

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

## **PME.BOX – Internationalization to Brazil**

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## EXECUTIVE SUMMARY

This Work Project is a Business Plan that describes the internalization process of PME.BOX to Brazil, with special focus in São Paulo region.

PME.BOX is an IT start-up that was set up at 2010 and is located in Costa de Caparica, more precisely in Madan Park (Incubation Park). The company's main product uses high technology business intelligent software called pme.box, which offers several features (touch screen, web-based, pay-per use principle) to the clients. Pme box is a low cost software directed for SMEs. Therefore, the software was designed for several areas, such as: Management, Marketing and Internet; which allow start-ups to carry out their daily tasks with a single software. Despite SMEs lack of financial resources, they represent 99% of the Brazilian market, a country that has an expected GDP growth of 3.5% in 2011 and 2012<sup>1</sup>. Consequently, this country represents a great opportunity to a software like pme.box.

Brazil is a growing market and at the same time a competitive one. Hence, PME.BOX should enter through a Joint Venture, where the other party is responsible for the Initial Investment (0.5 million €). PME.BOX will be responsible for providing the software's technology (development, testing, updates, customization, extra services). Additional to the Joint Venture, PME.BOX will have to look for Partnerships with large companies in key channels (Banking, Insurance, Hardware and Consultancy), in order to help the distribution and selling the product. This will be particularly crucial in the first years, to help the company growing faster, gain brand awareness and take advantage of time-to-market, with the strategic objective of reaching 1% of market share. Finally, with this entry, PME.BOX is expecting to reach an NPV=29,712,250€; a ROE=79.5% and a Break Even Point=494,590€, giving these analytical KPIs, it is clear how successful and rewarding this entry in Brazil could be.

**Keywords:** PME.BOX; Software; Internationalization; Brazil; SMEs; Partnerships

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<sup>1</sup> SEBRAE. [www.sebrae.com.br](http://www.sebrae.com.br) accessed on 5<sup>th</sup> September 2011

## 1. INTRODUCTION AND BUSINESS DESCRIPTION

### 1.1 Historic Background / Business Idea

PME.BOX Holding is a Portuguese start up that operates in the IT market and it was founded in 2010 by an entrepreneurial team, headed by José Carlos Graça. The firm is located in Costa de Caparica, inserted in a Technology Incubation Park called Madan Parque. PME.BOX Holding belongs to Buglos, a group that has several firms and important partnerships (HP; Banco Popular; IAPMEI; PT).

PME.BOX's main product is pme.box, a business management software, which will be explained in more detail in section 1.7 Products&Services Offering. Pme.box software is targeted to micro/small and medium enterprises with 1-100 employees. This segment is growing due to economic crisis (nowadays represent 95-99% of each country's companies), and those companies have some specific problems in terms of management software, so it is a potential opportunity to PME.BOX.

The firm has as main objective the internationalization in order to take advantage of the time-to-market. PME.BOX is already present in India, where the R&D is located, and it expects to expand to Brazil in 2012 and to Spain and Poland in 2014.

### 1.2 Team

PME.BOX is composed of 3 members, each one is shareholder with considerable experience in this type of business sector and they constitute the first major competitive advantage for the firm. The team is composed by: CEO - José Carlos Graça – a multi-cultural person that has two different types of education: Dutch and Portuguese. He holds an MBA in Economy and therefore used this knowledge in the last 5 years doing some research about SMEs business and needs, which became a great competitive advantage to PME.BOX market's establishment. Moreover, he is the CEO of Buglos, so PME.BOX can benefit from a special relationship between both; CSO – Luis Sabino Leal Gonçalves – Partner at Equivarandas, he is an

entrepreneur with a lot of experience in sales, meaning an increase of quality of bargaining knowledge to the company. Personally he was several times national show jumping champion (horses), so he can be an added value in terms of winning culture for the company; and COO - Bruno Judas Nunes – An entrepreneur with experience in web-based management applications, supporting the company in the field of operations management. Before that, he was business partner at Imporvete (1997), at Simbolo Perfeito (2009) and at Segurança e Prevenção. Based on his experience, he is able to make a difference and provide competitive advantage to PME.BOX.

### 1.3 Opportunity

As widely known, the world is in an international crisis (except for some countries), with hard access to credit and lack of financial resources. So enterprises have to know where and how to invest in the market. José Carlos Graça (PME.BOX CEO) as the entrepreneur that he is, knows that he had to expand his business to a growing market, in order to acquire strong partnerships, create brand awareness and disseminate his product. Therefore, he chose Brazil. Why Brazil? For several reasons: **1)** The Brazilian Economy is currently the seventh largest economy in the world according to the latest projection of the International Monetary Fund and has one of the best internal markets<sup>2</sup>; **2)** Brazilian Start Ups tend to grow 3 to 6 % in excess each year for the next six years; **3)** The Brazilian GDP is expected to grow between 3% and 4% in 2011 and in 2012; **4)** SME's, the potential customers of PME.BOX, represent 25% of the GDP and account for 14 million jobs, representing 60% of formal employment in the country. They also constitute 99% of the 6 million existing formal institutions<sup>3</sup>; **5)** In Brazil we have approximately 10 million informal institutions, which are expected

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<sup>2</sup> The Economist. <http://www.economist.com/node/18333018> accessed on 7<sup>th</sup>September 2011

<sup>3</sup> SEBRAE. [www.sebrae.com.br](http://www.sebrae.com.br) accessed on 5<sup>th</sup> September 2011

to be converted into formal institutions starting gradually the following years; **6)** High rate of Broadband Internet access in Brazil, more specifically in São Paulo.

The opportunity also arose due to the evolution of the IT market, an unexplored tool that nowadays is becoming indispensable – **Mobility** – where there are no barriers to circulate, so people can be anywhere at any time doing their tasks with any device with access to internet. This option of mobility is not anymore a luxury, but a mandatory feature to improve the work devices. PME.BOX has also two other aspects that represent competitive advantages: **Availability** and **Time Optimization** – PME.BOX guarantees these advantages through its software, which is very user friendly, efficient and quick, making life easier to the users. Additionally, another opportunity that PME.BOX can enjoy is the **Software as a Service trend**, which means more companies will use products like Pme.box software<sup>4</sup>.

#### **1.4 Vision**

PME.BOX aims to be in the top 10 in Business Management Software in Brazil, in the next three years, which will help to be in the worldwide top market in 2020.

#### **1.5 Mission**

PME.BOX offers a fully new software, that gives mobility and high technology to micro, small and medium companies in order to provide efficiency and quickness to manage their business information.

#### **1.6 Strategic Objectives**

PME.BOX has as main goal growth in a worldwide dimension, and in order to do that the company has a tremendous advantage: Time-to-market which allows the company to create business critical mass, brand awareness and avoid competition. However, growth in a global scale is not easy, so PME.BOX has to do Partnerships with local companies that have financial power and knowledge about the local market in order to

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<sup>4</sup> Blokdjik, Gerard. January 21, 2008. SaaS 100 Success Secrets: How Companies Successfully Buy, Manage, Host and Deliver Software as a Service (SaaS): Emereo Publishing

launch the brand, expand it and to deal with market demand – These Partnerships will reduce market barriers, providing access to market and help to create brand awareness. To make this expansion sustainable, the product will be the same in all countries and the financial partner just has to invest in Sales and Marketing to guarantee that the product is commercialized, because the product, as well as its technological upgrade, is already done by PME.BOX. The company's internationalization policy consists of: 1) reaching the Brazilian Market in 2012; 2) Spanish and Polish markets in 2014; and 3) getting a market share in each market of 1%. Those markets will be reached through joint ventures with local companies. The scope of this Business Plan is the market entry in Brazil.

### **1.7 Products & Service Offering**

**Pme Box, What is it?**<sup>5</sup> It is a business management software with several new features that can help micro/small and medium enterprises in their day-to-day activities and needs. It is a fully service, which enjoys the particularity of being web based, does not need previous installation, and also has a touch screen feature, meaning that the software can be managed from anywhere with any kind of device (computers, iPads, tablets, smartphones, iPhones) as long as it has Internet access.

**Pme Box, How to take it?** Firstly, the customer has to acquire the licence number, which is given without any payment; secondly the client has to register in the PME.BOX web site; and thirdly, the company puts its data into the software. After these three steps the client is able to use the product to its full capacity.

**Pme Box, What it does?** Once the licence is acquired, the customer has no user limit, which can help the company to be sustainable in terms of growing. PME.BOX software provides services in three important areas: Management, Marketing and Internet. **Management:** Pme.box offers you a very complete management service,

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<sup>5</sup> For an overview of Pme box please check exhibit 1 in Appendixes

such as: Enterprise Resource Planning (ERP); Resources Management; Stock Management; Documents management (articles, invoices, reports). **Marketing:** With Pme.Box software, the customer is able to manage: Unlimited business contacts; Customer Relationship Management (CRM); Telemarketing and Email Marketing. **Internet:** This software gives the customer access to: E-commerce (shop online); Unicre network; paypal principle; emails accounts; portals, among other benefits. The company also has other services besides the pme.box software, which include: training services, E-commerce, Websites, helpdesk and software customization. Concluding, the P&S offering reflects a major point of differentiation through Innovation as a source of competitive advantage.

## 2- BUSINESS MODEL<sup>6</sup>

### 2.1 Competitive Advantage

When a company expands its operations to another country, the unique way to be well succeeded is to have competitive advantage in some fields. There are Temporary Competitive Advantages and Sustainable Competitive Advantages. The first one is when the company can benefit from it during a while until being subject of copy; the second one is when the company can profit from it for a long period. Subsequently factors that can provide a competitive advantage and the VRIO framework table are explained: **High Technology** – Pme.box is a software which is in the top in terms of technology, and contains several advantages: Touch screen, Web-based, Cloud Computing; **Fully product** – Software that helps the company to manage several areas such as: Management, Marketing and Internet. This allows the company to use uniquely one software to cover all areas, which affects positively the efficiency and time optimization; **Partnerships** – Local Distributive Partners are the key for Pme.box sales, since they are responsible to deliver the software to the customers.

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<sup>6</sup> For an overview of the Business Model please check exhibit 2 in Appendixes



Investor partners are also very important because they are responsible for all the operations in the country (except technology); **Competitive Price / Pay per use** – Competitive Price represents high quality at low prices which is crucial to SMEs. They also can benefit from the conditions of payment from PME.BOX: the companies only pay the time that they use, on a per second basis.

Sources	Valuable	Rare	Difficult to imitate	Supported by Organization	Competitive implications	Performance
Partnerships	Yes	-	-	Yes	Temporary Competitive Advantage	Above Normal (at least for a while)
Competitive Price / Pay per use	Yes	-	-	Yes	Temporary Competitive Advantage	Above Normal (at least for a while)
Fully Product	Yes	Yes	Yes	Yes	Sustained Competitive Advantage	Above Normal
High Technology	Yes	Yes	Yes	Yes	Sustained Competitive Advantage	Above Normal

**Figure 1 – VRIO Framework**

Hence, from this table, we can see that PME.BOX has two Temporary Competitive Advantages and also two Sustained Competitive Advantages, which means great possibilities to be successful in the Brazilian Market.

## 2.2 VALUE PREPOSITION

### 2.2.1 Target Segment

As was mentioned before, Pme.box software is directed to micro/small and medium companies with 1-100 employees, from all possible sectors and activities. Why this target? Because this software can provide mobility, light and flexible payment conditions, customization and it is very user friendly, which means the software can satisfy SME's needs. For better understanding check 4.1 Market Needs.

