

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

**HOW COULD A PARKING SPACE BE CONCEPTUALIZED AS A NEW
PROFITABLE BUSINESS UNIT FOR CJSJ?**

NINA DUBOIS

Work project carried out under the supervision of:

José Miguel Pita

16/12/2022

Abstract

This project aims to offer a way for Centro Juvenil de S. José's (CJSJ) financial sustainability to be improved. An introductory diagnosis highlighted a large dependency on state funding and the need to optimize the use of its assets to become more financially sustainable. It also showed that the current organizational structure could act as a barrier to the successful and sustainable operation of further business units. This report provides one of the two proposed business plans for a for-profit unit that can be implemented by CJSJ: the business concept of a parking space. Finally, organizational shifts as well as financial recommendations will be proposed to CJSJ.

Keywords:

Management; business conception; market research; social
business; value proposition

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).

<u>1</u>	<u>INTRODUCTORY CONTEXT & DIAGNOSTIC</u>	<u>3</u>
1.1	ORGANIZATIONAL CONTEXT	3
1.2	FINANCIAL DIAGNOSTIC	6
1.3	ORGANIZATIONAL STRUCTURE.....	10
1.4	IMPACT DIAGNOSTIC	12
1.5	SCOPE DEFINITION	13
1.6	METHODOLOGY	15
<u>2</u>	<u>BUSINESS PLAN.....</u>	<u>17</u>
2.1	HOW COULD A PARKING SPACE BE CONCEPTUALIZED AS A NEW PROFITABLE BUSINESS UNIT FOR CJSJ?.....	17
<u>3</u>	<u>RECOMMENDATIONS & CONCLUSION.....</u>	<u>35</u>
3.1	ORGANIZATIONAL SHIFTS RECOMMENDED	35
3.2	BUSINESS CASE RECOMMENDATIONS	36
3.3	PROPOSED NEXT STEPS	39
3.4	OVERALL CONCLUSION	41
<u>4</u>	<u>REFERENCES</u>	<u>43</u>
<u>5</u>	<u>APPENDICES.....</u>	<u>48</u>
5.1	APPENDIX 1	48
5.2	APPENDIX 2	48
5.3	APPENDIX 3	49
5.4	APPENDIX 4	50
5.5	APPENDIX 5	50
5.6	APPENDIX 6	51

1 INTRODUCTORY CONTEXT & DIAGNOSTIC

1.1 Organizational Context

1.1.1 What is CJSJ? What is its mission & vision?

Centro Juvenil de S. José (CJSJ) is a private institution of social solidarity (IPSS) based in Guimarães, Northern Portugal. Founded in 1915, CJSJ's mission is to intervene in the life of children and young people without essential family support or at risk of social exclusion and reintegrate them into society through a transdisciplinary and collaborative approach focusing on the socialization, fulfillment, and personal affirmation of each child. Its vision is to create, promote, and implement appropriate responses to the individual life projects of children and youth, creating opportunities for success in all aspects of life with an ultimate view towards family reintegration or autonomy.

1.1.2 What are CJSJ business units & what is their scope?

CJSJ is composed of three social, non-profit units, one temporary social project, and two for-profit business units. The social units include 1) CJSJ's foster home – Casa de Acolhimento (CA), 2) a daycare nursery – Creche Rosas Amorim Vieira (CRAV), 3) the family support center – Centro de Apoio Familiar e Aconselhamento Parental (CAFAP), and 4) the Family First Project (FFP) – a temporary project strengthening families' competency skills.

A hostel and a printing shop are part of the for-profit business units that were initially opened by CJSJ to aid the organization's financial sustainability. The idea behind having profit-making units is to collect inflows of money from business activities that can be used to support the social units of the organization.

1.1.2.1 CJSJ's social units

The foster home – Casa de Acolhimento (CA) is a social response that provides residential care for children and young people from ages 6 to 18 who are in a situation of family, social, and/or school vulnerability and whose development and protection requires a foster care period longer than six months. The foster home is usually the last stop for children and youth who have already lived in a foster family, but for certain reasons could not continue living there. Therefore, CJSJ's mission is to provide a safe and family-like environment for children/youth and to support them in their daily lives. CA partners with the ISS (Institute of Social Security), which places the children under their care and subsidizes the costs.

Currently, CJSJ hosts six children but obtains funding for its full capacity of 40 children. CA is awaiting regulation change from the government that will decrease the limit to 15 children per foster home, and thus its funding too, as an effort to give a more familiar-like environment to these institutions.

The daycare nursery – Creche Rosas Amorim Vieira (CRAV) is protocolled with ISS and was inaugurated in March 2012 after having received the donation of a building in the Parish of Jogueiros, in Felgueiras. Its mission is to contribute to the bio-psycho-motor and socio-moral development of children, enhancing their individualized growth in a healthy, peaceful, and creative way, also allowing for close interaction between family and the daycare center, to safeguard their fundamental rights. Further beneficiaries of CRAV include the children's parents and caretakers as the creche relieves them of care work for several hours a day.

CRAV has a total capacity of 42 children. Currently, up to 33 children are subsidized by the government, which means that the additional 9 places must be paid for by the respective families. The demand for its service is high, yet there are limited spots for each age group.

The family support center – Centro de Apoio Familiar e Aconselhamento Parental (CAFAP) is a social response also protocolled with the ISS and opened to the public in 2018. It is a specialized support service for families with children and youth, aimed at the prevention and repair of psychosocial risk situations, through the development of parental, personal, and social skills in families. It carries out primary psychological interventions meant to complement other existing family support service interventions. Three service modalities are available: prevention, reintegration, and offering a family-gathering place for supervised visits.

Families and children/young people are primarily referred for CAFAP intervention by the Commissions for the Protection of Children and Young People, or the Court, as well as by public or private entities in the field of social security, health, education, and justice. Nevertheless, CAFAP also encourages families to submit their own applications.

Currently, the CAFAP foresees the monitoring of 80 families, under a staff of four (plus an external supervisor). The intervention is distributed by the following modalities: family preservation, family reunification, and family meeting point. However, presently, CJSJ is only receiving funding for 70 families on average as the state only pays for the monthly user frequency, meaning that CJSJ does not reach its full potential for beneficiaries.

The Family First Project – Home Sessions (FFP), is a temporary project funded by Portugal Inovação Social. It aims to accompany families with children and young people at psychosocial risk in the municipality of Guimarães, with the goal of promoting personal, social, parental, and family skills in a differentiated and innovative way. It is a staged space, designed similarly to a home, where families are invited to act out the most varied problem situations that occur in the daily life of the family system. The project plans to assist about 200 beneficiaries until the end of December 2022, which is the end date of the project. Thanks to the positive feedback from

this project, CJSJ has applied for a grant from BPI Foundation “la Caixa” in order to continue this intervention under a different name but with a similar strategy.

1.1.2.2 CJSJ's for-profit business units

Printing shop. The typography workshop was created in 1921, restructured in 1998, and in 2013 digital printing machines were purchased. No equipment has been replaced with the newer models since then. Currently, it offers the following services: offset printing, digital printing, leaflets, books, catalogs, flyers, inlays, envelopes, labels, magazines, cards, invoices, receipts, tickets, and photo prints. Its direct beneficiaries include the staff employed and the private customers of the shop. It aims to support the social units by bringing in revenue to the organization. Nevertheless, given its weak financial performance over the last few years, it is planned to be shut down by the end of the year 2022.

Hostel. The hostel was opened as a way of increasing the financial sustainability of CJSJ given there was unused space from the foster home. However, it hasn't made any revenue since 2021 due to the ending of a partnership with the Universidade do Minho as the COVID pandemic started and students did not need any accommodation as classes were online. Since then, it has operated as a refugee home. It partners with the Guimarães City Hall and the High Commission for Migrations and welcomes 17 refugees at the moment. Some pay a symbolic rent fee of €165 per person that covers accommodation, laundry, meals, and cleaning. The rest of the refugees stay there rent-free. They are supported by CJSJ in their daily lives and integration in Portugal.

1.2 Financial Diagnostic

Given that CJSJ operates as a hybrid organization, its financial structure is somewhat unconventional as it includes non-profit social units as well as for-profit business units. A hybrid organization is one that mixes elements, value systems, and action logic (social impact and profit generation) of various sectors of society, in this case, the private and voluntary sectors

(Haigh 2015). However, at the organization's core lies a commitment to making a positive social impact.

The organization's financial situation is dependent on the activities of each of its units, yet one can analyze its financial positioning at a macro, referring to the whole organization, and micro level- referring to each unit. The view for a stable economic standing is a micro-macro balance.

1.2.1 Macro-level diagnostic

According to the financial statements of CJSJ, the organization's financial positioning on a macro level appears to be positive. In fact, the organization's revenues throughout the years have been solid, with a considerably high liquidity ratio and growing revenues.

As shown in figure 1, which portrays the organization's net income for the past five years, it is observable that the institution has been producing positive results with one exceptional year, 2018. The balance sheet does not account for any non-current liabilities. Regardless, the lowest liquidity ratio for the past five years has been 3.5, illustrating an ability to pay off 3.5 times its current debts.

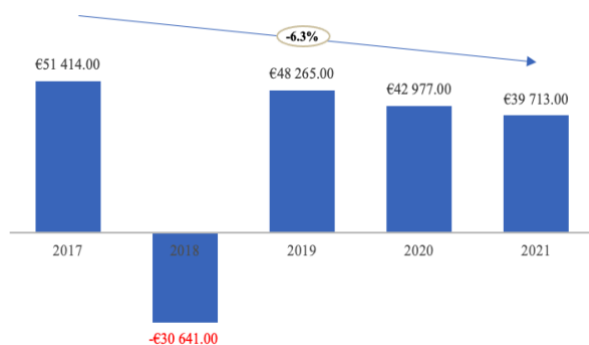


Figure 1 - Net Income of the Organization

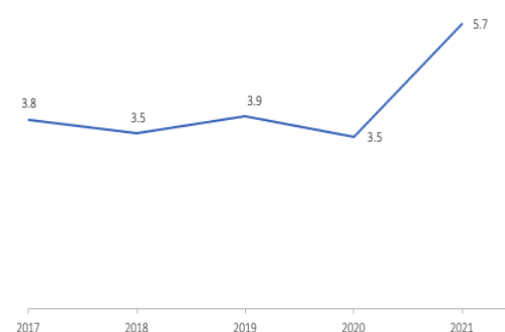


Figure 2 – Current Ratio

The primary element of the organization's income is state contributions, accounting for 79% of the total in 2021. Of the total, only 20% was attributed to self-generated revenues and 1% from donations. The numbers by themselves do not have a qualitative value, it is only by aligning

the values with the strategy that we can make conclusions. As revealed by the organization's management, the future intends to go closer to financial sustainability. However, the state dependency has grown from 56% in 2016 to 79%, representing a compounded annual growth rate of over 6% toward further financial dependency on funding.

