

# Booklet 1 of 2

A Work Project, presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA – School of Business and Economics.

## **INTERNATIONALIZATION STRATEGY OF QUIDGEST**

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A Project carried out on the SME Competitiveness: Internationalization Strategy Field Lab, under the supervision of :

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## **Abstract**

The underlying work project was executed with the purpose of analyze Quidgest's business and conduct to a strategy of internationalization. In order to do so, an internal analysis was performed with the goal of describing Quidgest as a company, highlighting its values and its business and strategic objectives. Also, a competitive advantage analysis was performed with the objective of determining the competitors and the resources that provide a competitive advantage to Quidgest. Finally, in order to have success in the internationalization plan, the strengths and weaknesses of Quidgest were underlined.

**Key-words:** Quidgest; Internationalization; Internal analysis; Competitive Advantage.

## **Glossary**

**Cloud:** The use of services, computer programs, that are on the internet rather than ones that are bought and putted on computer

**C#:** C# is a general object-oriented programming language for networking and web development

**Enterprise Resource Planning:** A system of software which is designed to manage all the information and activities of a company by using shared data

**Information System:** A computer system within a company or organization for sharing information

**Information Technology:** The science and activity of using computers and other electronic equipment to store and send information

**Software:** Programs used to make a computer do different things

**Java:** Java is a widely used programming language expressly designed for use in the distributed environment of the internet

## **Abbreviations**

**CEO:** Chief Executive Officer

**EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortization

**ERP:** Enterprise Resource Planning

**ISO:** International Organization for Standardization

**IT:** Information Technology

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## **Methodology**

In order to carry out the underlying work project, both primary and secondary research was conducted. Concerning the primary research, two interviews with Quidgest's CEO took place, gathering inside information about the company. Also, several e-mails were exchanged with Quidgest, collecting information about the company in form of both quantitative and qualitative data.

Regarding secondary research, it includes information from books, articles, papers, reports, online databases and other web resources.

## **Internal Analysis**

### **Company Overview**

Founded in 1988 and headquartered in Lisbon, Quidgest-Management Consultants SA (hereafter, Quidgest) is currently a well-known small-medium sized enterprise (SME) that operates in the *ERP*, *Software* and *IT* service market. Its core business involves management consulting and software development services for the public and private sector.

The company started its operations by computerizing many of the services for the Portuguese public administration, through the system SINGAP, however, due to a high number of requests, there was the need to automate processes. For a long period of time, Quidgest collected information about its clients' needs in order to create a product useful and relevant for them. After long months of research, the company created Genio: a software that allows the automatic generation of programming source code. Each *information system* generated by Genio is adapted, unique and specific to each company/organism. Therefore, the ease of incorporation of new procedures requested by clients makes the systems faster to run, reflecting a high suitability for use. Quidgest was a pioneer in the informatization of the Public Administration, through the system SINGAP, while in the business area, the company presents the Balanced Scorecard, the APTO methodology

and the IERP systems. The company has a vast portfolio, presenting solutions in 11 areas (Appendix II).

Hence, the main objective of Quidgest is to produce, in the shortest period of time and at the lowest cost, *information systems* adjusted to clients' needs. The systems are made according to the international specifications and standards, and always with the objective of satisfying the clients' expectations.

The policy pursued by Quidgest establishes, as a strategic objective, the achievement of a worldwide reputation for quality leadership in the *information systems* produced and the complementary services the company provides.

Additionally, Quidgest is a flexible company with a flat hierarchical structure that allows a better coordination and communication between employees and increases the level of responsibility of employees in each project (Appendix I). In this way, the team members can establish short-term relationships, in order to solve a certain task or to overcome some difficulties.

Since the beginning, "The Software Factory of the Future" - the way Quidgest thinks about itself - values investments in Research and Development, in order to constantly improve processes and actively participate in the contemporary technological revolution. In this purpose, the company uses advanced technology and extensive know-how. An example of this is that, currently, the solutions offered by the company include *C#*, *Java* and other development tools suitable for Internet and *cloud*-based architectures.

Besides this, through certifications provided by the International Organization for Standardization, the quality of the services and products (*ISO 9001*) provided is reinforced as well as the environmental responsibilities of the company (*ISO 14001*) and the information security (*ISO 27001*).

Moreover, the exceptional quality and performance of the company through the years resulted in several certifications (Appendix III).

Quidgest is aware that no company by itself, regardless of its size, reputation or service, can respond effectively to all requests of its clients. Consequently, the company itself is committed to create an international network, known as Quidnet, which can effectively share and retract the benefits of Genio. Through this platform, it is possible for the partners, to have sufficient autonomy to develop their own solutions in a much more competitive way, having the possibility to access an international library of solutions, modules and functionalities, all resulting in the improvement of Genio.

Furthermore, Quidgest is governed by ethical standards and is a socially responsible company. The company has protocols with universities, nationally and internationally, in order to disseminate knowledge to the students and give them the possibility of free use of its *software* in an academic environment.

Nowadays, the company is in the process of transforming itself from a Research and Development-focused company to a company that is a reference in an *information technology* market, while maintaining a strong research component.

### **Mission, Vision and Strategic Objectives**

Quidgest was established with the mission of becoming a pioneer and actively participate in the technological revolution of our time. It aims to create a healthy work environment for their employees, engaging them in work processes and investing highly in competence development, well-being consistently striving to create value for their clients and partners (Quidgest, 2017).

The company vision is to be a strong reference as a custom-made *software* supplier, as well as, being acknowledged as a reliable company dedicated to achieve excellence (Quidgest, 2017).

In 2016, Quidgest accomplished a record-breaking of growth by 48,2% compared to the previous year. This growth was mainly due to profits made in international markets (Quidgest, 2017). In the long run, Quidgest strategic objectives are to sustain this growth and double its turnover until 2018.

In order to acknowledge that, the Portuguese company wants to continue increasing its revenue from international markets, as well as, retaining clients (36%) and attract new ones (64%).

Furthermore, for Quidgest the strategic goals go beyond the quantitative data. Align with the company mission, its strategic ambition is that the whole world would make *software* as Quidgest and, when that moment arrives, the company will have a big impact on it due to its first-mover advantage (CEO, João Paulo Carvalho, 2017). Despite the effort of screening clients, that give the company visibility and reputation, Quidgest has to deal with the risk aversion of the decision makers. Even though the new generation of managers is more willing to take risks, this is a barrier that Quidgest strives to break to accomplish its goal.

