

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).**

**Developing of a New Identity and Business Model for the Social Restaurant ARCIL  
Parque.**

Disclaimer: This text is an extract from a more extensive thesis on a project carried out to  
support the development of ARCIL. It therefore represents a part of our work and excludes 3  
chapters produced by 3 other students.

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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.

## 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.

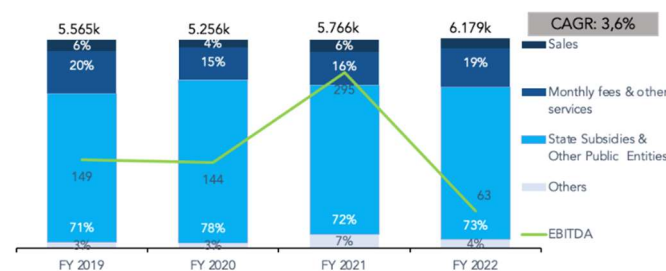
Each department has a team of professionals with specific skills and expertise in their respective areas. They work closely with clients, employers, and other stakeholders to ensure that ARCIL's services and support programs meet the needs of the people it serves.

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*

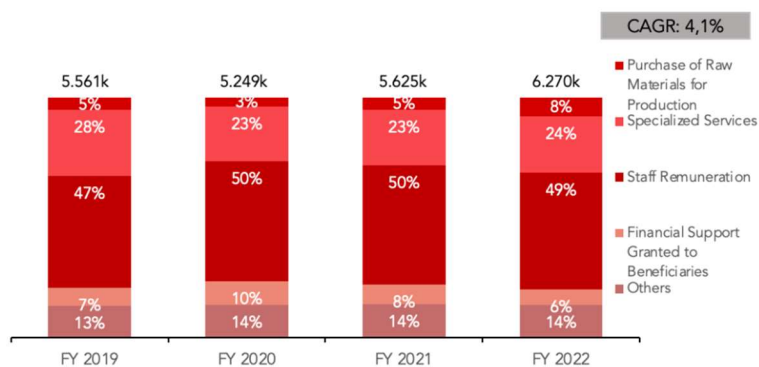


*Source: Own creation based on the data of ARCIL's financial statements*

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. ARCIL Parque - Strategic Outlook**

This chapter focuses on developing strategies for ARCIL Parque to guide them in creating a new identity and business model to increase the ticket price and drive traffic to the restaurant.

The first objective of this strategic development is to create a distinctive concept that sets ARCIL Parque apart in Lousã's market. By introducing innovative ideas, creative approaches, and unique offerings, the goal is to establish it as a standout destination within the village.

Aligned with ARCIL's mission, the project aims to promote the integration of people with disabilities into its human resources. By providing employment opportunities, creating an inclusive work environment, and offering the necessary support and accommodations, the project seeks to empower individuals with disabilities, ensuring their active participation and contribution to the community.

The mentioned social aspect must play a role in conceptualising the new branding of the restaurant. In that regard, the value of skill development and vocational training must be recognised. ARCIL Parque represents a steppingstone in training the students that follow the catering and restaurant work courses in ARCIL's school. Through specialised programs, students have the opportunity to acquire the necessary skills and knowledge to pursue careers in the hospitality industry. This objective not only promotes personal growth but also opens doors to employment opportunities outside of Lousã, which is one of the overall goals and mission of the organisation.

Another axis of the development of the new restaurant is the growing importance of ecological sustainability. In line with this trend and benefiting from its location in the park, the restaurant faces a serious opportunity to embrace sustainability and create a "green" identity. By embracing sustainability, the aim is to inspire visitors, residents, and other businesses in Lousã to prioritise environmental stewardship. In that regard, the importance of collaborating with local producers is recognised. By sourcing products from nearby farms and businesses, the

restaurant supports the local economy and fosters a sense of community. This sense of community will be further developed as it should be a central aspect of the new business model. Finally, the last main axis of this chapter is the rationalisation of the space to fully utilise everything the place has to offer. As mentioned in the previous chapter, ARCIL Parque's back room was underutilised and provides a great opportunity for the BU to develop its activity beyond the café and snack bar. By transforming unused areas into vibrant and purposeful spaces, the aim is to create opportunities for community engagement and leverage the full economic potential. These spaces may host cultural events, workshops, or educational programs, fostering a sense of belonging and learning in the community.

This chapter will focus on answering these objectives and developing the two main identified business opportunities: the restaurant (B2C market) and the event venue (B2B and B2C opportunities).

#### 2.1.1. Value Proposition

To better utilise ARCIL Parque's space, the analysis and development of the strategy were divided into two spaces: the main room and the back room.

Regarding the main room, the target market is B2C (Business-to-Consumer). Four possible segments were taken into consideration, and they were called *families*, *workers*, *community*, and *tourists*. When approaching each segment's evaluation of attractiveness, the team defined metrics to allow its perception. For a simpler understanding of the segments and its attractiveness metrics, please regard to Appendix 18.

The first segment, *families*, is characterised by couples or parents with young children, aged 28 to 48, living in Lousã, in the district of Coimbra. Regarding psychographic characteristics, this segment values and prioritises family time and time spent with loved ones and enjoys family-friendly activities. Its behavioural tendencies are to visit coffee shops during weekends and holidays, are more likely to order food items that appeal to children and to look for a

comfortable and welcoming atmosphere. People of the segment look for specific benefits such as a safe, entertaining, and comfortable space for children to play, a place to relax and unwind with family, options for kid-friendly meals, a safe and clean environment, and friendly and attentive staff.

The segment *families* have a size of around 3.500 people in 2021. This was calculated based on the number of Lousã's citizens of 17.276 in 2021 (INE, 2022), the percentage of people between the ages of 25 and 54 in Portugal, which is 39% (Pordata, 2022), and the amount of 52,3% (Pordata, 2022) of adults that have children in Portugal, either by being an only parent or in a couple. This segment is considerably easy to reach due to ARCIL Parque's open space in the centre of a garden with a playground, an important factor for parents. In addition, the only considerable barrier to entry is the competition, which is considered medium as a few restaurants and cafes provide child-friendly meals in the village. Still, none provides a safe and entertaining space for them. This segment tends to grow since household consumption expenditure has increased for "Restaurants and hotels" (Eurostat, 2022). ARCIL Parque's resources regarding this segment may include kid-friendly menu options, clean and safe space for children to play, and a place to relax and unwind with the family.