Nonetheless, dissecting and identifying the major contributors to the existing surpluses is paramount for this analysis. CJSJ transitioned to a hybrid institution, "modus operandi," to lessen the exposure to the possibility of being unable to function due to unanticipated changes. As a social institution, CJSJ can quickly drop below a deficit if the operational costs of the activity are higher than the subsidies and donations. This risk should be addressed even when institutions are overperforming, as subsidies are dependent on bureaucracy and constantly changing, making an organization's financial stability uncertain.

CJSJ is a hybrid organization in the way that it is a non-profit that aims to earn most of its revenue without external support to become self-sustainable. The strategy in this decision is straightforward, to further fund the social units with profits from for-profit business units to optimally guarantee the continuity of the institution's social purpose in the eventuality of a lack of external funding.

Whilst at a macro-level, CJSJ seems to be positively positioned throughout the last years, it is essential to analyze each unit, dividing them into non-profit and for-profit to understand the performance of the organization in detail.

1.2.2 Micro-level diagnostic

It is evident from a micro perspective that several CJSJ departments operate at a loss. Analyses of the for-profit units' statements for the past five years revealed a noticeable drop in the net profit, with an ongoing trend towards continuous losses. From 2018 onwards, both businesses, the hostel, and the printing shop have been presenting negative results, weakening the

organization's overall financial situation, and actively consuming resources that should be directed to the social units.

The printing shop in specific represents an industry with significant fixed costs, and one that if not modernized can become soon obsolete due to shifts in consumer preferences and technological advancements. Yet, in this case, the figures also portray some indicators of poor managerial decision-making. For example, the difficulty in adjusting the high fixed costs through periods of recession. In 2021 the value of sales increased by 20% compared to the previous year. It would be expected that the variable costs would also increase somewhere in the same magnitude, but the numbers revealed that the costs hardly reached a 1% increase, suggesting a margin for improvement. Additionally, in 2021 the printing shop's personnel costs accounted for 65% of the total costs, making it so that 72% of the revenues went to personnel only. During 2020 and 2021, the printing shop operated at a significant loss. In 2021, the net income of the printing shop was almost -€17,000. Thus, the constant poor financial performance of the printing shop led to the decision to close it down at the end of 2022.

The hostel, throughout the year 2019 guaranteed a safe occupation rate as it had a contract with the local university. Nevertheless, revenues dropped in 2019 to a point where profits were null, and the fiscal year ended with a loss. After reaching the breakeven point, the hostel never recovered. With the pandemic outbreak, and thus the ending of the contract with the university, CJSJ management was forced to monetize the hostel in other ways, such as hosting refugees. Yet, in 2021, the hostel operation was shut down and had total revenue of €0.

The non-profit units of the organization displayed an overperformance. The variance for units with a higher budget is bigger, but all units directed towards social causes revealed outstanding management of resources. CAFAP had a total surplus of €60,000 in 2021, thus being able to save 29% of their income. The income, in its entirety, comes from state subsidies, reaching a

total of €215,000 in 2021. The costs are mainly attributed to personnel costs, representing 52% of all the revenues. Since its creation, CAFAP has managed to end every fiscal year with a surplus; proving able to adjust its growth with a rational increase in its costs, that are balanced with a consequential increase of the subsidies.

CA has been able to manage its resources with regular positive net income. These constant surpluses have been possible, particularly since this unit has been acting inside its production–possibility frontier. The reason behind this is that the state subsidies are the same for any number of children that is under the responsibility of the organization. Currently, for the 40 available spots, there are only 6 children. The subsidy is set up for 40 beneficiaries, and the number of personnel hired is to supply this demand, but the variable costs, namely food, and electricity are only a fraction.

CRAV has long been a source of losses for the organization but managed to reach a breakeven point in 2020 after eight years of constant deficit. In 2021, this unit was financially stable, illustrating the continuity of the increased profitability through the years. CRAV managed to have a surplus of 1% of its revenue, mainly due to a subsidy account growth, representing more clients. Again, personnel costs took the biggest percentage of the costs of this unit.

Therefore, it can be seen that whilst CJSJ is a hybrid organization that opened two for-profit units to aid its financial sustainability, these businesses are only negatively impacting the finances of the entire organization as they operate at a loss. And, ironically, they use up resources from the surpluses made by the social business units.

1.3 Organizational Structure

In order to gain a deeper understanding of CJSJ structure and challenges the organization might be facing, the resource allocation, staff composition, and governance were reviewed. Currently, CJSJ employs 31 permanent staff members and three contractors to manage three permanent

social units (CA, CRAV, and CAFAP) and one temporary project (FFP). In addition, the sole for-profit business unit (Printing Shop) that is currently active, has a staff of 7. Moreover, there is yet another unit (Hostel) that is now unstaffed and is in a somewhat hybrid position (between being totally non-profit and not-for-profit). Only CA and the Printing shop have a dedicated Director/Coordinator. The other teams are overseen by the Executive Director and Chief of Administrative Services (the present-day organizational chart is demonstrated in the next chapter).

Several more units will be added soon (more information on that is mentioned below), therefore the changes necessary to ensure sustainable growth of the organization were proposed in the upcoming chapter.

After interviewing the team, it has been discovered that the units are financially interconnected. Therefore, the money originally intended for other units is used to assist ones that are currently not profitable or receiving adequate financing. Also, there is a tendency to allocate one person to several projects, so the employee's salary can be covered by the funds assigned for various social units.

In addition to the anticipated reduction in CA's subsidies, CJSJ management believes that other current financing may also be cut. Considering this, it was decided to develop additional initiatives (see next chapter for projected organizational chart) and ask for more funding. The team aims to restructure so that social units no longer rely on the financing given to CA.

Moreover, the fact that new initiatives may be created, and new employees may be hired only with the Board of Directors permission should be considered. It's chosen by the organization's members, whose annual dues provide funding for CJSJ. While the Board members appear accessible and open to discussion, they aren't always available to actively monitor or contribute to the organization's efforts to address its current greater issues, as was found out after

interviewing the staff. Additionally, because of the reliance on public funds, proposals to open additional social business units typically require municipal approval.

In order to assist the organization in its efforts to build a more independent, agile and self-sufficient, structure, taking into account the changes mentioned, CJSJ's organizational practices were analyzed, and multiple shifts were recommended.

1.4 Impact Diagnostic

1.4.1 Overall Impact

The overall focus of CJSJ's beneficiaries are children and young people without essential family support or at risk of social exclusion. Hence, indirect beneficiaries are multi-challenged families. To measure the impact of the activities of CAFAP and CA, CJSJ uses annual indicators to track the status and numbers of families and individuals using its services and compares them to previous years. Furthermore, on its website, CJSJ provides an annual evaluation report of its activity plan (2021) for its non-profit departments. To evaluate the impact of its social units' activities, CJSJ is conducting individual (online) surveys that assess the user satisfaction of each department.

1.4.2 Summary of survey results (2021)

At the end of 2021, CJSJ provided online surveys to users of CA, CRAV, CAFAP, and FFP to determine their satisfaction with the activities and facilities provided by each department. For CA, in summary, the youth are satisfied with the "facilities, equipment and signage," the "service and communication," and the "reliability, expertise and responsibility." In general, they are satisfied and indicate that they would recommend CJSJ to others if asked. It should be noted that if they had the option to change facilities, all the youth responded that they would not. For CRAV, it can also be stated that the parents/guardians of the children in the nursery are satisfied with the facilities and the staff. Nevertheless, CJSJ aims to continuously improve both the

physical space and the performance of the technical team, to provide a quality response to the users of the daycare center. Also, for CAFAP, 54 families were surveyed and in summary, users are satisfied (78.8%) – the percentage corresponds to the answers "I agree" and "I completely agree". Finally, to evaluate the FFP trainees in each session, a Registration Grid was prepared where their punctuality, active participation, and motivation were noted. The trainees' satisfaction with the sessions, the trainers, and the training show that 92% of the answers given in the evaluations were corresponding “excellent”, 7% corresponding “good”, and 1% to “sufficient”, meaning that most participants were very satisfied with the program.

From the overall results of these surveys, it can be concluded that the high level of user satisfaction of its clients reflects the positive impact CJSJ is having. Nevertheless, the scope of the impact measurement reported can be rated as deficient, since only quantitative surveys are conducted. Qualitative methods that determine the satisfaction of the users and, above all, the well-being of the children and young people are lacking for a comprehensive evaluation of the impact. Finally, it should be noted that the CJSJ's impact relies on subsidies as CJSJ has not reached financial sustainability yet meaning that without any intervention, its impact can fluctuate due to cuttings of subsidies and donations.

1.5 Scope Definition

As a result of the performed diagnostics, four learnings stand out. Firstly, CJSJ shows a determination in its mission of helping children and families at risk to thrive. From an impact perspective, it achieves its aim successfully through its social units. However, they persist to be highly dependent on government funding. Thus, their expansion and autonomy are limited.

Secondly, the two current for-profit business units, the former hostel, and the printing shop, are either unprofitable or their capacity is not being optimized (i.e., the hostel).

