

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

SEMEAR LEAPFROG PROGRAM FOR EXPANSION – GO-TO-MARKET STRATEGY

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10-02-2022

Abstract

Santarém seems to align with Semear's business model and expansion requirements both from conceptual and financial standpoints. Before expansion, Semear should set the pillars for the expansion and its strategy for the following years, namely by defining its positioning on 5 key areas: human resources, partners, location, marketing & promotion and monetary investment. Only then, the organization will be able to enter the market - at a lower scale when compared to Lisbon. Once the market is tested, the business model validated and consumers have some brand awareness, Semear can start introducing new features and grow progressively over time.

Finance, Management, Social Enterprise, Social Impact, Social Consulting, Strategy Consulting, Go-to-market Strategy, Santarém

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).



SEMEAR

Leapfrog Program for Expansion

Final Delivery

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Project Overview

Sections	Research questions	Methodology
 Context	Why was <i>Semear</i> created and how can it be characterized now? 1. <i>Semear</i> Overview 2. Financial Analysis 3. Organizational Diagnosis	> Analysis of internal documents; > Research; > Interviews; > Survey.
 Portfolio Overview	What describes <i>Semear's</i> portfolio? 1. Portfolio Analysis 2. COVID-19 Deep-dive 3. Financial Analysis	> Analysis of internal documents; > Research; > Interviews.

Santarém Go or No-Go: Should *Semear* expand its operations towards the Santarém market? Recommendations for *Semear's* strategy to enter the Santarém market

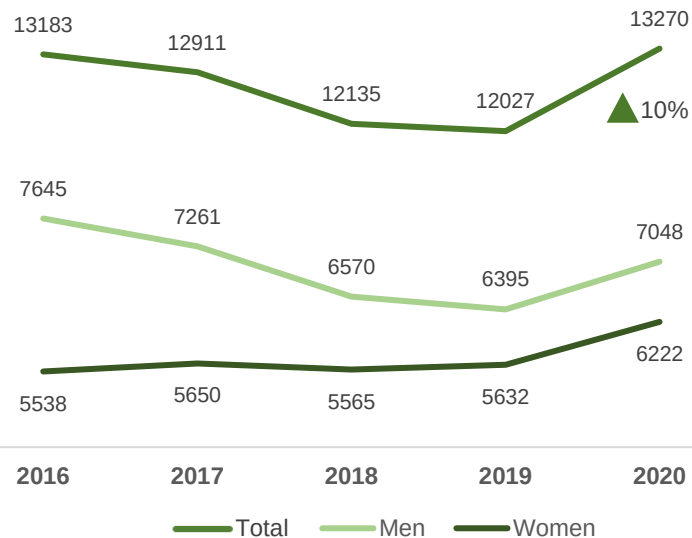
 Santarém Diagnosis	What are the overall characteristics of Santarém's market? 1. General Expansion Blueprint 2. Blueprint Application on Santarém 3. Santarém's Conceptual Validation	> Analysis of internal documents; > Group deliberation; > Survey; > Market research.
 Financial Validation	Is Santarém a good fit for <i>Semear's</i> expansion financially? 1. Drivers 2. Assumptions 3. Financial Model	> Analysis of internal documents; > Financial forecasts; > Internal analysis; > Group deliberation.
 Go-to-market Strategy	Should <i>Semear</i> enter the Santarém's market? How should it expand? 1. Santarém Go or No-Go 2. Action Plan 3. Final Remarks	> Internal analysis; > Research; > Group deliberation.

In Portugal, the discrimination against disabled people and the corresponding consequences are still issues to be tackled

In Portugal, there are over 900,000 people with disabilities or impairment, whose skills and competences are not yet recognized. In 2018, the discrimination against people with disabilities in Portugal was 65%, comparing to 15% in the European Union.

From 2019 to 2020, the unemployment rate of IDD people grew by 10%, mostly because of COVID-19.

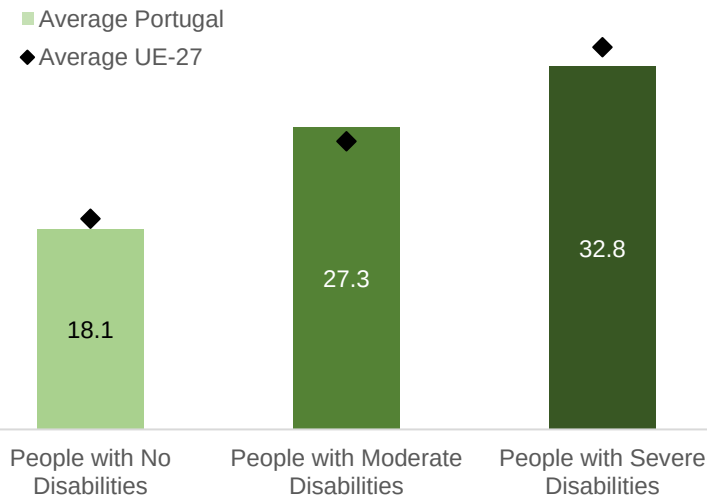
Evolution of the number of unemployed people with disabilities¹



- There are **more unemployed men with disabilities** than women (7048 vs 6222, in 2020).

More than 27.3% of the people with disabilities are at risk of poverty or social exclusion.

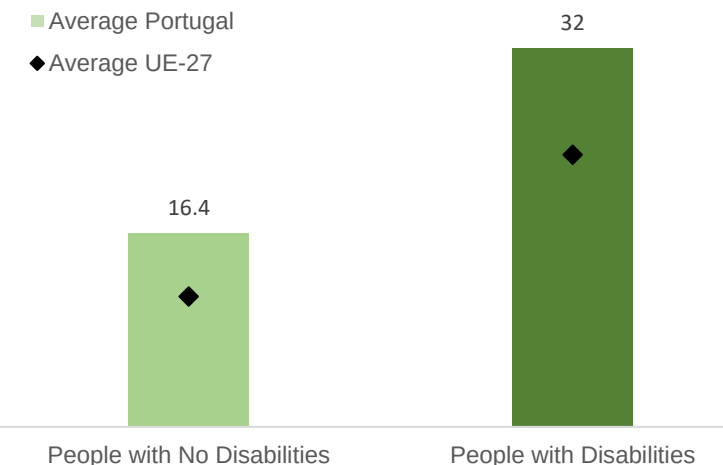
Risk of poverty and social exclusion, per severity of disability, in 2018, in %.



- In Portugal, people with **severe disabilities** face **less** risk of poverty and social exclusion than in UE-27, but people with **moderate disabilities** have **more** risk.

The school dropout rate for disabled people is 2x higher than for people with no disabilities

School dropout rate among young adults from 18 to 29 y.o. with and without disabilities, in 2018, in %



- Portugal is far worse than EU-27** in what concerns school dropout rates for people with disabilities - proportionally worse than for people with no disabilities

¹ Açores and Madeira were not considered.

BIPP was founded by a group of parents to provide information and promote the inclusion of people with IDD in Portugal

History of the BIPP Association - Inclusion For Disability

By a group of parents with **disabled kids** to **inform** the society about this issue and **support** families of IDD people.

2005
IPSS Foundation

Creation of the **first center in Lisbon** and an **online information portal**.

2009
Initial Activity

Creation of a **second center in Cascais**.

2011
Activity Expansion

Implementation of different **projects** to promote **social inclusion** and **improve the quality of life** and the development of **social responsibility**.

2012-2013
EDI and JNSR

Beginning of the Semear program.

2014
SEMEAR



MISSION

- > Implement **sustainable programs** that promote the **active participation of IDD people** in society.



VISION

- > The **full inclusion** of IDD people in society; creation of **more inclusive** and **sustainable societies**.



VALUES

- > **Respect, Effort, Innovation and Sustainability.**

"Sustainable program that aims at promoting employability, social inclusion and job placement for young people and adults with Intellectual and Developmental Disabilities (IDD)."

BIPP, 2019

Semear is a sustainable social inclusion program for young adults and adults with intellectual and development disabilities (IDD)



Born in 2014

Semear was created as a secondary **program** of the **BIPP association**, based on **training and development of capabilities for the professional life of all IDD people** between 18 and 45 years old.