The second segment, *workers*, is characterised by people who work in the village of Lousã between 18 and 67. Regarding psychographic characteristics, this segment values convenience and efficiency, prioritises work-life balance and appreciates opportunities for socialising with colleagues. Its behavioural tendencies are to visit during lunch breaks or after work hours. They may be more likely to order takeout or food items that can be consumed quickly and look for a convenient location near their workplace. The segment looks for benefits such as quick meal options, convenient locations, comfortable places to take a break from work, and high value-for-money meals.

Although the percentage of the working-class population is decreasing, the worker segment was

composed of 4.399 employed people in Lousã in 2020 (INE, 2022), an increase of 17,8% compared to 2015, and the average monthly earnings are at an all-time high of €1000,7 (in 2019), similarly to the Portuguese national average. Additionally, a considerable number of restaurants are operating in the village's centre and at a low-price range, which means that the competition is high for this segment. ARCIL Parque is located near the administrative centre of the village, which could be an important resource, as well as implementing a daily menu with a competitive balance between price and quality. These account for a moderate ease of reachability of the market.

The third segment, *community*, is characterised by the citizens of Lousã, especially those who are interested in playing a role in the development of the community, normally people from age 15 to 64. Regarding psychographic characteristics, this segment is socially aware, values community engagement and social responsibility, and appreciates locally sourced and sustainable products. Its behavioural tendencies are visiting during community events or meeting up with friends and loved ones. They may be more likely to order food items that use sustainable and local ingredients and look for a place that supports the local community and its social needs. In addition, people of the segment look for some specific benefits, such as a space for the community to connect with neighbours and friends, the ability to contribute to the community, and a place that supports local businesses and initiatives.

The size of the segment is around 11.050 citizens of Lousã, which represents 64% (World Bank, 2021) of the total resident population. The municipality has an average annual growth rate of the population of -0,2%. The segment is considered easy to reach, considering that Lousã is a small municipality with only a few spaces to develop the community spirit. The competition is low. Barriers to entry include the community's lack of adhesiveness, possible partners, and the municipality's support. The segment seeks some benefits that ARCIL Parque can leverage, such as locally sourced products from other ARCIL Social Business Units, ARCIL's social role and

impact, and community-focused event planning.

The fourth and final segment, *tourists*, is characterised by people who visit Lousã for tourism purposes of all ages and nationalities. Regarding psychographic characteristics, tourists value experiencing local culture and traditions, appreciate authenticity and uniqueness and seek novel experiences. Its behavioural tendencies are to visit during daytime or evening hours in peak tourist seasons, may be more likely to order traditional local dishes or dishes that are familiar and look for a restaurant with a welcoming and authentic atmosphere. The segment looks for benefits, including an authentic and unique cultural experience, an opportunity to try traditional local food and drinks, and a place to relax and unwind after exploring the village.

The fourth segment size has been increasing meaningfully over the years. The number of guests in hotel establishments in 2019 was 20.850, an increase of 48,7% compared to 2015 (INE, 2022) (2020 is the most recent number but not used due to the COVID-19 pandemic measures). This segment is somehow hard to reach, with some barriers to entry. Multiple restaurants in Lousã target tourists with established communication and visibility. Furthermore, most hotels and restaurants targeting the segment are in the historical city centre but not ARCIL Parque. The coffee shop could leverage its resources to attract this segment by adding traditional and international menu options to its menu.

After assessing the desirability of each of the four potential segments, a knowledgeable decision can be made about which ones ARCIL Parque should target. Based on the analysis, the group considers that the coffee shop should utilise a Multiple Segmentation Strategy of *families*, *workers*, and *community* as the segments that should be targeted, keeping in mind that *families* and *workers* segments may be directly linked to the *community* segment.

For *families*, *workers*, and the *community*, ARCIL Parque wants to be viewed as a coffee shop in a beautiful garden where people can enjoy themselves while surrounded by nature. The space provides snacks made with locally sourced products and, most importantly, plays a role in the

education and social inclusion of people with disabilities. Therefore, ARCIL Parque should apply a horizontal differentiation approach in its positioning by leveraging its facilities, accessibility to products produced in ARCIL's other BUs, and the active social role and purpose that the brand plays in Lousã.

The 7 Ps framework aims to develop a comprehensive and efficient marketing mix that includes all aspects required to successfully advertise and sell ARCIL Parque's products and services. In this work project, the 7 Ps support the development of a compelling value proposition that fulfils the needs of target segments and allows ARCIL Parque to differentiate from the competition.

The first element of the 7 Ps framework is **product**. Regarding the main room area, at this moment, ARCIL Parque's menu offer is restricted to snacks and sandwiches, pastries, and hot and cold beverages. Therefore, it is critical to create an engaging menu that resonates with the target segments to enhance customer acquisition and average ticket price.

Considering this, the suggestion is to create two menus, one fixed and one weekly menu. On the one hand, the fixed menu is strategically oriented to families and community segments, requiring a selection of meal options that cater to children and employ sustainable, locally sourced products. On the other hand, besides the existing options suitable for morning and afternoon meals, this menu may include more sophisticated items cooked with fish, meat, vegetarian options, appetisers, and desserts, served mostly during weekday dinners and weekends.

Considering the limited kitchen space available at ARCIL Parque, menu options must require minimal preparation and cooking time, pre-made or pre-prepared items, and limited ingredient variation. However, it should also include a few distinctive items that are thoughtfully created and aesthetically pleasing to boost the general eating experience. It is also relevant to incorporate desserts that can be made ahead of time and refrigerated for a rapid serving.

Because of the complexity these require, excluding snacks and desserts, ARCIL Parque's chef must be the one who cooks the items on this menu. An example of a complementary menu to the existing one can be found in appendix 19.

