

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.

**BRIDGING THE MARKET GAP IN DISABILITY CARE:
A BENCHMARK-BASED BUSINESS MODEL**

FRANCISCA ALEXANDRA CANCELA CALDAS

Work project carried out under the supervision of:

José Miguel Pita

21/01/2025

Abstract

Comunidade Vida e Paz has identified a critical and urgent gap in care for individuals experiencing social exclusion, often triggered by disabilities, homelessness or substance abuse issues. Then CAPDM's project (*Centro de Apoio a Pessoas com Deficiência Moderada*) arises as the solution to restore hope and dignity. The study involves benchmarking, interviews, and research to design an optimal operating model, financing solutions, an analysis of the value proposition, an implementation plan with a roadmap and KPIs aligned with CVPaz's mission. From vision to reality, pathways to brighter horizons are built with this project to ensure impactful and lasting change.

Keywords

Agreement, Benchmark, Business Plan, Clinical Services, Daily Activities, Development, Disability, Financial Analysis, Financing Plan, Homelessness, Hospitality, Implementation, Partnerships, Pioneering, Risk Analysis, Roadmap, Social Impact, Social Security

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

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List of Abbreviations

CAPDM: *Centro de Apoio a Pessoas com Incapacidade/Deficiência Moderada*

CVPaz: *Comunidade Vida e Paz*

IPSS: *Instituições Particulares de Solidariedade Social*

KPIs: *Key Performance Indicators*

SS: *Social Security*

TAP: *Permanent Monitoring & Management Technician*

0. Introduction

Disability, whether physical or mental, together with homelessness, represents a significant barrier hindering social inclusion. Although several programs already address homelessness and disability, *Comunidade Vida e Paz* (CVPaz) identified a critical gap in care services for individuals with moderate disability, mental or physical, who cannot live autonomously after completing their rehabilitation programs. As a response for this organizational challenge, CVPaz intends to develop a support center for disabled individuals with limited autonomy – CAPDM (*Centro de Apoio a Pessoas com Deficiência Moderada*) – that provides high-quality care and addresses the complex needs of this minority. The challenge this study intends to address is how to create a financially sustainable business model that provides residential care, clinical services and daily activities by following the best practices of the sector to promote well-being, independence (as much as possible), and societal integration of disabled individuals.

This research aims to determine the characteristics and resources required for a future center that will support CVPaz in maximizing its social impact and value for core beneficiaries while minimizing costs. Thus, this study involves an extensive data collection effort through a benchmark analysis of current solutions, both at a national and an international level. Interviews and qualitative research were conducted to gather insights on current service outcomes, infrastructure requirements, operational processes, and cost drivers.

The final output comprises the recommended operating model of the center, the outline of relevant financing solutions and the design of the optimal Social Security (SS) agreement. Moreover, an action plan comprising implementation strategies and necessary resources was designed along with the development of relevant Key Performance Indicators (KPIs). The ultimate objective is to inform the design of a center that can help tackle the organizational challenge while optimally aligning with CVPaz's social mission and cost-efficiency goals.

1. Exploring Comunidade Vida e Paz and Addressing the Problem

Who are the beneficiaries of Comunidade Vida e Paz?

1.1. Homelessness Context in Portugal

In Portugal, a person in a homeless situation is someone who, regardless of their nationality, racial or ethnic origin, religion, age, sex, sexual orientation, socioeconomic condition, and physical and mental health condition, is either without a roof (living in public spaces, accommodated in emergency shelters, or with whereabouts in precarious locations) or without a home (residing in a temporary facility that provides accommodation to people who do not have access to permanent housing and promotes their reintegration) (ENIPSSA 2023). According to the most recent official data, **10,773 individuals were living in a homeless situation in 2022 in Portugal**, 5,975 were without a home, while the remaining without a roof (ENIPSSA 2022). Given the numbers reported by the 273 municipalities that participated in the data collection from December 31st 2021 to December 31st 2022, there was a 19% increase in the number of people in a homeless situation in the mainland territory. Moreover, considering the current context of the Portuguese economy, a new type of homelessness in Portugal has emerged from the increase in housing prices and inflation: socially integrated people who are now being pushed into exclusion. Given this trend, 1,099 couples were identified in a homelessness situation (Agência Lusa 2024). The 2022 Annual Report of *Estratégia Nacional Para a Integração das Pessoas em Situação Sem-Abrigo* (ENIPSSA) states that Lisboa and Porto are the most affected by the homelessness issue, concentrating the largest number of recorded cases (ENIPSSA 2022).

As the issue continues to grow, the ENIPSSA 2025-2030 was approved by the previous Government and focuses on the design of prevention actions and the creation of a risk situation alert system. The measures encompass, for example, an intervention with case managers at the local level and the increase of housing first solutions – prioritizes providing stable, permanent

housing as the initial step, rather than the final objective, being supported by policies and practices that ensure individuals experiencing homelessness, or at risk of it, can secure ordinary housing. (Housing First Europe n.d.) – and shared apartments. With a problem that impacts needs as fundamental as those at the base of the Maslow’s pyramid – such as shelter, food, and sleep (Jorge 2022) – and extends to critical needs in the realms of safety, security, love, belonging, and even self-esteem (McLeod 2024), these people are dependent on society’s help and good will to guarantee their basic human rights. Hence, a coordinated effort from multiple institutions is a must to mend their situation.

These organizations, often working in partnership with government bodies and local authorities, have a strong social mission – a cause that benefits society, the economy and/or the environment in various ways (Wharton School of the University of Pennsylvania 2019) – which must start from the overall vision and values of the enterprise (Kamono 2023). The organizations operating in the previous described environment have the social mission of helping homeless people to recover their dignity and (re)build their life, gaining autonomy. To achieve this social mission, specialized care and comprehensive support services are provided, ranging from immediate housing solutions to healthcare and social reintegration.

1.2. Organizational Landscape Tackling Homelessness

Such coordinated response to the homelessness issue has emerged through several Non-Governmental Organizations (NGOs) and *Instituições Particulares de Solidariedade Social* (IPSS). Having dedicated themselves to addressing the issue, such organizations either focus directly on homeless individuals or include them within a broader scope of vulnerable populations. This subchapter characterizes the **landscape in which these organizations operate**, showing their crucial role in the support system for addressing homelessness. Given the rising number of individuals in need, the expansion of institutions dedicated to this cause is not only justified but absolutely necessary. This growth is not solely in numbers, but also in the

increasing importance and relevance of these organizations.

Hence, **11 institutions** supporting homeless individuals were studied through the collection of key information from the websites and the Annual Reports and Accounts available. To develop a comprehensive view of their positioning and contributions within the homelessness support landscape, 5 key areas were covered: Services and Activities, Focus of Intervention, Impact, Human Resources, and Financials. Firstly, under Services and Activities, 21 service offerings were examined and divided into 3 main areas: First-line Intervention, Treatment & Rehabilitation, and Reintegration; determining whether each organization offered these services. In Focus of Intervention, 12 key social issues were reviewed, such as homelessness, disabilities, and substance abuse, identifying the range of problems each organization addresses. Impact relates to the reach and effectiveness of each organization through geographical coverage, the number of people and homeless individuals supported, and food services provided. Under Human Resources, volunteer numbers, hours, and staff ratios were evaluated to assess operational capacity. Finally, Financials comprise an analysis on revenue sources, personnel expenses, and growth metrics to understand the organizations' financial health.

Firstly, *Associação CAIS (CAIS)* established in 1994, aims to promote social inclusion by supporting job market reintegration through different projects such as *Revista CAIS* and *CAIS Recicla*. CAIS has an Insertion Community, which was financed through a Social Security (SS) Agreement (€279,128) and provides food item distribution as well as health services (CAIS 2024). In this context, it was recognized that the needs being addressed pertain to essential aspects such as nourishment, a sense of belonging, personal fulfillment, and hygiene. Furthermore, *Assistência Médica Internacional (AMI)* is a private, independent, non-profit, non-political, Portuguese NGO created in 1984 to mitigate inequality and suffering in the World, with human beings as the focus of concern. AMI develops a wide range of initiatives,

both at a national and international level. The NGO provides social advocacy, employment and home support as well as night shelters and open canteens. Finally, there is a team to aid homeless people through continuous psychosocial support to tackle social exclusion (AMI 2024). Thirdly, *Santa Casa da Misericórdia de Lisboa (SCML)* commits to improving the well-being of citizens in general, but especially of the most vulnerable. SCML provides shelter houses, social canteens, accommodation centers, occupational ateliers, transition houses and therapeutical support. Additionally, SCML provides specialized assistance for individuals with disabilities, including accommodation, healthcare, and rehabilitation for children, youth, and adults, while also supporting their families (Santa Casa da Misericórdia 2024). In addition, the organization assists immigrants and those affected by domestic violence. Moreover, *Centro de Apoio ao Sem-Abrigo (CASA)* was established in 2002 to aid homeless people, families at risk and families in need. CASA activities include meals, food baskets and clothing distribution, support in social reinsertion, accommodation, psychological assistance and primary healthcare. The organization operates in 5 mainland districts (Lisboa, Porto, Faro, Coimbra and Setúbal) and Madeira (CASA 2024). Another relevant non-governmental organization is *Médicos do Mundo*, which is focused on humanitarian aid and development cooperation and based on the fundamental right of all human beings to have access to healthcare, regardless of their nationality, religion, ideology, race or economic possibilities. *Médicos do Mundo* supports homeless people through several projects: *Porto Escondido*, *Saúde a Girar*, *Centro de Alojamento Temporário Joaquim Urbano*, *Sem Abrigo* and *SOU+*. Finally, the NGO aids CVPaz in the *Unidade Integrativa para Pessoas em Situação de Sem-Abrigo (UIPSSA)* at a healthcare level (Médicos do Mundo 2024). In addition, the IPSS *Orientar* was founded in 2011 with the goal of fully integrating individuals facing social exclusion, through several programs. *Projeto Orientar* provides individual support to vulnerable people to promote their autonomy in different areas. *Residências Orientar* grants accommodation to men who are working on their

professional integration. Lastly, *Gabinete de Emprego e Formação* (GEF) aims to guide people entering the job market (Orientar 2024). *Associação Vida Autónoma* (AVA), established in 2019, is aimed at fighting social exclusion in Lisboa and Beja. The IPSS has a technical team which assists homeless people at a psychosocial level, as well as residences and shared apartments. In fact, it also supports homeless people with disability by promoting professional training and medical treatment, in Alcântara (Associação Vida Autónoma 2024). The eighth organization under analysis is **CRESCER**, created in 2001 to promote social inclusion among vulnerable populations in Lisboa. **CRESCER** works with migrants, refugees, homeless individuals and people with severe addictions and has been developing several projects. The initiatives aimed at tackling the homelessness issue comprise: *É UMA RUA*, *Espaço Ímpar*, *REACH_U* and *É UMA CASA*. Moreover, *Emprego Primeiro* and numerous projects in the catering area, such as *É UM RESTAURANTE*, are promoting job market integration (CRESCER 2024). Additionally, **VITAE**, founded in 1995, is focused on the intervention for populations in situations of vulnerability and social risk based on the person's acceptance of their individuality. **VITAE**'s initiatives comprise welcome centers, social canteens, technical teams, sustainable laundry and shared apartments. The organization also helps refugees, immigrants and people with addictive issues (VITAE 2024). Moreover, *Associação Conversa Amiga* was created in 2007 and aims to create innovative projects and offer psychosocial support by professionals to homeless people in Lisboa. Besides providing volunteering training, the organization also implemented *Cacifos Solidários* (private lockers in the street environment, accessible 24 hours a day for homeless people to store their belongings in a safe and dignified manner) and *Correio Solidário* (allocation of individual mailboxes to homeless people, with a safe and autonomous access of 24 hours/day and 7 days/week) (Associação Conversa Amiga 2024). The last organization under analysis is **CVPaz**, which is the focus of this Work Project and deeper research is presented in Subchapter 1.3.. Overall, the analysis conducted revealed a

diverse landscape, characterized by significant variation in scope, size, and financial resources. For example, AMI, *Médicos do Mundo* and CASA are the organizations with the highest numbers of volunteers (with AMI taking the first place, with 1,035), which can be explained by the fact that these are the leaders in supporting the most homeless individuals (more than 950 each). Apart from homelessness, only AVA, CAIS and SCML aid individuals with disabilities.

1.3. Comunidade Vida e Paz In-Depth Analysis

1.3.1. Strategic Pillars

Founded in 1989, CVPaz is an **IPSS** working under supervision of Lisboa's Patriarchate, dedicated to supporting and reintegrating homeless individuals and those struggling with addiction into society. Through a mission rooted in restoring dignity and helping people rebuild their lives, the organization takes a holistic approach that addresses the physical, emotional, and social needs of those in vulnerable situations. Moreover, CVPaz aims to be a leading force in creating **impactful solutions** for homelessness and social vulnerability. Guided by values such as hope, solidarity, and compassion, the IPSS works to create sustainable pathways for individuals to regain their independence. Support starts with the initial contact on the streets and extends to full reintegration into society, ensuring personalized care every step of the way. The assistance begins with the **First Line Intervention Center**, where dedicated teams engage directly with those living on the streets, offering immediate assistance, building trust, and assessing individual needs. This unit operates through 2 key teams: the volunteer street team and the technical street team. The first one is composed of around **600 volunteers** that play a vital role in creating connections with homeless individuals, offering daily support and distributing meals. The latter works closely with those identified by the volunteer team in providing tailored support plans aimed at fostering personal transformation. In addition to these teams, the First Line Intervention Center includes 3 main infrastructures: UIPSSA, *Espaço Aberto ao Diálogo* in Chelas, and *Apartamentos Partilhados de Primeira Linha*. UIPSSA offers

a residential program focusing on social inclusion and quality of life of its residents, providing a structured psychosocial support environment for up to 40 individuals and their pets. The *Espaço Aberto ao Diálogo* serves as a day center, complementing street interventions by offering services such as health care, hygiene support, legal assistance, and employment guidance, helping homeless individuals take the first steps towards reintegration. Finally, *Apartamentos Partilhados de Primeira Linha* provide immediate housing solutions, offering safe and supportive living environments for those beginning the journey of reintegration.

From there, individuals are guided through continuous care that includes **treatment and rehabilitation services** tailored to their specific circumstances. These programs address not only physical needs but also psychological, social, and emotional challenges, providing the tools necessary for personal growth and recovery. Such programs are provided by 2 Therapeutic Communities and 2 Insertion Communities. The Therapeutic Communities of *Centro de Fátima* and *Centro Quinta da Tomada* accommodate up to 135 residents, offering holistic, individualized treatment plans, supported by a diverse team of professionals. Meanwhile, the Insertion Communities of *Centro Quinta da Tomada* and *Quinta do Espírito Santo* (QES), which support up to 84 individuals, focus on equipping residents with essential personal and professional skills to promote their autonomy.

The final step is **reintegration**, where CVPaz works to equip individuals with the skills and support needed to re-enter society confidently, secure employment, and rebuild their lives. This crucial phase is facilitated through the *Unidade de Apoio À Reinserção e Pós Alta* (UAR) designed specifically for individuals who have completed their rehabilitation process and lack family support. To achieve this integration, CVPaz operates 5 *Apartamentos de Reinseção* across various locations, offering residential support to those who need it post-rehabilitation, as well as a *Residência Autônoma*, which is part of the *Cuidados Continuados Integrados de Saúde Mental* (CCISM) network. The organization also provides a program for post-discharge support

(*Projeto MAPA*), offering structured assistance in areas such as employment, housing, and psychosocial support, while also addressing relapse prevention. This holistic approach ensures that each person receives comprehensive support throughout their journey, empowering them to break the cycle of homelessness and achieve lasting change.

CVPaz operates through the combined efforts of 158 staff members and over 600 volunteers, delivering comprehensive services and care to those in need. At the top of its governance structure is the Lisboa's Patriarchate, followed by 3 key decision-making bodies: the General Council, the Fiscal Council, and the Board of Directors. Beneath these bodies, the organization is managed by a General Director and supported by a Spiritual Assistant. Operationally, CVPaz is structured into 8 core areas. The Direct Intervention area includes the First Line Intervention teams, Therapeutic Communities, Insertion Communities, and Reintegration Support. Spiritual Support is provided to promote personal well-being and dignity throughout the process. People Management focuses on overseeing human resources and volunteer coordination, while Communication and Marketing ensure public engagement and outreach. The Christmas PSSA initiative is one of the organization's key annual projects while AFAI Services – comprising administrative, financial, logistic support, and IT functions – ensure smooth internal operations. Finally, the last 2 core areas, Social Businesses and Fundraising, help CVPaz sustain its mission and operations financially. Overall, this structured approach allows CVPaz to deliver care and support efficiently, ensuring that its mission is achieved through a well-coordinated and responsive framework.

