

Câmara Municipal de Cascais Consulting Lab in Introducing a Local Currency Social, Environmental and Economical challenges

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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

CONSULTING PROJECT FOR CÂMARA MUNICIPAL DE CASCAIS WITH THE TOPIC "SHOULD CÂMARA MUNICIPAL DE CASCAIS INTRODUCE A LOCAL CURRENCY IN ORDER TO DEVELOP THE LOCAL ECONOMY AND SUSTAINABILITY?"

Câmara Municipal de Cascais Consulting Lab in Introducing a Local Currency: Social, Environmental and Economical challenges

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26.01.2020

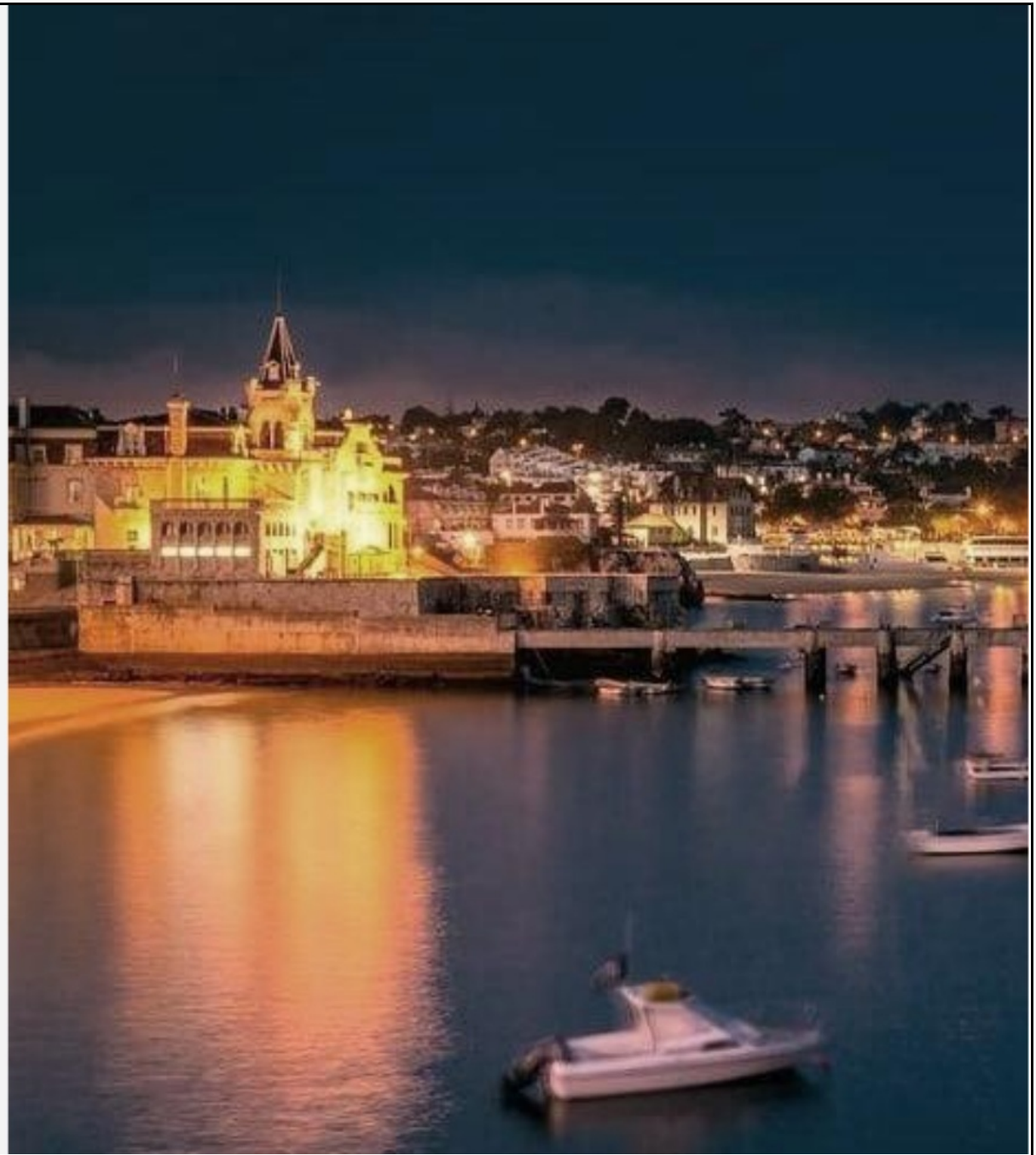
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Four main recommendations were developed to achieve project goals. The upgrade to the CASHCAIS App involves several sub-recommendations that ensure App improvements

