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Mainroad- Cloud Computing

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Executive Summary

This Business Plan refers to a company called Mainroad part of Sonae sub-holding, Sonaecom. Mainroad is a reference player in the Portuguese market for IT outsourcing services with the goal of providing extremely valuable and top services to its clients in the IT sector while the client care about what's really core for the business. The name of the project/concept is cloud computing, in an initial phase the company will focus on two pillars, both in the Portuguese market. The first is to provide two types of services IaaS¹ and PaaS² to SME's developed in a technological point of view, because this sector in Portugal represent 66.4% of business volume and 99.6% of the business structure³. Both services have the objective to integrate IT systems, virtualizing companies IT infrastructures moving the information and data from the client premises to a place where it's more secure, the datacenters of Mainroad. The client will then have access to all information in the "cloud" with an internet connection, the only requirement, to access to a web-site. The web browser will be created to the client log in and access to all the information stored in the case of IaaS or to the Web Applications it has demanded in the PaaS, there's the possibility to limit the access of information to different users and to increase or decrease capacity in minutes in case of unexpected needs. A great component of self-provisioning, self-service and self-care will be deployed, for this reason Mainroad will leave the client full aware and in control for its spending only paying for what he's using (pay-as-u-go system), control the SLA's⁴, and usage (both capacity and applications needed). The second pillar is to make partnerships with ISV's, where the infrastructure is supplied by Mainroad and this entities build their applications above, use their own distribution channels and business models to serve the final client. Mainroad will take advantage, from a B2B approach, to capture part of the market that otherwise would be impossible lacking the expertise and know how in the software creation.

As known, we are passing for an economic downturn period with adverse conditions, especially in the access to financial credit. As a result companies tight their budgets or search for new solutions. IT infrastructures represent a considerably high investment for most companies. When threats appear there's always an opportunity behind, and for the solutions companies seek Mainroad have the answer. By being an experienced and certified IT services provider, perceived as a trustworthy company with an high level of customer care and proximity to the client (two datacenters close to the main business and industrial areas Lisbon and Porto), Mainroad is an excellent solution to turn around the

¹ IaaS: Infrastructure as a Service

² PaaS: Platform as a Service

³ ANP. Morais, Prof. Dr. Fernando Augusto. 2007. <http://www.ctoc.pt/fotos/editor2/EstruturaEmpresarial.pdf>. (accessed May 25, 2010)

⁴ SLA's: Service Level Agreements

investment in own IT infrastructure, optimizing IT needs and let clients focus on what's really core even when controlling the process.

In our business plan we've analyzed big players in the cloud with different business models, strategies and value propositions from the higher price practiced to the lower they were Amazon⁵, Microsoft⁶ and Rackspace⁷. Amazon is the strongest cloud player but we've identified characteristics that will enable Mainroad to position its price almost as high and benefit from a considerable part of the market by taking advantage of the company image and confidence in the market as a result of having Datacenters and support closer, geographically, to the customer, proved to improve client satisfaction related to security. This will differentiate Mainroad to the rest of the companies, while Mainroad focus only in the Portuguese market, Microsoft and Amazon supply the whole European market and the clients cannot see the physical servers as they are in Ireland. Resuming the company will offer a option to decrease the level of investment and the operational costs concerning IT infrastructure (datacenters, servers, and other IT machines/infrastructure); decrease heavy IT functions and FTE in-house, meaning lower personnel costs; not allocating financial resources to control SLA's; access to constant upgrading versions, or even disaster recovering procedures and finally will obtain top level services, a priority for Mainroad.

The company will finance this project by its equity of 50000€ and a 50000€ additional investment. Because of the benefits of integrating IT systems and deliver in a cloud basis the sales are expected to grow fast, closer to 25% and the volume for the first three years is expected to be 810.600€, 1.819.125€ and 2.387.602€ respectively. The price will suffer changes along the timeline, the price charged today will be lower when compared to three years from now, this will happen because the value of the service is not yet perceived by the consumers and there are several reluctances regarding security. The project will reach its break even in the first year and represent a NPV of 5.445.387€, it's a project without considerable risk as the company is using competitive advantages from other services to built this one as a result, marginal costs will be low and variable, being possible for the company to leave if things doesn't flow as expected.

⁵ Amazon. 2010. <http://aws.amazon.com/ec2/> (Accessed February 15, 2010)

⁶ Microsoft. 2010. <http://www.microsoft.com/windowsazure/pricing/> (Accessed February 15, 2010)

⁷ Rackspace. 2010. http://www.rackspacecloud.com/cloud_hosting_products/servers/compare (Accessed February 15, 2010)

The team formation is composed by the CEO of Mainroad José Xavier, José Pedro Abreu responsible for financials and business development, Ricardo Correia for a more technical area to the R&D and Paula Esteves to the marketing. The company has a strategic partnership with Universidade Nova de Lisboa in order to get an external view, Francisco Cordeiro de Sousa a final master student that will act as a business consultant. By the characteristics of the project the tasks are flexible and the team has a strong motivation to launch the project as it believes to be an important and necessary turning point to the technology and will bring value to the company and its clients.

KEYWORDS: Mainroad, SONAE, SONAECOM, Cloud computing services, IaaS, PaaS, IT outsourcing.

1. Introduction

1.1 Descripton of the firm

MainRoad is a Sonaecom subsidiary positioned as a reference local player (Portugal) providing consultancy, implementation and support in IT services. At the moment the company is operating mainly in the Portuguese market with two datacenters, one in Lisbon (Carnaxide) the other in Porto, there are plans in practice to build another one in Madrid in order to implement a strategic triangle to penetrate in the neighbor market (Iberia region). By caring about their clients, they adopt and adapt the best solutions and practices in managing IT services disposing of a wide range of IT solutions that can be contracted to reduce investments in own IT infrastructures and benefit from a top efficient management service that will allow the clients to focus in what's really core for their business. Focusing their business on the client, Mainroad gained through the years a high level of confidence by the Portuguese companies.

More than technology, Mainroad is a partner that provides IT solutions with the added value of their experience and knowledge delivered to its clients. They are certified (ISO9001-2000) assuring the quality and customer satisfaction and a founding member of itSMF (IT Service Management Forum). The company has 170 collaborators, 13 million of business volume and their clients had risen 47% (vs 2008).⁸

In Portugal Mainroad provide IT services to several segments, such as: retailing, telecommunication, industry, services and tourism. The company will supply cloud computing services IaaS and PaaS directly and SaaS with strategic

⁸ Mainroad. 2010. <http://www.mainroad.pt/> (Accessed February 10, 2010)

partnerships and with ISV's⁹ focused in commercial and sales activity. Besides providing cloud computing services also a component of diagnosis procedures, implementation and monitoring processes will be available in order to improve the global service value delivered to customers. Cloud Computing model is Internet-based computing, in the sense that shared resources, as software and information are provided to computers and other devices on-demand, like the electricity grid.

To develop and implement this project, an investment around the 100.000 Euro to launch its products and services' will be necessary, considering that social capital of the firm is 50.000 Euro. From exhibit 2 we can see what the cloud attributes that are needed.

1.2. Products & Services

Cloud Computing definition in a brief way: *“Any computing service that is provided outside the customer premise and that is provided on a ‘pay-as-you-go’ basis”.*

With this innovative service, Mainroad will provide public services based on cloud computing concept. This service will be innovative based on its capabilities and revenue model design, entering in the market according to a pay-as-u-go offering as well as the certified quality of the company.

Public services: services based in the internet as a main deliverable. Here we have a division into three possible products depending on the functionalities the two first ones, Infrastructure-as-a-service (IaaS), Platform-as-a-service (PaaS) are the most basic ones operating mainly in a storage basis the third, Software-as-a-service (SaaS), it's more complex in terms of accessing and licensing processes due to the licensing that the company need to have from the software companies.

IaaS: IaaS like Amazon Web Services provides virtual servers with unique IP addresses and blocks of storage on demand. Because customers can pay for exactly the amount of service they use, this service is also called utility computing. Sometimes is also called Hardware-as-a-Service.

PaaS: PaaS is a set of software and development tools hosted on the provider's servers. Developers can create applications using the provider's APIs. Google Apps is one of the most famous Platform-as-a-Service providers.

⁹ ISV's- Independent Software Vendors

SaaS: SaaS is the broadest market. In this case the provider allows the customer only to use its applications. The software interacts with the user through a user interface. These applications can be anything from web based email, to applications like CRM."¹⁰

Beside from its attributes (exhibit 2), cloud computing consists in a list of technologies and IT offerings to enable the service. A partial list includes: Infrastructure systems (e.g., servers, storage, networks); Application software (configuration options and application mainly to PaaS); Application development and deployment software (develop, integrate and execute application software); System and application management software that supports rapid self-service provisioning and configuration, usage monitoring; IP Networks that connect end users to "the cloud" and the infrastructure components of the cloud to each other (leveraging network-embedded technologies for quality-of-service, security, and optimized application delivery); Pricing agreements to scale technological costs with cloud services revenues.¹¹

1.3. Business Model

The project that Mainroad is proposing is Cloud Computing, a relatively new, as it appeared in 2008, and innovative process. The concept of the project is to provide to the clients the possibility of using a Web Browser have access to all the functionalities of the computer, storing all the data in Mainroad servers in the Datacenters of Lisbon and Porto. Mainroad will compromise by assuring matters such as confidentiality, security and legal requirements as well as all the maintenance and a high quality service level (24/7) always letting the customer control the process.

The adoption of Mainroad services will result in several benefits to the user such as: decreasing their level of investment and the operational costs concerning IT infrastructure (datacenters, servers, and other IT machines/infrastructure, lowering Capex and Opex); decrease heavy IT functions and FTE in-house, meaning lower personnel costs; not allocating financial resources to control SLA's; access to constant upgrading versions, or even

¹⁰ Mainroad "Cloud" presentation

¹¹ IDC Exchange. Defining "Cloud Services" and "Cloud Computing", Frank Gens. 2010. [Http://blogs.idc.com/ie/?p=190](http://blogs.idc.com/ie/?p=190)

(Accessed February 25, 2010)

disaster recovering procedures and finally will obtain top level services, a priority for Mainroad. The service will be provided from outside the client installations, payment will be done in a “pay-as-u-go” mode, a great component of self provisioning, self-service and self care will be developed to the clients, controlling directly their own service with SLA's. Mainroad will start outsourcing mainly to technology developed SME's in Portugal and then expand to Spain, as a reflection of learning and experience curves over time.

The business model will develop and incorporate the self care component as well as the pay-as-you-go service, automated service management, virtualized resources, on demand, multi-tenacity, scalability and high availability following the trend in the Cloud market. The company will not work in a mass market basis but will focus instead in the corporate market providing services hosted in the internet. There will be a strong tendency to assure the existing clients providing better quality services, options and competitive prices to improve their loyalty and after Mainroad should focus on new clients.

Relative to the inputs (servers) to provide the service Mainroad will try to reorganize the buying model to different pricing schemes to build an advantage both on technology and cost savings that will enable to dilute the amount of the investment canalizing resources to the optimization of the service. Because Mainroad is inserted in SONAE Group it will benefit of purchase integrated processes, global negotiation and contract management processes, which will promote better negotiation and commercial conditions, economies of scale and economies of scope. The company established strategic partnerships for outside knowledge with FEUNL and with ISV's and Optimus to reduce costs and broaden the range of the target. By taking advantage of indirect distribution channels Mainroad will save on costs, have access to new clients and increase its value just by a 20% discount in its PVP (margin to the resellers).

1.4. Strategic Objectives

The strategic objectives for the project is to at first be implemented in Portugal achieving a leadership position and then enter in Spain where the company is already present with some other projects. Mainroad will provide their solutions mainly for SME's with high technology degree in the sectors of telecommunication, professional services, utilities and services. They believe to be well positioned to develop a Cloud computing offer as they control some of the main components of the service chain, like having and exploring their own datacenters; easiness controlling the

service management tools; having an ample experience in managing complex IT platforms and benefiting from the proximity to the client that improved the degree of trust and confidence in the market.