On the other hand, the weekly menu is purposefully directed to the *workers* segment, which wants to enjoy meals at lunchtime for a limited period with the optimal balance of low price and high quality. This menu must only be changed weekly and present three different dishes, each incorporating meat, fish, or vegetarian, to achieve an ideal balance between differentiation and ease of development with the goal of minimising difficulties that workers with disabilities or cooking students from ARCIL Vocational Training Centre may face when given the challenge of elaborating different dishes. Given these circumstances, the speed of preparation, assembly and serving must be high, and ingredients must be cost-effective. Along with the cooking course coordinator, ARCIL Parque's chef must be responsible for developing these menus. Examples of four weekly menus can be found in appendix 20.

The second product of ARCIL Parque is the event venue offering which would happen either on the premises or in the back room. Based on the highlighted opportunities in the previous chapter, a great potential to develop an event business in combination with the restaurant was identified. This strategy fulfils two underlying purposes: fully utilising the space and opportunities and attracting new potential customers. The suggestion is to simultaneously work on B2B (Business-to-Business) and B2C (Business-to-Consumer). This will be done through two channels, further developed in the 7<sup>th</sup> P: Promotion.

The first is in-house events (B2C). One suggestion is for ARCIL Parque to organise events or partner with the local municipality to host two to three monthly events. Based on a benchmark of local event venues and interviews (see Appendix 17 for full interview) conducted with workers at ARCIL, these events could cover intimate concerts, cooking workshops, book club gatherings, a Sunday brunch, wine tasting or even a speed dating night.

The second channel to develop the event venue business (B2B) is renting the space. The restaurant's back room can be rented for business events or birthdays, but no proper communication channel or promotion has been created to develop this service. Therefore, creating a clear offering concerning the event venue renting is essential, visible both physically and online.

The second and third elements of the value proposition framework is **place** and **physical evidence**. The spaces to be used are the terrace with its porch, the bar and restaurant area, and the event venue room at the back of the restaurant.

The terrace furniture should combine wooden tones with the greenery of the surrounding park area. In line with the nature-focused identity and sustainable development concerns, outdoor furniture should reflect these considerations. It is important to create a welcoming atmosphere year-round. Since the terrace is spacious, creating different areas with outdoor sofas, coffee tables, and ottomans is possible. To bring life back to the space, it is recommended to use warm colours with patterns that complement the green plants in the decor. In keeping with ecological values, it is important to prioritise durable materials and/or ethical brands for both indoor and outdoor furniture. For outdoor furniture, prioritising weather-resistant and waterproof furniture is essential. Only cushions, covers, and other small decorations that can easily be brought indoors may deviate from this rule.

Continuing from the terrace, the porch should maintain the same type of decoration. However, more intimate areas with low furniture should be created, such as with ottomans, coffee tables, and sofas adorned with plants and cushions in the same tones as the terrace. The porch can be more richly decorated than the terrace as it is protected, open year-round, and provides a glimpse of the restaurant's decoration and atmosphere.

In accordance with the outdoor space, the suggestion is to utilize wood, plants, ceramics, and some colourful fabrics in the terrace tones in the restaurant's dining room. Second-hand antiques

and decorations from local stores, like ceramic vases with plants, can be placed on small shelves, ensuring that plants are within the customers' vision. It is also possible to incorporate creations from other business units of ARCIL in the decor and offer them for sale in the restaurant. The same applies to local products from partner companies, which can be highlighted on shelves and offered for sale. This enhances the atmosphere of conviviality to create a space for community interaction.

Different spaces should be created within the dining area, including a space with modular tables to accommodate groups of different sizes. One suggestion would be to create a wooden library on one of the walls, with books and board games for self-service. This library will be shared to reinforce the sense of community, meaning that customers can bring their books and exchange them with a book from the library. It is advisable to display a small sign explaining the concept and encouraging customers to exchange.

One additional suggestion with the goal of creating a community feeling is to add a corkboard with pins on a wall close to the entrance with posters of local events from the city or ARCIL. Furthermore, it may include a calendar of the events that ARCIL organises in the event venue room.

The main room space should be an extension of the outdoor area. It should maintain the same visual identity to reinforce the sense of unity between the spaces. The large windows bring in a lot of light and help to translate the ambience of a green paradise indoors. To further enhance this ensemble, it is recommended to incorporate numerous plants in the dining area, including aromatic plants near the bar, visible to the customers. This brings in "useful" plants for cocktails or food and reinforces the perception of freshness in the menu and products.

More than just a green haven, the decor should comfort the customers. Therefore, replacing all current tables and chairs with cosier, more comfortable furniture would evoke a "homey" feeling. Second-hand furniture should be used, even if it is mismatched. Additionally, having

vintage objects and furniture purchased from local shops strengthens the community's sense of a social space. It is important for the dining area to be visible from the outside by rearranging lighting.

Finally, the space to consider is the spacious back room. Through a door near the kitchen, at the end of the dining area, there is a spacious room currently used for ARCIL's business lunches or dinners or punctual events catered by ARCIL's culinary school students.

Revitalising the space is crucial to take financial advantage of all it offers. This room represents a great opportunity to develop the B2B event venue business. The goal is to keep continuity in the furniture and decorations of the restaurant to reinforce the identity of Parque but to make it more modular and simpler. Tables and chairs, for example, need to be able to be stacked to accommodate sitting or standing events. Plants can still be incorporated in this space to be consistent with the values.

Taking advantage of the large bay windows that open to another terrace is relevant for events that can be both outside and inside, which is particularly interesting for the summer. These events may include concerts, conferences, and buffets, for example.

The fourth element is **price**, which may differ in range depending on the menu. For example, prices may be lower for the weekly menu to attract workers during lunchtime and incentivise visits to ARCIL Parque regularly. On the other hand, the fixed menu is more expensive since the target clientele is willing to spend more on their eating experience.

Several aspects must be considered when assessing the dishes' monetary value. Firstly, the cost of the ingredients must be determined, which include condiments, sauces, and sides. It is best to strive for a food cost of around 30% of the menu price, as it guarantees that expenses can be met while still making a profit. Secondly, aside from food expenses, overhead costs crucially influence the setting of a pricing structure. Despite not paying rent, expenses such as utilities, labour, and insurance should be maintained under 30% of the menu price for ARCIL Parque to

stay financially secure.