The landscape characterized in Subchapter 1.2. positions CVPaz as a key player in the homelessness support ecosystem, distinguished by its **comprehensive range of services**, particularly in **Treatment & Rehabilitation**. CVPaz excels in food service distribution and demonstrates effective volunteer engagement, leading in the ratios of volunteers and effective workers to those supported. The unique contributions and focus on marginalized populations

highlight CVPaz's critical role in mitigating social exclusion. By addressing homelessness at various critical stages, the organization can meet not only the basic needs for shelter and food, but also the psychological needs for love, belonging, and support.

1.3.2. Financial Analysis

Given the scale, complexity and scope of services offered, a financial analysis is essential to help ensure that CVPaz can maintain a level of independence and sustainability. Moreover, such analysis plays a pivotal role in optimizing resource allocation, ensuring that funds are efficiently directed towards areas of greatest need. It also facilitates effective risk management by identifying potential financial vulnerabilities that could impact service delivery. Furthermore, a financial analysis provides valuable insights into opportunities for expansion, allowing the organization to grow and enhance its capacity to meet increasing demands. Additionally, it helps to identify and secure new funding sources, ensuring the long-term viability and success of both current and future projects.

To understand the financial performance of CVPaz, the information of the **income statement** and the **balance sheet** was gathered for the period between 2019 and 2023 in the Annual Report and Accounts available on the website as well as from financial information sent by the organization. Moreover, a subset of 7 organizations with a similar offering and a strong support on the homelessness issue was selected from the landscape described in Subchapter 1.2. to position the financial performance of CVPaz within the industry. The aforementioned organizations comprise: CAIS, AMI, SCML, CASA, AVA, *CRESCER* and *VITAE*. Given their non-profit nature, these organizations are exempt from IRC (*Imposto sobre o Rendimento de Pessoas Coletivas*), IVA (*Imposto sobre o Valor Acrescentado*), IUC (*Imposto Único de Circulação*), ISV (*Imposto Sobre Veículos*) and IMI (*Imposto Municipal sobre Imóveis*) (Autoridade Tributária e Aduaneira 2015).

Regarding CVPaz's **revenues** there are 3 main sources: Services Provided (with

Comparticipações being the main contributor – for instance, from the users or *Administração Regional da Saúde*), State Subsidies and Other Public Entities (where *Instituto da Segurança Social* (ISS) is the main source) and Donations and Heritages (both monetary and in kind). Sales, which has a very low representation on the total revenues (between 0.09% and 0.37% since 2019), includes sales associated with occupational activities and therapy work to train the users and enhance their skills. Regarding **costs**, Personnel Costs represent more than 50% of total costs since 2022, while Cost of Goods Sold and Materials Consumed (significantly impacted by inflation evolution) and External Supplies and Services range from 22% to 29% and 17% to 20%, respectively over the last 5 years. Given the 151 number of employees, an average cost of approximately €18,600 per worker was incurred in 2023. Furthermore, CVPaz can be analysed in terms of the ratio of subsidies to total revenues and the ratio of personnel expenses to total costs considering the landscape. Indeed, CVPaz shows a lower dependency on subsidies (33% against a peer average of 40%) and a larger staff costs burden (54% against a peer average of 46%), in 2023. Overall, total revenues present a compounded annual growth rate (CAGR) of approximately 6% while costs have been growing annually by 6.7% since 2019, which may rise concerns for CVPaz if this pattern remains in the future. Indeed, net income has presented a volatile evolution since 2019, as it fell from €53,139 to -€142,684 in 2022, remaining negative in 2023. Costs rose by 10% in 2022, due to several factors such as the higher inflation rate, a larger vehicle fleet and an expansion of the social responses which require more resources and, in turn, higher expenses. Revenues also increased, but only by 5%, thus leading to a large drop in net income in 2022. A more granular analysis can be conducted to grasp the performance of each area of CVPaz: First Line Intervention, Therapeutic Communities, Insertion Communities and Headquarters. In 2022, CVPaz's **net income** became **negative**, mainly due to a large loss from Headquarters caused by a sharp drop in revenues and a slight increase in costs of General Services – Alvalade. Both Communities presented a positive profit,

where Therapeutic Communities dropped, and Insertion Communities displayed a slight rise. First Line Intervention registered a lower negative profit in absolute terms, as revenues increased significantly, particularly from UIPSSA and *Apartamentos Partilhados de Primeira Linha*. In 2023, CVPaz's overall profit was less negative, as both Communities displayed large increases in net income. Indeed, the profit rise in Insertion Communities was mainly driven by the performance of QES while both *Tomada* and *Fátima* contributed to the profit increase of Therapeutic Communities. Headquarters and First Line Intervention registered relatively large profit drops: Direct Intervention Team ceased to be profitable and General Services – Alvalade displayed a large rise in costs that was not compensated by an increase in revenues.

Since CVPaz is a non-profit organization, the short-term financial health is crucial to be assessed by evaluating **Net Debt (ND)**, **Net Working Capital Requirements (NWCR)** and **Net Working Capital (NWC)** over the last 5 years. CVPaz does not rely significantly on bank loans to finance operations, a fact underlined by the negative ND observed (i.e. Cash & Cash Equivalents – such as bank deposits – are more than enough to cover financial obligations). Moreover, the negative NWCR observed in the last 5 years seems to be a great sign of operating efficiency, since the company's operations are being funded through its payables. Indeed, the average Days Sales Outstanding are lower than Days Payables Outstanding. When looking at NWC, the negative values observed since 2022 mean that CVPaz's current liabilities surpass current assets. Thus, part of the fixed assets is being financed by short term liabilities, implying a high financing risk and possible liquidity issues in the future.

Moreover, 3 liquidity ratios were computed and compared across the industry landscape. Firstly, the current ratio went below 1 in 2022, well below the industry average of 2.43. Indeed, Cash and Bank Deposits suffered a large drop while Accounts Payable rose. The quick ratio allows to understand whether CVPaz's most liquid assets are sufficient to cover its short-term obligations while the cash ratio represents the fraction of Cash & Cash Equivalents relative to

current liabilities. Once again, CVPaz displays values below the industry average for both ratios, where 2020 was a year of strong performance (the cash ratio was 0.96) and 2022 registered a fall in the ratios and consequently a deterioration of CVPaz's financial health. Organizations such as AMI, SCML, CAIS and CASA present high liquidity ratios, showing stronger ability to pay for short-term obligations. On the other hand, CRESCER presents a similar short-term financial health to CVPaz.

To further assess the **capital structure** of CVPaz, the Liabilities-to-Assets and Liabilities-to-Equity were computed. CVPaz has presented values ranging between 25% and 35% for the first ratio and between 30% and 55% for the second ratio, always below the industry average, indicating a low insolvency risk. It is important to note that CRESCER and AVA are pushing the average upwards, given their extremely high values of these leverage ratios.

1.3.3. SWOT Analysis

The previous external benchmarking exercise, combined with internal strategic and financial analysis, facilitated the development of a SWOT analysis for CVPaz. **Key strengths** include its low dependency on subsidies, with only 33% of its revenue sourced from such streams, compared to a peer average of 40%, and its consistently high innovation in program development and service delivery. Furthermore, CVPaz maintains a strong reputation in its field, alongside one of the highest ratios of volunteers per people supported among peers.

However, the financial analysis highlighted some **weaknesses**, such as the heavy burden of staff expenses, which account for 54% of the cost structure, exceeding the peer average of 46%. Income from self-sustaining activities remains limited, indicating underutilized revenue opportunities. Furthermore, CVPaz's liquidity position is weaker compared to larger and more established organizations.

On the **opportunity side**, CVPaz has room to increase its self-generated revenue with sales associated with occupational activities and therapy work done by users and to address gaps in

the social services market by creating more programs targeting underserved needs. Moreover, strengthening partnerships with similar organizations offers valuable opportunities for growth and knowledge-sharing.

Finally, **threats** include the risk of reduced funding availability due to increasing competition among organizations and potential changes in government policies, which could impact subsidy schemes. Broader economic challenges, such as housing crises or financial downturns, may also exert pressure on CVPaz's operations.

1.4. Disability Context in Portugal

Besides the homelessness issue, CVPaz recognizes the growing number of individuals with disabilities, often linked to alcohol dependency or drug abuse, who seek support through its services. Indeed, **disability**, whether physical or mental, constitutes another barrier hindering social inclusion. Assessing the broader scope of this issue across Portugal is relevant to better understand both its impact and the effectiveness of current responses.

In 2021, nearly 11% of the resident population in Portugal (above 5 years old) had at least 1 disability. In fact, the prevalence of severe disability in mobility and personal care has risen while the dimension related to cognition has fallen over the last decade (GEPMTSSS 2023). According to the Eurostat, in Portugal, the risk of poverty or social exclusion has remained significantly higher among people above 16 years old with disabilities: 62.3% faced the risk of poverty before social transfers, compared to only 35.5% of people without disabilities (European Survey on Living Conditions and Income 2022).

Thus, understanding the **linkage between disabilities and social exclusion**, particularly triggered by homelessness and substance abuse, is required. Indeed, homeless people are likely to experience a 'tri-morbidity' of mental ill health, physical ill health, and addiction (Fitzpatrick, Bramley and Johnsen 2012). Regarding mental illness and substance abuse – the first and third morbidities – one cannot directly establish a causal or directional relationship

(National Institute on Drug Abuse 2018). In fact, both can contribute to the other and there are several overlapping factors which contribute to the aforementioned issues, such as genetic and epigenetic vulnerabilities, problems with similar areas of the brain, and environmental influences. Such illnesses and disorders can be also linked with homelessness situations as there is a 25% to 50% risk of becoming homeless for single adults with a major mental illness (Bauer, et al. 2013). Furthermore, despite the lack of studies, the prevalence of mental illness among the homeless population is estimated to be around 30% in Portugal (Bastos, Bento and Caldas de Almeida 2024). Finally, works published in Portugal state that more than 50% of people in a homeless situation use drugs (Miranda and Norte 2021).

To address the challenges faced by people with disabilities, the *Sistema de Atribuição de Produtos de Apoio* (SAPA), whose budget has increased by 60.4% in 2022 (Pinto, et al. 2023), and the *Modelo de Apoio à Vida Independente* (MAVI), which provides personal assistance (Diário da República 2023), were set to support their inclusion and autonomy, respectively. Several measures under the *Estratégia Nacional para a Inclusão das Pessoas com Deficiência* (ENIPD 2021-2025) were also created, however, only 31% were implemented between 2021 and 2023 (Machado 2024).

Summing up, numerous institutions are currently committed to assisting individuals in regaining or achieving autonomy. However, significant gaps remain in addressing the needs of homeless individuals with disabilities who strive to attain a substantial degree of independence.

2. Conducting an External Analysis

What are the industry best practices among CAPDM peers?

After investigating the purpose, the objectives, and the initial plan of CAPDM, an external analysis is the next step to design a comprehensive operational framework and service delivery model for this center. Thus, Chapter 3 delves deeper into how similar associations operate in various areas and identifies the key elements that should be incorporated into this new center.

2.1. Benchmark Methodology

The benchmark analysis starts with an outline of **practices currently being adopted worldwide**. Hence, Subchapter 3.2. presents extensive research to identify institutions addressing the exact same challenges that CVPaz aims to tackle with the implementation of CAPDM. Indeed, only 4 international centers were identified as having very similar operations as CAPDM's proposal, located in the United States and in the United Kingdom.

Due to the lack of responses to the specific problem identified by CVPaz in Portugal and the scarcity of international organizations addressing these needs, a broader set of institutions was analyzed. Therefore Subchapter 3.3. **extends the research to worldwide organizations** with a strong focus on supporting individuals with various levels of disabilities. Some organizations address homelessness, others substance abuse, but all of them are deeply committed to social integration, offering **valuable parallels** for this thesis. A benchmark analysis of Portuguese organizations was also conducted given the importance of aligning CAPDM with the Portuguese specific legislation, particularly ISS, which will be explored in Chapter 4. Hence, best practices were collected from 25 institutions were analyzed: 13 international and 12 nationals. After contacting all the institutions, 8 interviews were conducted (results and photos, while the remaining were studied through exploratory and descriptive investigation due to lack of response or availability for a visit and/or interview.

2.2. Benchmarking Beyond CAPDM's Scope

As explained in Subchapter 3.1., the scarcity of responses targeting CAPDM's specific challenge implied an extension of the benchmark study beyond the aforementioned institutions. Thus, best practices from organizations offering similar services were collected in **3 different areas**: Hospitality and Residential Services; Clinical Services; and Daily Activities.

2.2.1. Hospitality and Residential Services

The hospitality and residential services area, encompassing both **accommodation and food services**, caters to residents who utilize the overnight facilities and support, benefiting from a comprehensive range of offerings. However, certain services, such as the canteen and common areas, are also accessible to ambulatory patients for 8 hours per day, during weekdays. Thus, during the interviews, **3 key sub-areas emerged** within the hospitality and residential services area: canteen, infrastructure, and specialized care.

2.2.1.1. Canteen

Canteen services are recognized as one of the essential amenities provided by any institution. As emphasized by APCC's Director, all centers, whether residential or not, must meet the basic needs of their users, who often spend the entire day at these facilities, by providing adequate meals on-site. In general, residential users have access to **all necessary meals**, including breakfast, morning snack, lunch, afternoon snack, dinner, and a light supper. For ambulatory users, meal provision varies: most institutions offer meals from the morning snack through the afternoon snack, while others, like APCC, also provide breakfast and an early dinner, based on users' arrival and departing schedules. Meals are typically **simple yet nutritious** and healthy, with options tailored to specific dietary requirements when necessary (e.g., there are special dietary services at *Ability Beyond* and soup is made with substitutes for potato at AAJUDE).

Institutions like *CaritasCare* and *Shelter Plus Care* actively involve users in activities such as menu planning, assisting with food preparation, and learning about healthy eating habits

through nutrition workshops. However, because most users have limited capacities, their involvement in meal preparation is often minimal, making it hard for them to manage all cooking tasks. Consequently, most centers in Portugal **hire dedicated kitchen staff**, usually 1 to 2 cooks, often supported by 1 to 2 kitchen assistants.

For the initial setup, **kitchens must be equipped to meet ISS regulations**, including requirements such as stainless-steel appliances and other specified standards. Due to limited funding, different IPSS seek ways to reduce recurring food expenses by forming **partnerships with local markets, restaurants, or associations** to obtain groceries and household essentials at reduced or no cost. Some centers also collaborate with nearby schools or canteens to receive leftover meals, which facilitates operations and reduce costs.

2.2.1.2. Infrastructure & Additional Services

In terms of infrastructure, these institutions prioritize creating a comfortable, well-structured environment that feels familiar and less clinical, often resembling hotel-style accommodations, creating a welcoming environment that feels like a **true home for residents**. **Bedrooms** are a mix of private and shared spaces, typically housing from 2 to 4 beds, and, in most institutions, as *Casa de Betânia* and *Open Hands Community Care*, residents are encouraged to personalize their rooms by bringing in personal items and decor to achieve a home-like atmosphere. Rooms are furnished with regular beds and some emergency (adjustable or ergonomic) beds, which are available for patients who require additional care, since there have been examples of centers, such as QES, where patients unexpectedly and rapidly deteriorated their medical condition.

External areas, like those at *A Barragem* and QES, are designed to be open and welcoming, offering residents ample space to enjoy fresh air and engage in outdoor hangouts. **Inside, facilities** encompass a range of care environments, from standard nursing and residential spaces to areas that support independent living, integration, care, and transitional living services.

Lounges and common areas serve as central hubs for gatherings, group therapy sessions, and

recreational activities, reinforcing a sense of community. At places with more physically disabled individuals, like *CaritasCare*, electric tracking hoists were built. Infrastructure must meet the physical needs of residents, while enabling stimulation and enhancing their overall quality of life by promoting autonomy, comfort, and social connections.

Another related service that is generally available for residents is **transportation**. Most institutions encourage patients to use their own means of transportation – such as public transport or walking, based on their autonomy. For those with greater limitations, such as a lack of family support or reduced mental and physical capacity, transportation is provided by the center using a 7 to 9 seat vehicle or through partnerships with municipalities or fire departments. For instance, APCC travels around 3,500 kilometers daily to support its users. In rare cases, staff may even use personal vehicles to assist patients.

