

A Work Project presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA School of Business and Economics.

A STRATEGIC PLAN FOR “ADHD PROJECT”

INÊS CRUZ COUTINHO
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A Project carried out on the Management course, under the supervision of:

Prof. Miguel Alves Martins

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I. Abstract

This work project is a strategic plan for a program of corporate social entrepreneurship that is currently being developed in *José de Mello Saúde* with the support of *Fundação Manuel Violante* and *Instituto de Empreendedorismo Social*. The goal of the program is to improve the quality of life of children with Attention Deficit-Hyperactivity Disorder, which is the most common neurobehavioral disorder in childhood. The strategic plan is intended to analyze the decisions taken up until the presentation of the program to the board of José de Mello Saúde and indicate the path to future planning and decision-making.

Key words

Strategic Plan, Corporate Social Entrepreneurship, ADHD

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III. Introduction

There is a growing pressure from shareholders on major economic groups to develop a social agenda. *José de Mello Saúde* began to draw a solution to cope with Attention Deficit-Hyperactivity Disorder (ADHD)¹ when realizing this was an important and neglected problem, that generated negative externalities to society. This is called Corporate Social Entrepreneurship, meaning, the process by which companies' search for sustainable solutions to social problems. The concept of the project is a website that will provide information about ADHD and will promote free training sessions intended to help children with this disorder reach their full potential by supporting their families and schools.

The opportunity of joining the project arose from an invitation from professor Miguel Alves Martins, my advisor in this work project and director of *Instituto de Empreendedorismo Social*. From the organizations' perspective, the missing piece was someone to reinforce and develop the management capabilities towards a better structuration, effectiveness and efficiency of the project. Having an academic background in management and enthusiasm for the social sector, I accepted the challenge and joined the work group on the project's launching meeting.

The methodology and operational structure were defined before the project's kick-off meeting.¹ The starting point was a brainstorming meeting to define the project's concept and scope in detail and consolidate the project and support teams. The methodology consisted on individual and field work that was assigned and presented in future meetings. Through biweekly meetings a point of progress was made and deliverables were discussed by the work team².

The first part of the work project aims to present the parties involved in the design of the project as well as their motivations and responsibilities. It then follows a brief theoretical framework that justifies the development of a strategic plan in the field of corporate social entrepreneurship and explores the notion of co-creation process. To enlighten readers about ADHD, an overview of the disorder was made. The next section

¹ See appendix 1.1 – Operational Structure

² See appendix 1.2 – Project's Timeline

seeks to provide a thorough understanding of the context in which the project emerges through the application of selective models. It follows an analysis of the strategic options available to *José de Mello Saúde* in terms of allocation of resources, choice of target segments, positioning, and value proposition. The work project concludes with recommendations covering the launch of the project, its management, and growth.

1. Organizations

José de Mello Saúde (JMS) is a private company held by *Grupo José de Mello* which is one of the largest Portuguese business groups. The group's vision is to be the Portuguese group with highest growth and value creation in their areas of operations. Operating in diverse business sectors, this family-based group, has an enviable reputation in the health sector in which it intervenes through JMS.³ The latter has a Health Education Program that seeks to develop a connection with the community where its hospitals and clinics are located. It has two main audiences – children and elderly – and is dedicated to schools and social institutions for which JMS is developing training and awareness sessions. These are carried out by health professionals and are defined taking into account the needs identified by schools and social institutions.

Fundação Manuel Violante (FMV) was created in 2004 by Manuel's relatives and friends, members of the Lisbon office of McKinsey & Company to honor its founder.⁴ The foundation has the mission of promoting the economic and cultural development, and deepening the talent base and knowledge of management in Portugal through the knowledge network of its founder personal and professional contacts. Given its mission, FMV acts on four main areas; talent, knowledge, community, and entrepreneurship.

The *Instituto de Empreendedorismo Social* (IES) founded in December of 2008 promotes social entrepreneurship in Portugal and Europe. IES is a Research and Training Center on social entrepreneurship that aims to stimulate innovation, efficiency, and growth of the impact of transformative projects that break cycles of problems in our society. This non-profit, headquartered in Lisbon, was created from the belief that this area should be encouraged to develop attitudes that focus on creating innovative

³ See appendix 1.3. – Mission of *José de Mello Saúde*

⁴ See appendix 1.4 – History of *Manuel Violante* & Objectives of *Fundação Manuel Violante*

solutions.⁵ IES has formed partnerships across different sectors which enabled the organization to truly catalyze synergies, responding to the needs of the sector and its current and future leaders. The association is focused in four main activities, namely: research, training, project monitoring, and identification of high-potential initiatives of social entrepreneurship.

