

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.

What is the nature and target economics of *Casa do Alecrim's*
expansion and how to increase *Associação Alzheimer*
Portugal's social impact? – Social Replication Concept

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Abstract

Dementia has been increasing among society mainly due to the ageing of population. Portugal lacks on offerings to delay the worsening of dementia on patients. As the only institution in Portugal dedicated to improving the quality of life of people with dementia and its caregivers, *Associação Alzheimer Portugal* can capitalize on its experience and competitive advantage by replicating its expertise through Social Franchise.

After a readiness test to replicate, next steps were designed for *Associação Alzheimer* to become a potential franchisor – Creating a team, documenting procedures and legal agreements, defining the franchising concept, target franchisees, and create a communication strategy.

Keywords

Alzheimer

Associação Alzheimer Portugal

Social Franchise

Turnkey Concept

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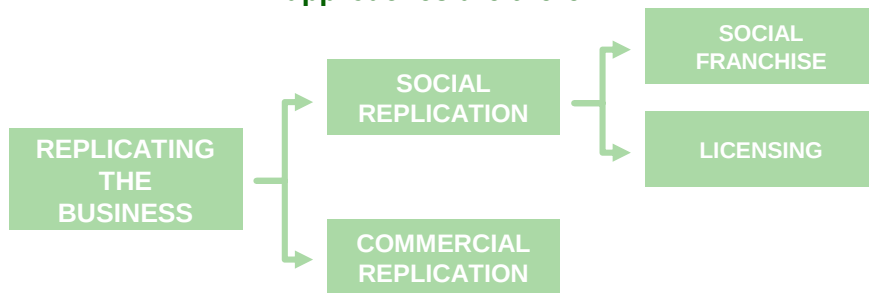
Which social replication model should *AAP* follow to increase its social impact and what should be the offered concept?

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Social Replication Concept

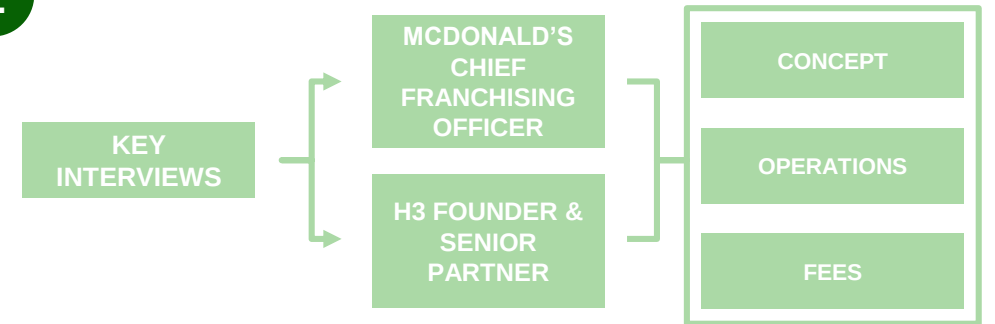
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What is Social Replication and what different approaches are there?



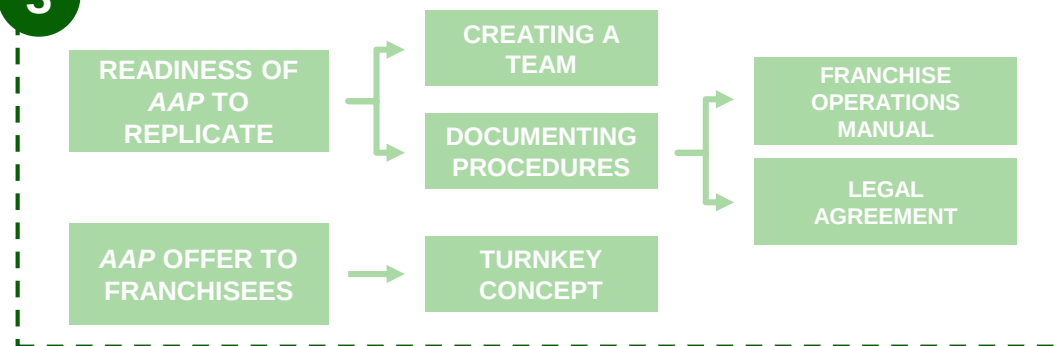
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What are the main characteristics of Social Franchise?



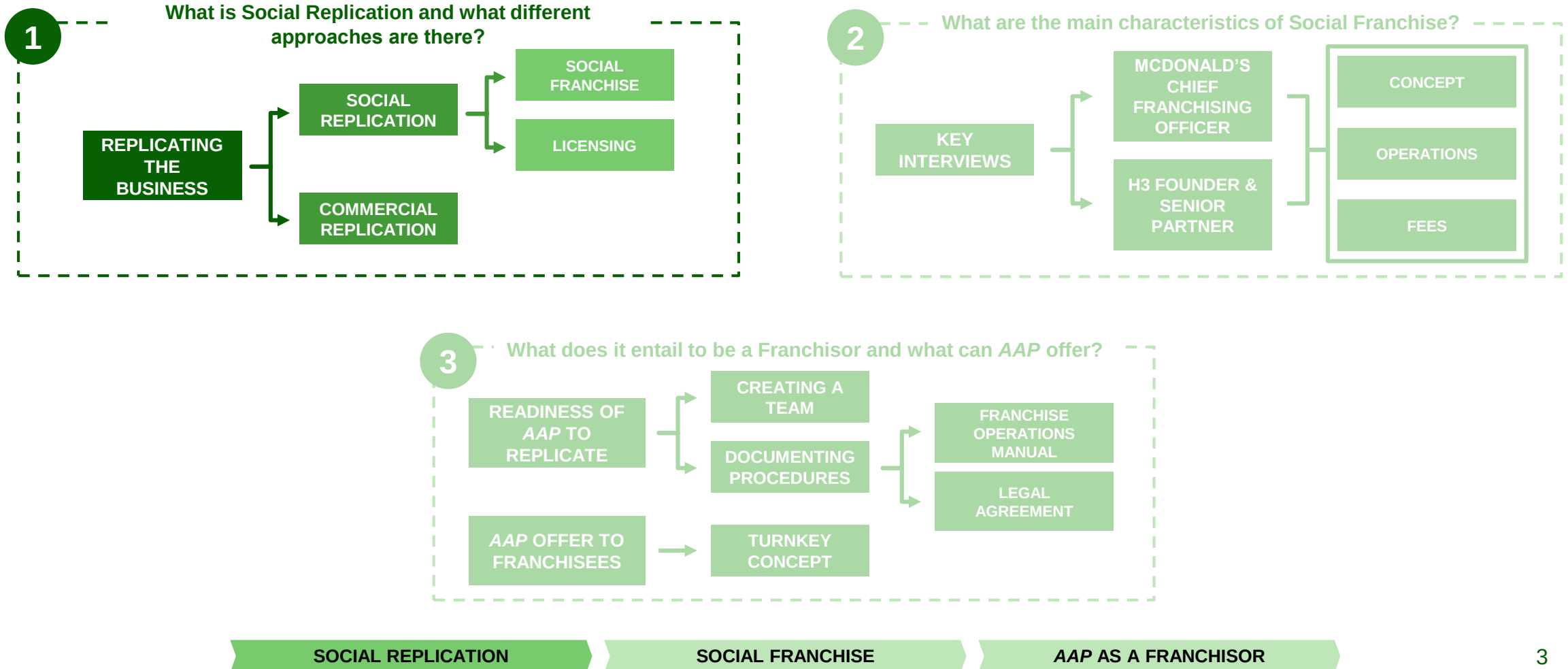
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What does it entail to be a Franchisor and what can *AAP* offer?