Semear main focus is inclusion and integration

Semear's primary mission is to fully **include and integrate** all IDD people in the Portuguese society as it intends to enhance their full potential and competences so they can overcome any obstacle or difficulty in their life, while gaining self-confidence and autonomy.



Inclusion as a common benefit

Semear believes **individuals and entities** involved should support and grow together, **making inclusion a common benefit**. It establishes a network of **partnerships** that integrate families, companies, public entities (municipalities), educational agents, specialized technicians and the population, ensuring that the best of each is placed at the service of all.



Semear offers efficient and accompanied professional integration

Semear guarantees IDD people an efficient and accompanied professional integration by training them and providing **theoretical and practical knowledge** in different training areas, gradually going from a more protected environment into the real labor market.



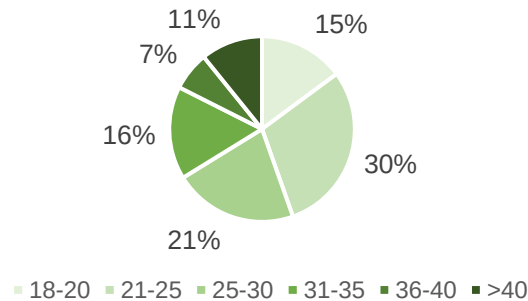
Operations occur through three business units

Semear operates through three main BUs: **Semear Academia**, **Semear na Terra** and **Semear Mercearia**. All projects aim to achieve sustainability at three levels: social, environmental and financial.

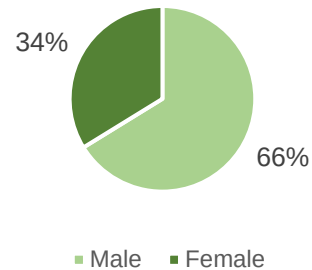
The organization targets adults and young adults with IDD; the investors' portfolio includes the public and private sectors

Adults and young adults with IDD (18-40 years old) are the target beneficiaries of *Semear* as a social organization

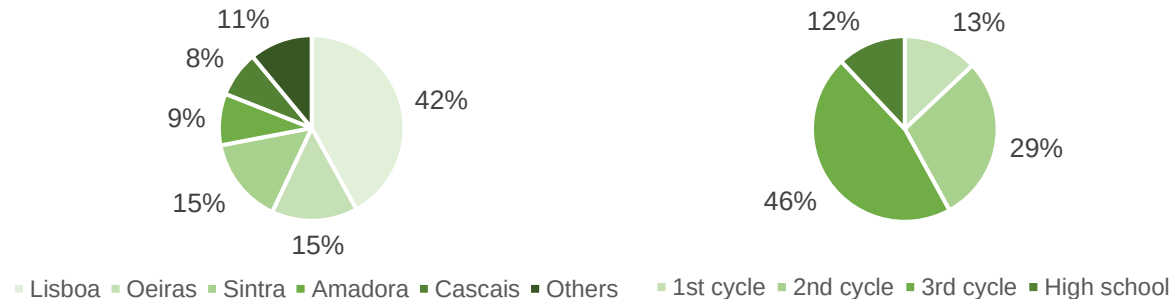
Age Distribution



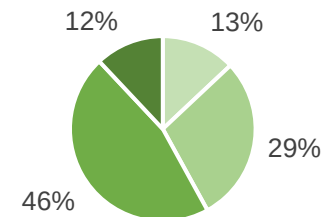
Gender Distribution



Residence Distribution



Scholarity Distribution



- The most relevant vulnerability criteria that define *Semear*'s beneficiaries include **mental health disorders, weak family support, immigrant or descendant of immigrants, motor disability and risk of poverty.**

Semear's main investor is the government, yet large companies are also part of the investor's portfolio



Donation in Kind
for a terrace in
Academia, allowing
trainees and the
team to have a meal
during the COVID
period



Monetary Donation
for a greenhouse



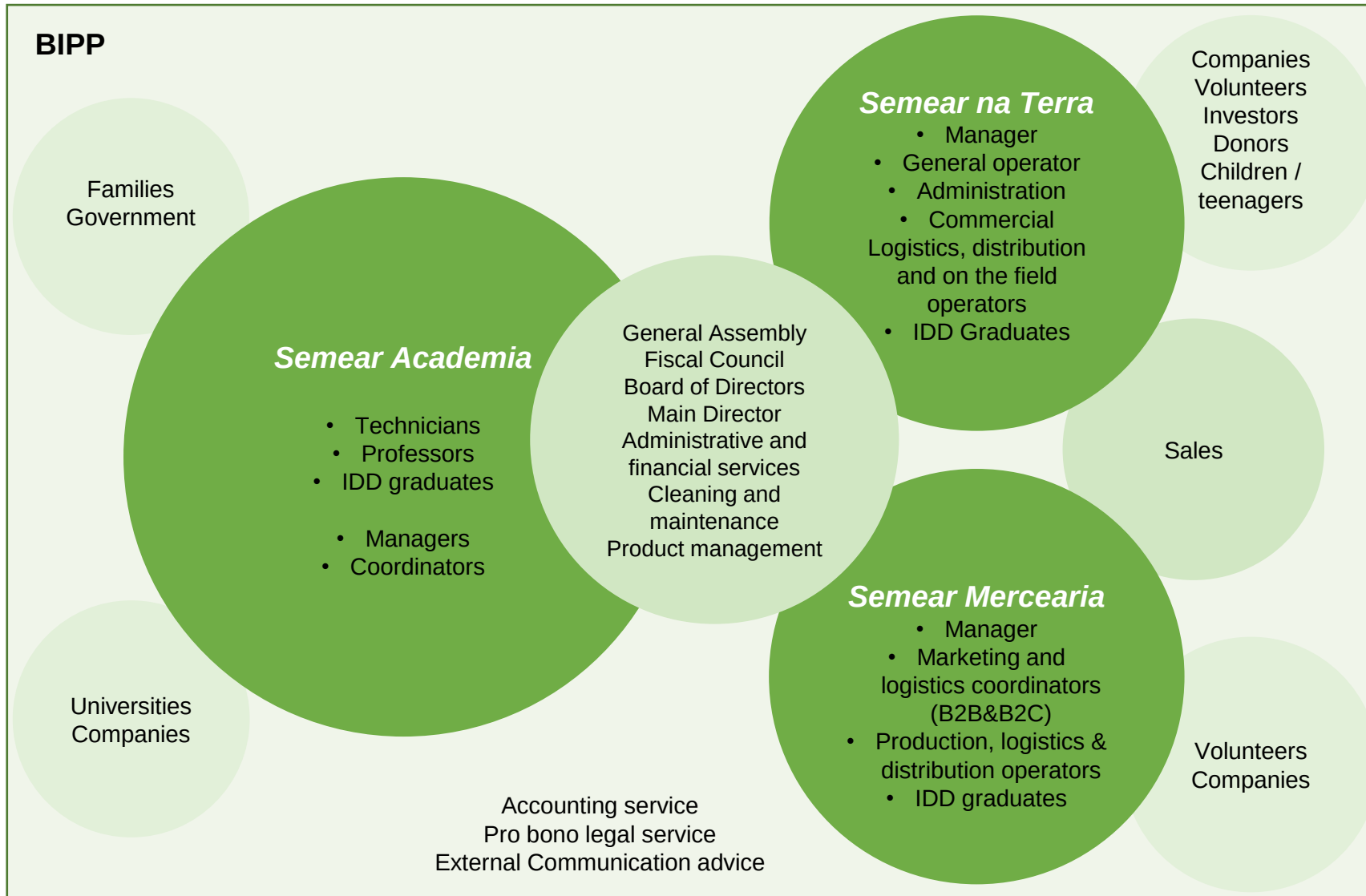
Monetary Donation
for a training room



an NTT DATA Company
Monetary Donation
Giving Tuesday

- The **only fixed investor with contract is the IEFP**. However, there are many others that make individual investments.
- Companies, private entities, the government and other institutions have the common focus of **investing with the ultimate purpose of inclusion.**
- Donations are not constant** and can be made **annually**, for a **specific activity** or for a **2/3 year project.**
- Around 40% of the budget** has come from outside sources in 2020.