Furthermore, achieving an appropriate equilibrium between competitiveness and profitability is critical, besides considering the target customer. For that, it is important to consider the benchmark analysis of peers and competitors developed in Chapter 3.1.

Ingredient availability affects the choice of prices as well. As a result, prices must be adjusted as the cost and availability of ingredients vary during the year. This ensures that ARCIL Parque can keep its profit margin steady while accounting for shifting market conditions.

Finally, defining a target profit margin is essential to the pricing strategy. It should consider all the previously listed elements and remain by aims, location, and market circumstances to ensure long-term success.

The B2B business, on the other hand, will attract customers to the restaurant and can be a very successful service to amortise the restaurant's costs. Therefore, the backroom rental price will most likely be calculated on a case-by-case basis and subject to a personalised quote.

The following element is **people**. Currently, ARCIL Parque employs two people, one social business unit manager and one bar and table waiter. The restaurant is in the process of recruiting a third employee as a waiter. The BU manager oversees the team and supervises resource management, quality of service, client needs, operational effectiveness, and table and bartending responsibilities. The bar and table waiter serves clients, performs cooking and bar service, conducts payments from clients, and conforms to sanitation guidelines.

Additionally, while students from ARCIL Vocational Training Centre play an important part in the operations, there may be times when they are not yet prepared to put their knowledge to practice, or there might be no active class. Therefore, ARCIL Parque must guarantee that it has enough workers to maintain full operational capacity during such times.

In light of these considerations, to guarantee smooth operations, ARCIL Parque needs a team of 6 people including the social business unit manager that maintains his responsibilities, one

chef with culinary knowledge and expertise to ensure the well-functioning and flow of the kitchen staff, food preparation and customer needs, that should also be part of the development of weekly and fixed menus. In addition, two bar and table waiters should be employed to ensure that customer needs and requests are met appropriately, one clerk should also join the kitchen and one runner that can help in both the kitchen and the waitressing.

The team would need one person responsible for efficiently developing the event venue business. Ideally, the restaurant manager dedicates half-time to this mission. When creating an original concept, especially in the hospitality industry, it is important to have someone with a vision to drive the mission and keep developing the identity and concept with new in-house events and partnerships. Also, for B2B, when companies or people rent the space to host their events, depending on whether they need catering, the team will need to be adjusted. Only providing a rental option without in-house catering is a suggestion to prevent it from impeding the restaurant's development. However, if the B2B offering works well and the restaurant's new processes are performing, it could be arranged to add a waitressing and food option to the event venue. The recommendation is to have students from ARCIL Vocational Training Centre be part of that catering option so that they receive practical training as soon as they have acquired the basic skill. Additionally, it is important to keep the social mission in synch with the processes. Thus, having the students intervene in this part of the business needs to be highlighted.

The sixth element is **process**, which efficiency allows ARCIL Parque to provide customers with a pleasant experience, ensuring a return. To verify consistency and excellence in the customer experience, it is essential to ensure personnel are well-trained regarding procedures and that the defined process is carried out systematically.

For customers to have a smooth experience, it is crucial to build an efficient system for collecting reservations, controlling capacity, and training workers to handle seating

arrangements adequately, allowing better resource management. In addition, employees should be instructed on how to take orders properly and be familiar with weekly and fixed menus. This prevents mistakes and enables clear communication between clients and the kitchen staff. The training must also include a well-defined process to provide exceptional customer service, a critical factor in acquiring customer trust. This involves training employees on managing client feedback or difficulties promptly and professionally, making consumers feel appreciated and acknowledged.

Because of the challenges ARCIL Parque faces, the system for food preparation needs to be efficient and consistent. Therefore, the BU manager and the chef must work together to create a procedure that prioritises effectiveness without sacrificing food quality.

The payment and checkout processes should be simple and support many payment methods that guarantee a pleasant checkout experience. Finally, collecting and applying client input to boost the customer experience is an important process component. By establishing a strategy for gathering and evaluating feedback, it is possible to identify areas for growth and apply required changes.

Concerning events organised by ARCIL Parque, it is important to have recognisable processes before, during and after the events. Before, communication must be adequate to attract a consistent and coherent clientele. This entails communicating the details of the event beforehand, through physical evidence like a calendar of events hung up in the restaurant and online advertising, including date and time, location, and other necessary information to make sure that the targeted customers are reached and prepared. Furthermore, the scheduling processes must be implemented to ensure that the in-house events do not overlap with renting the room. During the events, it is important to have a dedicated manager to ensure smooth development and thus maximise customer satisfaction and retention. It is also a time that can be used for raising awareness of mental disabilities through supervised discussions and to

communicate on future events. Finally, processes need to be in place to get feedback after the event, for example, online surveys sent after the event or even a physical guest book at the restaurant entrance, with the goal of estimating how interesting it is to renew the concept in the future.

Processes are also recommended to rent the back room for external events before, during and after. For the booking of the venue, a dedicated page on the website should be developed for the event venue business, where potential customers can find information on the location, meaning size, address, available furniture and décor, the type of events hosted in the past, and booking procedures. The website page would also include a form to request a reservation, where potential customers fill in their information and a description of their request, for example, type of event, number of participants, and date. An additional suggestion concerning the booking process would be to arrange a digital calendar including the in-house events so that everyone in ARCIL can find the availability of the space - Doodle is a practical digital tool for this purpose. After the request has been made, ARCIL Parque's manager contacts the person to exchange further details, negotiate the offering, and suggest a quotation for the event. It can be proposed to the customer to visit the place before finalising the reservation, which can maximise the chances of satisfaction. During the event, depending on the options that the customer has selected and on the type of event, the labour force may need to be adjusted, as well as the arrangement of the space. These events are critical for promoting the restaurant, its mission, and, eventually, building loyalty. The same feedback process should be applied for the B2B events to track the key performance indicators' fulfilment and success.

The last element of the framework to be analysed is **promotion** which can be a strong instrument to enable ARCIL Parque to successfully communicate and advertise its products and services to the target segments. To obtain the best promotional results, the suggestion is to leverage the full 6 Ms of the marketing framework: mission, market, message, media, money

and measurement.