EXECUTIVE SUMMARY | RECOMMENDATIONS

- 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP**
 - 1.1 | RENEWED IMAGE AND NAME OF THE APP
 - 1.2 | INTEGRATE WITH MYCASCAIS PLATFORM
 - 1.3 | MAINTAIN THE REWARD OFFERED BY CITY POINTS
 - 1.4 | CREATE A LOYALTY PROGRAM EXTENDED TO ALL BUSINESSES IN THE MUNICIPALITY OF CASCAIS
 - 1.5 | DONATIONS BUTTON
 - 1.6 | INTEGRATION OF CARTÃO MAIS SOLIDÁRIO
 - 1.7 | OTHER FEATURES

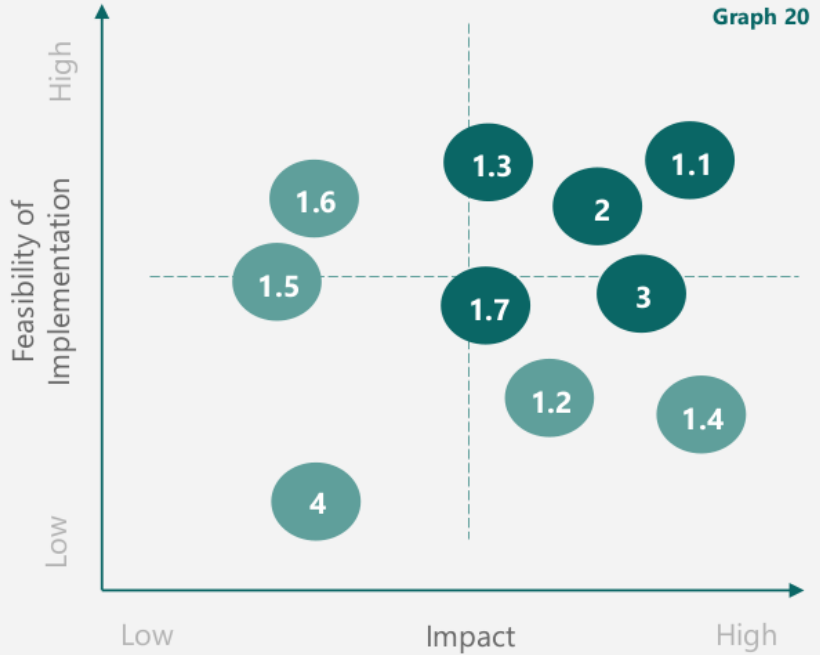
2 | ADVERTISEMENT PLAN

3 | CREATE A MULTITASKING TEAM TO WORK ON CASHCAIS APP

4 | BLOCKCHAIN TECHNOLOGY IMPLEMENTATION



ACTION PRIORITY MATRIX



Source: BSC Designer, United Nations, Team analysis

The City Points upgrade increases sustainability at 4 levels – promotion of local businesses, reduction of local asymmetries, increase of environmental sustainability and governance

