A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

Creating Social Value. Critical analysis and strategy development for Associação para a Reabilitação de Cidadãos Inadaptados da Lousã (ARCIL). Analysing the strategic opportunities of an expansion for Impacto+

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List of Abbreviations

A.R.C.I.L.	Association for the Recovery of Maladjusted Citizens of Lousã
BU	Business Unit
B2B	Business to Business
B2C	Business to Customer
CAGR	Compound Annual Growth Rate
COGS	Costs of goods sold
CR	Centro de Recursos
FY	Fiscal Year
GNP	Gross National Product
IRR	Internal Rate of Return
KPI	Key Performance Indicator
NPV	Net Present Value
PI	Profitability Index
URCP	Unidade de Reabilitação em Contexto Produtivo
YoY	Year-over-year

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Abstract

This Master's thesis critically analyses *Associação para a Reabilitação de Cidadãos Inadaptados da Lousã* (ARCIL) while investigating the current situation and competitive landscape at Impacto+ and ARCIL Parque. The study aims to offer strategies for successfully expanding Impacto+'s operations and raising annual average customer spending at ARCIL Parque. The research develops insights to answer these research questions by utilising approaches such as organisational chart analysis, collaborator surveys, financial statement analysis, interviews, and benchmarking. The results assist ARCIL in supporting sustainable growth, generating social value, identifying important partners, and assessing beneficiaries' perspectives.

Keywords (Social Impact, Market Analysis, Strategy, Marketing)

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1. Context

1.1. Approach

The project approach consists of a three-part process. In the first step and first chapter, a closely examination of the context of this field lab and client will be performed. This will involve analysing three main aspects. First, a top-down analysis will be conducted of the entire organisation's financial situation and a bottom-up analysis of the different business units (BU). The second component is an organisational analysis, which will compare the organisation chart with the structure of the business units. Lastly, the social impact of the organisation and the number of beneficiaries it serves will be analyse.

The second step in the process is an incremental approach described in Chapters 2 and 3. This approach comprises two components, further divided into chapters for each business unit. Chapters 2.1-2.2 and 3.1-3.2 will focus on market analysis. Here, the business units' current value proposition, business performance, and challenges will be analysed. To analyse the current market, to understand the value proposition and the business performance, frameworks will be used. These are: benchmark and market research, market sizing, STP, SWOT-TWOS and financial modelling. With this, competitors, peers, and market environment will be examined, including the opportunities and risks. Based on this comprehensive market analysis, the goals of the individual business units will be described in Chapters 2.3 and 3.3, as outlined in the project scope. The focus will be on developing a new value proposition, marketing strategies to communicate this value proposition to customers, and the financial implications of the defined strategy for each business unit. Here, counting with the frameworks already used, the 7Ps and 6M´s will also be applied to define those strategies better and use financial modelling to derive the financial implications.

In the final step of the process, outlined in Chapter 4, the key findings from Chapters 2 and 3 will be presented. Finally, the recommendations will be further classified and an outlook on the project's overall impact will be provided.

In this thesis, the Chapter 1, Chapter 2.3 and Chapter 4 will be illustrated. See for reference Appendix 8.

1.2. Overview

The *Associação para a Reabilitação de Cidadãos Inadaptados da Lousã* (ARCIL) was founded in 1976 by a group of parents of disabled children. It is a private non-profit social solidarity organisation (IPSS), recognised as an entity of public utility (IUP), looking towards contributing to the effective social inclusion of people with disabilities and other special needs while promoting a change in how people look at disability and difference. It develops its involvement in eight municipalities from its Lousã headquarters.

Children, adolescents, and adults with disabilities are included in ARCIL's social and professional activities through training, rehabilitation, and inclusion. These activities are financed by public funds and by the results of the production and services rendered by ARCIL's structures and social business units.

Bellow, it is possible to find ARCIL's rehabilitation units by focus area followed by the respective professional development and training units (URCPs):

- Social answers: Centre for Activities and Empowerment for Inclusion with occupational and other and socially useful activities, Support Home, which provides support in residential facilities for children and youth attending school or training activities; Residential Home that targets adult. Home Support Service, which serves as a support for households, with or without children, and for adults in an individual or shared residence, and finally, Free Time Activities Centres for school-age children and their families.
- Education: a Resource Centre for Inclusion which supports students with needs and
- Vocational training and employment: Vocational Training Centre provides qualifications

for young people and adults with disabilities, enabling them to get official certificates recognised by the Portuguese educational system. Sheltered Employment Centre, which integrates employees with a disability or impairment into jobs in ARCIL's social business units, and Resource Centre that supports those registered at the Employment Services of Lousã and Arganil.

- Social business units: ARCIL Saúde, ARCIL Lav, ARCIL Verde, ARCIL Parque, ARCIL Madeiras, ARCIL Agro, CSM – Centro de Serviços e Manipulados, REINCLUSA, Impacto+. These are referred to as professional development and training units.

Overall, ARCIL's structures that produce goods and services were created with two main objectives: the socio-professional insertion of people with disabilities in the community and in the labour market as well as the reinforcement of funding sources for ARCIL. The nine social business units in various areas of activity contribute to the access to employment of vulnerable groups.

ARCIL has goals and purposes defined by its mission, vision, and values. First, its mission is to take proactive, sustainable, and entrepreneurial action in improving citizenship, quality of life, and rehabilitation while believing in the individual's potential. Its vision is to be a sustainable organisation of excellence that guarantees respect for differences and equal opportunities. Lastly, the values that define ARCIL's character underpin its organisational culture, guide its conduct and are the base for its attitudes and decisions. These values are affectivity, dignity, entrepreneurship and innovation, ethics inclusion, respect for difference, social responsibility, rigour, and transparency.

ARCIL's beneficiaries are divided into three groups: people with disabilities or incapacities, families and significant others, and citizens and communities. The three types of beneficiaries are provided with different support services from ARCIL.

People with disabilities or incapacities are targeted with medical, therapeutic, physical, social, professional, and recreational activities. Impacto+ is the social business unit that involves this group of beneficiaries in its scope, and the URCPs are the Centre for Activities and Empowerment for Inclusion, the Support Home, Residential Home, Vocational Training Centre, the Sheltered Employment Centre, and the Resource Centre.

Families and significant others benefit from support from ARCIL in matters such as counselling, support in accessing services, and exercising social rights. This is accomplished by the work of the URCPs Home Support Service and Resource Centre for Inclusion.

Citizens and community are targeted with medical, therapeutic, physical, social, professional, leisure and recreational activities through all business units: ARCIL Lav, ARCIL Verde, ARCIL Parque, ARCIL Madeiras, ARCIL Agro, REINCLUSA, Impacto+, ARCIL Saúde, CSM. In addition, URCPs like Home Support Service and Free Time Activities Centres also benefit this group.

1.2.1. Organisational

ARCIL is a non-profit organisation that operates through public funding, private donations, and corporate partnerships. The organisation is governed by a board of directors responsible for overseeing its operations and ensuring it remains true to its mission and values.

Board of Directors: The board of directors is responsible for setting the overall strategy and direction of the organisation. It consists of seven members who are elected by the general assembly of members for a term of three years. The board meets regularly to review the organisation's operations, financial situation, and progress towards its strategic goals.

Management Team: The management team is responsible for the organisation's day-to-day operations. It consists of the executive, financial, and technical directors, who work closely with the board of directors to ensure that the organisation functions effectively and efficiently.

Departments: ARCIL has several departments that work together to provide a range of services and support programs to people with disabilities. These departments include:

- Vocational Training Department: provides vocational training courses and job coaching services to help people with disabilities acquire the skills and experience needed to enter and succeed in the labour market. They train people in bar service, shoe repair, woodworking, cooking, ceramic, laundry, and gardening.
- Social Support Department: provides social support services, such as daycare centres, residential homes, and personal assistance, to help people with disabilities live independently and participate in their communities.
- Healthcare Department: provides healthcare services, including physical therapy and rehabilitation, to support the health and well-being of ARCIL's clients.
- Education and Training Department: provides education and training programs to help people with disabilities develop their skills and knowledge in various areas, such as computer literacy, language learning, and artistic expression.
- Advocacy and Awareness Department: advocates for the rights of people with disabilities and other vulnerable groups and works to raise awareness of the challenges they face and the contributions they can make to society.

The reason for ARCIL's existence is to support and help integrate with dignity people with deficiencies. In the list below, all of the social works:

- Professional Training Courses aim to train people with disabilities and help them be productive members of society. ARCIL Parque serves as a training facility where students practice learnings from waitering and cooking courses.
- Supportive Home or *Casa das Cores*, which translates to the home of colours, aims to shelter, educate, and promote the well-being of children and young adults.
- Home Support Service has the objective of helping people stay in their own homes with dignity and to help families learn how to deal with their difference. It can either be a permanent or a one-time service.

- Free Time Activity Centre allows children between 6 and 14 to have fun on their vacations while their parents are still working.
- Resources Centre is a more technical space that deals with bureaucratic needs and continuous follow-up of people who did training at ARCIL and are now integrated into the labour market.
- The Occupational Activities Centre is a facility specifically designed for people with significant disabilities, giving them the assistance needed to manage their conditions. They take part in activities at the centre that help them reach their full potential and attain physical and psychological equilibrium. The centre also lays a big focus on encouraging social relationships since it understands how crucial it is for preventing feelings of isolation.
- The Protected Employment Centre seeks to offer employment opportunities to people with disabilities and reduced work capacity, defined as a worker's productive capacity that is less than 75% of what is typically required of a worker to perform the same professional functions or to hold the same job - engaging in professional activity and acquiring the personal, social, and professional competencies required for their integration, where feasible, into a routine work schedule.
- Residential Home has existed since the 1980s and receives disabled people that the state has determined cannot live in their homes. This can be a temporary or a life-long condition.
- The Resource Centre for Inclusion was created especially to help children between the ages of 6 and 18, with the goal of facilitating their effective integration into the educational setting.

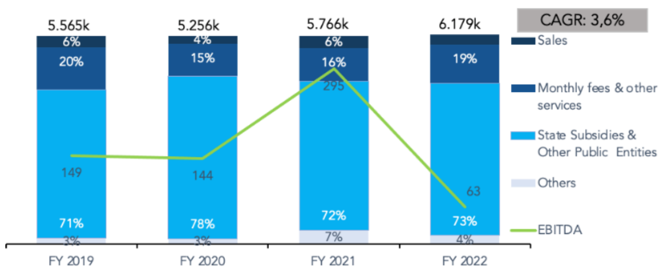
Each department has a team of professionals with specific skills and expertise in their respective areas. They work closely with clients, employers, and other stakeholders to ensure that ARCIL's services and support programs meet the needs of the people it serves.

Overall, the internal organisation of ARCIL is designed to ensure that the organisation operates effectively and efficiently while maintaining a strong focus on its mission to promote the social and economic inclusion of people with disabilities in the Coimbra region of Portugal.