There are several common services to all BUs, which rely on the support of volunteers, companies, investors and donors



> Semear main business unit is Semear Academia. Both **Semear Terra** and **Semear Mercearia's** sales are essential to **sustain Semear Academia** and important to provide certified training.

> There are several **common services** to all business units, including an assembly board and directors.

> Communication of all departments is made through one **website**, as well as sales.

> Semear na Terra has around **50% IDD collaborators** as well as Semear Mercearia (50% IDD collaborators have a contract or are doing an internship) .

> The organization relies on the support of **volunteers, companies, investors and donors** - all crucial for the functioning and sustainability of the program.

> **External accounting and pro bono legal services** are required, as well as external **communication advice**.



Go-to-Market Strategy

Should *Semear* enter the Santarém's market? How should it expand?

Sections	Research questions	Methodology
1 Santarém Go or No-Go	Does Santarém align with <i>Semear</i>'s business and expansion requirements? • Should <i>Semear</i> expand to Santarém from a conceptual standpoint? • What are the main qualitative/conceptual requirements for the expansion? • Should <i>Semear</i> expand to Santarém from a financial standpoint? • What are the main quantitative/financial requirements for the expansion?	> Internal analysis; > Group deliberation.
2 Action Plan	How should <i>Semear</i> proceed once it decides to expand to Santarém? • What are the different steps/phases for the implementation of the project? • What services are going to be implemented during these phases? • What are the key areas to further explore before the expansion? • How should <i>Semear</i>'s positioning be like in the areas identified?	> Development of an action plan; > Internal analysis; > Group deliberation.
3 Final Remarks	What are the major takeaways of this Work Project? • What has been done throughout the different chapters? • What are the main results obtained in each chapter? • What are the main implications of these results?	> Internal analysis; > Group deliberation.

Semear should look into obtaining the right pool of human and physical resources, partners, suppliers, customers and channels

Go

- > Santarém fits the necessary requirements to stand as a “**Go**” for **Semear’s** expansion on a qualitative dimension
- > The following six areas are the **most relevant conceptual requirements Semear** should ensure for this expansion

CONCEPTUAL REQUIREMENTS



> **HUMAN RESOURCES** with the right know-how

Pool of employees and managers that has experience dealing with IDD people, product manufacturing or agricultural production - in early stages of expansion it will be fundamental to leverage on accumulated knowledge to boost growth and profitability



> **The right set of PARTNERS** are key to support the project

Diminishing the needed effort to invest on physical infrastructures, supporting early stages of expansion, promoting awareness on social inclusion and reducing risks



> **Clearly define any PHYSICAL INVESTMENT** needs

Comprising any products, equipment, machinery and mainly the geographic location of each business unit



> **Good SUPPLIERS** over the three business units

Cutting deals with different suppliers to guarantee discounts or even donated products is a game changing factor for how *Semear* enters the market and how its profitability varies over time



> **The right PROMOTION** for the right **CUSTOMERS**

Consider the characteristics of local customers to develop *Semear’s* promotion accordingly (e.g. campaigns focused on sustainability, environmentally friendly actions and social impact)



> **More efficient and closer DISTRIBUTION CHANNELS**

Creating synergies with Lisbon's online and possibly physical channels, as well as with some administrative services might simplify certain logistical processes

Besides initial monetary investment for Capex, *Semear* should also ensure the right set of investors, donors and subsidy providers

Go

- Santarém fits the necessary requirements to stand as a “**Go**” for *Semear*’s expansion on a quantitative dimension
- The following five areas are the **most relevant financial requirements** *Semear* should ensure for this expansion

FINANCIAL REQUIREMENTS

The necessary monetary investment for Capex in year 0 should be at most **€373,529**, which is considered **feasible** to obtain and **enough** to start the engine in Santarém.



- **A strong pool of INVESTORS aligned with the business**
Current and new investors can provide funds for the expansion and for further capital needs - future activity or scale expansions



- **Target DONORS that are associated with social purpose**
Individuals, family offices and other donors that may want to help the organization grow and spread its purpose geographically



- **SUBSIDY PROVIDERS that support the day-to-day activities**
Governmental or non-governmental entities that finance specific projects because they are associated with the cause

The whole business model is not sustainable without constant financing, presenting total **losses of -€1,200,240 over the 5 years**.
Academia: -€1,251,016 | Terra: -€86,791 | Mercearia: €137,567



- **Check and validate the necessary BREAKEVEN levels**
If it secures financing, *Semear* must be able to achieve minimum breakeven levels in Santarém for the project to be profitable



- **Check if any BU can be self-sustainable without financing**
Specially after 2026

Breakeven Levels (2026)	Academia	Terra	Mercearia
Min. Quantity	67	1582	45639
Min. Price	€ 18,873	€ 25.08	€ 3.37
Min. Events	N/A	€ 26,416	N/A
Min. Growth Rate	558%	-19%	69%

Semear will firstly test the market and generate brand awareness, introducing new features and increasing its scale over time

2022 Testing Phase



Introduction of *Semear Academia*

- Only *Academia 3* (IEFP class): 1 room
- IEFP Grant + private investors
- Staff: case manager + pedagogic manager + professors + general coordinator and director



Introduction of *Semear Terra*

- Sale of Bio baskets
- Events with companies and individuals
- Partnership with Landscape Farm
- Staff: general coordinator and director + direct staff members+ volunteers



Introduction of *Semear Mercearia*

- Sale of various artisanal products
- No other services
- Staff: general coordinator and director + direct staff members + volunteers

2023-2026 Short-term Activity Expansion



Introduction of *Academia 1* and *Academia 2* within *Semear Academia*

- *Academia 1* and *Academia 2* (*Semear* private model): +1 room
- Private investors
- Staff: Reinforcement of the staff from the previous year



Gradually integrate **IDD students** into *Terra* and *Mercearia*, and other companies



Progressively increasing in scale

2027 Long-term Activity Expansion



Increasing the number of features:



Semear Academia

- Training for companies
- Social inclusion programs for elementary / high school students



Semear Terra

- M2: Monthly fee for patch of land (for companies and individuals)
- Workshops
- Team building activities
- Birthdays and Parties



Semear Mercearia

- Workshops
- Team building activities
- Birthdays and Parties

Semear should balance detaching specific employees and creating synergies, to ensure both efficiency and a good beneficiary experience



HUMAN RESOURCES



- Each BU will require the detachment of specific **employees working just in Santarém**, to guarantee **better efficiency** of the program and strong **value added** for clients, beneficiaries and other stakeholders



- Still, it is key to create **synergies with Lisbon** as well as **across the three BUs in Santarém** to obtain improved efficiency and reduce costs:
 - Lisbon employees with the right knowhow** over *Semear's* business model may be essential help to the expansion to Santarém
 - All BUs can share the **same board of Directors, general administrative and financial services** that exist in Lisbon
 - Within Santarém, the three BUs can **share non-essential staff** (e.g. cleaning and maintenance services)



- All employees must be **aligned with the values of the project** and **driven by its mission**
- Volunteers** are a very important human resource which is worth attracting, as they provide fundamental help at negligible cost



Semear Academia

- 1 Case manager for each 6/7 students
- Pedagogic manager
- Professors
- Technicians
- Coordinator



Semear Terra

Set a goal of 50% of employees being people with IDD by the end of 5 years

- Commercial & Administrative services
- Logistics, distribution and “on the field” operators
- IDD employees and volunteers



Semear Mercearia

Set a goal of 50% of employees being people with IDD by the end of 5 years

- Marketing and logistics coordinators
- Production, logistics and distribution operators
- IDD employees and volunteers

Partners are essential stakeholders to provide *Semear* with many required resources and to guarantee the success of the business



PARTNERS

Partners will be **crucial for the project expansion**, as they can provide **resources, know-how** and leverage on their **relationships/stakeholders** to reduce *Semear's* costs and risks. Moreover, partnerships present a good path to increase **people's awareness** about *Semear* and its cause, as well as to **attract new possible volunteers, customers and investors** for each business unit.