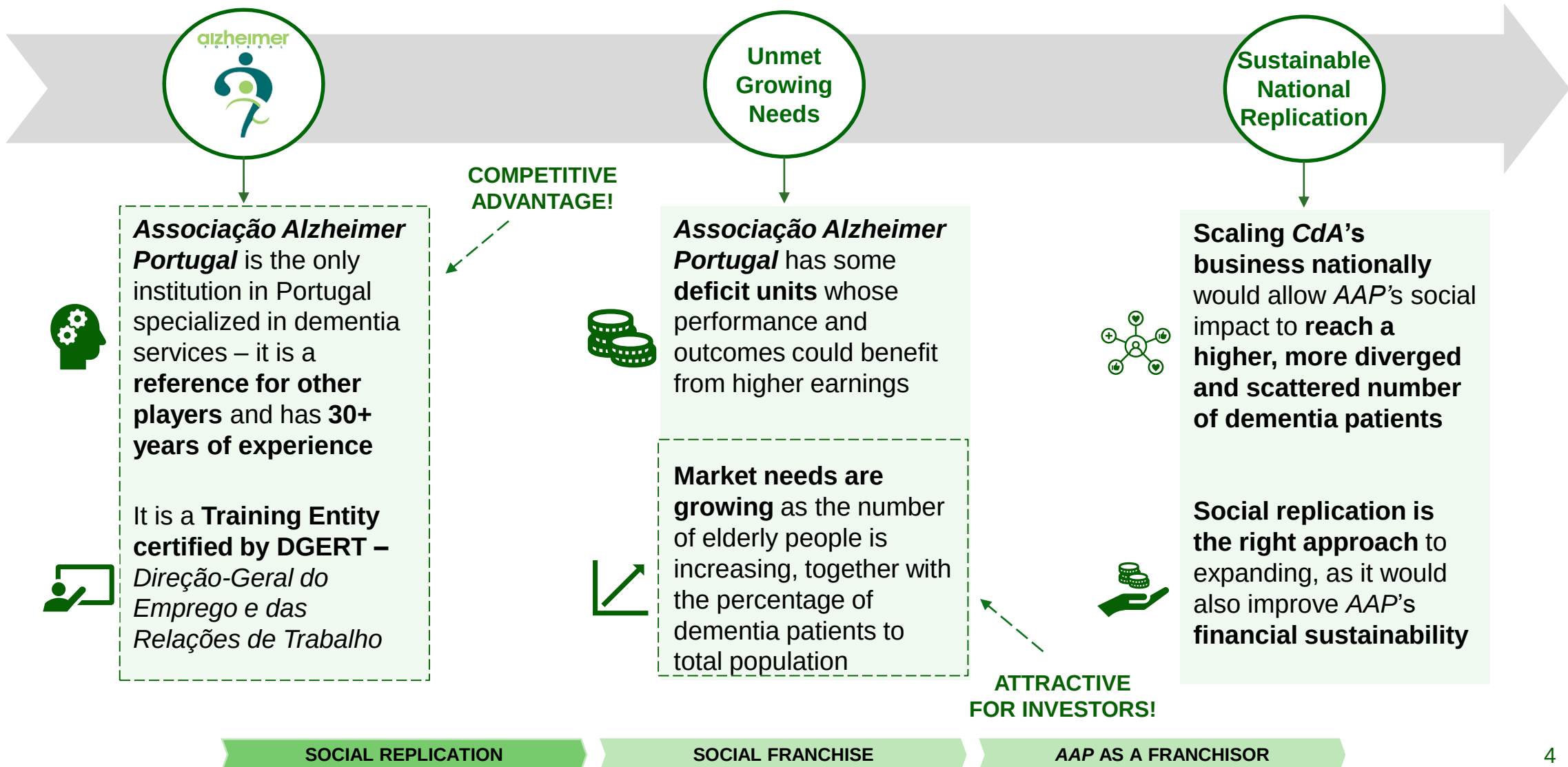


To acknowledge how AAP can increase its social impact, social replication and its six approaches had to be understood first

Research about what is **social replication** was conducted, allowing to better understand the **differences between each one of the approaches**. Bearing in mind *Associação Alzheimer Portugal* and its mission, **the most suitable model was chosen**.



There is an opportunity for AAP to leverage on its dementia knowledge and increase social impact, by replicating its CdA's business model



Social Replication allows AAP to expand its business and improve its financials, while not disregarding the social dimension of the model

Social Replication

Definition

"Refers broadly to taking your organization, programme or a set of core principles to other geographic areas"

ICSF, 2018

"It makes sense to scale up what has already proven successful. Because the money, time and energy associated with implementing new projects are reduced, it is a cost-effective means of utilizing scarce resources, while simultaneously achieving greater impact"

Meuter, 2008

"replicating a successful social purpose organisation or project in a new geographical location"

Berelowitz, 2013

Social vs Commercial Replication

What's equal

Social and Commercial replication are close to each other when it comes to its structure and design. There are similar concerns from a **business perspective**:

- ❖ A **legal agreement** must be put in place
- ❖ **Fee's plan** must be structured
- ❖ The **relation** between the parties involved **must be in accordance with the legal agreement**

What's different

The **main difference** between Social and Commercial replication relies on its **incentives and objectives**:

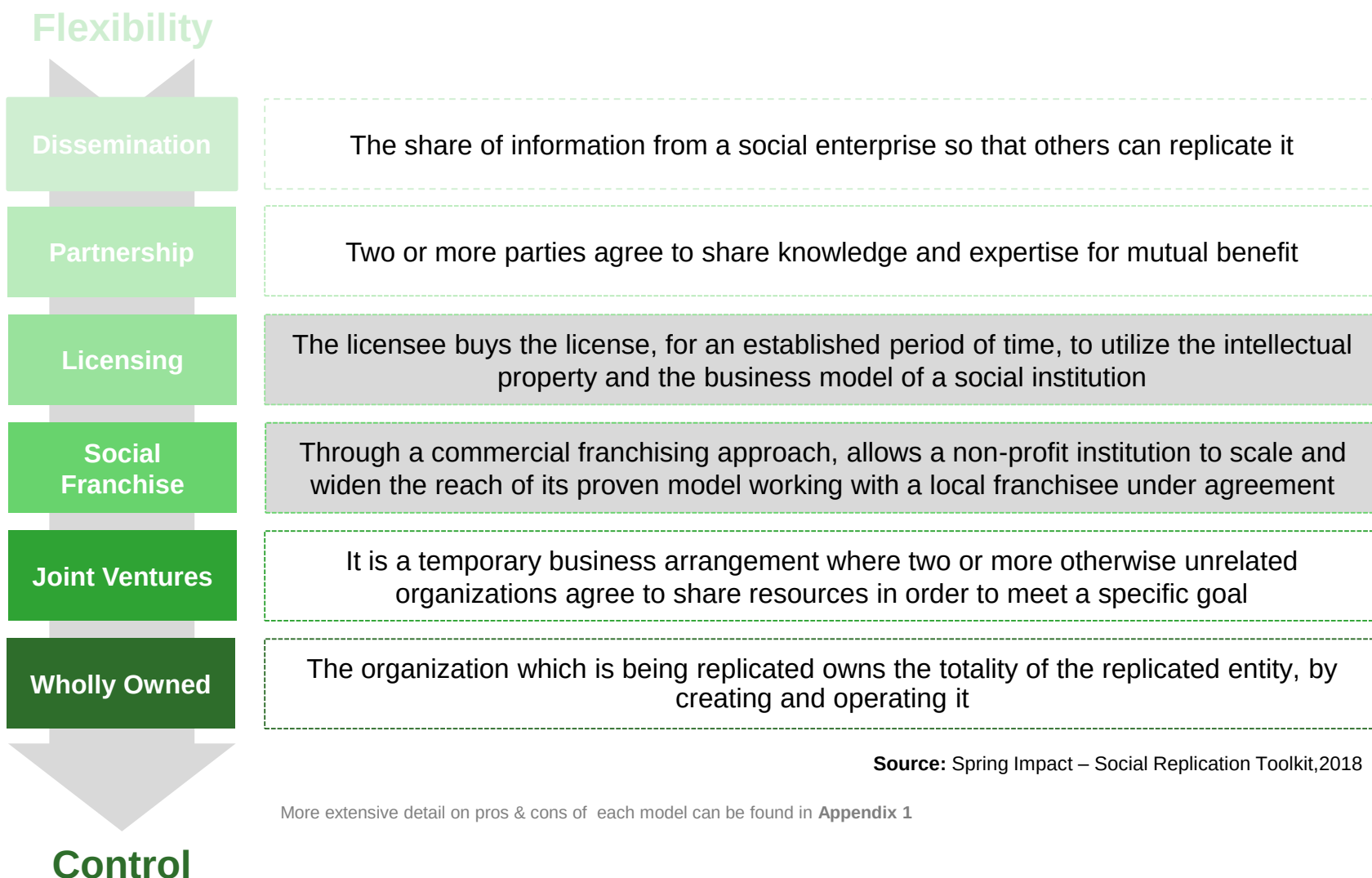
- ❖ **Commercial replication** main focus is merely its **financial performance**
- ❖ **Social replication** incentives are based on generating **social impact**, without disregarding **financial sustainability**

Source: Social Enterprise Coalition – The Social Franchising Manual, 2011

Advantages

- ✓ **Scaling** without **loosing distance from the frontline**
- ✓ Allows AAP to give a **better response to dementia needs across Portugal**, efficiently accomplishing its mission
- ✓ Does **not entail a significant investment upfront**, as it does not require investment in capex
- ✓ **Financial sustainability**, through additional revenue coming from initial and/or ongoing fees

There are several Social Replication models. Licensing and Social Franchise are the ones that best fit AAP's mission & vision



The most balanced models are located in the **middle** of the **Flexibility/Control Spectrum – Licensing & Social Franchise**

Some flexibility is required as AAP does **not have the means nor the resources** to fully control other entities. This would overstretch AAP and all parties would suffer a negative impact

Associação Alzheimer Portugal, as a **healthcare provider**, requires a **certain level of control** when replicating, due to the **complexity of dealing with people with dementia**

A **poor implementation** of the service may lead to **negative consequences** for people being treated and, consequently, **damage AAP's reputation**

Though Licensing is less complex, Social Franchise allows AAP to regularly monitor franchisees, protecting its mission and minimizing risks

Licensing

Selling limited rights related to a particular asset

- Little or no operational control over how the licensee utilizes the licensed product or service
- Typically, a **smaller training package**, limited to product or service knowledge
- No established rule, but **often no ongoing fee** after the license purchase

VS

Social Franchise

Enabling another team to deliver a proven business

- Usually, there is a **tighter operational control** as the franchisor shares a detailed operations manual where the way franchisee operates its franchised business is established
- Franchisor offers **initial and ongoing support and training to the entire business**, regularly visiting the franchisee to ensure success.
- **Applicable initial and ongoing fees**



Social Franchise is the replication model that best suits AAP's purpose and mission