2. Onset of the Project

Under the Health Education Program, arose the idea of developing a project in a field in which JMS could stand out, one that would bridge a social gap and was perfectly aligned with its core business, healthcare. For JMS the business of providing health services is deeply connected to the concept of social development and, since its inception it promotes initiatives that integrate social concerns and business ethics. The organization's motive to engage in this project was based on the belief that given the scale of the social gap, it could make a difference by creating social value and impacting the lives of many. Further, JMS wants this project to become a flagship of their corporate social responsibility program.

The close relationship between JMS and McKinsey & Company led to the involvement of FMV, which was interested in helping JMS in the design of a project with such features. The partnership enabled JMS to gain access to specialized resources, such as the involvement of IES that took place through the foundation. Initially the foundation was asked to propose two possible programs of Corporate Social Entrepreneurship (CSE) in the areas of geriatrics and pediatrics.⁶ With the ambition of expanding its role and impact on the social sector the foundation joined JMS in the launch of the initiative. The project developed in the pediatric area, the one in which this thesis is focused, is expected to become a reference in the social sector at a national level. It represents an opportunity for the foundation of developing a CSE program of excellence with one of the most prestigious companies in the health field. Also, it bears the possibility of taking the project to all health units in the group transforming it into a nationwide program.

⁵ See appendix 1.5 – Mission of *Instituto de Empreendedorismo Social*

⁶ See appendix 1.6 – Why Pediatrics/ADHD?

From the foundation's perspective, the project consists in guiding management talent, encourage research and sharing of medical knowledge, support a project of acknowledged public interest, and contribute to a culture of initiative and entrepreneurial spirit. All these factors are intrinsically aligned with FMV's mission and objectives contributing to a smooth functioning of this partnership.

The involvement of IES in the project arose from its partnership with FMV. The two came together to develop initiatives with social mission in the field of corporate social entrepreneurship. IES was chosen for its dedication to the cause and alignment with JMS's mission and got involved due to the project's alignment with its social mission. The association collaborates by providing technical support in the design of a strategy of CSE to be implemented by JMS. By assisting in the design and implementation of the ADHD project, it expects that this project becomes one of the first CSE projects to exist in Portugal.

3. Organization's Roles

The *Grupo José de Mello* adds value to the project by providing human resources such as management personnel specialized in sustainability to its design and development as well as physical resources for its implementation. On its own, the hospital *CUF Descobertas* adds value by meeting clinical conditions and techniques to create the ideal environment for the project's development. The hospital has over ten years of experience in pediatrics, including most pediatric subspecialties, and its quality of service is recognized by professionals referring their patients and parents. The hospital differentiates in the area of child development where it has the necessary resources for the diagnosis and medical care of children with ADHD. The project's team is responsible for the development of the materials provided by the project and subsequent monitoring of its outcomes.

Being this the first project that FMV is developing in the health arena, it can benefit in terms of acquiring specific knowledge of the health sector and raise visibility from a national standpoint. The foundation adds value to the project by bringing to the table specialized resources, such as management knowledge, consultancy expertise, and its contact network. The monitoring of the project by FMV is done through the direct

involvement of a member of the foundation in the work meetings and participation of a member in the steering committee.

IES's role in the project is to provide support to the project's team and assist in the preparation of studies that contribute to a higher effectiveness of the project. The association's presence in the work meetings is punctual, usually upon request of the project's team. In a nutshell, IES adds value to the project by sharing and applying its expertise in the social entrepreneurship sector. In return, the association gains knowledge and experience in the corporate social entrepreneurship field.

IV. Literature Review

The literature review begins with an overview of the concept of corporate social entrepreneurship clarifying the benefits for a private company like JMS in pursuing a project with a social mission. The co-creation process is described next due to its fit with the project, from the design that links the customers to the project's team to the delivery of a customized service that enables professionals to have continuous feedback. Finally, a brief review of the purpose of strategic planning was made intended to justify the choice of a strategic plan over a business or operations plan.

1. Corporate Social Entrepreneurship

The concept of corporate social entrepreneurship (CSE) arose from the junction of two other concepts: social entrepreneurship and corporate entrepreneurship. CSE refers to the process through which a private company pursues an opportunity of responding to unmet social needs (Austin and Reficco, 2009).

According to Porter and Kramer, society needs a more sophisticated form of capitalism, one imbued with a social purpose.⁷ Large business groups tend to expand their operations out of their core business or sector and in the past few years firms are increasingly entering the non-profit sector. These enterprises are called "hybrid enterprises" and are defined as those "straddling the boundary between the for-profit business world and the social mission-driven public and non-profit organizations" (Hockerts, 2006). The engagement with stakeholders and the shared creation of value

⁷ See appendix 2.1 – Civil-learning Tool

are key points in the hybrid business model, so they are analyzed next. The hybrid model offers to the firm the opportunity of conducting business in a sustainable and responsible way while generating economic and social value. Hybrid companies' main goal is to make a profit, however they pursue this aim while supporting the low income sector (International Finance Corporation, 2010).