Semear Academia

- **Invite Professors** from well-known schools or universities to provide the beneficiaries with training sessions
- Partnership with **Escola Superior Agrária** similar to the one in Lisbon with Instituto Superior de Agronomia
- Develop strong relationships with **local governmental institutions** to increase beneficiary base and assure subsidies
- Spread *Semear's* mission in **schools** through inclusion workshops / lectures
- Partnerships with **social associations** of similar purpose such as **APPACDM**



Semear Terra

- Promote strong relationships with the **companies that donated / invested** by developing tailored volunteering and teambuilding actions
- Develop **strategic partnerships** that allow for the use of specific resources or expertise (e.g. Landscape Farm)
- Promote awareness among students by organizing volunteering actions with **schools** on specific days - arbour day, international volunteer day, labour day
- Partnerships with **social organizations** focused on Bio products - **Fruta Feia**



Semear Mercearia

- Promote awareness among young people by organizing volunteering actions with **schools** and **holiday camps** on specific times of the year - Christmas, summer, Easter
- Develop **strategic partnerships** that allow for the use of specific resources or expertise (e.g. industrial kitchens)
- Assess possible partnerships with **small gourmet / specialized local businesses** to sell some of *Mercearia's* products
- Partnerships with **social organizations** against food waste - **Refood**

While *Terra* may be present in Landscape Farm, it is crucial to assure a place for *Academia* in ESAS and to find a location for *Mercelandia*



LOCATION



Semear Academia

Escola Superior Agrária de Santarém is the targeted candidate:

- Leverage on the academic institution's **facilities and staff**
 - **Rooms** for Academia 1, 2 and 3
 - The **institution's courses** related with agriculture practices
- On a **radius of max 30 minutes** by car from Terra and Mercelandia



Semear Terra

Landscape Farm is an **existent partner** used for the agricultural production and sales of bio baskets

The location must include:

- A **warehouse** to sort, wash and assemble the products
- **Land plots** to produce the Bio products



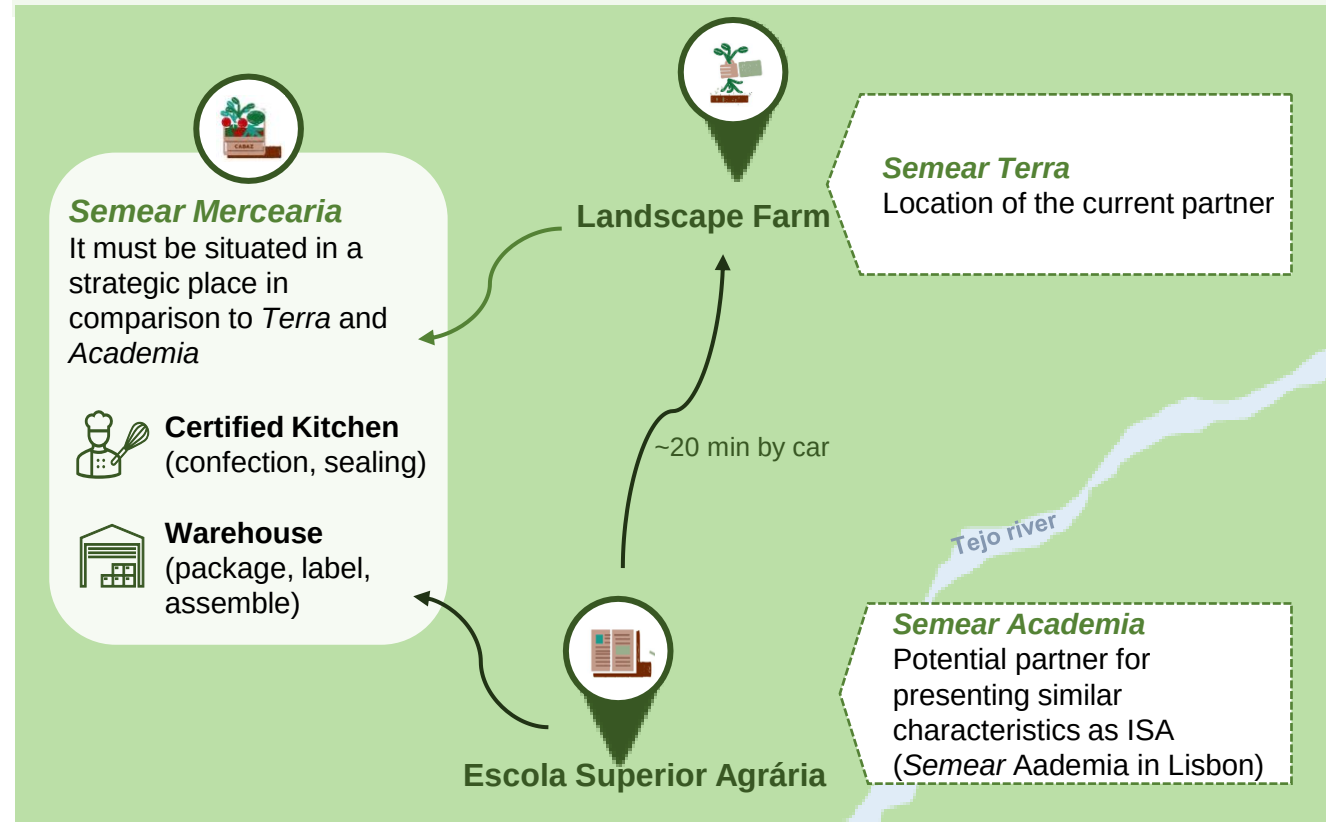
Semear Mercelandia

Mercelandia's exact location is **still unclear** but one should consider a rent of at most €3/m² per month¹

This location must include:

- A **Kitchen** for confection and sealing of products
- A **Warehouse** for packaging, labelling and assembling

The three BUs should be located in **strategic locations to facilitate all distribution** of products and **transportation of IDD students** across facilities



Semear's BUs must be positioned as a single brand, communicating the main cause through different ideas, mechanisms and channels



MARKETING & PROMOTION

Positioning Statement: *Semear* in Santarém aims to help people with IDD actively participating in society by providing them with the opportunity to obtain the social and professional skills needed through specialized classes and practical training, as proven by their experience of 7 years in Lisbon



➤ Leverage the various **partnerships** in Santarém and **organize communication efforts together:** public relations, media presence and social media posts



➤ Adopt a **Branded House strategy**¹ with its BUs: helps increasing awareness of the project and reflects its circular economy focus



➤ Use *Semear's* current **social media accounts and website** to promote the new location, Santarém, and the partnerships involved



Semear Academia

- Promote courses through *Semear* and Escola Superior Agrária's **websites**
- Contact the city hall to communicate the project through **local news**
- Distribute **merchandise** (e.g. stickers) in inclusion workshops to increase brand awareness
- **Naming** for specific courses or rooms - associate individuals and companies directly with the cause



Semear Terra

- Contact the city hall to communicate through **local news**
- Create a **"retreat" type of offer** for team building with companies from across the country - **use content** on social media
- Invite **influencers** and **well-known personalities** that are associated with sustainability and Bio production
- **Associate communication** efforts with specific days (e.g. Arbor day)



Semear Merceria

- Invest in **display advertising** and **promoted posts** on Instagram and Facebook
- **Create content** related to the making of the products to be used on social media
- **Pop-up sales** with the help of volunteers in local markets and limited time events
- Reach to younger generations by associating the brand with **influencers** that relate to the no food waste cause

The monetary investment for the expansion should not exceed €373,529, and a decent amount of financing must be guaranteed



MONETARY INVESTMENT

Under a very **conservative methodology** and considering an **expansion of the entire model: Academia + Terra + Mercearia**, Semear should invest **no more than €373,529** in the expansion, for this investment in year 0 to be repaid in a **payback period of at most 5 years**



➤ **Feasible to obtain** - this financing can be obtained by leveraging on current investors, donors and subsidy providers or attracting new ones