### 2.1.2. Marketing

The framework's first component is the strategic intention and includes ARCIL Parque's mission and market. The first element of the framework, **mission**, defines the communication goals. The first goal is to create brand awareness for the BU and increase recognition among potential customers through social media initiatives and local marketing. The second is promoting certain menu items, events, and possible promotions through email marketing, direct mail, or social media advertising. This may be used to contact existing customers and encourage them to visit the space, with the outcome of increasing sales and visitor numbers. Finally, communication should be utilised to interact with customers and establish loyalty by answering reviews and feedback, setting up reward systems, or developing interactive social media material.

The second element, **market**, refers to whom the communication is directed. In the case of the main room, which acts as a coffee shop and restaurant, the target audience is the B2C market, especially *families, workers, and community* segments.

For the event venue, the target is B2B. It comprises companies and local social structures - public institutions and not-for-profit organisations - but can also be addressed to individuals wishing to organise private events such as birthdays, baptisms, and graduations. The market for events is very large by choice. In fact, the recommendation is to not be limited to one type of event or service but being open to customers' proposals. The online booking form allows the creation of this discussion. The aim is not to turn ARCIL Parque into a party hall but to offer an identifiable possibility of privatisation of the space to round off the financial performance and attract new customers to the main business: the restaurant.

Strategic execution is the following group component and includes ARCIL Parque's message and media. To achieve success, this must be aligned with the strategic intention.

The third element of the 6 Ms framework, **message**, determines what the story to be communicated, which, in this case, is not only the role played by ARCIL Parque in social and professional inclusion of people with disabilities but also that customers can enjoy tasty meals in a pleasing setting is. The fourth element, **media**, elucidates where and how the story will be delivered. The first channel considered is social media, as ARCIL Parque must build an individual platform to communicate its products and services regularly. Given Lousã's relatively small size, local advertising through print ads in local newspapers, magazines, or community newsletters can be an effective resource to reach potential customers in the local area and publicise news and events. Using email marketing while taking advantage of ARCIL's email database from customers from other business units may also be an efficient method to reach a larger audience since a targeted email list can be used to share promotional offers, news and updates to existing contacts.

### 2.1.3. Financial Implication

To create a financial evaluation of the re-branding and new concept of ARCIL Parque, the first step is to analyse the different revenue and cost drivers that affect the financial model that computes the expected profits.

The two main revenue drivers are the average ticket price, and the number of customers. For ease of interpretation and based on previous databases given by ARCIL, one ticket is equal to one customer. First, the price as a revenue driver was analysed in the 7 Ps analysis and is estimated through the industry average and the benchmark of peers and competitors in the market analysis. To develop the pricing strategy, it is important to consider the following elements: moving from a café to a restaurant will drastically increase the ticket price, the strategy needs to be in line with the customer's expectations and be relatively in the low-price segment, and ARCIL Parque should drastically decrease the number of tickets under €1, therefore focusing on the restaurant offering and not on snacks and gums. These points are critical to the reinforcement of its identity. These considerations led to the definition of an average ticket price of €10. This variable will be used to estimate the sensitivity of the analysis. The second revenue driver is the number of tickets - here equal to the number of customers. ARCIL Parque's past performance was thoroughly analysed. However, since the concept was different from the one proposed and the data provided by ARCIL was not detailed enough to draw reliable conclusions, a decision was made to develop an estimation of the yearly number of tickets.

An estimation is that the restaurant would be open five days a week, which represents 261 days per year, to which 30 days of holiday are subtracted following ARCIL's recommendation, ending at 231 days. To develop a conservative approach, it was considered that the average number of customers per day would consist of approximately 25% of the full capacity of the

restaurant and that there would be no rotation of tables during a shift, only existing two shifts per day: lunch and dinner. Based on those assumptions, the number of tickets estimated is 9.240 for the base year. A growth rate of 120% between Year 1 and Year 2 was estimated, followed by 110% between Year 2 and Year 3. After that, the number of tickets is estimated to stay constant due to Lousã's market size and because going above would require extra labour force. Furthermore, cost drivers that the new business model will carry were identified. Usually, one of the main cost drivers of a restaurant is the rent of the building. However, in this case, the municipality lends the building for free, which allows for a substantial competitive advantage. The main cost driver is, therefore, the labour force. With the upgrading from only a café into a restaurant, ARCIL Parque must make thoughtful recruitment to ensure the efficiency of the kitchen and the service. The estimate of this cost is based on the salary scale provided by ARCIL, which gives a salary of €1.024 per month for the chef and restaurant manager and €760 per month for the waiters and clerks. Considering a team of six people composed of the manager, a chef, a clerk, two waiters, and a polyvalent employee that may assemble in the kitchen and service in the dining room, having the role of runner, the cost of the personnel amounts to €63.056 per year. The other fixed costs are the utilities, which were computed based on past expenses and rounded upwards to stay conservative.

Concerning the variable cost, which consists primarily of the raw materials, the average food cost for restaurants was used, which lies between 28% and 32% of the selling price, being 30% in this restaurant's computation.

To develop the rebrand and align the decoration with the new concept developed in the 7 Ps value proposition framework, ARCIL Parque needs to invest in new furniture, decorations, and equipment. The overall cost is fairly affordable considering that there is no need for remodeling work, merely minor upgrades, given the proposal of using used furnishings and the outstanding condition of the restaurant. A bottom-up estimation of the investment needed was developed

by listing the most important purchases and finding the average price per item. The costs were then rounded up to €15.000, and the furniture will have a useful life of up to 10 years, which aligns with the goal of staying sustainable by purchasing long-lasting quality furniture. See the tables in Appendix 21.

To estimate the impact of changing certain variables in the model, a sensitivity analysis of the NPV was conducted. The analysed variables were the yearly number of tickets and the average ticket price as these are the two revenue drivers. In addition, the number estimated for the base-case scenario was applied. See the tables in Appendix 21. The green colour in the tables indicates the top range of the NPVs, while the red indicates the bottom end of the NPVs. Ticket prices from €1 to €10 were used to show the importance of changing the current model, which is currently in the €1 to €5 range.