### **Business Analysis**

Quidgest pursues a medium/long-term business strategy based on the concepts of autonomy, sustained growth and continuous valorisation of skills. The Portuguese company does not outsource any activity and therefore its success resides on its 78 employees (Appendix IV), which around 80% perform consulting activities and develop *information systems*.

Thus, people are the core asset of Quidgest and the company seeks to constantly develop the skills and capabilities of its employees, involving them in achieving the company's objectives (CEO, João Paulo Carvalho, 2017). Although Quidgest provides consulting services, its core business is the development of *software* systems, which account for the majority of its business. Regarding sales, 51% came from overseas, while 49% derived from Portugal.

Regarding international projects, Quidgest has two on-going projects, consisting in the development of human resources management solutions to the government of East Timor and Jamaica. In the future, the company wants to continue expanding its business abroad and become "The Amazon of the Informatics". For this purpose, the company intends to expand its business to South of America, Caribbean and German speaking countries (CEO, João Paulo Carvalho, 2017).

Furthermore, the company negotiates the price, according to the complexity of the project, taking into account the number of tables, forms and queries. Additionally, as the company does not want to be seen as a less valuable alternative, the price of its products and services are near the same of the leading competitors of the market.

Lastly, the Portuguese company reaches the clients through its website, participating in national and international conferences and fairs and creating every year the Q-day, which is a conference organized by Quidgest based on the *IT* industry.

### **Financial Analysis**

Currently, Quidgest-Management Consultants SA has a value of 5.012.255 € in assets (Appendix V). In 2016, Quidgest made 4.234.366 € in sales, an increase of 48,11% compared to the previous year. In terms of operating results, a great growth was also noticed. In 2016, Quidgest registered 764.233,00 €, corresponding to a 169% homologous variation (Appendix VI). These results were possible because of the high dimension of the project with the government of Jamaica, which is the implementation of human capital management enterprise system *software* across all Jamaica public sectors. Lastly, the company financial autonomy, which indicates the capacity of the company to fulfil its long-term financial commitment was, in 2016, of 90%.

### **Value Chain**

The value chain is a set of activities that a firm operating in a specific industry performs, in order to deliver a certain product or service for the market (Porter, 1985). Those activities can be distinguished as primary and secondary. The primary activities are related to the manufacturing, sale, maintenance and post-sale-service of a product or service. On other hand, the secondary activities, which support the primary functions, include firm infrastructure, technology, human resources management and procurement. (Appendix VII).

Through this framework is possible to understand the contribution that each activity has to the business performance. In order to do that, it is required to calculate the proportion that the costs

associated with each activity has in total revenues. Taking into account the Quidgest's 2016 balance sheet, the margin was computed, using *EBITDA* and the contribution of each activity.

Regarding the primary activities, service is the one that has a higher weight, accounting 14,52%, due to the importance of the after-sales support given by Quidgest, which includes training of the users, the maintenance and the warranty period.

Finally, in the support activities, human resources has the higher weight, with 46,75 %, followed by technology, with 8%. This is due to the core business of the company, which relies on the development of *software* through its employees.

## **Competitive Advantage Analysis**

### **Competitive Landscape**

Quidgest develops and implements *ERP solutions*, therefore, when it comes to Quidgest competition, the company faces two types of competitors: the *software* engineer companies and their implementers - companies that do not develop *software* just give assistance in the implementation - (CEO, João Paulo Carvalho, 2017).

Competitors in the *software* engineer segment include international brands such as SAP and Oracle. These competitors offer a standardized *software* typically used by complex and large organizations with a global presence and complicated operational structures (Panorama Consulting Solutions, 2017). Furthermore, in the same segment, Quidgest has other competitors that target mid-size companies offering a less standardized *software*, such as PHC and Primavera. Quidgest maintains a positioning clearly different from the other competitors, since it puts in the market a unique *ERP* solutions according to the specific needs of each client at a low time to market and therefore targeting clients of any size (Appendix VIII).

Furthermore, when it comes to competitors covering exclusively the implementation process, Quidgest competes with international consulting brands such as Deloitte, Accenture and KPMG; and with some national *IT* consultants such as Novabase, Compta, and Hydra.

Additionally, Quidgest runs code with 98% of automatization, leaving only 2% left to the programmers. When it comes to competitors in the generation of code, it is possible to conclude that there is not yet another company working with such high level of automatization, even though there are some enterprises that have around 40% of their code automatized such as Genexus, Magic *Software* and OutSystems (Appendix IX).

### **Competitive Advantage: VRIO**

It is important for a company to deliver better and greater value to its clients in order to create a competitive advantage. To achieve this, it is necessary to analyze the resources that are capable of exploiting an opportunity or mitigating a threat. Therefore, the VRIO framework is a fundamental tool that allow a deep internal analysis of Quidgest's resources in terms of value, rareness, imitability and the ability to exploit its resources – organization embedded. In addition, it will determine the competitive potential of the company and if the resources bring a sustainable competitive advantage to the organization. Besides, the company resources platform is composed by its core competencies, specialized assets and architecture of relationships. This framework provides significant strategic implications such as whether Quidgest holds a temporary or sustainable competitive advantage or a competitive parity (Appendix X). Consequently, by analyzing in detail Quidgest's resources, it is possible to conclude that it holds a sustainable competitive advantage in three core competencies: the *IT* systems, the *Software* Development and the New Business Model's Development. All of them are valuable, rare, difficult to imitate and organization embedded especially due to the integrated system, Genio, with its automatic *software* code generation. Genio allows flexibility, fast product delivery and implementation and high service level, that leads to a customized *information system* that fits to the client business needs and, consequently, it can create a source of competitive advantage for these clients. Also, Genio is more cost-effective because it leads to a short time-to-market and it takes fewer resources, leading to cost savings when compared to companies offering

standardized products. Its main characteristics are automation, customization, flexibility and ability to incorporate continuous improvements to the client's needs (Appendix XI).