➤ **Enough to start the engine** in Santarém - low Capex should be needed as Semear is expected to develop strong partnerships, synergies with Lisbon, etc



➤ The whole model is **not sustainable without subsidies, donations and legacies** - in this case, the project presents losses of -€1,200,240 over the 5 years



Semear Academia

- Academia is expected to generate **positive and steady-growing profit of €111,273** from 2022 to 2026
- The BU is greatly financing-dependent:
 - Presents **losses of -€1,200,240 without financing**
 - It is very **unlikely to breakeven without access to financing**
- Should be **financed by the other BUs**



Semear Terra

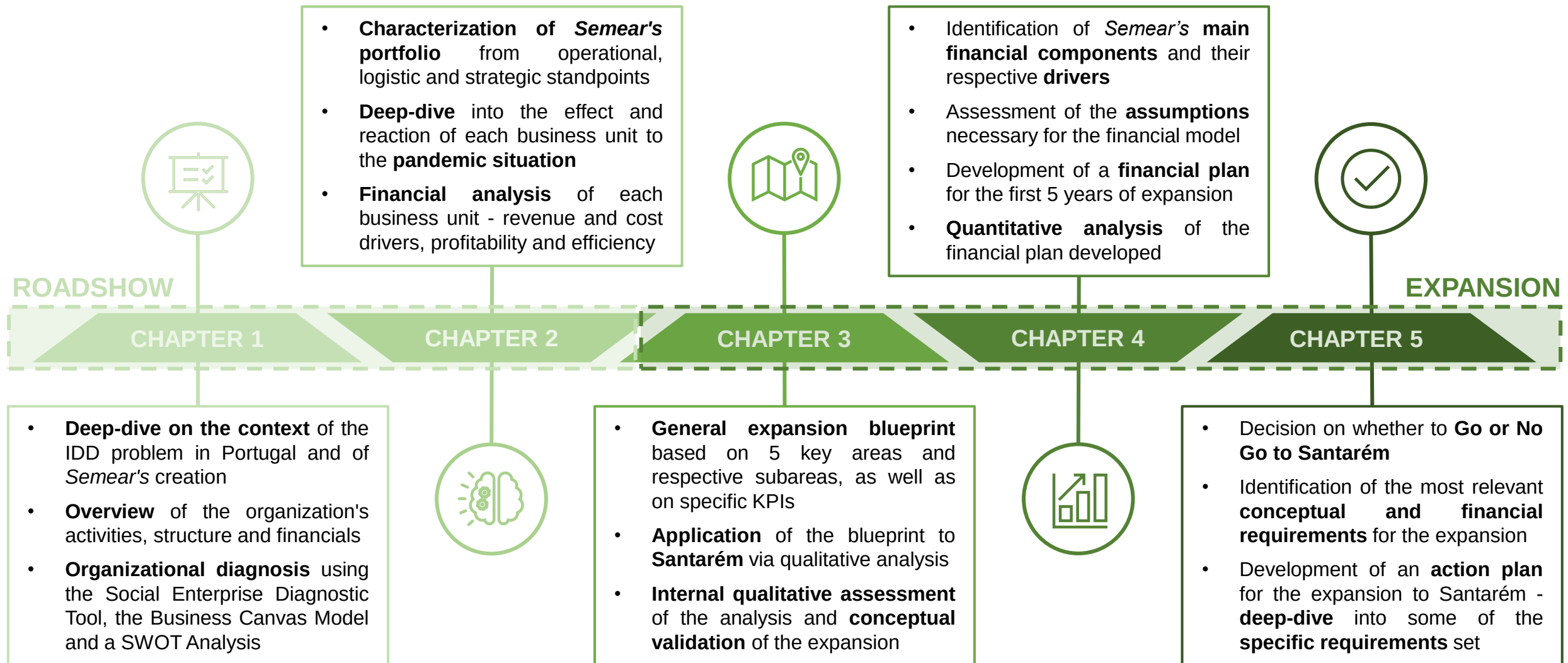
- Terra is expected to generate **positive but relatively constant profit of €113,540** from 2022 to 2026
- The BU is robust and versatile:
 - Presents **losses of only -€86,791 without financing**
 - It is **likely to breakeven even without access to financing**
- Can be **self-sustainable** in the long-run



Semear Mercearia

- Mercearia is expected to generate **positive and exponentially-growing profit of €148,716** from 2022 to 2026
- The BU is self-sustainable:
 - Still presents **profit of €137,567 even without financing**
 - It is **almost certain to breakeven even without financing**
- Can **finance other BUs** - cash-cow

The analysis of Santarém's expansion was divided across 5 different chapters, each with its own focus and methodology



Chapter 1 provides context about the IDD panorama and *Semear*, as well as the firm's financial and organizational analysis

CHAPTER 1 – CONTEXT

Context of the Organization

- ✓ Discrimination reaches 65% of the over 900,000 people with disabilities or impairment in Portugal
- ✓ BIPP was funded by parents with disabled kids (2005), and the *Semear* program was later introduced (2014) with the mission of including IDD people to have active participation in society

Overview of the Organization

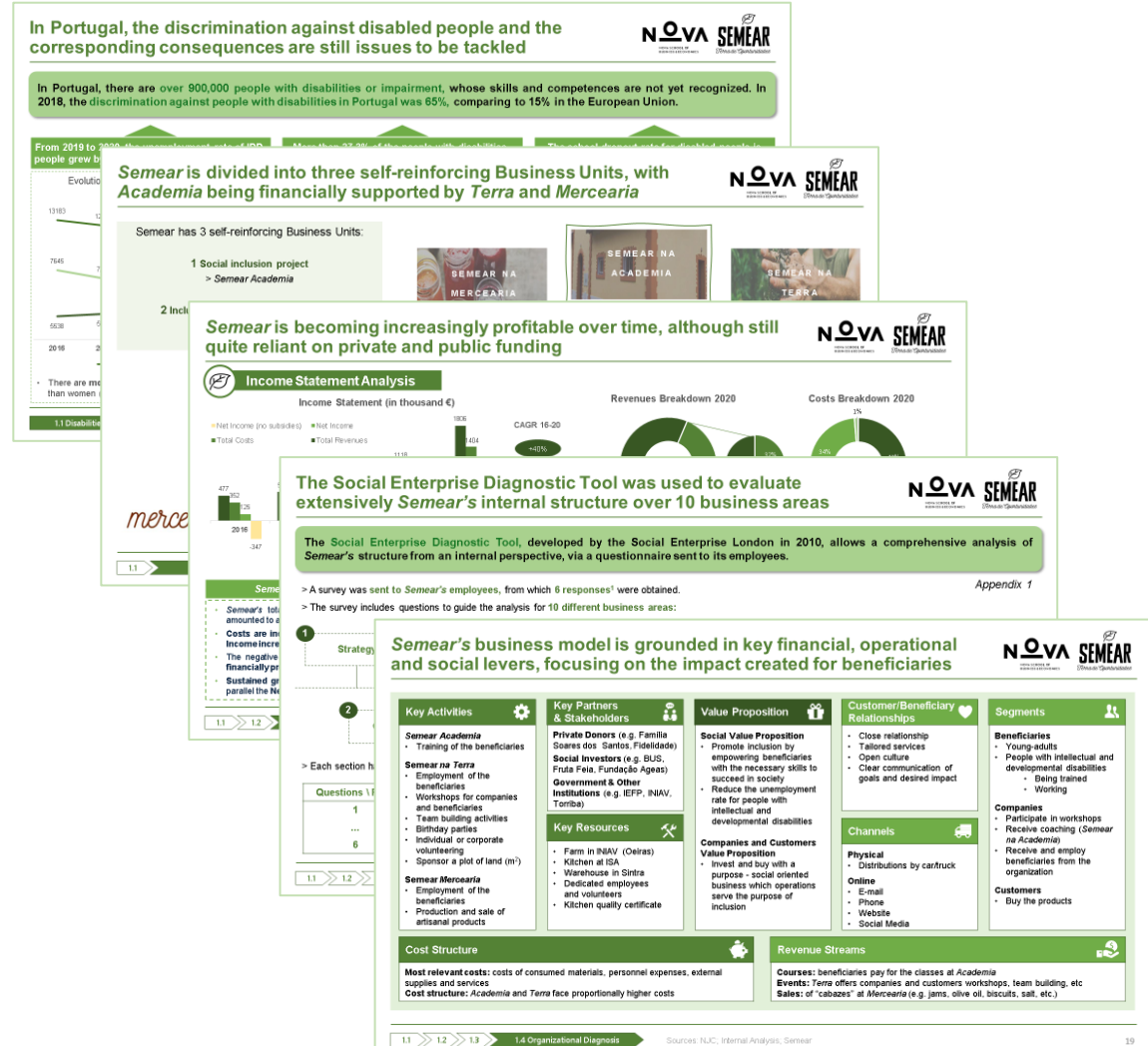
- ✓ Impact driven: socially, financially and environmentally
- ✓ Target Beneficiaries: IDD adults and young adults (18-40 years)
- ✓ 3 Business Units
 - *Semear Academia*: Certified professional training of IDD
 - *Semear Terra*: Production of Bio vegetable products
 - *Semear Mercearia*: Sale of artisanal gourmet products