2.2.1.3. Specialized Care

Specialized care in the benchmarked institutions revolves around **individualized support plans** (*Plano Individual de Inclusão – PII*), tailored to each user's needs, abilities, and goals. The plan begins with a detailed assessment to identify strengths, required support, and actionable steps for achieving objectives. As mentioned on *Look Ahead Care Support and Housing's* website, the level of support per user varies from 24-hour support to a few hours per day. In Portugal, personalized care is mandatory by ISS, designed to sustain or improve residents' health and well-being, with a focus on independence and quality of life.

While institutions strive to provide comprehensive support, the level of **on-site medical staff** varies depending on demand. Nurses are typically present during the day or when patients show significant need, while direct-action assistants ensure round-the-clock care through shifts to help residents with daily routines and attend to any needs that may arise overnight. However, depending on the center's users, some organizations like *Turning Point* have 24-hour medical supervision. During the day, the ratio of staff to residents also fluctuates based on the needs and

complexity of the resident population – institutions may adjust staffing levels when dealing with more severely debilitated individuals compared to cases of residents with moderate disabilities. Thus, in Portuguese organizations, staff ratios do not necessarily follow ISS regulation. For example, the ratio of 1 assistant per 10 users is often surpassed: *Casa de Betânia* employs 16 General Service assistants for 22 users, while APPACDM-Porto operates with 13 for 33 users; APCC has 6 Direct-Action assistants for 17 users. So, personnel ratios vary according to the level of support needed by the residents, as well as the type of specialized staff requested by each ISS settlement.

Additionally, in centers where residents experience mental disabilities or other more severe conditions that limit their capabilities, institutions commonly take responsibility for **managing their bank accounts**. The goal is to safeguard users' funds while guaranteeing the timely payment of bills, hence ensuring residents can focus on their personal development without the added stress of financial management. Another common practice is the provision of **pocket money**, a small weekly allowance given to users for daily expenses (such as tobacco, coffee, etc.), which is withdrawn from their account. If a resident has insufficient funds in their bank account, the center may step in to cover the costs, like at QES.

2.2.2. Clinical Services

Upon admission to any clinic, center, or nursing home, evaluating each individual case thoroughly and establishing a personalized plan is a standard practice, as previously mentioned. Such plans define the specific support each person will require in terms of residential and specialized care, stimulation, or other necessary therapies and treatments. **Plans are designed to be dynamic, evolving in response to the recommendations of the TAP.** In this area, the range of therapies offered and the operating models tend to be similar across organizations. Nevertheless, some exceptions exist, such as APCC, which stands out for its extensive range of in-house treatments and therapies, which go well beyond what is typically available.

2.2.2.1. Psychological Services

Psychological support includes **mental health consultations** that address emotional, behavioral, and psychological needs. Additionally, institutions offer **psychoeducational and recreational groups**, which are structured groups that provide a safe space for residents to learn about their conditions, manage triggers, and develop coping mechanisms to build overall well-being in a supportive environment (The Pearl 2024). **Group-based support** is a central component, especially through evidence-based meetings that connect residents facing similar struggles. This is particularly emphasized in places like *A Barragem*, where residents are on a journey to overcome substance abuse and maintain sobriety, sharing common experiences with addiction. As their psychologist noted during the interview, “They benefit greatly from the group therapy model, as they can explore each other’s life stories, substance use, family relationships, and relapses”. Indeed, this group dynamics allow users to reflect on their own experiences while **finding strength and insights in the shared journeys of their peers**. In this sense, *CaritasCare*, *Continuum of Care*, and other institutions also help users **improve their personal relationships** (i.e., friends and family).

To enable such a comprehensive support system, a **multidisciplinary team** is essential. Each institution usually has 1 dedicated psychologist full-time and access to a psychiatrist. The arrangement of psychiatric support varies by institution: in *Projecto Homem*, the psychiatrist is part of the official workforce; in APCC and CECD, psychiatrics visit the center some hours per week; in *Casa de Betânia*, psychiatric services are fully outsourced.

2.2.2.2. Sensitive and Cognitive Stimulation

Sensitive and cognitive stimulation are essential in the process of helping residents maintain or improve their skills and independence to achieve certain goals. In this sense, **multidisciplinary rooms** – such as Snoezelen rooms – and educational programs are big supporters of stimulation, as they provide environments that foster cognitive and sensory development. These

methodologies are also instrumental in teaching essential daily skills, like hygiene, household tasks, and maintaining education levels, which are fundamental for residents' independence.

Regular counseling and **workforce development** courses further support residents, preparing them for adapted labor tasks, contributing to their independence through meaningful, task-based activities. Institutions like *Casa de Betânia* and *Phoenix Rescue Mission* tailor these activities to individual capabilities, allowing even mentally impaired residents to engage in purposeful work tasks, often volunteer-based, impactful for self-esteem and sense of achievement.

Therapies, like **Snoezelen**, create multi-sensory environments that reduce anxiety, bring joy, allow the patient to be immersed in an environment where they feel safe and calm, and enhance cognitive development, being one of the most used methodologies for sensory rooms (Snoezelen 2024). These rooms are present in institutions like APPACDM, *CaritasCare*, and CECD, typically requiring materials such as special lighting, bubble tubes, tactile panels, aroma diffusers, projectors for calming visuals, soft seating, and sound systems. In fact, interviews conducted validated the positive effects of this setting on individuals with mental disabilities.

Furthermore, most of the benchmarked institutions invest in **occupational therapies**, which further promote engagement: in *Life Without Barriers* and *A Barragem*, residents are divided into rotating teams responsible for areas like laundry, yard cleaning, or cooking, where they develop skills through structured tasks. These activities not only promote skill development but also foster a sense of teamwork and accomplishment. *Casa de Betânia* also prioritizes having all activities provided externally (i.e., nursing and medical care, physical therapy, psychiatry, training, etc.), which encourages cognitive and social engagement and contributes to residents' overall development and well-being (Brocket Media 2023).

2.2.2.3. Physical Therapy

Physical rehabilitation is a key service aimed at enhancing strength, motor planning, balance, and safety awareness, promoting maximum independence both in-house and within the

community (World Health Organization 2024). Common therapies include physiotherapy, hydrotherapy, hydro kinesiotherapy, electrotherapy, mechanotherapy, kinesiotherapy, and thermotherapy. These services are provided according to the resources and the organizations within their communities, as they form collaborations to provide residents with access to external activities at reduced costs. For instance, *Casa de Betânia* allows residents to have hydrotherapy at *Complexo de Piscinas do Jamor* through a cooperation with the local city council.

The **staffing model** often depends on the center's needs and available resources. Most organizations outsource physiotherapists or hire them to visit the center for specific weekly hours (e.g., 12 hours/week at AAJUDE). Other centers, like CECD, employ full-time physiotherapists to meet their residents' large demand. Alternative solutions encompass setting partnerships with nearby physical therapy centers and booking treatments through the *Serviço Nacional de Saúde* (SNS), which is free of charge and hence reduces the financial burden. Up to 2 psychomotricity technicians may also be hired to supplement the rehabilitation efforts.

2.2.2.4. Others

Adding to the clinical services mentioned, institutions often provide additional services to ensure holistic care, focusing on **enhancing the overall well-being of residents**. Examples include the use of augmentative and alternative **communication systems**, as well as targeted voice and swallowing interventions (specialized tools and approaches within speech therapy). Such services, offered by *Ability Beyond* and *Life Without Barriers*, aim to address communication challenges and build confidence and safety during meals. Additionally, institutions like *Leonard Cheshire* and *Open Hands Community Care* deliver epilepsy care, rehabilitation programs, choking and dysphagia prevention, and regular monitoring of vital signs such as blood pressure, temperature, and glucose levels. Emotional well-being is equally prioritized, with outlets such as **music and art therapy** used to alleviate stress, depression, and

low moods. For more structured mental health care, cognitive-behavioral therapy offers frameworks for managing behavioral and psychological challenges and leads to significant improvement in functioning and quality of life for patients (APA 2017).

Technological innovations also significantly enhance access to services like online therapy and virtual consultations at *Ability Beyond* and *Turning Point*, reducing logistics related with trips to consultations. Partnerships with healthcare providers also play a key role; for instance, *San Juan de Dios* has several hospitals that ensure continuous care for their users at lower costs. For an effective delivery of these diverse services, each center needs the appropriate equipment. Therapy spaces must be equipped with tools for art and music activities while staff needs health monitoring devices, such as blood pressure cuffs, thermometers, and glucometers. In some institutions, the responsibility for bringing more **specialized medical equipment** is delegated to the visiting healthcare professionals – typically nurses or doctors hired on a part-time or agreement basis. Regarding medical staff, there is no standard practice: some institutions have always up to 3 in-house nurses during the day alongside general doctors available for common specialties; others have just a psychiatrist and a nurse or a general practitioner and a nurse visiting weekly. In certain cases, all medical services are **outsourced**, leveraging SNS' system, which many centers find effective in their regions. This arrangement provides access to specialized care for a modest fee, as maintaining an infirmary or employing in-house doctors is not legally mandated for centers in Portugal.

2.2.3. Daily Activities

Daily activities aim to keep residents engaged and entertained during the day while stimulating them and supporting their progress towards achieving developmental objectives. These activities are broadly divided into competence training and occupational activities, as well as leisure and cultural activities. As the next subchapters describe, many centers capitalize on the opportunities available within their networks and local communities, finding innovative ways

to simultaneously offset financial challenges and enhance the quality of services provided.

2.2.3.1. Competence Training and Occupational Activities

As noted earlier in section 3.3.2.2., much of the cognitive stimulation provided by institutions occurs through **competence training and occupational therapies**. These initiatives include basic education and financial literacy classes, as done by *Phoenix Rescue Mission*, for instance. Moreover, one-on-one sessions are conducted to identify patient's individual needs, preferences, and aspirations, enabling professionals to devise personalized strategies. In these sessions, participants' potential for professional integration is also assessed, determining whether they can benefit from external or in-house training programs in adapted fields.

Professional integration can be promoted through adapted **external work placements** or **remote tasks**. The first channel is often facilitated by networks of partner companies and institutions, such as inclusion programs by *Jerónimo Martins* and *Fnac*, or local schools and businesses. About the second channel, compelling examples comprise *Casa de Betânia's* agreements for ironing services provided to nurseries and hotels, or *Elo Social's* collaboration with *Transportes Aéreos Portugueses*, the airline, where residents who are unable to leave the facility do the cutlery packaging for a fee. Such opportunities – volunteer or paid adapted work – combat social exclusion while keeping patients active and boosting independent living skills. Centers focus on personal and social development, cultivating communication skills, teamwork, confidence, self-expression, activities of daily living – as using public transportation, self-care routines, basic computer skills –, and practical tasks – like cleaning, meal preparation, and yard maintenance. In this sense, *Open Hands Community Care* also promotes assistive technology – systems that help disabled individuals perform tasks that might otherwise be difficult for them (Britannica 2024) – supporting autonomy by enabling greater independence. To promote social development, *CaritasCare* encourages residents to explore the local areas with kindness-focused initiatives (e.g., leaving painted stones for the community).

2.2.3.2. Leisure and Cultural Activities

Regarding leisure and cultural activities, some of the best practices also heavily rely on **leveraging local opportunities** through community events facilitated by municipalities or church groups and partnerships to provide available free training or programs. These community outings should further promote integration, reduce isolation, and create valuable networks, serving also as a cognitive stimulus. **Sports** are a key feature to foster physical and mental stimuli, with options tailored to residents' abilities, such as adapted swimming, dance, padel, horse riding or yoga, as done in AAJUDE, *CaritasCare*, APCC, and *Turning Point*. Moreover, **visits** to libraries, museums, concerts, and interactive exhibitions, or even community trips to destinations like Taizé, promote broader cultural and spiritual engagement. **Nature-focused activities** like gardening, animal farming, and environment protection workshops help residents connect with the environment. **Creative arts** are considered another important avenue, hence, opportunities to join musical bands, choirs, and drama classes which encourage self-expression and collaboration are common across the organizations. Creative activities are also **leveraged to alleviate the financial burden**, since users make items – decorations for festive seasons, felt and fabric crafts, gardening, woodworking, personalized jams, liqueurs, etc. – to sell to the community through either a brand (like APPACDM *Coimbra's Idem Aspas*), small church festivities (like *Casa de Betânia*), or by order (like *Elo Social*, which does carpentry, upholstery, and laundry by demand (Elo Social 2024)). For daily activities, the more basic classes happening in-house are usually taught by the direct-action assistants. Institutions like AAJUDE or *Casa de Betânia* have volunteers as workshop managers, while the majority hire sociocultural entertainer, being usually 1 per class. However, for centers with more population, as the legal ratio for workshop managers in Portugal is 1 for every 10 users, a rotational schedule was set, where in each room a different class is occurring and residents exchange from one to the other, to comply with regulation, as is the case in APCC.

3. Crafting the Financial Plan

What is the envisioned cost structure for CAPDM and how can a robust financing strategy be developed?

An **estimation of the costs entailed by CAPDM** and a **financing plan** are essential to compare against the ISS funding explored in Chapter 4. The fact that **financial management is crucial for nonprofit organizations to survive and fulfill their mission** (Stühlinger 2022) also highlights the importance of the financial plan designed in Chapter 5.

3.1. Cost Structure

To study the financial sustainability of CAPDM, a **breakdown of the costs** and an explanation of the assumptions behind its estimation are necessary. Firstly, costs were broken down into **CAPEX**, used to undertake new projects, and **OPEX**, used for the daily operations of a business (Fernando, James and Kvilhaug 2024). Considering the average construction time in Lisboa of 20 months (Instituto Nacional de Estatística 2023), the **first year of operation was assumed to be 2027** as the infrastructure would be built between 2025 and 2026. Costs were estimated until 2040, to provide a **15-year perspective** of the project.

3.1.1. CAPEX

CAPEX comprises construction, equipment acquisition and equipment replacement costs. Starting with **construction**, according to CVPaz and the technical project developed by this IPSS, the process is estimated to cost between €8,000 and €10,000 per sqm, totaling a range of €9,331,600 to €11,664,500, after considering 1,166.45 sqm of useful area. Assuming both the final project approval and the licensing process still need to be finalized, the construction process would start in May 2025. Considering the 20-months construction period, CAPDM would be ready at the end of 2026. Thus, 40% of the costs would be deployed in 2025 (8 out of the 20 months) while the remaining 60% would be spent in 2026 (12 out of the 20 months). The **ISS agreement**, which is key for the operation of CAPDM, requires an initial payment of €336

operations permit (Segurança Social 2023). Regarding construction licenses, CVPaz does not expect to incur any additional cost given the partnership with Torres Vedras Municipality.

In terms of **equipment**, which encompasses the remaining CAPEX components, estimations were performed based on the technical project provided by CVPaz, on the recommendations from Subchapter 3.4., and on ISS technical guidelines for a nursing home (Segurança Social 2012). Equipment prices were retrieved as of 2024, being adjusted to the expected Consumer Price Index (CPI) inflation rate to reach estimations for 2026 (O'Neill 2024).