Besides this, Quidgest's core competencies also include Customer Service Management and R&D that provides only a temporary competitive advantage because despite being valuable, rare and organized, they can be easily imitated by competitors in the industry. Almost every company provides an excellent customer service, using call centers, chat online 24 hours and other support services. Besides, the *ERP* industry is in the TOP 3 of industries that invests more in R&D (Statista, 2017).

Regarding Quidgest's specialized assets, the qualified labour and the economies of learning provide a temporary competitive advantage, because the Portuguese company has bright employees developing the main processes, with the same vision and objective. There is a shortage on *IT* engineers, who mostly are already adapted to Quidgest's corporate culture, and therefore people are one of the main resources in a knowledge-based industry. The more products and services they provide, the more knowledge they get and the more feasible it is for the company to scale up their products and services in terms of size and number of industries Quidgest operate in. However, these two specialized assets are valuable, rare and organized, but they are imitable, as competitors will recruit and train their employees according to their competencies and in order for them to gain experience, leading to a more cost effective process. Besides, Quidgest's brand and reputation are considered valuable and organized, but not rare and they are imitable. Despite its good reputation, the small brand awareness and the important issue regarding risk aversion lead customers to search and trust in companies and brands that have already established reputation and reliability in the market (CEO João Paulo Carvalho, 2017).

Moreover, the presence in several markets and locations also gives a competitive parity to Quidgest, because it is not rare and all the competitors imitate, because nowadays companies want to become more globalized, taking advantage of its benefits.

Lastly, regarding architecture of relationships, Quidnet gives a temporary competitive advantage to the company, because it is valuable, rare and organization embedded. However, it can be imitated, as competitors will invest in similar features and partnerships.

Besides this, both suppliers, partnerships with universities and customers portfolio give valuable insights for the development of the *software*, but they are not rare and they are easily imitated, as competitors invest in these relations in the same way Quidgest invest.

The sustainable competitive advantage of Quidgest can be perceived by some leading indicators that in the last years gave signals of a performance of excellence, such as revenues, turnover and growth. This was possible especially due to the focus on customer satisfaction, new project successes, the focus on *software* development and enter in new markets with potential of growth.

### **Industry Mapping**

An Industry Mapping is an essential tool to understand all the players involved in the industry Quidgest operates in (Appendix XII).

First, it is important to notice that Quidgest does not have *software* suppliers, doing everything in-house. The only suppliers of the company are data base suppliers and equipment suppliers, representing only 1% of the total annual costs – around 30000 euros per year (CEO João Paulo Carvalho, 2017).

Regarding the clients, Quidgest has two main ones: 1) Large companies such as governments and large supranational institutions (European Bank, American Bank, Asian Bank, ONGs, among others); and 2) SMEs that consider Quidgest's *software* the core issue for their business and perceive it as a potential advantage that can lead to a competitive advantage. There are three ways to reach these clients: 1) through the Web Page; 2) through networking provided by the partners – Quidnet; and 3) through contests, where Quidgest applies to and designs a proposal according to the client's request.

Also, regarding partnerships, Quidgest developed Quidnet – an online platform where worldwide companies that work with Genio have the autonomy to develop their own projects and solutions; and it also has partnerships with universities, consulting companies and competing *ERP* providers. Furthermore, the company is proud to maintain a close relationship with its clients and partners and the targets of Quidgest’s communication are those who want to work and innovate and are not afraid of risking, namely those who consider themselves “Early Adopters” (CEO João Paulo Carvalho, 2017).

Finally, as mentioned previously, Quidgest competes not only with *software* developers but also with *software* implementers, both nationally and internationally.

To conclude, Quidgest’s success is due to the way the company position itself in the industry, the way it takes advantage of the players who create value to its chain and the networking created with its partners and clients.

### **SWOT Analysis**

The SWOT analysis is a tool that allows the understanding of the internal strengths and weaknesses of the company as well as the external opportunities and threats the company faces, influencing its main goals. Therefore, and along with the VRIO analysis, it is possible to conclude that Quidgest’s strengths rely on Genio that allows the company to differentiate itself from the incumbent players, performing a Blue Ocean Strategy that creates a new value curve (Appendix XIII). This allows Quidgest to address the existing pain points of the customers especially throughout high customization, low time to market, low level of errors and the constant technology upgrading. Regarding weaknesses, those are mainly related with the low brand awareness and the low level of reputation, which leads to a low presence in new markets. Besides this, the opportunities for Quidgest are related with the development of new technologies and *IT* conferences as well as the possibility of expansion for international markets. Adversely, general threats consist in the intensive

competitive rivalry, the risk aversion of managers, the difficulty to patent *software* and the legacy, which is related with clients that are not profitable anymore, but have reputation in the market.

**Table I: SWOT analysis of Quidgest**

Strengths	Weaknesses
<b>S1-</b> Differentiated product <b>S2-</b> Low production costs <b>S3-</b> Low delivery time <b>S4-</b> Flexibility on <i>software</i> production <b>S6-</b> Customization ability <b>S7-</b> Innovation <b>S8-</b> Large portfolio of products <b>S9 -</b> Automatic Code generation <b>S10 -</b> Maintenance Costs	<b>W1-</b> Low brand awareness <b>W2-</b> Level of reputation <b>W3-</b> No patent protection <b>W4-</b> Low presence in the market
Opportunities	Threats
<b>O1-</b> International Expansion <b>O2-</b> Information Technology Era <b>O3-</b> Digital Revolution <b>O4-</b> International Technology Conferences (E.g. Web Summit) <b>O5 -</b> High demand of <i>software</i>	<b>T1-</b> Intense competitive rivalry; <b>T2-</b> Difficulty to patent <i>software</i> ; <b>T3-</b> Risk averse of decision makers <b>T4 -</b> Legacy

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# Booklet 2 of 2

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## Appendix

### Appendix I- Quidgest's Solutions

*Table I- Quidgest's solutions (Quidgest, 2017)*

<b>Public Administration</b>					
<b>ERP SINGAP (Sistema Integrado para a Nova Gestão da Administração Pública)</b>					
With years of experience in Public Administration, Quidgest has developed Information Systems which suppress all the needs of public institutions. The name of the Information Systems for Public Administration is SINGAP, which is Unique, Evolutive, Integrated and Flexible. The company is present in the newest list of software licensing providers for the Public Administration.					
<b>Global Management</b>	<b>Procurement, Logistics and Asset Management</b>	<b>Financial Management</b>	<b>Human Resources Management</b>	<b>Document Management</b>	<b>Nuclear Area</b>