We can delineate the offering strategy in two steps: the first one will be to deliver what the company has the best competencies to give, IaaS, PaaS and diagnosis, implementation and monitoring services. The second will be to build strategic partnerships with ISV's in order to gain what Mainroad could not by itself, at least with the same costs. In the first step the company will act in a B2C strategy, offering the services directly to the consumer, SME's with high technology development (some examples: Optifone (telecommunications), Setilgest (management and engineering services), Dalkia (energy), Gavedras (gas))¹², the second will differ to a B2B strategy where Mainroad will deliver the Hardware and basic tools to the ISV's (ex: Primavera¹³) leaving this entity responsible for building and delivering the SaaS to the final client.

By this way the company will supply its core services (outsourcing) benefiting from its positioning with the control of value chain steps such as owning and exploring their own datacenters, management tools platform (datacenter automate) and IT management services and optimize their revenues by establishing partnerships that will work to develop brand awareness and brand equity. Additionally the company can use Sonae Group to leverage the service due to its size and capabilities.

Resuming, we will follow these steps: In a first stage test the Portuguese market (2010) and then Spain (2011) where the company is already represented in other areas; create a web based system to enlarge our database (2010) and improve the relation with clients; continuously improve our services maintaining a great component of self care (cost effectiveness and high level of flexibility); optimize the existing capacities to provide the service, find partnerships (national and international) to improve our offers (2010)- ISV's.

2. Competitive Assessment

The IT services already had surpassed the two thousand million euro in Portugal. The business volume in 2008 was 2.146 million euro a 7% growth relative to 2007, generating 5.559 million euro in revenues, 39% representing IT services, 36% and 18% of software and hardware sales respectively and 7% to others. From the 2.146 million revenues only 50% are IT contracts from Portuguese companies and the major part of the rest 50% come from services to Angola and other foreign countries.

¹² Forum empresarial. IAPMEI, 2009. http://www.forum-empresarial.pt/ranking/1500_pme.pdf (Accessed May 29, 2010)

¹³ Primavera. 2010. [Http://www.primaverabss.com/pt](http://www.primaverabss.com/pt) (accessed March 25, 2010)

In 2009 and 2010 we should be looking at some high levels of competitiveness and new mergers and acquisitions are expected. In terms of sectors we can look at an equilibrium between telecommunications, energies and utilities (25%); industry, distribution and retailing (23%); public administration, health and education (21%); financial services (19%) and other sectors with (12%).¹⁴ Portugal is believed to be a strategic door of entry to exporting IT services to the rest of Europe as well an attractive country to develop pilot testing.¹⁵

Some similar businesses to cloud computing services are the following: Salesforce.com, CRM online; WebEx, video conferences and document sharing; Gmail , Google mail; Microsoft Hosted Exchange; Amazon Elastic Compute Cloud (Amazon EC2), Amazon Simple Storage Service (Amazon S3); Microsoft Azure; Microsoft Office Web Apps , free office; Google Docs; Carbonite, backups online, CiberConceito, Portugal Telecom, IBM, Claranet, Rackspace, Panda Security, Oracle, Sun Microsystems. All this services can potentiate substitutes or competitors to Mainroad services but at the same time can be a starting point to new partnerships or new ideas. In Portugal there aren't many companies "prepared" as Mainroad to deliver these services, though, we have evidence to believe the first direct competitor to be PT. What we can predict from most part of the competitors analysis is that each one of them is changing to pricing models in which the consumer manages and control what he pays with a pay-as-u-go system, paying only for what they use but this models are expected to change along the lifecycle of the service and among companies¹⁶.

Some differences exist between the business models of three major companies we've analyzed Microsoft, Amazon and Rackspace, but several aspects maintain constant as having a fast response to their clients being able to increase or decrease capacity or software needs in less than 20 minutes¹⁷ and serving a wider market. The differentiations in business models are related to different options regarding the augmented product and price (exhibit13), companies like Rackspace prefer being closer to the client offering a high rated support (ex: 24 hours live support in their website) and a more standardized product, Amazon was the first one to offer different operational offers (operative systems)¹⁸ and segment their offerings, Microsoft has a long term vision about cloud, the three screens (TV, phone and PC) to revolutionize the market and integrate gadgets and provide high edge software both in the business

¹⁴ Dooffice. 2009. http://www.dooffice.net/index.php?option=com_content&view=article&id=323:ti-gera-2-mil-milhoes-de-euros-em-portugal&catid=34:gestao&Itemid=53 (Accessed February 15, 2010)

¹⁵ PortugalOutsourcing. 2008. <http://www.portugaloutsourcing.pt/Oportunidades.html> (Accessed May 15,2010)

¹⁶ Bittman, Thomas. 2009. "Server Virtualization: One path that leads to Cloud Computing" Gartner market study.

¹⁷ Bittman, Thomas. 2009. "Server Virtualization: One path that leads to Cloud Computing" Gartner market study.

¹⁸ Microsoft. Steve Ballmer at UW: Is This Microsoft's Cloud Computing Strategy, or Just Internet Software? 2010.

<http://www.microsoft.com/presspass/exec/steve/2010/03-04cloud.mspX>. (Accessed May 15,2010)

environment as in the leisure and daily life and is seeking for partnerships to turn around business regulation requirements in some countries¹⁹. To be competitive and survive to this big players Mainroad have the advantage to target only the Portuguese market where is positioned as a referenced player and have the possibility to show the clients the base of the service in their datacenters improving security, as we will analyze further in the perceptual map Mainroad by its smaller focus and already known by delivering value will have the option to indirectly compete and practice similar prices as the giant players in the Portuguese market.

3. Porter Analysis

In this section I will analyze the competitive environment revolving Mainroad. Linking companies that provide similar products and that enter in the market with the already established and stronger players, the power of the consumers and suppliers. A crucial fact to take in count in this segment of IT is the constant innovation and consequently the high degree of change in the products.

Threat of substitutes: There is a considerable threat in this subsector. If we analyze the service provided in the internet we can see that companies like Google, Microsoft, Amazon or Rackspace have the possibility to serve Portuguese companies as well. There's a possibility that companies providing private services²⁰ to enter but Mainroad with its local networking can defend better from the competition and with their traditional products will leverage the clouding services creating synergies that will result in several cost savings. There's another advantage to the company relative to the physical/geographical position, some studies reveal the proximity of the datacenter to the client to be one of the factors that reduce security reluctances of the demand²¹.

Threat of new entrants: The threat of new entrants is really high as there has been some buzz about this concept in the market. As the concept is being developed there are more IT companies that intend to beneficiate from the success of this service due to its potential. Mainroad is also a new entrant with the advantage of being a reference player in the IT field, having sustainable partnerships with multinational companies in Portugal, positioning near the clients they want to serve, and already dominating some steps of the value chain as well as similar services explained

¹⁹ Microsoft. Steve Ballmer at UW: Is This Microsoft's Cloud Computing Strategy, or Just Internet Software? 2010. <http://www.microsoft.com/presspass/exec/steve/2010/03-04cloud.mspX>. (Accessed May 15,2010)

²⁰ Private services- "private clouds"

²¹ Poon, Agatha and Emily Green, Phil Hochmuth, Zeus Kerravala, Sheryl Kingstone, Camille Mendler and Jennifer Pigg. 2010. "Clouds in 2010: Vendor Optimism Meets Enterprise Realities" Yankee market study

previously. Besides, the offering design and the revenue model Mainroad is proposing configures a relative competitive advantage. The firm has also a great flexibility in terms of modeling its value proposition and very fast regarding new products and services time-to-market.

Supplier power: The supplier power is relatively low; there are many IT companies and suppliers in the business, so Mainroad can beneficiate from the suppliers' market competition within a variety of prices offering.

Buyer power: Buyer power will be high in this year as a result of the tightening of budgets for this type of services, this fact will not be sustained in the long term with companies shifting at a technological pace and being more dependent for an optimized functioning of the operations. In the long term data show us that the price will tend to increase which will possibly result in more dependence or less buyer power from the end consumer²².

Internal rivalry: The internal rivalry and competitiveness in the IT sector in Portugal is very high, so is to expect that in a service that is promised as to have potential, that the rivalry should be intense in the long run. Mainroad should enter in the market using strong and strategic partnerships, both the existing ones as with ISV's, where the company will act in a share basis providing the hardware/infrastructure to companies like Primavera to try to benefit from being a first mover that will boost relationships with the clients, build brand awareness and credibility.

From this section we can conclude several crucial points for Mainroad. The threat of substitutes will be high in the long run so the company should focus on its core competencies and find ways to optimize new opportunities as partnerships with ISV's and other independent vendors. The high risk of the competition in the future shows the relevance of building a first mover advantage, a crucial point, and if possible to find a niche or develop and improve both the relation with the client as the flexibility of the service design customized to the upcoming needs. Perceived as a trusted supplier with high level quality deliverance, Mainroad will have the possibility to practice a higher price and position itself close to Amazon as we will see in the section "Positioning". It will be one of the most important factors to design buying schemes of the inputs that optimize the costs to be possible to practice the lower prices and maintain the higher quality the company wants to deliver.

4. Market Assessment

While studying the market we identified several characteristics regarding market expectations, cost structures, economic environment and its implications, possible partnerships that will be described in the following text.

²² Poon, Agatha and Emily Green, Phil Hochmuth, Zeus Kerravala, Sheryl Kingstone, Camille Mendler and Jennifer Pigg. 2010. "Clouds in 2010: Vendor Optimism Meets Enterprise Realities" Yankee market study

Trends and expectations: The major trends and expectations in the market are related to companies cost structures, pricing schemes and security procedures. Supplying companies will need to adapt to the flexible pricing (free-trial options and usage based payments) practiced having the advantage of sharing in the same server (input) many costumers that will contribute to the final revenue. The security is the highest concern for the customer companies since storing confidential and operational information is critical for their businesses, so at the end their expectations are for the potential suppliers to prove the information they keep and manage is well secure.

Economic environment and partnerships: While analyzing the current economic environment, we identified constraints that companies are suffering being the most influential one the difficulty of access to financial credit. As a result of the crisis period we are passing through we can take advantage from this fact turning into a positive point, making offers that will emphasize the decision to outsource IT services. The concentration of IT outsourcing in a strategic partner have main relevance in the actual economic context enabling companies to benefit from economies of scale and high end technology, share the risk with a specialized partner with vast experience in planning, IT infrastructure management between others. Outsourcing must be seen as a way of reducing short run costs preparing the companies to the future in the long run without obliging them to have high IT level of investments and at the same time to provide them better return on investments they make.

Relative to the offer side we can look at the market and see that there is a potential opportunity to develop partnerships. There is a trend of IT firms in Portugal to do partnerships with multinational companies or with smaller firms like for example ISV's start-ups generating advantages from the technologies and the special features of those companies that are already providing these type of services, benefiting from ISV's, finding new ways and opportunities to revolutionize and optimize those solutions and their organizations.

Consumer behavior focus: Analyzing the importance given by end users to the service, we can identify from the table from exhibit 3, a set of needs that should be satisfied and fulfilled in order to gain and retain more customers. The most relevant factors that influence the client are competitive pricing, SLA's and the ability to show the performance as well as the security of information or trust in the provider.²³ Other interesting fact is that previous

²³ Exhibit 3 (IDC studies); interview to a Mainroad employee; Cloud conferences: "Evento Cloud Computing & SaaS" -Centro Cultural de Belém

services provided to the client turn out to be the most poorly graded that may or not present a non loyalty behavior from the consumers.