The second component of CAPEX is **equipment acquisition**, comprising items necessary for CAPDM's spaces, lighting system, transportation vehicles, and fire security and gas requirements – totaling 29 captions. Air conditioning installation and electric infrastructure was assumed to be already incorporated in the aforementioned construction cost. Regarding **patients' use areas**, 27 bedrooms – each one accommodating 2 individuals – should be built, given the 54 residential users. Items prices were retrieved from *IKEA*, a global low-cost furniture brand. Furthermore, 3 types of bathrooms were considered: 27 private bathrooms – 1 per bedroom – with a shower unit and bidet included; 3 bathrooms without shower unit and bidet for the common areas; and 1 bathroom suited for people with reduced mobility. Items prices were mainly collected from *Leroy Merlin*, as it offers clients a satisfaction warranty, after sales service and minimum price guarantee (Leroy Merlin 2024). Concerning **common spaces**, both the living room and the canteen are designed to accommodate all 69 patients, either ambulatory or residential. The living room includes 1 TV, and the canteen has tables suited for 4 people each, as advised by ISS. The kitchen must obey very specific ISS requirements, such as having 2 distinct divisions for meat and fish preparations. All the items' prices were retrieved from *GGM Gastro*, leader in the European market for gastronomy equipment and kitchen accessories (GGM Gastro n.d.). Based on the technical project, CAPDM also incorporates kitchen counters for self-service and dirty dishes, a pantry, a specific room for the fridge and

freezer, a storage room and a dumpster area. Other basic equipment, such as kitchenware, was assumed to be a recurrent expense, thus included in OPEX computation, under the materials caption – will be detailed in Subchapter 5.1.2.. Furthermore, the team advises CVPaz to transform one atelier to build a gym and a laundry room which includes energy efficient washing and drying machines (graded at A and A+++, respectively). The other atelier has artistic purposes, allowing 16 people simultaneously. Concerning therapeutic rooms, the first requires office material essentially to allow for different therapies while the second is a Snoezelen room, which includes specific equipment chosen based on the benchmark conducted and research studies, with prices retrieved from *ZenSenses* store. Regarding **health-related areas**, the medical office requires office equipment, 1 articulated bed, and medical items, such as a defibrillator and blood pressure monitors. Except for the defibrillator, 3 items of each type we budgeted, as ISS guidelines suggest that quantities should correspond to 5% of the users' number. The infirmary has the same office equipment as the medical office and 2 extra examination tables. Concerning **administrative areas**, the center encompasses 3 offices – whose items' prices were collected from *IKEA* –, a meeting room – with a capacity for 8 people and a TV for presentations –, and an administrative reception. Finally, 2 areas are recommended to allow the staff to take a break, change clothing and store their belongings: the personnel room and the personnel balnearies (1 for men and 1 for women). Besides bedrooms and bathrooms, the **most expensive areas** are the living room – due to the large capacity required –, the kitchen, the medical office and the personnel room – given the expensive specific equipment, such as the dishwasher, the medicine refrigerator and the lockers (which are meant for personnel and ambulatory users). The **lighting cost** was estimated per room and according to the number of lux (i.e. the standardized unit of measurement of light level intensity) necessary per sqm for each area. The calculation was based on *Gold Energy* information (Gold Energy 2024), yielding a total of 232 lamps and amounting to €1,872. Regarding **fire security**, CAPDM should have

8 units of ABF Water Fire Extinguisher 6 lts Pack (1 per 200 m²), an independent gas detector and a fireproof blanket, according to ISS regulations. To ensure the building is ready in 2027, a one-time inspection (*vistoria*) and several registration and accreditation processes are mandatory, representing a €814 total expense (República 2021). Initial **gas inspection** is also necessary in 2026 to ensure CAPDM is ready in 2027, costing €52 (Outeiro 2020). The last caption relates to the acquisition of vehicles to provide **transportation**. To allow for a comparison of different transportation services options, the lower bound assumes the acquisition of 1 vehicle and the upper bound considers the acquisition of 2. Research on second-hand diesel cars of 7 seats led to an average unitary cost of €15,000 (Costa 2024). So, total equipment acquisition cost ranges from €105,000 to €120,000, depending on the number of vehicles acquired.

Due to the limited lifespan of the aforementioned items, periodical replacement is expected to take place overtime. Thus, the third component of CAPEX is the **replacement costs of equipment**. Firstly, the different useful lives of products were retrieved considering various sources of information to enhance the rigorousness of the analysis. Secondly, the costs were calculated as the price of each item in the year required for them to be substituted, which is the last year of useful life. Since the minimum useful life is 2 years, replacement expenses are predicted to start in 2028, having an annual average of €7,350 (lower bound) and €8,700 (upper bound) between 2028 and 2040. In 2036, replacement expenses are exceptionally higher, due to the expected acquisition of a new vehicle.

3.1.2. OPEX

The second type of cost is OPEX, encompassing **9 categories**, with several evolving according to the expected CPI inflation rate – assumed to be constant after 2027 (O'Neill 2024). Moreover, the QES model was utilized to extrapolate some categories to CAPDM, given its similar

capacity and users' clinical profile, hence supporting a cost estimation aligned with CVPaz reality.

The first category is **personnel costs**, for which CVPaz provided a list of planned staff for CAPDM, split between permanent and retainer base staff (explained in Subchapter 3.4.4.). Regarding **permanent staff**, the monthly base salary per job position was retrieved from the wage table which portrays the minimum salary to be paid by law and serves as current reference for CVPaz (CNIS and FEPACES 2023). The total payroll per worker is a sum of: 14 months of the aforementioned monthly salary, insurance expense (0.7981% of the annual base salary, according to CVPaz current practices), social tax (22.3% of the annual base salary, according to ISS legislation (Segurança Social 2024)), meal subsidy (€3.5 per working day, according to the aforesaid wage table), medicine at work expense (€26.25 per worker in the first year and then every 2 years, assuming that all new workers will be below 50 years and according to CVPaz current practices) and professional training (€20.20 per worker per year, estimated based on the average cost of CVPaz in 2023). Part of the direct-action assistant workforce is predicted to be working during the night, earning 25% more than the daily salary (CNIS and FEPACES 2023). Concerning **retainer base staff**, the monthly base salary per type of job was collected either from CVPaz's wage table, or salary tables negotiated with medical (Simedicos 2024) and nursing (SEP 2024) unions. The total payroll per worker comprises only 12 months of the aforementioned base salary – since employees are part of an agreement – and the staff ratios recommended in Subchapter 3.4.4. were followed to conclude the estimation.

Considering that, for each position, regardless of the type of contract, the wage may vary due to different levels and years of experience, a range of salaries was estimated. Thus, the upper bound assumes that all workers will have the highest experience, hence earning the highest wage described in the aforesaid wage tables. The lower bound consists of the lowest levels of wages present in the legislation, given the lower experience in the area. To estimate the

personnel costs for future years, the base salary was deemed to grow at the expected minimum wage growth rate, assumed to be constant after 2028 (Covita and Canas 2024). The annual costs of the meal subsidy, medicine at work and professional training were assumed to grow at the expected CPI inflation rate. Considering this approach, personnel costs are expected to amount approximately €905,000 (lower bound) to €990,000 (upper bound) in 2027. **Food supply costs** were computed in 2 different ways, considering that residential users would consume breakfast, morning snack, lunch, afternoon snack, dinner and supper for 365 days while the ambulatory users would only consume morning snack, lunch, and afternoon snack during weekdays. The first approach is based on the 2021 general diet plan from the Portuguese Association of Nutritionists (Ministério da Saúde 2021), which allowed to retrieve the ingredients and quantities required per user. Costs were computed using *Continente* as the main source of ingredients' prices, being then updated at the expected CPI inflation rate. In 2027, food supply costs are estimated to amount approximately €104,000 according to this approach. The second approach is based on a 2017 Master thesis, focused on hospital meals (Silva 2017), which allowed to retrieve meal costs per user at the end of 2016. Costs were then updated at the observed and expected CPI inflation rates. In 2027, food supply expenses are forecasted to be around €164,000 following this approach. Indeed, the first approach registers lower costs since it relies on less complex meal recipes as well as other cost-saving practices such as bulk purchasing. **Materials** comprise cleaning, hygiene and comfort; clothing; medical (general and specific to each user); recreational; and painting. All costs, except for painting, were estimated by extrapolating from current CVPaz practices in QES. Thus, the ratio per user of each type of material expense in QES in 2023 was calculated and then adjusted to CAPDM. Painting materials costs were additionally computed by collecting prices from *Continente*, since this activity is recommended in CAPDM but is not present in QES. All CAPDM users are assumed to require cleaning, hygiene and comfort; medical (general and specific to each user);

recreational and painting resources. Residential users were assumed to also use clothing materials. After updating the expenses at the expected CPI inflation rate, total materials costs are predicted to be approximately €20,000 in 2027. **Utilities costs** encompass electricity, gas and water expenses. The electricity expense was estimated assuming a constant 1,320 kWh average annual consumption of electricity per person (Repsol n.d.) and a €0.1559 average cost per kWh from *Iberdrola* (CVPaz supplier in QES) in 2024 (Fatela 2024). Costs were computed considering that ambulatory users only spend 8 out of 24 hours during weekdays in the center, while residential users live in CAPDM for the whole year. Other crucial assumptions are an annual cost increase of 2.1% (Suspiro 2024) and a €0.01 annual electricity tax per kWh (according to CVPaz bills). Regarding water and gas expenses, the costs incurred in QES in 2023 served as a reference. Thus, the ratio per user was computed and then extrapolated to CAPDM, with an adjustment between residential and ambulatory users considering the time spent at the center. Water prices were assumed to grow by 8.5% in 2024 (Oliveira 2023) and by 3.89% afterwards (Católica-Lisbon 2024) while gas prices are predicted to increase by 3.6% annually (Enerdata 2018). In 2027, total utilities costs are estimated to be approximately €29,500 – €13,400 of electricity, €5,400 of water and €10,700 of gas. **Maintenance costs** are divided into 2 major segments and were also estimated as a range: lower bound (if 1 vehicle is acquired), and upper bound (if 2 vehicles are acquired). The reference year for prices was 2024, being then adjusted to the expected CPI inflation rate. **Preventive maintenance** is the regular maintenance of equipment to keep them running and prevent any unplanned cost arising from its failure, hence covering 3 main areas: fire security, gas and transportation. Fire security annual inspections are mandatory (Diário da República 2008), thus starting in 2027, while periodical gas inspections take place every 3 years, thus beginning in 2029 – considering that the first inspections occur in 2026 to ensure the building is ready. Lastly, vehicle maintenance only encompasses inspection and revision, since IPSS are exempt from IUC (Automóvel Clube

de Portugal 2024). As the vehicle is expected to have more than 8 years after the date of its first license plate, inspection takes place every year (IMT n.d.). Moreover, revisions should happen every 2 years, assuming the vehicle will do short trips, thus having low millage (Norauto n.d.). Overall, the annual average cost of preventive maintenance is predicted to be €340 for the lower bound and €440 for the upper bound, between 2027 and 2040. **Corrective maintenance** accounts for the necessary repairs of equipment so that it can perform its intended function. A percentage-based estimation – ranging from 2 to 5% of the gross value added (UpKeep n.d.) – was applied to the costs per division, considering the equipment lifespan. For 2027 and 2028, corrective maintenance costs were assumed to be €0 assuming a warranty of 2 years, as all equipment is new. To calculate the annual corrective maintenance cost per area, a weighted average of the useful lives of products and their costs was used, ending up in replacement at the end of the product's lifespan. This process yielded the Averaged Useful Life, which served as the basis for deriving the corrective maintenance cost. The percentage of corrective maintenance to be applied depends on the equipment lifespan: as the useful life of products falls, the non-predictable maintenance costs are expected to rise. However, corrective maintenance does not apply to certain products, such as bed clothing, as these are typically replaced rather than repaired. The overall costs of corrective maintenance are incremental during the period, representing an annual average of around €2,400 for the lower bound and €2,600 for the upper bound, between 2027 and 2040. **Waste management costs** were estimated based on the fees currently charged by Torres Vedras Municipality (Torres Vedras n.d.) and assuming no change in the future. The expenses comprise a fixed fee of €3,300 as well as a variable fee that depends on the water consumption level in cubic meters – assumed to be similar to the average consumption per user in QES in August 2024 and adjusted based on the hours spent at CAPDM of each type of user. The variable fee is estimated at approximately €320 in 2027. The upper bound consists of the aforesaid fixed and variable costs while the

lower bound assumes CVPaz can negotiate an exemption of the fixed fee, as IPSS are not entitled to pay it in some cities. To compute **transportation costs**, 2 scenarios were considered: offering transportation services with CVPaz's own car to all 69 users (upper bound) and to the 54 residential users only (lower bound). Costs of this category are variable, comprising fuel, tolls, parking and stay expenses, and depend on the type and frequency of service offered, rather than on the number of vehicles. Considering the expenses incurred in QES in 2023, a ratio per user was computed, extrapolated for each bound and updated at the expected CPI inflation rate. Thus, in 2027, transportation costs are expected to range from €9,500 (lower bound) to €12,000 (upper bound). **Administrative costs** comprise marketing and advertising costs and insurance, since legal, accounting and software costs were considered headquarters costs that do not expect a significant increment. Moreover, the EQUASS Certification, a European quality recognition (APQ n.d.), already present in QES, was not considered a current priority for CVPaz. **Marketing and advertising expenses** were assumed to equal to the ones observed in QES. **Insurance** encompasses *Ensino Seguro* and *Multirriscos*, considered to be equal to QES, and car insurance, which should be €750 per acquired car, according to CVPaz. After accounting for the expected CPI inflation rate, administrative costs range from €2,840 (lower bound – if 1 car is acquired) to €3,640 (upper bound – if 2 cars are acquired) in 2027. **Communication & technology costs** were calculated by extrapolating a ratio per user retrieved from QES expenses, assuming CAPDM would have the same practices and suppliers. Costs were then assumed to grow at the CAGR of 1.19%, which was registered from 2010 to 2022 (ANACOM 2023). Thus, communication costs are expected to be approximately €4,770 in 2027.

4. Designing the Go-to-Market Strategy

How can CAPDM ensure a seamless transition to operational readiness?

4.1. Value Proposition Assessment

After understanding the financial viability of the center, the next step is establishing the go-to-market strategy of CAPDM, which includes developing an implementation plan, KPIs and a risk management framework. To provide an effective go-to-market strategy, the sweet spots of CAPDM should be thoroughly analyzed to identify key strengths and value-adding elements. Thus, Subchapter 6.1. applies and explores 3 conceptual elements: the optimal value proposition; the positioning; and the value proposition canvas.

4.1.1. Optimal Value Proposition

The optimal value proposition allows to understand the need that emerges from the gap spotted by CVPaz in addressing individuals experiencing homelessness or social exclusion that cannot live autonomously due to moderate disabilities. The analysis reveals a pressing need for CAPDM due to the **lack of existing centers that holistically address their needs**. While other institutions in Portugal offer basic care, residential services, or autonomy-building programs, none integrate shelter, healthcare, psychological support, and daily activities to foster independence of disabled individuals facing homelessness or social exclusion. CAPDM's **unique value proposition lies in its comprehensive and personalized care plans**, which cater to the physical, psychological, and social needs of its users, promoting autonomy and personal development in a safe environment. As Subchapter 2.1.4. details, this innovative model addresses an unmet need of over 800 individuals, filling a critical gap in the current system.

4.1.2. CAPDM Positioning

Points of parity, points of difference and reasons to believe helps explaining how CAPDM will operate based on the identified gap (developed in **Appendix I**). The foundational **points of parity** are the basic elements required to position the center as a credible and viable option

(Keller, Sternthal and Tybout 2002). Indeed, delivering expert-led and compassionate care as well as offering personalized and functional accommodations sets the baseline for CAPDM to be perceived as a legitimate care provider. The **points of difference** are the unique benefits offered that allow the center to stand out. In fact, being the first infrastructure in Portugal that specifically addresses the challenges of homelessness, substance abuse and disability positions CAPDM as a trailblazer in this underserved sector. Furthermore, CAPDM's close collaboration with Torres Vedras Municipality enhances its ability to deliver comprehensive support in a serene setting. Finally, the **reasons to believe** highlight why the successful implementation of CAPDM is achievable. These reasons go beyond the previously identified points of parity and points of difference and reinforce the promise of effective and efficient delivery to the customer (Kotler, Kartajaya and Hooi 2017). CVPaz's years of experience addressing homelessness, combined with the urgency of supporting a growing population of disabled individuals, underscores the organization's ability to deliver impactful services. CAPDM's model not only addresses immediate care needs but also aligns with long-term goals of users' independence and social integration, making it a vital player in tackling such a pressing issue.

4.1.3. Value Proposition Canvas

At the final level of the value proposition analysis, the focus shifts to studying the value delivered to the customer segments through the value proposition canvas (visual representation is presented in **Appendix 2**). This framework comprises 2 primary elements: the **customer profile** and the **product value proposition**.