<b>Top Management and Strategic Management</b>							
Quidgest's Strategic Management solutions are integrated and unique, covering all the core areas of a company.							
<b>1ERP Quidgest Integrated Management System</b>	<b>BSC Balanced Scorecard</b>	<b>BSCS Balanced Scorecard for Sustainability</b>	<b>Cav</b>	<b>Quality Management</b>	<b>Project Management</b>	<b>Business View</b>	<b>Shared Services</b>

<b>Engineering, Construction, Public Works, Energy and Environment</b>				
Through these systems is possible to control the project management and public works.				
<b>BSCS Balanced Scorecard for Sustainability</b>	<b>Reception and Shipment of Materials</b>	<b>Support and Maintenance Portal</b>	<b>Vehicles Management</b>	<b>Budgeting and Management of Ornamental Stones</b>
<b>Construction Management, Maintenance and Conservation</b>	<b>Project Management</b>	<b>Contract Management</b>	<b>Stock Management</b>	

<b>Procurement, Logistics, Distribution and Asset Management</b>				
The Information Technologies are very important in the process of management and maintenance of equipment, contributing to increase the productivity of organizations.				
<b>Procurement Management</b>	<b>Stock Management</b>	<b>Operational Management of Mobile Assets</b>	<b>Fiscal Management and Good's Inventory</b>	<b>Visitors reception support</b>
<b>Portal of Acquisition Proposals</b>	<b>Meals' Management</b>	<b>Business Incubation</b>	<b>Contract Management</b>	<b>Billing Management</b>
<b>Budgeting and Management of Ornamental Stones</b>	<b>Fleet Management</b>	<b>Vehicle Management</b>	<b>Support and Maintenance Portal</b>	<b>Construction Management, Maintenance and Conservation</b>
<b>Cemetery Management</b>	<b>Event Management</b>		<b>Production Management</b>	

<b>Health and Sports</b>				
The health managers seek solutions that meet their needs. The solutions presented by Quidgest are designed for: health centers, insurance companies, hospitals, laboratories and sports institutions.				
<b>Clinical Management</b>	<b>Electronic Medicines Prescription and MCDT'S</b>	<b>Stocks and Hospital Pharmacy Management</b>	<b>Health Plan Management</b>	<b>Prevention and Screening System</b>
<b>"Plataforma Balcão Único"</b>		<b>LIMS- Laboratory Information Management System</b>		

<b>Banking, Insurance and Financial Management</b>					
Quidgest presents a set of flexible solutions that support financial institutions in complying with regulatory obligations					
<b>Management of Regulatory Reports: COREP/FINREP</b>	<b>QUID AML Solution</b>	<b>FATCA Solution</b>	<b>Insurance Management</b>	<b>Q2SOLVENCY</b>	<b>Accounting and Financial Management</b>

<b>Human Resources and Training</b>				
People are the center of every organization, so Quidgest provides systems that cover all the activities inherent to the human resources function				
<b>Human Resources</b>				
<b>Global People Management</b>	<b>“Portal do Colaborador da Unidade Orgânica e do Diretor”</b>	<b>Cost Aids and Travel Expenses</b>	<b>Extra Hours</b>	<b>Health, Hygiene and Safety at Work</b>
<b>Skills Management</b>	<b>Performance Evaluation</b>	<b>Assiduity Management</b>	<b>Recruitment and selection</b>	<b>Flexible and Network Team Management</b>
<b>Budgeting and Management of Ornamental Stones</b>	<b>Fleet Management</b>	<b>Vehicle Management</b>	<b>Support and Maintenance Portal</b>	<b>Construction Management, Maintenance and Conservation</b>
<b>Cemetery Management</b>	<b>Event Management</b>	<b>Production Management</b>	<b>Meals’ Management</b>	
<b>Training</b>				
<b>Internal Training Management</b>	<b>Training Management for Training Entities</b>	<b>Academic Management</b>	<b>Survey Management</b>	<b>Management of Aircraft Maintenance Training</b>

<b>Document Management, BPM, Mobility and Citizenship</b>		
Currently, the success of organizations depends heavily on an effective alliance between information systems and effective information management.		
<b>Integrated Information Management</b>	<b>Process Management</b>	<b>Integration with e-mail</b>
<b>Integrated Customer and Document Management</b>	<b>Web Corporate Portals</b>	<b>Library Management</b>

<b>R&amp;D, Technology and Outsourcing</b>					
The R&D projects are developed worldwide using partnerships with Universities, big and SME companies					
<b>Genio</b>	<b>Web services and MyCompanyAPI</b>	<b>Cloud Solutions (IaaS,PaaS,SaaS)</b>	<b>Business Process</b>	<b>Equipment Integration</b>	<b>SMARTSOURCING (Development Services)</b>