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP

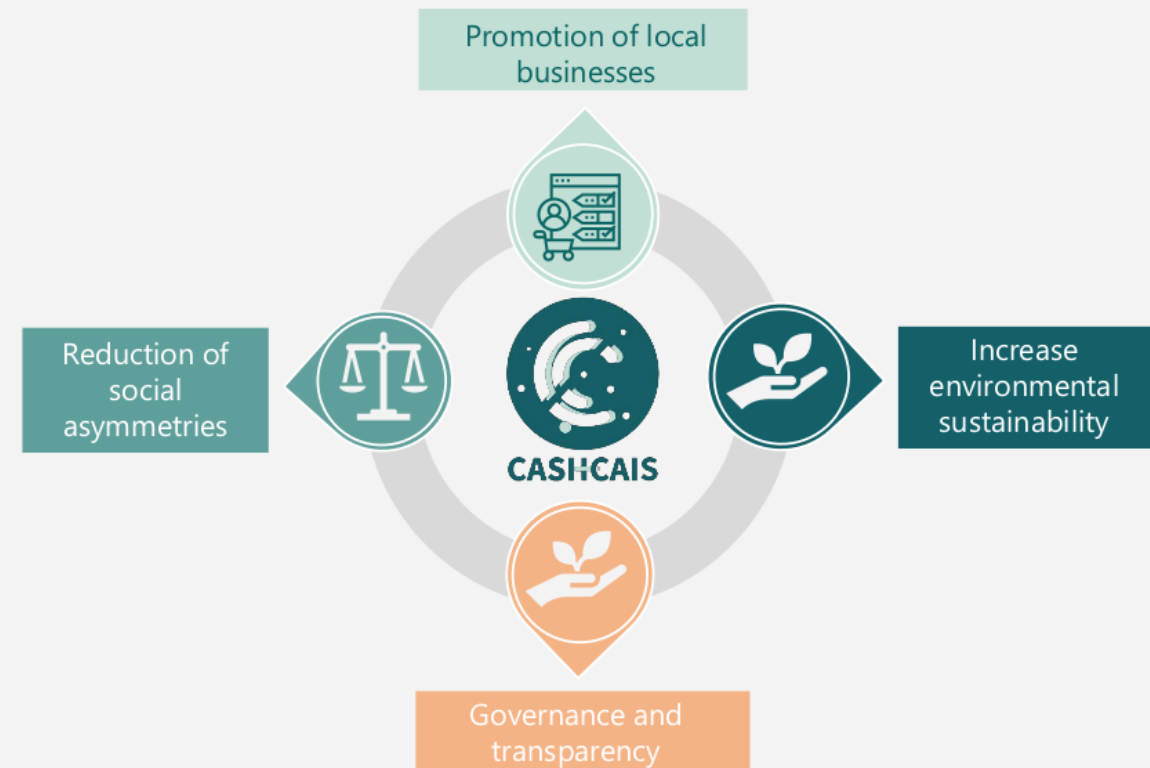
REASONING

- (1) In accordance with the trends analyzed and survey results, it is recommended a digital solution since these means are increasingly used, even as payment instruments,
- (2) The Municipality already has an App which objective wants to keep. It would make sense to maintain it for several reasons, including:
- ❖ Ensuring the **credibility** of the initiatives implemented by the Municipality - instead of abandoning a project and betting on a new one, it is recommended to invest in the innovation of City Points to better respond to the needs of residents.
 - ❖ Leverage current City Points users as a starting point for the new App.

ACTION

- (3) Expansion of the scope of City Points App in order to increase sustainability in the Municipality at the level of its 4 fundamental pillars, with a special focus on the economic aspect in order to mitigate the negative impact of the pandemic both socially and from the local business point of view.

The **CASHCAIS** project provides for greater sustainability robustness in Cascais at the level of its 4 pillars: economic, environmental, social and governance.



A renewed image and name allows to improve the object of the App, at the same time that retains already registered users

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP SUB - RECOMMENDATION 1.1 | RENEWED IMAGE AND NAME OF THE APP



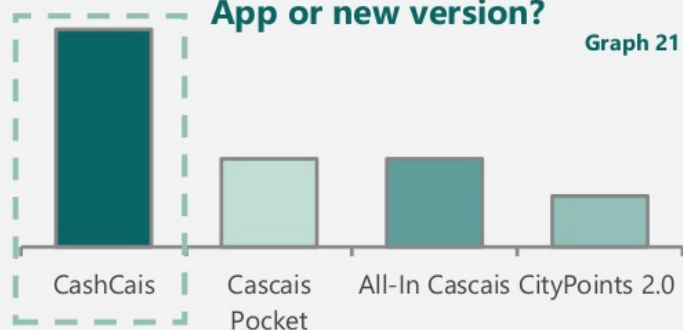
Figure 10: CASHCAIS App

REASONING

- ❖ Once the objective of the App is changed, a different name and image should be sought and more adapted to the purpose of the "new" App.
- ❖ Users will not associate previous technical issues to the renewed App. In fact, a new image and name allows to major technical changes that would not be possible otherwise.
- ❖ According to our survey, less than half of the respondents knew or used City Points, which gives an opportunity to modify the App and ensure that it will not be noticed by most of the citizens.