Investment and budgets: Concerning investment opportunities and budgets, companies are willing to invest more in IT in this year²⁴. As a result of a market test, 70% of the companies demonstrate the intention to increase their budgets investing in the areas of servers and security software. To 2010 this study reveal the main investments to be in security systems first and then in new PC's, Windows 7, virtualization, mobile computing and cloud technologies. In numbers the preview is for the investment to grow 5% relative to 2009 to a volume of 1.29 billion euro globally.²⁵

We can also see from exhibit 4 and 5 that “Cloud computing is “crossing the chasm” and entering a period of widespread adoption” with experts predicting this type of services to grow almost threefold reaching \$42 billion by 2012 and the adoption to be amplified as a result of the current financial crisis. In terms of investment decision process, probably the main relevant factor s to ensure that the ROI is done in the shortest term and that the investment process is done phase by phase, at the same time, in order to decrease financial risk.

5. Value Proposition

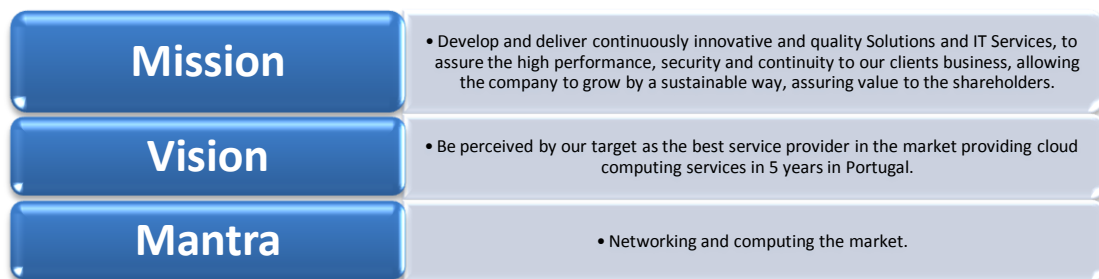


Figure 1

Mainroad is well positioned to provide the service: own datacenters, easiness controlling service management tools (data center automation); having an ample experience in managing complex IT platforms.

The value proposition of the firm is to give the opportunity to customers to save IT implementation costs, by outsourcing a service of excellence at a high security level with an adequate payment model and at a right price.

Mainroad will commit to have our customers as core in our business providing 24/7 support, just-in-time solutions,

²⁴ Poon, Agatha and Emily Green, Phil Hochmuth, Zeus Kerravala, Sheryl Kingstone, Camille Mendler and Jennifer Pigg. 2010. “Clouds in 2010: Vendor Optimism Meets Enterprise Realities” Yankee market study

²⁵SAPO. TEK.2009. http://tek.sapo.pt/noticias/computadores/70_das_empresas_planeiam_investir_mais_em_ti_1033130.html (Accessed April 20, 2010)

consultancy and implementation services, letting them always aware and in control while we take care of platform management (maintenance, energy, upgrading, performance, energy, etc.), adequate the costs to the activity evolution, give the possibility to update and increase computational resources, having access to a wide computational platform optimized in terms of costs to benefit from economies of scale and a large management team, reduce the licensing and exploration costs using applications and services centrally.

6. Value Chain

The company value chain for this project show us that the main activities and resources spent will be in R&D to develop the tools and features necessary to offer the service, the logistics when acting in



Figure 2

a B2B with the ISV's and sales and after sales service to give a warranty and a top service to the consumer as well as to develop the client-supplier relationships.

The main conclusion we get from the value chain is that the company already have competitive advantages in some steps as datacenters, experience in the field, several satisfied clients and the resources needed to built and serve in a project of this kind as well as supporting management services (consultancy, monitoring, diagnosis, support). There are crucial factors that the company needs to revise as the change in the target characteristics, the R&D to check for advantages that will come mainly on a financial basis with equilibrium between the technology and the buying schemes to build the inputs. Other interesting fact is the possibility to find a company to outsource and improve the commercial and sales of the company gathering more resources to focus on the client.

In the next section we will identify all the relations and links with internal and external entities of the company related to this project, which is relevant for understanding the main roles of those, the structure of the industry and possible partnerships or relations Mainroad should focus on.

7. Industry Mapping

The industry map show the interactions (internal/external) the company will have in the cycle: market studies to better understand what is happening in the market provided by IDC, Gartner and Yankee; regulation and legal procedures present in the market; strategic partnerships with social, research or organizational entities external to Mainroad; inputs necessary for the business to live such as electricity,

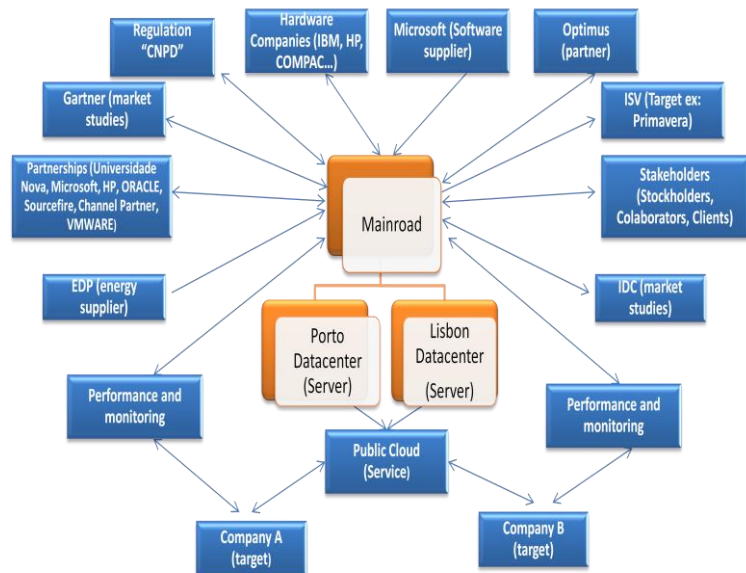


Figure 3

software and hardware suppliers; relations with stakeholders where the money is and the process development and monitoring between the datacenters and the main headquarters, the company and their targets, SME's and ISV's.

We can conclude that Mainroad already developed several relations with many of the entities represented above so it have the potential to design interesting offers both to the end consumers as to other businesses as the ISV's. The fact of having two datacenters will amplify the range of the clientele as they will feel more secure closer (geographically) to the outsourcing company for security issues²⁶.

8. Business Environment

8.1. Market Analysis

As was said before the ISV's and SME's with a high degree of technological experience focusing in the sectors of telecommunication, professional services, utilities and services will be the target and the base for our market analysis. The regulatory trends and practices should also taken in consideration, as well, namely because of the data confidentiality rules imposed by CNPD – Comissão Nacional de Protecção de Dados. Due to e-business advantages and positive environment about it – Plano Tecnológico, for example, the IT business value proposition developed by

²⁶ Poon, Agatha and Emily Green, Phil Hochmuth, Zeus Kerravala, Sheryl Kingstone, Camille Mendler and Jennifer Pigg. 2010. "Clouds in 2010: Vendor Optimism Meets Enterprise Realities" Yankee market study

Mainroad is perceived being favorable to achieve very positive results with the implementation of this Business Model in the current environmental context.

8.2. Market Dimension

The Portuguese market, object of study in this business plan, particularly in the IT outsourcing services sector, generate 1.000 million Euro per year which represent 0.66% of the Portuguese GDP and is expected to grow in the next six years to 1.6% of the GDP with more than 1.500 million Euros of business volume²⁷, the SME market represent 99.6% of the business structure and 56.4% of the business volume in Portugal which represent 107.300.000€²⁸. The target sectors represent together around 60% of the business volume.

Looking at the P&S characteristics, deliverable means as well as the evolution and constant change of the IT business we can say that cloud computing has a global propensity to evolve. The world is becoming more and more connected as time goes by with “everything on”, cell-phones, TV’s, PC’s and with the internet connection present in the majority of households and companies. The Cloud Computing as will be delivered by Mainroad comes more directed to companies but the tendency is for the concept to spread to the everyday life with all the gadgets connected and stored in a sort of a cloud.

Being the internet the main deliverable of this system, companies have the possibility to within some constraints (relating proximity and regulatory issues) break the geographical barriers and provide the service almost worldwide. We can see from Microsoft, Amazon or Google in Europe supplying this service with Microsoft Azure, Amazon EC2 and Google establishing a datacenter in Ireland that can reach almost all Europe, the concern is the capacity of the servers.

We can consider the “Cloud” a global market where the advantages coming from the concept show a clear turning point on how the traditional vision holds. Companies will tend to shift to these services and in the future several products will have the same vision. (Exhibits 6/7).

²⁷ ComputerWorld. Timoteo Figueiró. 2010. <http://www.computerworld.com.pt/2010/02/04/altran-portugal-e-mainroad-aderem-a-portugal-outsourcing/> (accessed April 25, 2010)

²⁸ ANP. Morais, Prof. Dr. Fernando Augusto. 2007. <http://www.ctoc.pt/fotos/editor2/EstruturaEmpresarial.pdf>. (accessed May 25, 2010)

8.3. Market Trends

Cloud providers and security builders will need to invest in security and compliance management in each layer of the cloud, significant investments were already made by Microsoft (AZURE platform) and other providers are expected to follow to stay competitive. Cloud offering is gaining more and more relevance in the market as a consequence of the increase in investment of this type of services.

Telecom providers have strong capabilities to act as cloud intermediaries with their knowledge about in the enterprise and public sector and their skill sets in managing business process and data security (ex: BT and Orange Business services).

Collaboration between infrastructure builders and software vendors in the form of strategic partnerships and alliances will intensify in 2010. Enterprises search for end-to-end solutions and to win costumers trust, cloud providers will need to deliver concrete cloud solutions with cross-platform integration.²⁹

Giving those considerations discussed in this section we can refer that Mainroad business is aligned with the main market trends.

9. Market Specifics

9.1. Market segmentation

Our Target segments will be separated in two: first, companies that will use the clouding services that we'll offer such as the IaaS and PaaS mainly SME's with a high degree of technological experience and development in professional services, telecommunication, utility and services sectors, second, ISV's that will built their software above our base products providing the SaaS to end consumers (as a partnership).

9.2. Competitors/market rivalry

Previously integrated in the section "Competitive Assessment" for theme continuity reasoning.

²⁹ Poon, Agatha and Emily Green, Phil Hochmuth, Zeus Kerravala, Sheryl Kingstone, Camille Mendler and Jennifer Pigg. 2010. "Clouds in 2010: Vendor Optimism Meets Enterprise Realities" Yankee market study

9.3. Distribution channels Management

The logistical process will be crucial to the delivery of the service. The company will need to build their inputs to supply IaaS and PaaS and to store it in the datacenters of Lisbon and Porto. Parallel to this there's the logistic concerning the ISV's, the company will need to hire trucks to deliver the base input for the independent suppliers or rent space in the datacenters to enable them to deliver the service.

Concerning the distribution to the client the main distribution channel of this type of service is the internet. The company that adopts this service will benefit from its usage by a web browser in which will be able to control both their spending and all the SLA's in the contract. For the ISV's Mainroad will work in a partnership with a B2B strategy being responsible for the delivery of the input or rent space in its premises leaving the relation with the client to these entities, the company will take advantage of an indirect channel from Optimus³⁰, by their independent agents network to increase sales volume and broaden the target saving on costs. It will be crucial for Mainroad to ensure the commercial control of the ISVs, either by having the adequate motivating and commission systems, either by coordinating teams and ensure appropriate reporting and KPIs monitoring.

9.4. Purchase Policy

Explained in the section "Business Model" for theme continuity.

9.5. Technological Challenges or Others | Opportunities

To keep up with the technological lifecycle and SaaS are the biggest challenges, the company need to take advantage of the learning curves to be able to improve its partnerships in the future or even consider an investment in a software unit.

