



# Colombia: The Conflict Premium Nobody Is Pricing

Colombia

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COUNTRY SPOTLIGHT

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English Edition (also available in Russian and Chinese)



**Brandmine**



## COUNTRY SPOTLIGHT

# Colombia: The Conflict Premium Nobody Is Pricing

*Colombia has a leather goods empire whose founder is 85 years old, four brands collectively worth \$300M+ in a sector with zero institutional investment history, a fashion cluster built during Pablo Escobar's reign, and a specialty coffee revolution that most buyers cannot name. Only 22% of these founders have a succession plan. The Petro administration is accelerating their exit motivation. The window is open and almost nobody is inside.*

### QUICK FACTS

<b>Market Size</b>	\$363B GDP (2025 est.) • fourth-largest Latin American economy • 52 million consumers • rapidly urbanising middle class
<b>Unique Advantage</b>	Conflict-resilience premium unmatched in Latin America – founders built through FARC extortion and narco-era terror, proof no peer market offers
<b>Biggest Challenge</b>	Only 22% have succession plans • 70% fail first-to-second-generation transfer • Petro tax reform accelerating exits without buyer readiness
<b>Timing Factor</b>	Petro policy headwinds creating exit window now – 2026 election may restore investor confidence and compress the valuation discount

*“Only 22% of Colombian family businesses have a formalised succession plan.”*

**PwC Colombia**, Family Business Survey Colombia

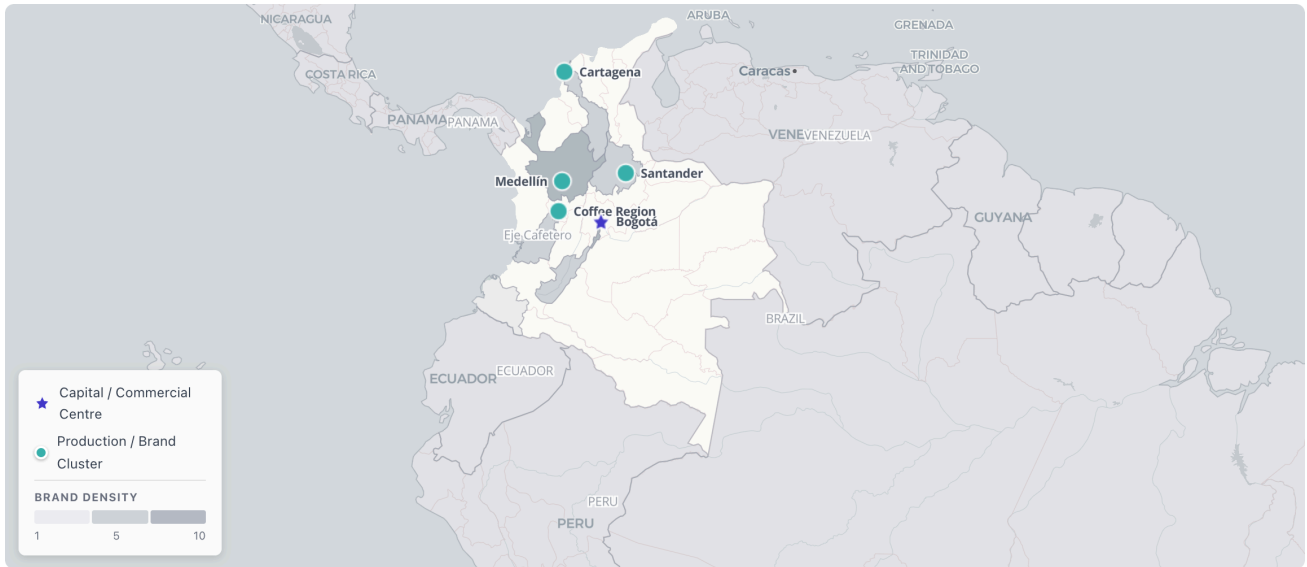
*PwC Colombia, 2024*

**MARKETS:** Colombia

**SECTORS:** Leather Goods · Fashion & Accessories · Natural Beauty · Tea & Coffee · Boutique Hospitality

GEOGRAPHIC CONTEXT

# Bogotá commerce and Medellín fashion: Colombia's two-city succession map



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Colombia's founder economy splits between Bogotá's established consumer commerce and Medellín's fashion cluster, which emerged from the cartel era and professionalised through trade infrastructure; both cohorts reach succession together as international acquirers validate the market.