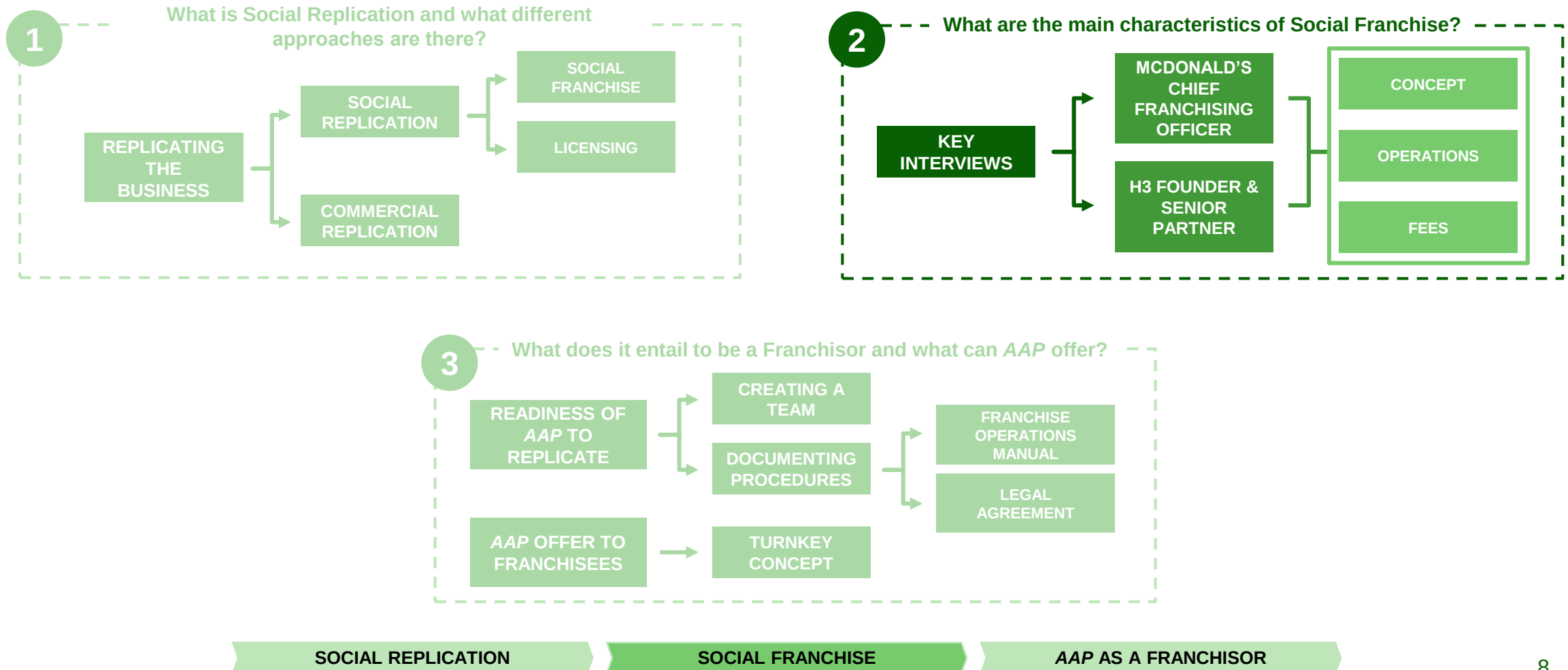
From the evaluation performed on appendix 3, we believe that AAP must not only protect its brand and mission but also guarantee that it minimizes the potential risks that the franchisees may incur

Sources: Social Enterprise Coalition – The Social Franchising Manual, 2011; Franchise Guardian – Licensing vs. Franchising

A deeper analysis of the main differences between Licensing and Social Franchise can be found in **Appendix 2**

After choosing Social Franchise as the model which best fits AAP, it was important to have empirical knowledge on the subject

Dr. João Noronha Lopes, ex-Chief Franchising Officer from McDonald's, and Dr. Miguel van Uden, founder and senior partner of H3 played important roles on the franchising process of their company and provided **powerful insights from their experience in franchising**.



To better understand Social Franchise, key interviews with franchising experts were conducted

Insights from interviews with...

Dr. João Noronha Lopes
Ex-Chief Franchising Officer
Worldwide for McDonald's



Dr. Miguel van Uden
Founder & Senior Partner
of H3



Concept

- ❖ **Traditional Franchising** – Offers know-how in exchange of a royalty over gross sales
- ❖ **Master Franchise** – Provides the rights to use the brand in an area in exchange of a fee
- ❖ Franchisor has the obligation to build and develop the business, while the franchisee must follow the stipulated rules

Advantages

- ❖ **Less risky way of expanding** a proven business model
- ❖ **No investment in CAPEX** nor in recruitment processes
- ❖ **Long-term commitment**

Process for Selecting Franchisees

- ❖ The **most common path** is:
 - **Individual interviews to analyze the profile of the person**
 - **Personality tests** may be conducted
 - **Training on-field**, not guaranteeing that the person is already selected to be a franchisee (common legal issue)

Franchisee's characteristics

- ❖ It is important to **know well the person you are dealing with**
- ❖ Someone who is **easy-going** - to avoid turbulent professional relationships
- ❖ Someone who has **entrepreneurial spirit**
- ❖ **Seriousness** and **previous contact with the industry**

Training

- ❖ **Focus on brand's values** - what is imperative and cannot be missed at any time
- ❖ The values should be imposed through the **on-field internship**
- ❖ **Shared also on the franchise operations manual (FOM)**

Control

- ❖ **Stated and established** on the Franchising Agreement
- ❖ **A team must accompany the opening of the franchisee**
- ❖ Several **audits and quarterly visits; mystery client**

SOCIAL REPLICATION

SOCIAL FRANCHISE

AAP AS A FRANCHISOR

Regarding fees, the interviewees emphasized their importance and outlined some different options on how these can be charged

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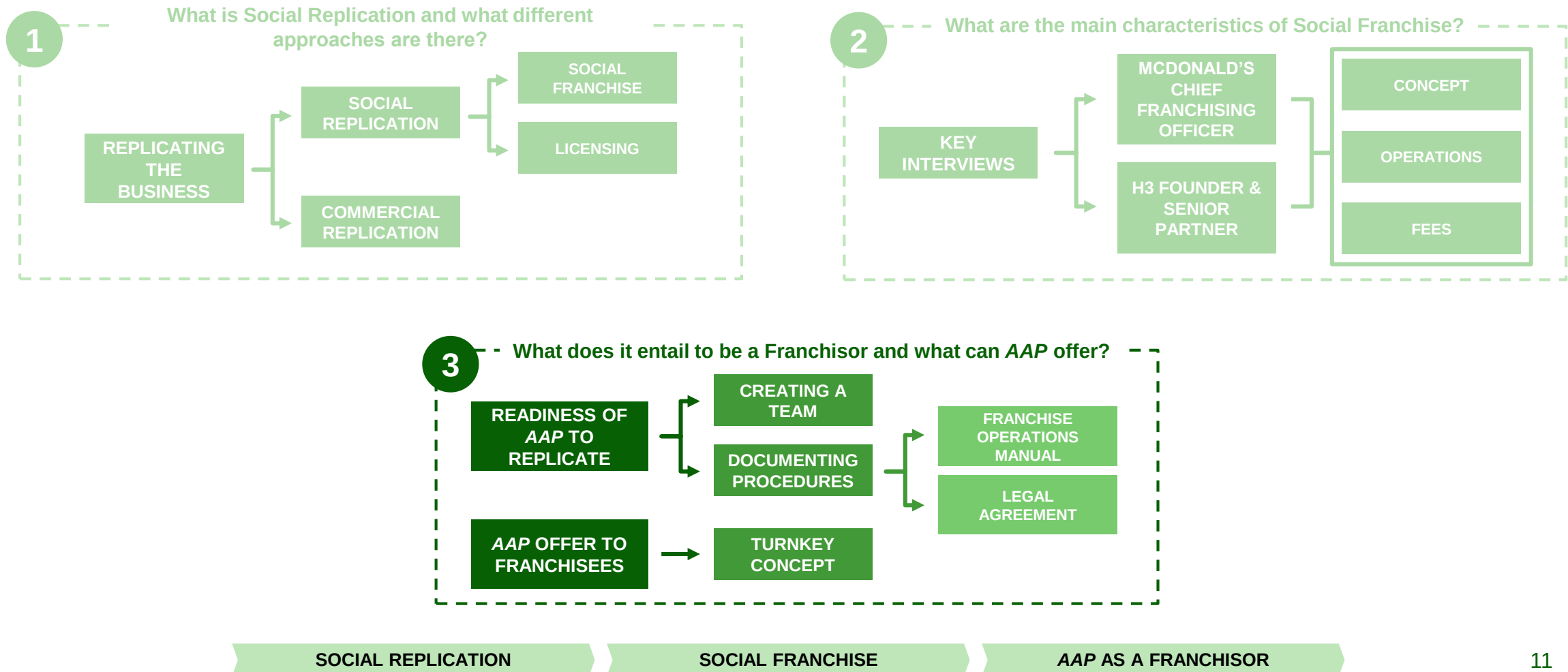