If ARCIL Parque increases the quality of the menu to reach a higher average ticket price, they will need less traffic to make a profit. The idea is to prevent from suffering from diminished customer traffic in the winter season, and to be profitable all year long. During summer months, the ticket price is usually lower but there is higher traffic. With an average ticket price of €8 and 10.000 tickets, ARCIL Parque would be profitable during this period. Additionally, with an average ticket price higher in the winter of €10, the traffic can be lower and the BU would still be profitable with 8.000 tickets.

Overall, throughout the year, ARCIL Parque can work on the two variables that drive revenue and adapt to the context of the seasons.

Based on the findings of the sensitivity analysis, developed a financial model was developed to calculate the potential returns, considering the revenue, cost drivers, and relevant assumptions, like Impacto+. Considering the uncertainty of the future, three scenarios that reflect different circumstances for ARCIL Parque's development were created: the "BASE" scenario, the "WORST" scenario, and the "BEST" scenario. Similar to Impacto+, four KPIs will be leveraged

to evaluate the different scenarios: net present value (NPV), internal rate of return (IRR), profitability index (PI), and the payback period.

A benchmarked WACC of 10,34 % (Damodaran, "Current Data: Cost of Capital by Sector") was used to discount the free cash flows. This benchmark used for restaurants and dinners provides limitations since the data is from the US.

The scenarios play on two variables: the number of tickets and the average ticket price, as these are the two levers to drive revenue. See the tables in Appendix 21.

The base case scenario is based on the estimations made for Year 1 in the model. As mentioned, 9.240 tickets were estimated in the first year based on daily expectations and an average ticket price of €10 grounded on the benchmark. This represents 25% of the full capacity of the establishment. In this scenario, the remodelling project would have a positive NPV of €69.660, an IRR of 73% and a PI of 5,644. The payback period for the accumulated cashflows is 2,95 years.

In the worst-case scenario, ARCIL Parque is facing an unsuccessful development with a negative NPV of -€87.466,66. The IRR could not be determined due to the negative cashflows and a PI of -4,8311. With 7.000 tickets sold in a year and an average ticket price of €8, the restaurant fails to cover its expenses and is therefore not profitable. This suggests that the restaurant needs to increase the traffic - through effective marketing, an attractive menu, and the event business - and the ticket price.

For the best-case scenario, the restaurant is attracting more customers and raising the average ticket price to €12, meaning that customers do not go to ARCIL Parque only for a snack and a drink but for a proper full, quality meal. This scenario would align with the desire to increase the quality of the offering and be a medium-price restaurant where people become loyal customers for lunch and dinner. In this scenario, Parque has a positive NPV of €240.600,34, an IRR of 238%, a PI of 17,04 and a pay-back period of almost two years.

In these financial projections, B2B event business was not included since the recommendation to develop it, is shown more as a marketing tool to attract more customers. Even though a well-thought-out event business can provide a financial cushion against a possible drop in the restaurant's revenue and generate a profit, the event business is not detailed since it is not the core of the project or a relevant income of ARCIL Parque. However, it is an important axis that must be developed and promoted.

The key takeaways from Chapter 3.3 are:

- ARCIL Parque should target the families, workers, and community segments by offering a menu with locally sourced products, providing a welcoming and nature-focused atmosphere, and hosting events in the event venue space.
- The 7 Ps framework guides the creation of ARCIL Parque, focusing on menu variety, versatile event venues, nature-themed decor, competitive pricing, a well-rounded team, and efficient processes for a delightful customer experience.
- The financial evaluation of ARCIL Parque's rebranding focuses on analysing revenue and cost drivers, with scenarios indicating positive outcomes and the B2B event business serving as a marketing tool rather than a core income source.

### 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 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 21.

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 ARCIL's dependency on state subsidiaries. See the table for the different scenarios across the six years in Appendix 21.

### 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 22.

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 22).

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*

<b>Reformulated Income Statement</b>	<b>Historical</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
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 17: Interview of the Social Business Unit Manager of ARCIL Parque*

What is your role in the restaurant, and what are your responsibilities?

João is responsible for the Social Business Unit

Do you work full-time for the restaurant, or do you have other occupations?

- Full-time. I have a fixed-term contract at full time.

How long have you been working at the restaurant?

- As a manager, since February. But João was a service provider as a waiter and bartender. He worked a few hours.

How do you see the evolution of the restaurant?

- It is not yet a proper restaurant.
- It is a café with simple snacks such as toast, burgers, and hot dogs.
- João sees potential and a good future, but with a different type of offering.
- João has ideas for a vegetarian brunch offering, and the goal is to communicate that this space belongs to ARCIL, an organization that supports people with disabilities.
- Later, the plan is to evolve into opening a restaurant with a good chef, offering 2/3 dishes by reservation and emphasizing healthy food choices.

In your opinion, who is the snack bar's clientele? Who are the most important customers: families, workers, retirees, tourists? And when is each segment most frequently visited (lunch/dinner, summer/winter, weekday/weekend)?

- Our weekend customers are mainly families, but as it is a place to pass through, we also have tourists.
- We also have regular customers from the community, colleagues, and young people.
- Our advantage is the terrace. In Lousã, there is no other place with such a good terrace.
- Essentially, people come looking for this terrace.
- Once a month, we have Lousanimals Fair, a fundraising event for animal protection, and many of the associates are English people.
- Once the pools open, all the young people come.

So far, what is the most common order? What are the most sold snacks or drinks?

- Drinks: coffee, beers, sparkling and flavored waters.
- Food: mixed toasts and hot dogs.

For example, what is the average order? Snacks and a beer? Toast? Coffee and a piece of cake? Chewing gum and sweets to take away?

- There is no standard. Sometimes, it's just coffee or beers. When a toast is ordered, two or three more are often ordered right after, but it's not the usual.
- Customers still don't have the habit of coming here for a snack; they usually go to a pastry shop instead.

Is it more of a perception that I'm seeking than an exact number? Your perception as a manager?

- There is no standard. In recent months, we have two customers who come for lunch. We offer daily soup, and if we had more options, we could sell more food. We have little variety in food.

What special measures have you implemented at the restaurant to adapt to the needs of employees with disabilities?