*Brand activity concentrates along two axes: the Bogotá--Medellín corridor in the northwest (leather goods, fashion, confectionery) and the Eje Cafetero in the coffee highlands. Boutique hospitality clusters in Cartagena on the Caribbean coast. The geographic distribution means succession pressure spans the entire country -- not concentrated in a single city.*

\* \* \*

COUNTRY NARRATIVE

*Mario Hernández is 85 years old. He founded his leather goods company in Bogotá in 1978, after his family was displaced from Capitanejo, Santander, by La Violencia. He built it into a business with over a thousand employees and sixteen flagship stores – through the Escobar years, through FARC extortion campaigns that targeted Bogotá's commercial elite, through the 1999 recession that destroyed a generation of Colombian manufacturers, and through every political upheaval since. His son Lorenzo is being groomed as a successor. There is no timeline. There is no institutional buyer in the deal flow. There has never been one.*

This is not an anomaly. It is the defining condition of Colombia's founder-owned consumer brand landscape: extraordinary businesses, extraordinary founders, zero institutional attention.

Whitepaper No 1 documents a synchronized transition wave across emerging markets: reform-era founders ageing out simultaneously, institutional investors unprepared. Colombia is what that thesis looks like in a country where the founders survived not just macroeconomic crises but physical danger – where the crisis documentation is not about currency controls or sovereign defaults but about operating a leather atelier when your city’s most famous resident was Pablo Escobar.

The intelligence gap is real. It is wide. And the window to move before the 2026 election changes the pricing environment is measured in months, not years.

## The dual-speed wave

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Colombia’s succession wave has a shape that distinguishes it from every other market in Brandmine’s coverage. It is not a single compression event, like Mongolia’s concentrated privatisation cohort. It is not a layered wave with two historically distinct reform eras, like Argentina. It is a dual-speed compression: two founding cohorts, separated not by time but by industry.

The older cohort – leather goods, confectionery, some natural beauty – was built during the *apertura económica* of the 1990s, when founders were already in their thirties and forties. These founders are now 66 to 85. Mario Hernández at 85 is the extreme case, but Yonatan Bursztyn of Tutto is 67, Juan Raúl Vélez of Cueros Vélez is approximately 66, and the founders of Bosi are in their late sixties to mid-seventies. In leather goods alone – four brands collectively worth an estimated \$300M+ in revenue – every founder is inside the succession window or past it. Not one of these brands has received an institutional offer.

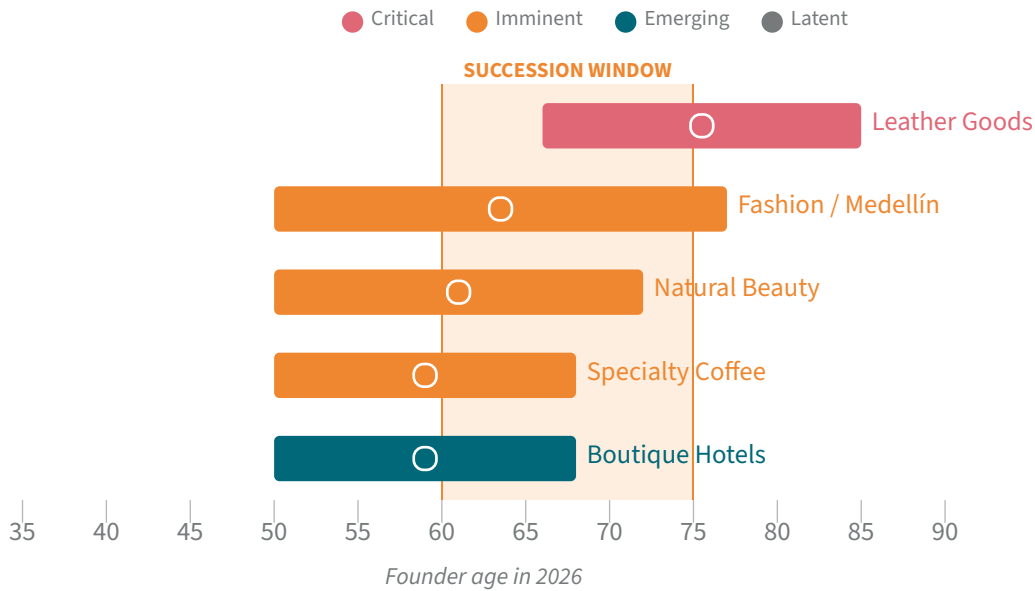
The younger cohort – Medellín fashion, specialty coffee, natural beauty’s second generation – was built during the Uribe-Santos security dividend (2002–2016), when younger entrepreneurs took advantage of a country that was finally safe enough to scale. These founders are 50 to 68 today. The urgency is imminent rather than critical – but the window is open and the Petro government’s policy headwinds are accelerating their exit calculation.