1.2.2. Financial

A financial analysis of ARCIL was developed as part of a thorough investigation to determine its business model's viability and its divisions' performance in FY2022. It was decided to base the evaluation on information from the preceding three years to assure comparability. Accordingly, earnings before interest, taxes, depreciation and amortisation (EBITDA) were used as a key performance indicator (KPI) to assess the organisation's capacity to sustain its financial position. During the three years, ARCIL's income and cost structures were closely examined to spot dependence on revenue or cost drivers. The financial reports of RAC2019, RAC2020, RAC2021, and RAC2022, on which the research was based, allowed the creation of intricate tables summarising results.

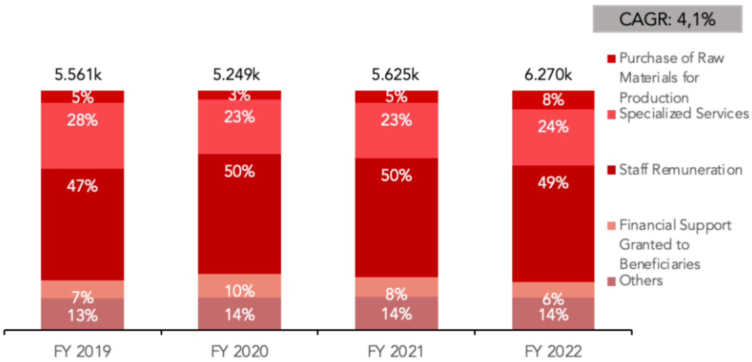
Figure 1: Historical Evolution of the Revenue of ARCIL



Source: Own creation based on the data of ARCIL's financial statements

ARCIL has three main revenue categories: state subsidiaries, monthly fees, and other services and sales. Throughout the period, state subsidies and other public entities accounted for around 70% of total income, followed by Monthly Fees & Other Services, which accounted for roughly 20%. Sales just make up 6% of the whole revenue. The mix of revenues indicates that the business depends heavily on government grants and subsidies, which could be a risk factor. The level of government funding could significantly affect the organisation's financial stability. The compound annual growth rate (CAGR) was used to receive a constant revenue and cost development rate. The CAGR is defined as a geometric progression ratio that offers a steady rate of return over time (Abson, Fabozzi, & Jones 2010). The revenue's 3-year compound annual growth rate (CAGR) is 3,6%. This was achieved despite the COVID-19 pandemic, which started in FY2020.

Figure 2: Historical Evolution of the Costs of ARCIL



Source: Own creation based on the data of ARCIL's financial statements

ARCIL's cost structure is divided into five main categories. Those are purchases of raw materials for production, costs for specialised services, staff remuneration (payroll expenses), and financial support granted to beneficiaries. The main cost driver for ARCIL is payroll expenses. Staff remuneration makes up 50% of the total costs. As a result, the CAGR (Costs) is 4.1%, 0.5% higher than the Revenue CAGR. To calculate the EBITDA, ARCIL's profit and loss statement was reformulated (see Appendix 1). The reformulated financial statement of ARCIL shows that their EBITDA had a stable level from FY2019-2020, despite the effects of the COVID-19 pandemic starting in FY2020. In FY2021, the EBITDA increased by 105% year-over-year (YoY). This was due to an overall increase in revenue of 10%. Especially the recovery of sales (63% YoY) and other services (13% YoY) led to that development. However, the following year, the EBITDA decreased by 79% YoY. There are two leading external causes for that development. First, ARCIL's main cost driver, the payroll expenses, increased by 9%. The increase was due to the rise of the national minimum salary by 6.02% (€665 to €760) and an update of salaries framed in Table da CNIS/2022 ("Direção-Geral do Emprego e das

Relações de Trabalho (DGERT): Retribuição Mínima Mensal Garantida para 2023").

Second, the costs for specialised services and the purchase of raw materials for production increased by 14% and 70%. These increases were caused by the effects of inflation in 2022. The average Portuguese consumer price index (CPI) in 2022 was 7.8% (INE, 2023). This reflects an increase of 6,5% compared to 2021 (INE, 2023). The easing of lockdown measures connected to the pandemic, which led to the rise in demand, can be blamed for the current uptick in inflation. However, this rise in demand was accompanied by shortages of supplies and delays in the manufacturing of raw materials and intermediate items. In addition, the conflict in Ukraine and temporary plant closures further upended global supply lines and worsened the situation. (ECB, 2023).

To further analyse the profitability of ARCIL, it was decided to compute the EBITDA margin or Ratio of EBITDA to Sales. This ratio allows the understanding of the ability of ARCIL to generate earnings from its operations while excluding the subsidiaries. Following the displayed EBITDA development, the EBITDA margin decreased from 10,38% in 2019 to 3,69% in 2022.

To gain further insights into the performance of the business units (BU), it was decided to conduct a bottom-up analysis of the revenue and costs of the nine BUs. To rank the performance of each business unit, profit was used. The comparison with the prior year allowed gaining insights into the trends of the BUs. However, the analysis of the BU is limited to a certain point, as the breakdown was possible with the direct revenue and costs. This excludes the impact of overhead expenses distributed across the BUs and sets a limitation to the analysis. From this point of view, ARCIL had seven business units with positive profits and 3 with negative yields. The best-performing business unit in 2022 was ARCIL Madeiras, with €88k profit. The worst-performing business unit was ARCIL CSM, with a negative profit of -€26k. When analysing the revenue structure of the three best-performing BUs, none depend on subsidiaries, as their sales make up over 70% of the total revenue. Finally, when analysing the trends of the business units, eight of the nine business units showed a positive trend and improved compared to 2021. The two analyses show moderately different results, which can be attributed to the limitations of the bottom-up analysis. Therefore, the initial scope of the analysis was to see if the business model is sustainable and how the business units are performing. In this aspect, the following points were the main takeaways.

First, ARCIL has two dependencies in its cost and revenue structure. Those are the dependency on subsidiaries and payroll expenses. However, those dependencies are typically (without strong external effects) not critical. For example, ARCIL is a non-profit social solidarity organisation (IPSS) that provides support programs that will only be paid for by the government. Further, ARCIL's three top-performing business units are already less dependent on the subsidiaries. Additionally, ARCIL is, with most of its business, a service provider. This explains the high payroll dependency. Besides the standard case, however, there are crises in which these dependencies can become problematic. The FY2022 shows this problem. In a year with powerful external effects, such as inflation from the Ukraine war and the pandemic's consequences, ARCIL could not offset these adverse effects. Overall, the business model of ARCIL is sustainable and will recover from external influences as there are already business units with a minor dependency.

1.2.3. Impact

ARCIL has several projects aimed at improving the lives of people with disabilities. For example, the IMAS II project aims to strengthen the inclusive skills of educational assistants working with children and young people with disabilities. Another project, SMILE, aims to build socio-emotional capacity in primary education. Finally, the SMARTS project seeks to develop guidelines and provide training for caregivers of people with disabilities on best practices for promoting access to intimacy and sexuality in a safe, dignified manner that supports the individual's integral development. In total, it is more than 1000 beneficiaries that

ARCIL's services help. Every project is tailored to answer the different needs of people with disabilities and serve the silver lining: their socio-professional insertion in society.

ARCIL's Centro de Recursos (CR) intervenes with its clients with the primary objective of informing, guiding, and bringing the people they work with closer to the labour market, a labour market that wants to be, day by day, more inclusive and available to value diversity. To understand the social impact of their intervention, the CR team plans regular impact assessments involving clients, their families and partner companies in an action-research process that highlights the results achieved. ARCIL also conducts annual surveys, evaluations, research, and analysis of the impact of its activities and monitors the implementation of its projects and initiatives.

They set targets in their strategic plan every three years and thoroughly monitor their achievements.

Additionally, ARCIL works in collaboration with other organisations and institutions in the field of disability to measure the impact of their initiatives at a national level.

1.3. Project Scope

Currently, ARCIL has nine working business units, two of which this thesis will focus on: Impacto+ and ARCIL Parque. In addition, ARCIL's management team has demonstrated a necessity for a short and medium-term strategy proposal that can fulfil their short and medium-term goals for each of the two BU.

Impacto is a Development Support Centre for children, their families and young adults in Lousã. The clinic is focused on supporting cognitive and physical development through offering services in Speech Therapy, Occupational Therapy, Physiotherapy, Psychomotricity, Psychology and Neuropediatrics. Besides offering those services, it also offers Traditional Chinese Medicine and clinical psychology for adults. The proposed goal is to develop an expansion plan that studies the viability of expanding Impacto+ to Coimbra, Portugal, and suggests the best practices.

ARCIL Parque is a coffee shop located in a park in Lousã. It is also where students from ARCIL's hospitality and cooking courses complete the practical component of their training. However, the business unit is facing problems that affect its profitability and long-term viability. This project will assess these and develop a marketing plan to provide recommendations to increase the average ticket price throughout the year.

Ultimately, this project's major goals are:

- Evaluate the prospective extension of Impacto+ into Coimbra.
- Create a marketing strategy to assist ARCIL Parque in raising the average ticket price and drawing more visitors, especially in the winter.

The objective of this Work Project is aligned with ARCIL's strategic goals of increasing customer satisfaction, creating new answers for gaps in intervention areas in the community, qualifying infrastructures, and equipment, innovating in the production and presentation of goods and services, ensuring ARCIL's sustainability, and increasing self-financing.

2. Strategic Outlook for Impacto+

This chapter takes the information collected in previous chapters where Impacto+ was analysed. The current aim is to gather all this information to propose a unique offer for Impacto+ and its expansion to Coimbra, maintaining its core values and image as they differentiate them from the competition. This is achieved by making an in-depth analysis using the 7 Ps and the 6 Ms frameworks and the financial implications of applying the suggestions.

2.1.1. Value Proposition

Impacto+ can better understand its value and what it offers by analysing the 7 Ps framework to develop a new market value proposition. For example, the team could identify important areas for development and develop a value proposition that appeals to its target clients in Coimbra by carefully examining each framework component. These are Product, Price, Place, Promotion, People, Process and Physical Evidence.

The first component of the framework is Impacto+'s **product**. It was decided to concentrate on the current services offered regarding product policy. These services include occupational therapy, speech therapy, neuropsychology, psychomotricity, and psychology. The company may capitalise on its core competencies and raise purchasing intent by concentrating on these services. It is expected that Impacto+'s two main services from Lousã, speech therapy and occupational therapy, will also dominate in the new location. The fact that an interdisciplinary team delivers these services of experts from various areas is one of their distinguishing features. This suggests that treatment methods are tailored to patients' needs, goals, and preferences.

Consequently, patients can receive treatment that takes a holistic approach and considers all facets of their health and well-being. As a result, Impacto+ may set itself apart from rivals and attract more clients by providing extensive therapy regimens. In addition, although the product offer isn't unique, Impacto+ has forty-seven years of experience, especially with people with disabilities such as autism or cerebral palsy which make it very attractive to the customer as there are proven record that achieves good results.