Most common	Initial Fee	❖ Entry fee that will give the franchisee access to the know-how ❖ Should cover franchisor's costs ❖ The amount charged always depends on the size of the business ❖ It can range from € 5K to € 40K
	Royalties	❖ Royalties are charged as a percentage of gross sales ❖ This percentage ranges from 2% - 6%, and may reach 10% for big brands such as McDonald's ❖ Contractual terms may be added to promote sustainable relationships with the franchisee (e.g. if sales do not achieve a pre-determined benchmark, no royalties are charged)
Other optional	New Store	❖ This fee is applied whenever a new or current franchisor wants to open a new store ❖ Considerably less comparing to the initial fee
	Marketing Fee	❖ The franchisor may oblige the franchisee to spend a percentage of its gross sales on marketing and communication ❖ It ensures that the franchisee is fighting for the strengthening of the brand and promoting its growth

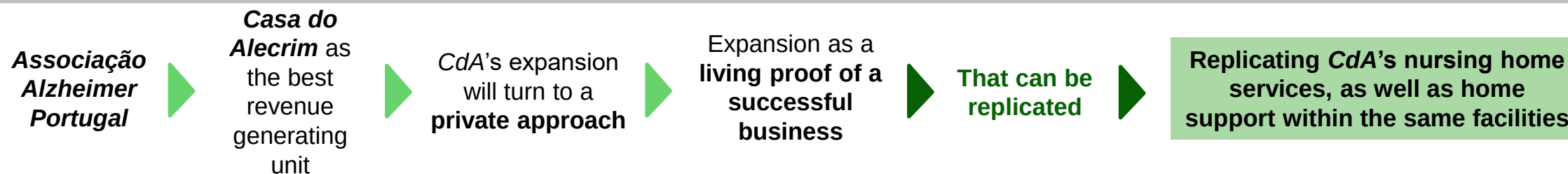
Fees are essential to keep both parties committed with the project. It can be charged in multiple forms depending on the franchisor's goal

Afterwards, analyzing the readiness of the business to replicate was step one. Accordingly, team, materials and concept were thought about

With the result obtained for *Associação Alzheimer Portugal* regarding its readiness to replicate, some **next steps were carefully thought**. For the institution, creating a responsible team and documenting everything, from operations to legal agreements is still needed. As for the concept, developing a turnkey concept for franchisees was fundamental.



Replicating CdA nursing home and home support services is promising, but to initiate the process key steps should be taken