### 2.2.2 Revenue Model<sup>7</sup>

PME.BOX has 2 main sources of revenue: Licences represent 62%, which is associated to monthly fees and package of 100 hours; Services represent 38%, and are related to software customization, websites, training and e-commerce;

<sup>7</sup> To better understand please check 10.Financial Analysis

## 2.3 OPERATING MODEL

### 2.3.1 Value Chain

The company's value chain has 5 primary activities supported by 3 secondary activities. In the Primary Activities the firm has: Project Analysis & Evaluation; Software Development; Testing & Validation; Customer Service and Distribution & Sales. The three first ones belong to R&D activities and only represent 10% of the value chain, due to the fact that R&D is carried out by PME.BOX Holding at a "discount price"; Customer Service corresponds to 10% representing several activities (helpdesk, customization, among others); Distribution & Sales only represent 7,5%, due to the Partnerships that PME.BOX S.A Brazil will have in order to distribute the product. In the Secondary Activities there are 3 areas: Firm Infrastructure, Human Resources Management and Marketing. Firm Infrastructure is 10% due to the management of the company; Human Resources corresponds to 10%, represented especially by the recruitment process in order to have a competent team; and Marketing is the item that is most representative with 15% due to the importance to make the product known, so it is where the organization invests more. Summing up, the Profit Margin will be 42,5%, meaning a great profit for the company.

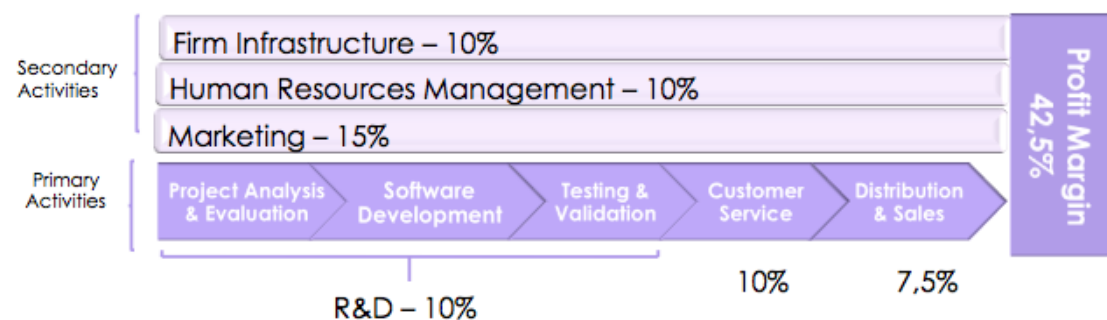


Figure 2 – Value Chain

### 2.3.2 Cost Model

In this field PME.BOX S.A Brazil will have high fixed costs and low variable costs. Fixed costs are represented by: salaries; office expenses (cleaning, energy, water; among others), insurance; representation costs (fuel, tickets, tolls). Variable costs are

represented by: commissions to agents or partners; marketing campaigns; recruitment; training and R&D – These costs are related to production and sales, if these factors are high, variable costs are also high. Fixed costs will represent approximately 66% and Variable Cost will represent 34% of the total. For a more detailed explanation please check 10. Financial Analysis.

### 2.3.3 Organization Structure

Regarding the Organization Structure, the system will be similar to the others PME.BOX (Portugal, India). The enterprise will be named PME.BOX S.A Brazil, 50% owned by PME.BOX Holding and the other 50% will be owned by an Investment Partner – it will be a **Joint Venture**. In terms of stakeholders, PME.BOX S.A Brazil will be linked to several entities that are very different from each other. For a more detailed description please check section 4.3 Industry Mapping.

## 3. ENVIRONMENTAL CONTEXT

### 3.1 Market Analysis

Brazil belongs to the BRIC countries and is nowadays in 7<sup>th</sup> place in the world economic ranking. With a population of 198.7 million and with 94% of employment<sup>8</sup>, Brazil is one of the most attractive markets in the world and Portuguese firms have special connections with the Brazilian Market according to the History of both countries.

The Brazilian market has a special phenomenon. According to SEBRAE, there are formal and informal companies, there are almost 16 million Brazilian companies but only 6 million fulfill the formal requirements, and the other 10 million are registered by individual name, which means that the informal enterprises do not need to have a management software and deal with some bureaucracy, because they use “green

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<sup>8</sup> AICEP Portugal Global. 2011. “Brasil – Ficha de Mercado (Maio 2011)”: 1 - 33

receipts”, but the Brazilian Government wants to end with this situation as soon as possible, so the informal companies have to change to formal companies and need to start to have all the prerequisites and one of them is the use of management software, which is an huge opportunity to companies like PME.BOX.

In political terms, Brazil is for the first time led by a woman, Dilma Rousseff who was elected in 2010. Having the economy as a main focus, the Government is correcting some “economic problems”, like inflation, through monetary and fiscal policies. Another method that the Government has already used after reaching stability was the public investment, with a program named PAC (Growth Acceleration Program)<sup>9</sup> in order to accelerate the economic growth. On the economic side, Brazil is considered the strongest economy of South America. According to SEBRAE the GDP is growing (3.5% in 2011 and 2012), the Brazilian Foreign Investment is 4,096,223,578.6€ - These factors were reached due to different factors: economic reforms; development of social policies; the international conditions that are extremely favorable and which benefit from the country’s natural resources in a more rational way. Socially, Brazilian people are progressively educated, proof of that is the increase of undergraduate students, which will represent more productivity to the country. Regarding the technological factors, Brazil has a high rate of broadband Internet access, represented by the number of internet hosts that is 19.316 million (2010) and by the number of internet users that is 75.982 million (2009), occupying the 4<sup>th</sup> and 5<sup>th</sup> respectively<sup>10</sup>.

## **3.2 Market Dimension**

### **3.2.1 Size**

As mentioned before, PME.BOX’s targets are micro, small and medium enterprises.

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<sup>9</sup>AICEP. 2011. “Brasil – Ficha de Mercado (Maio 2011)”: 1 -33

<sup>10</sup> CIA. <https://www.cia.gov/library/publications/the-world-factbook/geos/br.html> accessed on 10<sup>th</sup> October 2011

This group represents 99% of the total Brazilian market, about 5,83 million existing formal institutions (in a total of 5,85 million companies), which means 14 million jobs and 60 % of formal employment<sup>11</sup>. SME's also correspond to 99.8% of companies that are created every year.

### 3.2.2 Value

SMEs in Brazil represent 25% of the Gross Domestic Product (GDP), as the Brazilian GDP in 2010 was 1.555 trillion €, so SMEs worth 0.38875 trillion €. The estimation for 2011 is approximately 1.606 trillion €, so the value of SMEs is 0.4015 trillion €<sup>12</sup>.

### 3.2.3 Growth

According to SEBRAE, the expected growth of SMEs in 2012 and in 2013 will be 5% and in 2014 will be of 6%, which means an increase of market to PME.BOX.

## 3.3 Key drivers

These factors are the most important factors for an enterprise to be successful in the market<sup>13</sup>: Partnerships: Obtaining good partnerships is essential in two aspects: to open distributive channels and to obtain investment to enter in the market. Without these factors it is impossible to reach a good performance; Innovation: An IT Company has to have this subject always in mind, and always has to continue improving in order to gain a competitive advantage in its product; Brand awareness: It is fundamental to new companies, to acquire as soon as possible the recognition of its brand in the market; Customer support: In order to attain customer satisfaction and loyalty, the company has to support them constantly, promoting the software customization, training and helpdesk, among others. These factors will link the customers to the firm; Time-to-market: It is crucial for a company to enter in the market as soon as possible, to gain a competitive advantage and possibly to have the

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<sup>11</sup> SEBRAE. [www.sebrae.com.br](http://www.sebrae.com.br) accessed on 10<sup>th</sup> September 2011

<sup>12</sup> SEBRAE. [www.sebrae.com.br](http://www.sebrae.com.br) accessed on 10<sup>th</sup> September 2011

<sup>13</sup> <http://www.deloitte.com/assets/Dcom-Brazil/Local%20Assets/Documents/PesqExame2008.pdf> accessed on 15<sup>th</sup> October 2011: 1 -30

benefits of first mover opportunity.

## 4. Market specifics

### 4.1 Market Needs

When a market is almost only composed by SMEs, the firms that are dealing with them have to pay attention to several factors: Conditions of payment: give to SMEs more than one option and price flexibility, like PME.BOX that has 3 options; Mobility: Provide a web-based software to the clients allowing them to manage their company in any place with any device; User friendly software: SMEs nowadays want an efficient product but at the same time one that is easy to use; Customer Service: A constant support from the company that sells the software, like backups, training, chat, among others. These factors are important to create customer loyalty and brand awareness to the firm<sup>14</sup>.

### 4.2 Market segmentation

In Brazil, SMEs represent 99.8% of total number of firms, which is 5.83 million of a total of 5.85<sup>15</sup> million of Brazilians companies – This means, that PME.BOX has to segment the market because it is impossible to establish its operations everywhere. The segmentation will be done in terms of states and not in terms of services sector, because PME.BOX software can operate in all different sectors, with the software customization application. So PME.BOX chose São Paulo as preferential market because this state represents 30.87% of Brazilian companies, which is 1.806 million<sup>16</sup> of SMEs, not forgetting that São Paulo is considered the capital of Business in Brazil, so it is the right city for PME.BOX to start its operations.

### 4.3 Industry Mapping<sup>17</sup>

The main PME.BOX stakeholders are: 1) **PME.BOX Holding**: Sharing of

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<sup>14</sup> PME.BOX S.A Data – Interview with Dr.Carlos Graça about his business trip to Brazil in August of 2011

<sup>15</sup> SEBRAE. [www.sebrae.com.br](http://www.sebrae.com.br) accessed on 5<sup>th</sup> September 2011

<sup>16</sup> SEBRAE. [www.sebrae.com.br](http://www.sebrae.com.br) accessed on 5<sup>th</sup> September 2011

<sup>17</sup> For an overview of the Industry Map please check exhibit 3 in Appendixes

technology, knowledge and the respective CEO; **2) Potential Investors:** Business Angels, Venture Capital in order to make Joint Venture or finance the move to the Brazilian Market; **3) Distributive Partnerships:** Large companies in key channels will facilitate the distribution of Pme box, e.g.: OI; Vivo; HP; Stefanini and Bradesco; **4) Regulator Identities:** These types of organizations affect PME.BOX's activities and business due to their laws and their bureaucracy. E.g.: Federal Revenue of Brazil; SEBRAE, Government; **5) Customers:** Micro/Small and Medium companies (1-100 employees); **6) Competitors:** Companies that belong to the IT market, which offer the same kind of products or substitute products to the PME.BOX target. E.g.: Cigam, AEDOS, Vitro and Netgera; **7) Suppliers:** Outsourcing of accounting and solicitors, and supporting hardware to PME.BOX's products; **8) Universities/Research Park Partners:** Projects done by students of Universities and research conditions granted by the Research Park. E.g.: NOVA School of Business and Economics, Universidade Nova de Ciências e Tecnologia and Madan Parque.

These stakeholders will affect directly PME.BOX's Organization Structure and its environmental context, helping the firm entering the market and supporting PME.BOX's competitive advantages.

#### 4.4 Porter's Five Forces Analysis<sup>18</sup>

To gain better understanding of the Brazilian Market, Porter's Five Forces Analysis will provide a good industry analysis, which will help PME.BOX to define its business strategy and be successful in such an attractive and competitive market like Brazil. **Threat of New Entrants: High** – 1) No patent from PME.BOX, which will allow to new companies copy the products; 2) Low level of bureaucracy when developing a product and entering the market; 3) huge market, which gives more opportunities to all companies. **Buyers Power: Medium** – The target customers,

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<sup>18</sup> To see the picture please check exhibit 4 in Appendixes

SMEs with 1-100 employees, are price sensitive. Even though, SMEs (5,85 million, in total) are geographically dispersed, which diminishes buyers' bargaining power.