³⁰ Telecom Operator from group Sonae

9.6. SWOT Analysis

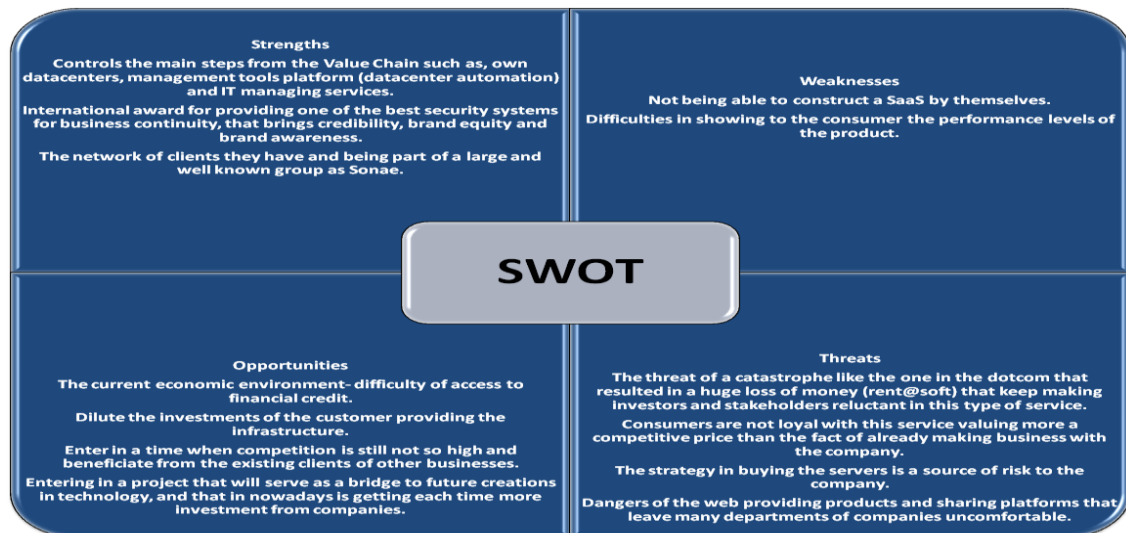


Figure 4

10. Marketing and Sales Strategy

10.1. 4 P's

In this section, the pricing strategy and revenue model, the advertising, public relations and promotion strategy and distribution strategy will be incorporated for theme continuity and space economy reasons.

Product: Explained in the “P&S” section.

Pricing: The pricing strategy will be divided in several parts: Consultancy, implementation and monitoring to assure the whole process identifying the client needs and customizing the service, design the implementation process and monitor the process giving the client the possibility to focus on what they do best; Free trials with basic service with monthly duration; Pricing relating to IaaS and PaaS services with possibility to increase storage and Apl's space whenever needed. The price that the client will see will be served in a pay-as-u-go basis, the client will only pay for the capabilities and usage; Add in's to the existing clients, opening the possibility for clients to gradually increase and change the services already in action and providing just in time solutions; 20% reduction of the PVP to the ISV's and other independent resellers (Optimus channels) acting as a motivator paying for their margins.

Promotion: The promotion of this product will follow distinct ways. Belonging to a large group as Sonae with high visibility in the market, Mainroad will use the opportunity to leverage the promotion of the service. The service will be

implemented for promotional reasons and margins will be low, the objective is to create awareness in the market and get followers.

Due to the economic situation and consumer loyalty in this type of services (exhibit3) the company must offer existing clients' different payment schemes as an add-in's to the products in current use even being a differentiated target (bigger companies).

The company target will be approached via web, in the web-site explaining the product and opening a registration system to gather a database of possible clients, by an e-mailing system, with Google adds and banners that will forward people to our registration website when searching for related items. Mainroad will write to scientific magazines, invest in IT business magazines and economic journals advertising, IT fairs and build real cases with existing clients' experiences to present in future conferences. The budget will be high as it was proven to have crucial impact in the consumer, the initial budget is expected to be 105000€ per year distributed in two phases³¹ from January until may and from September until November, 45000 will be used in radio spots, 37500€ to magazine advertisement and 28000€ to fairs. (Exhibit 9).

Place: The Company already has similar business structure constructed and will use the some of the existing channels to provide it, the storage will be in the datacenters, the distribution will be held by a web browser, no stores are needed. The distribution channels will pass by a first phase by a push and pull strategy within the existing Mainroad clients. Mainroad by the already existing services of business continuity, storage and security will contact the SME's target and explain the potential as well as the new features of the clouding concepts and services they will provide by the means explained in the "Promotion". The ISV's will work as explained in the "Distribution Channels management" and additionally, build brand awareness, as Mainroad logotype will be referred.

From the 4P's we can see that our service have a secure background from the existing business activity of Mainroad, the pricing will be usage based with a possibility of a free-trial option, the crucial fact is to pass the message to the target that will be held by the channels described above (internet, radio, magazines and congresses). We will analyze the positioning of the service in the next chapter.

³¹ Most impact periods in the consumer- Mainroad.

10.2. P&S Positioning

Mainroad as a local player will be positioned as we can see in the perceptual graph with a price slightly below Amazon and above Rackspace and Microsoft. This fact is a result of the company image in the Portuguese market, perceived as a reference local player trusted and secure for reasons as client-care and proximity to the client.

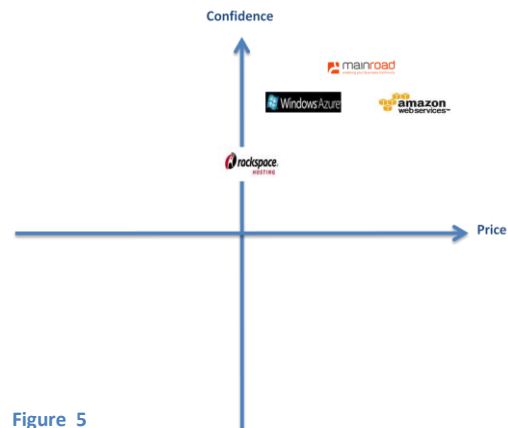


Figure 5

10.3. Sales Force

The company won't have a real sales force for the characteristics (internet as main deliverable) of the service, but will be represented by one person that will interact with the biggest spenders in IT of the target sectors in both approaches B2B and B2C whenever is needed.

10.4. Sales Tactics

To sell the product the company will use the web-site presentation with registration and a free-trial option, e-mailing system and indirect channels coming from independent agents of Optimus (SONAE operator) having a 20% reduction on the PVP as a motivator, their margin.

10.5. Sales Forecasting

As we can see from the financials, sales are expected to grow at an average rate of 25% per year because of studies that indicate demand and prices to boost in the next 2 years and until 2015.

11. Processes and operations

The cloud process design is simple as we can see in exhibit 8. Companies will have their servers in datacenters to storage data and a platform connected to the web, parallel to this we have the billing scheme that will inform the consumer on how much he's spending per its use. The processes

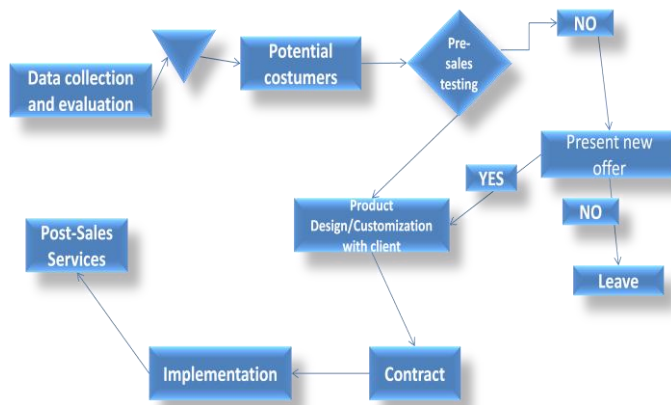


Figure 6

and operations will follow the steps from figure6. The company will start by a collecting data and evaluating companies in a database picking potential customers that will be offered or not a pre-testing or free trial of the product. The product will be flexible enough to maximize the value to their target as the company will have a close approach customizing the service, then a contract will be made when Mainroad will be responsible by the implementation and post-sales services.

The critical activities coming from the operational design are the sales testing that will reflect a great effort from the company in which an excellence service must be warranted to retain the costumers in a period where revenues are smaller the other critical activity come from the post sales service mainly in showing the performance of the service to the client as well as the 24/7 policy that Mainroad has. With a control and correct management of the two activities and with the correct financial resources Mainroad must be able to succeed providing the service.

12. Organization Design and management structure

The organization of cloud computing management team will be as shown in the organogram, the CEO will be the leader of the company, José Xavier, we will

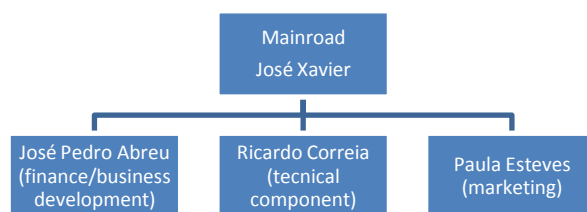


Figure 7

have then three persons allocated to these project: José Pedro Abreu responsible for financials and business development, Ricardo Correia for a more technical area to the R&D and Paula Esteves to the marketing. The company has a strategic partnership with Universidade Nova de Lisboa in order to get an external view, Francisco Cordeiro de Sousa a final master student that will act as a business consultant. The management team of the project is diversified

and believed to fill the criteria needed to develop this project in a first phase as we can see from the tasks described, there's a mix between financial, technological know-how, Marketing and new insights coming from an external point of view. All the elements from the team except Francisco have years of experience in the IT sector working for Mainroad so they are comfortable in making the project work. Because of the flexibility demanded by this project the tasks are not well defined so it's expected that different workers can actuate different roles, other sources of expertise can be allocated internally to satisfy punctual project needs.

13. Human Resources Management

The human resources strategy will follow the Sonae model: two performance evaluation stages, January to evaluate performance of past year and June to the career development and learning. Sonae have a politic with KPI's, learning and career plans, is in June that the board meets to evaluate a worker and decide whether to improve his/her conditions and promotion or not based on the indicators, objectives and results. There will be a possibility to lead the project in Madrid depending on the facts mentioned above.

14. Risk Analysis

The main risk that Mainroad will face with the cloud project is going to be related with security issues, competitive environment, technological lifecycle and trying to serve a new target. Security issues is the most crucial one, without proving to the clients their information is secure, the service well developed and credible the company will not sell. The competitive environment as we saw in the Porter's model will be very high in the long run with companies trying to capture each other clients, the technology is always evolving and there's a risk of inputs obsolete solved by a proper purchasing strategy. At last the new target (SME's) will need to be well described and established being different from the company patterns (larger companies).

15. Implementation Plan

To implement the service Mainroad will pass by several phases. The design of the purchasing model is already clear, starting by a renting model of the inputs to provide the service during 60 months, then the customers' database, approaching companies in SME's, ISV's sectors, existing clientele and build distribution channels to related clusters. To get the investment to the project coming from Mainroad stakeholders a presentation must be designed. After settling the input, R&D and renting model there's the need to add the infrastructure in the web site to promote and provide the

service (free-trial/registration). The diagnosis is designed coming from competitive advantages of the firm and will be implemented as we get new clients adequate to their needs improving the value proposition. At the same time we will put our PR in contact with ISV's in order to establish partnerships to provide the SaaS. In a second phase we will test the Spanish market with Mainroad datacenter already working and launch IaaS and PaaS in the Spanish market.

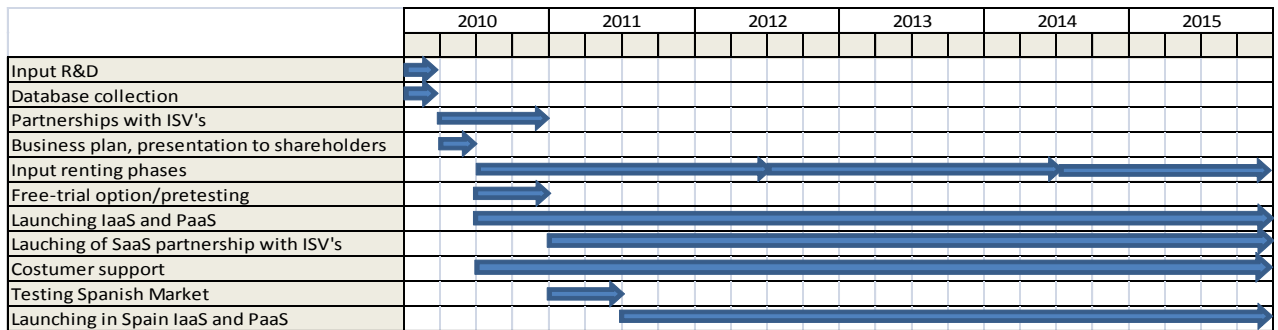


Figure 8

A contingency plan for the company could be to integrate the inputs of this service in other Mainroad businesses as the costs are mostly variable, the inputs (machines) flexible to be used in other services and one of the advantages of this project is to born from other competitive advantages of the firm.