2. Co-creation Process

Prahalad and Ramaswamy stated that the process of co-creation occurs when “the consumer and the firm are intimately involved in jointly creating value that is unique to the individual consumer and sustainable to the firm”.⁸ This process is facilitated in environments where the service provider directly influences the quality of the service and customer's experience. It is argued in the literature that companies should “create an experience environment in which customers can have an active dialogue and co-construct personalized experiences” (Prahalad and Ramaswamy, 2004).⁹ This is evidenced in the healthcare sector, where the value creation depends on the interaction between the parties involved and the services provided are individually tailored to each consumer. In the ADHD project, the proximity between physicians and patients will be the source of the co-creation process, where customers can give inputs and actively participate in the design of the product leading to greater customization.

Further, Grönroos revisited the concept of co-creation process and stated that it occurs when “the firm can actively take a role in the customers' value-generating processes and directly influence them” (Grönroos, 2008). Thus, the process of value co-creation occurs not only at the operational level, rather it implies a revision of a firm's strategic decisions as suggested by Lusch, Vargo, and O'Brien. Moreover, Woodruff argues that customer participation is a key contribution in the co-creation process defending it as the next source for competitive advantage.

3. Strategic Plan

Strategic planning is a management tool that despite consuming resources and time it helps organizations perform better. Through a strategic plan an organization defines its

⁸ See appendix 2.2 – Co-creation

⁹ See appendix 2.3 – DART Framework

resource allocation in accordance to the established priorities. According to Allison and Kaye, strategic planning “can help an organization focus its vision and priorities in response to a changing environment and ensure that members of the organization are working toward the same goals” with “the emphasis on overall direction rather than predicting specific, year-by-year, concrete objectives”. Given the project in question, a strategic plan was preferred to a business plan which usually contains projections for costs and revenues and it is addressed to potential investors.

V. ADHD

ADHD is the most common neurobehavioral disorder in childhood and adolescence affecting approximately 4-12% of school-age children. This disorder is three times more common on boys than girls. The disorder appears in childhood, usually diagnosed on the first years of school it extends to adulthood two-thirds of the times.¹⁰ There are three types of ADHD so children can be predominantly-inattentive, predominantly-impulsive, or predominantly-hyperactive.¹¹ Without proper support and monitoring the social integration of children with ADHD might be compromised.¹² The main challenge in diagnosing ADHD is that it is often found along with other medical conditions, also called coexisting conditions.¹³ Moreover, there is a tendency to marginalize children with this type of disorder since they have very challenging behaviors for their caregivers. Hence, it is imperative that parents and teachers are informed about the disorder to provide the special attention that these children need.¹⁴

The difficulty in determining the exact incidence of this disorder, visible in the extent of the range (4 to 12% of school-age children), prevents an accurate calculation of the number of children affected.¹⁵ In Portugal, ADHD is estimated to affect around fifty thousand children.¹⁶ Determining the number of people that are currently receiving

¹⁰ See appendix 3.1 – Diagnosis of ADHD

¹¹ See appendix 3.2 – Types of ADHD

¹² See appendix 3.3 – Causes and Consequences of ADHD

¹³ See appendix 3.4 – Coexisting conditions of ADHD

¹⁴ See appendix 3.5 – ADHD Treatment

¹⁵ See appendix 3.6 – ADHD in Portugal

¹⁶ See appendix 3.7 – School-age children with ADHD in Portugal

treatment can be a daunting task since most institutions do not publish their numbers and the few that do, do not account the number of patients of each distinct core. Nevertheless, on a best case scenario, the number of children being treated for ADHD in Portugal rounds 2.000 representing only two to six percent. It follows the striking conclusion that more than 90% of the market has neglected and unmet needs.

Taking all these factors into consideration it can be concluded that ADHD is an important and neglected problem with negative externalities for society as a whole. It is an important problem because it negatively affects a large number of people. It is a neglected problem because it is poorly perceived by society in general and it is not being solved by the different social agents present in the market. Furthermore, the problem results in negative spillovers thus its resolution becomes a more urgent matter and creates high value to society.

VI. Market Research

A strategic plan is the process of deciding the allocation of resources and strategy to follow. There are many approaches to strategic planning but the one used in this work project is based on the framework STP (situation-target-proposal) designed by Fred Fosmire. To evaluate the current national situation it was used the Porter's five-forces model, a PESTEL analysis, and a stakeholders' map. To evaluate the current international situation an overview of international best practices was developed. Finally, with the purpose of evaluating the current situation of the players in this market a SWOT analysis both for competitors and JMS was prepared. In the target part, it is defined the mission, vision, strategic triangle, and value proposition of the project. In the proposal part, namely the recommendations and conclusion of this work project, the goals and objectives of the project are laid down with the recommended route to accomplish them.