- No special measures were necessary. They know what to do. Even before João became responsible, we had people with disabilities working here.

- I passed on the procedures gradually. They know what to do, and it's adapted to their needs. There are no barriers, and they have defined daily tasks, such as cleaning the bathrooms and replenishing products. They are autonomous, clean the counter without being asked, and only need supervision. They do a lot on their initiative, and they know that one person is serving on the terrace while the other stays in the café.

And all of them come from ARCIL training?

- Yes.

In your opinion, what would be the reason for customers to come to the restaurant in winter? Because they know the place: are they regular customers? Because it's a sunny day and they want to enjoy the park? To have lunch during work breaks? Because the place is easy and accessible?

- One reason is that they attended the training.
- The dining room has plenty of light.
- It has a pleasant view.
- It is a small, reserved room.
- Having lunch in the dining room must be very pleasant in winter.
- If we invest in a differentiated menu with a good chef, there is potential.
- I know that the existing offerings are not sufficient to meet the demand.
- Accessibility is good, there is parking available.
- When people search online, Carlos Reis Park appears as a reference.

Finally, in your opinion, what do you think is the main asset of the park that needs to be worked on to attract customers (menu, location, social mission...)?

- Menu.
- Location is a differentiating advantage.
- What will attract customers is an appealing menu that stands out in terms of competition.
- It is also important to work on the social mission.
- I suggest including the history of ARCIL in the menu.

Last question: as a resident of Lousa, not as a manager now, would you like to have a cultural space where you can read, listen to music, participate in cooking workshops or lectures, and where you can also have something easy, good, and healthy to eat?

- Yes, I agree.
- I didn't mention music, but it would be important to bring different types of music.
- Fado, jazz.
- We could establish partnerships with the municipality to bring more activities here.
- We could also create cultural projects to be carried out in the amphitheater.
- Thematic projects.
- I'm sharing that these ideas need to be planned and to assess the necessary resources and partnerships for their implementation.
- What I'm saying is that it's not enough to have ideas.
- It's important to plan.
- The ideas are good, but then we need to make an effort to operationalize them.

Thank you very much!

## Appendix 18: Segments Description and Segments Attractiveness

Discription of Segments				
	Segment 1	Segment 2	Segment 3	Segment 4
<b>Demographics</b>	<b>Families with young children</b>	<b>Workers</b>	<b>Community</b>	<b>Tourists</b>
<b>Geographics</b>	Lousã	Lousã	Lousã	Lousã
<b>Psychographic</b>	Prioritize family time Enjoy family-friendly activities Value quality time spent with loved ones	Value convenience and efficiency Prioritize work-life balance Appreciate opportunities for socializing with colleagues	Socially aware citizens Value community engagement and social responsibility Appreciate locally-sourced and sustainable products Prioritize environmental sustainability	Value experiencing local culture and traditions Appreciate authenticity and uniqueness Seek new and novel experiences
<b>Behavioural</b>	Tend to visit during weekends and holidays May be more likely to order food items that appeal to children Look for a comfortable and welcoming atmosphere	Tend to visit during lunch breaks or after work hours May be more likely to order takeout or food items that can be consumed quickly Look for a convenient location.	Tend to visit during community events or when meeting up with friends May be more likely to order food items that use locally-sourced ingredients Look for a restaurant that supports the local community	Tend to visit during daytime or evening hours and peak tourist seasons May be more likely to order traditional local dishes or drinks or dishes that are similar to what they are used to Look for a restaurant with a welcoming and authentic atmosphere.
<b>Benefits Sought</b>	Space for children to play A place to relax and unwind with family Options for kid-friendly meals Safe and clean environment Friendly and attentive staff.	Quick and easy meal option Convenient location, Comfortable place to take a break from work Ability to socialize with colleagues. Good price/quality ratio	Community space Local products Place to connect with neighbors and friends, Options for environmentally-friendly meals Restaurant that supports local businesses and initiatives Ability to contribute to the community	Authentic and unique cultural experience Opportunity to try traditional local food and drinks Welcoming and friendly atmosphere Place to relax and unwind after exploring the village
Attractiveness of Segments				
<b>Demographics</b>	<b>Families with young children</b>	<b>Workers</b>	<b>Community</b>	<b>Tourists</b>
<b>Size</b>	3.500	4.399	11.050	20.850
<b>Reachability</b>	Easy to Reach	Moderately easy to reach	Easy to reach	Somehow hard to reach
<b>Competition</b>	Medium	High	Low	Medium
<b>Forecasted growth</b>	Constant growth	Increasing growth (17,9% increase in labor force in 2020 comparing to 2019)	Slowly decreasing	Constant growth
<b>Barriers to entry</b>	Medium	Medium	Medium	Medium
<b>Company resources</b>	Child-friendly menu options Clean and safe space to play Place to relax and unwind with family	Location near the administrative center Implementation of a weekly menu Good quality/price ratio	Locally sourced products ARCIL's social role in the community Community-focused event planning	Traditional and international menu items