**Threat of Substitutes: Medium/High** – It is important to take into account as substitutes the management software, which is not web-based. This type of software without web included is a product already implemented in the market and has customers' loyalty. However, the market is changing and requiring other aspects, such as Cloud Computing and Software as a Service. These aspects give advantage to web-based software like PME.BOX<sup>19</sup>. **Suppliers Power: Low** – In the IT market, the suppliers have very low bargaining power, since the companies do everything in their own, so they do not need external help. PME.BOX S.A Brazil outsources with PME.BOX Holding, which is similar to making it inside the organization because the company belongs to the Holding. **Industry Rivalry: High** – Being such a huge market with continuous growth year after year, Brazil became a trendy market where there are a lot of competitors, each one trying to take opportunities from the market. Therefore, in order to be successful, enterprises have to fulfill the market needs following its key drivers. Hence, PME BOX has to provide a high level of customer service, be quick in the time-to-market and make good agreements with Partners. Doing these agreements, PME BOX eases its activity in terms of distribution channels and financial resources.

#### 4.5 Competitive Assessment

In the next table<sup>20</sup>, competitors and their main characteristics will be presented in order to help evaluating in which level of rivalry they are. The evaluation is based in 3 parameters: Price; the target; software features.

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<sup>19</sup> <http://computerworld.uol.com.br/negocios/2010/12/03/erp-em-2011-as-10-tendencias-mais-importantes-do-ano/> accessed on 6<sup>th</sup> December 2011

<sup>20</sup>PME.BOX S.A Data – Interview with Dr.Carlos Graça about his business trip to Brazil in August of 2011.



Company	Target	Price	Cloud	Touch Screen	POS	Workflow	Com. Management	Doc. Management	CRM	Telemarketing	Email Marketing	Site/ E-commerce/ Portal	Social Media	Human Resources	Statistics	Back up	Free Licences
<b>AEDOS</b>	<i>SMEs</i>	49,5 €/month	√	X	X	X	√	√	√	X	√	X	X	√	√	√	X
<b>Virto</b>	<i>Small/Medium /Large</i>	325,88 €/month	√	√	√	X	√	√	√	√	X	√	X	√	X	√	X
<b>Cigam</b>	<i>SMEs</i>	42 €/month	X	X	√	√	√	√	√	X	X	√	X	√	√	√	X
<b>Netgera</b>	<i>SMEs</i>	45 €/month	X	X	X	X	√	√	√	√	√	X	X	X	√	√	X
<b>PME.BOX</b>	<i>SMEs</i>	39 €/month	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

**Figure 3 – Competitive Assessment**

As it is perceptible in this table, PME.BOX is the company that offers more valuable features and is also the more accessible one in terms of price, which is related with company's competitive advantages and product positioning.

#### 4.6 SWOT & TOWS Analysis:

This type of analysis measures the Internal Factors and the External Factors (SWOT), but also gives recommendations (TOWS) for the company to improve, turning threats into opportunities and weaknesses into strengths:

TOWS Analysis		
	<b>External Opportunities</b> 1. Informal companies can become formal 2. The increase of mobility 3. Franchising 4. Huge percentage (99%) of SMEs in the market	<b>External Threats</b> 1. Competitors can imitate the product 2. Aggressive competition 3. World financial crisis 4. Barriers to enter
<b>Internal Strengths</b> 1.High level of technology 2.User friendly Software 3.Fully Service Product 4.Several Payment Conditions	1. Keep investing in R&D (S1/S3/O2) 2. Add some features to the product to fulfil all SMEs needs (S1/S2/S3/O1/O2/O4) 3.Increase even more the payment's options (S4/O3)	1.Develop new features (S1/T1/T5) 2.Time-to-market advantage (S4/T2/T3) 3.Make partnerships with local companies (S4/T2/T4)
<b>Internal Weaknesses</b> 1.New brand in the market 2.Lack of financial resources 3.Sekpticism and Risk averse by the customers 4.Lack of Distributive Partners	1.New formal companies are willing to adopt new methods and new brands (W1/W3/O1/O4) 2. High technology can bring partnerships/investors to open more stores and channels (W2/W3/O2/O3)	1.Find local Investors to face the world crisis (W2/T2/T3/T4) 2.Find local Partners (Distributors) to guarantee a easy access to the market (W1/W4/T2/T4) 3.Create a Patent to protect the product (W1/W3/T1/T2)

**Figure 4 –TOWS Analysis**

With these recommendations, PME.BOX is able to face the future challenges and deal with possible obstacles, helping the company maintaining its competitive advantages.

## 5. Marketing and Sales Strategy

### 5.1 Marketing Mix

#### 5.1.1 Product

PME.BOX software is a management solution that includes Marketing and Internet areas, under the pay-per-use principle. The product provides mobility to the customer, due to the touch screen application and for being web-based. For a more detailed description please check section *1.7. Product & Services Offering*.

#### 5.1.2 Price<sup>21</sup>

PME.BOX has 3 options of price: **1) pme.box free** – which gives only the licence for free with 20 hours of training; **2) pme.box start up** – A package of 100 hours, where 1 hour costs 0,49€; **3) pme.box eco 12** – Gives unlimited access to use the software through a fix fee of 39€ per month.

#### 5.1.3 Place

PME.BOX in terms of distribution has two options: either the products are directly sold by PME.BOX or through its partners. In both alternatives, the product can sold through the company's website. Additionally, and depending on the option chosen, the product can be sold in the company's office or in the partners' stores. Moreover, PME.BOX wants to have one or two partners at maximum per channel. The company will choose channels that have big impact in SMEs such as: Telecommunications, Banking, Insurance, Hardware and IT Consultancy.

PME.BOX prefers the first alternative, because if the sale is consumed through its partners, the company has to give 10% of the sale's value. However, these partners are quite important since they allow market penetration. This will be particularly

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<sup>21</sup> For an overview of the Industry Map please check exhibit 3 in Appendixes

important in the initial years as PME.BOX is a new company in the market that still lacks power and brand awareness to sell a high number of licenses without partners.

#### **5.1.4 Promotion**

In order to promote its software, the organization will focus in two aspects: free marketing and paid marketing. The first option will be based in word-of-mouth (the most powerful technique in marketing) and on the Internet (social networks, ads in the partners' websites and chats). In the second alternative, the company will invest on the presence in business fairs, meetings or forums where potential customers can be found. With these presences, the company will be able to give information about the product and demonstrate how the software works. Another way to promote the product is investing in advertising through media communication. This consists on ads in business newspapers focused on SMEs, and TV commercials in business channels.

### **5.2 Sales Strategy**

With the purpose of gaining brand awareness and market share, PME.BOX will focus on distributing as many licenses as possible to its customers. As licenses are free and provide 20 hours of free use, if the customer likes the software he will want to continue using it. Therefore, the client has to choose between two paid options: a monthly fee or a package of 100 hours – PME.BOX revenues increase with the customers' usage.

Another tactic the company uses for sales is commission (10% of the product's sale). The principle is the following: the more an agent/distributive partner sells the more he earns, and consequently more PME.BOX profits – Everybody gains with this "snowball" approach. Specific business contract rules, sales goals and reporting have to be established between PME.BOX and its partners.

### 5.3 Products & Services Positioning

PME.BOX developed a user-friendly software with high technology which represents the variable quality. Despite the software's good quality, the product is sold at low prices (comparing with its peers), which can create competitive advantage in terms of price/quality ratio. This positioning may seem hard to achieve and be profitable at the same time, especially for a small firm. However, it is a great strategy to create brand awareness and collect new customers in a new market like Brazil.



Figure 5 – Positioning Map

From this positioning map<sup>22</sup>, it is possible to conclude that PME.BOX has a high quality product but at the same time a low cost one, and comparing with its competitors it clearly has a competitive advantage in terms of price/quality.

## 6. MANAGEMENT STRUCTURE<sup>23</sup>

PME.BOX S.A Brazil will have 7 different areas, each with different responsibilities:

- 1) Board – responsible for the connection between PME.BOX S.A Brazil and PME.BOX Holding. Additionally will be responsible for all operation in Brazil;
- 2) Management – responsible for the supervision of all areas, one person by area that will report directly to the board.
- 3) Sales – responsible for distribution channels,

<sup>22</sup> PME.BOX S.A Data – Interview with Dr.Carlos Graça about his business trip to Brazil in August of 2011

<sup>23</sup> To see the chronogram please check exhibit 6 in Appendixes

certified partners and online stores. 4) Marketing – responsible for social media, marketing’s campaigns and communication; 5) Training and Quality Assurance – responsible for certification, training and control of certified partners quality and staff; 6) Contact Center – responsible for telemarketing and helpdesk; 7) Accounting – responsible for invoicing and credit control.

To conclude, PME.BOX is a flat organization, which provides a quick response to the clients through its Board that is efficiently connected with the decision power, supporting the time-to-market as a strategic objective.

## 7. RISK ANALYSIS

The objective of this point is to assess the main risks that might be posed against PME.BOX’s success. The company has a major factor, that it is the key for the expansion – *Partnerships*. Without collaborative arrangements (distributive partners and investors), the company will have two main risks: commercial risk and financial risk.

Commercial Risk: Without distributive Partnerships, it is very difficult to put the software available in the Brazilian market. PME.BOX’s Potential Partners have a powerful position in their markets (key channels), which will facilitate the software’s distribution and its respective commercialization. Financial Risk: For a startup, like PME.BOX the expansion for another country is a huge opportunity, but only in a system such as joint venture, where the other party is responsible for the initial investment. Otherwise PME.BOX has no possibility to expand to another country because it lacks financial resources to invest.

PME.BOX has two other risks that can be caused by other reasons, without Partnerships’ influence: technological risk and operational risk. Technological Risk: As the product is a software, it is recommended that PME.BOX keeps on upgrading

its own product for constant improvement of pme.box, continue researching new technologies and solutions for the market and obtain patent registration in order to avoid software copying. Operational Risk: Brazilian market has 5,85 million companies, operating in different sectors, locations and with different sizes. This factor implies dealing with different associations, governments with dissimilar cultural backgrounds. So, PME.BOX has to adjust its operations through the Software Adaption in each place that the company operates.

## 8. IMPLEMENTATION PLAN

2012	Jul	Aug	Sep	Oct	Nov	Dec						
Business Plan Preposition (Presentation to Investors)												
Identify Potential Investors												
Set Up the Office												
Equipment acquisition (Printers, furniture...)												
Software Adaptation to Brazilian market – (Translate for Portuguese from Brazil)												
Joint Venture Creation - PME.BOX S.A Brazil												
Recruitment Process												
Training Process (staff for PME.BOX)												
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Establish partnerships with local companies in São Paulo												
Start Software Commercialization (website, stores)												
Establish Contact Centre (Helpdesk, Telemarketing)												
Training for Clients (Lectures to how use the software)												
Marketing Campaigns (fairs, outdoors, commercials,...)												
Survey to measure clients satisfaction												
Partner's Performance Review – Number of sales												

**Figure 6 – Implementation Plan**

## 9. MODE OF ENTRY & Collaborative Arrangements

PME.BOX has a standard policy in terms of expansion regardless of the country, so Brazil is no exception. The company will entry in Brazil in 2012 through a Joint Venture with a Potential Investor. This agreement will have the following

requirements: **1)** The other party will be responsible for the initial investment (0,5 million €); **2)** PME.BOX Holding will be responsible for all software’s technology (development, testing, updates, customization, extra services); **3)** Each party will detain 50% of PME.BOX S.A Brazil but where PME.BOX Holding will have a veto right; **4)** PME.BOX Holding will receive 10 % of the royalties of all sold licenses (no services included) payable on a quarterly basis in order to keep up with R&D.