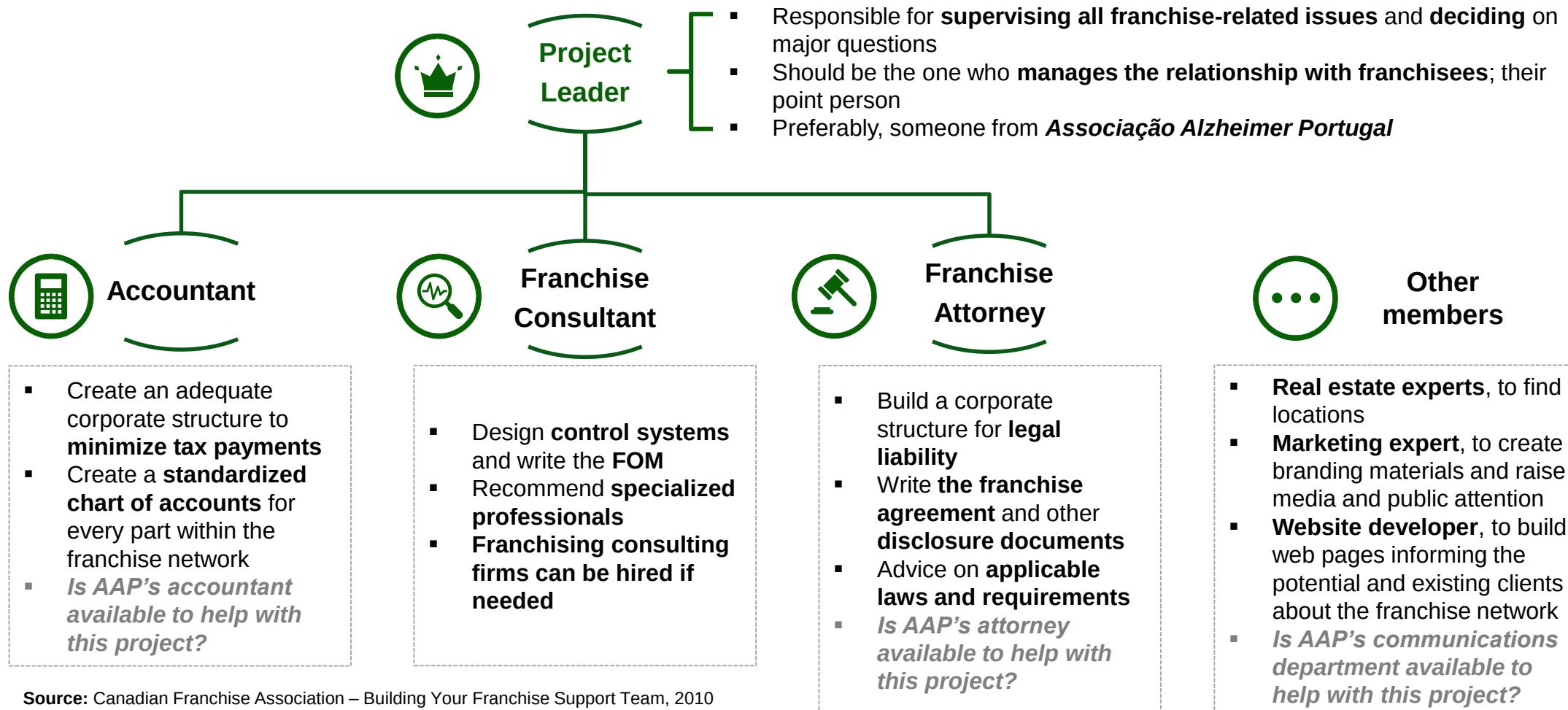


10 Question Replication Readiness Test <i>from Spring Impact</i>	Obtained Result for AAP	Key Points for Improvement, meaning next steps for Associação Alzheimer Portugal	
Strategy for scaling & reducing the problem - Proven social impact Sustainable business model - Well defined functions for delivering quality - Project owner and team Market needs Cultural adjustments - Stakeholders' support Brand recognition - Potential franchisees	 "You have a promising ability to scale but more work to do" Detailed answers and result can be found in Appendix 4-9	Creating a team for social franchise, nominating a project leader and understanding which services or employees to hire Documenting processes, procedures, and systems, as well as legal agreements Defining the franchising concept to offer Increase brand awareness and look for interested parties	Suggestions on positions and tasks Suggestions on what to include & how to structure Suggestions on what to offer, target franchisee and communication strategy
		Other tasks addressed during this project... Conduct market research; define competitive advantage, prepare financial models...	
SOCIAL REPLICATION		SOCIAL FRANCHISE	AAP AS A FRANCHISOR

When creating the team, AAP should combine people with business knowledge and franchising experience, outsourcing when needed

A **strong support team** is key to a successful franchise system - **the set of required skills for scaling** shall be guaranteed.

Relevant roles for AAP and missing tasks



Source: Canadian Franchise Association – Building Your Franchise Support Team, 2010

Writing the Franchise Operations Manual is of extreme importance, as it contains everything franchisees must know about the business

To guarantee that franchisees can **represent your brand properly** and **successfully execute good policies and practices**, documenting processes is crucial.

FRANCHISE OPERATIONS MANUAL

- 1 - **Introduction to the manual** (also non-disclosure agreements), and **introduction to both AAP and CdA**, emphasizing NH and HS services – mentioning history, mission and team
- 2 - Pre-opening **timetable and obligations** – per week, from ten weeks before to the opening date
- 3 - **Training** methods (*further detailed on the next slides*)
- 4 - **Staff** requirements & obligations
- 5 - **Policies** – how to set the office, quality standards, customer service, hygiene, visitors...
- 6 - Office **operation and maintenance**, equipment, computer systems, supplies and inventory
- 7 - **Reporting, auditing and inspecting; marketing, sales and pricing**
- 8 - **Insurance and risk management, corporate structure and financing, intellectual property**
- 9 - **Field operations**
- 10 - **Renewal, continuation, transfer, termination; expansion and relocation requirements**

Source: Franchise Now – Operations Manual, Service & Retail Edition

The FOM should be written by different people, but always reviewed by Dra. Fernanda Carrapatoso – it shall be :

➡ Easy to understand

➡ Updatable

➡ Detailed

➡ Consistent with related documents

Franchise agreement is also key, as it will be AAP's self-defense weapons. The brand shall be protected, and monitoring & control rules established

Associação Alzheimer Portugal must take special attention to the **Franchise Agreement**, as it states all rights and obligations for both **parties** (namely monitoring & control rules), **as well as the standards and ratios that guarantee a well-functioning franchising network.**

Protection through... Franchise Agreement



Defining Monitoring & Control



No legal structure...

- **No obligation to conform to a particular legal structure**, meaning ability of the Social Enterprise to **adjust the legal form to its own reality and specific goals**
- **Successful cases** in Europe have chosen **different models** (federations, “central-charity”, “arms-length”, etc.)
- **European Code of Conduct for Franchising** is followed

Sources: The Guardian - Social franchising: How do you do it and what are the benefits?, 2012; *Associação Portuguesa de Franchising*

... But important to remember

Many organizations **fail by not protecting themselves** from a fast-pace growing environment:

- Loss of **identity or reputation**
- Loss of **quality provided**
- Loss of **control over franchisees**
- **False impression** of growth

As a social enterprise working with a disfavored group of society, **AAP** needs to ensure a **moderate level of control over its franchisees**. When dealing with a person's health, it is critical to guarantee that no mistakes are made, and no patient is harmed.

To **maintain a close relationship between parties**, **regularly monitoring** the performance of its franchisees and assuring quality of the services provided, **AAP could:**

- ✓ Make **quarterly pre-schedule visits to the nursing homes**, as well as **2 other non-scheduled**
- ✓ Have an **annual meeting with all the network**, to guarantee the alignment of ideas and procedures
- ✓ Produce **standardized questionnaires** that franchisee's clients (either the patients or their relatives) would be asked to answer, **twice a year** – then, discussing the obtained results with the franchisees

Defining a unique franchising concept will emphasize AAP's competitive advantage, allowing to attract a higher number of potential investors (I/II)

When an investor is thinking about entering the healthcare industry, namely by building a Nursing Home, there are several steps he must develop – from designing a business plan, with all it entails, to licensing or insurance.

Associação Alzheimer Portugal, as an experienced player and certified training entity, can offer a turnkey concept to its franchisees, where it provides help and guidance through all the possible stages of the process.



TURNKEY CONCEPT: The Business Plan



Franchisee Location Analysis

Orient the study together with the franchisee, outlining key concerns (e.g. the demand for nursing homes)

Suggest model nursing home adjustments considering location specificities



Financial Plan

Present the financial model of the standardized NH, detailing **returns** for the investor

Help with further adaptations the model might need, considering the number of patients the franchisee wants



Services Provided

Share the Operations Manual - an extensive document with a deep explanation of both services



Human Resources

Create a document containing **key roles & profile required**, as well as **staff ratios**

Help with the **selection of important positions**



Communication

Develop all the **marketing strategies and implementation** for the franchising network, guaranteeing consistency

No added fee for this service



Building Plant

The architect shall be the same for all franchisees, guaranteeing functionality and taking advantage of potential synergies

Provide the budget for CAPEX

Defining a unique franchising concept will emphasize AAP's competitive advantage, allowing to attract a higher number of potential investors (II/II)



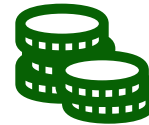
TURNKEY CONCEPT: Other Ideas



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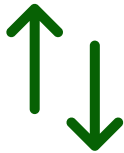
Guidelines on how to fill the required forms and prepare the mandatory documents to present

Advice on outstanding questions



Financing

Help obtaining financing, perhaps through *Montepio* – the bank AAP believes is keener on supporting the institution



Internal Rules of Procedures

Share the Internal Rules of Procedures of *Casa do Alecrim*, for the franchisee to replicate



Suppliers

Facilitate the contact between franchisees and reliable suppliers, from CdA's experience (e.g. trustable equipment for the *snoezelen* room)



Operating License

Leverage on the relationship established with **Social Security**, to smoothen and fasten the process



Training & Support - Topics

Clinical - *How to execute dementia treatments?*

Hospitality - *How to excel on accommodation?*

Management - *How to run a Nursing Home?*

Training & Support - Methods

> **E-learning**s for **2 weeks**, for **every employee** who joins

> The upcoming **Director and head of each department** (e.g. Nurse's chief) shall also have an **interview with CdA** and **do an internship there (2 weeks)**

> **During inauguration**, someone from CdA shall be there for **2 to 3 weeks**, making sure **everything runs smoothly**



Insurance

Provide information on what are the required insurances, as well as the companies CdA works with and the agreed conditions

KEY TAKEAWAYS

Which social replication model should *AAP* follow to increase its social impact and what should be the offered concept?