The latter two points lead to the third diagnostic learning that stood out: CJSJ perceives the need to apply for funding for various new projects throughout the year in order to maintain its current operations. This leads to an endless cycle of having to develop new projects as a means of obtaining funds to cover expenses.

Finally, the organizational practices seem to be a limiting factor of the organization's overall performance and ability to break out from the funding dependency cycle.

This dependency and perceived rigid organizational practices have been identified as the two major factors affecting CJSJ's aim for financial sustainability and autonomy as well as its overall efficiency. Hence, the scope of this project has been defined to target these two areas: financial sustainability through the implementation of one, or two, new, profitable, business units (BUs), and the organizational shifts required for its successful implementation.

On one hand, for CJSJ the creation of cost-effective BUs has been identified as a promising solution due to numerous underutilized assets, namely undeveloped land and property that present opportunities for optimization to generate some financial gain. *Figure 3* shows CJSJ's current positioning of its social and financial business units and the proposed shift.

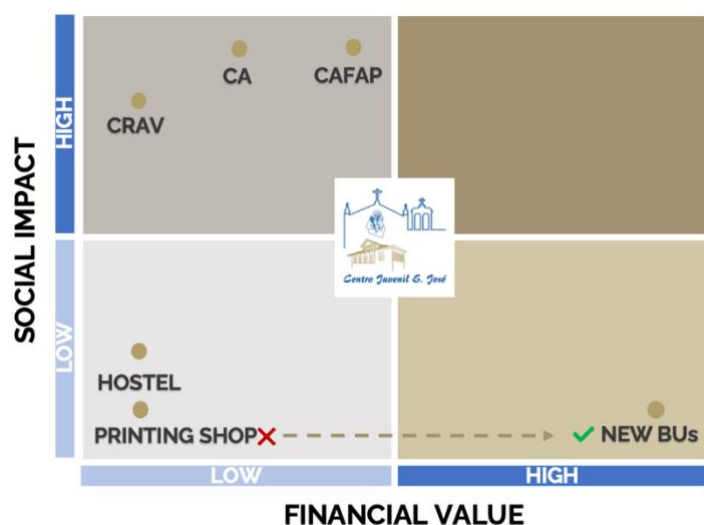


Figure 3

On the other hand, a transformation in managerial processes and approaches has been identified as a fundamental factor largely determining the success of the new BUs implementation and an overall improvement in the organization's performance and efficiency.

As such, this report aims to explore how the financial sustainability of CJSJ might be increased and what organizational shifts are required for its successful implementation. To achieve this – after briefly providing the methodology used – it will first investigate how CJSJ's organizational practices can be enhanced to support sustainable growth. Thereafter, it will provide two business concepts as promising business unit ideas for CJSJ. The financial impact of the latter will be analyzed next. Lastly, it will offer some recommendations and an overall conclusion.

1.6 Methodology

This report has used primary qualitative and secondary qualitative and quantitative data. For the first contextual part of this piece, various informal interviews as well as personal and written conversations took place with staff from CJSJ. Secondary data was retrieved from CJSJ's website and internal documents that were shared. This enabled the group to understand the context and current state of the organization and thus lead to the scope definition of this project.

The individual reports of this work project represent a literature review as well as primary data gathered from interviews that have been supported by various authors and strategic frameworks.

Interviews: a number semi-structured of informal interviews and written conversations were conducted with CJSJ staff, management, and board.

Benchmarking: A systematic tool used to examine the closest competitors in the market and identify gaps that could be targeted to achieve a competitive advantage. It allowed to investigate the Padel and Parking industry overall.

STP Framework: Every marketing strategy is based on segmentation, targeting and positioning. A company discovers different needs and consumer groups in the market, targets

those it excels at satisfying, and then positions its offering so that the target group recognizes its distinctive offerings and images (Kotler and Keller 2016).

SWOT Analysis: A strategic planning framework utilized to analyze the internal strengths and weaknesses as well as the external opportunities of the business concepts presented.

Marketing Mix (4 P's): A model used to define the four key elements (product, price, place, and promotion) of a marketing strategy. The model also helps to translate the marketing strategy into marketing tactics so that a company can move directly to specific actions and implement the strategy efficiently.

Break-Even-Analysis: Break-even analysis is used to calculate the break-even point of a new product, company, or division. It is used to determine the point in time from which a business generates a profit.

Internal Rate on Return (IRR): The internal rate of return is the effective rate of return on investment, meaning the discount rate at which the net present value is zero.

Organizational Mapping: Analyzes cross dependencies between structural elements of the organization performed in order to foster synergy.

Feasibility, viability, and sustainability assessment: An adopted tool developed for the project evaluation.

2 BUSINESS PLAN

2.1 How could a parking space be conceptualized as a new profitable business unit for CJSJ?

2.1.1 What is the rational of the business concept?

CJSJ has a 1.69 ha big, exposed area located next to the facilities of the institution in Guimarães. 600 meters walking distance from the organization is the historical center of the city, whose residents already experience a limitation of parking spaces. The city of Guimarães decided in September 2022 that from 2024 the historic center will be closed to cars and will only be passable in exceptional circumstances such as loading and unloading for residents. Therefore, it can be assumed that from 2024 the demand of parking spaces around the historic center will increase even more. Residents in particular will then need a greater supply of parking, which is why this is an opportunity for CJSJ to build a parking space with public and permanent rental parking spaces on its exposed land. Building the parking space itself can be done in a few weeks to a few months and will potentially generate a stable income for an organization that struggles with financial independency and sustainability. Furthermore, the rental and maintenance of parking spaces represents a low administrative cost, which would benefit CJSJ due to its complex organizational structure. Moreover, with the increased demand for electric cars in Portugal and the EU regulation to only allow e-cars for sale from 2035 on, the opportunity arises to provide charging stations within the new parking space (European Environment Agency 2022; European Commission a) 2022).

However, for the implementation of parking spaces, CJSJ must first invest in the construction of it, as the available land is a meadow with no access to a road. In this course, it is of great importance to take a closer look at the competing environment of parking spaces in Guimarães, which is why the market situation is analyzed in the following. The overall market analysis then

helps in the further process of creating a new business concept for CJSJ, whose goal is to have a sustainable source of income in the future. Following the competitive analysis, the STP process defines the area in which the parking lot will operate, the target audience to be addressed, and how it will be positioned according to the target group's needs. After that, the success factors and risks of this business concept are discussed in the SWOT analysis. Finally, for the value proposition, the 4 Ps of Marketing are used to outline more clearly the product, its features and how it is marketed.

2.1.2 How is the market opportunity and what is the competitive landscape?

2.1.2.1 *Market Overview & Trends*

One problem encountered in most European city centers is the limited availability of parking spaces. Although European cities are making efforts to expand public transportation - not least for environmental reasons - the use of one's own car dominates (European Commission b) 2022). Therefore, ensuring adequate parking spaces remains a necessity to relieve traffic congestion in the downtown areas.

According to an EU wide survey by technology company EasyPark Group (2021), finding a parking space is what bothers people most about parking, and the survey also shows that being able to easily find a free parking space is the innovation most people want to see in the future. Additionally, the study shows that 51% of Europeans are considering buying an electric vehicle either as their next car or at some point in the future, underscoring the growing demand for electric charging stations in parking lots. This is also confirmed by a report from the European Environment Agency (2022), which recorded an increase in new registrations of electric cars from 10.7% to 17.8% within one year (2020-2021).

In addition to the demand for charging stations, the technical automation of parking systems, known as smart parking, is also on the rise. Smart parking solutions are usually installed in

private car parks and use measurement devices such as vehicle counters, cameras, sensors installed in sidewalks, etc. to determine the occupancy of the parking lot (Hiotron 2019). Smart parking is expected to improve real-time navigation to the nearest parking space as well as the visibility of available parking spaces and is also expected to emit less CO₂ emissions through a shortened search (ATLAS IoT n. d.). The aim is that this will increase customer satisfaction - and therefore parking revenue - by enabling drivers to find a parking space quickly, even in the often confusing environment of a sprawling parking lot. At the same time, parking operators and authorities can collect intelligent data on both parking volumes and customer habits. This data can be used as a basis for further infrastructure developments (Cleverciti 2021). As climate change increases consumer awareness and demand for energy-efficient, sustainable, and green solutions, parking garage/ lot operators are also being held accountable to implement emission-friendly practices. This can include energy conservation through the use of motion sensors, energy-efficient lighting, the use of solar energy or of recycled building materials and parking apps (vgl. Silderhuis 2013; Chin 2019).

Related to that, the greening of parking lots with plants is highly appreciated by consumers and municipalities, not only because it improves the cityscape, but it also counteracts air pollution and manages and prevents urban runoff (Davis 2016). A closer look at the target market of this project quickly shows that the EU-wide trends in parking and the effects of car purchases are also reflected in Portugal. With a population of more than 10 million inhabitants, more than 5.6 million passenger cars were registered in 2021 in Portugal, which is more than one car (1.3) per family (Urmersbach 2022; PORDATA 2022). As a result, the inhabitants of Portugal are still very dependent on their cars and the cities are heavily congested. Regarding e-mobility in Portugal, according to a report by Associação de Utilizadores de Veículos elétricos (2022) 20% of all new passenger cars are already fully electric (BEV) or plug-in hybrids (PHEV) (see Welectric 2022). To support this development, Energias de Portugal (EDP) has joined forces

with other energy companies to initiate the installation of electric charging stations on the country's main highways, now enabling zero-emission travel from the north to the south of the country (EPD 2022). This indicates that demand for electric charging stations is also increasing in Portugal.

However, the overall rise in traffic is not only reflected in big Portuguese cities like Lisbon and Porto but also in smaller towns like Guimarães which has over 52.000 inhabitants. Among tourists the city is popular as a day trip destination due to its many attractions and historic center where people are struggling to find parking spaces (see Porto-North-Portugal.com 2022). This keeps especially younger people away from living in the city center as residents are complaining that although they get access to drive within the area, most of the time these streets are closed to traffic. Furthermore, it is an inconvenience to them that most houses do or cannot have garages to leave the car close to home (Costa 2018). To counteract the inner-city traffic, the municipality decided to build "Estacionamento Camoes" in 2017, a large parking garage near the historic city center, which will be discussed in more detail in the following chapter (Diário de Noticias 2017). Furthermore, the city is planning to ban cars from the city center from 2024 on to relieve inner-city pollution. The municipality plans on giving special permits to residents, priority vehicles, public transportation, and loading and unloading (Diário do minho 2022).