According Collaborative Arrangements, PME.BOX S.A Brazil aims at having Partners in several channels. To select the right partner, there is a general criterion: the size of the company (market share, brand awareness, profits); the geographic dispersion (in order to spread even more the product); the channel where it is inserted; and if the company is SMEs oriented. So, with this information provided, the next table shows some potential partners that PME.BOX can have for the expansion:

Channel	Company	Market Share	SMEs Oriented	Location
Telecommunications	OI/VIVO	29,49% / 18,64% <sup>24</sup>	Yes	All Brazil
Banking/Insurance	Bradesco	17,6% / 24,6% <sup>25</sup>	Yes	All Brazil
Hardware	HP	Printers - 53% <sup>26</sup> Multifunctional -45%	Yes	All Brazil
IT Consultancy	Stefanini	1 <sup>st</sup> place in Outsourcing (no %market share available <sup>27</sup> )	Yes	All Brazil

**Figure 7 – Collaborative Arrangements**

The agreement with these partners will be the following: on each sale they make, they receive 10% of the respective value.

## 10. FINANCIAL ANALYSIS<sup>28</sup>

To evaluate this business plan, it is essential to take into account the financial model to perceive if the expansion is feasible and sustainable over the years:

<sup>24</sup> Teleco. <http://www.teleco.com.br/mshare.asp> accessed on 5<sup>th</sup> November 2011

<sup>25</sup> Bradesco - <http://www.bradesco.br/site/conteudo/interna/default.aspx?secaoId=653&idiomaId=2> accessed on 5<sup>th</sup> November 2011

<sup>26</sup> HP. [http://www.hp.com/latam/br/pyme/novidades/seg\\_novidades\\_01.html](http://www.hp.com/latam/br/pyme/novidades/seg_novidades_01.html) accessed on 5<sup>th</sup> November 2011

<sup>27</sup> Stefanini. <http://www.stefanini.com/BR/Premios.html> accessed on 5<sup>th</sup> November 2011

<sup>28</sup> For a more detailed data about the Financial Model please check exhibit 8 in the Appendixes

Balance Sheet					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets	3 439 420	9 191 391	16 830 218	27 093 210	39 406 000
<b>TOTAL ASSETS</b>	<b>3 439 420</b>	<b>9 191 391</b>	<b>16 830 218</b>	<b>27 093 210</b>	<b>39 406 000</b>
Equity	2 443 597	7 251 999	14 098 263	23 407 942	34 884 254
Liabilities	995 823	1 939 392	2 731 955	3 685 268	4 521 746
<b>TOTAL LIABILITIES + EQUITY</b>	<b>3 439 420</b>	<b>9 191 391</b>	<b>16 830 218</b>	<b>27 093 210</b>	<b>39 406 000</b>

Investment Plan					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Tangible Fixed Assets	193 500	158 000	173 750	159 000	176 250
Intangible Assets	62 500	56 500	59 700	63 120	66 782
<b>TOTAL INVESTMENT</b>	<b>256 000</b>	<b>214 500</b>	<b>233 450</b>	<b>222 120</b>	<b>243 032</b>

Ratios					
	Year 1	Year 2	Year 3	Year 4	Year 5
Return on sales	54,2 %	50,7%	52,7%	54,3%	55,3%
Return on assets	56,5%	52,3%	40,7%	34,4%	29,1%
Financial autonomy	71%	78,9%	83,8%	86,4%	88,5%
Break-even point (Euros)	494 590	616 513	754 313	830 122	921 427

Depreciation					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Tangible Fixed Assets	61 161	113 822	171 066	223 728	281 805
Intangible Assets	47 499	95 666	147 032	154 319	164 601
<b>TOTAL DEPRECIATION</b>	<b>108 660</b>	<b>209 487</b>	<b>318 098</b>	<b>378 046</b>	<b>446 406</b>

Project Profitability Analysis		Un: Euros
Capital opportunity cost (rate)	8%	
Net present value	29 712 250	
Payback Period	Nº Years: Less than 1	Nº Months: -----

Treasury budget					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
Total income	4 312 029	11 111 674	14 818 007	19 603 205	23 961 298
Total disbursements	2 167 403	4 888 015	6 845 366	8 783 299	10 755 786
Cash flow	2 144 626	6 223 659	7 972 642	10 819 906	13 205 512
Cash at beginning of period	0	2 144 626	8 368 285	16 340 927	27 160 833
<b>CASH AT END OF PERIOD</b>	<b>2 144 626</b>	<b>8 368 285</b>	<b>16 340 927</b>	<b>27 160 833</b>	<b>40 366 345</b>

Income Statement					Un: Euros
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Costs</b>	<b>2 356 829</b>	<b>4 678 639</b>	<b>6 150 026</b>	<b>7 819 864</b>	<b>9 283 679</b>
Outsourced Supplies and Services	771 654	1 623 721	2 076 264	2 592 882	3 022 527
Labour costs	659 800	682 893	706 795	735 066	764 469
Other Costs	925 375	2 372 024	3 366 967	4 491 916	5 496 683
<b>Revenues</b>	<b>4 300 426</b>	<b>9 487 041</b>	<b>12 996 289</b>	<b>17 129 543</b>	<b>20 759 991</b>
Sales of Licences	2 670 299	7 542 381	10 332 359	13 618 468	16 504 861
Sales of Services	1 630 127	1 944 661	2 663 930	3 511 075	4 255 130
<b>EBIT</b>	<b>2 591 462</b>	<b>6 411 204</b>	<b>9 128 352</b>	<b>12 412 905</b>	<b>15 301 750</b>
<b>NET PROFIT</b>	<b>1 943 597</b>	<b>4 808 403</b>	<b>6 846 264</b>	<b>9 309 678</b>	<b>11 476 312</b>

Figure 8 – Financial Data

In order to reach these values, PME.BOX had to do **some assumptions**, the most important were: **1)** 1% of market share in the first year as was mentioned before in the vision; **2)** A systematic increase of sales over the years, especially when PME.BOX



sells directly its product, due to the increase of brand awareness that the company will achieve over the years; **3)** An increase in the number of members of the management structure, related with the number of clients that the company will gain through the years; **4)** The increase of the salaries over the years is strictly related with the GDP growth; and **5)** On the first year the company will not provide the e-commerce service and customization of the clients' website.

Concluding, with the values above presented in the tables, PME.BOX has all financial conditions to follow with this expansion and to profit with it.

## **11. CONCLUSIONS / RECOMMENDATIONS**

To conclude this Business Plan, it is important to give some recommendations in order to ensure the success of this expansion and make it sustainable. For that purpose, short-term and medium/long-term recommendations will be presented. In the short-term the following activities are recommended: **1)** To choose a good Investor to realize the Joint Venture, with knowledge of the market to break some market barriers and turning easier the entry as well as to build good Partnerships to guarantee the distribution of the product with the purpose of gaining brand awareness; **2)** Be selective in the recruitment process in order to ensure the right choice of the employees for the company to reach good internal and external performance, helping the clients and be recognized for the premium customer service; **3)** Keep investing in R&D with the aim to innovate and provide new features to its software, such as: video calls to the clients or free access to the bank account (both using pme.box). In the medium/long-term it is recommended: **1)** Establishment of agreements with local Universities or Business Incubation Parks with the goal of helping the development of new ideas in order to improve the software; **2)** Franchising – It will be important to gain brand awareness and it is a strategy that will spread the company's name among

other markets, which will ensure a strong position in the market; **3) Patent Registration** – As known, it is a slow process but in technological terms is essential to avoid product's plagiarism and with this protection it is possible to overcome the technological risk mentioned before.

Therefore, if PME.BOX follows these recommendations, it will enhance its probability of having success in such a competitive but at the same time prospering market like Brazil. Additionally, this will facilitate PME.BOX's international expansion and help it achieving one of the goals stated in the company vision: **to be in the worldwide top market in 2020.**

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- Deloitte – [www.deloitte.com.br](http://www.deloitte.com.br)
- HP – [www.hp.com.br](http://www.hp.com.br)
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- Stefanini – [www.stefanini.com](http://www.stefanini.com)
- Teleco – [www.teleco.com.br](http://www.teleco.com.br)