1. Porter's Five Forces

At this point an analysis of Porter's Five Forces is useful to better understand and cope with competition.¹⁷ Under analysis is the Portuguese market of ADHD treatment with the purpose of defining the industry's structure and the competitive interaction within

¹⁷ See appendix 4.1 – Porter's Five Forces

the industry. In Porter's model, the combination of the strength of each competitive force determines industry profitability. However, in a non-for-profit environment the model has to be adapted to focus in the organizations' purpose, that is, mission instead of profit.ⁱⁱ Thus, the combination of the five forces measures the organizations' ability to fulfill its mission effectively. Adding to the adaptation of the model to a non-for-profit environment is the complexity of having both for-profit and non-profit enterprises competing in this market. The framework value relies in its utility for strategic analysis, providing a picture of the industry's competitive structure at that point in time.

The threat of new entrants is low even though incumbents are unlikely to retaliate against new comers. The threat of substitution is moderate because although substitutes are not homogeneous, donations are seen as direct substitutes. Complements have a positive impact by increasing the demand of services by the industry's consumers and donors. The power of suppliers is moderate for private practices and high for non-profit institutions while the bargaining power of customers is low. Competition is quality-based rather than price-based and there are few players competing in the market hence the intensity of competition is low. Overall, organizations should be aware of possible shifts that may influence these five forces with particular attention on the threat of substitution and bargaining power of suppliers that nowadays adversely affect organizations. Nonetheless, the industry's competitive structure is not complete without including stakeholders like the State or society so a PESTEL analysis was conducted.¹⁸

2. PESTEL

The analysis of the political, economic, social, and technological factors affecting the market of ADHD in Portugal is intended to provide a more complete understanding of the context in which the project is inserted.

In political terms, the recent government intervention in the market is marked by changes in tax policies and labor laws. The democracy installed a few decades ago is stable despite some tension in the political environment. On the Constitution (article 71st) are safeguarded the rights of people with disabilities. Nevertheless the government has reduced the subsidies attributed to charity institutions causing the competition for

¹⁸ See appendix 4.2 – PESTEL Analysis

funds to intensify in this industry. The government response to the problem of ADHD was to increase the reimbursement of medication.¹⁹ Aside, the government offers a complete and accessible health system to all the population.

The current economic situation of Portugal is distressing. The recession has negatively impacted employment, inflation, and interest rates which in turn affect companies' operations. The deterioration of the economic situation of families led people to increasingly resort to the social sector although the latter is not prepared to meet the surplus demand. Higher moderating fees in the health sector have reduced the influx at hospital emergency rooms. Moreover, the decrease on families' disposable income propitiates the abandonment of prescribed medication. Over recent years the social environment has undergone several changes, social issues are now more visible and the demand for action is gaining relevance. Many social institutions have been created in the past decade and since the onset of the current crisis the emphasis on solidarity stepped up and volunteers have been growing in number.

The trivialization of the internet has led to greater dissemination of knowledge by facilitating the access to information. In the health care sector the automation of processes and technological advances enable health professionals to exchange information about patients, to develop more effective drugs, and more accurate diagnosis. Major technological shifts affect companies' costs by imposing the need to upgrade or adapt to the new technology. Ecological and environmental factors are not a priority in the health sector but they are key factors for social institutions whose missions concern environmental issues. Across all sectors, social activists are increasingly demanding that companies take measures to protect the environment.

In addition to the mandatory reporting of financial results more and more private and social companies are publishing their financial statements in an attempt to become accountable to all stakeholders. Social institutions and equivalent must submit their accounts in accordance to the law (Decree 36-A/2011, of March 9, 2012).

¹⁹ Fourth amendment to Administrative Rule n° 1474/2004, of 21 December 2010

3. Stakeholder's Map

The application of a stakeholder's map aims to identify the stakeholders that need to be taken into account by JMS as well as their interests and level of influence in the project. Before going any further, a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (R. Edward Freeman, 1984). To establish stakeholder's power to affect JMS's project and their interest in doing so a Mendelow's Power-Interest grid is used. This tool allows for the prioritization of efforts to effectively manage and communicate with stakeholders.²⁰

Stakeholders are often grouped into three categories: internal, connected, and external. The internal stakeholders are members of the organization which in the case of JMS are the board of directors, steering committee, administrative staff, and personnel from *CUF Descobertas* which includes doctors, nurses, and psychologists. The connected stakeholders are those with a contractual relationship with the organization such as children with ADHD, their families and schools, suppliers, partners, and financiers. The external stakeholders are composed by competitors, the media, opinion bloggers or influencers, local communities, and society in general.²¹

The stakeholders with low level of interest in the project are competitors, the board of directors, and society in general. On the other hand, the personnel, caregivers, schools, local community and media are taken as having a high interest on the project. In terms of power, the stakeholders with lower influence over the project's objectives and strategies are employees, partners, competitors, the media, and society in general. The more powerful stakeholders are the board of directors and steering committee with the authority to approve or reject strategic decisions and customers who are the focus of the project.