*Appendix 19: Example of a Fixed Menu for ARCIL Parque*

<b>Fixed Menu</b>
<b>Starters</b>
<p><b>Bruschetta Trio</b> A selection of classic tomato and basil, creamy avocado and feta, and roasted red pepper and goat cheese bruschettas served on toasted baguette slices.</p> <p><b>Ameijoas à Bulhão Pato</b> Clams cooked with garlic, olive oil, white wine, and a generous amount of fresh coriander served with toasted bread</p> <p><b>Pica-Pau</b> Bite-sized pieces of tender beef or pork marinated in a mixture of garlic, olive oil, vinegar, and spices before being sautéed until browned</p>
<b>Main Courses</b>
<b>Fish</b>
<p><b>Grilled Lemon Herb Salmon</b> Fresh salmon fillet marinated in a zesty lemon herb sauce, grilled to perfection, and served with a side of steamed vegetables.</p> <p><b>Baked Cod with Herb Crust</b> Cod fillet topped with a savory herb crust, baked until crispy, and served with a lemon butter sauce and mashed potatoes.</p> <p><b>Shrimp and Vegetable Stir-Fry</b> Sautéed shrimp, mixed vegetables, and a flavorful stir-fry sauce, served over a bed of steamed rice.</p>
<b>Meat</b>
<p><b>Grilled Chicken Breast with Chimichurri Sauce</b> Tender grilled chicken breast marinated in a vibrant chimichurri sauce, served with roasted potatoes and grilled vegetables.</p> <p><b>BBQ Pulled Pork Sliders</b> Slow-cooked pulled pork in a tangy barbecue sauce, served on mini brioche buns with a side of coleslaw.</p> <p><b>Grilled Steak Fajitas</b> Marinated strips of grilled steak, sautéed peppers and onions, served with warm flour tortillas, guacamole, and salsa.</p>
<b>Vegetarian</b>
<p><b>Vegetable Curry with Basmati Rice</b> A flavorful medley of seasonal vegetables simmered in a fragrant curry sauce, served with fluffy basmati rice.</p> <p><b>Stuffed Bell Peppers with Quinoa and Black Beans</b> Bell peppers filled with a hearty mixture of quinoa, black beans, corn, and spices, baked to perfection.</p> <p><b>Spinach and Ricotta Stuffed Shells</b> Jumbo pasta shells filled with a creamy spinach and ricotta cheese mixture, baked with marinara sauce and melted cheese.</p>
<b>Children</b>
<p><b>Mini Cheeseburger Sliders with French Fries</b> Mini beef patties with melted cheese, served on soft slider buns, accompanied by crispy French fries.</p> <p><b>Chicken Nuggets with Sweet Potato Fries</b> Bite-sized chicken nuggets served with golden and nutritious sweet potato fries, accompanied by a tangy dipping sauce.</p> <p><b>Macaroni and Cheese</b> Classic macaroni pasta smothered in a creamy cheese sauce, topped with a sprinkle of breadcrumbs and baked until bubbly.</p>
<b>Desserts</b>
<p><b>Chocolate Lava Cake</b> A rich and decadent chocolate cake with a molten chocolate center, served warm with a scoop of vanilla ice cream</p> <p><b>Crème Brûlée</b> A classic French dessert featuring a creamy vanilla custard with a caramelized sugar crust on top</p> <p><b>Tiramisu</b> Layers of coffee-soaked ladyfingers and mascarpone cream, dusted with cocoa powder and served chilled</p>

*Appendix 20: Examples of Weekly Menus for ARCIL Parque*

<b>Weekly Menus</b>
<b>Menu 1</b>
<ol style="list-style-type: none"> <li>1. Grilled Chicken Breast with Herbed Quinoa and Steamed Vegetables</li> <li>2. Baked Salmon with Lemon Butter Sauce, Served with Roasted Potatoes and Grilled Asparagus</li> <li>3. Vegetable Stir-Fry with Tofu, Served over Jasmine Rice</li> </ol>
<b>Menu 2</b>
<ol style="list-style-type: none"> <li>1. Herb-Roasted Beef Tenderloin with Red Wine Reduction, Accompanied by Mashed Potatoes and Sautéed Green Beans</li> <li>2. Pan-Seared Cod with Tomato Basil Relish, Served with Lemon Rice and Steamed Broccoli</li> <li>3. Spinach and Ricotta Stuffed Shells with Marinara Sauce</li> </ol>
<b>Menu 3</b>
<ol style="list-style-type: none"> <li>1. Rosemary Roasted Pork Loin with Apple Chutney, Served with Sweet Potato Mash and Sautéed Spinach</li> <li>2. Grilled Mahi-Mahi Tacos with Mango Salsa and Cilantro Lime Slaw</li> <li>3. Chickpea Curry with Basmati Rice and Naan Bread</li> </ol>
<b>Menu 4</b>
<ol style="list-style-type: none"> <li>1. Grilled Steak with Chimichurri Sauce, Served with Roasted Potatoes and Grilled Zucchini</li> <li>2. Lemon Herb Roasted Chicken Thighs with Quinoa Salad and Grilled Broccolini</li> <li>3. Ratatouille with Garlic Bread</li> </ol>

Appendix 21: 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%	
<b>Prices:</b>						
Average ticket price	10					
Variable manufacturing	3					
Variable selling	6.82					
Fixed costs per year	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 €							

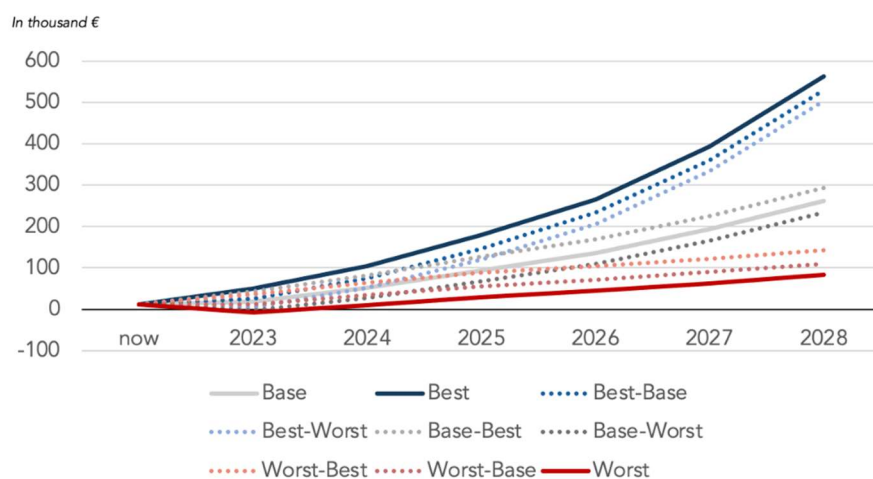
Scenario Summary				
	Current Values:	Worst	Base	Best
<b>Changing Cells:</b>				
TicketsYear1	9240	7000	9240	11000
average_ticket_price	10	8	10	12
<b>Result Cells:</b>				
NPV	69,660.17 €	-87,466.66 €	69,660.17 €	240,600.34 €
IRR	73%	#NUM!	73%	238%
ProfitabilityIndex	5.6440	-4.8311	5.6440	17.0400
Payback_Period	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.

NPV	56,122.81 €	Number of tickets in the first year							
		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 22: 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 Subsidiaries 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%