Financial Analysis of *Semear* (as a whole)

- ✓ It is improving its profitability but still very reliant on funding
- ✓ Dangerous position: Liabilities-to-assets and Debt-to-equity
- ✓ Becoming a more efficient and self-sustainable program

Semear's Diagnosis

- ✓ Social Enterprise Diagnosis Tool: *Semear* should focus on system data & processes, marketing and human resources
- ✓ Business Canvas: it is focused on the impact for beneficiaries
- ✓ SWOT Analysis: although strong partners and brand, attention to seasonality effects and dependency on IEPF and other subsidies



Chapter 2 is about a portfolio overview, which includes a portfolio analysis, a COVID-19 deep-dive and a financial analysis

CHAPTER 2 – PORTFOLIO OVERVIEW

➤ Portfolio Analysis: 3 interconnected BUs and locations

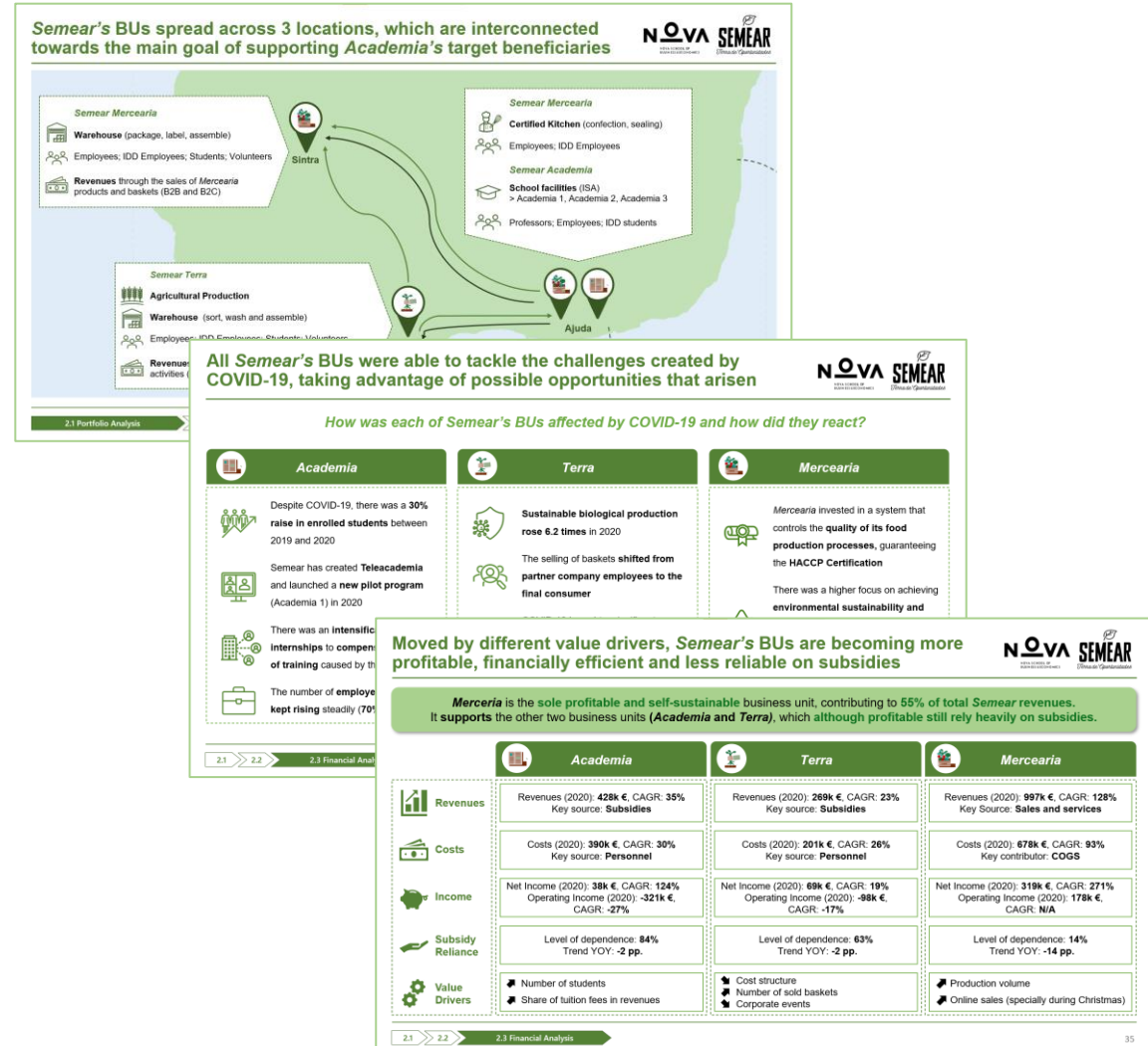
- ✓ Semear Academia: Very complex process
 - 3 main courses + training for companies
- ✓ Semear Terra: Trades for efficiency
 - 6 products/services: Bio baskets sale is the main one
- ✓ Semear Mercearia: Main commercial business unit
 - 9 categories of products

➤ Covid-19 deep-dive

- ✓ Semear Academia
 - Raise in number of students and employed graduates
 - Creation of TeleAcademia and more internships
- ✓ Semear Terra
 - Raise in bio production
 - Shift from B2B to B2C and less corporate actions
- ✓ Semear Mercearia
 - HACCP Certification and focus on sustainability
 - 8 new products

➤ Financial Analysis: More efficiency, profitability and independence

- ✓ Semear Academia
 - Subsidies/Personnel are the main revenue/cost driver
- ✓ Semear Terra
 - Subsidies/Personnel are the main revenue/cost driver
- ✓ Semear Mercearia
 - Sales and services/COGS are the main revenue/cost driver



Chapter 3 covers Santarém's diagnosis, which includes a general expansion blueprint, its application and a conceptual validation