The second point of the 7 Ps framework is **pricing**. Impacto+ has established prices for its services in Lousã, but a price benchmark analysis was performed to assure competitiveness in the new market of Coimbra. To determine the impact of the different competitive landscapes, the average price per service line was compared of the initial market in Lousã with the Coimbra market. It was computed a weighted average of the prices in Lousã by multiplying the prices of a service type with the sessions of that service type. The result was an average price per service line of €35,57 in Lousã. See Appendix 2. To determine the potential prices in Coimbra, a price benchmark was conducted with competitors from the Coimbra market. The approach for that price benchmark will be discussed in Chapter 2.3.3, the revenue drivers of Impacto+ will be addressed. The team suggests that ARCIL increases the prices according to the market to remain in a compatible position. Based on the market research, it is advised that ARCIL charges €60 for the first and €50 for follow-up sessions. Considering the value proposition and unique services that ARCIL provides, it is still thought that the pricing is appropriate. With this price policy, ARCIL can maintain its status as a premium service provider while competing successfully with other regional therapy providers. Additionally, it is advised that ARCIL gives customers who commit to several sessions package deals or discounts since this can encourage patients to continue their therapy with ARCIL and raise their total lifetime value to the company.

The third “P” is **people**, and as Impacto+ is a client-centric business, people are one of the most important factors as they are the face of the clinic. Every collaborator needs to be extremely polite, compassionate, attentive, sensible, strong-minded, well trained and patient as they deal with people with very difficult lives. The clinic should feel safe for the patients and their families. Of course, all collaborators must be qualified, especially the doctors and the therapists, to grow in reputation and retain the maximum possible clients.

In the analysis, for Impacto+ to function properly, they would need a full-time manager for Coimbra and Lousã. However, due to the size of the clinics, the geographical proximity of both cities and the services offered to be the same, one manager would be sufficient for both clinics. This has the benefit of not adding too many extra costs, as two would cost double, and the creation of synergies, as the manager would have an in-depth knowledge of both locations. It would also guarantee that the quality standards of both clinics are the same and met as it would be the same person to evaluate them. Besides, a collaborator's good idea can be easily implemented in another location. On the other hand, as the manager would be the same person, judging his performance would be difficult as there would not be a comparison point.

Right now, Impacto+ has a half-time receptionist. They would need to hire an extra one for the new location in Coimbra, as the opening hours would be the same. As this person would be the first contact with the clients, having an impressive first contact would be very important, so they would have to be extremely friendly. They would also have to be organised as they would be responsible for the bookings.

The most important part of the staff are the therapists and doctors. Right now, in Lousã, they have 13 therapists that are paid 60% of the consultation price, so they do not represent a fixed cost, as they only get paid if they do the consultations. The 13 therapists are divided into: 2 speech therapists and each psychomotor, family mediation nutrition and traditional Chinese medicine therapist. They also have an extra speech therapist that is part of ARCIL and has a fixed contract. That contract is divided 80% with ARCIL and 20% with Impacto+, so they have a fixed cost of €3.570 yearly, but the contract states that this therapist must give seven consultations per week. So, if she gives more than seven, then the same ratio of 60/40 applies.

The final part in terms of people is the cleaning staff. It would be better to subcontract that to a service company specialised in that, as it is cheaper. This will cost €150 per month, meaning €1.800 per year (Zaask Portugal).

The fourth “P” is **place**. In this “P”, it will find the most significant differences to Impacto+ in Lousã first because it is a new location in Coimbra. Second, this will have the biggest impact on the cost structure. In Lousã, Impacto+ uses a space that belongs to ARCIL and that is also used for other purposes CAO – Centro de Actividades Ocupacionais – this means that the costs are allocated to CAO and not Impacto+, there is no rent to pay, no municipality tax. The CAO pays all the costs associated with the building. In Coimbra, this situation would be completely different. Impacto+ would have to find an office, around 250 m^2. This office would have four consultation rooms, a gym, rooms for occupational therapies, a waiting room with a reception, and a bathroom fitted for handicaps. This would imply the payment of rent, refurbishing the office and granting that it has all the required equipment to fulfil the client’s needs. The clinic would benefit if it were in the centre of Coimbra, as the access would be easier, but that would also mean the rent would be increased. Due to the nature of the clinic, it would have to be on a ground floor or have an elevator big enough to fit a wheelchair.

The next “P” stands for **physical evidence**. This is what physical evidence it is possible to provide to show that the clinic is worth clients’ trust and visit. It is the team’s opinion that in the digital age of today, one of the most important factors for this would be a great website. Thankfully, while writing this report, Impacto+ changed its website completely, making it very attractive, user friendly and professional. One suggestion is for Impacto+ to add an area on the website with testimonies from patients and therapists. This would add to the evidence that the clinic is worth clients’ time and money. Of course, the way the clinic looks, both the building and its inside, are important evidence of quality and location.

Then there is **process**. This “P” explains the internal processes that Impacto+ must have to deliver the best service possible. As it is a small clinic, not many processes are involved, but the implementation of one is suggested. For example, the only way to book is in person or via phone call. Adding a way of booking via the website would benefit Impacto+ immensely.

Another process to consider is giving clients a pleasant experience and ensuring they return by cleaning the materials used during each therapy session. This would have to be done by the therapist. One way to make sure it goes smoothly and does not make the next patient wait is while the client leaves the room, the therapists clean the materials, and after the receptionist deals with the patient's payment, they lead the next one to the office.

The last "P" is **promotion**. This will be discussed in Chapter 2.3.2 with the 6 Ms framework, a marketing tool that, through an integrated campaign, analyses the market and the best way to get the message across to the targeted audience.

With this analysis, the Impacto+ value proposition should remain very similar to what it is now. Impacto+ now has a value proposition of offering clinical services in areas such as traditional Chinese medicine, speech therapy, occupational therapy, and clinical psychology, among other things. These services are provided after working hours, which would remain the same. This is because the main clients are children in school during normal office hours, so altering this in a first change would not bring any added benefit. The biggest difference in the value proposition would be the prices, as Coimbra has a bigger purchasing power. But it is not the services offered that create value for Impacto+. Its quality, its centrality of the client, both in the patient and in the family, its holistic approach, its fourty-seven years of experience of consistent results, of showing that a client is not a simple number, a simple way of earning money but is a person with dignity that deserves to be treated with compassion and integrity.

This is what will give Impacto+ its competitive edge.

2.1.2. Marketing

As said in the previous chapter, here the last "P" promotion will be analysed by doing the 6 Ms framework. The framework is a marketing tool that studies and defines the marketing campaign's mission, its market, its message, what media to use, how much money is available and lastly, how to measure its success or failure.

The **mission** of this marketing campaign is to gather new clients for Impacto+, as the clinic will be financially sustainable with them. Firstly, this will be very hard because, as a new player in the city, people will be suspicious. Secondly, because people tend to be very loyal to their doctors/therapists. “stealing” clients from other clinics should not be the focus. Instead, gaining clients that do not yet have a therapist. The second part of the mission is to have better brand recognition in Coimbra, as ARCIL and Impacto+ are not very big and are in a small town on the outskirts of Coimbra. Therefore, it is important to expect that most of Coimbra´s population has not heard of them. The third objective of the mission is to gain therapists. As said before, Impacto+ has a waiting list for speech therapy but difficulty finding therapists to serve the demand.

Then **market** must be addressed. The market follows the previous market analysis of Coimbra’s population with special needs. The goal is to address families that have someone in them with a deficiency first. This could include autism, speech impediments, cerebral palsy, or any other problem that Impacto+ treats. As their biggest segment, it makes sense that the marketing campaign is primarily directed at families and focuses on speech therapy, as most consultations come for this therapy. The campaign should also address the mental illness group, as shown before, as a market that is in rapid growth. Finally, there should also be a campaign to gain more therapists.

The **message** for this campaign should focus on the strengths of Impacto+. First, there nearly fifty years of experience dealing with people with disabilities, and with those 50 years of experience, their proven record of treating every patient with dignity and the highest care possible. Then the message must also include their holistic approach, as it looks at the client and treats him using different approaches to guarantee better treatment. Finally, on a more sentimental note, as the money raised by Impacto+ is not for profit but to help ARCIL with its social units, the message should include that, by going to this clinic, you are helping yourself but also helping others more unfortunate than you.

Regarding **media**, Impacto+ should focus on social media, Facebook, and Instagram. Even a LinkedIn page would be helpful. They should promote their posts for them to reach a bigger audience. Today's society faces a growing dependency on technology by the second. This dependence means that large amounts of the population spend time viewing social media. So having a strong presence on social media will be essential to gather more customers. That is the reason behind the suggestion of the need to hire a social media manager. This strategy of posting daily about Impacto+ will bring customers and brand recognition. It is essential for the future of and the success of this expansion. Without a strong bet in promotion, it will be challenging for the project to be viable. Additionally, an investment in outdoor areas in the city of Coimbra should be done. The reason behind this is very simple: visibility in the city of the expansion.

In terms of **money** for this project, the financial implications predict that Impacto+ should spend around €20k yearly. For example, in the research, an outdoor in Coimbra costs €25,17 daily ("Dreammedia.store", 2023), and a social media manager costs €250 a month ("Zaask",2023). The measurement for the success of this campaign will be the number of clients gained and the financial sustainability of the clinic. Both topics will be explored in the next chapter.

2.1.3. Financial Implication

To create a financial evaluation of the planned expansion, first it is critical to analyse the different revenue and cost drivers that affect the financial model that computes the expected profits.

The three main revenue drivers are the price, volume, and unique clients. First, price as a revenue driver was analysed in Chapter 2.1.2. along with price benchmark. Following the pricing strategy from Chapter 2.3.1, it was decided to price the first session at €60 and the follow-up session at €50.

Second, a thoroughly analysis of the number of unique clients across the three years of sales was done of the data ARCIL provided us. During the three years, Impacto+ averaged 98 unique clients. As described in the sales analysis in Chapter 2.1.2, the number of unique clients was distributed at a steadily high level with expectations in April and August. Therefore, it is possible to assume a steady number of unique clients throughout the year to simplify the model. Third, it was analysed the volume of business with the sessions in the different service lines of Impacto+. As the number of sessions is based on the unique clients, a multiplicator was created from the unique clients to sessions. This multiplicator is based on the count of clients that received sessions in one service line or more than one service line and the averaged sessions. This approach follows to find that follow-up sessions comprise over 80% of the overall sessions. Of the 209 clients in the three years, 46% were just in one service line, while 54% used more than one speciality. The average sessions for clients in just one service line amount to 5,81, while the average for clients in more than one service line amounts to 17,92. After multiplying the weights with the averages, it was computed a multiplicator of 12,35. When comparing the result of computed sessions of the multiplicator (1.173 sessions) with the reported sessions (1.011 sessions) for the number of unique clients (95) in 2022. With the given limitations of the assumptions, that is a small difference. To distribute the number of sessions to the different service lines, the historical mix from the data in Lousã was assumed to apply to the new mix in Coimbra.