In sum, competitors and society require a minimal effort and monitoring from JMS while employees, partners, and media should be kept informed due to their influence over more powerful stakeholders. Despite having much power, the board of directors has a passive role interfering only when needed but anyhow they should be kept

²⁰ See appendix 4.3 – Mendelow's Power-Interest grid

²¹ See appendix 4.4 – Classification of Stakeholders

satisfied to avoid the discontinuation of the project. Lastly, the key players of the ADHD project are the customers which should be consulted on strategic decisions.

4. Competitors

After identifying the interests of stakeholders, competitors are analyzed in a more detailed manner to see which business models they follow and what they can offer to our key stakeholders – customers. The Portuguese market for ADHD treatment comprises seven service enterprises localized in the Lisbon area.²² According to IES’s benchmarking, the initiatives in this sector are composed by informative websites, consultations promoted by psychology practices, and decentralized training sessions given by health professionals and directed to parents, educators and an academic public.

Table 1 – Market services and prices

	ADHD Project	CadIn	PiN	Diferenças	APPDAE	APDCH	SEI	Clínica
Medical appointments	-	+	+	+	-	-	+	+
Training for Parents	+	+	+	+	-	-	-	-
Training for Teachers	+	+	+	+	+	-	-	-
Training for School assistants	+	-	-	-	-	-	-	-
Online resources	+	-	-	-	-	+	-	-
Participants costs	Free	\$/ Bolsa Social	\$	\$/ Social Security	Free	\$/ Social Security	\$	\$

The large majority of institutions in Portugal that provide services for children with ADHD are too expensive to pay in an ongoing basis (see summary in Table 1). For instance, the average price to participate in a training sessions is between 40€ to 50€ per

²² See appendix 4.5 – Competitors

person. In general institutions monitor the child and provide assistance to the parents and professors, acting on the child and the environment in which the child is inserted. Information about ADHD on the institution's websites is scarce and often too theoretical. Training sessions are aimed exclusively to parents or professors, and usually give discount prices to members. The information on the funding of institutions, partnerships and prices is limited. Apart from supporting children, the work developed in schools by these institutions aims to forward customers to the practices. So, based on the services offered there are four direct competitors – CadIn, *Diferenças*, Pin, and APPDAE.

5. Market Needs

A SWOT analysis of competitors is drawn to identify the gaps in the market and where competitors are underperforming. These gaps will be addressed by JMS if aligned with its strategy and enough resources are available to fill those needs.²³

With regard to strengths, all institutions follow a multifaceted approach in the treatment of ADHD demonstrating an understanding of the disorder and care for the quality of the service being provided. Competitors use their facilities to welcome patients, organize their activities and establish themselves in the market. The partnerships formed by these institutions often give them financial stability and managerial help besides access to other resources. CadIn and PIN are perceived by JMS as their strongest competitors for their investment on communication and brand awareness.

The main weakness of these institutions, except for APPDAE, is that they offer their services at a high price neglecting those who cannot afford it. Beyond price, institutions could also improve by providing more information about ADHD in their websites. In addition, the lack of focus may lead to less efficient institutions and coordination issues particularly when management is decentralized as in the case of *Diferenças*. Training sessions are exclusively targeted to parents and professors, disregarding other segments.

There is a huge gap between supply and demand in the ADHD treatment market which poses the possibility for institutions to grow and expand their operations. In addition, institutions may explore the legal side of the problem by working towards better

²³ See appendix 4.6 – SWOT analysis of Competitors

legislation and fighting for the rights of those with ADHD. Institutions can enlarge their target audience to include other stakeholders in their activities taking advantage of the growing awareness of ADHD among society. Competitors may use their experience to broaden their customer base through a comprehensive marketing communication strategy. At last, institutions have at their disposal funds provided by *ADHD Europe* to implement projects that increase the quality of life of people with ADHD.

High prices and focus in three stakeholders (children, parents and professors) are handicaps that expose institutions to several threats, the first being JMS entrance in the market which can be seen as setting a standard for other institutions to follow in and out the social sector. Some of the institutions analyzed act in diverse fields apart from ADHD, focusing on trisomy 21 or learning disabilities, which may limit an organization's capacity to adapt its strategy according to events out of its central field of action. Moreover, some social institutions are vulnerable to governmental support and donations from individuals and private institutions to perform their activities.