## Appendices

Exhibit 1 – Pme box in the iPad

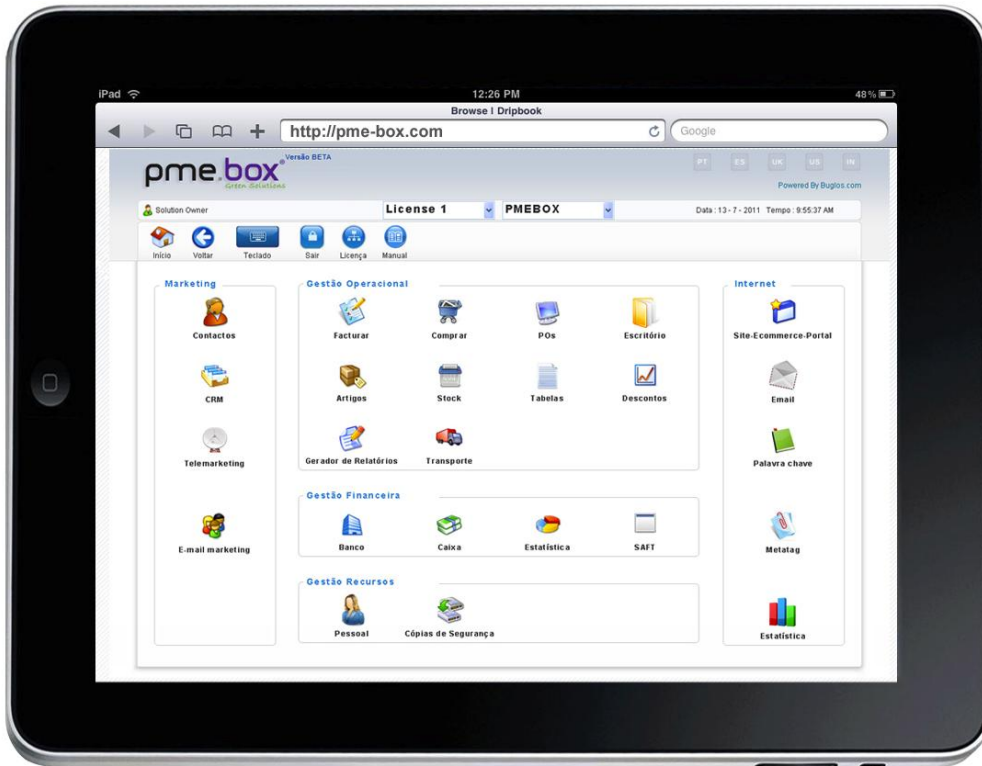
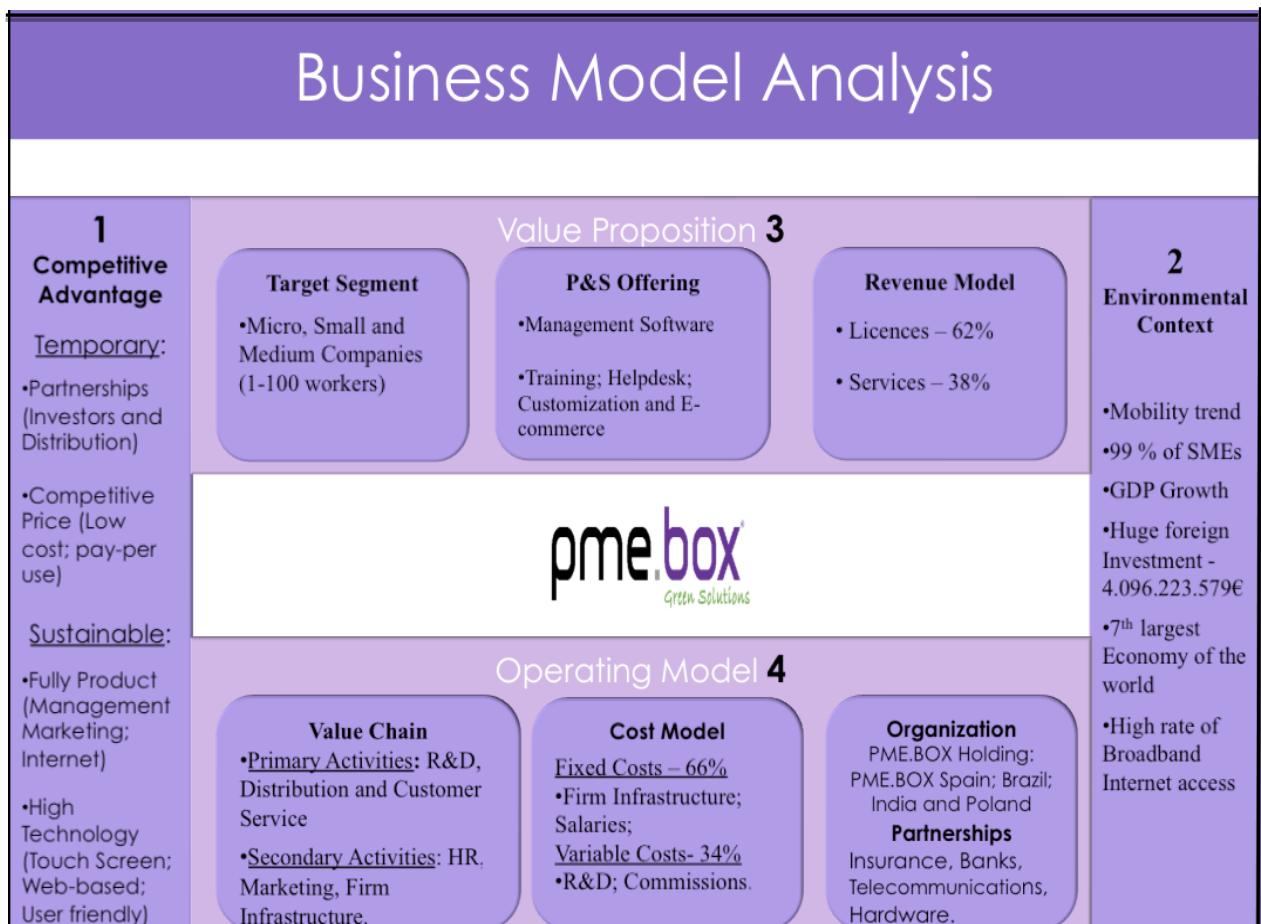
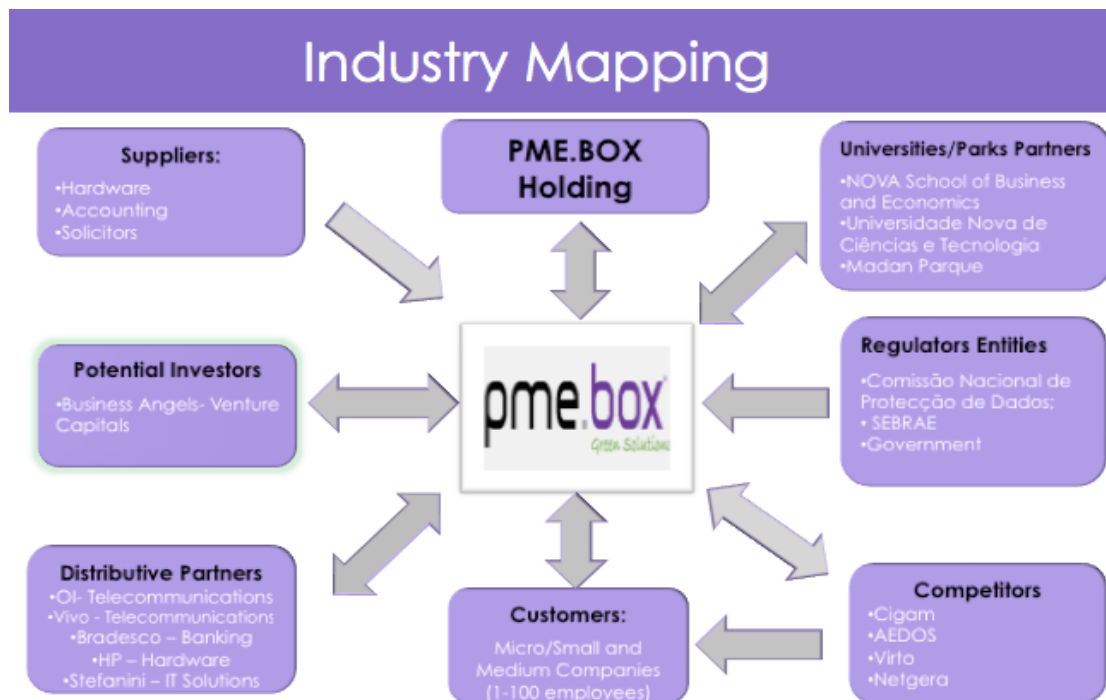


Exhibit 2 – Business Model

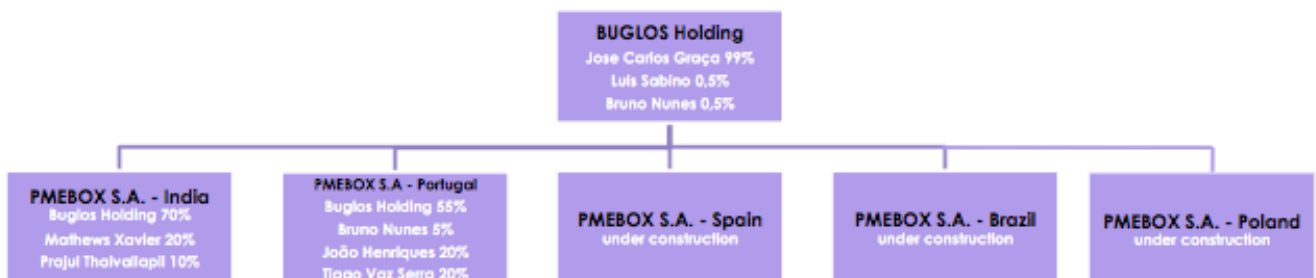


### Exhibit 3 - Industry Mapping



### Exhibit 4 – Operating Model

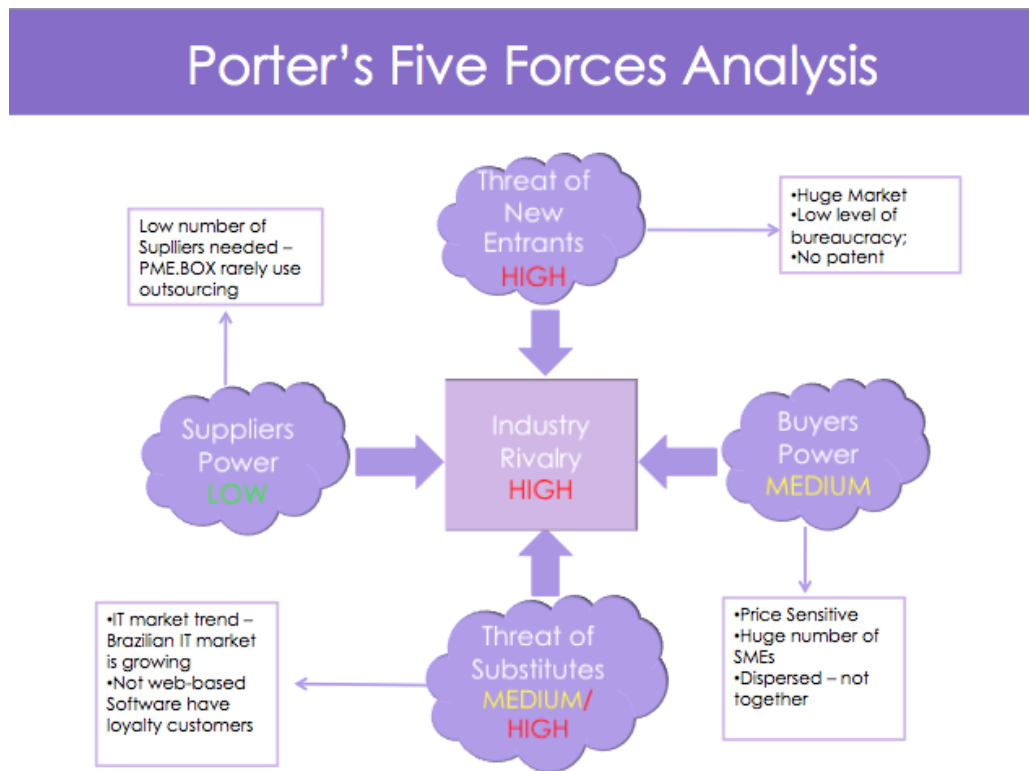
## 4. Operating Model – Organization/Partnerships



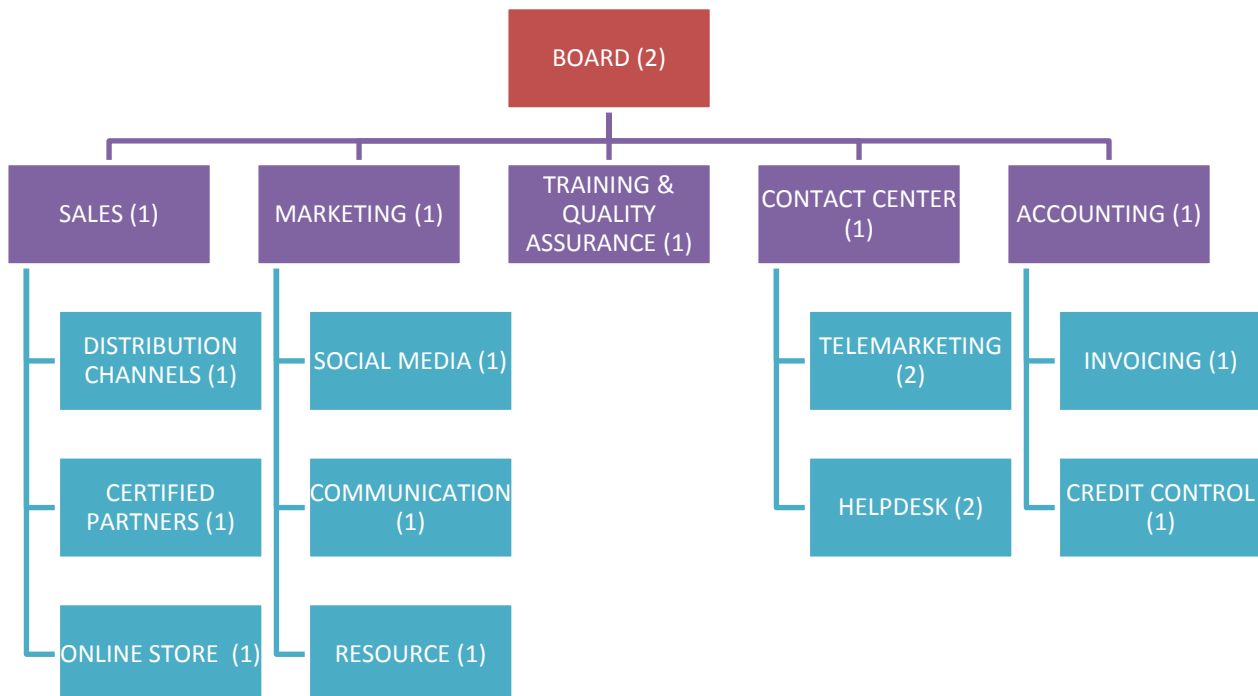
#### Partnerships:



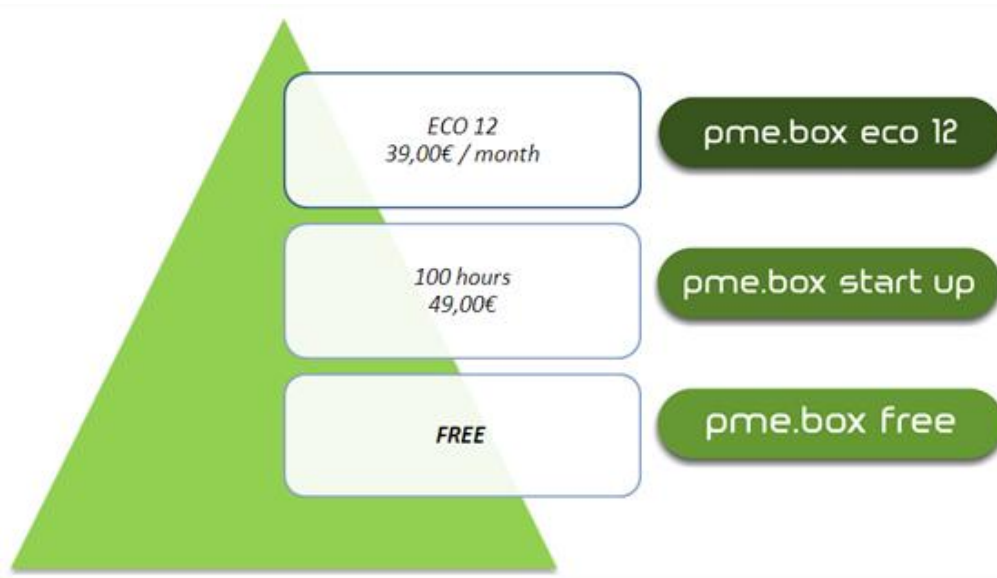
**Exhibit 5 – Porter’s Five Forces Analysis**



**Exhibit 6 – Management Structure**



## Exhibit 7 – Product's Price



## Exhibit 8 – Financial Data

<b>Assumptions</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Growth Rate of Sales Quantities</b>					
<i>Products</i>					
<b>Pme.box - direct selling</b>					
100 hours Package	-----	70,0%	60,0%	50,0%	35,0%
Monthly fee	-----	70,0%	60,0%	50,0%	35,0%
<b>Pme.box - commercial Partnerships</b>					
100 hours Package	-----	40,0%	30,0%	25,0%	15,0%
Monthly fee	-----	40,0%	30,0%	25,0%	15,0%
<i>Services</i>					
E-commerce (website + store)	-----	0,0%	0,0%	0,0%	0,0%
Custom Website	-----	0,0%	0,0%	0,0%	0,0%
Customization	-----	0,0%	0,0%	0,0%	0,0%
Training Services	-----	0,0%	0,0%	0,0%	0,0%
<b>Growth Rate of Sales Prices</b>					
<i>Products</i>					
<b>Pme.box - direct selling</b>					
100 hours Package	-----	0,0%	0,0%	0,0%	0,0%
Monthly fee	-----	0,0%	0,0%	0,0%	0,0%
<b>Pme.box - commercial Partnerships</b>					
100 hours Package	-----	0,0%	0,0%	0,0%	0,0%
Monthly fee	-----	0,0%	0,0%	0,0%	0,0%
<i>Services</i>					
E-commerce (website + store)	-----	0,0%	0,0%	0,0%	0,0%
Custom Website	-----	0,0%	0,0%	0,0%	0,0%
Customization	-----	0,0%	0,0%	0,0%	0,0%
Training Services	-----	0,0%	0,0%	0,0%	0,0%
<b>Salaries Growth Rate</b>					
Board	-----	3,5%	3,5%	4,0%	4,0%
Management	-----	3,5%	3,5%	4,0%	4,0%
Sales	-----	3,5%	3,5%	4,0%	4,0%
Marketing	-----	3,5%	3,5%	4,0%	4,0%
Quality Assurance	-----	3,5%	3,5%	4,0%	4,0%
Contact Centre	-----	3,5%	3,5%	4,0%	4,0%
Accounting	-----	3,5%	3,5%	4,0%	4,0%
<b>Social Welfare Rate</b>	9,00%	9,00%	9,00%	9,00%	9,00%
<b>Average Payment Time in days (0-360) for inventories</b>	60	60	60	60	60
<b>Average Payment Time in days (0-360) for outsourced services</b>	30	30	30	30	30
<b>Average Collection Time in days (0-360)</b>	45	45	45	45	45
<b>Average Inventory Rotation in days</b>	7	7	7	7	7
<b>VAT on Purchase of Inventories</b>	21,0%	21,0%	21,0%	21,0%	21,0%
<b>VAT on Purchase of Outsourced Services</b>	18,0%	18,0%	18,0%	18,0%	18,0%
<b>VAT on Sales of Products, Goods and Services</b>	18,0%	18,0%	18,0%	18,0%	18,0%
<b>VAT Difference</b>	45	45	45	45	45
<b>Income tax rate</b>	25,0%	25,0%	25,0%	25,0%	25,0%
<b>Provision For Bad Debts (% of sales)</b>	5,0%	5,0%	5,0%	5,0%	5,0%

Un:  
Euro

Outsourced Supplies and Services	Year 1													Year 2	Year 3	Year 4	Year 5
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total				
Office 100m2 (includes energy, water, cleaning, etc)	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36 000	36 000	36 000	36 000	36 000
Insurance (liability)	500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 000	6 000	6 000	6 000
Communications	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	12 000	12 000	12 000	12 000	12 000
Representation costs & Travelling, board and lodging	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30 000	30 000	30 000	30 000	30 000
Transportations - Leasing	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	60000	60000	60000	60000
Office materials	250	250	250	250	250	250	250	250	250	250	250	250	3000	3000	3000	3000	3000
Legal expenses	500	500	500	500	500	500	500	500	500	500	500	500	6000	6000	6000	6000	6000
Chartered Accountant Costs	250	250	250	250	250	250	250	250	250	250	250	250	3000	3000	3000	3000	3000
Auditors Costs	250	250	250	250	250	250	250	250	250	250	250	250	3000	3000	3000	3000	3000
Publicity	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	120000	120000	120000	120000	120000
Commissions	3446	5168	6891	10337	13782	17228	18951	20673	24119	27564	31010	34455	213624	578483	752028	940035	1081041
Security	500	500	500	500	500	500	500	500	500	500	500	500	6000	6000	6000	6000	6000
Cleaning	500	500	500	500	500	500	500	500	500	500	500	500	6000	6000	6000	6000	6000
Royalties 10% Licenses - PME.BOX Holding (R&D)	4307	6460	8614	12921	17228	21535	23688	25842	30149	34455	38762	43069	267030	754238	1033236	1361847	1650486
<b>Total</b>	<b>32002</b>	<b>35879</b>	<b>39755</b>	<b>47507</b>	<b>55260</b>	<b>63012</b>	<b>66889</b>	<b>70765</b>	<b>78517</b>	<b>86270</b>	<b>94022</b>	<b>101775</b>	<b>771654</b>	<b>1623721</b>	<b>2076264</b>	<b>2592882</b>	<b>3022527</b>



Sales of goods and services	Year 1													Year 2	Year 3	Year 4	Year 5	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	Total					
<b>Sales of Products</b>																		
<i>Quantities</i>																		
<b>pme.box - direct selling - 20%</b>																		
100 hours Package - 70%	253	379	506	759	1 011	1 264	1 391	1 517	1 770	2 023	2 276	2 528	2 528	4 298	6 877	10 316	13 926	
Monthly fee - 30%	108	163	217	325	433	542	596	650	759	867	975	1 084	1 084	1 843	2 948	4 423	5 971	
<b>pme.box - commercial Partnerships - 80%</b>																		
100 hours Package - 70%	1 011	1 517	2 023	3 034	4 045	5 057	5 562	6 068	7 080	8 091	9 102	10 114	10 114	14 160	18 407	23 009	26 461	
Monthly fee - 30%	433	650	867	1 300	1 734	2 167	2 384	2 601	3 034	3 468	3 901	4 334	4 334	6 068	7 888	9 860	11 339	
<i>Unit Sales Price</i>																		
<b>pme.box - direct selling</b>																		
100 hours Package - 70%	17	17	17	17	17	17	17	17	17	17	17	17	17	208	208	208	208	
Monthly fee - 30%	39	39	39	39	39	39	39	39	39	39	39	39	39	468	468	468	468	
<b>pme.box - commercial Partnerships</b>																		
100 hours Package - 70%	17	17	17	17	17	17	17	17	17	17	17	17	17	208	208	208	208	
Monthly fee - 30%	39	39	39	39	39	39	39	39	39	39	39	39	39	468	468	468	468	
<i>Product Sales</i>																		
<b>pme.box - direct selling</b>																		
100 hours Package - 70%	4 388	6 582	8 776	13 163	17 551	21 939	24 133	26 327	30 715	35 103	39 490	43 878	272 045	895 117	1 432 187	2 148 280	2 900 178	
Monthly fee - 30%	4 226	6 339	8 452	12 678	16 904	21 130	23 243	25 356	29 582	33 808	38 034	42 260	262 014	862 430	1 379 889	2 069 833	2 794 274	
<b>pme.box - commercial Partnerships</b>																		
100 hours Package - 70%	17 551	26 327	35 103	52 654	70 205	87 757	96 532	105 308	122 859	140 410	157 962	175 513	1 088 181	2 945 197	3 828 756	4 785 945	5 503 837	
Monthly fee - 30%	16 904	25 356	33 808	50 712	67 617	84 521	92 973	101 425	118 329	135 233	152 137	169 042	1 048 058	2 839 637	3 691 528	4 614 410	5 306 571	
<b>Total Sales of Products</b>	<b>43 069</b>	<b>64 604</b>	<b>86 139</b>	<b>129 208</b>	<b>172 277</b>	<b>215 347</b>	<b>236 881</b>	<b>258 416</b>	<b>301 485</b>	<b>344 555</b>	<b>387 624</b>	<b>430 693</b>	<b>2 670 299</b>	<b>7 542 381</b>	<b>10 332 359</b>	<b>13 618 468</b>	<b>16 504 861</b>	
<b>Sales of Services</b>																		
<i>Quantities</i>																		
<b>E-commerce (website+store)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	264	361	476	577	
Custom Website	0	0	0	0	0	0	0	0	0	0	0	0	0	264	361	476	577	
Customization	45	68	90	135	181	226	248	271	316	361	406	452	0	264	361	476	577	
Training Services	45	68	90	135	181	226	248	271	316	361	406	452	0	659	903	1 190	1 442	
<i>Unit Sales Price</i>																		
<b>E-commerce (website+store)</b>	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	0	3 500	3 500	3 500	3 500	
Custom Website	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	0	2 000	2 000	2 000	2 000	
Customization	500	500	500	500	500	500	500	500	500	500	500	500	0	500	500	500	500	
Training Services	250	250	250	250	250	250	250	250	250	250	250	250	0	250	250	250	250	
<i>Service Sales</i>																		
<b>E-commerce</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	922 890	1 264 238	1 666 273	2 019 384	
Custom Website	0	0	0	0	0	0	0	0	0	0	0	0	0	527 366	722 422	952 156	1 153 934	
Customized Programming	22 575	33 863	45 150	67 725	90 300	112 875	124 163	135 450	158 025	180 600	203 175	225 750	0	329 604	451 514	595 097	721 208	
Training Services	11 288	16 931	22 575	33 863	45 150	56 438	62 081	67 725	79 013	90 300	101 588	112 875	0	164 802	225 757	297 549	360 604	
<b>Total Service Sales</b>	<b>33 863</b>	<b>50 794</b>	<b>67 725</b>	<b>101 588</b>	<b>135 450</b>	<b>169 313</b>	<b>186 244</b>	<b>203 175</b>	<b>237 038</b>	<b>270 906</b>	<b>304 763</b>	<b>338 625</b>	<b>1 630 127</b>	<b>1 944 664</b>	<b>2 663 936</b>	<b>3 511 075</b>	<b>4 255 136</b>	
<b>Total</b>	<b>76 932</b>	<b>115 398</b>	<b>153 864</b>	<b>230 796</b>	<b>307 727</b>	<b>384 659</b>	<b>423 126</b>	<b>461 591</b>	<b>538 523</b>	<b>615 456</b>	<b>692 387</b>	<b>769 318</b>	<b>4 300 426</b>	<b>9 487 041</b>	<b>12 996 296</b>	<b>17 129 543</b>	<b>20 759 991</b>	