As the second part of the financial model, the potential cost drivers of an expansion to Coimbra were analysed. The expense of renting a building separates the new site in Coimbra from the old one in Lousã. In contrast to Lousã, the organisation will have to pay rent in the new facility in Coimbra. ARCIL provided a list of spaces necessary for the building. For that list, it was estimated a size in square meters and multiplied the total by Coimbra's average square meter price. See the calculation in Appendix 3.

ARCIL will also need to invest more in new equipment for the new location and pay rent. A list of prospective equipment requirements for the new site was created along with associated costs to fulfil this. Besides the necessary office furniture, it was advised that the clinic would invest in equipment like the ones in Lousã to build and strengthen their value proposition in the new location. See the calculation in Appendix 4.

In addition to location, employees will be a major cost factor for ARCIL in Coimbra. Impacto+ will have therapists on hourly and fixed contracts, like Lousã. The therapists receive 60% of the price as their commission. Therefore, the price was multiplied by 60% and the number of sessions to calculate the variable payroll expenses. The clinic in Lousã was used as a benchmark for the fixed contracts. In Lousã is one speech therapist with an annual salary of €3.570 and a part-time secretary with €4.909. The success of the expansion will depend on the last cost driver, marketing. As a starting point for the marketing costs, it was used the average marketing budget for small businesses in Canada, which was $30.000 ("Average Marketing Budget for Small Business", 2023). With an exchange rate of 0,68, that is €20.100 ("Google Finance", 2023). During the 6-year horizon of the financial model, it was assumed a steady growth of the expenses and applied an annual growth rate of 10%.

It was decided to develop a break-even analysis to determine the number of sessions required to break even and to compute the required market share necessary with that number of sessions. Overall, the goal is to conclude whether the expansion seems financially feasible. Information from the market analysis was gathered and so were the revenue and cost drivers to build the analysis. Costs were categorised into fixed and variable costs. First, fixed costs include the equipment's annual depreciation, which is computed with the assumption of a useful life of 10 years ("Internal Revenue Service"), in addition to the facility's annual rent, the initial marketing campaign, and the payroll expenses for staff with fixed contracts Secondly, variable costs are mainly the costs for the therapists. ARCIL told provided the information that therapists have service contracts that will be accounted for per session. The relevant price for the break-even analysis was the average price per session of the benchmark in Coimbra (€59,43). Next, it was determined the expected contribution margin. The contribution margin is the difference between the price and the variable costs per session and equals €23,77. Finally, the total fixed costs were divided by the contribution margin to compute the break-even point. Therefore, the number of sessions to break even is 4.089. Considering the yearly expected sessions in the Coimbra market of 365.670 equals a market share of 1,12%. See the calculation in Appendix 5.

Finally, it will be crucial for ARCIL and Impacto+ to understand the potential returns they can expect from their investment. To calculate the potential returns, a financial model was developed that considers the revenue, cost drivers, and relevant assumptions (See Appendix 5). Four KPIs will be analysed to evaluate the different scenarios: the net present value (NPV), the internal rate of return (IRR), the profitability index (PI), and the payback period. First, each scenario's NPV was analysed. Then, a benchmarked weighted average cost of capital (WACC) was used at 7,85% (Damodaran, "Current Data: Cost of Capital by Sector") to discount the free cash flows. A benchmark for hospitals and healthcare centres was used, knowing there is a limitation since clinics publishing such data tend to be bigger and may have a different capital structure. To compute the NPV, the discounted cashflows were summarised of the model. Second, the IRR calculates the return on future investments. This sets the NPV to zero and is used to calculate the investment's yearly growth rate. Third, to calculate the PI, the sum of the cashflows from years 1 to 6 were divided by the initial investment in year 0. Fourth, the simple payback period method delivers the period within which a project's future cash inflows can recover its initial cost to compute the payback period. These KPIs will provide a comprehensive understanding of the financial viability of the expansion and help with decision rules.

However, first, the sensitivity of the inputs of the financial model will be analysed. A two variables sensitivity analysis was developed to evaluate the impact of changes to certain variables in the model. The analysed variables were the first year's unique clients, the first-session price and the follow-up session's price. For the assumption of the growth rates, the values from the base-case scenario were applied. See the tables in Appendix 5. The green colour in the tables indicates the top range of the NPVs, while the red indicates the bottom end of the NPVs. The differences in the ranges between the changes in the first-session prices (€330.321,37 to -€63.900,54) in comparison to the changes of the follow-up session prices (€440.713,74 to -€134.867,06), while the other parameters are constant, shows the bigger impact of the follow-up sessions. Also, the changes in the therapist fee with changing therapist fees illustrated another way to compensate for the low number of clients in the first year. With a decrease in the costs for the therapist by 10%, they could even manage to generate a positive NPV with thirty clients. Overall, this sensitivity analysis shows the unique clients as the major variable that needs to be as high as possible in the first years to generate positive cash flows as fast as possible.

Since there is much uncertainty in the future, three scenarios were created that reflect different circumstances for the clinic's expansion: the "BASE" scenario, the "WORST" scenario, and the "BEST" scenario. The scenarios will consider the described sensitivity and create different variations and combinations of the parameters.

The Base Case Scenario is described by, in the first year, being expected to have fifty unique clients at the new Coimbra location, equivalent to 50% of the number of clients in Lousã. It was anticipated a growth of 300% in the second year due to a successful marketing campaign. From year 2 to year 3, the number of unique clients is projected to increase by 200%. In the following years, the growth rate of clients is expected to decrease gradually to 160% in year 4 and 150% in year 5. From year 5 onwards, it is expected an average annual growth rate of 140%. The fee for the therapists stays at 60% and does not change in the new location. In the base-case scenario, the project would have a positive NPV of €131.436,62, an IRR of 30% and a PI of

5,65. All the decision rules state an unprofitable project with a negative NPV, an IRR over the discount rate and a PI below 1. The Payback Period for the accumulated cashflows is 5,65 years. The Worst Case Scenario indicates that the organisation faces an unsuccessful marketing campaign and struggles to differentiate itself from competitors. This results in limited client engagement and a lack of growth in the business. To make matters worse, to retain therapists, the organisation is forced to increase their fees, putting additional financial strain on the organisation. As a result of these challenges, the organisation experiences a 10% lower growth rate compared to the base case. This situation highlights the importance of effective marketing strategies and differentiation to attract and retain clients and the potential impact of increased therapist fees on the organisation's financial stability. In the worst-case scenario, the project would have a negative NPV of -€136.303,69. An IRR could not be determined due to the negative cashflows and a PI of -2,69. All the decision rules state an unprofitable project with a negative NPV, an IRR that is not computable and a PI below 1. The Payback Period for the accumulated cashflows is 12,67 years.

Finally, the Best Case Scenario indicates that the organisation executes a highly successful marketing campaign, effectively differentiating itself from competitors. In addition, ARCIL provided information about the increased demand for speech therapy services in Lousã, which they cannot currently serve. Therefore, it is assumed that the demand will be served in the new location. Furthermore, due to higher prices for therapy services in the nearby city of Coimbra, the organisation can negotiate lower fees for its therapists while ensuring they still earn a higher value per hour than alternative opportunities. As a result, the organisation experiences a 10% higher growth rate than the base case. This scenario exemplifies the positive outcomes achieved through successful marketing efforts, increased demand, and strategic negotiation strategies. It highlights the potential for significant growth and improved financial performance when these factors align favourably. In the best-case scenario, the project would have a positive NPV of -

€557.682,46, an IRR of 75% and a PI of 16,09. All the decision rules state a profitable project with a positive NPV, an IRR higher than the discount rate and a PI over 1. The Payback Period for the accumulated cashflows is 5,08 years.

In Chapter 2.3, the goal was to illustrate how Impacto+ will have to change to execute its value proposition and design marketing to be successful. The following are the key takeaways:

- By creating a value proposition that highlights its core services, multidisciplinary staff, all-inclusive approach, and 47 years of expertise, Impacto+ can reinforce its market position in Coimbra. ARCIL can establish itself as a valued and preferred therapy provider in the area with competitive prices, a focus on customer-centric staff, and a location that supports this.
- To earn more clients, therapists, and financial stability, Impacto+'s marketing strategy must be a success. The campaign should concentrate on appealing to families with disabled children, stressing the clinic's expertise and holistic approach, using social media platforms well, and devoting resources to outdoor advertising to increase the clinic's brand awareness in Coimbra.
- The break-even analysis shows that in order to break even, a break-even point of 4,089 sessions and a needed market share of 1.12% are required. These numbers highlight how crucial it is to attract a significant base of clients and capture an important portion of the target market in order to become financially viable.
- The financial model assessed three scenarios (base case, worst case, and best case) and analysed key performance indicators (NPV, IRR, PI, and payback period), with the base case scenario indicating financial feasibility and the best case scenario showing positive returns.

3. Overall Impact

3.1. Project Wrap-Up

The team started by analysing ARCIL to understand the total scope of the thesis better. First, it was defined what ARCIL is and then studied its purpose, values, and mission. This was done through research, reading of the website, visit to Lousã, and seeing the central offices, ARCIL SAUDE, ARCIL Parque, CAO and Impacto+, that share the same place. In addition, interviews and meetings were conducted with people who work at ARCIL, Eugenia, Luís and João, head of ARCIL Parque. While visiting the different locations, the team had the privilege of having lunch at ARCIL Parque, where the meal served was prepared by people with deficiencies who were undergoing the ARCIL Vocational Training Centre training to become cooks. All this research resulted in the best impression of ARCIL, the care taken for employees and other beneficiaries. Throughout the research, clients' satisfaction surveys were taken under consideration, most of them being extremely satisfied with the ARCIL.

Before focusing on the project scope, ARCIL's business units and their profit business units were researched by developing a complete financial analysis and understanding the organisational structure behind ARCIL.

After this, it was possible to focus on the task proposed by ARCIL: study of the expansion of Impacto+ to Coimbra and increasing ARCIL Parque's profitability through an increase in the ticket price and in visitor traffic, especially during winter months.

The first step was to understand the current value proposition, analyse the local market, competitors and peers, price bench marketing, and the important financial analysis. Furthermore, an STP analysis was conducted to better understand what segments to target and how. This framework enables companies to provide value, personalise marketing efforts, and achieve the highest financial results.

Finally, after having gathered the necessary information, it was possible to understand what differentiated the BUs from its peers and competitors and elaborate a new value proposition for the expansion of Impacto+ and strategies to increase ARCIL Parque's average ticket price and traffic throughout the year. This was performed by developing two frameworks, the 7 Ps and the 6 Ms.