2.1.2.2 *Competitive Analysis*

For the implementation of a new parking space in Guimarães, it is necessary to look at the nearby competition and their offers. In this way, it can be decided in which segment the new parking lot of CJSJ should operate, at what prices and what they can do better than the competition.

2.1.2.2.1 Public Parking in Guimarães

On its website, the municipality offers a map with all public and private parking lots as well as parking lots for tour buses and motorcycles, the latter not being analyzed (see Appendix 1). Within and in the immediate vicinity of the city center of Guimarães there are nine publicly operated parking spaces belonging to the municipality and 14 privately operated ones (Câmara Municipal de Guimarães a) n.d). Twelve of these parking spaces don't raise charges, the average price of the rest is €0,73. However, most of the privately operated parking spaces are also partly operated by the municipality which is why the majority of them follow the same price scheme (e.g., Centro Comercial São Francisco). The map excludes on-road parking spaces which is why it will not be analyzed in more detail. As already explained, the supply of free parking is limited in most European cities, and two people living in Guimarães were able to confirm this for this city as well.

The following is a closer look at the three immediate competitors of CJSJ. One of them is Parque das Hortas which is a free of charge and open parking space and the closest to CJSJ (5 min walking distance). The parking lot is popular for both locals and tourists due to its size and free parking while being considered a good starting point for visiting the city center as well as walking up a nearby mountain. However, there are also many reviews that complain that the parking lot is usually full during the day and some feel bothered by people asking for coins in exchange for a space assignment (Google Reviews a) 2022).

A privately operated parking garage near to CJSJ is by the local shopping center Centro Comercial São Francisco (four minutes walking distance). The underground parking garage has 300 parking spaces and costs €0,40 for the first 15 minutes and after that there is a further charge of €0,20 for each additional 15 minutes. However, there must be a grace period for these rates as the mall also charges fixed rates for daytime (€50), nighttime (€30)

and 24-hour parking (€60) (Câmara Municipal de Guimarães a) n.d). Many parking garages have such a grace period to prevent long-term parking and to meet the demand (IMT 2011). Furthermore, it has to be noticed that there is no evidence of electric car charging stations in neither the parking space of the shopping center nor in Largo das Hortas (see MOBI.E a) 2022, Google Maps 2022). There is also no information on the use of smart parking or greenery.

However, a more revealing picture emerges about what is seemingly CJSJ's strongest competitor: Estacionamento Camões. This parking garage is six minutes walking distance to the historic center and was opened in 2019 center (see Guimarães Digital 2019). According to Google reviews, users rate the hourly parking price as reasonable and “not expensive” (Google Reviews b) 2022). The first hour of parking costs € 0,50 and every additional hour €0,40, while also having grace periods which, if exceeded, incur charges for day (€25), night (€15) and 24h-parking (€30). Though, it should be noted that there are discounts for residents of the historic center, and they can even park their car overnight for free (Câmara Municipal de Guimarães c) (2019). However, there is no information whether the parking lot is also equipped with electric charging stations. It also has to be noted that the parking garage was also built under dispute as the exit of the car park is right in front of a local warehouse whose only access is now blocked for many suppliers, which the city administrator of the owner of the location house (Dias 2019).

Furthermore, residents complained when the parking was built that it will raise environmental and planning issues as it will increase and make circulation in the area more difficult, especially since the accesses to the parking are through narrow historical streets. However, to counter the residents' frustration, the assembly proposed to create a public garden that will contribute to the improvement of public health, justifying that the greenery will help purify the atmosphere of the current center of Guimarães (Diário de Notícias

2017). Additionally, the municipality integrated greenery on the roof of the parking garage, making its architecture blend into cityscape of Guimarães (see Appendix 2).

Overall, it turns out that the supply of free and low-cost public parking in Guimarães is largely covered. Nevertheless, according to reviews on the parking spaces on Google, many people complain that they get full quickly and suggest others to come early. By overall being closer to the city center, the competition has an advantage over CJSJ. Furthermore, CJSJ would have to completely rebuild the parking lot and is likely to not be able to keep up with the low hourly prices of its competition.

However, another option to consider would be offering permanent parking spaces for rent. Again, competitor Estacionamento Camões offers special conditions for residents of the old town: a monthly pass (daytime/24 hours) worth €16. An information letter from Câmara Municipal de Guimarães c) (2022) also indicates that there is a possible demand for more parking subscriptions, as they announce that they will not accept any more requests until the end of October 2022. The background to this is that the Municipality first wants to assess the impact of the measures related to the opening of the parking lot to the public, so as not to limit the total capacity of 429 spaces.

2.1.2.2.2 Rental Parking in Guimarães

The rental of permanent parking places is mostly carried out by private persons or administrations of private buildings. The renting of permanent parking places is mostly carried out by private persons or administrations of private buildings. Interested people usually find offers via real estate (online) platforms (see idealista, properstar or OLX.pt accessed Nov 27, 2022), where they can compare them and filter them according to their needs. After comparing such platforms, it can be stated that there is only a small amount of offers located in the city center of Guimarães. A provider in the immediate vicinity of CJSJ rents a regular parking space

of about 12sqm (space for a normal car) for €60. Otherwise, the prices vary, depending on the size, from about €40 to €150 per month. By comparing those platforms, it can be concluded that in the whole municipality of Guimarães the average price for 12- 14 sqm is around €60 - €70, while others also offer 40 sqm parking spaces €95 (status Nov. 26, 2022).

2.1.2.2.3 *Electric Charging in Guimarães*

The charging of electric cars requires parking. Hence, in order to provide a parking space that will be successful in the future, the demand for electric charging should be met. Therefore, a look into the current state of charging stations for e-vehicles in Guimarães should be made. Currently there are 14 charging points in the inner-city area of Guimarães, ranging from four different loading speeds: normal (<16 kW), semi-fast (16 kW- 22 kW), fast (22 kW - 50 kW) and ultra-fast (>50 kW), with the price per minute depending on the speed (MOBI.E b) 2022). However, most charging stations have a semi-fast charging speed that will load a car in 2-4 hours (Entega 2022)

In Guimarães there are two main electricity providers represented: Kilometer Low Cost (KLC), Galp and edp. Another key player is the public company MOBI.E who has been acting as the Electric Mobility Network Managing Entity (EGME) in Portugal and also has been cooperating with the municipality of Guimarães to improve the development of sustainable mobility (see MOBI.E c) 2022; Câmara Municipal de Guimarães b) n. d.). The company is responsible for managing and monitoring the network of electric charging stations and offers a nationwide map where consumers can view the location, availability, and speed of charging stations (see MOBI.E a); MOBI.E c)).

2.1.2.3 *STP Framework*

Segment: According to a market report by Report Linker (2022) most users prefer on-street parking as it is easier to access and usually cheaper than off-road parking. However, most

parking spaces of this segment are operated by public institutions and due to high traffic in cities as well as growing car purchases, the demand for off-road parking is rising. To build up a parking space, CJSJ will operate in the off-road parking segment, as the space available will be on its (operated) property. From the analysis above, it can be stated that the market for public parking spaces close to the city center in Guimarães is quite saturated and due to its rather remote position, it cannot be recommended to operate a fully public parking space. Nevertheless, the need for more parking, by tourists as well as locals, is still there which is why CJSJ's parking space will operate both in public and private rental parking.

Target: For the private rental parking the main target group will be (e-) car owners from Guimarães. This includes specifically residents of the historic center as well as people and families with more than one car who are looking for a safe and central parking space with limited public access. Of the 8,137 inhabitants of the urban area of Guimarães, consisting of the parishes Freguesias de Oliveira, São Paio e São Sebastião, 4,466 are in the age group of 25 - 64 years (Câmara Municipal de Guimarães d) n.d.). People in this age group are likely to have a driver's license, an income and thus, might also own a car. However, committing to rent a parking space permanently requires a certain income, which is why potential customers will tend to be middle and upper class and at least 30+ years old. Since renting parking spaces could be particularly attractive to residents of the historic center of Guimarães, there is the possibility of reaching them with a special offer, making income in this case more of a secondary consideration.

The public parking area is supposed to attract all locals who struggle finding a central parking space on a daily basis, which also includes the other parishes of the municipality as well as day-tourists that want to park close to the historic center. The total amount of residents in Guimarães is 158.124 of which 91.883 are in the age group of 25 - 64, 21.568

are 65+ years old and 19.961 are between 15 and 24 years (Câmara Municipal de Guimarães e n.d.). Although, the focus target group will be between 25 – 65 years, the parking space will still attract users from the other two age groups as they as they are also of driving age and potential car owners.

Position: For car owners in Guimarães that need affordable and central parking opportunities, CJSJ's new parking space will offer rental and daily parking in an environment that respects and emerges into its green surrounding. It will not only relieve urban traffic in Guimarães, but also contribute to the financial prosperity of a social organization that strives to improve the lives of children and families within the municipality. Moreover, by offering charging stations for electric vehicles, the parking lot is geared to the increasing demand for electromobility and will be flexible in the development of its infrastructure in the future.

2.1.2.4 SWOT Analysis

Strength: The need for parking spaces for residents as well as visitors of the city of Guimarães will increase from 2024 due to the strict restriction of cars within the historic center. Therefore, there is a need for sufficient parking facilities in proximity, which is why CJSJ's parking space will be able to keep up with the competition due to its central location as it is only six walking minutes away from the entrance of the historic center. The parking space will be designed to blend into its natural landscape by including as much greenery as possible. Moreover, by setting up a roof for the rental spaces, more safety of the vehicles will be ensured as it will create a separation from the publicly accessed area.