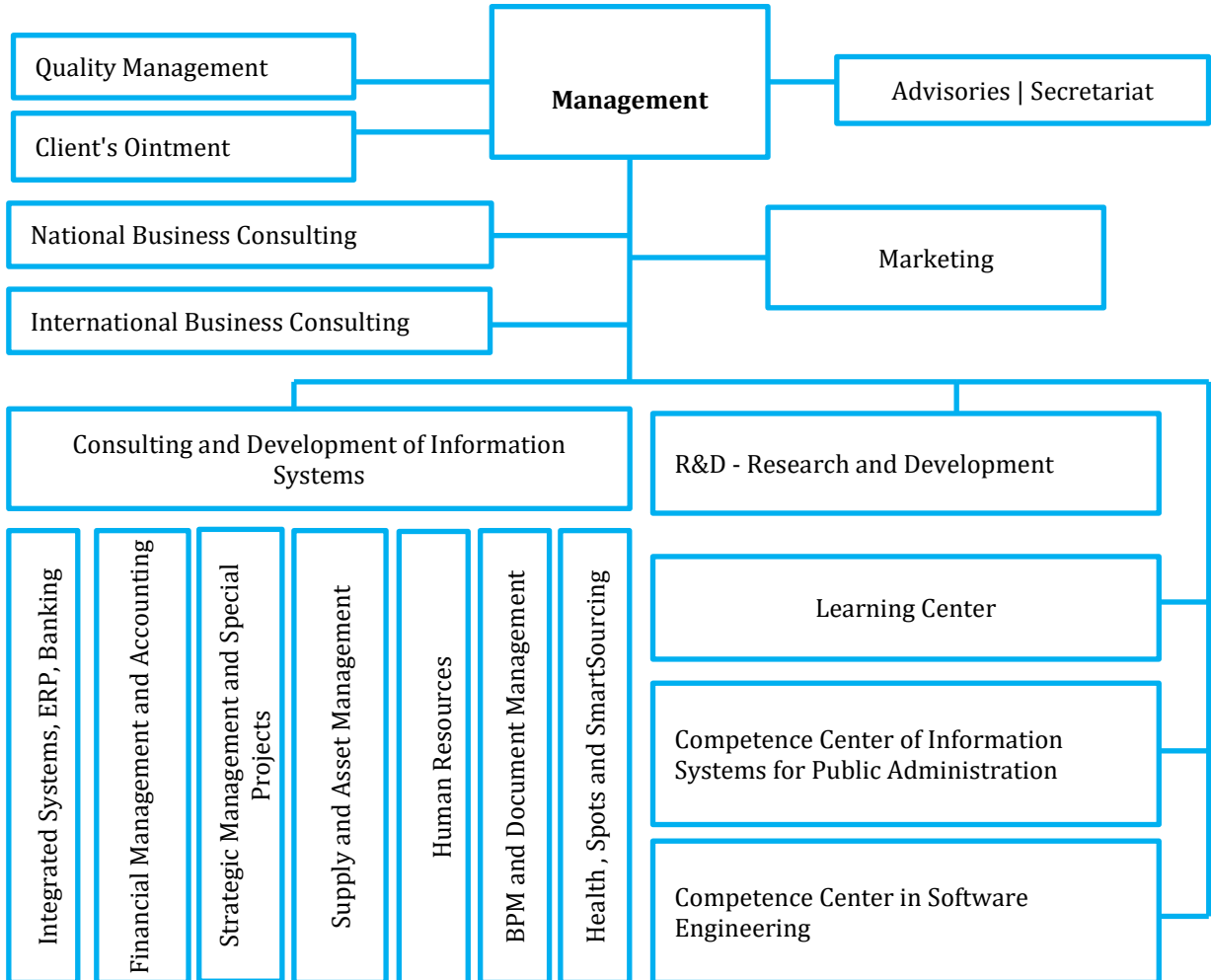
				<b>Outsourcing (BPO)</b>		
<b>APTO</b>	<b>Creation of International Solutions</b>	<b>White Label</b>	<b>SENSE</b>	<b>Technological Company to a local company</b>	<b>Reengineering Software Production and Specific Generator</b>	<b>QWATCH</b>

<b>Banking, Insurance and Financial Management</b>					
Quidgest helps to modernize countries and regions, as well as, to create solid networks to support the economic development. These systems are designed for developing countries.					
<b>Strategic Management</b>	<b>Financial Management</b>	<b>Procurement, Logistics, Distribution and Asset Management</b>	<b>Health and Sports</b>	<b>Human Resources Management</b>	<b>Documental Management</b>

<b>Document Management, BPM, Mobility and Citizenship</b>		
Quidgest- Management Consultants, SA is, primarily, a consulting firm		
<b>SMARTSOURCING</b>	<b>APTO</b>	<b>Documental and Library Management</b>

## Appendix II- Quidgest's Hierarchical Structure

Figure I- Quidgest's hierarchical structure (Quidgest, 2017)



### Appendix III- Quidgest's certifications

Table II- Quidgest's certifications (Quidgest, 2017)

Year	Certification
1999	Microsoft Certified Solution Provider
2001	Microsoft Certified Partner
2002	IBM Business Partner
2005	Microsoft Gold Certificate Partner
2007- Currently	Leading small-medium enterprise
2009	Small-Medium Enterprise of Excellence
2010	
2011	
2014	

## Appendix IV- Employees' distribution

Table III- Employees' distribution (Quidgest, 2016)

	2016		2015		2014	
	Average number of people	Number of hours worked	Average number of people	Number of hours worked	Average number of people	Number of hours worked
<b>People employed by the company, paid and unpaid</b>	78	162864	77	158688	88	185120
Employees paid by the company	78	162864	77	158688	88	185120
<b>People employed by the company, per time</b>						
Employees in full-time	73	152559	74	152505	88	185120
Employees in full-time	73	152559	74	152505	88	185120
Employees in part-time	5	10305	3	6183		
Employees in part-time	5	10305	3	6183		
<b>People employed by the company, per sex</b>						
Man	54	112752	52	107166	61	128312
Woman	24	50112	25	51522	27	56808
<b>Employees allocated to Research and Development activities</b>						
Employees to Research and Development	12		5		23	

## Appendix V- Quidgest's Balance Sheet

Table IV- Balance Sheet (Quidgest, 2016)