Regarding future steps, the recommendation is for ARCIL to develop two main topics:

1. Possible synergies between Impacto+ and ARCIL SAUDE, considering that both services cater to the health and that plans are to expand Impacto+ to Coimbra, it would be advantageous to study the impact of agglomerating Impacto+ with ARCIL SAUDE. This could result in economies of scale. In addition, SAUDE has partnerships with private healthcare insurance which would be a hugely beneficial for Impacto+. Furthermore, both BUs could complement each other since Impacto+ offers services in psychomotricity and SAUDE in physiatry and physiotherapy.
2. It is recommended that ARCIL looks into a partnership between ARCIL Parque and ARCIL ARGO since the BU works on growing vegetables, having animals, and making fresh wood oven bread. All these products could be incorporated in the ARCIL Parque's offerings, reducing the costs of raw materials.

Further recommendations are explained in depth the next chapter. However, the overall goal is to grow the number of clients for both business units. To ensure this, ARCIL needs to have a close control over both units. It is important to monitor operations, financial results, and social media growth in order do be successful.

3.2. Impact Assessment

3.2.1. Overall Impact Assessment

It was decided to build combined scenarios from both business units to assess the overall impact of recommended strategies for ARCIL. The nine scenarios are combinations of the base-case, worst-case and best-case scenarios built in Chapter 2.3.3. and Chapter 3.3.3..

As the baseline for the overall assessment, ARCIL's EBITDA in 2022 was used, which was €62.914,27. To simplify the assessment, the team assumed that the EBITDA is equal to the free cash flows of the projects. Further, the EBITDA from 2022 was assumed to be constant for the following six years. To calculate the overall impact on the EBITDA in the six years of the model, the additional EBITDAs were added from the new ventures to the €62.914,27. The initial investments for those projects will need to be carried out by ARCIL since Impacto+ and ARCIL Parque cannot provide capital for the investment. This coverage of the initial investment leaves ARCIL with an EBITDA of €10.959,17. Over the six-year timeline, the base case scenario for both business units have negative cashflows in years 1 and 2. However, ARCIL can cover these initial negative cashflows with the EBITDA from other operations. In the final year of the model, ARCIL will be able to increase its EBITDA by 315% compared to the baseline of €62.914,27. However, it is also important to mention that two of the nine scenarios result in negative EBITDA for ARCIL at some point during the 6 years. In contrast, the combinations that include a best-case scenario yield an upside potential of 804% for the best-best case. See all the scenarios in Appendix 6.

Besides assessing the financial impact for ARCIL, it is important to illustrate the impact of ARCIL's dependency on state subsidiaries. As shown in Chapter 1.2.2. ARCIL's revenues in 2022 were 73% state subsidiaries. The two new ventures in Impacto+ and ARCIL Parque, will be independent from state subsidiaries. Therefore, decreasing the dependency for ARCIL. To assess the impact, the revenues of the base-base, best-best, and worst-case scenarios were analysed. As before, it was assumed that the total revenues for the whole organisation are constant on the level from 2022 at €6.178.880,91. Further, it is assumed that the subsidiaries remain constant at the level of 2022 with a value of €4.216.847,00. By adding the new revenues to the total revenues, a new baseline that reduces the ratio of state subsidiaries to total revenues is received. The decrease of dependency from state subsidiaries reaches from 6% in the first year to 17% for the best case in the last year. This illustrates a significant reduction of ARCILs dependency on state subsidiaries. See the table for the different scenarios across the six years in Appendix 6.

3.2.2. Prioritisation Matrix

To make sure that ARCIL can successfully implement the recommendations, a prioritisation matrix is suggested. This matrix puts each recommendation on a scale of expected impact and the ease of implementation. See the matrix in Appendix 7.

Regarding expanding to the new location in Coimbra, Impacto+ can follow four recommendations that will enable them to conduct a successful project.

The first recommendation is to increase the prices from the level in Lousã to the competitive landscape in Coimbra. The price benchmark showed that the prices of the services tend to be higher in Coimbra. Therefore, it was decided to increase the prices accordingly. In this procedure, the price strategy followed was being a premium service provider with a unique service combination and decades of experience. Besides adapting to the new market, this strategy gives Impacto+ more financial flexibility, as fewer clients can still result in positive project outcomes (See Appendix 7).

On the other hand, generating higher returns will also be easier for the organisation compared to the price range in Lousã. Regarding the ease of implementation, the management would make such a decision and could be easily implemented by Impacto+. Therefore, due to the high expected impact and ease of implementation, we rank this recommendation as a high priority.

As shown in the financial implications in Chapter 2.2.3, the unique clients in the first year are one of the key parameters for the project's success. Therefore, the main objective of the following recommendations will be to gain as many unique clients in the first year as possible.

Firstly, purchasing special equipment for the new facility will be necessary to maintain its point of differentiation in the new location. Therefore, the impact of this recommendation will be one of the highest as their services depend on the unique equipment and the several different service lines. This recommendation will be easy to implement as Impacto+ already knows some dealers for that equipment from their experiences in Lousã. Due to the importance of the value proposition and the experience from the clinic in Lousã, we give this project a high priority.

Secondly, the recommendation is for the organisation to develop a social media strategy. The different social networks can be a great way for ARCIL and Impacto+ to reach new clients and create brand value. Therefore, we estimate a high impact from such an implementation, not just in Impacto+ but for the whole of ARCIL. It will be necessary to hire a social media manager for the whole organisation that can plan different campaigns for each the whole ARCIL organisation and Impacto+, as this expertise is missing in the organisation right now. Due to necessary hiring, we estimate the ease of implementation as middle, and this strategy will have a medium priority.

Thirdly, it is recommended that Impacto+ develops an online booking system on their new website to enhance the customer journey at Impacto+. So far, the business backbone is the follow-up sessions, as there is high customer retention. However, gaining new clients in the new clinic will be necessary. An online tool on the website could increase the number of clients as potential customers do not have to travel through Coimbra or from the city's outskirts to the clinic. Therefore, it is believed that such a tool could greatly impact the growth of the number of clients. However, such an online booking system would need to be developed and could be an additional project for the whole organisation of ARCIL. A thorough investigation of this opportunity was not possible in this project's scope. Therefore, we give this recommendation a medium priority.

Moving on to the second topic of this work project, it is possible to find recommendations regarding ARCIL Parque below. Intending to attract customers throughout the year from the three target segments, *families*, *workers*, and *community*, the four recommendations considered essential to increase customer visits and the average ticket price, involve refurbishing ARCIL Parque's spaces, developing two different menus, one fixed and one weekly menu, investing in the creation, development, and maintenance of communication channels, and finally, investing in event organisation and venue renting.

The first recommendation is to refurbish three areas of ARCIL Parque: the terrace, the main room, and the back room. Each area should have a specific structure and purpose to enhance the experience.

Starting with the terrace, the furniture should blend with the surrounding greenery of the park area, prioritising weather-resistant and waterproof furniture for durability. The porch area can also be divided into more intimate spaces using low furniture. These spaces can be adorned with plants and cushions, creating a cohesive aesthetic. Moving to the main room area, creating different spaces catering to various needs is important. This can include a section with modular tables to accommodate groups of different sizes, establishing a wooden library on one of the walls stocked with books and board games for self-service. This library will be a shared resource, fostering customer interaction and engagement.

Finally, revitalising the spacious back room is recommended. The furniture and decorations should maintain continuity with the rest of the restaurant but can be made more modular and simplified to accommodate different event setups and requirements.

This recommendation aims to make ARCIL Parque's space more appealing to the target segments; for that, it is an extremely important investment with high priority. To ease the experience, an interior decorator should be hired because they can access products from all price ranges and know what attracts customers. The cost of this investment is high. However, it can be lowered if ARCIL Parque chooses secondhand stores, products, and services from other business units.

The timeline for refurbishing depends on the availability of resources. However, we suggest the coffee shop room being the main priority, with the room's refurbishment being aggressively approached as it is a crucial factor in attracting customers and enhancing the dining experience. The second recommendation is creating new menus. Although the current menu is appropriate for morning and afternoon snacks, we suggest developing a weekly menu available at lunchtime at a lower price range for weekday lunch meals. This menu targets workers with limited time and intends to enjoy it in a peaceful and welcoming restaurant with a high relation between food quality and price. In addition, we suggest developing a fixed menu targeted at *families* and *community* segments appropriate for those who look forward to a pleasant meal without time constraints. These menus must be developed considering the target segments, the limited kitchen space, limited human resources, and the disabilities of students from the ARCIL Vocational Training Center applying for their training in ARCIL Parque.

Implementing changes in menus can be relatively easy, especially if the job is done jointly by the chef and the responsibility for the ARCIL Vocational Training Center cooking and waitering classes, with the help of the Social Business Unit Manager. After this, staff must be trained.

Because increasing the average ticket price is a primary goal, changing the menus should be a priority. Although the timeline depends on the recipe development, ingredient availability and staff training, it should be implemented rather fast and not take longer than three months. In addition, the penetration strategy for the new menus should embrace an aggressive promotion because highlighting the new offerings may be necessary to attract attention and encourage customer engagement.

The third recommendation is investing in communication channels since the existing ones are dedicated to ARCIL's overall work, including all its business units. Communication is important to create brand awareness, promote menu items, services, events, and impact, interact and engage with customers and establish loyalty. The target of this communication is B2C for the coffee shops and event communication and B2C and B2B for renting the back room.

One channel considered is social media, as ARCIL Parque must build an individual platform to communicate regularly. We suggest the creation of Instagram and Facebook, with at least twice a week posting, where menus, food, events, offers, and services are displayed. In addition, it is important to develop a storyline that transmits ARCIL Parque's mission and impact. Given the small size of Lousã, utilising local advertising channels such as print ads in community newspapers, magazines, or newsletters can be a valuable way to reach potential customers and raise awareness about news and upcoming events. Furthermore, leveraging the power of email marketing by utilising ARCIL's current customer database from other Social Businesses Units provides an efficient way to reach a larger audience. A tailored email list allows for distributing promotional offers, news, and updates to existing contacts, further broadening the message's reach.

Through all communication channels, the message that ARCIL Parque plays a role in social and professional inclusion and that customers can enjoy tasty meals in a pleasing setting should always be present, as well as always keeping consistency and coherency.

Implementing communication channels, particularly social media, can be relatively simple. ARCIL should leverage its understanding of the community and its opportunities to take advantage of the other channels better. The cost would be determined by the methods of communication and the level of investment desired. However, constructing low-cost social media platforms is a top focus and priority. ARCIL Parque may invest in other forms of communication in the future, which could require a larger expenditure. The penetration strategy for communication channels would entail strongly highlighting the restaurant's online activity, actively interacting with the target consumers through regular updates, replying to customer inquiries, and participating in relevant online communities or local events.

The last recommendation is to better utilise the back room of ARCIL Parque as an event venue, which may be a place for the restaurant to host its events to involve the community and partners and a place that B2B and B2C customers rent for their purposes. To follow this recommendation, the room must be refurbished, and clear communication of the space must be developed. A suggestion is to create a straightforward offering concerning the event venue renting, visible both physically and online.

The space may host cultural events, workshops, or educational programs. This may be done only by ARCIL Parque or by involving ARCIL's other BUs, partner companies, or the local municipality. The goal is to foster a sense of belonging and learning in the community while increasing visibility and attraction rate. These must happen twice or three times per month to keep high engagement. Additionally, developing the event venue business (B2B), as in renting the space, is essential to take advantage of it mainly during the weekends.