In addition, the implementation of electric charging points will support the local supply and infrastructure of emission free driving. As the parking space will be located in a wide and open area, noise pollution for neighbors will be low. CJSJ's new parking business will also

have a competitive advantage as customers will financially support its social cause in an easy way.

Weakness: Since cars, especially internal combustion engines, are a burden on the environment and the construction of a parking space requires many resources, the project cannot be declared sustainable. Furthermore, an undeveloped meadow will be used as the base for the construction, which residents may complain about due to the ecological impact on the environment and landscape. Additionally, the access by car would be through two rather remotely located streets which will make the parking space not as accessible as its competition.

Opportunities: The greatest opportunity of this project is the possibility of creating a long-term source of income for CJSJ and helping the organization become financially independent and thus, enabling them to make a greater impact. In addition to that, the parking space might relieve inner-city traffic and frustration among car drivers who can't find parking spaces. In combination with the implementation of the possibly build Padel courts and a kiosk, synergies can be created that could boost the visibility of both new business units. Lastly, by emphasizing the social impact of this project and by providing people an easy way to contribute to it, can potentially strengthen the sense of community within Guimarães.

Threats: A possible threat could be a growing competition with cheaper offers. In particular, the municipality itself - as can be seen from the Camoes parking garage- has opportunities to offer low-cost parking to residents. In addition, economic fluctuations that are likely to happen in the North of Portugal can affect tenants' liquidity and force them to abandon their leased parking space. Furthermore, since the access to the road (R. Dom

Domingos da Silva Gonçalves) must be created to build a new driveway, an application must be submitted to the City Council, whose decision could overturn the project.

2.1.3 What is the value proposition of the parking space?

As mentioned above, the new CJSJ parking space will be located on the edge of the city center within a green environment in which it will strive to blend in. However, to illustrate the parking space business concept in more detail, the 4 Ps of the marketing mix are applied.

2.1.3.1 Product

The parking space will be built onto a meadow, that belongs to CJSJ and is located right behind its facilities in the city of Guimarães, however, not all of the area will be for parking as the construction of Padel courts and a small kiosk belonging to the court is also planned. The area planned for the parking will be around 3.575,49 sqm/ 0.36 ha big (see Appendix 3). Although the surrounding area is not very densely built, the location is still very central, and you can easily reach the historical center by foot. Here, shopping and errands can be done, and historic monuments of the city can be visited.

To reach the driveway of the parking space, cars can access from R. Dom Domingos da Silva Gonçalves that transforms into a narrow one-way street that people can go to after parking to walk towards the city center. Cars can either access the parking space coming from Rua do Pinheiro or R. Dr. Raúl Alves da Cunha. If people are directly coming by car from the city center, they will have to drive via R. Bernardino Jordão (see Appendix 4). The driveway will be located right next to Parque Da Freguesia Da Costa that has a small football court.

The parking space itself will be divided into three parts: A public parking space, a private rental area and an area reserved for the Padel users. The public parking will take on an area of 4400 sqm while the private rental parking area will be a bit smaller with a space of 660sqm. Moreover, the areas will be clearly separated since the rental parking spaces will be within a

garage that has a roof for protection and will not be publicly accessible as tenants will have to enter with a security key.

To ensure that the whole parking space will emerge into its green surrounding and to counter emissions by internal combustion engines, the design will be made with as many organic and recycled materials as possible. This also includes using and keeping as many plants and greenery as possible. Therefore, the foundation for the public parking lots that will be outdoors will not be covered with asphalt but with a permeable road surface where grass can grow through (see Appendix 5Appendix 4). Such paving is called grass pavers where the paving stones have integrated drainage holes. In this way, the natural water cycle can be maintained as well as a "green look" since the proportion of grass in this method will remain about 40% of the total paved area. Sufficient stability will be essential for a frequently used parking lot which is why it is recommended to use hexagon-shaped concrete paving stones (of at least 12cm thickness) as well as building a stable substructure (Grimm 2018). Furthermore, even in wet conditions, concrete paving stones are slip-resistant and slip-proof. The concrete paving stones are durable and if necessary, they can be easily replaced.

The single public parking spaces themselves will be 11,5sqm (5m x 2,3m) tall which is the standardized size (Interparking n.d.). To ensure enough space and can either be aligned parallel or diagonally to fit as many cars as possible which will ultimately depend on the final outline of the space. Furthermore, the parking space will need to have barrier free parking spaces and the passage to drive within the parking space will be a at least 4,5m wide single lane to ensure that as many parking spaces as possible can be implemented. For this purpose, markings on the floor (e.g., arrows) can serve as signposts.

Regarding the private parking, the roof of the garage will need steel beams that provide sufficient stability so that it can be planted. In addition, an intermediate layer that is a few

centimeters thick (substrate layer) is also needed for planting. Low-growing plants are then used, which are optimally adapted to extreme weather conditions such as heat, drought and cold. To protect the garage vertically, rusting metal panels can be tightly strung as cladding to create a covered but still open and modern look (see Appendix 6). For the flooring, a concrete-only layer will be poured instead of the grass pavers as installed outdoors. The parking spaces themselves will be with 14 square meters slightly larger than regular ones to ensure that there is enough space between tenants' cars to prevent potential damage and to allow more user comfort. This will also allow tenants to store additional smaller vehicles such as mopeds. Related to the security of the garage, CJSJ will need to purchase an insurance, which has to be included into the final parking price.

Two charging stations with semi-fast charging speed (22 kwh) will be installed, which will allow cars to be charged within 2-4 hours. A period during which users can play Padel or run errands in the center. It also remains to be seen whether the tenants of the parking garage will also be interested in electric charging stations which is why the implementation of them within the parking garage is not planned yet. Furthermore, the parking lot will have a manageable size, the use of automated parking is not planned for the time being, not least to keep the investment costs of this project low. Nevertheless, the implementation of digital systems is foreseen, for example, for flexible electronic payment (e.g., via MB WAY). Since space for rental parking will be limited, CJSJ still has the option to convert some of the public parking spaces to rental parking if growing demand requires it. As these parking spaces will not be covered by a roof, the monthly rental fee will need to be reduced for them. Lastly, the parking space will be operated by CJSJ, but they will need to hire at least one person for staff for the maintenance and managing of the space.

2.1.3.2 Price

After comparing the competition, the average price for public parking in Guimarães is € 0,73 per hour. However, since the access by car is not quite central compared to other parking lots in Guimarães, the hourly price should keep up with the cheaper competition which is why the hourly parking price will be €0,50.

The same principle was applied to the rental parking spaces. Tenants will have to pay a monthly rent of €50, although there will be a special offer for residents of the historic center. Related to the electric charging stations for e-cars, CJSJ will have to follow the predefined electricity costs by providers such as KLC or EDP.

2.1.3.3 Place

Related to the distribution channel of the public parking, most people will use Google Maps or follow street signs pointing to the parking lot, which is why implementing both will be essential for the parking space to be found by users. Moreover, the municipality should be asked to publish the public parking space on its website, as all other municipal parking spaces can be found there. To be found by tourists, ads can be placed on tour operator websites and booking platforms. The same principles can also be used to promote the availability of the e-charging stations. Furthermore, for both the public and rental parking, information brochures about the opening of the new parking space will be distributed in selected locations in both public and private facilities within the Municipality.

For the rental parking lots, real estate platforms such as idealista, properstar or OLX can be used to distribute as these are also commonly used by private competitors. Nevertheless, CJSJ should consider creating a dedicated website for its rental parking, as this would allow the organization to provide potential customers with a unified overview of the organization's offerings and mission and can ultimately also be used as a platform for operating the parking

lot and interacting with tenants. A web-based platform will also allow CJSJ to place signs with the website's QR code at various locations within the parking lot - for example, at the pay station or near the covered area - giving interested parties quick access to information about the offering.

2.1.3.4 Promotion

CJSJ will ultimately be left to decide whether to open the parking lot on its own or also open additional Padel courts in combination with a kiosk. If the organization decides on both business concepts, the public parking space will automatically benefit from users of the Padel court who come by car. Moreover, as already touched upon, signage of the parking space within Guimarães is also essential so that people looking for parking can quickly find the one of CJSJ. For this, signposts must be placed on the previously mentioned roads.

Since the public parking space will be of great importance for Guimarães residents, CJSJ should place ads in newspapers and post informational brochures on black boards to publicize the parking lot. For this purpose, the organization should make use of their already existing network and old partnerships (e.g., Diário do Minho). Related to that, these brochures can also be placed on blackboards in churches. Although the parking space will be a business, revenues will in the end contribute to CJSJ's work as a social organization whose goals is to ensure the well-being of youth within the community which is something the church will be in favor of supporting. This will help them to reach the older population especially, which usually has a large network within the city and strong word-of-mouth marketing from which the parking space can benefit. Another way to promote public parking is to contact businesses in the nearby area, specifically in the historic center and the ones who do not have their own parking space. Depending on the company, information flyers can also be displayed in their facilities or there might also be the possibility to send a newsletter email to employees.

For rental parking space, ads can be shared on the relevant Portuguese online platforms already mentioned and will be included in the information brochures handed out to the various places within the municipality. Nevertheless, a special offer should be made for residents of the historic center as they are particularly dependent on permanent parking spaces, and this will be reinforced even more by the future traffic restriction within the old town. To ensure that they receive the information, CJSJ can address them directly with a personalized letter (name) that is distributed in combination with an information brochure in the residents' mailboxes. Similar offers for permanent parking can also be made to businesses in nearby areas if needed.

2.1.4 Conclusion

In order to enable financial independence and sustainability for CJSJ, various business concepts were considered, one of which, however, proved to be an easy-to-implement model: A parking space. The construction of a parking space is usually fast and would not cause CJSJ a high operational effort, which is of necessity due to the complex organizational structure of the organization.