What makes both cohorts distinctive is not age. It is the nature of the crisis documentation they carry. Argentina’s founders survived hyperinflation and sovereign defaults. Colombia’s founders survived extortion and violence. The Narrative Due Diligence material is different in kind, not just degree: these are transformation arcs built on physical danger, not financial engineering. No database captures this. No press release documents it. It requires the kind of research that only exists in regional Colombian newspapers, in *Semana* longform profiles, in the Portafolio interview where Bursztyn discussed succession with his children for the first and only time, in the Bloomberg Linea investigation that documented how Vélez built a \$130M company from a market stall in El Hueco during peak cartel violence.

FOUNDER AGES BY SECTOR

## Where Colombia's Founders Stand in 2026

Five sectors, one window — and only 22% with a succession plan



Age ranges based on sector mapping research and industry profiles. Succession window (60–75) based on PwC Colombia and INSEAD family business research. Source: Brandmine analysis.

## Five sectors, two cohorts, one compressed exit window

Brandmine’s sector mapping identified thirteen candidate consumer sectors in Colombia. Five show meaningful founder-owned brand activity at commercial scale and story accessibility sufficient for Narrative Due Diligence research.

### Leather goods – the most urgent succession case in Latin America

Four confirmed brands. Four confirmed founders in the succession window. Zero PE penetration. This is the rarest configuration in Brandmine’s coverage: an entire sector at commercial scale that institutional capital has never touched.

Cueros Vélez – \$130M+ in revenue, 330 stores across seven countries, 4,300 employees – is 100% family-owned after four decades. Juan Raúl Vélez González started selling belts in El Hueco, Medellín’s informal market, during the years when the city was the most violent city on earth. He did not escape that context. He built through it. The operational resilience that created a \$130M business from a market stall is the same instinct that has kept the company out of institutional deal flow: the founder who survived by trusting no one and depending on his own judgment does not naturally seek outside capital.

Totto (Nalsani S.A.) – 620+ points of sale across 57 countries, an estimated \$100–150M in revenue – was built by Yonatan Bursztyn, the son of Polish-Ukrainian immigrant refugees. He received Portafolio’s lifetime achievement award in 2024, at which point he publicly discussed succession for the first time. His children are involved in the business. There is no formalised transition plan.

Mario Hernández is 85. He trained as a leatherworker in Bogotá after his family fled La Violencia. His store on Calle 82 in Bogotá has been one of the city's luxury landmarks for forty years. His son Lorenzo is the designated successor. The transition has not happened. The founder is still in the building.

Bosi, founded by the Vélez siblings in 1975, operates 150+ stores and generates approximately \$53M in revenue. Founders aged 65 to 75. Family-owned. No institutional record.

The collective picture: four brands, four founders, an estimated \$300M–450M in combined revenue, zero institutional buyers who have ever made an offer.

## Fashion and the Medellín transformation premium

The Medellín fashion cluster is the most internationally visible part of Colombia's founder-owned brand landscape – and the most misunderstood. The single PE transaction that defines the sector – L Catterton's \$38M acquisition of Maaji in 2017, at 1.3x sales and 10x earnings – validated the acquirer thesis and then disappeared. No follow-on wave occurred. The rest of the cluster remained untouched.