Because ARCIL Parque already has an appropriate space and should hire an additional part-time employee to oversee the events, implementing event organising can be quite simple. It includes creating event packages, arranging bookings, and following correct event management processes. The top priority is to make it available for rent quickly to become a viable source of revenue with minimal upfront work and keep having one event organised by ARCIL per month. After a few months of experimenting with the methodology, ARCIL Parque should increase the frequency of events they host. The investment regarding this recommendation depends on the scale and frequency of the events as it includes additional employees for event organisation, advertising materials, event decorations, and possible investments in event equipment.

Through the recommendation, it is believed that ARCIL Parque will achieve its goals of not only increasing the average ticket price, since the menus provide richer meal options to the largest target segment, but also increasing the number of visitors by making the space more comfortable and appealing, adapting the menus, engaging with the community, and communicate ARCIL Parque's services, products, mission, and role in Lousã's society.

Therefore, although there is a considerable investment to be made, in the medium term, the Social Business Unit will be able to reach profitability finally.

Our key takeaways from analysing the impact of this project are:

- The impact analysis of the recommendations for ARCIL predicts that EBITDA would rise significantly over six years, with a possible increase of 315% over the baseline. Two scenarios, nevertheless, eventually produce negative EBITDA, highlighting the necessity of regular monitoring and strategy modification.
- The analysis shows a significant decrease in ARCIL's reliance on state subsidiaries, down from 73% of revenues in 2022 during the first year of implementation, by 6%. This diversification improves the financial independence and stability of ARCIL.
- The top priorities listed in a prioritisation matrix are price adjustment, special equipment acquisition, social media strategy development, space renovation at ARCIL Parque, menu development, investment in communication channels, event planning, and venue rental.

Overall, the suggested projects provide a feasible route for ARCIL's future and sustainability, with the possibility for higher profitability, less dependency on state subsidiaries, and improved consumer involvement through focused efforts across both Impacto+ and ARCIL Parque.

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Appendix

Appendix 1: ARCIL's Reformulated Income Statement for FY2019 to FY2022

	Historical							
Reformulated Income Statement		**2019**		**2020**		**2021**		**2022**
Revenues	€	5 564 908,00	€	5 256 048,83	€	5 776 000,41	€	6 178 880,91
COGS	€	280 144,00	€	182 000,40	€	280 195,69	€	475 681,55
Gross Profit	€	5 284 764,00	€	5 074 048,43	€	5 495 804,72	€	5 703 199,36
FC	€	5 135 572,00	€	4 930 148,49	€	5 200 418,89	€	5 640 285,09
EBITDA	€	149 192,00	€	143 899,94	€	295 385,83	€	62 914,27
D&A	€	121 824,00	€	124 957,20	€	118 040,18	€	134 102,82
EBIT	€	27 368,00	€	18 942,74	€	177 345,65	€	(71 188,55)
Interest	€	23 714,00	€	12 068,67	€	26 224,55	€	19 706,30
EBT	€	3 654,00	€	6 874,07	€	151 121,10	€	(90 894,85)
Taxes	€	-	€	-	€	-	€	-
Net Income	€	3 654,00	€	6 874,07	€	151 121,10	€	(90 894,85)

Source: Based on ARCIL Financial Statement

Appendix 2: Prices in Impacto+

2022				
Services	**Categories**	**Sessions**	**Prices**	**Weighted**
CONSULTA NUTRIÇÃO-1ª	Nutrition	3	45,00 €	135
CONSULTA NUTRIÇÃO-SEGUIMENTO	Nutrition	3	35,00 €	105
CONSULTA PSICOLOGIA-1ª	Psychology	4	45,00 €	180
CONSULTA PSICOLOGIA-AVALIAÇÃO	Psychology	6	45,00 €	270
CONSULTA PSICOLOGIA-SEGUIMENTO	Psychology	29	35,00 €	1015
MEDICINA TRADICIONAL CHINESA - ACOMPANHAMENTO	Chinese medicine	15	35,00 €	525
MEDICINA TRADICIONAL CHINESA - AVALIAÇÃO	Chinese medicine	3	45,00 €	135
MindSerena, Curso de Introdução ao Mindfulness	EU Project	7	60,00 €	420
MUSICOTERAPIA - AVALIAÇÃO	Music Therapy	1	45,00 €	45
MUSICOTERAPIA - SESSÃO ACOMPANHAMENTO	Music Therapy	21	35,00 €	735
PSICOLOGIA-RELATORIO DE AVALIAÇÃO	Psychology	2	45,00 €	90
PSICOMOTRICIDADE-1ª SESSÃO	Psychomotoricity	5	45,00 €	225
PSICOMOTRICIDADE-SESSÃO ACOMPANHAMENTO	Psychomotoricity	27	35,00 €	945
TERAPIA DA FALA - CONSULTORIA	Speech therapy	4	45,00 €	180
TERAPIA DA FALA - DECLARAÇÃO INFORMATIVA	Speech therapy Spinoff	3	10,00 €	30
TERAPIA DA FALA-AVALIAÇÃO TERAPEUTICA	Speech therapy	21	45,00 €	945
TERAPIA DA FALA-RELATORIO DE AVALIAÇÃO	Speech therapy	3	45,00 €	135
TERAPIA DA FALA-SESSÃO ACOMPANHAMENTO	Speech therapy	591	35,00 €	20685
TERAPIA OCUPACIONAL - CONSULTORIA	Ocupational Therapy	4	45,00 €	180
TERAPIA OCUPACIONAL - DECLARAÇÃO INFORMATIVA	Ocupational Therapy Spinoff	2	10,00 €	20
TERAPIA OCUPACIONAL-AVALIAÇÃO	Ocupational Therapy	12	45,00 €	540
TERAPIA OCUPACIONAL-RELATORIO DE AVALIAÇÃO	Ocupational Therapy	1	45,00 €	45
TERAPIA OCUPACIONAL-SESSÃO ACOMPANHAMENTO	Ocupational Therapy	332	35,00 €	11620
TERAPIA OCUPACIONAL-SESSÃO DE GRUPO	Ocupational Therapy	12	30,00 €	360
Total Sessions				**1111**
Weighted Prices / Total Sessions = Average per year				**35,61 €**

2021				
Services	**Categories**	**Grand Total**	**Prices**	**Weigthed**
CONSULTA NUTRIÇÃO FAMILIAR (2 PAX)-ACOMPANHAM	Nutrition	1	52,50 €	52,5
CONSULTA NUTRIÇÃO-1ª	Nutrition	1	45,00 €	45
CONSULTA NUTRIÇÃO-SEGUIMENTO	Nutrition	5	35,00 €	175
CONSULTA PSICOLOGIA-1ª	Psychology	10	45,00 €	450
CONSULTA PSICOLOGIA-AVALIAÇÃO	Psychology	2	45,00 €	90
CONSULTA PSICOLOGIA-SEGUIMENTO	Psychology	84	35,00 €	2940
INSCRIÇÃO FORMAÇÃO- "Autism in Context"	EU Project	4	60,00 €	240
INSCRIÇÃO FORMAÇÃO- "Autismo e Bem-Estar"	EU Project	1	60,00 €	60
INSCRIÇÃO FORMAÇÃO- "Uma Escola para Todos/as"	EU Project	2	60,00 €	120
MEDICINA TRADICIONAL CHINESA - ACOMPANHAMENTO	Chinese medicine	20	35,00 €	700
MEDICINA TRADICIONAL CHINESA - AVALIAÇÃO	Chinese medicine	2	45,00 €	90
MUSICOTERAPIA - AVALIAÇÃO	Music Therapy	2	45,00 €	90
MUSICOTERAPIA - SESSÃO ACOMPANHAMENTO	Music Therapy	9	35,00 €	315
TERAPIA DA FALA-AVALIAÇÃO TERAPEUTICA	Speech therapy	32	45,00 €	1440
TERAPIA DA FALA-RELATORIO DE AVALIAÇÃO	Speech therapy	1	45,00 €	45
TERAPIA DA FALA-SESSÃO ACOMPANHAMENTO	Speech therapy	487	35,00 €	17045
TERAPIA OCUPACIONAL-AVALIAÇÃO	Ocupational Therapy	7	45,00 €	315
TERAPIA OCUPACIONAL-RELATORIO DE AVALIAÇÃO	Ocupational Therapy	1	45,00 €	45
TERAPIA OCUPACIONAL-SESSÃO ACOMPANHAMENTO	Ocupational Therapy	104	35,00 €	3.640,00 €
Total Sessions				775,00 €
Weighted Prices / Total Sessions = Average per year				**36,00 €**

2020				
Services	**Categories**	**Grand Total**	**Prices**	**Weighted**
ATELIE SENSAÇÕES/DIVERSÕES	Ocupational Therapy Spinoff	8	- €	0
CONSULTA NUTRIÇÃO FAMILIAR (2 PAX)-AVALIAÇÃO	Nutrition	1	67,50 €	67,5
CONSULTA NUTRIÇÃO-1ª	Nutrition	1	45,00 €	45
CONSULTA NUTRIÇÃO-SEGUIMENTO	Nutrition	2	35,00 €	70
CONSULTA PSICOLOGIA-1ª	Psychology	15	45,00 €	675
CONSULTA PSICOLOGIA-AVALIAÇÃO	Psychology	3	45,00 €	135
CONSULTA PSICOLOGIA-SEGUIMENTO	Psychology	132	35,00 €	4620
PSICOMOTRICIDADE-1ª SESSÃO	Psychomotoricity	1	45,00 €	45
PSICOMOTRICIDADE-SESSÃO ACOMPANHAMENTO	Psychomotoricity	9	35,00 €	315
TERAPIA DA FALA-AVALIAÇÃO TERAPEUTICA	Speech therapy	30	45,00 €	1350
TERAPIA DA FALA-RELATORIO DE AVALIAÇÃO	Speech therapy	1	45,00 €	45
TERAPIA DA FALA-SESSÃO ACOMPANHAMENTO	Speech therapy	451	35,00 €	15785
TERAPIA OCUPACIONAL-AVALIAÇÃO	Ocupational Therapy	6	45,00 €	270
TERAPIA OCUPACIONAL-SESSÃO ACOMPANHAMENTO	Ocupational Therapy	46	35,00 €	1610
Total Sessions				706
Weighted Prices / Total Sessions = Average per year				35,46 €

Average of the 3 years	
Average 2022	35,61 €
Average 2021	36,00 €
Average 2020	35,46 €
Average of the 3 years	**35,69 €**

Source: Based on the published price lists of Impacto+ and the sales data of Impacto+

Appendix 3: Calculation Rent Impacto+

Rent calculation		
	Breakdown of clinic size	
Description	**Size Estimate in Square Meters**	**Citation**
Reception	30	
Waiting area	20	
4 Offices	100	
Gym	100	
Total	**250**	
	Calculation Rent	
Average sqm price in Coimbra	10,56 €	("Idealista: Commercial Properties for Rent in Coimbra with Accessibility", 2023)
Size of the clinic	250,00 €	
Rent per Month	2.640,00 €	
Rent per year	**31.680,00 €**	