For those, Cascais will launch a new App, not a renewed one.

What should be the name for this new App or new version?



47% of respondents to our survey attested that the name **CASHCAIS** is an appealing name and appropriate to the type of App that is recommended.



Figure 11: CASHCAIS App

Integrating MyCascais with Facebook and Google accounts eases the login and enables access to crucial information about the users

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP SUB - RECOMMENDATION 1.2 | INTEGRATE WITH MYCASCAIS PLATFORM

DESCRIPTION

The first registration is made on *MyCascais* platform, in the same way that it happens at the moment with the City Points App.

This will make it possible to:

- ❖ Integrate with other applications of the CMC
- ❖ Control problems (legal, duplication) with candidate users by registering the taxpayer number.



Figure 12: My Cascais

Source: CMC, Team analysis

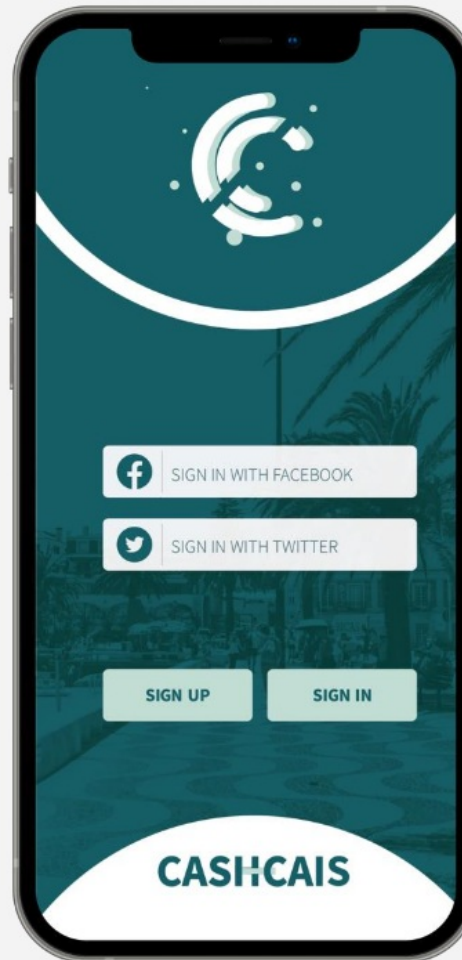


Figure 13: CASHCAIS App

In order to facilitate login to the App, we recommend the creation of the option of integrating My Cascais account with:



FACEBOOK ACCOUNT



GOOGLE ACCOUNT

making this option also available in other applications of the Municipality.

The object of the City Points App remains in the renewed App, as it is possible to accumulate CASHCAIS by performing sustainable actions. The newness is that it can be spent on any partner company

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RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP

SUB - RECOMMENDATION 1.3 | MAINTAIN THE REWARD OFFERED BY CITY POINTS

REASONING

Citizen accumulates CASHCAIS for sustainability or citizenship actions

- ❖ In accordance with what was already happening with the City Points App, the user of the application will accumulate **CASHCAIS** when carrying out sustainability actions or eligible good civic practices within the scope of the App.
- ❖ The added benefit is that the accumulated **CASHCAIS** can be spent on any partner company. That way the user is less limited and can use his **CASHCAIS** balance according to his needs and preferences, valuing this prize.



Figure 14: CASHCAIS App

CASHCAIS can be promoted as a local currency, although it is not for legal purposes. However, it has key currency characteristics

1

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP SUB- RECOMMENDATION 1.4 | CREATE A LOYALTY PROGRAM EXTENDED TO ALL BUSINESSES IN THE MUNICIPALITY OF CASCAIS (I/VII)

WHAT IS EXACTLY CASHCAIS?