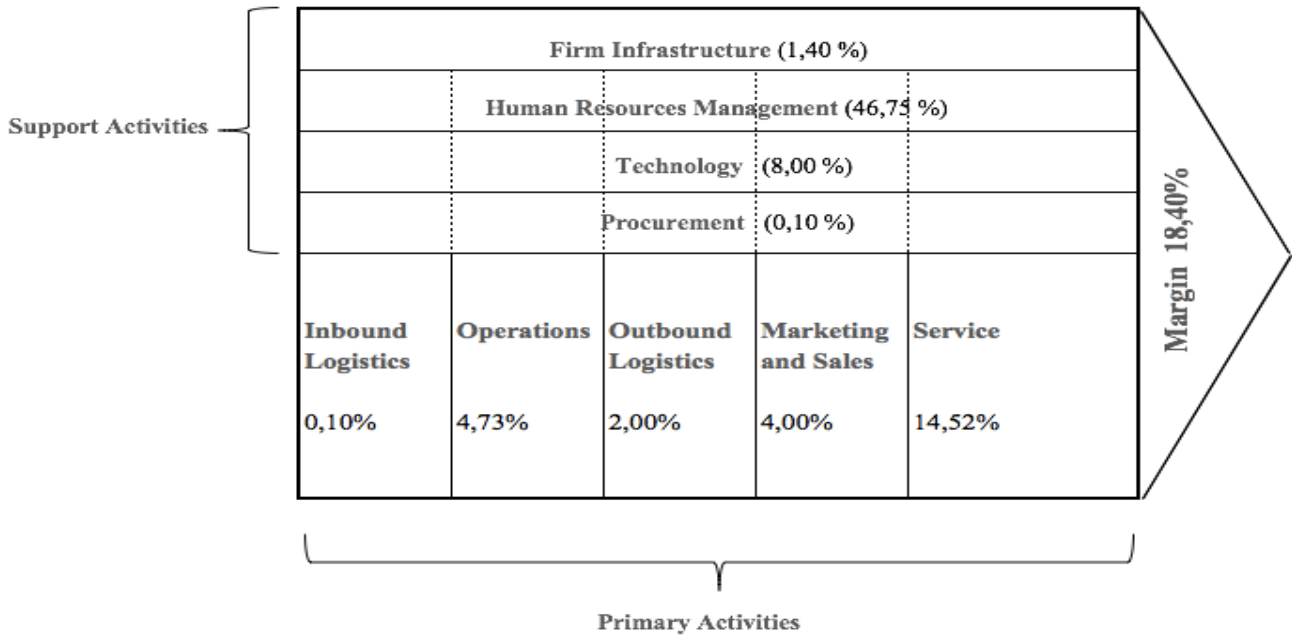
Balance Sheet 2016 (€)			
Assets		Liabilities	
Cash and cash Equivalents	2009895,89	Financing Obtained	8257,55
Clients	1460714,51	<b>Non Current Liabilities</b>	<b>8257,55</b>
Financial Assets for trade	354667,74	Suppliers	86179,69
Deferreals	15712,59	State and Other Public Entities	197913,09
State and Other public entities	10734,76	Financing Obtained	5400,00
Other receivables	24418,03	Other Expenses to pay	390005,60
Other Financial Assets	5080,00	Deferreals	1476,57
		<b>Current Liabilities</b>	<b>680974,95</b>
<b>Total Current Assets</b>	<b>3881223,52</b>	<b>Total Liabilities</b>	<b>689232,50</b>
		<b>Shareholders' Equity</b>	
Shareholders	132000,00	Realised Capital	500000,00
Tangible Fixed Assets	46739,33	Treasury shares	-24700,00
Deferred Tax Assets	687244,94	Legal Reserves	100000,00
Financial Investments	55582,77	Retained Earnings	3038932,66
Other Financial Assets	209464,76	Adjustments to Financial Assets	20891,72
		Net Result	687898,44
<b>Total Non Current Assets</b>	<b>1131031,80</b>	<b>Total shareholders' Equity</b>	<b>4323022,82</b>
<b>Total Assets</b>	<b>5012255,32</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>5012255,32</b>

## Appendix VI- Quidgest's Income Statement

Table V- Income Statement (Quidgest, 2016)

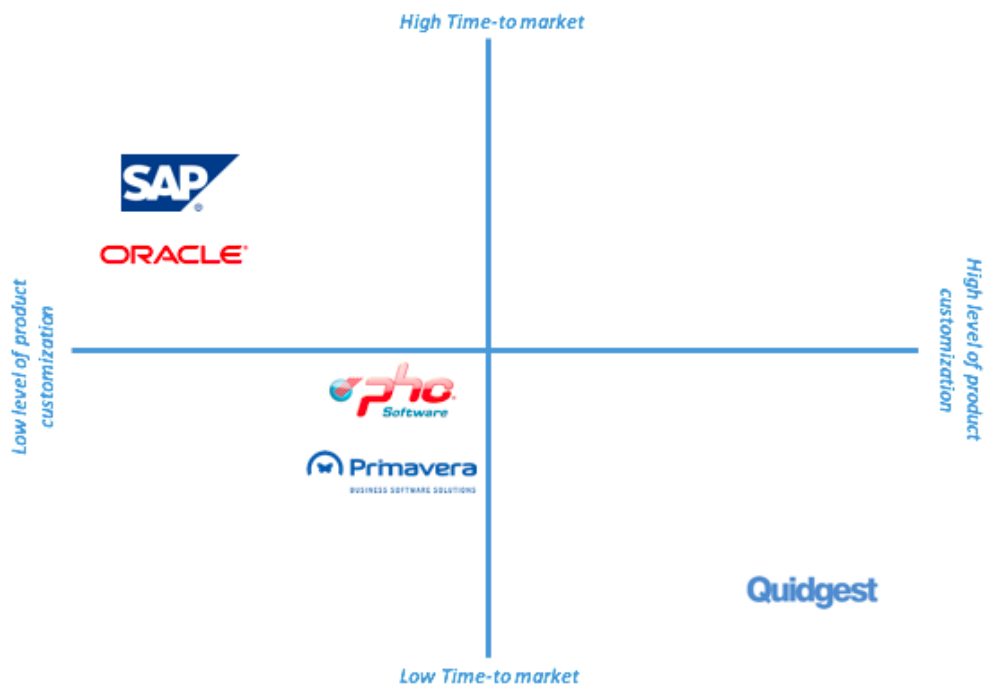
Financial Results	2016	2015
Sales	4 234 366,48 €	2 858 910,00 €
Exploration Subsidies	141 471,90 €	-
Gains/Losses in subsidiaries, associates and joint ventures	- 12 114,14 €	-
CMVMC	206 280,11 €	17 567,00 €
FSE	584 935,97 €	-
Labor Costs	2 435 631,53 €	2 093 589,00 €
Impairment of receivables	192 216,51 €	-
Increase/Decrease of fair value	- 4 898,34 €	-
Other operating income	38 895,28 €	-
Other expenses and losses	175 857,15 €	-
<b>EBITDA</b>	<b>802 799,91 €</b>	<b>313 728,00 €</b>
Depreciations and Amortizations	38 566,70 €	29 867,00 €
<b>EBIT</b>	<b>764 233,21 €</b>	<b>283 860,00 €</b>
Interest expenses	555,13 €	-
<b>EBT</b>	<b>763 678,08 €</b>	<b>283 860,00 €</b>
Income tax	75 779,64 €	24 843,00 €
<b>Result</b>	<b>687 898,44 €</b>	<b>259 017,00 €</b>

**Appendix VII- Value Chain**  
*Figure II- Value Chain (Quidgest, 2017)*



The dotted lines show that each support activity can play a role in each primary activity.