In sum, from the SWOT analysis of competitors it can be derived that from JMS point of view the main strengths of competitors are their brand image and use of acquaintances. However, when comparing with JMS most institutions lack a national presence and reputation in the healthcare field. Moreover, institutions may seize the aforementioned opportunities although the first grasping them would be expected to reap higher benefits. The ADHD Project is shield against competitors' threats, so further analysis is required to understand the threats present to JMS's project.

6. International Best Practices

Several international institutions were analyzed in terms of business model and impact on their communities to determine the market best practices and examine their fit with JMS's project.²⁴ In general terms, all countries have at least one institution dedicated to ADHD but the approach to the problem varies from institution to institution.

In the United States of America there are three main non-profit associations – CHADD, ADDA, and Eye-to-Eye – providing support for individuals with ADHD. The first

²⁴ See appendix 4.7 – International Best Practices

stands out for the information it provides on the disorder through a website and newsletter while the second stands out by its networking emphasis. The association Eye-to-Eye follows a different approach, it supports children through a mentorship program. In the United Kingdom there are two main non-profit associations, ADHD Foundation and ADDISS. The Foundation works in partnership with the involved stakeholders to help them achieve their goals whereas ADDISS provides a telephone support line to inform and clear doubts about ADHD. In Canada there is a non-profit named CADDRA that produces a guideline for ADHD treatment for healthcare professionals to better diagnose and treat patients. ADHD Europe is a non-profit located in Belgium that makes available to national and regional ADHD organizations throughout Europe funds to implement new projects. ABDA is a Brazilian association that organizes events to healthcare professionals for them to be able to effectively diagnose and treat ADHD.

In short, these are some examples of how different associations have approached the problem. When constructing the ADHD Project, it is important to study this array of options and choose an approach that can leverage on JMS's resources and capitalize on its competitive advantage. To proceed to the design of the solution it is required a deeper understanding of JMS's strengths and resources. In addition to this and as mentioned above, acknowledging the threats could enable JMS to prevent or mitigate its effects therefore a SWOT analysis was prepared.

7. SWOT analysis of JMS

The analysis of positive and negative internal factors and external factors can provide a clearer picture of how *José de Mello Saúde* is performing.²⁵

JMS's reputation of excellence in the health care arena at a national standpoint is its main strength. The high quality service standards of the company are set by its highly qualified management team and its human resources. JMS experience in the health care market and its human capital are key assets in which the firm can draw on. Competitors may as well perceive as strengths JMS's established agreements with insurance

²⁵ See appendix 4.8 – JMS's SWOT analysis

companies, its network of business units, and contact with parents and schools. Lastly, JMS financial strength enables the company to pursue new opportunities that may arise.

The location of JMS units of health care can be considered a disadvantage for being, for the most part, outside town centers. For being a clinic it is perceived as high-price while associations are perceived as low-price service providers. The building of relationships between physicians and patients tends to be easier and more long-term oriented in smaller private practices than in larger ones like JMS. Moreover, competition might perceive the firm's lack of expertise in the social sector as a weakness.

JMS is a strong enterprise financially and has the privilege of being part of an economic group that enhances JMS capacity to invest and finance itself at lower interest rates to pursue new opportunities. The two main opportunities that are open to JMS are in the health care sector and in the social sector. With the shrinking of supply in the health care sector due to the closing of several public health facilities in the past few years there is space for new business units, in special in the interior of Portugal. In the social field the opportunity lies in being the first enterprise entering the sector thus setting a standard for other companies in the health market to follow.^{iv} This would enable JMS to take advantage of the current trend in our society, where people's expectations for the private sector responsibilities on social issues are growing.^v

As stated above, society increasingly expects companies in the private sector to act on social issues, forcing firms to revisit their strategies to meet customers' expectations. This can be seen either as an opportunity to act on and outperform competition or it can be a threat if not addressed by the firm resulting in negative consequences to the enterprise's image. Some competitors in the health sector have formed strong partnerships with specialists in the social sector and some have acquired social enterprises, which could harm JMS entrance in the social sector given its lack of experience in the social field. Nevertheless, this threat is mitigated with the formation of partnerships with FMV and IES.

VII. ADHD Project

1. Mission and Vision

A mission informs the public on the area of activity of a particular company while the company's objectives are intended to set an internal path for fulfilling the firm's vision, a projection of where the company wishes to be in the future. The project's mission, defined by the project's team, is to improve the quality of life of children with ADHD and their relatives, potentiating their social integration and future success through a direct intervention in the environments in which the child moves. The vision of the project is to become a leading program of reference for ADHD and a role model of CSE at the national level.