Offcors (C.I. Hermeco) is the textbook target that no buyer has approached. Founded in 1979 by Juan Camilo Hernández, now approximately 77 years old. Children's fashion, 120+ stores in 22 countries, approximately \$57M in revenue, 100% family-owned. A professional CEO was installed in 2013 – the governance modernisation that typically precedes a transaction. The transaction has not come.

Johanna Ortiz has built something different: a luxury brand that has reached Neiman Marcus, Net-a-Porter, and the wardrobes of Meghan Markle and Michelle Obama from a studio in Medellín. She is approximately 50 to 55 years old – younger than the critical cohort, but the brand's international distribution and celebrity endorsement profile creates a different kind of exit opportunity than the domestic-scale players.

The Medellín premium is real and it is underdocumented. Building a luxury brand in a city that was the global symbol of narco violence is not just a brand story. It is a proof of concept. Every designer who showed at Colombiamoda between 1990 and 2010 was making a statement about brand resilience that no European fashion house has ever had to make.

## Natural beauty – Colombia's biodiversity premium

Colombia's natural beauty sector sits at the intersection of the country's most undervalued asset (its biodiversity: Amazon basin, Chocó rainforest, Andean highlands, coastal ecosystems) and its most overlooked founder cohort. Two PE exits validate the sector's attractiveness to international acquirers: Loto del Sur was acquired by Puig, and Vogue (Colombia) was acquired by L'Oréal. Both transactions confirm that global beauty conglomerates understand Colombia as a sourcing story. Neither created a follow-on acquisition wave.

Recamier is the standout: founded by Georges Bougaud, approximately 72 years old, with an estimated \$15M+ in revenue and distribution across fourteen countries. The company has built international reach without institutional capital. Bougaud is in the succession window. There is no formalised plan.

The Afro-Colombian beauty segment – brands sourcing from the Chocó and Pacific coast communities – represents an emerging cluster that Brandmine's mapping identified as underdocumented. No brand has yet reached \$5M+ revenue, but the narrative infrastructure (biodiversity sourcing, community ownership models, post-peace-agreement economic development) is compelling for the next wave of ESG-oriented acquirers.

## Specialty coffee – the FARC sourcing premium

Colombia's specialty coffee revolution is the most globally known of any sector in this mapping – and the most misread. The sector is not Juan Valdez (the FNC's cooperative system) and it is not the mass commodity export trade. It is a cohort of approximately 12 to 25 founder-owned roasters who built at-origin brands during the years when sourcing from Huila, Nariño, and Cauca meant negotiating with FARC intermediaries or operating in zones where guerrilla extortion was a cost of business.

Amor Perfecto – Colombia’s largest specialty coffee distributor, with nine national barismo titles and a sourcing network built over nearly thirty years – is operated by Luis Fernando Vélez, who is approximately 65 and who has never raised institutional capital. Café Mesa de los Santos is an 800-acre organic estate in Santander; the Acevedo family has been growing coffee since 1872 and began building a branded consumer product in the late 1990s; it now exports to the United States and Japan at \$131 per pound. Café Quindío was founded by Nubia Motta Camargo in the early 1990s – women-led, pioneer in origin roasting, family-owned across three decades.

Devoción’s founder Steven Sutton fled Colombia at fourteen during the Escobar era and returned to source coffee from former FARC territories, creating a direct-trade model that the specialty coffee market has recognised as one of the most compelling origin stories in the category. That story – sourcing from conflict zones, transforming peace dividend into supply chain – is the Colombia specialty coffee thesis in compressed form.

## **Boutique hospitality – the peace dividend asset class**

Colombia’s boutique hotel sector was created by the security dividend, not by the apertura. When Uribe’s policies made travel to Cartagena, Medellín, and the coffee region commercially viable for international tourists for the first time, a wave of founder-owned hotel investments began. Those founders are now 50 to 68 years old, and the peace dividend that created the sector is fifteen years old.

Cartagena is the densest cluster: eight to fifteen founder-owned boutique properties operate at or near commercial scale in the walled city and its surroundings. The Tcherassi Hotel’s conversion to a Hilton Curio Collection property validates the international brand acquisition model. Advent International’s acquisition of GHL Hotels is the only institutional transaction in the broader sector – and it covered a corporate operator, not a founder-owned boutique.