**Appendix VIII- Perceptual Map**  
*Figure III- Perceptual Map*



## **Appendix IX- Quidgest's Competitors Description**

**SAP (Systems, Applications & Products in Data Processing):** it's a German multinational software enterprise founded in 1972. It is considered one of the largest software and programming companies of the World. The key business of the organization is the SAP ERP solutions that included business process such as, operations, financials, financial supply chain, human capital management and corporate services (SAP, 2016).

**Oracle** is an American global software enterprise founded in 1977 specialized in the development and marketing of enterprises software products. The company is best known for its own brand database, a relational database management system and for computer systems and software, such as Solaris and Java (Britannica, 2017). Moreover, it's business is organized into three segments: Software and Cloud, Hardware Systems and Services (Forbes, May 2017).

**PHC** is a Portuguese software company founded in 1989 with the purpose of increasing company's' profitability. The company works with the goal of adjusting to the clients. It targets companies from small to big enterprises offering a range of solutions of cloud computing (PHC, 2017).

**Primavera Business Software Solutions:** is a Portuguese software company that provides large portfolio management solutions for small and medium enterprises (Primavera BSS, 2017).

**Compta:** is a Portuguese technologic group specialized in computer services, the company organizes its activities into two: IT service, such as, consulting services, intercommunication and development and integration of solutions for multi-platform network; and sales of equipment (Euronext, 2017).

**Novabase:** Portuguese IT company founded in 1989. It provides IT solution for the financial services, government, healthcare, energy & utilities and aerospace sectors. The company organizes its activities into three business lines: business solutions, infrastructures & managed services, and venture capital (Reuters, 2017)

**Hydra iT:** Portuguese IT company integrated on holding PKM-Hold, Sociedade Gestora de Participações Sociais. Its activities organized in 3 main areas: IT integrated solutions, Web solutions and programmatic hardware and infrastructures.

**Genexus:** is a Uruguayan company founded in 1988. The company activities are based on in-house research develops state-of-the-art proprietary technology in the fields of database design and maintenance, application development and maintenance, and in particular, automatic knowledge management. GeneXus is the main product developed by GeneXus company, it's an intelligent tool for automatically creating, developing and maintaining multi-platform applications that can be easily adapted to changes in the business.

**Magic Software:** is a global provider of enterprise-grade application development and business process integration software solutions and a vendor of a broad range of software and IT services. These services included, planning, management and consulting services for complex large-scale infrastructures, application development and technology implementation projects.

**Outsystems:** Portuguese global software enterprise, specialized in a low-code platform intended for developing and delivering enterprise web and mobile applications that are easily integrated with existing systems (Outsystems, 2017).

## Appendix X- VRIO Framework

Table VI- VRIO Framework

Resources	Valuable	Rare	Non Imitable	Organization	Potential sources of Competitive Advantage
<b>Competencies</b>					
<p><b>Customer Service Management</b></p> <p>Quidgest is very focused on its clients, providing a lot of support in the implementation of the software and always trying to resolve the problems that emerges.</p>	YES	YES	NO	YES	Temporary Competitive Advantage
<p><b>IT Systems</b></p> <p>With the development of Genio, Quidgest's IT systems also progressed, enabling the deployment in a wide range of platforms such as server, cloud, desktop and mobile. It also integrates with a range of existing technologies.</p>	YES	YES	YES	YES	Sustainable Competitive Advantage
<p><b>Product/Software Development</b></p> <p>Quidgest developed Genio, which is a software that generates software. Quidgest, by using Genio, is the only company in the industry that generates 98% of the code automatically.</p>	YES	YES	YES	YES	Sustainable Competitive Advantage
<p><b>New Business Model's Development</b></p> <p>Genio brought to the industry a new way of resolving problems and provide solutions. It is a disruptive way of providing solutions.</p>	YES	YES	YES	YES	Sustainable Competitive Advantage

<b>R&amp;D</b> Quidgest invests a lot in R&D, especially in software engineering. The main objective of Quidgest's R&D is the construction of the future software that will allow the development of a specific, urgent, integrated and without mistakes' system.	<b>YES</b>	<b>YES</b>	<b>NO</b>	<b>YES</b>	<b>Temporary Competitive Advantage</b>
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### Specialized Assets

<b>Brand/Reputation</b> Quidgest has weak brand awareness, which can damage the brand as the industry is very risk averse and only trust companies with reputation and reliability.	<b>YES</b>	<b>NO</b>	<b>NO</b>	<b>YES</b>	<b>Competitive Parity</b>
<b>Economies of Learning</b> Quidgest is in a knowledge-based industry, where employees' experience (with programming and software development) leads to more efficiency and cost reduction.	<b>YES</b>	<b>YES</b>	<b>NO</b>	<b>YES</b>	<b>Temporary Competitive Advantage</b>
<b>Qualified Labour</b> Quidgest can take advantage of its bright and multicultural employees, with several different nationalities and backgrounds.	<b>YES</b>	<b>YES</b>	<b>NO</b>	<b>YES</b>	<b>Temporary Competitive Advantage</b>
<b>Presence in several markets and locations</b>	<b>YES</b>	<b>NO</b>	<b>NO</b>	<b>YES</b>	<b>Competitive Parity</b>

Quidgest is present in several countries, but it wants to improve its presence in some countries and go to new ones. This is one of the main goals of the company.