To meet the daily demand of sufficient parking for locals and tourists in Guimarães, CJSJ is advised to implement public parking. However, since residents of the historic center, which will soon be closed to cars, can also be relieved of the burden of finding parking, CJSJ is also recommended to implement private rental parking spaces due its central location. Therefore, the new parking lot will follow a hybrid model, offering both public and permanent rental parking, while also giving access to electric charging points to contribute to the infrastructure of e-mobility in Guimarães. The prices are based on the existing competition in Guimarães, so in particular the public parking must be based on reasonable prices. A great advantage that CJSJ has over its competitors is its status as a social organization. Through a simple act such as parking, the residents of Guimarães as well as tourists are facilitated to make a positive contribution, since the business model serves the financial prosperity of the organization that

ultimately helps the vulnerable youth within the municipality. This advantage can also be highlighted by the organization in its promotional strategy. In addition, the construction of the new parking lot provides for a fusion with its natural environment in order to maintain a natural landscape. Although an exposed meadow belonging to CJSJ will be used for the construction, sufficient greenery will be integrated during the implementation to preserve ecological cycles and to offset emissions generated by combustion engines.

However, as will be discussed in the financial analysis of the business concepts, revenues for the parking space are expected to remain low which is why CJSJ is offered the opportunity to implement another business unit: Padel courts. By opening up Padel courts in combination with a small kiosk and outdoor sitting area, the parking space will gain synergies and hence, more visibility for a bigger group of people in Guimarães.

3 RECOMMENDATIONS & CONCLUSION

3.1 ORGANIZATIONAL SHIFTS RECOMMENDED

The analysis of CJSJ's organizational practices revealed that regular project forecasting should be carried out and HR procedures improved to optimize resource allocation. In order to ensure an adequate workload, it is suggested to continue estimating the staff-to-beneficiary ratio for both current and future projects and include it as a part of project evaluation along with the administrative, technical, financial, and market feasibility assessment. When establishing strategic priorities, project viability and sustainability should also be taken into account.

In efforts to increase teams' satisfaction, it's recommended to regularly assess burnout rates and apply specific measures to mitigate their level. This indicator should be given equal weight to other important performance measures. Moreover, to increase the attractiveness of the workplace, onboarding process improvement is advised.

Furthermore, given that a new board will take office in January 2023, the revision of the top decision-making mechanism is suggested. For this reason, it is suggested to assess current board regulations that restrict the organization's flexibility and offer change proposals prior to the first public meeting. Considering that several more units will be added soon, the expansion of the administrative team might be one of the topics included in the proposals. The hiring of directors to oversee one or more projects, or, at the very least, the hiring of assistants for existing directors, is crucial to prevent a decline in efficiency.

Moreover, the prioritization of stakeholder management is believed to potentially increase the organization's visibility, attracting new hires and donors. Building pro bono ties with socially responsible businesses is advised as a further step in this regard.

3.2 BUSINESS CASE RECOMMENDATIONS

3.2.1 Recommendations for the parking space

The analysis performed made it evident that despite the parking space business model having the potential of giving CJSJ a stream of income with minimum administrative overhead, the investment does not compare favorably to the projected revenue. This specifically refers to the possibility of opening a garage with privately rented parking spaces. The anticipated investment is significant, and future maintenance and insurance expenses will also be required.

CJSJ is recommended not to construct a parking garage with rental parking for the time being since there is a lack of information on the precise demand for privately rented parking spaces. As seen in *figure 9*, despite the parking space generating positive cashflows after its break even in year 5, due to low hourly rates, public parking alone does not constitute to outstanding revenues, it only generates small profits. The public parking alone for a time period of ten years would generate around €43,000 in today's money.

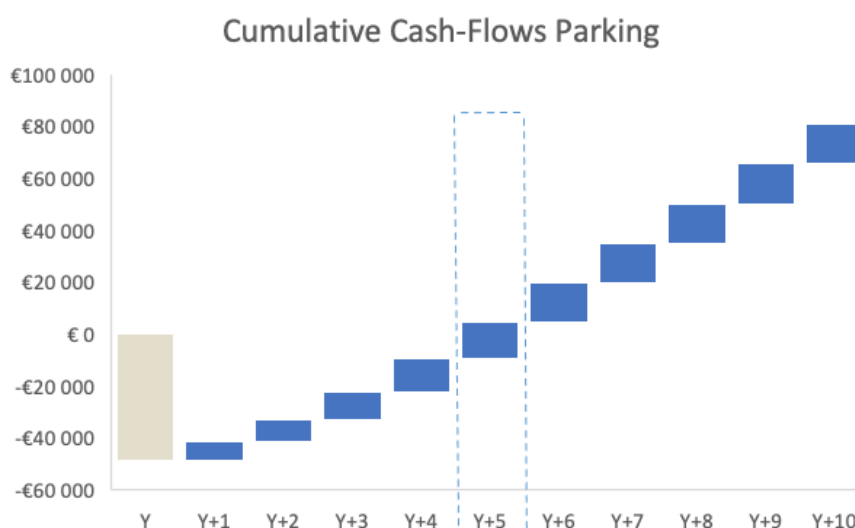


Figure 9 - Cumulative Cash Flows Parking

Therefore, the parking must be built considering the installation of the Padel courts. While the parking space will be free to use for Padel players, other users will be charged with an hourly rate of €0.5 per hour. Additionally, it is advised to adhere to the idea of creating a "green" public

parking space and supply three charging stations for e-cars creating an infrastructure for Portugal's growing demand for e-mobility.

Nevertheless, the possibility of providing rental parking in the public parking area should thus be kept open by CJSJ in case demand rises. The operation of those rental parking spaces will then involve less organizational effort and can be offered at a lower price since it won't be within a garage and therefore, CJSJ is not obliged to insure the spaces.

When income from the Padel court has increased over the course of a few years and there is a demonstrable demand, the construction of a garage with permanent parking places may be taken into consideration.

3.2.2 Recommendations for the Padel club

In principle, a Padel court is a viable new business unit investment for CJSJ, according to the designed business model. Firstly, it is undeniable that Portugal's Padel sports market is expanding and will continue to do so in the future. Secondly, CJSJ's unused land proves to be an ideal outdoor space with a great location to build a Padel club. This would add a competitive advantage against the four main players in Guimarães' Padel market. Thirdly, CJSJ could position itself as a Padel club with more affordable rental court fees without compromising the quality of the facilities and services offered. The fact that it is a hybrid organization, with all its surpluses going directly to support CJSJ's goal, is an important selling feature. As a result, this can also have a favorable effect on the expansion of CJSJ's brand recognition.

The construction of a Padel club could help CJSJ's financial sustainability through two identified scenarios. First, the ownership and operation of a Padel club by CJSJ directly would entail managing the premises and thus having to invest larger human capital to run the club. This scenario would potentially allow for higher profits as it would collect revenues from the primary service, the rental of Padel courts, as well as from secondary services, such as Padel

lessons, and the kiosk. Second, the ownership and outsourcing of a Padel club would offer CJSJ a way to receive stable and recurrent flows of income through its monthly rent and arguably less risk as this is passed to the party that operates the club. Nevertheless, the profitability of this business model would most likely be lower.

By analyzing the financial impact that both scenarios would have, it is recommended that CJSJ owns and operates the Padel club as the NPV for operating proved to be significantly higher than renting even for a discount rate twice as big. The analysis made took also into consideration the increased risk in operating versus renting by using appropriate discount rates that would accurately reflect the risk of each option. As seen in the following figure, the breakeven of the Padel Club's operation would occur in year 4 with increasing cash-flows.

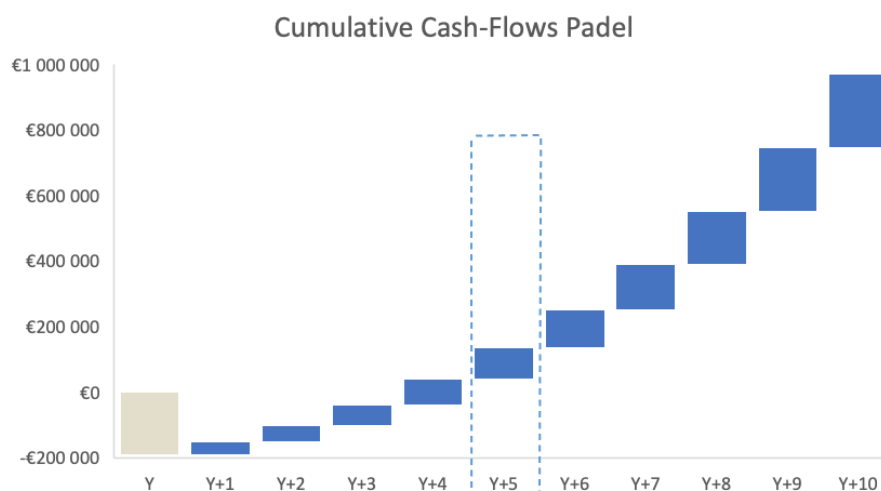


Figure 10 - Cumulative Cash Flows Padel

Therefore, the implementation of a Padel Court shows to be a good investment as a for-profit business unit for CJSJ. Importantly, it can aid the financial sustainability of the organization as it would generate surpluses that can be reinvested in CJSJ's social units.

When considering the two proposed for-profit business units, it has been shown that both, the operation of a Padel Club and the parking are profitable and promising investments. The total

added value of the NPV of these two projects add up to roughly €264,000. Even though there is a risk associated with both businesses, both financial plans have been carefully stress-tested for changes in the crucial variables, reassuring profitability in the event that the economy's performance, as well as other variables throughout the years of the project, don't match the assumptions. Hence, the investor can be confident that the results outlined in the financial study will realize with a high probability.

3.3 PROPOSED NEXT STEPS

This section will briefly describe some proposed next steps for the implementation of the presented for-profit business units.

While CJSJ has financial reserves of approximately €800,000 in cash, the organization plans to spend some of this on renovating its facilities. Therefore, CJSJ is recommended to raise debt capital for the implementation of the new business concepts. Since the organization is already in contact with Portuguese banks such as BPI and la Caixa, the CJSJ should take advantage of these partnerships and apply for a loan for 50% of this project. This way, the organization doesn't require to up-front the totality of the investment; and as long as the return rate is higher than the interest rate, the organization is leveraging its investment, hence increasing its rate of return.