16. Financial Analysis

From the financials presented in the “Financial Model” the main costs are related to advertising in order to create brand awareness and equity (a big promotion in the first year), and labour costs as we can see in figure9. The lodging costs that represent the insurance, space, water and energy will be low because of the incremental margin to the already existing costs in the datacenter. Relative to the inputs to provide cloud services Mainroad will incur in a renting strategy that will be more profitable and in a phase of 60 months that represent the lower costs and is assumed to warranty the service level desired by the clients while optimizing the results of the company. The sales don't represent a stronger volume in the first year because o the free-trials that make the first month end without revenues.

Mairoad is going to take less than one year to reach the breakeven representing a relatively small period, the expectations are for the results to increase faster from the second year onwards. The initial investment will be assured by the equity of the company of 50000€ and a 50000€ investment and the NPV is 5.446.387€ with a capital opportunity cost of 11.5%. Two additional scenarios were calculated one pessimistic and one optimistic, in the pessimistic our product was not well received, getting only customers from the first year and getting an NPV of

3.060.523,64 €, the second scenario everything excel, with a 100% sales growth relative to the normal scenario and Mainroad generates an NPV of 9.094.853,67€.(exhibit 13)

Income Statement					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Costs	413.093	691.980	869.144	1.111.263	1.435.926
Cost of Goods Sold And Raw Materials	0	0	0	0	0
Outsourced Supplies and Services	128.160	67.392	57.742	58.099	58.581
Labour costs	73.941	74.680	75.801	76.938	78.476
Other Costs	210.992	549.908	735.601	976.227	1.298.869
Revenues	810.600	1.819.125	2.387.602	3.133.727	4.113.017
Sales of Products and Goods	0	0	0	0	0
Sales of Services	810.600	1.819.125	2.387.602	3.133.727	4.113.017
Other Sales	0	0	0	0	0
EBIT	551.229	1.560.265	2.098.724	2.792.481	3.693.834
NET PROFIT	397.507	1.127.145	1.518.457	2.022.464	2.677.091
Balance Sheet					Un: Euros
ASSETS	Year 1	Year 2	Year 3	Year 4	Year 5
	730.924	2.061.974	3.714.163	5.914.825	8.825.833
TOTAL ASSETS	730.924	2.061.974	3.714.163	5.914.825	8.825.833
Equity	447.507	1.574.652	3.093.109	5.115.573	7.792.664
Liabilities	283.417	487.322	621.054	799.252	1.033.169
TOTAL LIABILITIES + EQUITY	730.924	2.061.974	3.714.163	5.914.825	8.825.833
Investment Plan					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Tangible Fixed Assets	8.686	16.814	33.229	66.222	133.357
Intangible Assets	12.230	1.000	1.000	1.000	1.000
TOTAL INVESTMENT	20.916	17.814	34.229	67.222	134.357
Depreciation					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Tangible Fixed Assets	1.086	3.188	7.341	15.619	32.289
Intangible Assets	7.143	3.543	3.543	1.000	1.000
TOTAL DEPRECIATION	8.229	6.731	10.884	16.619	33.289
Financing Plan					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Own Capital	50.000	0	0	0	0
Medium/Long term Payables	50.000	0	0	0	0
Short term payables	0	0	0	0	0
TOTAL FINANCING	100.000	0	0	0	0
Treasury budget					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Total income	727.234	2.011.678	2.717.034	3.566.107	4.680.515
Total disbursements	320.778	771.118	1.115.704	1.452.161	1.917.973
Cashflow	406.457	1.240.560	1.601.330	2.113.946	2.762.542
Cash at beginning of period	0	406.457	1.647.017	3.248.347	5.362.293
CASH AT END OF PERIOD	406.457	1.647.017	3.248.347	5.362.293	8.124.835
Project Profitability Analysis					
Capital opportunity cost (rate)	12%				
Net present value	5.445.387				
Internal Profitability (Rate)	---				
Payback Period	Nº Years: Less than 1º Months: -----				
Ratios					
	Year 1	Year 2	Year 3	Year 4	Year 5
Return on sales	49,0%	62,0%	63,6%	64,5%	65,1%
Return on assets	54,4%	54,7%	40,9%	34,2%	30,3%
Financial autonomy	61,2%	76,4%	83,3%	86,5%	88,3%
Break even point (Euros)	49.708	42.518	45.240	49.902	66.564

Figure 9

17. Conclusion and recommendations

From the analysis of the business plan, environmental studies, strategies to the company and the financial part allocated to this project, Mainroad is believed to have the capabilities to develop cloud computing at a low cost being able to provide attractive and quality added services by the competitive advantages described during this business plan.

The service is extremely innovative and is believed to shift technology in future developing several related products and services that will link several technologies both in a B2B as in B2C's strategies, so Mainroad should keep investing in R&D to get first mover advantages in their niches. In the long run and as a service in constant development

Mainroad could start preparing resources to invest in a commercial manager experienced in the field to search for new developments, analyze competition growth, and built a sales team to sell the product broadening the target in order to increase the customer base and revenues, an alternative could be to outsource the sales force.

In the financial part and if the objectives are followed, with sales expected to grow at 25% and an NPV of 5.446.387€, from a good perspective financial point of view the project is viable, but very dependent on the clientele. The cost structure is highly variable, the service flexible and easily adapted to Mainroad different businesses, so the company can manage the spending in an easier way and build several contingency plans strategies exiting if the conditions are not as expected.

The company could hire a commercial manager with experience for the reasons stated during the “Marketing and Sales strategy” section to improve and make this project grow, after Mainroad could consider looking to other market such as Angola, responsible for almost 50% of the IT business volume of Portuguese companies. One of the proposals to implement is to have a demo procedure to “explain and show” to customers that its information and data is confidential and secured. Moreover, the certification processes that the firm is involved and may reinforce will clearly contribute for the obtention of that market perception. It could be interesting to develop a partnership not only with a company providing software but responsible for product innovation and take the next step considering new offers to companies, it could be a gadget mixing all the main functions of the daily life connected and shared in the cloud.

By the analysis made in this business plan I consider that the project has possibilities to succeed and if all the conditions are favorable, the company should build a first mover advantage to try to capture the most part of the market and gain by the value perceived by the consumers.

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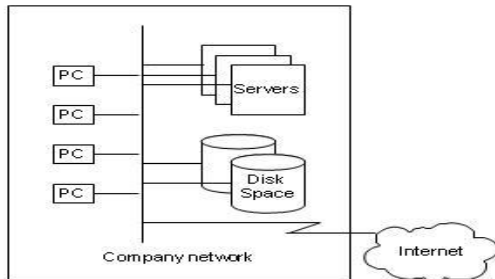
WebSites:

- <http://www.mainroad.pt/>
- <http://www.primaverabss.com>

- <http://www.amazon.com/>
- <http://www.microsoft.com/>
- <http://www.rackspace.com/>
- <http://www.idc.com/>
- <http://www.iapmei.pt/>
- <http://www.ine.pt/>
- <http://www.pordata.pt/>
- <http://www.jornaldenegocios.pt>
- <http://www.gartner.com>
- <http://www.hp.com>
- <http://www.clarinet.pt>
- <http://www.portugaloutsourcing.pt>
- <http://www.dooffice.net>
- <http://www.computerworld.com>
- <http://www.cloudviews.org/>
- <http://searchcloudcomputing.techtarget.com/>

19. Annexes

Exhibit 1



Traditional organisational IT infrastructure
© Chris Hogart 2009

Exhibit 2

Key Cloud Services Attributes

(cloud offerings must meet all eight criteria)

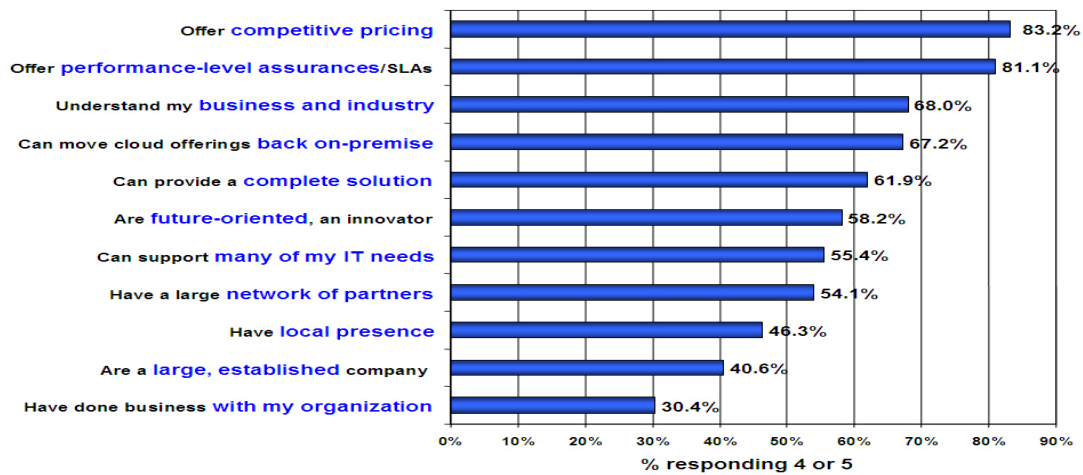
- Off-Site, Third-party provider
- Accessed via Internet
- Minimal/no IT skills required to "implement"
- Provisioning = self-service requesting; near real-time deployment; dynamic & fine-grained scaling
- Pricing model = fine-grained, usage-based (at least available as an option)
- UI = browser and successors
- System Interface = web services APIs
- Shared resources/common versions (customization "around" the shared services)

Source: IDC, September 2008

Exhibit3

Q: Importance of IT cloud services supplier attributes

(1=not important, 5=very important)



Source: IDC Enterprise Panel, August 2008 n=244

Exhibit 4

“Some major points I think are very interesting:

- Cloud computing is “crossing the chasm” and entering a period of widespread adoption
- IDC expects the cloud adoption trend to be amplified by the current financial crisis
- IT cloud services to grow almost threefold, reaching \$42 billion by 2012
- More importantly, cloud computing will account for 1/3 of IT growth in 5 years”

Source: IDC

Exhibit 5

IT Cloud Services Spending: 2008-2012

(Business applications, Applications Development & Deployment, System Infrastructure Software, Storage and Servers)

	2008	2012	CAGR
All spending (\$M)	383,274	493,713	7%
Cloud offering spending (\$M)	16,235	42,270	27%
Cloud as % of Total	4%	9%	

In 2012, cloud IT offerings will account for **25%** of incremental spending growth within this segments.

Exhibit 6

Figure 1. Hype Cycle for Cloud Computing, 2009

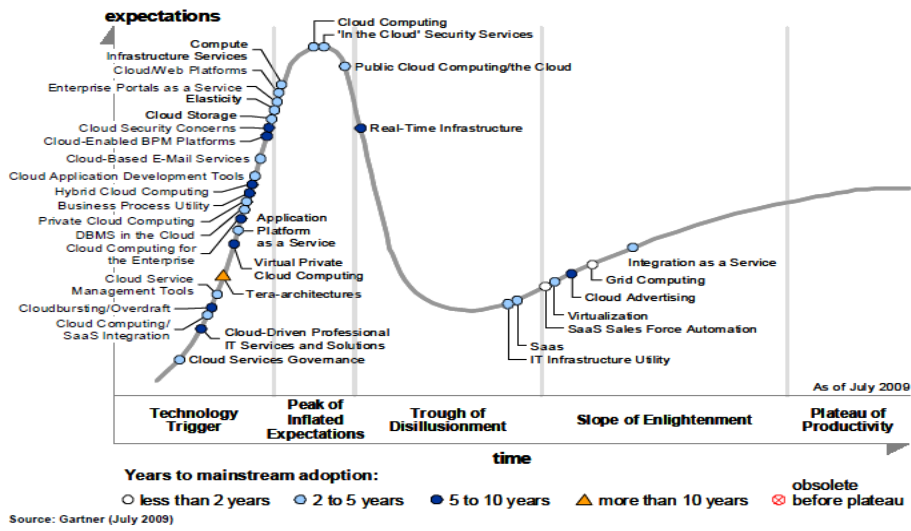


Exhibit 7

Figure 3. Which Cloud Features Provide Higher or Lower Value Than On-Site Ones?

