative to combat labor fraud. Smart Ibérica has undergone 147 labor inspections and has not been sanctioned in any of them. The precision and attention to detail with which we comply with the more than 23 regulations affecting entrepreneurship have validated this model.

This also brought about a change in criteria by the social security inspection regarding cooperatives. As a result, the payment of social security taxes increased by an additional 20%. Therefore, Smart Ibérica members received less net income in their accounts. Competing with 60 euros per month against 450 euros per month was an impossible mission in a state of labor precarity. This experience has helped us measure the economic impact on Smart Ibérica in the face of changes and find a way to take measures without leaving our members feeling defrauded.

When Smart Belgium asked us to increase Smart Be's margin, we said that we needed to study it and make a strategic decision. We never refused to increase it; we simply explained that it might not be the right time and that we needed data. However, we hired Indaga Cooperative to conduct an Impact Study on the increase in Smart Ibérica's margin. Smart Ibérica could only achieve economic sustainability by raising the Smart margin to 15%, but this is based on the assumption that no members would leave this model. It is an utopian situation, and we are already aware that similar consequences have occurred in Germany.

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Analyzing the loss of members based on past data and interviews with them, even with an increase in the Smart margin to 15%, 8,000 euros less would be generated for the structure. Looking at the different projects in Smart Europe, we decided to open new services and create a Variable Smart margin.

You can see this in the different images on the website, an infographic of the process, the new services that are also outlined in the 2022 activity report, and the result of this decision. In 2022, Smart Ibérica's margin was 9.05%, which is 1.55% higher than in 2021.