The first element, customer profile, identifies the target customers to be served, capturing the various needs and challenges they might face through 3 essential dimensions: customer jobs, pains, and gains (Natalia n.d.). **Customer jobs** refer to the tasks that patients seek to accomplish, the problems they aim to resolve, or the needs they strive to fulfil. In the context of CAPDM, these jobs include addressing fundamental survival requirements, social needs, and

rehabilitation and independence goals. **Customer pains** encompass the negative experiences, emotions, or risks patients encounter while attempting to fulfil these jobs. In this scenario, such pains involve the absence of specialized care, the challenges of social exclusion and safety risks associated with inadequate support. **Customer gains** represent the benefits patients anticipate, desire, or find pleasantly surprising. In CAPDM, these gains comprise access to a stable and supportive environment, opportunities for social and personalized support, skill development, and improved well-being. The second element, product value proposition, emphasizes the rationale behind the business' value creation for customers through 3 primary areas: products or services, gain creators, and pain relievers. The focus of the analysis is placed on how such products or services offered address customer needs, solve their problems, and deliver tangible benefits (Korolov 2018). Indeed, CAPDM **services** encompass daily activities and residential and clinical services alongside individualized care and community engagement programs. The **pain relievers** component addresses how the service alleviates the challenges faced by patients. CAPDM provides a comprehensive and inclusive care model and stable living environment, by fostering a stigma-free community supported by qualified staff. Lastly, **gain creators** focus on how the service enhances customer benefits and adds value (Belleflamme and Neysen 2020). CAPDM excels in improving quality of life through its pioneering social initiatives, instilling a sense of belonging, and providing a structured pathway to independence for its patients. By addressing these dimensions comprehensively, CAPDM ensures that its value proposition aligns seamlessly with patients' specific needs and expectations, thereby delivering a transformative and impactful experience.

4.2. Action Plan

The analysis of CAPDM's value proposition highlights its potential to address an unserved need in Portugal while ensuring maximum value creation. Crucial elements were identified to help ensure a consistent prioritization of goals and tasks during the development of the center. Thus,

the foundation is established to understand how CAPDM's objectives can be achieved and to set the stage for the implementation plan. To assure a successful implementation plan, the 7P's framework was developed to guide CAPDM's operationalization and strategic goal alignment.

4.2.1. 7Ps Framework

The 7Ps framework offers a detailed approach to develop and execute successful marketing strategies through customer needs alignment and engagement enhancement (Assemblo 2021).

4.2.1.1. Product

Product refers to the services' features, design, and quality offered to fulfill the needs of customers. The core service offered by CAPDM focuses on **supporting individuals experiencing homelessness or social exclusion that cannot live autonomously due to moderate disabilities**. In addition to basic services such as shelter and food, CAPDM provides healthcare, cognitive stimulation and competency training activities, psychological and psychosocial assistance, psychomotor therapy, and social support, through a **holistic approach to care** that supports individuals at critical stages in their lives.

4.2.1.2. Price

Price is the cost the customer pays for the product or service, with pricing strategies accounting for factors like production expenses, competitive pricing, and how customers perceive the product value. As previously discussed, **no fixed price** should be charged for services at CAPDM. Instead, a **sliding-scale fee model** – where the fee is adjusted based on the financial capacity of each user (Banton 2024) – may be applied. As discussed in Subchapter 5.5., CVPaz must ask for a proportion of the individual's pension or income, to ensure that the center is accessible to individuals regardless of their financial status. Indeed, CAPDM primary focus is providing high-quality care over generating profit.

4.2.1.3. Place

Place pertains to the distribution channels used to make products accessible, ensuring customers can conveniently access what they need. CAPDM's **planned location is Torres Vedras**, a town known for its history and scenic beauty in the district of Lisboa. The town's accessibility and peaceful atmosphere provide an ideal setting for individuals requiring rehabilitation and care.

The facility offers a **welcoming, safe and home-like environment**, designed to meet the specialized medical, residential, and daily care needs of its residents. By prioritizing both physical comfort and emotional well-being, a sense of belonging and support can be fostered during the rehabilitation process.

4.2.1.4. Promotion

Promotion involves the communication efforts used to inform and persuade customers about the value of the product or service, including advertising, public relations, and digital marketing tactics that help create awareness and engagement. Given the significant number of individuals estimated to be on the waiting list (as explained in Subchapter 2.1.4.), **promotion efforts should focus on securing funding and establishing partnerships** to sustain and expand CAPDM operations. Additionally, the promotion strategy should emphasize social responsibility positioning, showcasing CAPDM's vital role as a pioneering solution. Building collaborations with advocacy groups and government agencies involved in homelessness and disability support should further enhance the center's visibility and credibility.

4.2.1.5. Physical evidence

Physical evidence encompasses the tangible elements that customers interact with or observe. CAPDM's physical space is designed to align with its mission of providing a comfortable, supportive environment for its residents. The center offers **customized living spaces** where residents can personalize their rooms, fostering a sense of ownership and reducing the typical clinical atmosphere of care facilities. Shared common areas encourage socialization and create

a family-like environment, enhancing residents' sense of community. Finally, the infrastructure is recommended to be built with **easy movement pathways** to ensure accessibility to individuals with disabilities while maintaining their autonomy.

4.2.1.6. People

People focus on the individuals involved in producing, delivering, and supporting the product or service, emphasizing that the quality of customer interaction plays a significant role in the overall experience. The center should be **staffed with a qualified team**, where ongoing training and workforce wellbeing prioritization are pivotal to ensure high quality services.

4.2.1.7. Process

Processes refer to the systems and workflows in place that ensure smooth and efficient delivery of products or services to customers. CAPDM should implement a **comprehensive intake and assessment** process to evaluate the needs of incoming residents. This approach allows the center to provide personalized support, distinguishing between those who need residential care and those who would benefit from day-care services. Personalized plans should be designed to foster personal growth to potentially reintegrate them into society. Furthermore, CAPDM should ensure that **care is continuously monitored and adjusted** through a **continuous feedback loop** and regular assessments. This ongoing evaluation ensures that residents' evolving needs are met and care plans are adapted accordingly to meet high quality standards.

4.2.2. Communication Plan

After establishing the guide of CAPDM's operationalization through the 7P's framework, designing a communication plan is the next step. Indeed, communicating the creation of CAPDM to key stakeholders is crucial, given their importance as potential partners and funding sources. Hence, a communication plan should be developed in a structured and strategic manner to deliver **consistent and impactful messaging**.

In this setting, the communication plan should have 2 scopes: internal – targeted at current CVPaz stakeholders – and external – focused on setting new partnerships and funding sources. In fact, **internal communication** must be transparent to clearly show current stakeholders – staff, donors, corporate partners, government institutions – the importance of their added value. To guarantee a smooth communication, the first step is **identifying and profiling key stakeholders** through an individual evaluation of their impact on CVPaz. Moreover, the interest of the stakeholders should be evaluated to place them in the power and interest matrix (**Appendix 3**). Since the next step is conducting meetings with all stakeholders, establishing the **communication goal** as well as the **communication approach** is crucial. Regarding the communication goals, the meetings should aim to share how stakeholders can actively contribute to the implementation of this pioneering project. For instance, current corporate partners such as *Pingo Doce*, *Continente*, *Aldi*, *Lidl* and *Sovena* may extend their food and materials donations to CAPDM (Comunidade Vida e Paz 2023). Thus, the communication approach should start by providing a context of CAPDM and the reasons behind its creation. Furthermore, stakeholders should be allowed to provide feedback to ensure their continuous and active support. Thus, CVPaz should hold onto the emotional side of each stakeholder rather than just informing about the operationalization processes for CAPDM. For instance, one-on-one communication with stakeholders tends to be 34 times more effective than by email (IESE n.d.). Moreover, given the dimension of CAPDM project, communicating to all stakeholders is crucial. Finally, **feedback monitorization and follow up is essential**, by addressing possible concerns or implementing risk management measures (Swift Digital 2021).

External communication may be directed to either new users or new partners (operational and financial). In the context of CAPDM, where a large waiting list of users is expected, communication to new partners should be prioritized. Thus, CVPaz should **develop a stakeholder engagement framework** centered on effectively conveying the unique value

proposition arising from financing CAPDM. Indeed, highlighting the importance of such contributions and clearly showing why CAPDM stands out as an innovative, pioneering solution to promote social inclusion in Portugal is essential. Other persuasive factors should also be underlined, such as the strong reputation and established credibility of CVPaz and the measurable outcomes implied by CAPDM. As Chapter 7 will explain, CAPDM's commitment to accessibility and inclusivity aligns with Corporate Social Responsibility (CSR) objectives and United Nations Sustainable Development Goals (SDGs). Indeed, potential corporate partners can showcase their dedication to addressing pressing social challenges and building goodwill, for instance, by engaging employees through meaningful volunteering initiatives at CAPDM. When it comes to sharing stakeholders' donations and contributions to the public, CVPaz currently adopts a strategy that allows each partner to decide the communication approach. Several channels can be used, such as social media, website posts or recognition plaques to be displayed in CAPDM, similar to Nova SBE's practice. The communication of the donations received can be done directly with the announcement of the new center opening – **Appendix 4** illustrates an example of an Instagram layout to announce CAPDM to the public. Furthermore, different buildings and facilities can have the name of the most important partners (for example, *Pingo Doce* Canteen or *CUF* Infirmary, similar to what already happens at QES). Other initiatives include the creation of the “Donor Honor Day”, where donors may be invited to participate in activities with CAPDM users and the “Donor Wall” may be created by incentivizing users to paint the names of all donors. Moreover, exhibitions with sculptures and paintings prepared by CAPDM patients can be hosted in recognition of several partners. Sending an appreciation video of a user explaining how specific contributions have impacted his life is a simple but also impactful measure. Finally, **Appendix 5** portrays an example of a social media campaign to promote income tax contributions among the Portuguese population, which might be a relevant funding source of CAPDM project.

4.2.3. Implementation Plan

4.2.3.1. Legal Agreements and Construction Process

After communicating CAPDM plan to all stakeholders, the **establishment of the necessary legal agreements and financial partnerships is the next step.**

Firstly, **technical details**, such as bureaucratic requirements, licenses and approvals for the technical plan, must be finalized with the Municipality of Torres Vedras to ensure compliance with construction regulations and alignment with urban planning standards. This phase involves scheduling meetings with municipal authorities, finalizing architectural plans, obtaining construction permits, and ensuring all documentation is set for smooth initiation of the project.

Secondly, **coordination with ISS** must begin early to prepare for the eventual formalization of the typical cooperation agreement recommended in Subchapter 4.2.. This agreement is crucial to define the relationship between CAPDM and ISS, enabling the facility to operate as both LR and CACI. Although the operation authorization (a document issued by ISS authorizing the operation of CAPDM) can only be granted after construction, initiating dialogue with ISS at this stage ensures the facility is designed in line with regulatory requirements, preventing delays or costly adjustments. Moreover, this early coordination is essential to secure the funding that CAPDM relies on to support its operations once the facility is functional. Thus, CVPaz needs to start arranging meetings with ISS representatives to clarify expectations, review compliance requirements, and begin gathering the necessary documentation for the authorization process. For the operation authorization to be granted, certain key details must be submitted and verified, including the conformity of the facilities and equipment with the specific legislation applicable to the planned services, as well as the submission of an internal regulation project. This document must specify essential aspects such as the user admission criteria, the services and care to be provided, the facility's capacity, the staffing structure, the operating hours, and the rights and duties of both users and the organization (Segurança Social 2023). Thirdly, to ensure

a smooth construction process, **formalizing financial partnerships and applying to grants** are essential to gather the necessary CAPEX funding. As explained in Subchapter 5.5., different financing options should be analyzed at this stage.

Once all documentation is ready, the construction license is obtained and the necessary funding is gathered, the construction process should proceed smoothly. Indeed, careful material selection and quality assurance are critical to ensure safety, efficiency, and cost-effectiveness of CAPDM project. During the construction process, the changes in protocols of ISS need to be monitored, since new regulations might appear on the design and set up of the facilities.

4.2.3.2. Facility Set Up and Operational Readiness

After the construction process of CAPDM, the first step is ensuring that the **physical environment and operational infrastructure are fully prepared and optimized.**

Facility set up includes the installation of essential furniture, safety and accessibility features, including ramps, emergency exits, and multi-sensory environments like Snoezelen rooms, which are integral to accommodate diverse user needs. Additionally, spaces designed for consultations, therapies, and group activities must be fully equipped according to regulatory and operational standards. Utilities, including electricity, water, and internet, should undergo final inspections to confirm their reliability, while IT systems supporting administration and patient management should be rigorously tested to ensure its seamless operation.

Moreover, as mentioned, **recruitment and training** are pivotal during this phase to build a competent and compassionate team. Recruitment materials and platforms, such as MyCareforce or Expomedics Career Fair, are usually utilized to attract qualified medical professionals, therapists and hospitality staff. Comprehensive training modules ensure staff are adequately equipped with expertise in emergency procedures, therapy techniques, and multidisciplinary collaboration. Onboarding materials, such as presentations about CVPaz and CAPDM, introduce staff to the culture, policies, and service expectations. Workshops and hands-on

training that might be provided by partner clinics or universities within Portugal should focus on addressing diverse disabilities to foster a skilled and responsive team. **Regulatory compliance** is a critical focus, requiring the acquisition of building safety and health certifications, including property tax registers, property registration certificates, and inspection records for technical systems. Moreover, compliance with ISS protocols is required to ensure that the facility meets all legal and ethical standards.

To guide operations, standard operating procedures (SOPs) should be developed for patient care, food management, and facility maintenance. Quality checklists might be used to validate the readiness of various areas, from clinical spaces to communal lounges, as well as guarantee that the accessibility standards are rigorously applied.

The effectiveness of this phase can be enhanced by the adoption of best practices, such as a detailed plan with clear timelines to minimize delays, align operations with practical needs, and prioritize stakeholder engagement by involving staff and experts during the setup phase. System testing, including dry runs for utilities, emergency equipment, and patient management systems, helps identify and resolve potential issues before operations begin. Safety remains a cornerstone, guiding decisions on construction materials, equipment installation, and operational protocols. By addressing these multifaceted elements, CAPDM ensures a seamless transition to operational readiness while upholding its mission to provide a safe, inclusive, and dignified environment for its users.

4.2.3.3. Strategic Collaborations

Another crucial phase comprises formalizing strategic collaborations with key stakeholders, including **suppliers, medical providers, organizations within the community, and operational partners**, to establish a robust foundation for CAPDM's long-term success. As emphasized by AAJUDE in an interview, it is essential to “make an effort to establish partnerships” and prioritize “rational choices that will benefit the users”.

Thus, the operational partnerships and agreements discussed in Chapter 3 as well as the *Valorsul* agreement suggested in Chapter 5 should be set before 2027. Indeed, a successful community engagement allows better relations within the town and enables joint activities. Collaborative workshops with academic institutions like Nova Medical School may present an effective way to train staff and strengthen professional networks. Additionally, initiatives like *Orçamento Participativo*, where community projects are proposed and funded through local government resources, may foster broader support for CAPDM's project (Torres Vedras 2024). To ensure continuity and efficiency in maintaining these partnerships and agreements, structured procedures are crucial to guarantee that stakeholders are updated on CAPDM's progress. Examples of procedures include newsletters, social media engagement, semestral meetings with the Municipality to explore initiatives that align with CAPDM's goals, and annual reviews with partners to assess satisfaction and refine agreements.

4.2.3.4. Service Activation and Patient Intake

In the beginning of 2027, the focus lies on **welcoming the first users and initiating CAPDM's core services**, laying the groundwork for personalized care and community integration.

During this stage, patient intake processes should be established through assessments using tools such as the *Atestado Médico de Incapacidade Multiusos* and MOSS-PAS assessment. These evaluations should inform individualized care plans that address each resident's unique needs and aspirations. The implementation of electronic health record (EHR) systems, such as Epic Systems, is a must to document patient progress, ensuring efficient communication among staff and consistent monitoring of outcomes.

Daily activities and skill-building workshops should also commence, supported by clear weekly schedules and appropriate materials. Additionally, individual weekly meetings with residents are highly recommended to start at the beginning of the center's operationalization to provide opportunities for self-evaluation and collaborative goal setting, with tools such as progress

tables that encourage reflection and accountability.

Moreover, staff should evaluate residents in order to assess the possible contributions to center maintenance through the activities developed previously in Subchapter 3.4.. Finally, as previously explained in Chapters 4 and 5, CVPaz should guarantee that all users who are eligible to an ISS pension or other source of income are actually receiving it.

4.2.3.5. Community Engagement

An **active engagement with local organizations** is a priority to ensure that CAPDM successfully integrates into Torres Vedras' community while fostering user autonomy and creating opportunities for revenue generation.

A key aspect involves organizing cultural visits to local attractions such as *Centro de Educação Ambiental* and activities in collaboration with schools, the Municipality, and other local partners, as explained in Subchapter 3.4.. Participation in community events, such as *Carnaval de Torres Vedras*, might further enhance users' connection to the surrounding area. CAPDM should incentivize the production of handmade goods done in the daily activities for subsequent sale in the local markets or online platforms. To support these efforts, partnerships with the Municipality and organizations within the community should be established to secure venues for exhibitions and sales events, while also fostering local goodwill, support, and promotion.