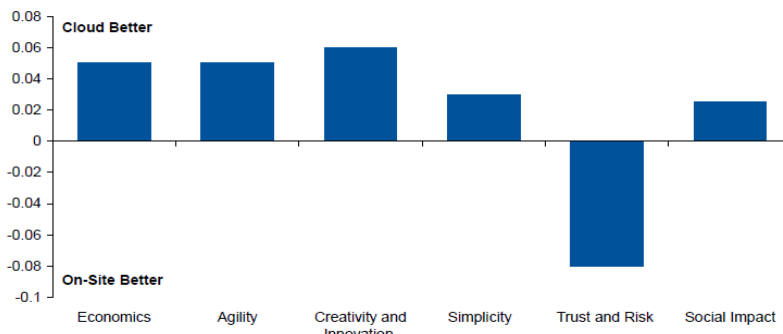


Exhibit 8

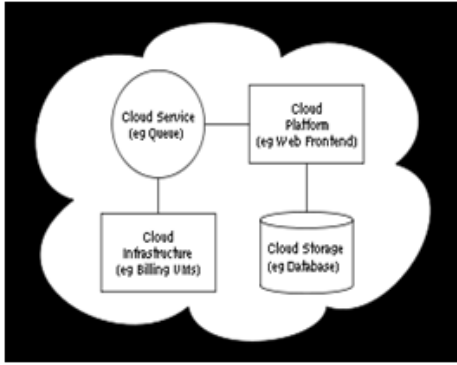


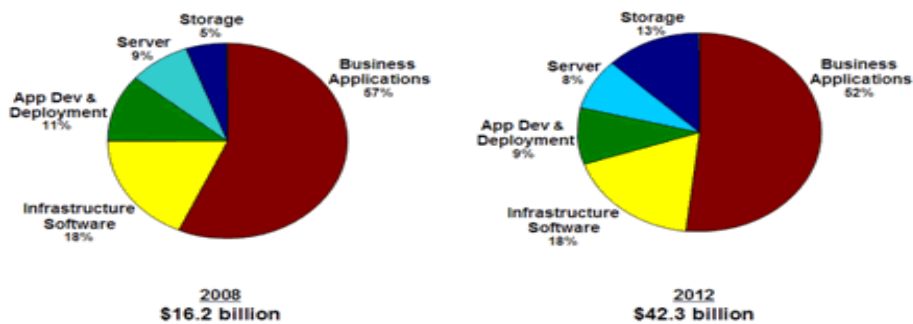
Exhibit 9

Advertisement timings	spot	magazine	events	Total/year
Jan-May	22500	25500	22000	70000
Sept-Nov	22500	12000	6000	40500
total	45000	37500	28000	110500

	Time	Space	Duration	Price	unit price
Spot	20s	TSF	1,5 months	22000	
"orelha de capa"		Diário Económico	3 weeks	22500	1500
"orelha de capa"		Jornal de Negócios	3 weeks	25500	1700
Semana informática		semana informática	1,5 months	12000	
Lauching events	4	4 events	1 year		
own				10000	
Sponsoring no speaker				16000	4000
Sponsoring with speaker				24000	6000

Exhibit 10

Worldwide IT Cloud Services Spending* by Product/Service Type
2008, 2012

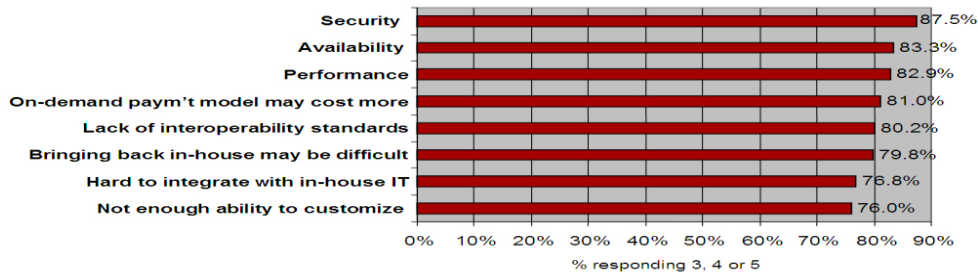


* Includes enterprise IT spending on Business Applications, Systems Infrastructure Software, Application Development & Deployment Software, Servers and Storage
Source: IDC, October 2008

Exhibit 11

Q: Rate the challenges/issues of the 'cloud'/on-demand model

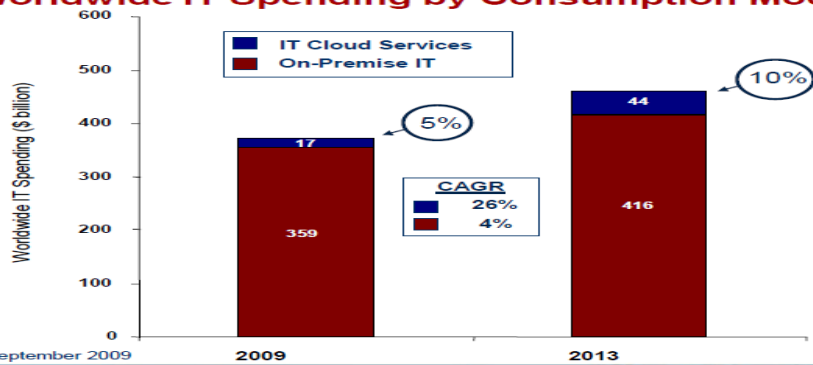
(Scale: 1 = Not at all concerned 5 = Very concerned)



Source: IDC Enterprise Panel, 3Q09, n = 263

Exhibit 12

Worldwide IT Spending by Consumption Model



Source: IDC, September 2009

Exhibit 13

Optimistic scenario

Optimistic	Year 1	Year 2	Year 3	Year 4	Year 5
Sales revenues	810.600,00 €	2.182.950,00 €	3.438.146,25 €	5.415.080,34 €	8.528.751,54 €
EBIT	551.228,64 €	1.902.078,68 €	3.085.710,82 €	4.935.812,79 €	7.842.416,54 €
Equity	447.507,09 €	1.822.467,05 €	4.056.489,59 €	7.632.868,42 €	13.317.681,83 €
Liabilities	283.416,85 €	581.320,45 €	892.474,93 €	1.388.667,93 €	2.174.029,16 €
Net Profit	397.507,09 €	1.374.959,96 €	2.234.022,54 €	3.576.378,83 €	5.684.813,41 €
Present Cash Flow	277.488,35 €	1.214.995,26 €	1.706.989,37 €	2.437.563,81 €	3.457.816,88 €
Acumulated present CF	277.488,35 €	1.492.483,60 €	3.199.472,98 €	5.637.036,79 €	9.094.853,67 €
Return on equity	88,8%	75,4%	55,1%	46,9%	42,7%
Return on sales	49,0%	63,0%	65,0%	66,0%	66,7%
Return on assets	54,4%	57,2%	45,1%	39,6%	36,7%
Capital oportunity cost	11,50%				
NPV	9.094.853,67 €				

Pessimistic scenario

Pessimistic	Year 1	Year 2	Year 3	Year 4	Year 5
Sales revenues	810.600,00 €	1.455.300,00 €	1.528.065,00 €	1.604.468,25 €	1.684.691,66 €
EBIT	551.228,64 €	1.218.451,50 €	1.291.189,48 €	1.355.742,73 €	1.412.422,28 €
Equity	447.507,09 €	1.326.837,35 €	2.259.831,92 €	3.240.659,96 €	4.263.727,53 €
Liabilities	283.416,85 €	393.322,97 €	398.981,56 €	404.148,67 €	405.780,74 €
Net Profit	397.507,09 €	879.330,26 €	932.994,57 €	980.828,04 €	1.023.067,57 €
Present Cash Flow	277.488,35 €	806.753,89 €	722.714,10 €	663.370,46 €	590.196,84 €
Acumulated present CF	277.488,35 €	1.084.242,24 €	1.806.956,33 €	2.470.326,80 €	3.060.523,64 €
Return on equity	88,8%	66,3%	41,3%	30,3%	24,0%
Return on sales	49,0%	60,4%	61,1%	61,1%	60,7%
Return on assets	54,4%	51,1%	35,1%	26,9%	21,9%
Capital opportunity cost	11,50%				
NPV	3.060.523,64 €				

Exhibit14

	Azure	Amazon	Rackspace	Mainroad
PaaS Price	700,49	1496,5		1400
IaaS Price	440,95	649,7	354,04	600

Financial Plan:

Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Go to Original web version					
Growth Rate of Sales Quantities					
Services					
Service A	----	25,0%	25,0%	25,0%	25,0%
Service B	----	25,0%	25,0%	25,0%	25,0%
Service C	----	25,0%	25,0%	25,0%	25,0%
Growth Rate of Sales Prices					
Services					
Service A	----	5,0%	5,0%	5,0%	5,0%
Service B	----	5,0%	5,0%	5,0%	5,0%
Service C	----	5,0%	5,0%	5,0%	5,0%
Growth Rate of Purchase Quantities					
Services					
Service A		1,0%	1,5%	1,5%	2,0%
Good B		1,0%	1,5%	1,5%	2,0%
Good C		1,0%	1,5%	1,5%	2,0%
Growth Rate of Outsourced Services (except last 3 ones)	----	1,0%	1,5%	1,5%	2,0%
Salaries Growth Rate	----	----	----	----	----
Management	----	1,0%	1,5%	1,5%	2,0%
Technical	----	1,0%	1,5%	1,5%	2,0%
Commercial	----	1,0%	1,5%	1,5%	2,0%
Board of Directors	----	1,0%	1,5%	1,5%	2,0%
Others	----	1,0%	1,5%	1,5%	2,0%
Social Welfare Rate	25,75%	25,75%	25,75%	25,75%	25,75%
Average Payment Time in days (0-360) for inventories	90	90	90	90	90
Average Payment Time in days (0-360) for outsourced services	90	90	90	90	90
Average Collection Time in days (0-360)	90	90	90	90	90
Average Inventory Rotation in days	0	0	0	0	0
VAT on Purchase of Inventories	21,0%	21,0%	21,0%	21,0%	21,0%
VAT on Purchase of Outsourced Services	21,0%	21,0%	21,0%	21,0%	21,0%
VAT on Sales of Products, Goods and Services	21,0%	21,0%	21,0%	21,0%	21,0%
VAT Difference	0	0	0	0	0
Income tax rate	27,5%	27,5%	27,5%	27,5%	27,5%
Provision For Bad Debts (% of sales)	5,0%	5,0%	5,0%	5,0%	5,0%

