

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

U.Dream goes to market: An analysis of the financial impacts of commercializing U.Purpose
and *Crescer com Consciência* and project wrap-up

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12/09/2022

U.Dream is a social enterprise targeted at developing social leadership skills. It recently launched U.Purpose (service) and *Crescer com Consciência* (product) aiming to ensure future financial sustainability. However, these were launched without conducting a thorough market research and clear guiding strategy. The focus of this project is to assess the attractiveness of the CSR and children's book markets and U.Dream's current strategy, providing a strategic revision. From a financial standpoint, U.Purpose has the highest potential, with evident future opportunities. Both projects showcase potential to financially sustain U.Dream, namely through diversification benefits and a strong alignment with the social value delivered.

Keywords: Social Enterprise, Finance, Social Impact, Management, Social Consulting, Strategy Consulting

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

Disclaimer

This project was developed by a team of five students from Nova SBE in partnership with U.Dream in the context of a Master's thesis. The thesis was developed within the Social Leapfrog Program. This document is intended solely for the internal use of U.Dream and Social Leapfrog Program. It may not be provided to any other party without the express consent of U.Dream.

All of the information regarding U.Dream was provided by the organisation, either directly to the team or to Social Leapfrog. At the time when the project began, the organisation was going through an internal restructuring, changing its vision, mission, core purpose and re-organising in terms of business units. It was also working with other external parties in regard to improvement of internal processes, and information management and reporting. As these changes were occurring while the project was ongoing, there was a lack of documents reflecting them. The team relied on information provided by the management team through interviews. The project was developed according to the most recent information available and provided at the time.

Additionally, and also part of these changes, the organisation was already commercializing both U.Purpose and *Crescer com Consciência* when the project began. U.Purpose was not officially launched yet. Although it is doing so, the commercialization of both this service and product resemble a testing phase. Information regarding pricing, quantities sold, inventories, costs and current strategy was also provided by the management team through interviews, as documents in this regard also lack. The management team was not able to provide documents with costs split per business unit.

In regard to financial projections, the ability to use common methods was limited by the lack of historical information related to the business units in particular. Historical information includes financial data for the organisation as a whole; holding both U.Purpose and *Crescer*

com Consciência began being commercialized recently, data is not fairly reflected in the financial statements. Using it would bias the analysis, reflecting business areas whose nature is not comparable. It follows that the financial analysis is essentially short-term focused.

While every attempt has been made to ensure the accuracy and comprehensiveness of the project, neither the team nor Nova SBE can guarantee its completeness due to the limitations presented above: lack of internal, updated, documents and need to rely on the management team to obtain important information, according to its willingness and availability.

The project was developed on a best effort basis and its goal is to be of assistance to the management team.

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1. U.Dream Context

This section aims to provide with an overview of U.Dream’s organisational and operating context, as well as of the current financial position, establishing the basis to analyse the current status of each of the initiatives, re-define the strategies followed, and understand the potential incremental impact on profitability. It will be guided by the following research questions:

Section and Research Questions	Methodology
1. Key Question What is U.Dream’s current setting as it goes to market with U.Purpose and <i>Crescer com Consciência</i>?	
<u>1.1 – U.Dream Overview</u> What is U.Dream’s organisational context? <ul style="list-style-type: none"> • What is U.Dream? What is the key mission/values? • How has U.Dream evolved over time? • What is U.Dream’s portfolio? Who are the target beneficiaries? 	<i>Analysis of internal documents</i> <i>Secondary data</i> <i>On-site visit</i> <i>Interviews</i>
<u>1.2 – Organisational Analysis</u> How does the organisational structure look like? <ul style="list-style-type: none"> • How does U.Dream structure its operations? • What is U.Dream’s rating on the Diagnostic Tool for Social Enterprises? 	<i>Data requests</i> <i>On-site visit</i> <i>Interview w/ executive directors</i> <i>Diagnostic Tool for Social Enterprises (Social Enterprise London 2010)</i>
<u>1.3 – Financial Analysis</u> What does U.Dream look like from a financial perspective? <ul style="list-style-type: none"> • Is U.Dream profitable? • How does each BU contribute to revenues? • How does it look like from a liquidity and capital structure perspective? 	<i>Financial statements analysis</i> <i>Data requests</i> <i>Bottom-up analysis</i>
<u>1.4 – Project Scope</u> Is there an opportunity for U.Dream in the CSR and children’s book market?	

U.Dream is a non-profit youth association with public utility that provides programs targeted at developing social leadership skills. It identifies a lack of social leaders in Portugal

and believes this problem stems from the absence of non-formal educational programs targeted at developing social leadership skills. It wants to be part of the solution through offering social leadership development programs for all ages, ultimately impacting the overall community.