In this phase, marketing tools, like brochures and social media campaigns, are essential for promoting products and activities effectively. Regular assessments of these activities allow for adjustments based on feedback, ensuring their continued relevance and impact. Furthermore, integrating cultural traditions and themes into the center's offerings should resonate with the community and reinforce CAPDM's role as an active, socially engaged organization.

4.2.3.6. Continuous Monitoring and Improvement

The final phase of CAPDM's implementation plan consists of continuous monitoring and improvement by **regularly evaluating users' perception of life quality and the center's**

performance to ensure optimal service delivery and operational efficiency.

Indeed, a cross-culturally assessment like WHOQOL (World Health Organization Quality of Life) is relevant to measure the quality-of-life perception of each user and thus monitor their progress in CAPDM (World Health Organization 2024). Furthermore, tools, such as the KPIs which will be described in Subchapter 6.4., and structured feedback channels for staff, residents, and community partners can provide valuable insights into the center’s successes and areas requiring improvement. Recognizing and rewarding contributions from both staff and external collaborators are highly recommended to further strengthen engagement and morale.

4.2.4. Implementation Timeline

The implementation plan should start off by communicating to internal stakeholders the intention to build CAPDM. As the opening date approaches, social media campaigns should be adopted to share the project. Then, all the aforementioned phases should take place according to the timeline illustrated in *Figure 1*. Once the center is operationalized, KPIs need to be assessed and controlled on the third quarter of each year. To ensure the timely and effective implementation of each phase, a person or a department were assigned based on the CVPaz’s organizational structure (Comunidade Vida e Paz 2023). Moreover, establishing a project Manager is crucial to ensure the process of CAPDM implementation runs smoothly.

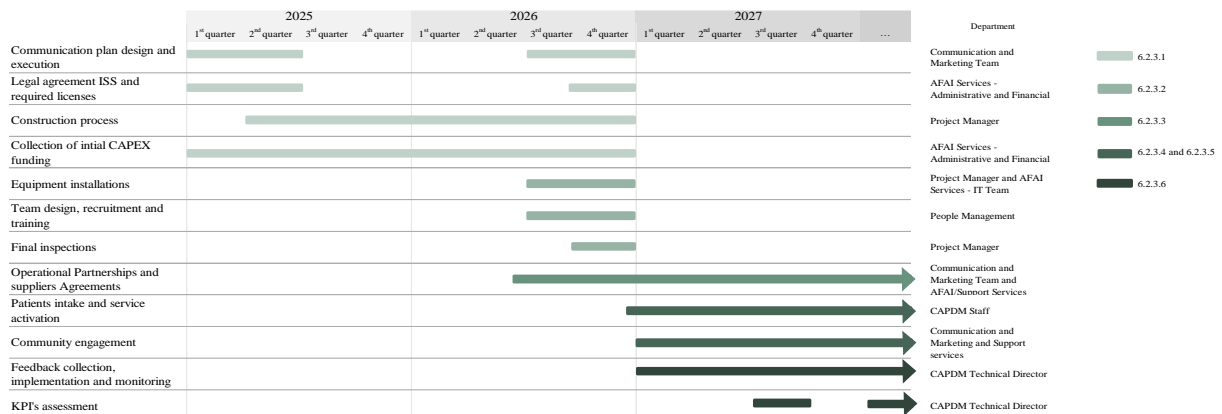


Figure 1: Implementation Roadmap – Even though CAPDM's operations only start in the beginning of 2027 several tasks need to be completed beforehand

4.3. Performance Measurement

KPIs are **financial and non-financial indicators used to estimate and strengthen success**, aimed at achieving previously established long-lasting goals (Parmenter 2012). Several KPIs were developed to assist CVPaz when aligning CAPDM's operations to strategic objectives, support stakeholder engagement by demonstrating the center's progress and aid the application for PRR 2030 grant. To ensure the usefulness of this tool, the metrics were defined based on the benchmark study conducted as well as critical thinking. Afterwards, KPIs were presented to CVPaz to guarantee that all metrics and targets are in line with the projects' context and the IPSS reality. KPIs were developed in **8 areas**, comprising users, financial sustainability, partnerships, operations, satisfaction, staff, maintenance, and sustainability.

CAPDM's focus is the patients' care and positive evolution, so, **users KPIs** are aimed at measuring participation, engagement and success of the different activities. Thus, such metrics encompass: User participation in recreational activities (Percentage of participants engaging in recreational activities); User participation in therapeutical treatment (Percentage of participants engaging in therapeutical activities); User participation in competency training activities (Percentage of participants engaging in competency training activities); User participation in space maintenance activities (Percentage of participants engaging in space maintenance activities). All these KPIs have a goal of 50 to 60%, which is aligned with CVPaz's experience, as it depends on the initial assessment of CAPDMs users. Regarding activities implementation and organization, KPIs are Activities implementation rate (Percentage of activities planned and budgeted that took place), aiming 100%, and Community activities organization (Number of activities which engage with the local community), targeting 1 per month. Finally, the most important KPIs, according to CVPaz General Director, concern the success of users treatment: Clinical plan success rate (Percentage of participants who complete their assigned objectives in the individualized clinical plan), aiming 50 to 60%, although depending on each user's case,

and Life quality improvement rate (Percentage improvement of the life quality perception of each user – in physical, social and emotional terms – between each assessment conducted), targeting an increase of 20% to 30%.

With the goal of ensuring the financial health of CAPDM's project development, **financial sustainability** KPIs were defined: ISS coverage of OPEX (Percentage of operational costs covered by ISS financing), targeting 100%; Grants applications to CAPEX (Number of applications to grants to finance CAPEX), aiming 5 to 6 for both 2025 and 2026; Financing approval of CAPEX (Percentage of successful applications to finance CAPEX), targeting 60%; Users pension access rate (Percentage of users that have access to pension funds), targeting 90%; Cost saving strategy implementation (Percentage of cost reduction achieved by adopting cost saving measures relative to the baseline scenario), pointing to 10%.

Establishing **partnerships** has been highly recommended in this thesis, thus, to help ensure collaboration between CVPaz and other institutions, KPIs encompass: Partner retention rate (Percentage of partners that continue collaboration after the first year), targeting 80%; Daily activities partnerships (Number of formalized agreements), aiming 4; Clinical services partnerships (Number of formalized agreements), pointing to 3, including SNS; Partnerships diversification (Number of partnerships established to ensure diversification and avoid large dependency on a few partners), targeting 10.

To ensure smooth running of **operations**, the following KPIs should be tracked: Number of non-compliance incidents (Number of regulatory or accreditation breaches reported per year), ideally targeting 0; Supply chain delay rate (Percentage of delayed supplies affecting operations), aiming a maximum of 10% in the first year, and the following years should report lower values than the previous year ones – to ensure continuous efforts towards improvement.

To guarantee the **satisfaction** of all CAPDM's stakeholders, quarterly surveys should be conducted to measure the opinion of not only the users, but also partners and employees. Then,

the subsequent KPIs are crucial to be monitored: Partners satisfaction score (Gauges partners engagement and gratification); Employee satisfaction score (Gauges staff morale and workplace happiness); Customer Satisfaction Score – CSAT (Gauges user satisfaction with the service being provided), all targeting 80%; Net Promoter Score – NPS (Measure of user loyalty by asking how likely customers are to recommend CVPaz services), aiming 8. Additionally, Survey response rate (Percentage of users completing the satisfaction surveys), ideally targeting 100%; Feedback implementation (Percentage of actionable suggestions emerging from users' feedback which are implemented), pointing to 70%.

Moreover, guaranteeing workforce development through the creation of a supportive and engaging work environment is crucial. Thus, KPIs in the **staff** area encompass: Staff retention rate (Percentage of employees retained each year), targeting 75% (Randstad n.d.); Professional training requirements (Number of hours of training provided and attended by each employee), which should be 40 hours, according to current legislation (Diário da República n.d.); Professional training completion rate (Percentage of workers participating and complying with training requirements), ideally targeting 100%; Users satisfaction with staff performance (Evaluates staff skills and performance in the users' treatment process), pointing to 80%; Staff coverage rate (Percentage of shifts filled as scheduled), targeting 100%.

Furthermore, the maximum operational capacity of equipment and infrastructure should be safeguarded by effective **maintenance** to minimize damaging risks. Thus, tracking the following KPIs is crucial: Preventive maintenance compliance (Percentage of preventive maintenance initiatives conducted as scheduled) and Corrective maintenance compliance (Percentage of scheduled maintenance completed on time), both aiming 100%; Cleaning and hygiene plans compliance (Number of internal and external complaints), ideally below 8.

The last pillar is **sustainability**, given the importance of searching for an environmentally friendly approach and fulfilling with SDGs. Such pillar can be enhanced through donations

which promote a circular economy, hence, the KPI is Food donations achievements (Donations to CAPDM as a percentage of food supply costs), targeting 75%.

4.4. Risk Management Framework

A risk management framework was developed to **identify key risks** in CAPDM construction and operation processes, and hence **assist CVPaz** meeting organizational and compliance requirements and preparing for unexpected events. Risk management is highly recommended as it enhances the decision-making process by making it faster and more appropriate, accurate, and effective. Besides diminishing the probability of potential costly ‘surprises’, this framework helps prepare for challenging situations and promotes overall resilience. CVPaz stakeholders’ confidence is also enhanced due to a clear definition of accountability and responsibility and the ability to focus on CAPDM core development (NSW n.d.).

To build the risk management framework, 3 steps were required. Firstly, key risks were identified in different areas. Then, all risks were analyzed, either in a quantitative or qualitative manner, to understand the impact on CVPaz. Finally, measures aimed at risk minimization were collected and a contingency plan was built to help CVPaz adapt to unforeseen events, always connecting with the aforementioned KPIs to ensure an effective monitoring. To guarantee the rigorousness and applicability of the risk management framework in the context of CVPaz, the recommendations are based on both the benchmark analysis conducted and the interviews with other organizations and CVPaz’s members.

Risks were identified in **4 main areas**: reputational, financial, operational and stakeholder.

Reputational risks comprise “Quality concerns”, “Compliance failures”, and “Community relations deterioration”. “Quality concerns” is the risk that program outcomes do not meet expectations and satisfaction levels of users, partners and staff fall. CAPDM’s reputation may be impacted if the center is perceived to not fulfill its purpose, hence potentially weakening stakeholders’ collaboration. To minimize such risk probability, CVPaz is advised to conduct

regular surveys, implement feedback and continuously track satisfaction KPIs. In case this risk materializes, CVPaz should focus on the feedback provided and improve CAPDM services accordingly. “Compliance failures” is the inadequate adherence to accreditation or regulatory standards, which might damage credibility of both CAPDM project and CVPaz and in turn cause a loss in support from partners. As prevention, CVPaz is advised to remain constantly updated in the legislation by scheduling regular meetings with ISS and nominating 1 person in charge of ensuring required compliance. Number of non-compliance incidents is a crucial KPI, and, in case there is a failure, CVPaz should conduct an immediate audit, identify the failure, rectify the non-compliance and communicate transparently to stakeholders. “Community relations deterioration” portrays the negative perceptions from the local community due to poor engagement, which could undermine CAPDM's integration efforts, decrease the potential development of social skills of patients and lead to a loss of community partnerships. The KPI which would be impacted is the Number of community activities organized, thus, continuously searching for initiatives within the community and ensuring a successful engagement is crucial. Otherwise, CVPaz would need to promote activities with other local communities.

Financial risks encompass “ISS Inflexibility”, “Insufficient ISS Funding Updates”, “Delayed ISS payments”, “Rising inflation rate”, “Rising wage growth”, “Rising maintenance requirements”, “Unanticipated deterioration in users’ conditions”, “Overreliance on grant funding” and “Rising CAPEX requirements”. “ISS Inflexibility” is the risk that ISS does not accept the typical cooperation agreement for CAPDM project, which may result in a lack of ISS funding to cover OPEX. To mitigate this, CVPaz is advised to thoroughly analyze the relevant legislation, schedule recurring meetings with ISS, and explore alternative agreement options, including those discussed in Chapter 4. In case the risk materializes, the KPI ISS coverage of OPEX should be used to assess and evaluate the viability and performance of these alternative agreements. “Insufficient ISS funding updates” refers to the risk that ISS payments

do not get sufficiently updated according to costs evolution, impacting CAPDM's financial sustainability and reducing available resources. Also, "Delayed ISS payments", meaning the late disbursement of funds from ISS, may reduce net working capital, impacting the center's ability to manage day-to-day expenses and provide high-quality services. If ISS does not fully cover OPEX, CVPaz may not be able to provide high-quality services to each user. Therefore, both risks can be minimized by reaching a clear agreement with ISS and designing a payments calendar. In case such risks materialize, CVPaz must find alternative funding sources through partnerships and donations to ensure the smooth running of CAPDM operations. Moreover, "Rising inflation rate" consists of the risk of rising costs of goods, services, and healthcare, which may strain the budget and hinder service provision. A sensitivity analysis considering different values of CPI inflation rate from 2027 onwards shows that if inflation suddenly spikes to 8%, total OPEX would rise, for instance, by 4% in 2030, since some cost categories were assumed to grow according to such variable (*Appendix 6*). Moreover, total equipment acquisition would increase to over €110,000 in 2026 if inflation abruptly jumps to 8% in that year (*Appendix 7*). To prevent such consequences, CVPaz is advised to establish effective operational partnerships with suppliers (restaurants, canteens, supermarkets, etc.) to have access to a stable and fixed price. If inflation starts rising, negotiating bulk purchases and discounted prices may help minimize the negative financial impact. Similarly, "Rising wage growth" is the risk of unanticipated increases in the minimum wage growth rate due to labor market conditions or union negotiations. *Appendix 8* shows that payroll expenses fluctuate widely with this variable, hence, exploring operational partnerships or shared services with other care providers is essential to minimize the risk. If wages start accelerating, CVPaz may need to outsource clinical services with local clinics that may offer discounts, or even free services. "Rising maintenance requirements" is the risk of an unexpected increase in costs related to maintaining infrastructure, healthcare equipment, or housing facilities. Such a rise

could strain the budget, however, given that maintenance costs only represent an average of 0.17% of total costs, the consequences would be relatively less impactful. To minimize the probability of the risk, raising awareness for the importance of equipment maintenance is crucial to reduce repair costs and disruptions. The contingency plan encompasses setting partnerships and agreements with suppliers to enjoy discounted prices. “Unanticipated deterioration in users’ conditions” is the risk that users require more assistance than expected due to degrading health conditions. Such issue could result in service quality issues, inadequate staffing levels, misalignment between staff skills and program needs, or even burnout among employees. For instance, APCC mentioned in an interview that, since users demand a high level of support, they often require more direct-action assistants than the ratios mandated. **Appendix 9** shows the impact on personnel costs from a rise in the number of nurses and direct-action assistants. For instance, having 5 extra direct-action assistants – applying APCC current ratio – and 2 extra nurses may increase personnel expenses by 25%. More adjustable beds may also be required, raising the equipment acquisition costs, as displayed in **Appendix 10**. To minimize such risk, CVPaz should accurately plan and regularly update staffing allocations and equipment acquisition requirements, based on the users’ quality of life assessments. In case the risk materializes, CVPaz is recommended to explore more partnerships or shared services with other care providers, adjust staffing levels and reorganize treatment plans. In an extreme case, users requiring more complex treatments may need to be integrated in other social responses. Indeed, all the aforementioned financial risks can be monitored through the KPI ISS coverage of OPEX. “Overreliance on grant funding” means a heavy dependence on external grants that may jeopardize financial stability if these sources are reduced, discontinued or if CVPaz is not able to win them. To minimize such risks, CVPaz should find alternative funds in *Geofundos* and with financial partners, to ensure that other stable financing sources are in place in case CAPDM cannot earn the expected grants. Important KPIs to be tracked encompass Grants

applications to CAPEX and Financing approval of CAPEX. Finally, “Rising CAPEX requirements” is the risk that construction costs surpass expectations in 2025 and 2026. Such an event could raise concerns about the viability of CAPDM project, as the anticipated funding may not be sufficient. Thus, CVPaz is recommended to conduct accurate construction planning and budgeting that allows for a safety margin as well as establish financial partnerships and agreements with suppliers during the construction phase. In case CAPEX starts rising suddenly, CVPaz should search for more funds and applications in *Geofundos* or look for a credit line for social organizations.