CHAPTER 3 – SANTARÉM DIAGNOSIS



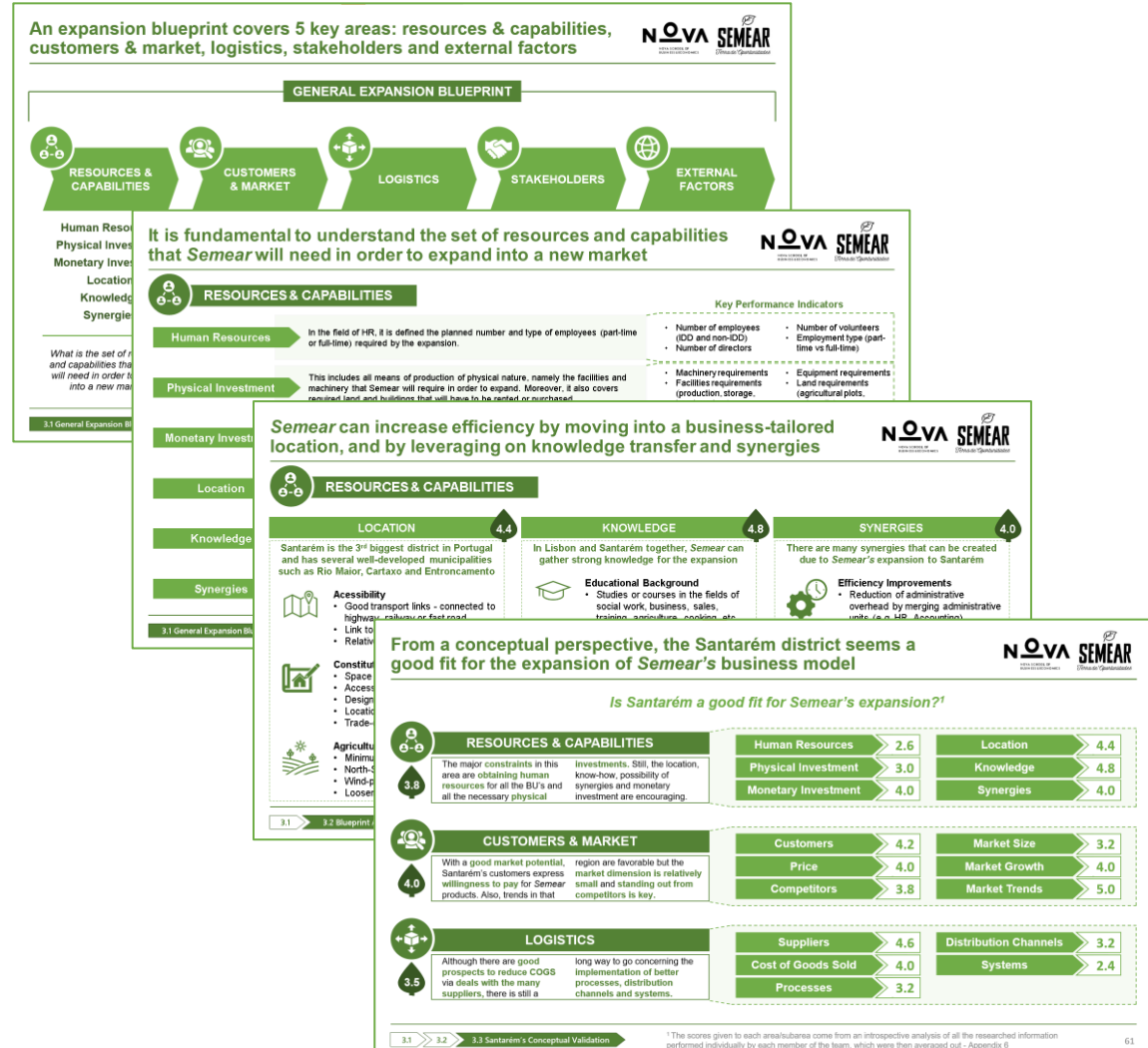
- **General Expansion Blueprint**
 - ✓ Definition of key areas:
 - Resources & Capabilities
 - Customers & Market
 - Logistics
 - Stakeholders
 - External factors
 - Introduction of subareas and respective KPIs



- **Blueprint Application to Santarém**
 - ✓ Deep-dive application to Santarém
 - ✓ Analysis via KPIs on a qualitative perspective



- **Santarém's Conceptual Validation**
 - ✓ Santarém is a good fit from a qualitative perspective
 - ✓ The project can leverage:
 - Stakeholders
 - Resources & capabilities
 - ✓ The associated risks:
 - Attracting potential investors and donors
 - Market saturation
 - Human/physical investment,
 - Logistics
 - Economic & social landscape



Chapter 4 covers the financial model for the expansion, which was built over a set of assumptions on the main financial drivers



CHAPTER 4 – FINANCIAL VALIDATION



➤ Drivers

- ✓ Financial components: Sales & services; Subsidies, Donations & Legacies; Cost of Goods Sold; External Services & Supplies; Personnel Costs; Other Components
- ✓ Academia: number of students, tuitions, subsidies, specialized and diverse services, personnel
- ✓ Terra: number of Bio baskets, price per basket, events, subsidies and donations, cost per basket, services, personnel
- ✓ Mercearia: number of products, price per product, subsidies and donations, cost per product, services, personnel



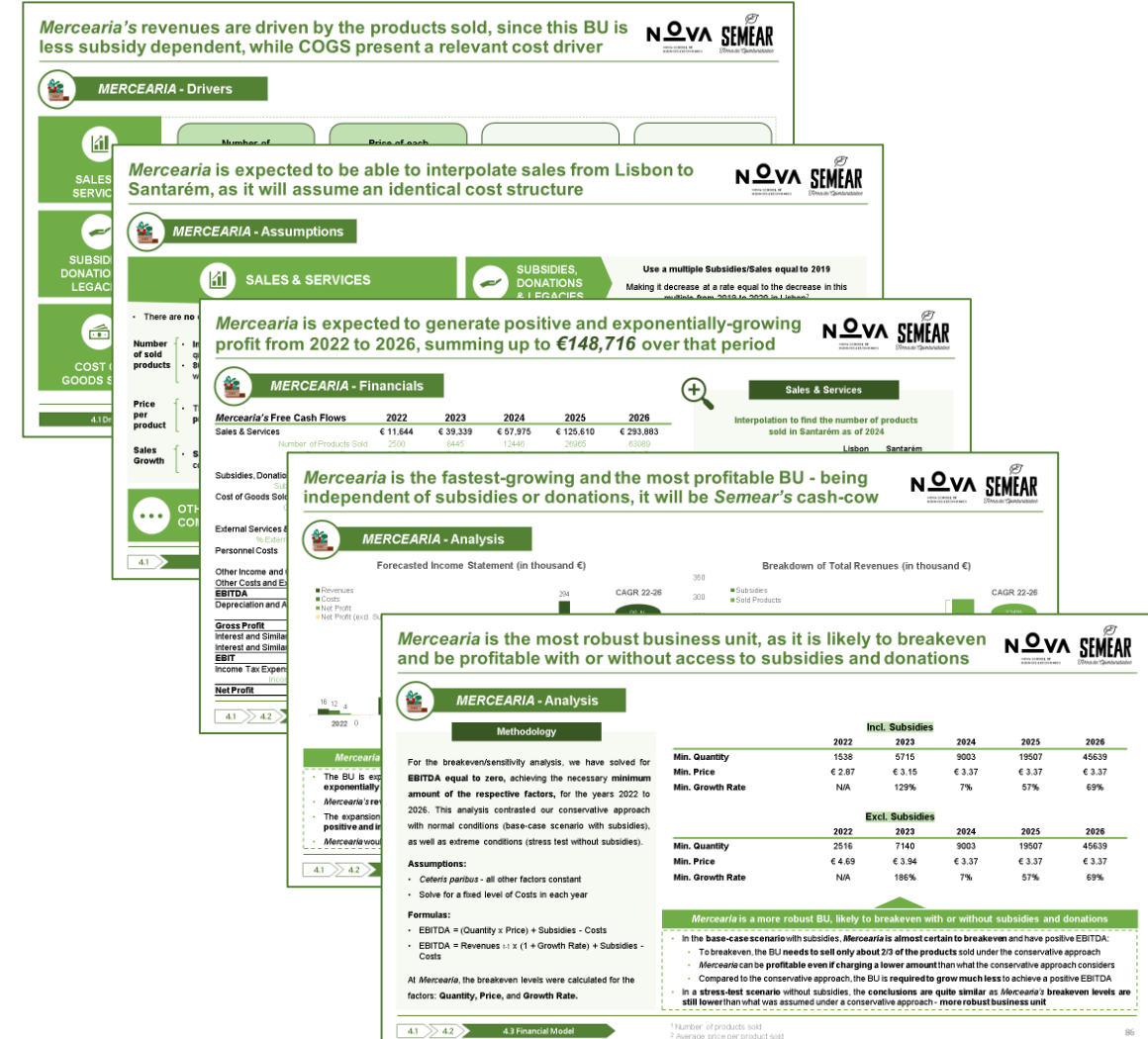
➤ Assumptions

- ✓ Replication of the entire Business model to Santarém
- ✓ Conservative approach
- ✓ 5-year period with no investment in year 0
- ✓ Projects starts at a scale proportional to Semear in Lisbon 2017
- ✓ Specific assumptions made for each business unit