<b>Architecture of Relations</b>					
<b>Suppliers</b> Quidgest only have database and equipment suppliers. It does not use outsourcing.	<b>YES</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>Competitive Parity</b>
<b>Universities</b> Quidgest has partnerships with several (around 20) Portuguese Universities such as ISCTE, FAP, Católica BE, Técnico, ISG, among others.	<b>YES</b>	<b>NO</b>	<b>NO</b>	<b>YES</b>	<b>Competitive Parity</b>
<b>Quidnet</b> Online platform that gives autonomy to worldwide companies working with Genio to develop their own projects and solutions	<b>YES</b>	<b>YES</b>	<b>NO</b>	<b>YES</b>	<b>Temporary Competitive Advantage</b>
<b>Customer Portfolio</b> It includes both big companies and SMEs that consider the software the core issue of their business. Examples of its clients are the Hotel Ritz (Four Seasons); Portugalia Airlines; Turismo Portugal; Government of East-Timer; among others.	<b>YES</b>	<b>NO</b>	<b>NO</b>	<b>YES</b>	<b>Competitive Parity</b>

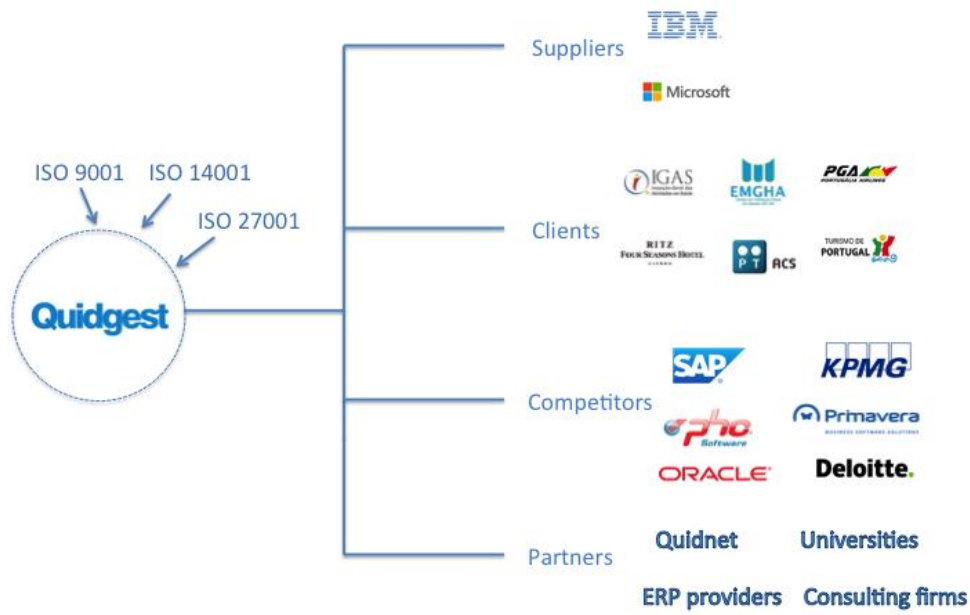
## Appendix XI - Key Success Factors

Table VII- Key Success Factors

Key Success Factors	Weight	ORACLE		SAP		PHC		Primavera		Quidgest	
		Rating	Total	Rating	Total	Rating	Total	Rating	Total	Rating	Total
Brand Awareness and Reputation	0,20	9	1,8	10	2	6	1,2	7	1,4	6	1,2
Software Customization	0,20	5	1	5	1	7	1,4	7	1,4	10	2
Time-to-market	0,10	6	0,6	6	0,6	6	0,6	7	0,7	8	0,8
CRM and After Sales Service	0,15	5	0,75	5	0,75	5	0,75	6	0,9	7	1,05
Strategic Partnerships	0,10	10	1	10	1	6	0,6	7	0,7	7	0,7
Attract and Retain highly skilled	0,05	10	0,5	10	0,5	6	0,3	7	0,35	7	0,35
ROI including post-implementation	0,10	6	0,6	6	0,6	7	0,7	7	0,7	7	0,7
New product and process' improvements (Innovation)	0,10	8	0,8	8	0,8	6	0,6	6	0,6	6	0,6
<b>Total</b>	<b>1,00</b>		<b>7,05</b>		<b>7,25</b>		<b>6,15</b>		<b>6,75</b>		<b>7,4</b>

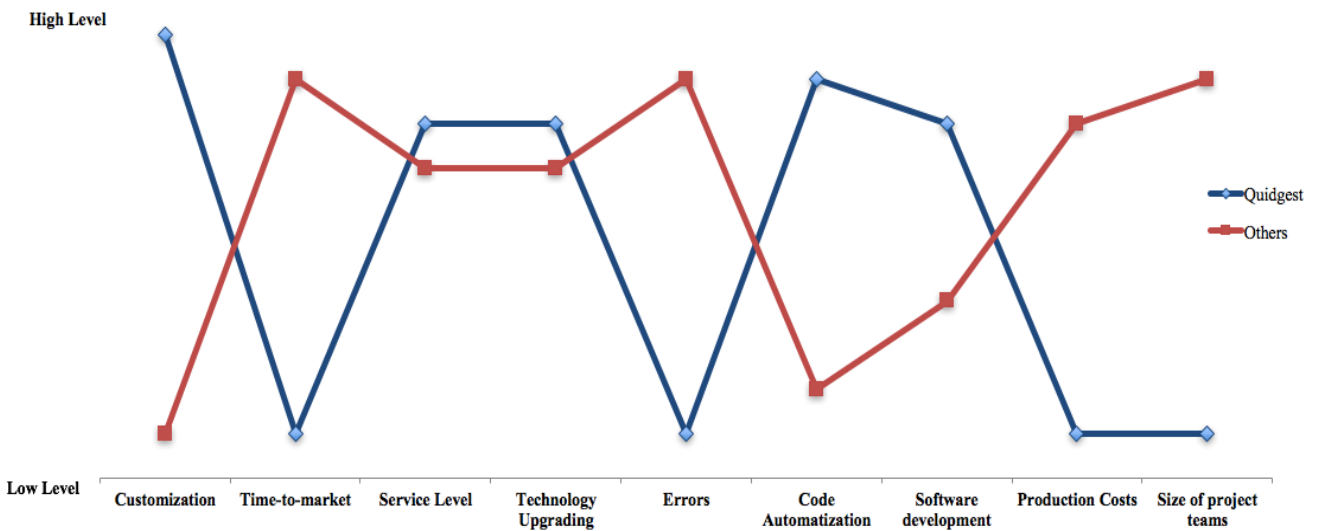
## Appendix XII- Industry Mapping

Figure IV- Industry Mapping



## Appendix XIII- Strategic Canvas

Graph I- Strategic Canvas



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