- ❖ **CASHCAIS** will be a form of "local currency" for marketing and project promotion issues and for the sake of aligning CMC's medium / long term expectations.
- ❖ Although the name may suggest otherwise, **CASHCAIS** is not actually a local currency. First, as we have seen, for legal reasons due to ECB ambiguous regulations. Then, because, although it can fulfil the essential functions of a currency, as reserve of value, unit of account and means of exchange, some of its characteristics are in line with those of a currency, such as durability, since the project is expected to have a limited duration, acting in the short term in response to an unexpected negative impact.
- ❖ **CASHCAIS** is a form of digital *pseudocurrency* that can be generated as an award for good practices (sub-recommendation 1.3) or through the loyalty program created in the Municipality as a form of "cashback" for purchases made in local shops in Cascais.
- ❖ Thus, **CASHCAIS** represents value that is accumulated in an individual balance of the user of the CASHCAIS App and that can be used in partner companies or for other purposes as we will see.

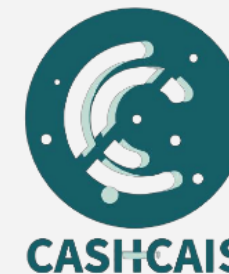


Figure 15 CASHCAIS logo

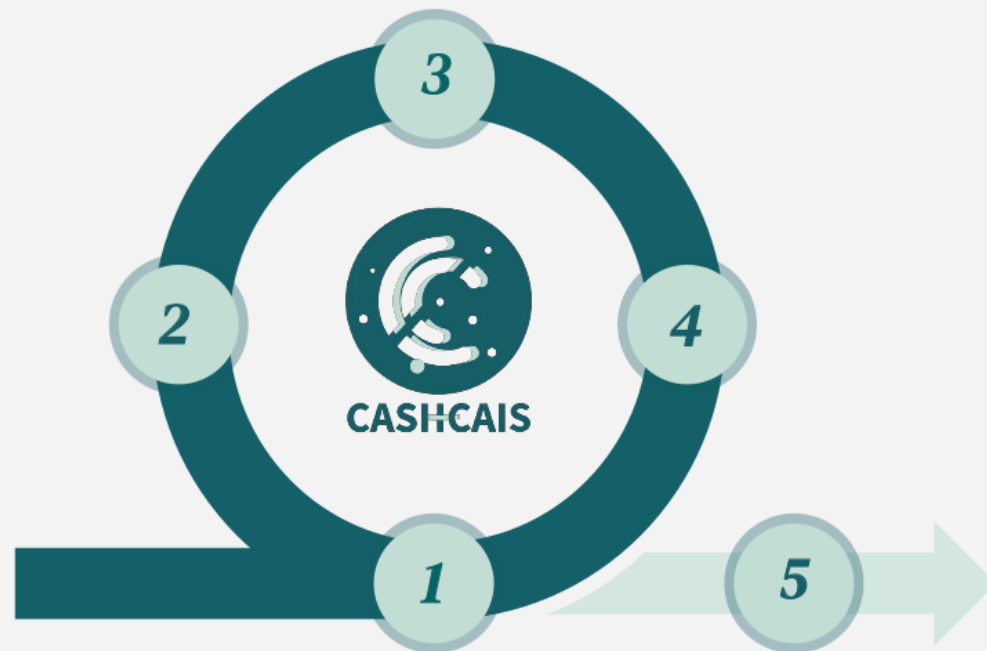
CASHCAIS life-cycle starts when a user buys locally or performs sustainable actions. It is the merchant's decision to let CASHCAIS continue in the cycle or exchange them for Euros

1

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP

SUB- RECOMMENDATION 1.4 | CREATE A LOYALTY PROGRAM EXTENDED TO ALL BUSINESSES IN THE MUNICIPALITY OF CASCAIS (II/VII)

LIFE-CYCLE OF CASHCAIS



- 1
 - 1.1 Customer buys locally and accumulates **CASHCAIS**
 - 1.2 Citizen accumulates **CASHCAIS** for sustainability or citizenship actions
- 2 Customer discounts **CASHCAIS** and pays the remainder (when needed) to the merchant
- 3 **CASHCAIS** are transferred to the merchant's account
- 4
 - 4.1 The merchant discounts **CASHCAIS** in other companies as a final consumer
 - 4.2 The merchant transfers **CASHCAIS** to employees as a bonus
- 5 The merchant exchanges his **CASHCAIS** balance for Euros with CMC

The user can choose to present his mobile phone number, his QR Code or a voucher at the time of purchase, easing the way CASHCAIS are used

1

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP

SUB- RECOMMENDATION 1.4 | CREATE A LOYALTY PROGRAM EXTENDED TO ALL BUSINESSES IN THE MUNICIPALITY OF CASCAIS (III/VII)

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1.1

Customer makes purchases locally and accumulates CASHCAIS

The amount of **CASHCAIS** obtained in each purchase differs depending on the merchant chosen, taking into account the status of the company.