2. Segmentation and Targeting

The purpose of market segmentation is "to guide companies in tailoring their product and service offerings to the groups most likely to purchase them" (Yankelovich and Meer, 2006). Through behavioral segmentation the market can be divided into two groups, the ones with low contact with children with ADHD and the ones with frequent interactions with these children. Within the group of people who interact frequently with a child with ADHD there are the guardians or parents that interact with the child on a daily basis, the babysitters which are the child's relatives and parent's friends, and the educators usually with a daily or weekly interaction.²⁶ The identified segments are parents, relatives and friends, school teachers, school assistants, and instructors.

The selection of the project's target audience must take into account which segments place a higher value on information and training, and whether JMS can tailor its offerings to match a segment's expectations. Parents are the ones who would value the most information and training on ADHD. School teachers play an active role in preventing academic failure by motivating and effectively dealing with these children. Relatives and friends should be educated about the disorder to help improve the child's social integration and avoid categorizing inattention or impulsivity as bad behavior. School assistants, those who accompany the child in school when teachers are absent, have showed a high interest in receiving training on ADHD. Ideally the sports coaches,

²⁶ See appendix 5.1 – Market segments

dance instructors, music teachers, and others responsible for extracurricular activities should be informed about ADHD to manage the child in an effective manner.

Besides being relevant, according to Philip Kotler, segments must also be measurable, substantial, accessible, differentiable, and actionable.²⁷ When applying this framework three segments meet the requirements – parents, teachers and school assistants. After an assessment of the market needs, JMS selected the same three segments to target for the ADHD project.²⁸ Each segment has specific training needs, the parents' need lies in knowing the cause and characteristics of the disorder as well as the options for intervention. The teachers' needs are to understand how to extend the duration of the child's attention in class and to adapt their teaching strategies in accordance to the child's specific needs. The need of school assistants is to manage and control the child's behavior as well as to understand the options for intervention.²⁹

3. Positioning

After identifying the needs in the marketplace and selecting the segments to serve JMS should focus in defining how it wants its project to be perceived by the target audience. According to Kotler, positioning is “the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market”. Firstly, the frame of reference of the project is the field of infant neurobehavioral disorders more specifically ADHD. The main points-of-parity in the market are the multifaceted approach to ADHD, the medical appointments for children, and the training sessions targeted at parents and teachers. From a managerial perspective, it is a must to have at least one strong point-of-difference that sets apart a firm's product or service from competitors' offerings. In this sense, the project's main point of difference is the offered online materials available to everyone. Still, JMS differentiates from competition by providing training sessions to school assistants, a segment neglected by other institutions. Some marketers argue that the positioning statement is the single most important internal document of the firm, allowing for everyone within the organization

²⁷ See appendix 5.2 – Segments' characteristics

²⁸ See appendix 5.3 – Target audience

²⁹ See appendix 5.4 – Assessment of market needs

to be focused about the firm's purpose of offering unique benefits to a certain group of people.³⁰

4. Value Proposition

The present project acts on the problem at home and at school due to the shared belief that a holistic approach is more effective. It is imperative that parents and schools are informed about the disorder to facilitate the diagnosis and follow-up of these children. The solution lies in informing, training and building the capacities of parents, teachers and school assistants through a direct intervention. The project operates on two fundamental pillars, the informational website and training sessions.

It is expected that once one suspects that a child may have ADHD it will look for information on the internet where it would find the project's website. The website will have differentiated sections for children, parents, teachers, and school assistants and will give people the possibility of placing their own doubts and questions. In addition, the website will serve to promote the free training sessions. Despite the large potential impact the project will start by involving only *CUF Descobertas* customers and the schools in its area of influence. The pilot is expected to kick-off in September with the beginning of a new academic year. Based on the data from last year it is estimated that in a year between 500 and 600 patients will be informed through regular ADHD medical appointments of the existence of this project.

The ADHD project stands out for being innovative, sustainable, and free, positively projecting the *CUF* brand. Using Geoffrey Moore's template, the value proposition is "for parents and schools that struggle to deal with children with ADHD, this project provides them with information and training that can improve the quality of life of the child".

VII. Recommendations

Strategy is a means to an end and in this case the end is the vision of becoming the leading program of reference for ADHD and a role model of CSE at the national level. With this in mind three main recommendations were developed to scale up the project. The first relies on the outcome of the segmentation tools used, it is to enlarge the target

³⁰ See appendix 5.5 – Proposed positioning statement

audience with the purpose of increasing the impact of the project. The second aims to complement the project's value proposition, it is to establish control measures to keep the project "on track", more specifically to implement a balanced scorecard. And last, based on the market research conducted in this strategic plan, is to develop an effective communication that would enable the project to reach its target audience.