Regarding **operational risks**, “Service interruptions and infrastructure failures” and “Unmotivated and less qualified staff” should be considered. The first risk is related to disruptions caused by staff shortages, strikes, or supply chain issues (e.g., delays in medical supplies) as well as facility breakdowns or inadequate infrastructure maintenance. Care delivery and the quality and safety of accommodations and services may be impacted, and operational costs may rise due to emergency repairs or compensation claims. To minimize this risk, CVPaz should diversify supply chain sources, foster healthy labor relations through engagement and regular communication, perform regular inspections, and account for a contingency budget for unexpected repairs. Important KPIs associated with this risk comprise Staff coverage rate, Supply chain delay rate, and Maintenance compliance rate. As a contingency plan, CVPaz should hire additional workers, contact other suppliers, maintain a safety stock of critical materials to buffer against supply chain delays, and establish a rapid response team for urgent infrastructure repairs. The second operational risk consists of a decrease in the motivation of workers or a lower level of qualifications than expected, which may result in lower effectiveness and quality of the service provided and high turnover rates. To minimize the risk, promoting an organizational culture focused on inclusiveness and growth and tracking relevant KPIs, such as Employee satisfaction score and Training completion rate, are crucial. In case of

risk materialization, CVPaz should further acknowledge and cherish CAPDM achievements, implement feedback to improve operations and raise investment on staff training.

Regarding **stakeholders' risks**, “Lack of partner engagement” and “Dependency on specific partners” should be considered. The first risk means that current or potential partners may be unwilling to collaborate or invest due to conflicting priorities, which may lead to financial issues. Designing an effective stakeholder engagement strategy where regular communication is maintained, inviting partners to events and updating stakeholders through a regular newsletter may help minimize such risk. In case this situation happens, CVPaz should look for alternative partners and diversify the funding base. Relevant KPIs comprise Partnership retention rate and Number of active partners. The last risk is related to the overreliance on a small number of partners for critical services or funding, which could expose CAPDM to vulnerabilities if those partnerships falter, resulting in operational or financial instability. To minimize such vulnerability, a partner diversification strategy and a regular review and renegotiation of partnerships are crucial, along with tracking the KPI Number of partnerships. If the risk materializes, a contingency fund is required to cover temporary gaps in funding or services.

Finally, **risks were organized in a matrix** depending on the likelihood of happening and the potential consequences to classify them into “Extreme”, “High”, “Medium” and “Low”. *Appendix 11* shows the risk matrix as well as the criteria applied in the analysis. In fact, “Rising CAPEX requirements”, due to its critical consequences and “Insufficient ISS funding updates”, due to its high likelihood, present a high-risk level. “Quality concerns”, “ISS inflexibility” and “Rising wage growth” were also classified as high risks. While “Delayed ISS payments” presents critical impact, it appears to have a low likelihood according to CVPaz experience, being classified as a medium level risk. “Rising maintenance requirements” is the only risk that presents a low risk level. All the remaining risks present a medium level of concern.

After analyzing the different risks that CAPDM project is subject to, developing a risk treatment plan and communicating it to key stakeholders are the final steps. Indeed, different strategies may be adopted to minimize the impact in case an unexpected event occurs. Choosing to apply such strategies must weigh implementation costs against benefits, considering the required financial resources, the impact on CVPaz's values, and the feasibility and effectiveness of the measures. For the risk management framework to be effective and successful, regular risk assessment, monitoring, and rating are crucial.

5. Understanding CAPDM Impact

How does CAPDM generate and measure its impact on stakeholders?

The last chapter aims to **summarize the key recommendations** provided throughout this thesis to **assess the impact** of CAPDM project on its main stakeholders.

5.1. Recommendations Summary

To aid the decision-making and project execution processes, a matrix was developed to compare the monetary costs and speed of implementation of each key recommendation. *Figure 2* portrays **12 measures** suggested in different chapters, where **half should be applied before CAPDM begins operations**.

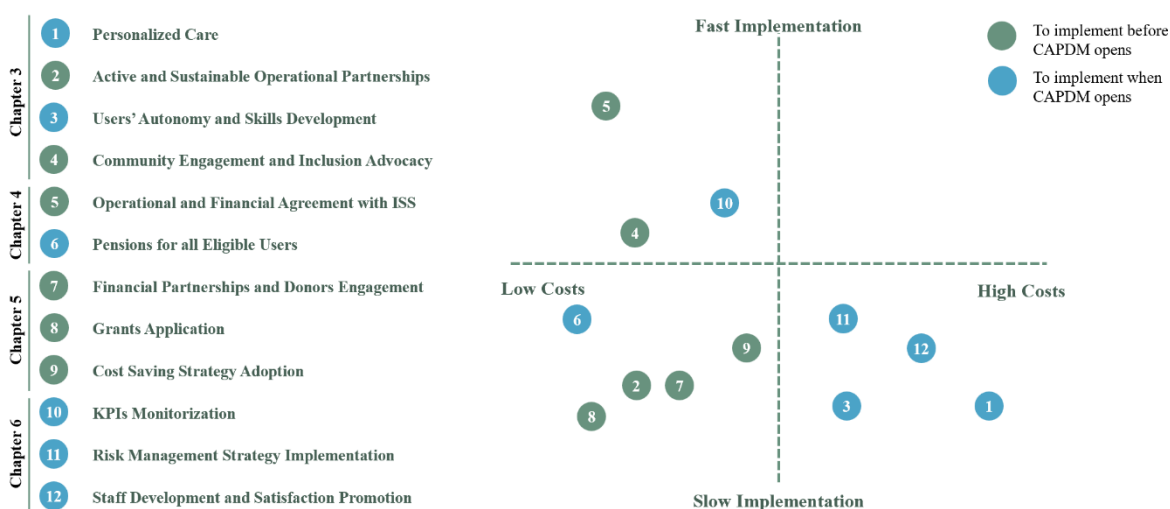


Figure 2: Recommendations Matrix - The cost vs. speed of implementation matrix aims to support the execution plan of CAPDM

In fact, all the aforementioned recommendations should be implemented in CAPDM, regardless of their speed and cost of execution. The **matrix aims to support the opening plan** of the center by highlighting the recommendations that require more time and/or financial resources. Indeed, all suggestions to be implemented before the opening of the center demand relatively low costs. Establishing partnerships (both financial and operational), actively engaging with the community, setting up the ISS agreement and applying for grants must be undergone in advance. Regarding the cost-saving strategy, not all measures require the same effort and/or time: installing solar panels and energy-efficient equipment is more costly than establishing an

agreement with *Valorsul* or negotiating a fuel price discount, for instance. Conversely, most initiatives planned for implementation once CAPDM opens involve higher costs and longer timelines for implementation. For instance, personalized care and staff development require substantial financial resources and extended execution periods due to their tailored and complex nature. Initiatives such as fostering user autonomy and implementing risk management strategies, while moderately costly, also demand careful planning and gradual integration. Even lower-cost measures, like obtaining pensions for eligible users, rely on administrative processes, hence the longer implementation timelines.

5.2. Social Value Created

By adopting the aforementioned recommendations in CAPDM, a positive and lasting impact is expected to be generated on the users and the broader community. To fully realize and communicate this impact, assessing the **social value created by CAPDM** is essential – not only to **demonstrate to stakeholders the tangible impact of the project** but also to **support the application to grants** (e.g., PRR 2030). Thus, leveraging social impact metrics, both quantitative and qualitative, ensures accountability and alignment with CVPaz long-term goals. From a **quantitative perspective**, both the **Social Return on Investment (SROI)** and the **number of individuals supported** are valuable metrics. The first measure goes beyond financial returns by capturing social, health, environmental, and economic benefits, assigning financial values to outcomes defined by beneficiaries and calculating a ratio of benefits to costs (UNDP n.d.). Thus, CVPaz is advised to apply the SROI methodology when CAPDM starts its operations to allow for a complete understanding of its social value and continuously aid strategic decision-making – similar to the study conducted on Street Teams (Comunidade Vida e Paz 2015). Regarding the second measure, CVPaz prioritizes providing comprehensive and high-quality care to all users above maximizing the number of individuals supported. Hence, this metric should serve as a reference to measure social value created.

From a **qualitative perspective**, different frameworks can be adopted to measure the social value created, such as the Sustainable Development Goals (SDGs) and Corporate Social Responsibility (CSR). Firstly, **SDGs** were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity (United Nations Development Programme n.d.). As **Appendix 12** illustrates, CAPDM is expected to promote “No Poverty” (SDG 1), by providing a safe and stable home for individuals facing social exclusion, offering them a place to rebuild their lives when they otherwise have no suitable options. Moreover, the center makes “Good Health and Wellbeing” accessible for its users (SDG 2), as it ensures access to healthcare (including physical therapy, mental health support, and other wellness initiatives) and to a stable environment with community support. “Reduced Inequalities” (SDG 10) is also present on the roots of CAPDM, since one of its major goals is promoting the inclusion of people with disabilities in the community. Finally, “Sustainable Cities and Communities” (SDG 11) is enhanced by the center since providing access to adequate, safe and affordable housing and basic services should help reducing the number of homeless people (United Nations Department of Economic and Social Affairs n.d.). Lastly, partners, either operational or financial, can embrace CSR by collaborating with CAPDM. **CSR** is a business model in which companies integrate social and environmental concerns into their business operations and interactions with their stakeholders instead of only considering economic profits (HEC Paris n.d.). Within CAPDM context, partners show their CSR in the philanthropic field by donating a portion of their earnings to charities and nonprofits aiming to exert a positive impact on society (Stobierski 2023).

5.3. Impact on Stakeholders

After realizing how the social value created by CAPDM can be measured, identifying the social impact generated across various stakeholders – both internal and external – is crucial. **Social impact** refers to the changes brought about by an organization in the well-being of individuals

or communities, manifested across different dimensions (Comunidade Vida e Paz 2015).

5.3.1. Internal Stakeholders

5.3.1.1. CVPaz

CAPDM's development represents a **transformative project for CVPaz**, both in financial and organizational terms. From a **financial perspective**, the various scenarios and financing options examined in this study are expected to exert different impacts on CVPaz. In the baseline scenario, regarding CAPEX, CVPaz needs to raise around €4,199,556 in 2025 and €6,298,830 in 2026 to build CAPDM infrastructure and establish an ISS agreement. Moreover, €105,000 are required to acquire equipment in 2026 and, from 2028 onwards, an annual average of €7,350 was estimated as replacement expenses. The first financing option presented would imply a debt burden of over €15,000,000 on an IPSS that does not have a history of bank loans. The second option includes an application to PRR 2030 which could alleviate such a burden; however, it may still raise financing concerns as the debt burden still amounts to almost €2,500,000. Thus, the ideal option comprises a combination of PRR 2030 – which would cover almost €9,000,000 – and other grants, financial partnerships and income tax contributions – which would account for almost €1,800,000. Despite the larger effort to secure such funding sources, CVPaz's financial sustainability would not be placed at a high risk, as no bank loans are raised. Concerning OPEX, in 2027, the baseline scenario points to an average monthly cost of €1,572 per residential users and €738 per ambulatory user. Overall, ISS monthly contributions are predicted to be sufficient to cover CAPDM operations as long as the agreement recommended in Chapter 4 is reached. Still, other significant revenue sources should be considered, including users' pensions and income tax contributions. CVPaz's dependence on subsidies as a revenue source should rise with CAPDM project, requiring a careful monitoring of the funding stability. From an **organizational perspective**, CAPDM seamlessly integrates into CVPaz's structure and aligns deeply with its mission of empowering individuals

facing social vulnerability or exclusion to rebuild their lives. Additionally, the project supports CVPaz's vision of creating tailored responses that address the unique needs of the populations it serves. By addressing a critical gap in long-term care, CAPDM contributes to a more holistic approach, ensuring that the IPSS can provide continuous and comprehensive support to its users. Moreover, CAPDM embodies CVPaz's core values of compassion, community, and solidarity, reflecting the organization's commitment to dignity and equity for all individuals. The 7-S Framework, detailed in **Appendix 13**, explains in a more detailed manner how this integration is achieved (McKinsey and Company 2008).

5.3.1.2. Board Members

The development of CAPDM represents a significant strategic initiative for CVPaz, with direct implications for its board members, who are responsible for the strategic direction and governance of CVPaz. The board plays a crucial role in **overseeing the project's implementation**, ensuring it **aligns with the organization's mission and long-term strategic objectives**. However, the project's scale and novelty bring **additional challenges** that require strategic vision and decision-making from the board. These include securing funding, navigating regulatory frameworks, and mitigating risks associated with CAPEX and OPEX scenarios. Successfully addressing these challenges would position CVPaz as a leader in advancing innovative care solutions and reinforcing its role as a key player in the social sector.

5.3.1.3. Staff and Volunteers

For **contracted staff**, CAPDM creates **new roles and opportunities** for specialization in long-term care focused on individuals with moderate disabilities, alongside valuable training and skill development to enhance their expertise. For **volunteers**, the center provides meaningful opportunities to further contribute to the organization's mission, fostering a **sense of purpose and connection** while improving their understanding of social care and community support.

5.3.2. External Stakeholders

5.3.2.1. Users

CAPDM positively impacts its users by providing **continuous support, specialized care, and engaging activities** that address their unique needs and foster greater autonomy. Additionally, by introducing this new form of care into CVPaz's services, CAPDM streamlines the placement process, ensuring that users are placed in the most appropriate settings. The new center, in turn, **frees up valuable spaces at other facilities**, such as QES, which had previously been occupied by individuals in indefinite stays due to a lack of more suitable options. By offering long-term solutions for individuals who no longer fit other care models, CAPDM not only enhances the quality of care for its users, but also expands CVPaz's ability to meet the needs of a broader community, creating more space and opportunities for those in urgent need.

5.3.2.2. Donors and Partners

CAPDM's successful operation relies on the aid of donors and partners who support its mission by funding operations or providing essential resources and services. These partnerships enable CAPDM to deliver specialized care while offering these stakeholders the opportunity to make a tangible difference. By collaborating with CAPDM, they can further **strengthen their own social impact** and contribute to building a more inclusive and supportive community.

5.3.2.3. Government Agencies

Government agencies, particularly ISS and local authorities, are crucial external stakeholders in the development of CAPDM. For **ISS**, CAPDM represents an **innovative solution that complements its mission** to support vulnerable populations, particularly those with disabilities. By funding and regulating the center, ISS strengthens its role in addressing long-term care gaps and gains a model for future collaborations with similar initiatives. **Local authorities** benefit from CAPDM's **alignment with community welfare goals**, as the center reduces the pressure

on municipal services and enhances the authorities' contribution to social inclusion.

5.3.2.4. Torres Vedras Community

Locally, CAPDM has a direct and positive impact on the community of Torres Vedras. By providing accessible and specialized care options, including tailored day services, the center supports individuals who may otherwise face significant barriers in the community. Additionally, CAPDM plays a key role in fostering social inclusion and challenging societal perceptions regarding individuals with disabilities. By encouraging community engagement and showcasing the rising autonomy of its users, the center helps **shifting societal mindsets and promoting greater acceptance and integration** within the community.

5.3.2.5. Similar Organizations

As a pioneering initiative filling a crucial gap in the market, CAPDM serves as a **model that other institutions may replicate or draw inspiration from**. Its innovative framework has the potential to influence how similar organizations approach care for individuals with disabilities, inspiring the creation of more centers and expanding the reach of services to a larger segment of the population in need. **Opportunities for collaboration** with other organization may also arise, facilitating knowledge exchange, improving the user journey between care facilities, enhancing service delivery, and fostering a more integrated and effective care network.

The development of CAPDM and the potential role model the center might foster will position CVPaz as an innovative association continuously seeking to promote social inclusion and tackle poverty. The construction of this center will certainly pave the way for a more inclusive and open society: one brick at a time, CVPaz brings hope and dignity while combating the stigma surrounding a population experiencing severe social exclusion.