Sales of goods and services	Year 1												Total	Year 2	Year 3	Year 4	Year 5	Un: Eur
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12						
to Original web versio																		
Sales of Services																		
Quantities																		
Service A	0	20	25	30	35	40	45	50	55	60	65	70	70	495	619	773	967	1,208
Service B	0	20	25	30	35	40	45	50	55	60	65	70	70	495	619	773	967	1,208
Service C	0	20	5	5	5	5	5	5	5	5	5	5	5	70	88	109	137	171
Unit Sales Price																		
Service A	600	600	600	600	600	600	600	600	600	600	600	600	600	----	630	661,5	694,575	729,3038
Service B	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	1400	----	1470	1543,5	1620,675	1701,709
Service C	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	1680,0	----	1.680,0	1.764,0	1.852,2	1.944,8
Service Sales																		
Service A	0	12.000	15.000	18.000	21.000	24.000	27.000	30.000	33.000	36.000	39.000	42.000	42.000	297.000	399.813	511.629	671.513	881.361
Service B	0	28.000	35.000	42.000	49.000	56.000	63.000	70.000	77.000	84.000	91.000	98.000	98.000	693.000	909.563	1.193.801	1.566.864	2.056.508
Service C	0	33.600	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	117.600	909.563	1.193.801	1.566.864	2.056.508
Total Service Sa	0	61.600	43.400	50.400	57.400	64.400	71.400	78.400	85.400	92.400	99.400	106.400	106.400	810.600	1.819.125	2.387.602	3.133.727	4.113.017
Total	0	61.600	43.400	50.400	57.400	64.400	71.400	78.400	85.400	92.400	99.400	106.400	106.400	810.600	1.819.125	2.387.602	3.133.727	4.113.017

Outsourced Supplies and Services	Year 1												Total	Year 2	Year 3	Year 4	Year 5	Utr-Eur
	Go to Original web version																	
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12						
Headquarters*	750	750	750	750	750	750	750	750	750	750	750	750	9,000	9,090	9,226	9,365	9,552	
Communications	100	100	100	100	100	100	100	100	100	100	100	100	1,200	1,212	1,230	1,249	1,274	
Travelling, board and lodging	800	800	800	800	800	800	800	800	800	800	800	800	9,600	9,696	9,841	9,989	10,189	
Technical publications	30	30	30	30	30	30	30	30	30	30	30	30	360	364	369	375	382	
Legal expenses	200	200	200	200	200	200	200	200	200	200	200	200	2,400	2,424	2,460	2,497	2,547	
Equipment transportation costs	50	50	50	50	50	50	50	50	50	50	50	50	600	606	615	624	637	
Comissions Paid		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sub-contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Advertising costs	32500	12000	26000	0	0	0	0	0	6000	22500	6000	0	105,000	44,000	34,000	34,000	34,000	
Total	34430	13930	27930	1930	1930	1930	1930	1930	7930	24430	7930	1930	128160	67,392	57,742	58,099	58,581	

Go to Original web version	Year 1												Total	Year 2	Year 3	Year 4	Year 5		
	1	2	3	4	5	6	7	8	9	10	11	12							
Suppliers (of Outsourced Services)																			
Suppliers account at beginning of period	0	41,660	58,516	92,311	52,986	38,466	7,006	7,006	7,006	14,266	41,491	48,751	0	41,491	20,386	17,467	17,575		
Purchases of outsourced services	41,660	16,855	33,795	2,335	2,335	2,335	2,335	2,335	9,595	29,560	9,595	2,335	155,074	81,544	69,888	70,299	70,883		
Suppliers account at end of period	41,660	58,516	92,311	52,986	38,466	7,006	7,006	7,006	14,266	41,491	48,751	41,491	41,491	20,386	17,467	17,575	17,721		
Payment of outsourced services during the period	0	0	0	41,660	16,855	33,795	2,335	2,335	2,335	2,335	2,335	9,595	113,583	102,649	72,787	70,192	70,737		
Receivables																			
Receivables at the beginning of the period	0	0	74,536	127,050	188,034	182,952	208,362	233,772	259,182	284,592	310,002	335,412	0	360,822	550,285	722,249	947,952		
Sales of products, goods and services	0	74,536	52,514	60,984	69,454	77,924	86,394	94,864	103,334	111,804	120,274	128,744	980,826	2,201,141	2,888,998	3,791,810	4,976,750		
Receivables at the end of the period	0	74,536	127,050	188,034	182,952	208,362	233,772	259,182	284,592	310,002	335,412	360,822	360,822	550,285	722,249	947,952	1,244,188		
Collection during the period	0	0	0	0	74,536	52,514	60,994	69,454	77,924	86,394	94,864	103,334	620,004	2,011,678	2,717,034	3,566,107	4,680,515		
State (VAT)																			
<u>Deductible VAT</u>	7,230	2,925	5,885	405	405	405	405	405	1,665	5,130	1,665	405	26,914	14,152	12,126	12,201	12,302		
Collected VAT	0	12,936	9,114	10,584	12,054	13,524	14,994	16,464	17,934	19,404	20,874	22,344	170,226	382,016	501,396	658,083	863,734		
<u>VAT to be paid/recovered</u>	-7,230	10,011	3,249	10,179	11,649	13,119	14,589	16,059	16,269	14,274	19,209	21,939	143,312	367,864	489,270	645,882	851,432		
VAT final balance	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	41,147	0	0	0	0		
VAT paid/recovered in the period	*****	*****	-7,230	10,011	3,249	10,179	11,649	13,119	14,589	16,059	16,269	14,274	102,165	409,011	489,270	645,882	851,432		
Salaries																			
Salaries paid during the period	5,282	5,282	5,282	5,282	5,282	10,563	5,282	5,282	5,282	5,282	10,563	5,282	73,941	74,680	75,801	76,938	78,476		
Income tax																			
Net earnings before tax	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	548,286	1,554,683	2,094,424	2,789,605	3,692,539		
Income tax on current year earnings	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	150,779	427,538	575,967	767,141	1,015,448		
Payment of income tax in the year	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	150,779	427,538	575,967	767,141			

Investment Plan

Go to Original web version	Year 1												Total	Year 2	Year 3	Year 4	Year 5						
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12											
Tangible Fixed Assets																							
3) Equipment	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	8,686	16,814	33,229	66,222	133,357
. Production Equipment	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	8,686	16,814	33,229	66,222	133,357
- Hardware	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	8,686	16,814	33,229	66,222	133,357
SCE System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CSWC System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Others	723,816	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	8,686	16,814	33,229	66,222	133,357
Total Tangible Fixed Assets	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	724	8,686	16,814	33,229	66,222	133,357
Intangible Assets																							
2) Studies and Analysis	2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000	1000	1000	1000	1000
5) Software	7630	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,630	0	0	0	0
6) Training	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	600	0	0	0	0
7) Research and Development	2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000	0	0	0	0
Total Intangible Assets	11680	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	12,230	1,000	1,000	1,000	1,000

Tangible Fixed Assets	8.686	16.814	33.229	66.222	133.357
Accumulated Tangible Fixed Assets	8.686	25.500	58.729	124.952	258.309
Intangible Assets	12.230	1.000	1.000	1.000	1.000
Accumulated Intangible Assets	12.230	13.230	14.230	15.230	16.230

Gross salaries	Month 1		Month 2		Month 3		Month 4		Month 5		Month 6		Month 7		Month 8						
	Hc.	MGS	Hc.	MGS	Hc.	MGS	Hc.	MGS	Hc.	MGS	Hc.	MGS	Hc.	MGS	Hc.	MGS					
Go to Original web version	1	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400					
Management	1	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400					
Technical	1	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400					
Commercial	1	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400	0	1,400					
Site supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total	3	4,200	0	4,200	0	4,200	0	4,200	0	4,200	0	4,200	0	4,200	0	4,200					
	Month 9		Month 10		Month 11		Month 12		Year 2		Year 3		Year 4		Year 5						
Management	0	1,400	0	1,400	0	1,400	0	1,400	0	16,800	0	16,800	0	16,800	0	16,800					
Technical	0	1,400	0	1,400	0	1,400	0	1,400	0	16,800	0	16,800	0	16,800	0	16,800					
Commercial	0	1,400	0	1,400	0	1,400	0	1,400	0	16,800	0	16,800	0	16,800	0	16,800					
Site supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total	0	4,200	0	4,200	0	4,200	0	4,200	0	50,400	0	50,400	0	50,400	0	50,400					
Labour costs																					
	Month 1		Month 2		Month 3		Month 4		Month 5		Month 6		Month 7		Month 8						
Go to Original web version	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total						
Management	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761						
Technical	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761						
Commercial	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761						
Site supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Total	4,200	1,082	5,282	4,200	1,082	5,282	4,200	1,082	5,282	4,200	1,082	5,282	4,200	1,082	5,282						
	Month 9		Month 10		Month 11		Month 12		Total Year 1		Year 2		Year 3		Year 4		Year 5				
Management	1,400	361	1,761	1,400	361	1,761	1,761	2,800	721	3,521	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761		
Technical	1,400	361	1,761	1,400	361	1,761	1,761	2,800	721	3,521	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761		
Commercial	1,400	361	1,761	1,400	361	1,761	1,761	2,800	721	3,521	1,400	361	1,761	1,400	361	1,761	1,400	361	1,761		
Site supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	4,200	1,082	5,282	4,200	1,082	5,282	4,200	1,082	5,282	8,400	2,163	10,563	4,200	1,082	5,282	4,200	1,082	5,282	4,200	1,082	5,282
	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total
Management	1,400	361	1,761	1,400	361	1,761	1,960	504	2,464	1,960	507	2,467	20,093	5,174	25,267	20,394	5,252	25,646	20,802	5,357	26,159
Technical	1,400	361	1,761	1,400	361	1,761	1,960	504	2,464	1,960	507	2,467	20,093	5,174	25,267	20,394	5,252	25,646	20,802	5,357	26,159
Commercial	1,400	361	1,761	1,400	361	1,761	1,960	504	2,464	1,960	507	2,467	20,093	5,174	25,267	20,394	5,252	25,646	20,802	5,357	26,159
Site supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4,200	1,082	5,282	4,200	1,082	5,282	58,800	15,141	73,941	59,388	15,292	74,680	60,279	15,522	75,801	61,183	15,755	76,938	62,407	16,070	78,476

Depreciation and Provisions						Un: Eur
Go to Original web version	%	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Tangible Fixed Assets</i>						
1) Land and preparatory works	0,00%	0	0	0	0	0
2) Buildings and other constructions	0,00%	0	0	0	0	0
3) Production Equipment	12,50%	1.086	3.188	7.341	15.619	32.289
4) Tools	50,00%	0	0	0	0	0
5) Transport and handling equipment	0,00%	0	0	0	0	0
6) Others	0,00%	0	0	0	0	0
Sub-total		1.086	3.188	7.341	15.619	32.289
<i>Intangible Assets</i>						
1) Incorporation expenses	100,00%	0	0	0	0	0
2) Studies and analysis	100,00%	2.000	1.000	1.000	1.000	1.000
3) <u>Intellectual property rights</u>	100,00%	0	0	0	0	0
4) Technical assistance	100,00%	0	0	0	0	0
5) Software	33,33%	2.543	2.543	2.543	0	0
6) Training	100,00%	600	0	0	0	0
7) Research and Development	100,00%	2.000	0	0	0	0
8) Others	100,00%	0	0	0	0	0
Sub-total		7.143	3.543	3.543	1.000	1.000
Total Depreciation		8.229	6.731	10.884	16.619	33.289
Annual Depreciation		8.229	6.731	10.884	16.619	33.289
Accumulated Depreciation		8.229	14.960	25.844	42.463	75.752
Provisions						
<u>Provisions for bad debts</u>		49.041	110.057	144.450	189.590	248.838
<u>Accumulated provisions for bad debts</u>		49.041	159.098	303.548	493.139	741.976

	Year 1	Year 2	Year 3	Year 4	Year 5
Loan Amount	50.000	0	0	0	0
Annual Interest rate	10,8%	0,0%	0,0%	0,0%	0,0%
Semester instalment	7.862	0	0	0	0