Social Replication

- **Social Replication** main focus is expanding social impact – unlike Commercial Replication – but it **also concerns about financial sustainability**
- There are **several approaches** to Social Replication, with different levels of **flexibility and control**
- Considering its mission, **Social Franchise is the most suitable option for AAP**

Social Franchise

- **Social Franchise**, as an expansion strategy, has **many advantages** for the Franchisor - the **absence of initial investment** and the **ability to remain in control of franchisees**, as they have to follow pre-stipulated rules
- Choosing the **right people** to join the network is essential, and **fees** can help keeping the **commitment between both parties**

Associação Alzheimer Portugal as a Franchisor

- As the **only institution** in Portugal built specifically to **improve the quality of life of people with dementia and its caregivers**, *AAP* can capitalize on its experience and **competitive advantage** to create a **unique turnkey concept** to potential franchisees
- **Nevertheless, it is at a very initial stage of the process** and several steps need to be taken first

alzheimer
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Appendix

Abbreviations

AAP	<i>Associação Alzheimer Portugal</i>
CAPEX	Capital Expenditure
CdA	<i>Casa do Alecrim</i>
DGERT	<i>Direção-Geral do Emprego e das Relações de Trabalho</i>
FOM	Franchise Operations Manual
HS	Home Support
NH	Nursing Home

Social Replication models Pros & Cons

Source: International Centre for Social Franchising – Introduction to Social Replication

	Pros	Cons
Dissemination	✓ The simplest model ✓ High innovation potential ✓ The least resource intensive ✓ Fast growth potential	✗ No guarantee of effective implementation ✗ No economies of scale nor organizational learning
Partnership	✓ Mutual learning ✓ Sustainable ✓ Easy to get started ✓ Fewer legal obligations	✗ Low control ✗ Conflict of interests ✗ No additional income ✗ Exposed to partner's failure
Licensing	✓ Flexible agreement ✓ Reliable source of income ✓ Management easiness ✓ Brand awareness	✗ Poor execution form the licensee ✗ May damage brand reputation ✗ Quality management issues
Social Franchise	✓ Fast growth potential ✓ Knowledge transfer ✓ Easier fundraising ✓ Avoids agency problems	✗ Resource intensive first stage ✗ Reporting requirements may generate tensions between franchisor and franchisee
Joint Ventures	✓ Complementarity ✓ Alignment of incentives ✓ Shared risks and costs ✓ Increased capacity	✗ Brand dilution ✗ Instability risk ✗ Uneven resources distribution ✗ Communication conflicts
Wholly-Owned	✓ Prevents reputational harm ✓ Prevents legal issue ✓ Positive synergies effects ✓ Facilitates expertise spreading	✗ Resource intensive ✗ Difficult adaptation ✗ Complex management ✗ Slow growth

Licensing vs Social Franchise

	Licensing	Social Franchising
	<i>Selling limited rights related to a particular asset</i>	<i>Enabling another team to deliver a proven business</i>
OPERATIONAL CONTROL	> Little operational control over how the licensee uses the licensed product or service (...) • Looser relationship between both parties - the licensor can not have control over the overall operations of the licensee's business • Typically, no restrictions in terms of territory, but no exclusive territorial rights as well • Fewer administrative burdens, meaning the process is easier, quicker and less expensive, as licenses are governed by standard contract law – less legal tape to set up/terminate an agreement	> (...) Usually, tighter operational control as the franchisor shares a detailed operations manual where the way the franchisee operates their franchised business is established • Franchisees must follow the franchisor's system – the franchisor retains an enormous power and makes a lot of decisions • The territory in which the franchisee can operate is specifically defined • Usually more complex agreement, covering several different areas
TRAINING & SUPPORT	> Typically, a smaller package, limited to product or service knowledge (...) • Usually training and support are given in an initial phase of the replication process • No follow-up or ongoing supervision	> (...) Franchisor offers initial and ongoing support and training to the entire business, regularly visiting the franchisee to ensure success • Extensive training on how to operate the whole business • Ongoing support through training and communications for the duration of the business relationship
FEEES	> No rule, but often no ongoing fee after the license purchase (...)	> (...) Initial and ongoing franchise fees payable

Sources: Social Enterprise Coalition – The Social Franchising Manual, 2011; Franchise Guardian – Licensing vs. Franchising

Flexibility vs Control

Dissemination	Partnership	Licensing	Social Franchise	Joint Ventures	Wholly Owned	Decision
Flexibility			Control			
Flexibility Advantages		Control Advantages				
Straightforward model			Multifaceted, complex model	X		
Concept-based business			Brand and mission requires protection	X		
Low risk business			High risk business where mistakes could have significant consequences	X		
Small, informal and low-cost operations			Established, proven business model with strong structures & policies	X		
Dependent on circumstances, and adaptable business structure			Package with considerable client recognition and trust	X		
Self-funding, earned income operations			Evidence of impact across operations required for funders/investors	X		
Independent, contextualized organizations: lessons not always transferable & learnable			Need for regular sharing of information and transferability of good practice	X		
Few potential economies of scale		X	Significant economies of scale to be exploited			
TOTAL		1	7			

Source: Social Enterprise Coalition – The Social Franchising Manual, 2011

The 10 Question Replication Readiness Test

Source: Spring Impact – Social Replication Toolkit, 2018

Is there an ambitious yet realistic strategy for scale and reducing the size of the social problem?

- Limited strategy in place
- Good understanding of the problem that you seek to address and how it could be solved. Good idea of how those problems may be addressed
- Detailed understanding of the problem you are seeking to address backed up by research. Ambitious SMART targets in place for helping to solve that problem with a realistic plan

Decision

● **Yellow Light**

AAP has +30 years of experience and its knowledge and expertise on dementia is unique in Portugal. Although there is no exact solution for the dementia problem, AAP has the best solution possible to retard this progressive disease, with a well-defined plan for each specific patient. However, there is no current strategy for scale in place

Have you proven and evaluated social impact for your organization?