Nonetheless, the following **complication** was identified. U.Dream recently launched a new product, *Crescer com Consciência* (a children’s book collection), and service, U.Purpose (social leadership development programs for corporates), that it believes may help ensure future financial sustainability. However, these products were launched without conducting a thorough market research and developing an adequate pricing and promotion strategy. The **focus** of this project is to address this complication, through answering the following questions: are both the children’s book and CSR markets attractive? If so, can U.Dream position itself successfully? For that, a three-step approach was followed, to be covered on the following sections (2-6):

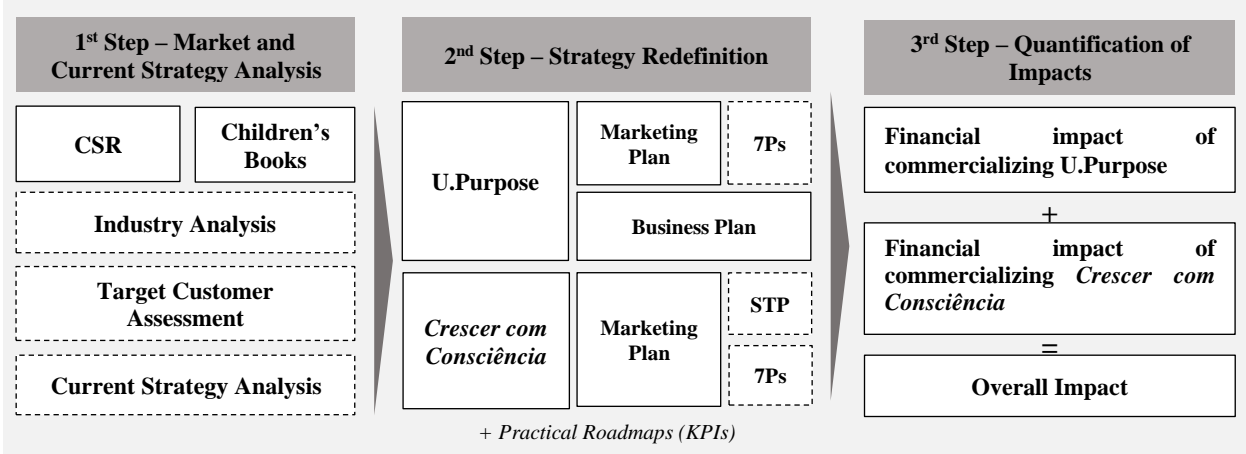


Figure 1: Project Approach

1.1 U.Dream Overview

What is U.Dream? What is the key mission/values?

U.Dream’s **mission** is to orient society towards the common good through the potential of each individual. It does so by offering social leadership programs and products targeted at different groups: high school and higher education students; corporates; and specific groups within the community that are not included in the previous two (for example, elderly people or young people that did not attend high school or higher education). These programs follow a

three-step methodology that is embedded in U.Dream's journey, where each step aims at developing specific social competencies: (A) Personal Impact, (B) Impact in Relationships and (C) Impact in the Community. Its mantra translates into "I, I with the Others, and I with the Community". The organisation defines itself as a plan to change the world, and the **core values** guiding its operations are empathy, personal and social development, and transformation. Its **vision** is to be able to ensure that every individual can use its potential to positively transform communities, through all stages of its life.

U.Dream's journey consists of 3 subsequent steps: Intervention, Discovery, and Inspiration. This is the journey through which U.Dream leads its direct beneficiaries. Intervention is done through social experiences, as these allow for a close contact with the communities and raises awareness to social problems. The objective is to raise empathy. Both discovery and inspiration are done through sessions such as workshops, training, events, talks, testimonies, or other materials, all focused on continuous development. The goal is to boost the courage to look at ourselves and at those around us/supporting us, inspiring us to lead by being the example. The end result of this journey is dreaming, that is, believing on the importance of making dreams come true (both personal and of those around us). In other words, U.Dream's three-step process encourages action towards personal and community transformation ([Appendix 1](#)).

How has U.Dream evolved over time?

U.Dream was founded in 2013 by higher education students at Faculdade de Economia da Universidade do Porto. It was the first social junior enterprise to be established in the country. When it was founded, it had two core focuses: the first was to provide support to children with illnesses and respective families, ultimately working to make a dream of the child come true (social focus); the second was to provide junior consulting services in order to finance its social operations. At that time, students from Universidade do Porto were recruited to

integrate the organisation in one of its departments, such as Finance, HR, Marketing, etc., and side-line with working for the department, were integrated in the support and realization of a dream to an ill child. The organisation was fully composed by students working as volunteers. Junior consulting services ended roughly two years after and the key income streams until recent years became public funding and revenues from a membership card (members paid monthly and obtained discounts at corporate partners). Furthermore, and following its success in Porto, U.Dream quickly expanded to other cities in Portugal: Braga (2016), Aveiro (2017), Coimbra, where it no longer operates (2018), and Lisbon (2019). The business model was the same across cities and universities.

The rapid expansion was followed by a strategy revision, positioning U.Dream as an educational program targeted at developing social leadership skills in higher education students. Following 2019, students were no longer recruited to integrate the organisation. Instead, students applied to take part in an educational program comprised of theoretical modules and social projects (including the realization of a dream of an ill child). The organisation shifted from having students working as volunteers to being composed by full time employees and external consultants. Ever since, it has been working on restructuring.

Although it still offers social leadership programs for higher education students, the organisation's focus is now broader. In 2020, it began targeting different audiences, launching a children's books collection (*Crescer com Consciência*) and beginning the testing phase of social leadership programs for corporates. 2021 was marked by a business unit restructuring, that reflects the broader focus and extended product and service offerings. U.Dream also expanded its presence in universities to Viana do Castelo and Barcelos and began offering programs to high school students.

Over the last two years, the organisation has also been working with external parties. These range from consultants, namely Skillent (improvement of impact measurement), the

Kaizen Institute (improvement of internal processes) and Maze (financial sustainability), to programs, such as Academias do Conhecimento Gulbenkian (a step towards becoming a knowledge centre) and the Social Leapfrog Program (increasing impact and achieving long-term financial sustainability).