Medium and Long term Bank Loans					
Summary					
	Year 1	Year 2	Year 3	Year 4	Year 5
Loan payments	0	10.602	11.778	13.084	14.536
Interest payments	2.700	5.121	3.945	2.639	1.188
Stamp tax payment	243	461	355	238	107
Debt at year end	50.000	39.398	27.620	14.536	0
Total payments	2.943	16.184	16.078	15.961	15.830
Loan Year 1	Interest	Payment	Stamp tax	Instalment	End period debt
1º Semester (Year 1)	-----				50.000
2º Semester (Year 1)	2.700		243	2.943	50.000
3º Semester (Year 2)	2.700	5.162	243	8.105	44.838
4º Semester (Year 2)	2.421	5.440	218	8.080	39.398
5º Semester (Year 3)	2.127	5.734	191	8.053	33.664
6º Semester (Year 3)	1.818	6.044	164	8.025	27.620
7º Semester (Year 4)	1.491	6.370	134	7.996	21.250
8º Semester (Year 4)	1.147	6.714	103	7.965	14.536
9º Semester (Year 5)	785	7.077	71	7.932	7.459
10º Semester (Year 5)	403	7.459	36	7.898	0
Total	15.593	50.000	1.403	66.997	

Balance Sheet											Un: Eur
Go to Original web version	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS						EQUITY					
1. GROSS NET ASSETS						9. Share capital	50.000	50.000	50.000	50.000	50.000
Financial assets	0	0	0	0	0	10. Reserves	0	0	0	0	0
Tangible assets	8.686	25.500	58.729	124.952	258.309	11. Retained profits	0	397.507	1.524.652	3.043.109	5.065.573
Intangible assets	12.230	13.230	14.230	15.230	16.230	12. Net profit	397.507	1.127.145	1.518.457	2.022.464	2.677.091
Fixed assets in progress	0	0	0	0	0	13. Total Equity	447.507	1.574.652	3.093.109	5.115.573	7.792.664
2. PROVISIONS & DEPRECIATION	-8.229	-14.960	-25.844	-42.463	-75.752	(13=9+10+11+12)					
NET FIXED ASSETS	12.687	23.770	47.115	97.718	198.787						
3. CURRENT ASSETS						LIABILITIES					
Fin. & Semi-Fin Goods	0	0	0	0	0	14. MED. & LONG TERM LIABILITIES					
Raw materials	0	0	0	0	0	Bank loans	50.000	39.398	27.620	14.536	0
Products & work in progress	0	0	0	0	0	Shareholders loans	0	0	0	0	0
	0	0	0	0	0	Other loans	0	0	0	0	0
4. ACC. RECEIVABLES M/L TER	0	0	0	0	0		50.000	39.398	27.620	14.536	0
5. ACC. RECEIV. SHORT TERM						15. CURRENT LIABILITIES					
Clients	360.822	550.285	722.249	947.952	1.244.188	Bank loans	0	0	0	0	0
Taxes	0	0	0	0	0	Suppliers	0	0	0	0	0
Other receivables	0	0	0	0	0	Taxes	191.926	427.538	575.967	767.141	1.015.448
Bad debts provisions	-49.041	-159.098	-303.548	-493.139	-741.976	Shareholders loans	0	0	0	0	0
	311.781	391.187	418.701	454.814	502.211	Other creditors	41.491	20.386	17.467	17.575	17.721
6. CASH AND BANKS							233.417	447.924	593.434	784.716	1.033.169
Cash	406.457	1.647.017	3.248.347	5.362.293	8.124.835	16. ACCRUALS & Deferments					
Bank deposits	0	0	0	0	0	Accruals in costs	0	0	0	0	0
	406.457	1.647.017	3.248.347	5.362.293	8.124.835	Anticipated income	0	0	0	0	0
7. ACCRUALS & DEFERMENTS						17. Total Liabilities					
Accruals in income	0	0	0	0	0	(17=14+15+16)	283.417	487.322	621.054	799.252	1.033.169
Deferred Costs	0	0	0	0	0						
	0	0	0	0	0	18. Total Liabilities + Equity	730.924	2.061.974	3.714.163	5.914.825	8.825.833
8. Total Assets	730.924	2.061.974	3.714.163	5.914.825	8.825.833	(18=13+17)					
(8=1+2+3+4+5+6+7)											
variation (Assets - Equity - Liabilities) =	0	0	0	0	0						

Income Statement					Un: Eur
Go to Original web version	Year 1	Year 2	Year 3	Year 4	Year 5
COSTS					
COGS	0	0	0	0	0
Outsourced services	128.160	67.392	57.742	58.099	58.581
Labor costs	73.941	74.680	75.801	76.938	78.476
Depreciation	8.229	6.731	10.884	16.619	33.289
Provisions	49.041	110.057	144.450	189.590	248.838
Sundry taxes	0	0	0	0	0
Other operational costs	0	0	0	0	0
(A)	259.371	258.860	288.877	341.246	419.183
Depre. & Prov. of Financial Investment & Cash discounts conceded	0	0	0	0	0
Financial and interest charges	2.943	5.582	4.300	2.876	1.295
(C)	262.314	264.442	293.178	344.122	420.478
Costs and extraordinary losses	0	0	0	0	0
Costs of previous years	0	0	0	0	0
(E)	262.314	264.442	293.178	344.122	420.478
Income tax	150.779	427.538	575.967	767.141	1.015.448
(G)	413.093	691.980	869.144	1.111.263	1.435.926
REVENUES					
Sales of goods and products	0	0	0	0	0
Services	810.600	1.819.125	2.387.602	3.133.727	4.113.017
In-house Corporate Works	0	0	0	0	0
Subsidies	0	0	0	0	0
Other revenues	0	0	0	0	0
Production variation	0	0	0	0	0
(B)	810.600	1.819.125	2.387.602	3.133.727	4.113.017
Profit/loss from exchange differences	0	0	0	0	0
Cash discount obtained	0	0	0	0	0
Other interest & Fin. Earnings	0	0	0	0	0
(D)	810.600	1.819.125	2.387.602	3.133.727	4.113.017
Extraordinary Gains & Earnings	0	0	0	0	0
Earnings from previous years	0	0	0	0	0
(F)	810.600	1.819.125	2.387.602	3.133.727	4.113.017
OPERATIONAL EARNINGS (B-A)	551.229	1.560.265	2.098.724	2.792.481	3.693.834
FINANCIAL EARNINGS (D-B)-(C-A)	-2.943	-5.582	-4.300	-2.876	-1.295
CURRENT EARNINGS	548.286	1.554.683	2.094.424	2.789.605	3.692.539
EARNINGS BEFORE TAXES	548.286	1.554.683	2.094.424	2.789.605	3.692.539
NET PROFIT	397.507	1.127.145	1.518.457	2.022.464	2.677.091
Vendas =	810.600	1.819.125	2.387.602	3.133.727	4.113.017
EBIT =	551.229	1.560.265	2.098.724	2.792.481	3.693.834
Margem bruta em % =	72,1%	87,5%	89,4%	90,5%	91,3%
Margem Bruta =	584.105	1.591.889	2.134.875	2.834.746	3.753.281
VAB (-) =	682.440	1.751.733	2.329.859	3.075.628	4.054.436
VAB (+) =	682.440	1.751.733	2.329.859	3.075.628	4.054.436
Custos fixos =	35.819	37.206	40.452	45.141	60.742
Custos variáveis =	226.495	227.236	252.726	298.981	359.736
Ponto crítico =	49.708	42.518	45.240	49.902	66.564
Meios líquidos libertos =	454.777	1.243.933	1.673.792	2.228.673	2.959.217
Margem de segurança económica =	1530,7%	4178,5%	5177,6%	6179,7%	6079,1%
ROper./POper. =	68,0%	85,8%	87,9%	89,1%	89,8%

Working capital					
<u>Go to Original web version</u>	Year 1	Year 2	Year 3	Year 4	Year 5
Operations needs					
Inventories	0	0	0	0	0
Receivables	360.822	550.285	722.249	947.952	1.244.188
Others	0	0	0	0	0
Total	360.822	550.285	722.249	947.952	1.244.188
Operations resources					
Payables	0	0	0	0	0
Public Administration	191.926	427.538	575.967	767.141	1.015.448
Others (including outsourcing)	41.491	20.386	17.467	17.575	17.721
Total	233.417	447.924	593.434	784.716	1.033.169
Working Capital	127.405	102.362	128.816	163.236	211.019
Working capital variation	-	-25.044	26.454	34.420	47.782
Free cash-flow					
<u>Go to Original web version</u>	Year 1	Year 2	Year 3	Year 4	Year 5
EBIT (Earnings Before Interest and Taxes)	551.229	1.560.265	2.098.724	2.792.481	3.693.834
Depreciation	8.229	6.731	10.884	16.619	33.289
Provisions	49.041	110.057	144.450	189.590	248.838
Potencial cash flow from operations before interest and taxes	608.499	1.677.053	2.254.058	2.998.691	3.975.960
Financial earnings from operation	0	0	0	0	0
Financial costs	2.943	5.582	4.300	2.876	1.295
Income tax (IRC)	150.779	427.538	575.967	767.141	1.015.448
Net earnings	397.507	1.127.145	1.518.457	2.022.464	2.677.091
Potential Cash-Flow from operations	457.720	1.249.515	1.678.092	2.231.549	2.960.512
Investment/divestment in Working Capital	127.405	-25.044	26.454	34.420	47.782
Operational Cash-Flow	330.315	1.274.559	1.651.638	2.197.129	2.912.729
Investment/Divestment in fixed Capital	20.916	17.814	34.229	67.222	134.357
Free Cash-Flow	309.400	1.256.745	1.617.408	2.129.907	2.778.372
Net present value					
<u>Go to Original web version</u>	Year 1	Year 2	Year 3	Year 4	Year 5
Capital opportunity cost (rate)	12%	12%	12%	12%	12%
Discount factor	0,8969	0,8044	0,7214	0,6470	0,5803
Present value of free cash flow	277.488	1.010.875	1.166.796	1.378.038	1.612.189
Net present value	5.445.387				
Internal Profitability (Rate)					
<u>Go to Original web version</u>					
Internal Rentability (Rate)	-----				
Payback Period					
<u>Go to Original web version</u>	Year 1	Year 2	Year 3	Year 4	Year 5
Present Cash-Flow	277.488	1.010.875	1.166.796	1.378.038	1.612.189
Accumulated Present Cash-Flow	277.488	1.288.363	2.455.159	3.833.197	5.445.387
Payback Period		Nº Years: Less than 1	Nº Months: -----		
Project Profitability Analysis					
<u>Go to Original web version</u>					
Capital opportunity cost (rate)	12%				
Net present value	5.445.387				
Internal Profitability (Rate)	-----				
Payback Period	Nº Years: Less than 1 Nº Months: -----				

Ratio					
Go to Original web version	Year 1	Year 2	Year 3	Year 4	Year 5
Return on equity	88,8%	71,6%	49,1%	39,5%	34,4%
Return on sales	49,0%	62,0%	63,6%	64,5%	65,1%
Return on assets	54,4%	54,7%	40,9%	34,2%	30,3%
Financial autonomy	61,2%	76,4%	83,3%	86,5%	88,3%
Indebtness capacity	38,8%	23,6%	16,7%	13,5%	11,7%
Solvability	157,9%	323,1%	498,0%	640,0%	754,2%
General liquidity	307,7%	455,0%	617,9%	741,3%	835,0%
Gross margin	72,1%	87,5%	89,4%	90,5%	91,3%
Break even point (Euros)	49.708	42.518	45.240	49.902	66.564
Economical safety margin	1530,7%	4178,5%	5177,6%	6179,7%	6079,1%
Average inventory turnover (days)	0	0	0	0	0
Average collection time (days)	90	90	90	90	90
Average inventories payment time (days)	90	90	90	90	90
Cash cycle (days)	0	0	0	0	0

Beta Calculation

D/E cloud	year1	year2	year3	year4	year5
	63%	31%	20%	16%	13%
				média	29%
Beta Unlevered Industry (avg)	0,64				
Average D/E	29%				
Tax Rate (Portugal tax rate)	27,50%				
Beta Levered	0,7712				
rf	3,27%				
(RM-rf)	6%				
$k=rf+(Rm-rf)*B$	7,90%				