- Organization is unclear about its social impact or has undertaken no systematic evaluation process to prove it
- Organization has undertaken an evaluation process and has a reasonable level of proof that the business model has significant (intended) social impact (level 2 and above on the Standards of Evidence stairway)
- Organization has undertaken at least one rigorous evaluation process and results provide strong evidence of significant social impact

Decision

● **Red Light**

Although it is clear how AAP can positively impact the society and how beneficial for people with dementia its replication might be, there is no evaluation process to prove it. Even the successful results achieved in CdA have not been recorded clearly for evaluation purposes

The 10 Question Replication Readiness Test

Source: Spring Impact – Social Replication Toolkit, 2018

Have you developed and demonstrated a sustainable business model?

- Organizations provides no evidence to demonstrate the sustainability of its existing business model
- Organization provides evidence demonstrating a sustainable business model including a track record of securing income and strong rationale for this continuing into the future. Also has a business plan
- Organization provides detailed evidence for the business model being sustainable including documentation around income sources, profit levels, reserve amounts, income ratios, etc. Also has a detailed business plan

Decision

● **Yellow Light**

A strong and sustainable business model is being created for CdA. The current one is designed to breakeven revenues with costs, which might fail on an economy downturn due to the lack of financial slack. Moreover, there is room for improvement when it comes to financial documentation record and organization

Are the functions necessary for replication well defined and developed for delivery while ensuring quality?

- Few or no processes, systems or values exist, or they are fragmented and difficult to find
- Most processes and documentation for delivery and replication are in place but with some gaps. Values have been established
- Accurate documentation is in place for process, systems, training, legal, agreements, procedures & ensuring quality. Values are in place, recognized and embedded across the organization

Decision

● **Yellow Light**

The values of AAP are clearly embedded across the organization. They are known and strictly followed by all the staff. There is content for replication: well-known procedures and activities with proven quality. Nonetheless, since it is the first time AAP is being confronted with social replication, there is not any required documentation for replication

The 10 Question Replication Readiness Test

Source: Spring Impact – Social Replication Toolkit, 2018

Is there a clear project owner with capacity in their team to deliver?

- The organization has not nominated a lead for the project
- There is a clear project owner with a relevant skill set
- The project owner is an experienced individual with previous experience in scaling and is trusted by stakeholders

Decision

● **Red Light**

AAP and CdA are currently under management of Dr. Marcelo Gama and Dr. Fernanda Carrapatoso, respectively. They have both experience and deep knowledge on the dementia treatment and prevention as well as management skills. Still, there is nobody assigned to lead this project nor with experience in scaling

Is there a significant social need and market in the area to be targeted for replication?

- The social need does not exist elsewhere or the potential market is saturated and/or has no growth potential
- The social need is inadequately met elsewhere and the market size of your organization's business environment is significant
- The social need is inadequately met elsewhere and the market size of your organization's business environment is significant and growing

Decision

● **Green Light**

Throughout Portugal, there's the need for specialized dementia care services – the number of dementia patients is significant, and it is expected to grow in the future. Even though we have recently witnessed other companies exploring the market, AAP has more than 30 years of experience and is clearly the expert player. As it only exists in Lisbon, there are certainly other areas to be targeted for replication

The 10 Question Replication Readiness Test

Source: Spring Impact – Social Replication Toolkit, 2018

Is success possible in a different context?

- Organization's success is culture-specific, reliant on specific individuals, and/ or unable or very difficult to adapt to different conditions
- Some evidence venture is able to work in another culture and condition however work is needed to understand the adaptation that will be required
- Organization is able to work in other cultures and conditions without significant barriers or additional work needed

Decision

● *Yellow light*

AAP has some experience working in different cultures and contexts, as it has local offices across Portugal. However, this does not happen for the Nursing Home service. For this reason, we are convinced that both Nursing Home and Home Support services can be replicated in other areas, but it might need some additional work or adaptation

Does everyone from staff to the board and external stakeholders support replication?

- The organizations stakeholders are hostile towards replication and/ or there has been no consultation at all
- Stakeholders are neutral towards replication and/ or there has been limited consultation
- Stakeholders fully support replication and have been consulted

Decision

● *Yellow Light*

The replication is still under analysis, and the topic has been introduced recently. As so, not all stakeholders have been consulted yet. Even though there are members of the Board and the General Assembly who fully support replication, it is crucial to understand everyone's opinion and positioning as soon as possible

The 10 Question Replication Readiness Test

Source: Spring Impact – Social Replication Toolkit, 2018

Is your brand understood and valued by your audience?

- The organizations has no brand documentation at all
- Brand and its values are partially documented and understood internally and externally
- Brand and organizational values are clearly documented, agreed upon by all internally, and valued externally

Decision

● *Yellow Light*

Both the brand and organizational values and figures are well documented. Internally, everyone agrees upon these. However, there is few effort to communicate and promote the brand and its services, meaning AAP and CdA perceived quality is lower than other high-quality competitors, as external people do not truly know the fundamentals behind their work

Is there a supply of people or organizations willing and able to take on the replicated project?

- There are no interested parties who are willing and/ or qualified to take on the replicated project or those people are difficult to access
- There is evidence of a supply of people or organizations willing and qualified to take on the replicated project
- There is evidence of a large supply of people or organizations willing and qualified to take on the replicated project

Decision

● *Yellow Light*

Health care services represent a growing potential market. For that reason, there are several interested investors in the sector. Nevertheless, it is important to look for those interested parties, as well as communicating them our value proposition and our concept

The 10 Question Replication Readiness Test

Source: Spring Impact – Social Replication Toolkit, 2018

			
Is there an ambitious yet realistic strategy for scale and reducing the size of the social problem?			
Have you proven and evaluated social impact for your organization?			
Have you developed and demonstrated a sustainable business model?			
Are functions necessary for replication well defined and developed for delivery while ensuring quality?			
Is there a clear project owner with capacity in their team to deliver?			
Is there a significant social need and market in the area to be targeted for replication?			
Is success possible in a different context?			
Does everyone from staff to the board and external stakeholders support replication?			
Is your brand understood and valued by your audience?			
Is there a supply of people or organizations willing and able to take on the replicated project?			

SCORE: 19

 3 Points  2 Points  1 Point

Score	
Over 25	You are ready to replicate
15-25	You have a promising ability to scale but more work to do
Less than 15	You have more work to do before you can replicate

Decision

According to the obtained results, we can conclude that *Associação Alzheimer Portugal* does have a “promising ability” to scale – supporting our initial hypothesis. However, the institution still has “more work to do”, meaning there are a number steps and preparation it needs to develop before being able to replicate