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7. Appendix

Appendix 1: CAPDM positioning

The implementation of CAPDM will need to ensure personalized care for both homeless and disabled individuals being the first center in Portugal focused solely in such a specific target population, enhancing the current CVPaz search for innovation

Reasons to believe

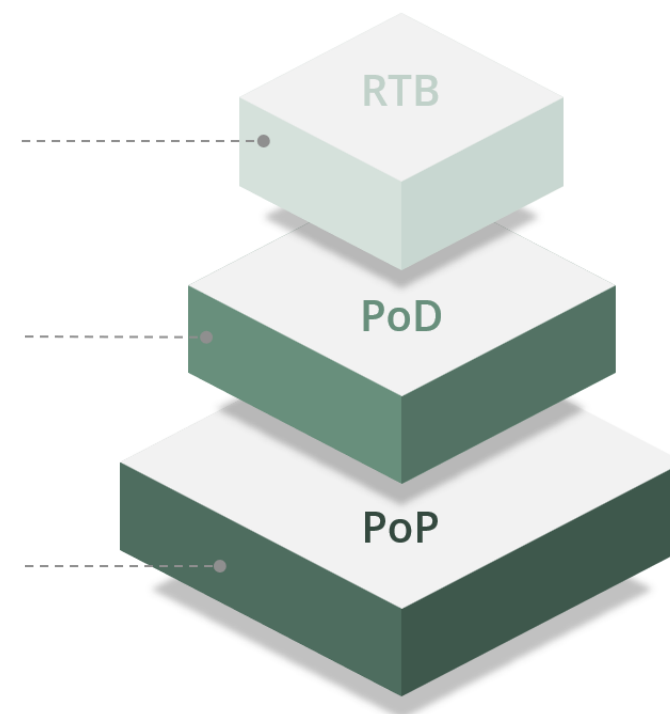
- Proven track record as CVPaz has **years of experience** working with the **homeless community**, making it well-prepared to meet diverse needs
- Specialized **expertise developed** over the years as more people with **disabilities** – whether due to substance use or congenital conditions – have sought help at CVPaz
- Addressing growing challenges as homelessness and disabilities related to substance abuse continue to rise, making **CVPaz increasingly relevant** in meeting these pressing social issues

Points of Difference

- First center in Portugal **designed specifically** to support people who are both homeless and have disabilities
- Peaceful setting **located in the calm area of Torres Vedras** that fosters a sense of tranquility
- Strong **community ties** with a close relationship with the local municipality, enhancing support and resources for the center

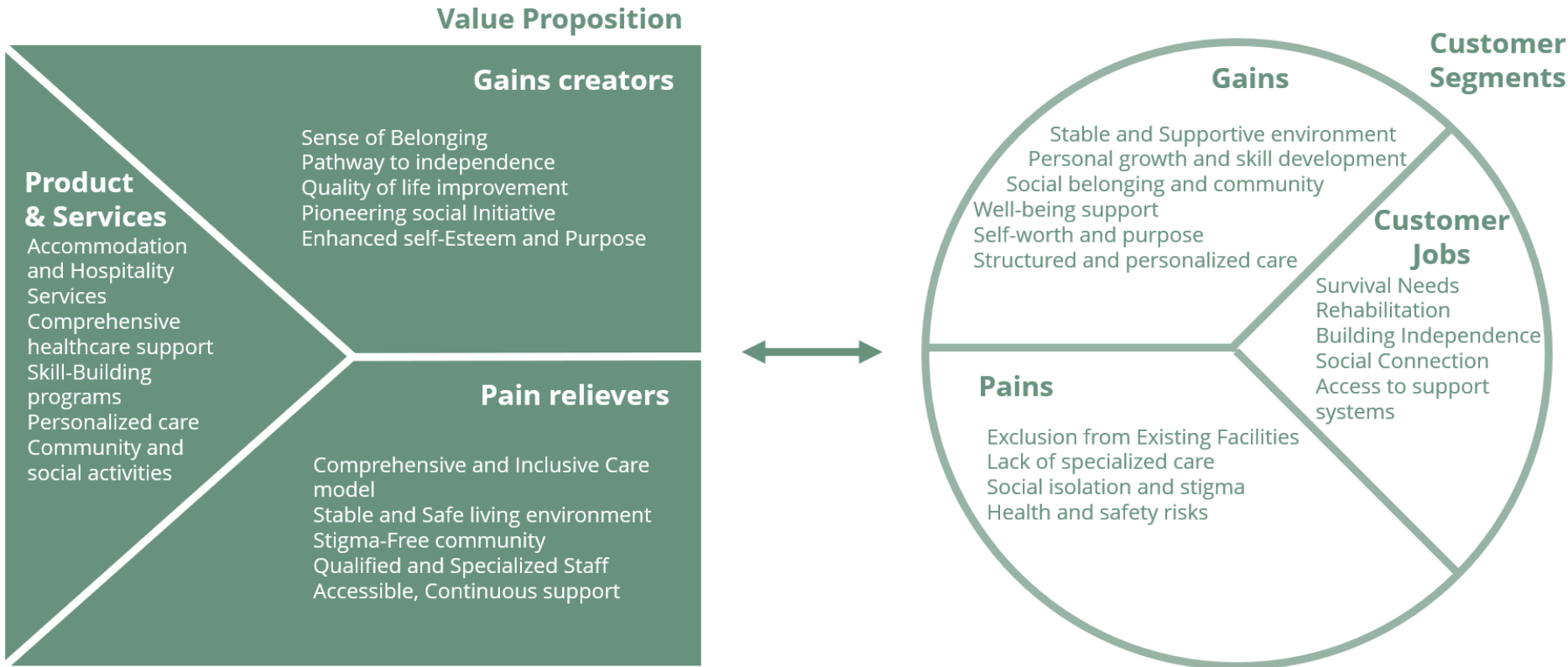
Points of Parity

- **Experienced, caring team** that provides personalized, compassionate **support to each person**
- **Variety of therapies and activities** designed to support well-being
- **Personalized accommodations** tailored to meet individual needs, offering comfort and dignity



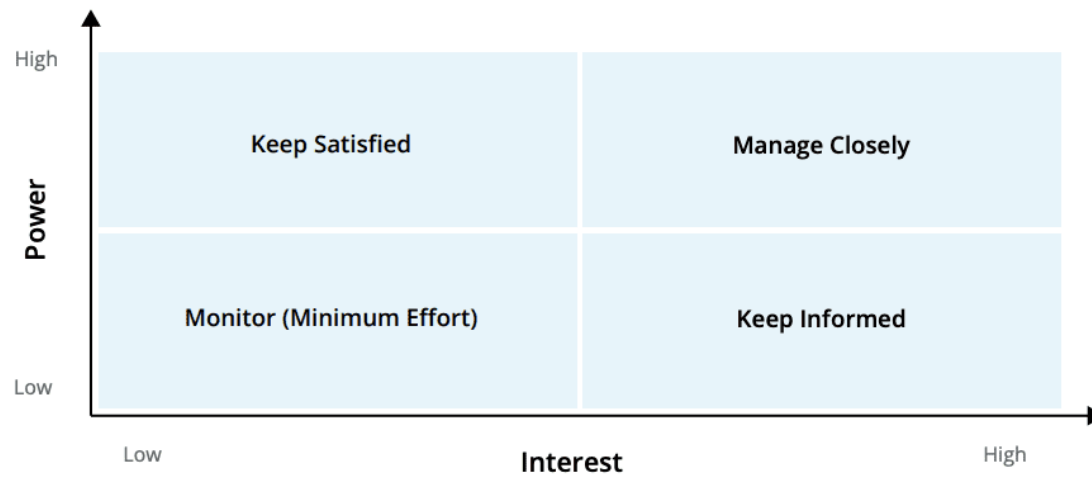
Appendix 2: Value Proposition Canvas applied to CAPDM

CAPDM addresses all the pains and gains of their target group to fulfill their customer jobs



Appendix 3: Stakeholders Impact-Power Matrix

Stakeholders might be evaluated regarding their interest on the company and the power they have over the company; the stakeholder relationships' should be evaluated to manage closely as well as keep satisfied, informed and monitored



Source: solitaireconsulting

Appendix 4: Social media Layout for the announcement of the new center

A regular communication should be held to guarantee the community engagement in the creation of CAPDM



DATE AND PLACE

**FUNDING PARTNERS,
depending on partners
willingness**




**COMMUNICATION OF
THE NEW CENTER
OPENING**

**TEASER THAT NEWS
WILL BE GIVEN SOON**


Appendix 5: income tax contribution donation promotion campaign

The campaign should say specifically that the donation is to help the implementation of the new center, and should have meaningful quotes that call out for attention as well as a practical illustration on how it is done


**FAÇA A CONSIGNAÇÃO E
DOE GRÁTIS 0,5% DO IRS À
COMUNIDADE VIDA E PAZ**




**PARA APOIAR A CONSTRUÇÃO DE
UM CENTRO INOVADOR**



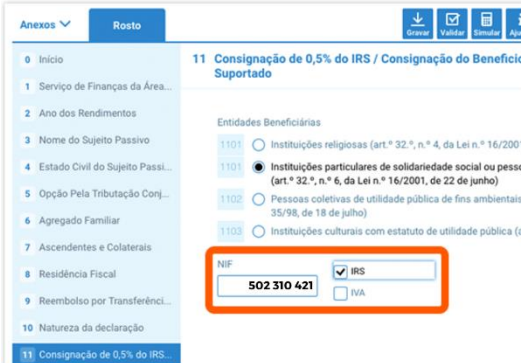
**VAMOS JUNTOS DAR FORMA
A UM LUGAR QUE ACOLHE,
CAPACITA E TRANSFORMA**



**CADA DOAÇÃO É UM TIJOLO
DE ESPERANÇA PARA QUEM
MAIS PRECISA**



COMO FAZER A CONSIGNAÇÃO DO IRS PARA A ?



The screenshot shows a web form for 'Consignação de 0,5% do IRS / Consignação do Benefício Suportado'. The form includes a sidebar with steps 0 to 11, and a main area with 'Entidades Beneficiárias' and a 'NIF' field. The 'NIF' field contains the value '502 310 421' and is highlighted with a red box. The 'IRS' checkbox is checked, and the 'IVA' checkbox is unchecked.

Entidades Beneficiárias
1101 <input type="radio"/> Instituições religiosas (art.º 32.º, n.º 4, da Lei n.º 16/2001, de 12 de maio)
1101 <input checked="" type="radio"/> Instituições particulares de solidariedade social ou pessoa (art.º 32.º, n.º 6, da Lei n.º 16/2001, de 22 de junho)
1102 <input type="radio"/> Pessoas coletivas de utilidade pública de fins ambientais (art.º 35/98, de 18 de julho)
1103 <input type="radio"/> Instituições culturais com estatuto de utilidade pública (art.º 36/98, de 18 de julho)

NIF: IRS IVA

Appendix 6: Sensitivity analysis on OPEX by varying inflation rate utilized

Unexpected spikes in inflation rate may strain CVPaz's budget regarding OPEX

CPI Inflation Rate from 2027 onwards						
2%	3%	4%	5%	6%	7%	8%
1 328 402 €	1 337 297 €	1 346 454 €	1 355 880 €	1 365 579 €	1 375 557 €	1 385 818 €

Appendix 7: Sensitivity analysis on equipment acquisition costs by varying the inflation rate

Unexpected spikes in inflation rate may strain CVPaz's budget regarding equipment acquisition costs

CPI Inflation Rate 2026						
2%	3%	4%	5%	6%	7%	8%
104 199 €	105 220 €	106 242 €	107 263 €	108 285 €	109 306 €	110 328 €

Appendix 8: Sensitivity analysis on total OPEX in 2027 by varying wage growth rate

Unexpected changes in the wage growth rate have a large impact on CAPDM OPEX in 2027 due to the large weight of personnel expenses on the cost structure

Minimum Wage from 2026 onwards						
2%	3%	4%	5%	6%	7%	8%
1 091 350 €	1 107 913 €	1 124 638 €	1 141 523 €	1 158 571 €	1 175 780 €	1 193 151 €

Appendix 9: Sensitivity analysis on personnel costs by varying the number of employees

Unexpected changes in staff allocation have a large impact on CAPDM OPEX due to the large weight of personnel expenses on the cost structure

		Number of Direct Action Assistants						
		947 508,33 €	20	21	22	23	24	25
Number of Nurses	1		1 044 718 €	1 060 920 €	1 077 121 €	1 093 323 €	1 109 524 €	1 125 726 €
	2		1 076 300 €	1 092 502 €	1 108 704 €	1 124 905 €	1 141 107 €	1 157 308 €
	3		1 107 883 €	1 124 085 €	1 140 286 €	1 156 488 €	1 172 689 €	1 188 891 €
	4		1 139 465 €	1 155 667 €	1 171 869 €	1 188 070 €	1 204 272 €	1 220 473 €
	5		1 171 048 €	1 187 250 €	1 203 451 €	1 219 653 €	1 235 854 €	1 252 056 €

Appendix 10: Sensitivity analysis on equipment acquisition costs by varying the number of ergonomic beds

Unexpected changes in the number of adjustable beds required increases the initial cost of equipment acquisition

Number of adjustable beds						
1	2	3	4	5	6	7
104 199 €	104 635 €	105 071 €	105 507 €	105 943 €	106 379 €	106 815 €

Appendix 11: Risk Management Matrix

Risk management matrix was elaborated to classify different risks

RISK LEVEL: EXTREME HIGH MEDIUM LOW

LIKELIHOOD	ALMOST CERTAIN					
	LIKELY			<ul style="list-style-type: none"> • Insufficient ISS Funding Updates 		
	POSSIBLE			<ul style="list-style-type: none"> • Rising inflation rate • Dependency on specific partners 	<ul style="list-style-type: none"> • Quality concerns • ISS inflexibility • Rising wage growth 	<ul style="list-style-type: none"> • Rising CAPEX requirements
	UNLIKELY		<ul style="list-style-type: none"> • Rising maintenance requirements 	<ul style="list-style-type: none"> • Compliance failures • Service interruptions and infrastructure failures • Unmotivated and less qualified staff 	<ul style="list-style-type: none"> • Community relations deterioration • Overreliance on grant funding • Unanticipated users' conditions deterioration 	
	RARE				<ul style="list-style-type: none"> • Lack of partner engagement 	<ul style="list-style-type: none"> • Delayed ISS payments
		INSIGNIFICANT	MINOR	MODERATE	MAJOR	CRITICAL
CONSEQUENCE						

LIKELIHOOD	DESCRIPTION	PROBABILITY
ALMOST CERTAIN	Expected to occur in most circumstances	95-100%
LIKELY	Will probably occur	70-94%
POSSIBLE	Might occur at some time	30-69%
UNLIKELY	Could occur at some time	5-29%
RARE	May occur only in exceptional circumstances	0-4%
RISK LEVEL	RISK TREATMENT GUIDELINES	
EXTREME	Immediate action required to actively manage risk and limit exposure	
HIGH	Need to assess the extent to which risk should be treated - monitor to ensure risk does not adversely change over time	
MEDIUM	Need to regularly monitor to ensure effective management of risk exposure and minimization of disruptions	
LOW	Routine procedures and appropriate internal controls should be conducted	

Appendix 12: Sustainable Development Goals that CAPDM will impact

4 SDGs are promoted with CAPDM construction



Source: United Nations

Appendix 13: 7-S Framework

The 7-S Framework explains how CAPDM integrates seamlessly in CVPaz's operations

Strategy	Refers to the actions an organization takes to achieve its goals and gain a competitive advantage. In the case of CAPDM, the strategy addresses a significant social need by providing a unique care model for individuals who completed rehabilitation but cannot reintegrate into society independently. This approach aligns with CVPaz's mission of serving vulnerable populations.
Structure	Refers to how an organization is arranged, including its hierarchy, roles, responsibilities, and communication systems. CAPDM is integrated into CVPaz's broader organizational framework, complementing existing services without overlapping. It operates under the Direct Intervention branch as an autonomous entity.
Systems	Refers to the processes, procedures, and workflows that ensure the organization operates efficiently. CAPDM builds on CVPaz's existing communication and reporting systems while developing internal systems tailored to its residential care, clinical services, and daily activity needs, ensuring comprehensive and efficient care.
Style	Refers to the culture, values, and behaviors within an organization. CAPDM adopts CVPaz's culture of community, solidarity, and support. The center fosters a nurturing environment for users, with a focus on empathy, individualized care, and enhancing user autonomy and social reintegration.
Staff	Refers to the people within the organization, their roles, and the skills they bring. The staff at CAPDM must have specialized skills in clinical care, rehabilitation, and social services. They work with vulnerable users and embody the culture of compassion and collaboration, working in coordination with other centers within CVPaz.
Skills	Refers to the individual and institutional capabilities needed to achieve organizational objectives. CAPDM staff require expertise in clinical and rehabilitation care, as well as a commitment to supporting user autonomy. The center also benefits from CVPaz's established knowledge and operational efficiencies in working with vulnerable populations.
Shared Values	Refers to the core principles and goals that guide the organization's actions and decisions. CAPDM is aligned with CVPaz's shared values of inclusion, dignity, and autonomy. By filling a critical service gap, CAPDM reinforces CVPaz's mission to support vulnerable individuals and foster social inclusion.

Source: McKinsey 2008