Source: See citation in table

Appendix 4: Equipment Impacto+

Equipment							
Place	**Item**	**Total**	**Price EUR**	**Exchange Rate**	**Price Website**	**Amount**	**Citation**
Office	Snoozland room	25.000,00 €					Information from Acril
Office	Muziek-tril waterligelement	2.910,05 €					("Barry Emons: Muziek & Tril Waterligelement Seine 130 x 240 x 50 cm met Tilliftuitsparing (excl. hoes)")
Office	Bubble Tower	4.551,00 €	€ 4.551,00		4551	1	("Rompa: Snoezelen Deluxe Bubble Tube Sensory Corner Kit")
Gym	Upright cycling	226,86 €	€ 226,86	1,14	£ 199,00	1	("Fitness Superstore: Kettler Cycle M Exercise Bike")
Gym	Matts	180,01 €	€ 18,00	1,14	£ 15,79	10	("Physio Supplies: Exercise Mats")
Gym	All care band	98,19 €	€ 32,73	1,14	£ 28,71	3	("Physio Supplies: AllCare Latex Exercise Band 46m")
Office + Rec	Desks	1.445,00 €	€ 289,00			5	("IKEA: BEKANT Corner Desk Left, Black Stained Ash Veneer/Black")
Office + Rec	Drawer	245,00 €	€ 49,00			5	("IKEA: HELMER Drawer Unit on Castors, Black")
Office + Rec	Chair	445,00 €	€ 89,00			5	("IKEA: FLINTAN Office Chair with Armrests, Black")
Office + Rec	Chair patient	490,00 €	€ 35,00			14	("IKEA: LIDAS Chair, Black/Sefast Black")
Office + Rec	Treatment table	1.370,46 €	€ 342,62	1,14	300,54	4	("Physio Supplies: Affinity Portable Flexible")
SUM		**36.961,57 €**					

Source: See citation in table

Appendix 5: Financial implication of the value proposition for Impactot+

Input Parameters						
Inputs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Unique Clients	50	150	300	480	720	1008
Growth Rate	300%	200%	160%	150%	140%	
Sessions	618	1853	3705	5929	8893	12450
Prices:						
First Session	60					
Follow Up Session	50					
Multiplicator	12,35					
Breakdown Multiplicator:						
Describtion	Value	Proportion	Average sessions			
Count Of 1 specialty	97	46%	5,8144			
Count of more than one specialty	112	54%	17,92			
Therapists fee	60%					
Discount Rate	8%					
Equipment	36.955,10 €					
Useful life	10					

Year	Now	2023	2024	2025	2026	2027	2028
Total Revenues		**31.055,09 €**	**93.105,26 €**	**186.180,52 €**	**297.870,83 €**	**446.791,24 €**	**625.495,73 €**
COGS (variable Payroll)		**18.633,05 €**	**55.863,15 €**	**111.708,31 €**	**178.722,50 €**	**268.074,74 €**	**375.297,44 €**
Gross Margin		**12.422,03 €**	**37.242,10 €**	**74.472,21 €**	**119.148,33 €**	**178.716,50 €**	**250.198,29 €**
Fixed Payroll		8.479,00 €	8.479,00 €	8.479,00 €	8.479,00 €	8.479,00 €	8.479,00 €
Rent		31.680,00 €	31.680,00 €	31.680,00 €	31.680,00 €	31.680,00 €	31.680,00 €
Marketing		20.100,00 €	22.110,00 €	24.321,00 €	26.753,10 €	29.428,41 €	32.371,25 €
Maintenance		1.800,00 €	1.800,00 €	1.800,00 €	1.800,00 €	1.800,00 €	1.800,00 €
SG&A		**60.259,00 €**	**62.269,00 €**	**64.480,00 €**	**66.912,10 €**	**69.587,41 €**	**72.530,25 €**
EBITDA		**- 47.836,97 €**	**- 25.026,90 €**	**9.992,21 €**	**52.236,23 €**	**109.129,09 €**	**177.668,04 €**
D&A		**3.695,51 €**	**3.695,51 €**	**3.695,51 €**	**3.695,51 €**	**3.695,51 €**	**3.695,51 €**
EBIT		**- 51.532,48 €**	**- 28.722,41 €**	**6.296,70 €**	**48.540,72 €**	**105.433,58 €**	**173.972,53 €**
Operational Cashflow		**- 47.836,97 €**	**- 25.026,90 €**	**9.992,21 €**	**52.236,23 €**	**109.129,09 €**	**177.668,04 €**
Investment in equiment & refurbishment	**-36.955,10 €**	**- €**	**- €**	**- €**	**- €**	**- €**	**1,00 €**
Investment Cashflow	**-36.955,10 €**	**- €**	**- €**	**- €**	**- €**	**- €**	**1,00 €**
Free Cashflow	**-36.955,10 €**	**- 47.836,97 €**	**- 25.026,90 €**	**9.992,21 €**	**52.236,23 €**	**109.129,09 €**	**177.669,04 €**

Breakeven-Analysis			
Category	**Description**	**Value**	**Describtion**
Fixed Costs	Total costs for equipment (CAPEX) ; Refurbishment	36.955,10 €	See Appendix 8
	Rent for 12 months	31.680,00 €	See Appendix 7
	Inital Marketing Campaign	20.100,00 €	See marketing assumption in Chapter 2.2.3
	Payroll for fixed contracts	8.479,00 €	Speech therapist (3570€) + Part time secretary (4909€)
	Total fixed costs	**97.214,10 €**	
Varaible Costs	Average rate per session for therapists	€ 35,66	60% of the average price per session
	Variable costs per session	**€ 35,66**	
Price	**Average price per session**	**59,43 €**	Weigthed average of the price benchmark
Contribution margin	**Expected contribution margin**	**€ 23,77**	Average price per session - variable costs per session
Break-even-point	Break-even-point (number of sessions to break-even)	4089	Total fixed costs/ expected contribution margin
Market share	Excepted numbers of session per year in coimbra	365.670	Market size in Coimbra
	Break-even point	4089	
	Required market share	1,12%	Break-even point / expected number of sessions

Scenario Summary	Worst	Base	Best
Changing Cells:			
UniqueClientYear1	30	50	70
Growth_Year1	290%	300%	310%
Growth_Year2	190%	200%	210%
Growth_Year3	150%	160%	170%
Growth_Year4	140%	150%	160%
Growth_Year5	130%	140%	150%
Growth_Year6	130%	140%	150%
therapist_fee	65%	60%	55%
Result Cells:			
NPV	-136.303,69 €	131.436,62 €	557.682,46 €
IRR	#NUM!	30%	75%
ProfitabilityIndex	-2,6884	4,5567	16,0908
Payback_Period	12,67	5,65	5,08
Accumulated_Cashflow_Y0	- 36.955,10 €	- 36.955,10 €	- 36.955,10 €
Accumulated_Cashflow_Y1	- 90.688,34 €	- 84.792,07 €	- 77.654,80 €
Accumulated_Cashflow_Y2	- 134.052,56 €	- 109.818,97 €	- 79.318,31 €
Accumulated_Cashflow_Y3	- 162.622,93 €	- 99.826,76 €	- 16.541,62 €
Accumulated_Cashflow_Y4	- 175.675,84 €	- 47.590,53 €	132.873,19 €
Accumulated_Cashflow_Y5	- 169.864,58 €	61.538,56 €	409.400,75 €
Accumulated_Cashflow_Y6	- 144.378,72 €	239.207,60 €	856.037,19 €

Notes: Current Values column represents values of changing cells at time Scenario Summary Report was created. Changing cells for each scenario are highlighted in grey.

		Unique clients in the fist year				
NPV	131,4	70	60	50	40	30
First Session prices	70	330.321,37 €	234.426,59 €	138.531,81 €	42.637,03 €	- 53.257,75 €
	65	325.354,73 €	230.169,47 €	134.984,21 €	39.798,95 €	- 55.386,31 €
	60	320.388,10 €	225.912,36 €	131.436,62 €	36.960,88 €	- 57.514,87 €
	55	315.421,47 €	221.655,24 €	127.889,02 €	34.122,80 €	- 59.643,42 €
	50	310.454,83 €	217.398,13 €	124.341,43 €	31.284,72 €	- 61.771,98 €
	45	305.488,20 €	213.141,02 €	120.793,83 €	28.446,65 €	- 63.900,54 €

		Unique clients in the fist year				
NPV	131,4	70	60	50	40	30
Follow-Up Session prices	60	440.713,74 €	329.048,62 €	217.383,50 €	105.718,38 €	- 5.946,73 €
	55	380.550,92 €	277.480,49 €	174.410,06 €	71.339,63 €	- 31.730,80 €
	50	320.388,10 €	225.912,36 €	131.436,62 €	36.960,88 €	- 57.514,87 €
	45	260.225,28 €	174.344,23 €	88.463,17 €	2.582,12 €	- 83.298,93 €
	40	200.062,46 €	122.776,10 €	45.489,73 €	- 31.796,63 €	- 109.083,00 €
	35	139.899,64 €	71.207,97 €	2.516,29 €	- 66.175,39 €	- 134.867,06 €

		Unique clients in the fist year				
NPV	131,4	70	60	50	40	30
Therapist fee	50%	485.734,58 €	367.639,90 €	249.545,23 €	131.450,55 €	13.355,87 €
	55%	403.061,34 €	296.776,13 €	190.490,92 €	84.205,71 €	- 22.079,50 €
	60%	320.388,10 €	225.912,36 €	131.436,62 €	36.960,88 €	- 57.514,87 €
	65%	237.714,86 €	155.048,59 €	72.382,31 €	- 10.283,96 €	- 92.950,23 €
	70%	155.041,62 €	84.184,81 €	13.328,01 €	- 57.528,80 €	- 128.385,60 €