Labour Costs	Jan			Feb			Mar			Apr			May			Jun		
	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total
Board	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440
Management	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800
Sales	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905
Marketing	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270
Contact Centre	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834
Accounting	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180
<b>Total</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>

Labour Costs	Jul			Aug			Sep			Oct			Nov			Dec		
	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total	MGS	SWC	Total
Board	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440	16 000	1 440	17 440
Management	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800	20 000	1 800	21 800
Sales	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905	4 500	405	4 905
Marketing	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270	3 000	270	3 270
Contact Centre	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834	2 600	234	2 834
Accounting	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180	2 000	180	2 180
<b>Total</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>	<b>48 100</b>	<b>4 329</b>	<b>52 429</b>

Labour Costs	Total Year 1			Year 2			Year 3			Year 4			Year 5		
	RB	SWC	Total	RB	SWC	Total	RB	SWC	Total	RB	SWC	Total	RB	SWC	Total
Board	209 280	18 835	228 115	216 605	19 494	236 099	224 186	20 177	244 363	233 153	20 984	254 137	242 480	21 823	264 303
Management	261 600	23 544	285 144	270 756	24 368	295 124	280 232	25 221	305 453	291 442	26 230	317 672	303 099	27 279	330 378
Sales	58 860	5 297	64 157	60 920	5 483	66 403	63 052	5 675	68 727	65 574	5 902	71 476	68 197	6 138	74 335
Marketing	39 240	3 532	42 772	40 613	3 655	44 269	42 035	3 783	45 818	43 716	3 934	47 651	45 465	4 092	49 557
Contact Centre	34 008	3 061	37 069	35 198	3 168	38 366	36 430	3 279	39 709	37 887	3 410	41 297	39 403	3 546	42 949
Accounting	2 333	210	2 543	2 415	217	2 632	2 500	225	2 724	2 600	234	2 833	2 703	243	2 947
<b>Total</b>	<b>605 321</b>	<b>54 479</b>	<b>659 800</b>	<b>626 508</b>	<b>56 386</b>	<b>682 893</b>	<b>648 435</b>	<b>58 359</b>	<b>706 795</b>	<b>674 373</b>	<b>60 694</b>	<b>735 066</b>	<b>701 348</b>	<b>63 121</b>	<b>764 469</b>

Auxiliary Calculations	Year 1													Year 2	Year 3	Year 4	Year 5
	1	2	3	4	5	6	7	8	9	10	11	12	Total				
Suppliers account at beginning of period	0	37 763	42 337	46 911	56 059	65 207	74 355	78 929	83 503	92 650	101 798	110 946	0	120 094	159 666	204 166	254 967
Purchases of outsourced services	37 763	42 337	46 911	56 059	65 207	74 355	78 929	83 503	92 650	101 798	110 946	120 094	910 551	1 915 991	2 449 992	3 059 601	3 566 582
Suppliers account at end of period	37 763	42 337	46 911	56 059	65 207	74 355	78 929	83 503	92 650	101 798	110 946	120 094	120 094	159 666	204 166	254 967	297 215
Payment of outsourced services during the period	0	37 763	42 337	46 911	56 059	65 207	74 355	78 929	83 503	92 650	101 798	110 946	790 457	1 876 420	2 405 492	3 008 800	3 524 333
Receivables at the beginning of the period	0	90 780	181 559	249 644	363 118	499 288	635 457	726 237	794 321	907 796	1 043 965	1 180 134	0	1 316 304	1 399 339	1 916 953	2 526 608
Sales of products, goods and services	90 780	136 169	181 559	272 339	363 118	453 898	499 288	544 677	635 457	726 237	817 016	907 796	5 628 333	11 194 709	15 335 622	20 212 860	24 496 789
Receivables at the end of the period	90 780	181 559	249 644	363 118	499 288	635 457	726 237	794 321	907 796	1 043 965	1 180 134	1 316 304	1 316 304	1 399 339	1 916 953	2 526 608	3 062 099
Collection during the period	0	45 390	113 474	158 864	226 949	317 728	408 508	476 593	521 983	590 067	680 847	771 626	4 312 029	11 111 674	14 818 007	19 603 205	23 961 298
Deductible VAT	5 760	6 458	7 156	8 551	9 947	11 342	12 040	12 738	14 133	15 529	16 924	18 319	138 898	292 270	373 728	466 719	544 055
Collected VAT	13 848	20 772	27 695	41 543	55 391	69 239	76 163	83 086	96 934	110 782	124 630	138 477	858 559	1 707 667	2 339 332	3 083 318	3 736 798
VAT to be paid/recovered	8 087	14 313	20 540	32 992	45 444	57 896	64 123	70 349	82 801	95 253	107 706	120 158	719 662	1 415 398	1 965 605	2 616 599	3 192 744
VAT final balance	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	227 863	176 925	245 701	327 075	399 093
VAT paid/recovered in the period	-----	-----	8 087	14 313	20 540	32 992	45 444	57 896	64 123	70 349	82 801	95 253	491 798	1 466 336	1 896 829	2 535 225	3 120 725
Salaries paid during the period	52 429	52 429	52 429	52 429	52 429	52 429	52 429	52 429	52 429	52 429	52 429	52 429	659 800	682 893	706 795	735 066	764 469
Net earnings before tax	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	2 591 462	6 411 204	9 128 352	12 412 905	15 301 750
Income tax on current year earnings	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	647 866	1 602 801	2 282 088	3 103 226	3 825 437
Payment of income tax in the year	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	647 866	1 602 801	2 282 088	3 103 226

Investment Plan	Year 1													Year 2	Year 3	Year 4	Year 5
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total				
<i>Tangible Fixed Assets</i>																	
1) Equipment																	
- Hardware - Data Center	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	36 000	36 000	36 000	36 000	36 000
- Portable Devices (PC, iPhone, iPad, Netbook, etc)	25 000	0	0	0	0	0	0	0	0	0	0	0	25 000	0	12 500	0	15 000
- PVC Card Printer	1 000	0	0	0	0	0	0	0	0	0	0	0	1 000	0	1 000	0	1 000
- Barcode Scanner	250	0	0	0	0	0	0	0	0	0	0	0	250	0	250	0	250
- Barcode Printer	250	0	0	0	0	0	0	0	0	0	0	0	250	1 000	1 000	1 000	1 000
- PME.BOX website, helpdesk, e-commerce, workflow, etc	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	120 000	120 000	120 000	120 000	120 000
- Basic Printer	1 000	0	0	0	0	0	0	0	0	0	0	0	1 000	1 000	1 000	1 000	1 000
- Furniture and Administrative eq.	10 000	0	0	0	0	0	0	0	0	0	0	0	10 000	0	2 000	1 000	2 000
<b>Total Tangible Fixed Assets</b>	<b>50 500</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>193 500</b>	<b>158 000</b>	<b>173 750</b>	<b>159 000</b>	<b>176 250</b>
<i>Intangible Assets</i>																	
1) Adapt PME.BOX to local needs	10000,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	10 000	0	0	0	0
2) Studies and Analysis	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	10 000	10000	10000	10000	10000
3) Software (OS, ANTIVIRUS, ETC.)	1041,7	1041,7	1041,7	1041,7	1041,7	1041,7	1041,7	1041,7	1041,7	1041,7	1041,7	1041,7	12 500	12500	12500	12500	12500
4) Training	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	10 000	12000	13000	14000	15000
5) Research and Development	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	10 000	11000	12100	13310	14641
6) Marketing & Public Relations	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	833,3	10 000	11000	12100	13310	14641
<b>Total Intangible Assets</b>	<b>14375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>4375</b>	<b>62 500</b>	<b>56 500</b>	<b>59 700</b>	<b>63 120</b>	<b>66 782</b>

<b>Depreciation and Provisions</b>	<b>%</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b><i>Tangible Fixed Assets</i></b>						
- Hardware - Data Centre	33,33%	11 999	23 998	35 996	47 995	59 994
- Portable Devices (PC, iPhone, iPad, Netbook, etc)	33,33%	8 333	8 333	12 499	12 499	17 498
- PVC Card Printer	33,33%	333	333	667	667	1 000
- Barcode Scanner	33,33%	83	83	167	167	250
- Barcode Printer	33,33%	83	417	750	1 083	1 417
- PME.BOX website, helpdesk, e-commerce, workflow, etc	33,33%	39 996	79 992	119 988	159 984	199 980
- Basic Printer	33,33%	333	667	1 000	1 333	1 667
. Furniture and Administrative eq.	0,00%	0	0	0	0	0
<b>Sub-total</b>		<b>61 161</b>	<b>113 822</b>	<b>171 066</b>	<b>223 728</b>	<b>281 805</b>
<b><i>Intangible Assets</i></b>						
1) Adapt PME.BOX to local needs	33,33%	3 333	3 333	3 333	0	0
2) Studies and Analysis	100,00%	10 000	20 000	30 000	30 000	30 000
3) Software (OS, ANTIVIRUS, ETC.)	33,33%	4 166	8 333	12 499	12 499	12 499
4) Training	100,00%	10 000	22 000	35 000	39 000	42 000
5) Research and Development	100,00%	10 000	21 000	33 100	36 410	40 051
6) Marketing & Public Relations	100,00%	10 000	21 000	33 100	36 410	40 051
<b>Sub-total</b>		<b>47 499</b>	<b>95 666</b>	<b>147 032</b>	<b>154 319</b>	<b>164 601</b>
<b>Total Depreciation</b>		<b>108 660</b>	<b>209 487</b>	<b>318 098</b>	<b>378 046</b>	<b>446 406</b>

Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5	Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ASSETS</b>						<b>EQUITY</b>					
<b>1. GROSS NET ASSETS</b>						<b>9. Share capital</b>	500.000	500.000	500.000	500.000	500.000
Financial assets	0	0	0	0	0	10. Reserves		0	0	0	0
Tangible assets	193.500	351.500	525.250	684.250	860.500	11. Retained profits	0	1.943.597	6.751.999	13.598.263	22.907.942
Intangible assets	62.500	119.000	178.700	241.820	308.602	12. Net profit	1.943.597	4.808.403	6.846.264	9.309.678	11.476.312
Fixed assets in progress	0	0	0	0	0	<b>13. Total Equity</b>	<b>2.443.597</b>	<b>7.251.999</b>	<b>14.098.263</b>	<b>23.407.942</b>	<b>34.884.254</b>
<b>2. PROVISIONS &amp; DEPRECIATIONS</b>	<b>-108.660</b>	<b>-318.147</b>	<b>-636.245</b>	<b>-1.014.292</b>	<b>-1.460.698</b>	(13=9+10+11+12)					
NET FIXED ASSETS	147.340	152.353	67.705	-88.222	-291.596						
<b>3. CURRENT ASSETS</b>						<b>LIABILITIES</b>					
Fin. & Semi-Fin Goods	0	0	0	0	0	<b>14. MED. &amp; LONG TERM LIABILITIES</b>					
Raw materials	0	0	0	0	0	Bank loans	0	0	0	0	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
							0	0	0	0	0
<b>4. ACC. RECEIVABLES M/L TERM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						
						<b>15. CURRENT LIABILITIES</b>					
<b>5. ACC. RECEIV. SHORT TERM</b>						Bank loans	0	0	0	0	0
Clients	1.316.304	1.399.339	1.916.953	2.526.608	3.062.099	Suppliers	0	0	0	0	0
Taxes	0	0	0	0	0	Taxes	875.729	1.779.726	2.527.788	3.430.301	4.224.530
Other receivables	0	0	0	0	0	Shareholders loans	0	0	0	0	0
Bad debts provisions	-168.850	-728.585	-1.495.367	-2.506.010	-3.730.849	Other creditors	120.094	159.666	204.166	254.967	297.215
	1.147.454	670.753	421.586	20.598	-668.750		995.823	1.939.392	2.731.954	3.685.268	4.521.745
<b>6. CASH AND BANKS</b>											
Cash	2.144.626	8.368.285	16.340.927	27.160.833	40.366.345	<b>16. ACCRUALS &amp; Deferments</b>					
Bank deposits	0	0	0	0	0	Accruals in costs	0	0	0	0	0
	2.144.626	8.368.285	16.340.927	27.160.833	40.366.345	Anticipated income	0	0	0	0	0
<b>7. ACCRUALS &amp; DEFERMENTS</b>							0	0	0	0	0
Accruals in income	0	0	0	0	0						
Deferred Costs	0	0	0	0	0	<b>17. Total Liabilities</b>	<b>995.823</b>	<b>1.939.392</b>	<b>2.731.954</b>	<b>3.685.268</b>	<b>4.521.745</b>
	0	0	0	0	0	(17=14+15+16)					
<b>8. Total Assets</b>	<b>3.439.420</b>	<b>9.191.391</b>	<b>16.830.218</b>	<b>27.093.210</b>	<b>39.406.000</b>	<b>18. Total Liabilities + Equity</b>	<b>3.439.420</b>	<b>9.191.391</b>	<b>16.830.218</b>	<b>27.093.209</b>	<b>39.405.999</b>
(8=1+2+3+4+5+6+7)						(18=13+17)					
Verification (Assets - Equity - Liabilities) =	0	0	0	0	0						