➤ Financial Model

- ✓ Expected profit of €373,529 over a 5-years period
- ✓ Yet, not self-sustainable - need for subsidies and donations
- ✓ Academia: €111,273 profit, very dependent on financing
- ✓ Terra: €113,540 profit, stable returns, versatile business model
- ✓ Mercearia: €148,716 profit, exponential grow, cash-cow, very robust and self-sustainable



Chapter 5 closes with a final recommendation on whether or not to expand to Santarém, as well as the corresponding action plan



CHAPTER 5 – GO-TO-MARKET STRATEGY

GO

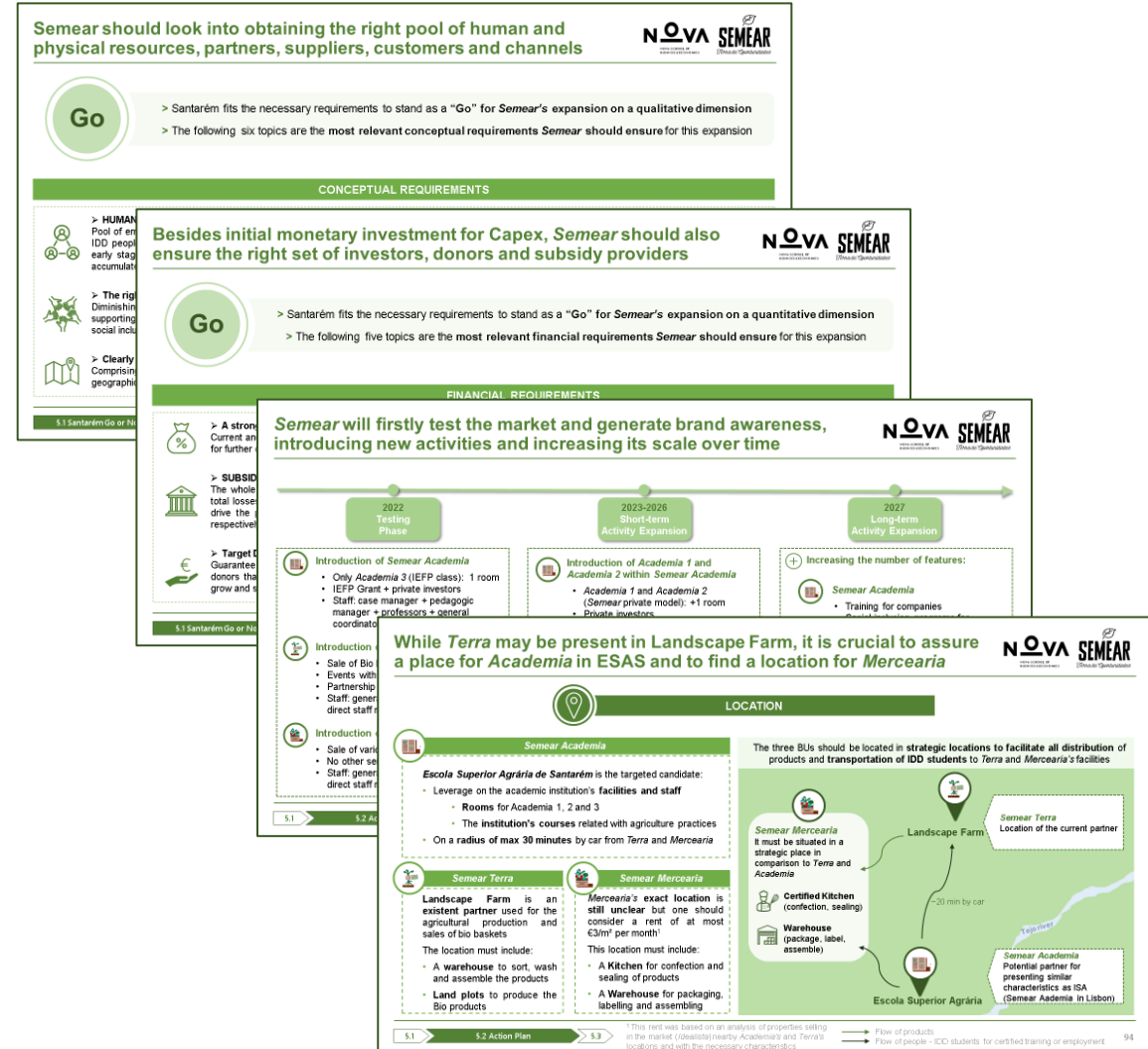
➤ Santarém GO or No-Go

- ✓ Semear should expand from a qualitative standpoint
- ✓ Semear should expand from a quantitative standpoint



➤ Action Plan

- ✓ Replicate the whole Lisbon's model
- ✓ Conservative approach: start at a smaller scale
- ✓ Progressively increase in scale and number of features
- ✓ Human Resources
 - Synergies with Lisbon
 - Keep same HR structures as in Lisbon
 - Hire specific employees and volunteers
- ✓ Partners
 - Share resources, knowhow and relationships
 - Raise awareness for volunteers, customers and investors
 - e.g. Escola Superior Agrária, Landscape Farm, Fruta Feia
- ✓ Location
 - Academia: Escola Superior Agrária
 - Terra: Landscape Farm
 - Mercearia: big warehouse nearby Academia and Terra
- ✓ Marketing and Promotion
 - Use partnerships, Branded House strategy, social media
 - e.g. naming program, local news, influencers, pop-up sales
- ✓ Monetary Investment
 - Invest at most €373,529
 - Contingent on some access to financing





Go-to-Market Strategy

Santarém seems to align with *Semear*'s business model and expansion requirements both conceptually and financially. Before expansion, *Semear* should define its positioning on 5 key areas: human resources, partners, location, marketing & promotion and monetary investment. Only then, it will enter the market at a lower scale - testing it, validating the business model, generating brand awareness and introducing new features and growing scale over time.

Sections

Research questions



Santarém Go or No-Go

Santarém seems to align with *Semear*'s business model and expansion requirements conceptually and financially

- The Santarém's district fits the necessary requirements to stand as a "Go" for *Semear*'s expansion on a conceptual/qualitative dimension
- *Semear* should look into obtaining the right pool of human and physical resources, partners, suppliers, customers and channels
- The Santarém's district fits the necessary requirements to stand as a "Go" for *Semear*'s expansion on a financial/quantitative dimension
- Besides initial monetary investment for Capex, *Semear* should also ensure the right set of investors, donors and subsidy providers



Action Plan

***Semear* will firstly test the market and generate brand awareness, introducing new features and growing scale over time**

- *Semear* should balance detaching specific employees and creating synergies, to ensure both efficiency and a good beneficiary experience
- Partners are essential stakeholders to provide the organization with many required resources and to guarantee the success of the business
- While *Terra* may be present in Landscape Farm, it is crucial to assure a place for *Academia* in ESAS and to find a location for *Mercelandia*
- *Semear*'s BUs must be positioned as a single brand, communicating the main cause through different ideas, mechanisms and channels
- The monetary investment for the expansion should not exceed €373,529, and a decent amount of financing must be guaranteed



Final Remarks

The analysis of Santarém's expansion was divided across 5 different chapters, each with its own focus and methodology

- Chapter 1 provides context about the IDD panorama and *Semear*, as well as the firm's financial analysis and an organizational diagnosis
- Chapter 2's topic is about a portfolio overview, which includes a portfolio analysis, a COVID-19 deep-dive and a financial analysis
- Chapter 3 covers the Santarém diagnosis, which includes a general expansion blueprint, its application and a conceptual validation
- Chapter 4 covers the financial model for Santarém's expansion, which was built over a set of assumptions on the main financial drivers
- Chapter 5 closes with a recommendation on whether or not to expand to Santarém, as well as the corresponding action plan to do so

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