Appendix 6: Financial Implication of the Value Proposition for ARCIL Parque

Input Parameters						
Inputs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Tickets	9240	11088	12196.8	12196.8	12196.8	12196.8
Growth Rate	120%	110%	100%	100%	100%	
Prices:						
Average ticket p	10					
Variable manuf	3					
Variable selling	6.82					
Fixed costs per y	63056					
Discount Rate	10%					
Equipment	15,000.00 €					
Useful life	10					

t	0	1	2	3	4	5	6
Year	**Now**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Total Revenues		**92,400.00 €**	**110,880.00 €**	**121,968.00 €**	**121,968.00 €**	**121,968.00 €**	**121,968.00 €**
COGS (cost of food)		**27,720.00 €**	**33,264.00 €**	**36,590.40 €**	**36,590.40 €**	**36,590.40 €**	**36,590.40 €**
Gross Margin		**64,680.00 €**	**77,616.00 €**	**85,377.60 €**	**85,377.60 €**	**85,377.60 €**	**85,377.60 €**
Labor Cost		61,056.00 €	61,056.00 €	61,056.00 €	61,056.00 €	61,056.00 €	61,056.00 €
Rent		- €	- €	- €	- €	- €	- €
Utilities		2,000.00 €	2,000.00 €	2,000.00 €	2,000.00 €	2,000.00 €	2,000.00 €
SG&A		**63,056.00 €**	**63,056.00 €**	**63,056.00 €**	**63,056.00 €**	**63,056.00 €**	**63,056.00 €**
EBITDA		**1,624.00 €**	**14,560.00 €**	**22,321.60 €**	**22,321.60 €**	**22,321.60 €**	**22,321.60 €**
D&A		**1,500.00 €**	**1,500.00 €**	**1,500.00 €**	**1,500.00 €**	**1,500.00 €**	**1,500.00 €**
EBIT		**124.00 €**	**13,060.00 €**	**20,821.60 €**	**20,821.60 €**	**20,821.60 €**	**20,821.60 €**
Operational Cashflow		**1,624.00 €**	**14,560.00 €**	**22,321.60 €**	**22,321.60 €**	**22,321.60 €**	**22,321.60 €**
Investment in e -	**15,000.00 €**	**- €**	**- €**	**- €**	**- €**	**- €**	**1.00 €**
Investment Cas -	**15,000.00 €**	**- €**	**- €**	**- €**	**- €**	**- €**	**1.00 €**
Free Cashflow -	**15,000.00 €**	**1,624.00 €**	**14,560.00 €**	**22,321.60 €**	**22,321.60 €**	**22,321.60 €**	**22,322.60 €**

Investment Decision								
Net Present Value								
		0	1	2	3	4	5	6
		Now	2023	2024	2025	2026	2027	2028
Discounted Cashflows	-	15,000.00 €	1,471.81 €	11,959.02 €	16,616.00 €	15,058.91 €	13,647.73 €	12,369.35 €
Discount rate	10%							
NPV (standard approach)	56,122.81 €							
NPV (using the Excel formula)	56,122.81 €							

Scenario Summary

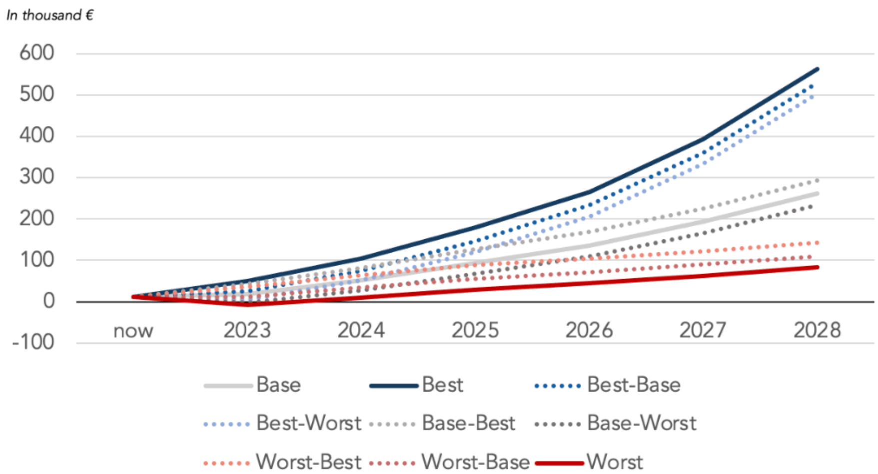
	Current Values:	Worst	Base	Best
Changing Cells:				
TicketsYear1	9240	7000	9240	11000
average_ticket_price	10	8	10	12
Result Cells:				
NPV	69,660.17 €	-87,466.66 €	69,660.17 €	240,600.34 €
IRR	73%	#NUM!	73%	238%
ProfitabilityIndex	5.6440	-4.8311	5.6440	17.0400
Payback_Period	2.95	-1.85	2.95	1.94
Accumulated_Cashflow_Y0	- 15,000.00 €	- 15,000.00 €	- 15,000.00 €	- 15,000.00 €
Accumulated_Cashflow_Y1	- 13,376.00 €	- 38,856.00 €	- 13,376.00 €	14,344.00 €
Accumulated_Cashflow_Y2	1,184.00 €	- 54,872.00 €	1,184.00 €	62,168.00 €
Accumulated_Cashflow_Y3	23,505.60 €	- 66,184.00 €	23,505.60 €	121,080.00 €
Accumulated_Cashflow_Y4	45,827.20 €	- 77,496.00 €	45,827.20 €	179,992.00 €
Accumulated_Cashflow_Y5	68,148.80 €	- 88,808.00 €	68,148.80 €	238,904.00 €
Accumulated_Cashflow_Y6	90,471.40 €	-100,119.00 €	90,471.40 €	297,817.00 €

Notes: Current Values column represents values of changing cells at time Scenario Summary Report was created. Changing cells for each scenario are highlighted in grey.

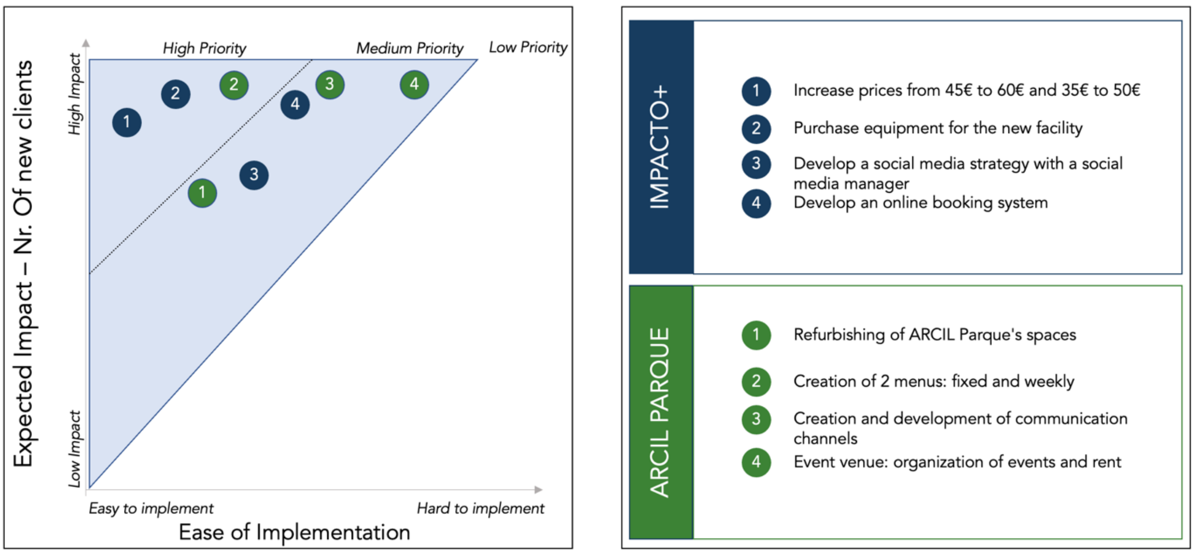
		Number of tickets in the first year							
NPV	**56,122.81 €**	6500	7000	7500	8000	8500	9000	9500	10000
Average ticket price	1	- 262,778.86 €	- 260,922.62 €	- 259,066.38 €	- 257,210.15 €	- 255,353.91 €	- 253,497.67 €	- 251,641.43 €	- 249,785.19 €
	2	- 238,647.77 €	- 234,935.29 €	- 231,222.81 €	- 227,510.34 €	- 223,797.86 €	- 220,085.39 €	- 216,372.91 €	- 212,660.44 €
	3	- 214,516.67 €	- 208,947.96 €	- 203,379.25 €	- 197,810.53 €	- 192,241.82 €	- 186,673.11 €	- 181,104.39 €	- 175,535.68 €
	4	- 190,385.58 €	- 182,960.63 €	- 175,535.68 €	- 168,110.73 €	- 160,685.77 €	- 153,260.82 €	- 145,835.87 €	- 138,410.92 €
	5	- 166,254.49 €	- 156,973.30 €	- 147,692.11 €	- 138,410.92 €	- 129,129.73 €	- 119,848.54 €	- 110,567.35 €	- 101,286.16 €
	6	- 142,123.40 €	- 130,985.97 €	- 119,848.54 €	- 108,711.11 €	- 97,573.69 €	- 86,436.26 €	- 75,298.83 €	- 64,161.40 €
	7	-117992.3032	-104998.6379	-92004.97259	-79011.30731	-66017.64203	-53023.97674	-40030.31146	-27036.64618
	8	-93861.21049	-79011.30731	-64161.40413	-49311.50095	-34461.59777	-19611.69459	-4761.791408	10088.11177
	9	-69730.11782	-53023.97674	-36317.83567	-19611.69459	-2905.55351	13800.58757	30506.72865	47212.86972
	10	-45599.02515	-27036.64618	-8474.267203	10088.11177	28650.49075	47212.86972	65775.2487	84337.62767

Appendix 7: Overall Impact and Prioritisation Matrix

ARCIL's EBITDA with new clinic in Coimbra and new concept							
	now	2023	2024	2025	2026	2027	2028
Base Case Scenario	10.959,17 €	17.736,30 €	51.865,37 €	93.675,88 €	135.919,90 €	192.812,76 €	261.352,71 €
Best-Best Scenario	10.959,17 €	49.758,57 €	105.090,76 €	179.308,56 €	265.946,69 €	393.059,42 €	563.168,32 €
Best-Base Scenario	10.959,17 €	24.873,57 €	75.228,76 €	146.460,36 €	233.098,49 €	360.211,22 €	530.320,12 €
Best-Worst Scenario	10.959,17 €	4.678,57 €	50.994,76 €	119.802,96 €	206.441,09 €	333.553,82 €	503.662,72 €
Base-Best Scenario	10.959,17 €	42.621,30 €	81.727,37 €	126.524,08 €	168.768,10 €	225.660,96 €	294.200,91 €
Base -Worst Scenario	10.959,17 €	- 2.458,70 €	27.631,37 €	67.018,48 €	109.262,50 €	166.155,36 €	234.695,31 €
Worst -Best Scenario	10.959,17 €	36.725,04 €	63.390,05 €	87.961,50 €	103.478,96 €	122.343,13 €	142.017,74 €
Worst -Base Scenario	10.959,17 €	11.840,04 €	33.528,05 €	55.113,30 €	70.630,76 €	89.494,93 €	109.169,54 €
Worst -Worst Scenario	10.959,17 €	- 8.354,96 €	9.294,05 €	28.455,90 €	43.973,36 €	62.837,53 €	82.512,14 €



	Decrease of Dependency on State Subsidaries by					
	2023	2024	2025	2026	2027	2028
Base Case Scenario	6%	7%	8%	9%	11%	12%
Best-Best Scenario	7%	8%	9%	11%	14%	17%
Worst -Worst Scenario	6%	6%	7%	7%	8%	8%



Appendix 8: Overview of the Whole Field Lab