Following the segmentation of the market, a segment with professors of extracurricular activities of children with ADHD was identified as a segment with potential. Composed mainly by sports coaches, dance instructors and music teachers the segment is estimated to have weekly contact with these children. Hence, it can be of great interest to educate this segment about ADHD. Despite not having been selected as a segment to target in this initial phase due to the difficulty in measuring it and the lack of an established network that would enable JMS to reach this segment effectively, this option should be further analyzed after the project's implementation. Most children between six and twelve years old have at least one extracurricular activity after school and/or at the weekends, indicating that the size of this segment can be worth pursuing. Further, it is expected that the segment would be interested in acquiring knowledge on how to manage children with ADHD with the aim of prolonging their attention and promoting their social integration. The quantification and access to this segment will be facilitated upon the establishment of a network of parents, school teachers and assistants. Therefore, it would make sense to create a separate section on the project's website and promote training sessions to these extracurricular professors, later on in the project. As a result the target audience would be enlarged by tapping into unmet needs and it would add value to the overall project by generating a more holistic approach to ADHD.

Secondly, it is essential that monitoring and control measures are adopted and specific measurable objectives are settled but more important is to track the right information. The project team should define firstly what the key performance indicators of the project are. I would recommend the adoption of the following KPI: number of customers that visit the website per month, the average number of participants in the training sessions, the number of training sessions given in a year, and school achievement of the children with ADHD involved. The gathering of information on consumers and the continuous incoming of feedback is facilitated with the frequent

interaction between the parties due to the value co-creation process followed in this project. The adoption of a balanced scorecard could help define objectives in terms of financial, internal business, learning and growth, and customer aspects. Further, this tool can improve the project's performance by measuring what matters, increasing the focus on results, and prioritizing initiatives.³¹ So, after defining what the key indicators to follow are, specific goals should be defined because assessing the degree of compliance with the objectives is key to improve the project's performance. Moreover, besides measuring the impact the organization should report to stakeholders the progress of the project through its website.

The 4 P's of marketing or tactics – product, price, place and promotion – should be in line with the positioning of the project. Since the first three are already laid down this recommendation focuses on promotion. “A non-profit differentiation can be achieved by any or all the 4 P's of marketing”.³² Through promotion the project can emphasize its positive image, raise awareness on the issue of ADHD and attract new customers which would lead to a greater impact. I would recommend the promotion to be done through the placement of leaflets, with the link to the website and highlighted benefit, in the waiting rooms of the pediatric floors of hospital *CUF Descobertas* and in the teachers' room of the schools covered by the project. In addition, I would advise the communication of training sessions via website and in person to school psychologists for them to inform professors about the event. However, deciding on the one benefit to communicate is no easy task requiring the project team together with the marketing department to consider all options available. Communication can be focused in product or price differentiation as well as in personnel differentiation. So, for instance, if personnel differentiation is selected as the main benefit to communicate the project should be directly linked with the CUF brand to leverage the image and reputation of its health professionals. In my opinion the benefit communicated should be personnel differentiation, in other words, the quality of the knowledge shared by health professionals. This benefit should be communicated without masking the connection to

³¹ See appendix 6.1 – Balanced Scorecard

³² Wymer, Walter, Knowles, Patricia and Gomes, Roger. 2006. “Nonprofit marketing: Marketing management for charitable and nongovernmental organizations”. Thousand Oaks: Sage publications.

the CUF brand. Finally, the adherence to social networks should stay open for discussion to be revised later on when the size of the project justifies it.

VIII. Conclusion

The project main objective is to positively impact the lives of children with ADHD for them to develop to their fullest potential. To attain this objective the project will act on two fronts – an informative website and customized training sessions. JMS will leverage on its already established website adding another page to it, which is more cost efficient than setting up an independent website. Additionally, by self-managing the website as opposed to outsource the contents it can keep maintenance costs to a minimum and update it whenever it considers necessary. The website aims to promote information that meets parents, professors, and school assistants need of acquiring knowledge to manage children with ADHD. Furthermore, JMS can leverage on its health professionals specialized in child development to create the content of the website.

The free training sessions are aimed at empowering participants to adapt strategies and tailor them to better fit their child's needs. JMS can leverage on its business units to host training sessions for parents and leverage on its connections with nearby schools to host training sessions for professors and school assistants. The content of these training sessions relies in facilitating the child's learning process and enhancing his or her social skills. Once again, JMS can meet the needs of the project's targeted segments by using its health professionals to give the training sessions.

The purpose of this work project of developing a strategic plan for the "ADHD Project" has been met. Therefore it can be concluded that the strategy followed by *José de Mello Saúde* on this project is aligned with its mission and allows the firm to leverage on their resources. However, to achieve the project's vision the company must go beyond; outlining specific and timely objectives to continuously control results and develop effective communication to reach its target audience. In conclusion, after using several tools, this is my recommended strategy to achieve the project's vision.

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