All of these changes and work with external parties reflect the organisation's current willingness to grow.

What is U.Dream's portfolio? Who are the target beneficiaries?

U.Dream has three sub-brands that reflect its three business units: U.Academy, U.Purpose and U.Community. Each business unit is targeted at a different audience and offers different products and/or services.

Through U.Academy, U.Dream's focus is to target higher education and high school students (direct beneficiaries). For higher education students, it offers two products: a 3-semester program consisting of 22 hours of workshops and 20 hours of volunteering per semester, plus on the participation in the realization of a dream of a child with illness and in developing or working on a project with social impact; and a 1 semester program, consisting of 22 hours of workshops, 20 hours of volunteering and on the participation in the realization of a dream of a child with illness. It currently works with universities in Porto, Braga, Aveiro, Viana do Castelo, Barcelos, and Lisbon. For high school students it offers one product: U.Click. Through its offerings it also targets indirect beneficiaries, namely IPSSs (where students volunteer), ill children (that are supported by students and see a dream come true) and potentially the overall community (as the social project can translate into social entrepreneurship, participating in a specific social project, etc.). U.Dream's ultimate goal is to foster social leadership and encourage a positive transformation in those around us through a change at an individual level. Therefore, it aspires that every individual participating in any of

its programs further creates a positive impact, ultimately impacting the community as a whole, indirectly.

U.Purpose targets the corporate market through its employees (the direct beneficiaries). Within this business unit, U.Dream offers two products: a program with 4 phases, where it begins by providing consulting in regard to social impact (phase 1), followed by offering workshops to classes of up to 10 employees (phase 2), doing initiatives with impact in the entire organisation (phase 3) and ending with the celebration of this impact (impact measurement and delivery of documents and materials reporting the impact generated) (phase 4); and a lighter version of this program, with only phases 1, 3 and 4. Throughout the programs, employees also have the opportunity to take part in volunteering activities and participate in the realization of a dream of a ill child. Furthermore, U.Dream's methodology and ultimate goal also apply. It follows that it also targets indirect beneficiaries such as IPSSs, children with illnesses, the overall community, and ultimately the corporate itself (because although not all employees participate, the company benefits from its investment in CSR).

U.Community is focused on offering products and/or services to groups of people that are not targeted through U.Academy or U.Purpose. As such, and although the direct beneficiaries depend on the specific project being held, the focus is to target the remainder of the community. Within this business unit, U.Dream currently offers two products: *Crescer com Consciência*, a children's book collection inspired in the stories of ill children that saw their dream come true with U.Dream, focused on promoting child reflection; and Summer Bootcamps, for young people who do not attend high school or higher education. The goal for future years is to increase product and service offerings. As the focus is broad, depending on the initiative, everyone that is not in high school or higher education and is not working in a company participating in U.Purpose's programs can potentially be a direct or indirect beneficiary.

1.2 Organisational Analysis

How does U.Dream structure its operations?

U.Dream's current organogram reflects its three business units ([Appendix 2](#)). It has a management team composed by an executive director (supervising the entire organisation on a daily basis), an operations director and a marketing and communications director. The management team is supervised by a general assembly (9 people), that further supervises a general meeting's council (3 people), a fiscal council (3 people) and an advisory council (3 people). The management team also heads each of the 3 business units.

Currently, all employees work full-time, except for the external financial consultant. The external financial consultant has a five-year contract with the organisation and provides services on a weekly basis. Regardless of employees working within a specific business unit, U.Dream also has employees working across units. Currently, there are 11 employees.

The organisation has a high variability in regard to number of employees, adjusting it according to ongoing project's needs within each business unit and public funding's requirements.

What is U.Dream's rating on the Diagnostic Tool for Social Enterprises?

In order to perform an internal organisational analysis, the Diagnostic Tool for Social Enterprises was used ([Appendix 3](#)). Developed by Social Enterprise London in 2010, this framework focuses on assessing the operating effectiveness and viability of social enterprises, as well as on identifying areas with potential for improvement.

The tool is composed by 10 sections that correspond to key areas within the organisation (Strategy, Governance, Customers and Users, Social/Environmental Impact, Operations, Systems, Data and Processes, Finances, Income Generation, Marketing and Communications and HR and Organisational Development). For each section there are several statements to be rated from 1 to 5. A comments column allows for a brief description of the organisation's reality

and supports the score. Statements have different weights to reflect for its importance within the section and final scores for each section are computed based on a weighted average.

This analysis highlighted U.Dream's strength in adding and measuring social value, with the Social/Environmental Value section being the best performer (4,8/5). The score reflects the usage of impact assessment tools and frameworks for all projects and incorporation of impact assessment outputs in overall communication. It also highlights a relatively good ability to generate income supported by the capacity to identify and win funding and tender opportunities and a good governance.