## **The Petro accelerant and the conflict-resilience premium**

The dual-speed compression creates a specific urgency profile that no other market in Latin America replicates. In the leather goods sector, the transition is not imminent – it is overdue. Mario Hernández is 85. The gap between the urgency and the buyer readiness is not a few years. It is a decade of missed opportunity already elapsed.

The Petro effect is the accelerant. Colombia’s left-wing president, elected in 2022, introduced a tax reform that increased costs for consumer businesses and triggered a 25% decline in private investment. Capital flight accelerated. Founders who were already calculating their exit now have an additional political motivation: the window to sell at peak valuation may be closing with the current administration’s tenure. The 2026 election introduces a new variable – a centre-right administration would likely restore investor confidence, but it would also compress the discount that currently makes Colombian consumer brands among the most asymmetrically priced assets in Latin America.

The conflict-resilience premium has never been priced by institutional capital. This is the Colombia paradox: the very characteristic that makes these founders extraordinary – the operational instinct built through physical danger, extortion, and conflict – is precisely what has kept them outside institutional deal flow. The founders who built through the FARC era did not build relationships with PE fund managers. They built relationships with suppliers who would extend credit during a FARC road blockade, with distributors who would move product through checkpoints, with employees who would show up even when the city was under curfew. That network is their moat. It is also their succession gap: the relationships are personal, non-transferable, and invisible to any standard due diligence process.

## The gap and who is not yet inside it

One transaction – L Catterton’s Maaji acquisition in 2017 – stands as the entire institutional deal history of Colombian consumer fashion. In hospitality, Advent International’s GHIL acquisition and one validated Hilton conversion. In leather goods: zero transactions, zero known approaches, zero institutional awareness.

The intelligence gap is not total. ProColombia maintains export brand directories. Portafolio and Semana publish annual industry rankings. Colombiamoda’s exhibitor lists document the fashion cluster. The Colombian business press is one of the most active in Latin America. What does not exist is a synthesis: which of these founders are in the succession window, which businesses have governance structures capable of surviving a transaction, and where the transition pressure is highest right now.

What disappears when a founder exits without a plan is not just a brand. It is the conflict-era crisis management knowledge that took three decades of danger to accumulate. The supplier relationships built when your city’s most famous resident was running a cartel. The export networks established despite FARC checkpoints. The reflexes that kept a factory running while the paramilitary was collecting extortion. By the time these brands surface through conventional channels – if they ever do – the founders who carry this knowledge will have retired, sold informally to a family member who cannot operate at scale, or simply closed.

Mario Hernández is 85. Juan Raúl Vélez built a \$130M company from a market stall in El Hueco during peak cartel violence. Yonatan Bursztyn discussed succession publicly for the first time in 2024. These are not future transactions; they are overdue ones, and L Catterton’s 2017 Maaji acquisition remains the only completed deal in the sector’s institutional history. The buyer who reads Semana, Portafolio, and the Bloomberg Linea archive before the 2026 election acquires the conflict-resilience premium at founder prices. The buyer who waits for a centre-right administration to restore investor confidence pays for it at post-election valuations — if the founders have not already retired, sold informally, or closed.

### KEY TAKEAWAY

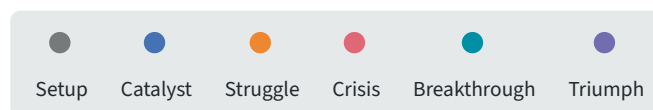
**The founders who built through the FARC era carry transformation arcs that no press release can document. By the time these brands appear in conventional deal flow, the founders who carry that knowledge will have retired, sold, or simply closed.**

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### TRANSFORMATION TIMELINE

## The conflict-premium generation, 1989–2024

From narco-era survival to LVMH acquisition — Colombia’s Medellín fashion founders built brands through violence and peace; international validation has arrived, and the succession window is open.



**SETUP** 1991**Apertura economica opens Colombia to global competition**

The Constitution of 1991 and simultaneous trade liberalisation dismantle decades of tariff protection. Manufacturers who survived by hiding behind import barriers are suddenly exposed. The founders who endure learn to compete on brand equity rather than regulatory shelter -- and that lesson shapes every brand that emerges from this decade.