For the implementation of the parking lot and Padel courts, CJSJ must first develop an accurate floor plan, including the driveway to be built, and apply it to the City Council of Guimaraes. This not only has something to do with changing the cityscape, but also with the fact that for the entrance and exit an access must first be created to the road, which belongs to the city. In the course of this, CJSJ also needs permission for the installation of signposts on relevant roads within the city. Therefore, before the implementation of the projects, the organization needs a

building permit. According to Rodrigues (2022), there are four bureaucratic steps to follow to apply for a building permit in Portugal:

1. A previous information request (pt., “Pedido de Informação Prévia”) at the City Council in Guimaraes must be made. This first phase serves to ensure the feasibility of the construction project. In this request, CJSJ must provide details about the location of the land and the planned construction project. Here, the time between the analysis and the response of the authority will be about 20-30 days.

2. Architecture and specialties project - With the approval of the municipality in the previous step, CJSJ can proceed with the topographic survey and the development of the architectural project. This must also be submitted to the relevant chamber for the approval process. Once the architectural project has been approved, the next step is the “specialized projects” (pt., “projetos de especialidades”), which are also reviewed by the responsible authority. In case of approval, the projects can be submitted together with the architectural project or within six months from the date of notification of approval.

3. The Workbook (pt., “o Livro de obra”) - When all projects have been approved by the authority, CJSJ can proceed with the actual construction. Now, the organization must hire a contractor who is responsible for the construction work and creation the workbook. This book must contain all information about the construction work, and it is the responsibility of the construction engineer to monitor the proper execution of the project phases.

4. User license - The final step is to obtain a user permit for the new business units from City Hall, and only after this is issued may CJSJ open its new facilities.

After the implementation of the steps listed above, the organization is advised to proceed with the application for the loan and developing a plan of construction.

3.4 OVERALL CONCLUSION

In conclusion, the implementation of the two business units, a Padel club owned and operated by CJSJ and a parking space, show to be a promising way to improve the organization's financial sustainability. As seen in the figure below, their operation would positively impact CJSJ's financials as they would provoke a rise in the organization's EBITDA over time.

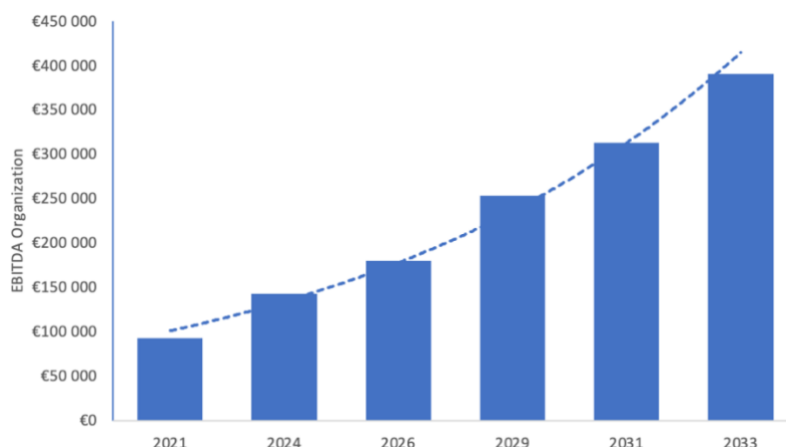


Figure 11 - Expected EBITDA of the Organization

This would, in turn, aid to increase CJSJ's overall financial sustainability. It would allow the EBITDA that is generated by the for-profit business units to be inserted into the social units and thus, reduce the need for state funding. *Figure 12* portrays the impact that these projects would have on the organization's financial sustainability, *caeteris paribus*; estimations show it would

increase 120%.

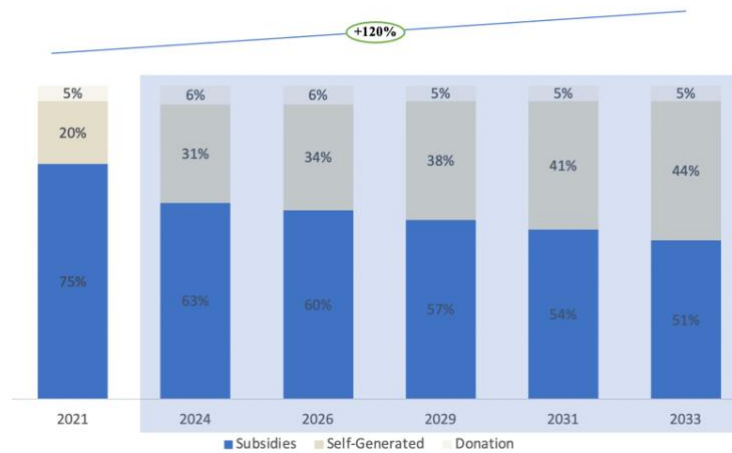


Figure 12 - Organization's expected income source

Hence, it can be seen how the self-generated income from the Padel Club and parking space could help reduce the dependency on donations and subsidies and thus aid CJSJ to become a well-balanced, financially sustainable, hybrid organization.

Importantly, for the successful implementation and sustainable operation of these business units, this project highlights the need for CJSJ to reassess methods of determining viability of new projects, modify organizational regulations to allow for greater agility, and enhance stakeholder management.

4 REFERENCES

- ATLAS IoT. n. d. “SMART PARKING Intelligentes Und Automatisiertes Management von Parkplätzen.” ATLAS IoT Tech. Accessed November 28, 2022. <https://www.atlas-iot.de/blog/portfolio/smart-parking/#:~:text=Smart%20Parking%20ist%20das%20Digitalisieren.>
- Câmara Municipal de Guimarães a). n. d. “Estacionamento.” www.cm-guimaraes.pt. Accessed November 23, 2022. <https://www.cm-guimaraes.pt/conhecer/mobilidade/estacionamento.>
- Câmara Municipal de Guimarães b). n. d. “Guimarães Inaugurou Primeira Estação de Carregamento Rápido de Veículos Elétricos Em Portugal.” www.cm-guimaraes.pt. Accessed November 23, 2022. <https://www.cm-guimaraes.pt/conhecer/noticia/guimaraes-inaugurou-primeira-estacao-de-carregamento-rapido-de-veiculos-eletricos-em-portugal.>
- Câmara Municipal de Guimarães c). 2019. “Parque de Camões Com Condições Especiais Para Residentes No Centro Histórico.” Accessed November 6, 2022. www.cm-guimaraes.pt, <https://www.cm-guimaraes.pt/conhecer/noticia/parque-de-camoes-com-condicoes-especiais-para-residentes-no-centro-historico.>
- Câmara Municipal de Guimarães d). n. d. “União Das Freguesias de Oliveira, São Paio E São Sebastião.” www.cm-guimaraes.pt. Accessed November 6, 2022. <https://www.cm-guimaraes.pt/municipio/freguesias/uniao-das-freguesias-de-oliveira-sao-paio-e-sao-sebastiao.>
- Câmara Municipal de Guimarães e). n. d. “Dados Demográficos.” www.cm-guimaraes.pt. Accessed November 6, 2022. <https://www.cm-guimaraes.pt/municipio/dados-demograficos.>

- Chin, Melissa. 2019. “Parking Industry Trends 2019.” www.parking.net, Accessed November 30, 2022. <https://www.parking.net/parking-industry-blog/parking-network/parking-industry-trends-2019>.
- Cleverciti. 2021. “Wie Funktioniert Smart Parking?” Cleverciti, Accessed November 30, 2022. <https://www.cleverciti.com/de/ressourcen/blog/wie-funktioniert-smart-parking>.
- Costa, Liliana. 2018. “Habitantes São O Maior Património Do Centro Histórico de Guimarães.” TSF Rádio Notícias, Accessed November 30, 2022. <https://www.tsf.pt/sociedade/habitantes-sao-o-maior-patrimonio-do-centro-historico-de-guimaraes-10147619.html>.
- Davis, Carla. 2016. “Why Plants Are Showing up on Roofs and Parking Lots.” NC State University, Accessed November 30, 2022. <https://sustainability.ncsu.edu/blog/changeyourstate/managing-urban-runoff/>.
- Diário de Noticias. 2017. “Construção de Parque de Estacionamento Arranca Em Guimarães Sob Contestação.” www.dn.pt, Accessed November 30, 2022. <https://www.dn.pt/lusa/construcao-de-parque-de-estacionamento-arranca-em-guimaraes-sob-contestacao-8864466.html>.
- Diário do Minho. 2022. “Guimarães Quer Centro Histórico Sem Carros Até Ao Final de 2023.” DM, Accessed November 30, 2022. <https://www.diariodominho.pt/2022/09/20/guimaraes-quer-centro-historico-sem-carros-ate-ao-final-de-2023/>.
- Dias, Rui. 2019. “PARQUE de CAMÕES SOMA PROBLEMAS.” Mais Guimarães, Accessed November 30, 2022. <https://maisguimaraes.pt/parque-de-camoes-soma-problemas/>.
- EasyPark Group. 2021. “The Cities of the Future Index.” www.easyparkgroup.com, Accessed November 30, 2022. <https://www.easyparkgroup.com/studies/cities-of-the-future/en/>.