1.2

Citizen accumulates CASHCAIS for sustainability or citizenship actions

Using the same process as the City Points App, the user will accumulate **CASHCAIS** when carrying out sustainability actions or good citizenship practices.



How to authenticate the user of the App?

The customer should provide mobile phone number associated with the CASHCAIS App;

Generate QR code on the CASHCAIS App to be read by the merchant's device.

If applicable, the customer must select the vouchers to be used for that purchase before providing the mobile phone number or QR code.

Local companies are divided into three categories to allow to a more specific support. It also encourages companies to increase their sustainability

1

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP

SUB- RECOMMENDATION 1.4 | CREATE A LOYALTY PROGRAM EXTENDED TO ALL BUSINESSES IN THE MUNICIPALITY OF CASCAIS (IV/VII)

DESCRIPTION

- ❖ The universal character of the **CASHCAIS** App is essential to its success. Thus, no sectors or companies were defined to be excluded *a priori* from the project.
- ❖ However, following the strategy and identity of CMC, it is recommended to assign different status to each company adhering to the project, based on criteria of dimension (number of employees and annual turnover) and sustainability (5-stage sustainability journey).
- ❖ The value generated in **CASHCAIS** will be greater the smaller the size of the company and the more sustainable it is.
- ❖ Consumers who buy from companies with Gold or Silver status will always have a benefit that varies with the amount of the purchase. To obtain a benefit in companies with Bronze status, consumers need to have vouchers available for those specific partner companies.

After analyzing the companies of the Municipality of Cascais and considering the costs of the project, we recommend that the support given by CMC is as follows (Note: these data is a suggestion and must be subject to further analysis)

	 Gold	 Silver	 Bronze*
Status			
Number of employees	Up than 3	Up to 10	More than 10
Annual turnover	Up to 200 000 EUR	Up to 1 Million EUR	More than 1 Million EUR
	&	&	OR
Stage Sustainability Journey	Phase 5 or 4	Phase 5, 4 or 3	Phase 5 to 2
Support for every 20 EUR in purchases	1 CASHCAIS	0.5 CASHCAIS	VOUCHERS

1 CASHCAIS = 1 EURO

Table 13: Classification of businesses

Local companies are divided into three categories to allow a more specific support. It also encourages companies to increase their sustainability

1

RECOMMENDATION 1 | CITY POINTS APP UPGRADE TO THE CASHCAIS APP

SUB- RECOMMENDATION 1.4 | CREATE A LOYALTY PROGRAM EXTENDED TO ALL BUSINESSES IN THE MUNICIPALITY OF CASCAIS (V/VII)

DESCRIPTION

- ❖ The **5-stage sustainability journey** defines the different phases in which companies can find themselves in terms of sustainability, assigning criteria for the definition of their degree of sustainability.
- ❖ According to the research done, there are **three reasons / incentives for companies to seek to increase their degree of sustainability** and, therefore, move on to the next stage of the journey. In this case, **with the CASHCAIS project**, companies will have an **incentive to capture new opportunities to increase their degree of sustainability.**
- ❖ Thus, it is recommended to define **specific metrics** to evaluate each company by sector in relation to its degree of sustainability.

SUSTAINABLE BUSINESS FRAMEWORK



5

Fase 05.

Purpose/Passion

Values-driven founder / CEO

4

Fase 04. Integrated Strategy

Enhanced business value

UNSUSTAINABLE MODEL OF BUSINESS



3

Fase 03. Beyond Compliance

Eco-efficiencies ; PR crisis; Regulatory threat

2

Fase 02. Compliance

Although legal, its mode of operation causes some environmental damage.

1

Fase 01. Pre-Compliance

Companies disregard environmental, hygiene and safety criteria.

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