However, it also under covered the need to revise the organisation's operational, financial, and strategic management and the approach to customers and users (worst performer). All of these sections have scores bellow 3 (mid-point). The score in operations (2,8/5) is supported by the operational inefficiency in handling projects and activities and the lack of quality assurance procedures and risk analysis. The organisation would benefit from easing internal processes through uniformization and improving internal communication. It is followed by a low score for financial management. Currently, there is a lack of financial maturity, with no risk report being done, and a general lack of financial analysis, such as analysis of breakeven points and solvency, liquidity, and profitability analysis. The organisation is unable to provide financial information for each business unit. Furthermore, there is no one fully focused on the financial management of the organisation. There is a large room for improvement by integrating a full-time financial team that could deliver outputs and analysis to the management team. In regard to strategic management, the organisation does not have a long-term strategy and there are no procedures for developing, monitoring and reviewing the business plan at least yearly. Moreover, the vision, mission and objectives have changed recently and are not clearly communicated yet. The organisation would benefit from developing both a short-term and long-term strategy to generate a higher internal alignment and better

external communication, as well as to implement procedures for monitoring and reviewing it regularly. When developing a strategy in light of key stakeholder's needs, it would benefit from using frameworks such as a SWOT analysis to create win-win relationships. Lastly, the low score for customers & users (1,9/5) is explained by the lack of a thorough market research, customer assessment and pricing and marketing strategy for newly commercialised products and services. Additionally, the organisation did not perform an analysis to understand the economic viability of products without funds and does not measure repeat customer use for the products where it is applicable. Improvements would be seen if this analysis and research were performed.

1.3 Financial Analysis

This sub-section focuses on understanding the financial reality of the organisation over the past years. The full historical financial statements that guided it can be found in [Appendix 4](#) and [Appendix 5](#).

Is U.Dream profitable?

Between 2018 and 2021, expenses grew at a higher rate than income (13,96% versus 15% CAGR over the period), motivated by a strong increase in expenses from 2020 to 2021. As such, although both EBITDA and Net Income increased largely between 2018 and 2020, 2021 marked a sudden drop in these figures to only slightly above the values observed in 2018. Profitability improved between 2018 and 2020, reflected in a positive evolution of the EBITDA and Net Income margins. Nevertheless, in 2021, these ratios steeply dropped, accompanying the overall trend of a larger growth in expenses relative to income. The organisation is now having an increased difficulty in translating its revenues into profits (Figure 2).

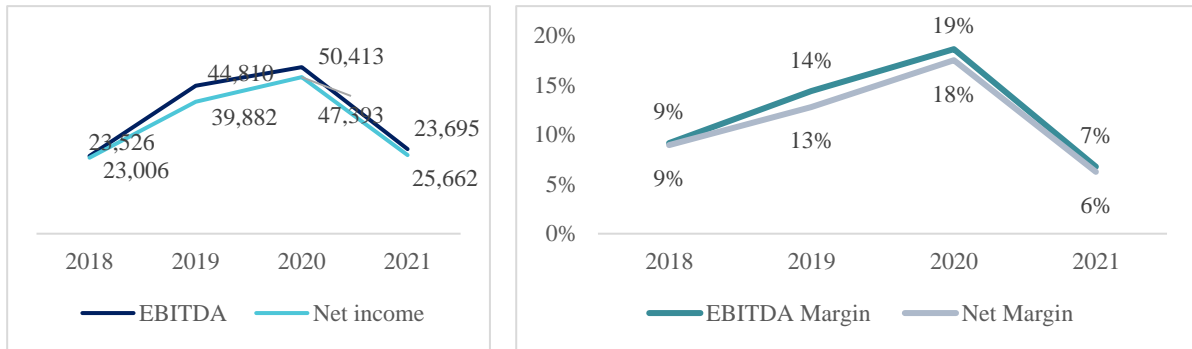


Figure 2: Profitability analysis

Furthermore, and even though total revenues increased largely, this increase was motivated by a rise in operating subsidies. Both the revenue and cost structure reveal an increased dependency on public funding, with operating subsidies currently representing 61% of income sources and operational and personnel expenses representing 90% of U.Dream’s total revenues and 233% of U.Dream’s own revenues. Looking at the cost structure, it is important to note that personnel expenses grew steadily, reflecting the transition from having a volunteer base to having only employees. Currently, these represent 61% of operational costs (Figure 3).

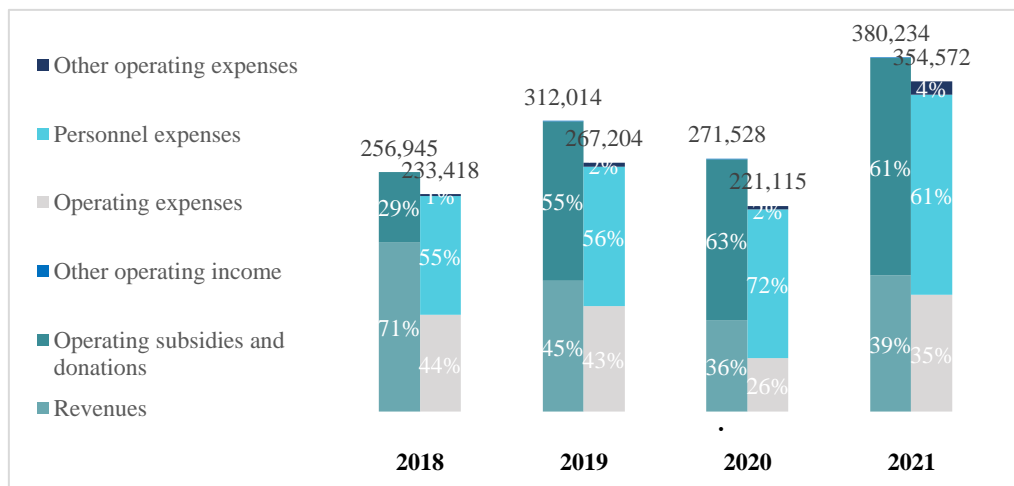


Figure 3: Income and cost sources (in €)

How does each business unit contribute to revenues?