- EDP. 2022. “EDP, BP and Repsol Have Completed the Installation of All Their Charging Points on the via Verde Electric (Portugal’s Electric Green Route).” edp.com, Accessed November 30, 2022. <https://www.edp.com/en/news/2022/07/06/edp-bp-and-repsol-have-completed-installation-all-their-charging-points-verde>.
- European Commission a). 2022. “Press Corner.” European Commission - European Commission, Accessed November 30, 2022. https://ec.europa.eu/commission/presscorner/detail/en/IP_22_6462.
- European Commission b). 2021. “Statistical Pocketbook 2022.” transport.ec.europa.eu, Accessed November 30, 2022. https://transport.ec.europa.eu/media-corner/publications/statistical-pocketbook-2022_en.
- European Environment Agency. 2022. “New Registrations of Electric Vehicles in Europe.” www.eea.europa.eu, Accessed November 30, 2022. <https://www.eea.europa.eu/ims/new-registrations-of-electric-vehicles>.
- Google Maps. 2022. “E-Charging Stations in Guimaraes.” www.google.de. Accessed November 17, 2022. <https://www.google.de/search?tbs=lrf:>.
- Grimm, Roland. 2018. “Entwässerung: Wasserdurchlässige Pflasterflächen, Fugenversickerung.” baustoffwissen, Accessed November 30, 2022. <https://www.baustoffwissen.de/baustoffe/baustoffknowhow/garten-landschaftsbau-tiefbau/wasserdurchlaessige-pflaster-entwaesserung-fugenversickerung-haufwerksporiges-betonsteinpflaster-filtersteine-porensteine-rasengittersteine/>.
- Guimarães Digital. 2019. “Parque de Camões Entra Em Funcionamento Após Cerimónia de Inauguração Este Sábado.” GUIMARAESDIGITAL.COM, Accessed November 30, 2022. <https://www.guimaraesdigital.pt/index.php/informacao/sociedade/55693-parque-de-camoes-entra-em-funcionamento-apos-cerimonia-de-inauguracao-este-sabado>.

- Hiotron. 2019. “IoT Based Smart Parking Systems for Smart Cities.” HIOTRON, Accessed November 30. <https://www.hiotron.com/smart-parking/>.
- idealista. n.d. <https://www.idealista.pt/arrendar-garagens/guimaraes/>, Accessed November 27, 2022.
- Instituto da Mobilidade e dos Transportes (IMT). 2011. “Políticas de Estacionamento.” www.imt-ip.pt, Accessed November 30, 2022. https://www.imt-ip.pt/sites/IMTT/Portugues/Planeamento/DocumentosdeReferencia/PacotedaMobilidade/Documents/Pacote%20da%20Mobilidade/Pol%C3%ADticas%20de%20Estacionamento_Março%202011%20.pdf.
- Interparking. n. d. “Wie Groß Ist Eigentlich Ein Parkplatz?” Interparking France. Accessed December 5, 2022. <https://www.interparking-france.com/de/wie-gros-ist-eigentlich-ein-parkplatz/>.
- MOBI.E a). n. d. “Encontrar Posto - Mobi.e -.” Mobi.e, Accessed November 27, 2022. <https://www.mobie.pt/redemobie/encontrar-posto>.
- MOBI.E b). n.d. “Frequently Asked Questions - What Is a Charging Station?” Mobi.e, Accessed November 27, 2022. <https://www.mobie.pt/en/redemobie/faq>.
- MOBI.E c). n.d. “THE FUTURE IS LIVED TODAY.” Mobi.e, Accessed November 27, 2022. <https://www.mobie.pt/en/quemsomos/a-mobi.e>.
- NOVA Junior Consulting. 2022. “3rd Edition Social Leapfrog Recommendations – Centro Juvenil S. José” Leadership For Impact Knowledge Center.
- OLX.pt. 2022. “Guimaraes - Garagens E Estacionamento - OLX Portugal.” www.olx.pt. Accessed November 27, 2022. <https://www.olx.pt/d/imoveis/garagens-estacionamento/q-guimaraes/>.
- PORDATA. 2022. “Motor Vehicles in Circulation: Total and by Type of Vehicle.” www.pordata.pt, Accessed November 27, 2022.

<https://www.pordata.pt/en/portugal/motor+vehicles+in+circulation+total+and+by+type+of+vehicle-3100-262483>.

Porto-North-Portugal.com. 2022. “Day Trip to Guimarães.” porto-north-portugal.com, Accessed November 27, 2022. <https://porto-north-portugal.com/guimaraes/guimaraes-day-trip.html>.

Properstar. n.d. “Lugar de Estacionamento Para Alugar Em Guimarães.” Properstar. Accessed November 27, 2022. <https://www.properstar.pt/portugal/guimaraes/alugar/lugar-de-parking>.

ReportLinker. 2022. “Parking Management Market: Market Segments: By Component ; by Parking Site ; by Deployment Type ; by Application ; and Region – Global Analysis by Market Size, Share & Trends for 2014 – 2020 and Forecasts to 2030.” www.reportlinker.com, Accessed November 16. https://www.reportlinker.com/p06191590/Parking-Management-Market-Market-Segments-By-Component-By-Parking-site-By-Deployment-Type-By-Application-and-Region-Global-Analysis-by-Market-Size-Share-Trends-for-and-Forecasts-to.html?utm_source=GNW.

Rodrigues, Ricardo. 2022. “Quanto Tempo Demora O Projeto de Especialidades Na Câmara?” engIobra, Accessed November 16. <https://engiobra.com/tempo-de-aprovacao-do-projeto-de-especialidades/>.

Silderhuis, Herbert. 2013. “Current Trends in Parking.” www.parking.net, Accessed November 16 2022. <https://www.parking.net/about-parking/current-trends-in-parking>.

Urmersbach, Bruno. 2022. “Portugal - Gesamtbevölkerung Bis 2050.” Statista, Accessed November 16, 2022. <https://de.statista.com/statistik/daten/studie/19313/umfrage/gesamtbevoelkerung-von-portugal/>.

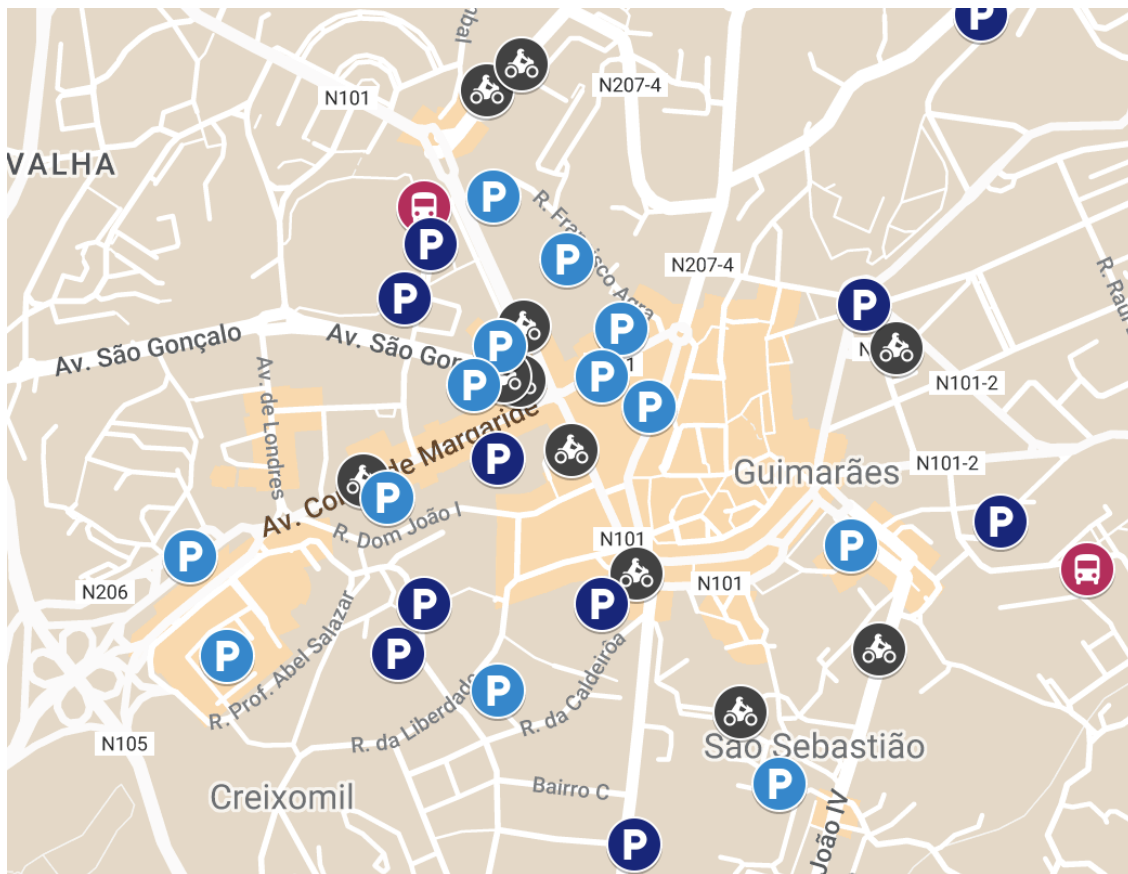
Welectric. 2022. “20% Dos Ligeiros de Passageiros Novos Em Portugal São PHEV Ou Elétricos.” Watts On, Accessed November 28 2022.

<https://welectric.pt/2022/05/25/20-dos-ligeiros-de-passageiros-novos-em-portugal-ja-sao-phev-ou-100-eletricos/>.

ZENO. 2020. *2020 Zeno Strength of Purpose Study*. Global Study, ZENO Group.

5 APPENDICES

5.1 Appendix 1



Source: <https://www.cm-guimaraes.pt/conhecer/mobilidade/estacionamento>

5.2 Appendix 2



Source: <https://www.guimaraesdigital.pt/index.php/informacao/sociedade/55693-parque-de-camoes-entra-em-funcionamento-apos-cerimonia-de-inauguracao-este-sabado>

5.3 Appendix 3



Source: <https://earth.google.com/web/@41.43874074,-8.28829752,201.33734252a,601.46032582d,35y,0h,0t,0r>

5.4 Appendix 4



Source: <https://earth.google.com/web/search/R%2e+Dr%2e+Raúl+Alves+da+Cunha/@41.4388008,-8.28698875,211.66658437a,733.6803253d,35y,115.55263392h,59.99792606t,360r/data=CigiJgokCXJchl2UuERAEW8pNv7xtkRAGTwb4jKAiiDAITBr1jMHliDA>

5.5 Appendix 5



Source: <https://specificationonline.co.uk/articles/2018-05-23/grass-concrete-ltd/sustainable-grass-paving>

5.6 Appendix 6



Source: <https://www.archdaily.com.br/br/947831/parque-e-estacionamento-da-caldeiroa-pitagoras-group>