Un: Euro

<b>Income Statement</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>COSTS</b>					
COGS	0	0	0	0	0
Outsourced services	771 654	1 623 721	2 076 264	2 592 882	3 022 527
Labour costs	659 800	682 893	706 795	735 066	764 469
Depreciation	108 660	209 487	318 098	378 046	446 406
Provisions	168 850	559 735	766 781	1 010 643	1 224 839
Sundry taxes	0	0	0	0	0
Other operational costs	0	0	0	0	0
<b>(A)</b>	<b>1 708 964</b>	<b>3 075 838</b>	<b>3 867 938</b>	<b>4 716 638</b>	<b>5 458 241</b>
Depre. & Prov. of Financial Investment & Appli.	0	0	0	0	0
Cash discounts conceded	0	0	0	0	0
Financial and interest charges	0	0	0	0	0
<b>(C)</b>	<b>1 708 964</b>	<b>3 075 838</b>	<b>3 867 938</b>	<b>4 716 638</b>	<b>5 458 241</b>
Costs and extraordinary losses	0	0	0	0	0
Costs of previous years	0	0	0	0	0
<b>(E)</b>	<b>1 708 964</b>	<b>3 075 838</b>	<b>3 867 938</b>	<b>4 716 638</b>	<b>5 458 241</b>
Income tax	647 866	1 602 801	2 282 088	3 103 226	3 825 437
<b>(G)</b>	<b>2 356 829</b>	<b>4 678 639</b>	<b>6 150 026</b>	<b>7 819 864</b>	<b>9 283 679</b>
<b>REVENUES</b>					
Sales of goods and products	2 670 299	7 542 381	10 332 359	13 618 468	16 504 861
Services	1 630 127	1 944 661	2 663 930	3 511 075	4 255 130
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>(B)</b>	<b>4 300 426</b>	<b>9 487 041</b>	<b>12 996 289</b>	<b>17 129 543</b>	<b>20 759 991</b>
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
<b>(D)</b>	<b>4 300 426</b>	<b>9 487 041</b>	<b>12 996 289</b>	<b>17 129 543</b>	<b>20 759 991</b>
Extraordinary Gains & Earnings	0	0	0	0	0
Earnings from previous years	0	0	0	0	0
<b>(F)</b>	<b>4 300 426</b>	<b>9 487 041</b>	<b>12 996 289</b>	<b>17 129 543</b>	<b>20 759 991</b>
<b>OPERATIONAL EARNINGS (B-A)</b>	<b>2 591 462</b>	<b>6 411 204</b>	<b>9 128 352</b>	<b>12 412 905</b>	<b>15 301 750</b>
<b>FINANCIAL EARNINGS (D-B)-(C-A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CURRENT EARNINGS</b>	<b>2 591 462</b>	<b>6 411 204</b>	<b>9 128 352</b>	<b>12 412 905</b>	<b>15 301 750</b>
<b>EARNINGS BEFORE TAXES</b>	<b>2 591 462</b>	<b>6 411 204</b>	<b>9 128 352</b>	<b>12 412 905</b>	<b>15 301 750</b>
<b>NET PROFIT</b>	<b>1 943 597</b>	<b>4 808 403</b>	<b>6 846 264</b>	<b>9 309 678</b>	<b>11 476 312</b>

Un: Eur

Treasury budget	Year 1													Year 2	Year 3	Year 4	Year 5	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	Total					
<b>Operations income</b>																		
Sales of goods and services	0	45.390	113.474	158.864	226.949	317.728	408.508	476.593	521.983	590.067	680.847	771.626	4.312.029	11.111.674	14.818.007	19.603.205	23.961.298	
VAT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Other income</b>																		
Share capital	0	---	---	---	---	---	---	---	---	---	---	---	0	---	---	---	---	
Capital increases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Shareholders loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Short term bank loans	0	---	---	---	---	---	---	---	---	---	---	---	0	0	0	0	0	
Medium/Long term loans	0	---	---	---	---	---	---	---	---	---	---	---	0	0	0	0	0	
Other income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total income</b>	<b>0</b>	<b>45.390</b>	<b>113.474</b>	<b>158.864</b>	<b>226.949</b>	<b>317.728</b>	<b>408.508</b>	<b>476.593</b>	<b>521.983</b>	<b>590.067</b>	<b>680.847</b>	<b>771.626</b>	<b>4.312.029</b>	<b>11.111.674</b>	<b>14.818.007</b>	<b>19.603.205</b>	<b>23.961.298</b>	
<b>Operations disbursements</b>																		
Suppliers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Personnel	52.429	52.429	52.429	52.429	52.429	52.429	52.429	52.429	52.429	52.429	52.429	52.429	629.148	682.893	706.795	735.066	764.469	
Other creditors (incl. outsourcing)	0	37.763	42.337	46.911	56.059	65.207	74.355	78.929	83.503	92.650	101.798	110.946	790.457	1.876.420	2.405.492	3.008.800	3.524.333	
Income Tax	---	---	---	---	---	---	---	---	---	---	---	---	0	647.866	1.602.801	2.282.088	3.103.226	
VAT	---	---	8.087	14.313	20.540	32.992	45.444	57.896	64.123	70.349	82.801	95.253	491.798	1.466.336	1.896.829	2.535.225	3.120.725	
<b>Other disbursements</b>																		
Investment in fixed assets	64.875	17.375	17.375	17.375	17.375	17.375	17.375	17.375	17.375	17.375	17.375	17.375	256.000	214.500	233.450	222.120	243.032	
Payment of short term bank loans	---	---	---	---	---	---	---	---	---	---	---	0	0	0	0	0	0	
Payment of medium/long term bank loans	---	---	---	---	---	---	---	---	---	---	---	0	0	0	0	0	0	
Payment of medium/long term shareholders lo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payment of short term shareholders loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payment of other Medium/Long term payables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payment of other short term payables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total disbursements</b>	<b>117.304</b>	<b>107.567</b>	<b>120.228</b>	<b>131.028</b>	<b>146.402</b>	<b>168.003</b>	<b>189.603</b>	<b>206.629</b>	<b>217.429</b>	<b>232.803</b>	<b>254.403</b>	<b>276.004</b>	<b>2.167.403</b>	<b>4.888.015</b>	<b>6.845.366</b>	<b>8.783.299</b>	<b>10.755.786</b>	
Cashflow	-117.304	-62.177	-6.754	27.836	80.547	149.726	218.905	269.964	304.553	357.264	426.443	495.623	2.144.626	6.223.659	7.972.642	10.819.906	13.205.512	
Cash at beginning of period	0	-117.304	-179.481	-186.235	-158.399	-77.852	71.874	290.779	560.743	865.296	1.222.560	1.649.003	0	2.144.626	8.368.285	16.340.927	27.160.833	
Cash at end of period	-117.304	-179.481	-186.235	-158.399	-77.852	71.874	290.779	560.743	865.296	1.222.560	1.649.003	2.144.626	2.144.626	8.368.285	16.340.927	27.160.833	40.366.345	



<b>Working capital</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Operations needs</b>					
Inventories	0	0	0	0	0
Receivables	1 316 304	1 399 339	1 916 953	2 526 608	3 062 099
Others	0	0	0	0	0
<b>Total</b>	<b>1 316 304</b>	<b>1 399 339</b>	<b>1 916 953</b>	<b>2 526 608</b>	<b>3 062 099</b>
<b>Operations resources</b>					
Payables	0	0	0	0	0
Public Administration	875 729	1 779 726	2 527 788	3 430 301	4 224 530
Others (including outsourcing)	120 094	159 666	204 166	254 967	297 215
<b>Total</b>	<b>995 823</b>	<b>1 939 392</b>	<b>2 731 954</b>	<b>3 685 268</b>	<b>4 521 745</b>
Working Capital	320 481	-540 053	-815 002	-1 158 660	-1 459 647
Working capital variation	-	-860 534	-274 949	-343 658	-300 987

<b>Free cash-flow</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
EBIT (Earnings Before Interest and Taxes)	2 591 462	6 411 204	9 128 352	12 412 905	15 301 750
Depreciation	108 660	209 487	318 098	378 046	446 406
Provisions	168 850	559 735	766 781	1 010 643	1 224 839
<b>Potential cash flow from operations before interest and taxes</b>	<b>2 868 972</b>	<b>7 180 427</b>	<b>10 213 231</b>	<b>13 801 594</b>	<b>16 972 995</b>
Financial earnings from operation	0	0	0	0	0
Financial costs	0	0	0	0	0
Income tax (IRC)	647 866	1 602 801	2 282 088	3 103 226	3 825 437
<b>Net earnings</b>	<b>1 943 597</b>	<b>4 808 403</b>	<b>6 846 264</b>	<b>9 309 678</b>	<b>11 476 312</b>
<b>Potential Cash-Flow from operations</b>	<b>2 221 106</b>	<b>5 577 626</b>	<b>7 931 143</b>	<b>10 698 368</b>	<b>13 147 558</b>
Investment/divestment in Working Capital	320 481	-860 534	-274 949	-343 658	-300 987
<b>Operational Cash-Flow</b>	<b>1 900 626</b>	<b>6 438 159</b>	<b>8 206 092</b>	<b>11 042 026</b>	<b>13 448 544</b>
Investment/Divestment in fixed Capital	256 000	214 500	233 450	222 120	243 032
<b>Free Cash-Flow</b>	<b>1 644 626</b>	<b>6 223 659</b>	<b>7 972 642</b>	<b>10 819 906</b>	<b>13 205 512</b>

<b>Payback Period</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<i>Present Cash-Flow</i>	1 516 903	5 294 525	6 255 673	7 830 435	8 814 714
<i>Accumulated Present Cash-Flow</i>	1 516 903	6 811 428	13 067 100	20 897 535	29 712 250
Payback Period	Nº Years: Less than 1			Nº Months: -----	

<b>Net present value</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Capital opportunity cost (rate)	8%	8%	8%	8%	8%
Discount factor	0,9223	0,8507	0,7846	0,7237	0,6675
Present value of free cash flow	1 516 903	5 294 525	6 255 673	7 830 435	8 814 714
<b>Net present value</b>	<b>29 712 250</b>				