With U.Purpose and *Crescer com Consciência* still on a launching stage, and almost a decade of experience in working with universities, U.Academy is by far the largest contributor

to revenues (84%), followed by U.Community (5%) and U.Purpose (3%) (2021 data) (Figure 4). Note that the difference regards general revenues.

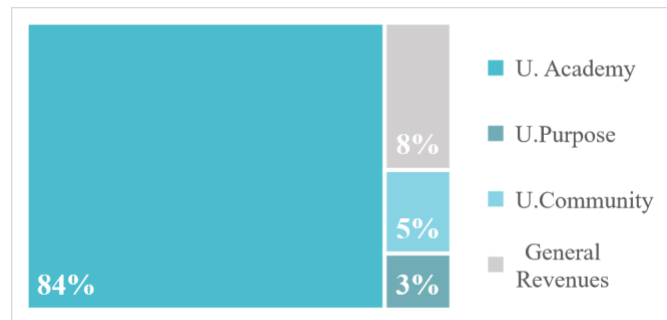


Figure 4: BU revenues breakdown in 2021

Importantly, within U.Community, *Crescer com Consciência* is the main contributor to revenues, through programs (85%) and book sales (8%). The organisation was unable to provide a revenue breakdown for earlier years, as well as a cost breakdown. An important remark is that, looking at the information provided, U.Dream only obtained €1 409 from book sales in 2021, implying 141 books sold (assuming every book was sold at the standard price). Holding the total number of books sold of 2185 until now (Cruz e Mendes 2022), this suggests a slightly different contribution of *Crescer com Consciência* in 2019 and 2020. Nevertheless, values reflect the current status of *Crescer com Consciência* and U.Purpose, as well as an accurate overview of the big picture.

How does the organisation look from a liquidity and capital structure perspective?

U.Dream improved its liquidity position over the past years (2018-2021), reflected in a current ratio of 7,9 and cash ratio of 4,71 in 2021 (reference value of 1) ([Appendix 6](#)). This implies that it can meet all of its obligations without having to liquidate any of its assets (i.e. using only cash), holding that it does not have long-term obligations. Notwithstanding, and although safe from a liquidity perspective, the high cash ratio (fairly above 1) suggests that U.Dream may be missing interesting investment opportunities that could yield higher returns. The Net Working Capital increased largely motivated by an increase in Current Assets,

strengthening the strong liquidity position. Nevertheless, it is important to note that this was mostly boosted by a large increase in cash and cash equivalents due to public funds.

From a capital structure perspective, both the solvency and financial autonomy ratios improved over the period indicating a high independence towards creditors (7,19 and 0,88 respectively in 2021) ([Appendix 7](#)). The solvency ratio indicates that U.Dream could meet 7,19x all its obligations through internally generated cash. These figures are fairly above bank requirements.

Both the liquidity and capital structure analysis suggest that U.Dream is in a good position to access debt financing in future years. This can be a potentially interesting option as public funds are maturing.

1.4 Project Scope

- The scope of this project is to understand whether the children's book and CSR markets are attractive and, if so, how can U.Dream position itself successfully, i.e. establishing a strategy that allows it to succeed.
- U.Dream recently broadened its focus, redefining its vision and mission and restructuring its business units. The new organisational context reflects the willingness to expand product offerings and enter new markets. The analysis suggests that U.Dream is now better positioned, internally, to succeed in the CSR and children's book markets.
- The organisational analysis (sub-section 1.2) outlined a fit between the current organogram and business units, reinforcing the positive internal positioning.
- However, the Diagnostic Tool for Social Enterprises revealed the need to revise and redefine the approach to customers and users and the potential to increase operational efficiency and improve strategic and financial management. This is of high importance to succeed in commercializing *Crescer com Consciência* and U.Purpose.

- From a financial perspective, the analysis outlined the need to diversify and increase the importance of organic income streams, as the organisation became increasingly dependent on public funding. The success of *Crescer com Consciência* and U.Purpose may be key towards achieving long-term financial sustainability.

The next chapters will be focused on analysing the CSR and children's book markets and the current strategy of the organisation. In light of the research results and analysis performed, a strategy redefinition will be proposed, that the team believes will allow U.Dream to succeed in these markets. Finally, overall financial impacts will be quantified, and final recommendations will be provided. In light of the end-goal of the strategies – enter businesses that allow the organisation to secure long-term financial sustainability – the quantification of impacts will take a full financial perspective, disregarding other sources of impact (namely social impact).

2. An evaluation of U.Purpose as a business unit and analysis of the internal and external environments affecting its strategic position

The previous chapter discussed U.Dream’s current situation as an organisation, from its history to how it has evolved to its current position. Furthermore, the portfolio and mission/values that have been explored in the previous section are important for the analysis conducted in this section, where U.Purpose will be explored and what shapes the current market landscape. Also, in the following chapter market barriers, competition and what differentiation factors are used, are all explored. The analysis is guided by the following research questions:

Section and Research Questions	Methodology
2. <u>Key Question</u> What is the current market landscape for U.Purpose?	
2.1 – <u>Overview</u> What is U.Purpose? <ul style="list-style-type: none"> • What is U.Purpose? • What is the current offering? 	<i>Interviews</i> (Cruz, Headquarter's Interview 2022) (Cruz, Information Request 2022), (Cruz, U.Dream's explanation of U.Purpose 2022) <i>Internal documents</i> (U.Dream 2022).
2.2 – <u>Target Customer</u> What are U.Purpose’s customers? <ul style="list-style-type: none"> • What are the customer segments? • Who are U.Purpose’s customers? 	<i>Segmentation matrix</i> (P. Kotler 1994) <i>STP model</i> (P. Kotler 1984).
2.3 – <u>U.Purpose Industry</u> In which industry does U.Purpose operate? <ul style="list-style-type: none"> • What is U.Purpose’s potential revenue pool? • Who are the competitors? • What are the potential barriers of entry and factors affecting UP’s entry? 	<i>Market sizing</i> <i>Competition analysis</i> (M.-J. Chen 1996) <i>Porters 5 forces</i> (M. E. Porter 1979) <i>PESTLE analysis</i> (Aguilar 1967).
2.4 – <u>Market Strategy</u> What is U.Purpose’s current market strategy? <ul style="list-style-type: none"> • How does U.Purpose fit in the marketing mix framework? • What differentiation factors are used? 	<i>Marketing Mix analysis</i> (Booms and Bitner 1981) <i>Differentiation factors</i> , (M. E. Porter 1985).

Howard Bowen is regarded as the father of modern CSR as his work and publication of his book “Social Responsibilities of the Businessman” (Bowen 1953) was the first dedicated academic research directed at bridging the gap between corporate activities and societal impacts

(Mauricio Andrés Latapí Agudelo 2019). That landmark in CSR has given authors such as Archie B, Carroll the way to develop what today is regarded as the CSR frameworks and definition of CSR through the publications “A Three-Dimensional Conceptual Model of Corporate Performance” (Carroll, A Three-Dimensional Conceptual Model of Corporate Performance 1979) and his publication of the CSR pyramid (Carroll, The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders 1991); the main idea and definition is: “Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organisations at a given point in time” (Carroll 1979). Global developments such as the UN MDG’s in 2000, the UN development of the SDG’s and the Paris agreement in 2015, the EU directive (2014/95/eu) requiring large companies to start reporting non-financial information such as diversity. All evidence of the increase in importance of CSR in today’s business environment.

Following this mega-trend U.Purpose was born to leverage such a movement in the Portuguese geographical market. Many companies require a helping hand for the implementation of CSR and that’s where the business idea lies.

3. Strategic recommendations for the implementation of U.Purpose’s business activities and empirical roadmap for the future

The previous chapter analysed the current situation of U.Purpose, it gave an overview of the brand, an investigation of its customers, a deep dive into the industry and its market strategy. Furthermore, the chapter highlighted areas in which U.Purpose’s brand, strategy and tactics could be strengthened as a whole. The following chapter will review this in depth by assessing U.Purpose’s value proposition, putting forward an elaborate marketing plan as well as a strategic business plan with tangible steps for the future.

Section and Questions	Methodology
<p><u>3 - Key Question</u> How can U.Dream successfully launch U.Purpose to market?</p>	
<p><u>3.1 – Value proposition</u> How does U.Purpose create value?</p> <ul style="list-style-type: none"> • What is U.Purpose’s value proposition canvas? • What constraints does U.Purpose face? 	<p><i>Value proposition canvas (Osterwalder & Pigneur, 2010), theory of constraints (Goldratt, 1984)</i></p>
<p><u>3.2 – Market Plan</u> How should U.Purpose be marketed?</p> <ul style="list-style-type: none"> • How should the marketing mix analysis cater to this strategy? • What market plan & strategy should U.Purpose leverage? • How should U.Purpose target each cluster? 	<p><i>Extended marketing mix (Booms & Bitner, 1982), Push and pull marketing (Lambert & Cooper, 2000), Targeting (Kotler, 1994)</i></p>
<p><u>3.3 – Business Plan</u> How can U.Dream turn U.Purpose into its own profitable business unit?</p> <ul style="list-style-type: none"> • What are the price ranges for U.Purpose and their pricing strategy? • How can U.Purpose implement these recommendations? 	<p><i>Cost-based pricing & Value-based pricing (Nagel & Holden, 2002), Implementation map (Nutt, 1986), Customer journey map (McKinsey, 2009)</i></p>

4. An evaluation of *Crescer com Consciência* and analysis of the internal and external environments affecting its strategic position

Considering the difficulties identified together with the organisation, this chapter focuses on presenting U.Dream with a clear vision of the book publishing industry and its competitive landscape. This information is the basis of a series of recommendations tailored to the identified market conditions. The questions bellow aid the navigation of the relevant topics:

Section and Questions	Methodology
<p><u>4 - Key Question</u> What are the characteristics of the children’s book industry and market and how is <i>Crescer com Consciência</i> positioned in the competitive landscape?</p>	
<p><u>4.1 – Overview</u> How does the initiative contribute to U.Dream’s mission?</p> <ul style="list-style-type: none"> • What is <i>Crescer com Consciência</i>? • How were the books developed? 	<p><i>Interviews (Cruz, Headquarter's Interview 2022) (Cruz, Information Request 2022), Internal documents (U.Dream 2022).</i></p>
<p><u>4.2 - Publishing Industry and the Book Market</u> What are the dynamics of the publishing industry and book market?</p> <p><u>4.2.1 - Publishing Industry</u></p> <ul style="list-style-type: none"> • What is the publishing industry? • What is the industry supply chain? • What are the book publishing paths? • What are the advantages/disadvantages of each path? • What is the case for U.Dream? <p><u>4.2.2 - Book market</u></p> <ul style="list-style-type: none"> • How is the book market defined? • What is the market size and relevant competitors? • What is the point of market entry and exit? • What is the market price point and cost structure? 	<p><i>Supply Chain Management (Oliver 1982), Interviews (Cruz, Headquarter's Interview 2022) (Cruz, Information Request 2022)</i></p> <hr/> <p><i>Market Research and Analysis, Cost Analysis</i></p>
<p><u>4.3 - Target Customer</u> Who are the main customers and how is U.Dream targeting them?</p> <ul style="list-style-type: none"> • What are the potential customers’ habits and behaviors? • Who are the current customers? • Did the company conduct a STP analysis? 	<p><i>Survey, Internal documents (U.Dream 2022), Segmentation matrix (P. Kotler 1994), STP model (P. Kotler 1984)</i></p>
<p><u>4.4 - Current Strategy</u> How is U.Dream currently commercializing the books?</p> <ul style="list-style-type: none"> • What brand positioning is the company aiming to achieve? • What are the key takeaways? 	<p><i>Interviews and Internal documents (U.Dream 2022) Extended marketing mix (Booms & Bitner, 1982)</i></p>

5. Strategy redefinition for *Crescer com Consciência* through a new approach to the marketplace, and practical roadmap for the future

Section and Research Questions	Methodology
<u>5. - Key question</u> What are the strategic revisions that allow <i>Crescer com Consciência</i> to establish a successful positioning?	
<u>5.1 - Recommended Route</u> What is the most suitable publishing path for U.Dream?	<i>Industry analysis</i>
<u>5.2 - Marketing Strategy: Segmentation, Targeting & Positioning</u> What is the recommended marketing strategy? <ul style="list-style-type: none"> • How can the potential customers be Segmented? • What segments should U.Dream Target and why? • Does the value proposition align with the potential customer's profile? • How to strongly communicate the brand's value? Defining the positioning 	<i>Value proposition canvas (Osterwalder & Pigneur, 2010), Brand Laddering (Keller, Strategic Brand Management: Building, Measuring, and Managing Brand Equity 2013), Segmentation matrix (P. Kotler 1994), STP model (P. Kotler 1984), Targeting (Kotler, 1994)</i>
<u>5.3 - Marketing Mix</u> What are the recommendations on the 7Ps?	<i>Extended marketing mix (Booms & Bitner, 1982), 6M Model (Avery e Teixeira 2016). Customer journey map (McKinsey, 2009)</i>
<u>5.4 – Conclusion and next steps</u> <ul style="list-style-type: none"> • What are the key takeaways? 	<i>Implementation map (Nutt, 1986)</i>

This section begins with an assessment of a key strategic decision: whether U.Dream should continue operating as a self-publisher or contact a publishing house. That is followed by the definition of a marketing plan for the initiative, where the Segmentation, Targeting and Positioning analysis will be performed. Subsequently, a value proposition that caters to the target customer will be outlined. This, along with the brand positioning, will serve as the baseline to elaborate an adequate marketing mix, thereby revising the current one. The methodology used comprises research and an analysis of the outcomes of the previous section through the STP, value proposition canvas, brand laddering and 7Ps' frameworks.

6. An analysis of the financial impacts of commercializing U.Purpose and *Crescer com*

Consciência and project wrap-up

Over the previous sections, the focus was on identifying gaps in the current commercialization strategies of U.Purpose and *Crescer com Consciência*, developing actionable go to market strategies that will allow U.Dream to position itself successfully in both markets. Holding the organisation’s end goal with the commercialization of this service and product – creating revenue streams that ensure long-term financial stability, while contributing to its social mission – it is of high relevance to assess the financial impacts that the proposed strategies have on baseline profits. Further, the key conclusions and implications of the overall project will be outlined. This will be done through answering the following research questions:

Section and Questions	Methodology
<u>6 - Key Question</u> What is the incremental impact on profitability from pitching U.Purpose and <i>Crescer com Consciência</i> to market?	
<u>6.1 – U.Purpose</u> What is the financial impact of commercializing U.Purpose? <ul style="list-style-type: none"> • What is the cost structure embedded in the strategic recommendations? • What is the aggregate cost analysis? • What is the break-even point and implied market share? • How can the price point be adjusted within the proposed range? • What are the maximum revenues and profits that U.Purpose can capture? Based on scenarios, what is the estimated profit? 	<i>Bottom-up analysis</i> <i>Break-even analysis</i> <i>Scenario Analysis</i> <i>Sensitivity analysis</i> <i>Internal documents</i> <i>P&L forecast</i>
<u>6.2 – <i>Crescer com Consciência</i></u> What is the financial impact of commercializing <i>Crescer com Consciência</i>? <ul style="list-style-type: none"> • How does each marketing mix recommendation impact profitability? • What is the overall impact in profitability? • What is the break-even and implied market share? 	<i>Bottom-up analysis</i> <i>Scenario Analysis</i> <i>Break-even analysis</i>
<u>6.3 – Overall Impact and Key Take-Aways</u> How do the defined go to market strategies impact the organisation’s profitability?	<i>P&L analysis</i>
<u>6.4 – Project Wrap-up</u> <ul style="list-style-type: none"> • Considering U.Dream as a whole, what is in and out of scope in this project? What does it reveal regarding areas of concern and opportunities? • What are the main conclusions and limitations to the analysis? 	