**CATALYST** 1993**Pablo Escobar killed; Medellín begins its reinvention**

The death of Escobar does not end the violence, but it begins Medellín's long transformation. The city that was synonymous with the cartel becomes the city that proves reinvention is possible. The fashion designers who launched during the worst years -- Offcross operating through peak narco violence, Colombiamoda holding its first trade fair in 1990 -- discover that survival is its own brand story.

**CRISIS** 1999**Currency crisis and deep recession**

Colombia's worst recession in seventy years. GDP contracts 4.2%. The peso devalues sharply. Brands that survived apertura face a second existential test. The leather goods founders who had built from informal market stalls -- Juan Raúl Vélez starting in El Hueco during peak cartel violence -- learn that crisis is cumulative: each one adds another layer to the crisis management instinct that makes them extraordinary operators.

**CATALYST** 2002**Uribe's Seguridad Democrática begins the security dividend**

President Uribe's security policy makes rural Colombia commercially viable for the first time in decades. GDP growth averages 4.8% annually over the next decade. FDI surges sixfold to \$12B+. Poverty falls from 50% to 28%. A second wave of consumer brand founders emerges -- younger, more export-oriented, benefiting from a country that is finally safe enough to scale.

**BREAKTHROUGH** 2010**Colombia becomes Latin America's fourth-largest economy**

A decade of sustained growth transforms the market. The brands that had survived apertura and the 1999 recession are now operating in a consumer economy that is growing at its fastest rate in history. Amor Perfecto scales its at-origin coffee roasting model. Recamier builds international distribution across fourteen countries. The brands that will be in the succession window by 2026 are reaching maturity.

**BREAKTHROUGH** 2017**L Catterton acquires Maaji for \$38M**

The only confirmed PE transaction in Colombian fashion validates the acquirer thesis. LVMH's PE arm pays 1.3x sales and 10x earnings for a Medellín swimwear brand. The deal sends a signal that the global capital market understands Colombian consumer brands as assets -- but it does not trigger a wave of follow-on acquisitions. The gap between one validated deal and a functioning buyer market remains wide open.

**STRUGGLE** 2022**Petro tax reform increases costs and investor uncertainty**

President Petro's 2022 tax reform includes a 20% ultra-processed food tax and significant labour cost increases. Private investment falls 25%. Capital flight accelerates. For founders already approaching succession age, the political environment adds another dimension to exit motivation: the window to sell at peak valuation may be closing.

**CATALYST** 2026**Election year — policy direction uncertain**

Colombia faces a presidential election in 2026. A centre-right administration would likely restore investor confidence and reduce political risk. But it would also compress the valuation discount that currently makes Colombian consumer brands among the most asymmetrically priced assets in Latin America. The window of maximum asymmetry is open now -- not after the election.

# Outreach quick reference

Metric	Reference
Dialing	+57
Currency	Colombian peso (COP) — free-floating; rates: banrep.gov.co
Time Zone	UTC-5 (no daylight saving)
Working week	Mon-Fri
Capital	Bogotá
Internet	.co (country TLD; also sold globally)
Messaging	WhatsApp dominant; Instagram for outreach
Payment	Bre-B instant transfers (2025) rising; Nequi + Daviplata wallets dominant; cash ~78% by volume in informal trade
Banking	Full international access via SWIFT; cards and wire both work
Languages	Spanish (official, business)
Entry	Visa-free for EU/UK/US (90 days)



# About this research

This report draws on 0 verified sources across 1 language — primary documents, founder interviews, and trade press. Every figure and claim is cross-validated against independent references.

Full methodology at [brandmine.ai](https://brandmine.ai).

## ABOUT BRANDMINE

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## ALSO AVAILABLE FROM BRANDMINE

### BRAND RESILIENCE PROFILE

Complete transformation arc, location intelligence, and business snapshot for a single brand. 15 pages of verified research.

### FOUNDER RESILIENCE PROFILE

The founder's personal arc from origin to breakthrough. Verified through native-language research and primary source analysis.

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Profiles all verified brands in a sector at snapshot depth — geographic distribution, market timeline, and founder spotlights. 25–40 pages.

### SECTOR INTELLIGENCE REPORT

Comprehensive sector intelligence. All brands profiled at snapshot depth, plus full transformation arcs for six brands — each representing a distinct crisis archetype. 90–120 pages.

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