Approach

The commercialization of children's books (product) and consulting projects (service) are fundamentally different. As such, the quantification of financial impacts will follow different approaches. The key difference is that, whereas for U.Purpose, the analysis is based on hour availability and utilization rates, for *Crescer com Consciência*, it focuses on the estimated impact on profitability of each recommended promotion strategy.

In the case of book purchases, the decision-making process is simpler, implying customers navigate the marketing funnel quicker, and often skip steps; as such, purchasing decisions can be easily attributed and estimated based on promotion strategies. On the other hand, purchasing a consulting project such as those offered by U.Purpose implies high spending; more importantly, a time investment from the customer's perspective. It follows that it is unreasonable to attribute the sale of a project to a specific promotion strategy (such as paid advertising, attendance to a fair, or direct selling); rather, sales come as the result of various marketing strategies and strong bi-directional communication. As the ability to sell projects is intimately related with the human resources capacity to deliver them, the profitability will be estimated holding the existent capacity. All calculations integrate hiring recommendations: 2 junior consultants and 1 program manager. U.Purpose's analysis excludes the small program, as it does not cater to the target segments.

Importantly, U.Dream does not pay IVA nor corporate taxes in light of its legal status. This applies to all impact calculations.

Where applicable, the accrual method of accountancy was applied to ensure consistency in revenues and costs reporting. Estimates are incremental.

In the end, estimates will be combined to quantify the aggregate profitability impact.

Note: the following abbreviations are used throughout the text,

BP – Big Program (€36 025; 1,5 years); MP – Medium Program (€8 850; 6 months)

6.1 U.Purpose

What is the cost structure embedded in the strategic recommendations?

Based on the implementation roadmap ([Appendix 12](#)), there are 3 areas in which recommendations imply a cost: Human Resources, Marketing and Strategy.

Hiring additional employees:

Calculations were made considering U.Dream hires 2 full-time employees in November 2022 and 1 full-time employee in January 2023. Since the recommendation includes leveraging the access to recent graduates through U.Academy, it was assumed that junior consultants are applicable to the IEFP internship. In light of the tasks to be performed, salaries were calculated considering these hold a master's degree. Regarding the program manager, as it will be an experienced hire, IEFP was disregarded. Calculations were made in accordance to IEFP's and Portuguese regulations, to be found in [Appendix 59](#). Pay raises were considered. It follows that the new hires' recommendation will translate into personnel expenses of -€4 599, -€36 748, -€57 318 and -€60 035 from FY2022 to FY2025, where it stabilizes for the next few years. Detailed calculations can be found in [Appendix 60](#).

Promotion strategy - Paid ads:

The ultimate goal of the campaign is to raise service awareness. The daily budget was based on an analysis of total reach relative to investment using LinkedIn's platform. As the difference on total reach based on different budgets did not significantly differ, the budget was set at €20 per day, which, over the course of 5 months implies a total investment of €3 020 (€1 220 in 2022 and €1 800 in 2023). The total reach ranges from 22 000 to 56 000 every 30 days, within the defined target audience (categories chosen to reflect those potentially in charge for CSR spending decisions).

Promotion strategy - Attending fairs:

Whereas CSR and sustainability/social impact related fairs are common in countries

were CSR is already an established market (namely the United States, United Kingdom and northern/central Europe) it was concluded, through online research, that this is not the reality in Portugal. Furthermore, it was also concluded that the majority of existent events is organised by GRACE, which U.Dream will have free access to following the recommendation to becoming a member (no additional cost). However, in addition to GRACE organised events, it is recommended for U.Dream to attend HR Expo, Portugal's largest HR fair held in Estoril by Abilways, as the program is highly aligned with U.Purpose's concept. Additionally, speakers are directors/head of human resources in the biggest Portuguese companies, allowing for the establishment of key contacts. The cost to participate is €500 and the implied travel expenses of €155 (car travel plus 1 night), implying a total cost from fair attendances of €655 in 2023.

Promotion strategy - Organising launch events:

The cost of organising launch events was estimated based on research regarding event location and catering prices; assuming an event length of 2 hours (perceived as reasonable to present the service and have time for networking); based on an estimated maximum number of attendants of 50; and assuming it is held at the end of the day, hence offering cocktails and snacks. Holding the target attendants are Directors of CSR or Human Resources from Portugal's largest companies, and that U.Dream is a social enterprise, the researched event locations are not either low-cost (not suitable for the target) nor high-end (not suitable for U.Dream), including middle-range hotels and sites located near business centres (i.e. centre of the cities). It is considered that U.Dream hosts an event in Porto and Lisbon. Following the research, results suggest these events cost around €30/attendant. With 50 attends, the implied cost per event is €1 500 (€3 000 in total). It is also important to note that for the Lisbon event, U.Dream needs to incur in travel expenses. These expenses are estimated to be €125 (back and forth by car), totalling €3 125 for organising these events. Launch events will occur in 2023.

Expanding partnerships:

Through joining GRACE and BCSD, U.Dream will incur in membership fees of €500 and €2 000, respectively (GRACE 2022) (BCSD 2022). The recommendation is to be implemented from 2023 onwards.

What is the aggregate cost analysis?

Following the above, it is clear that, especially when first years' awareness focused promotion campaigns cease, personnel expenses are the core expense (Figure 12).

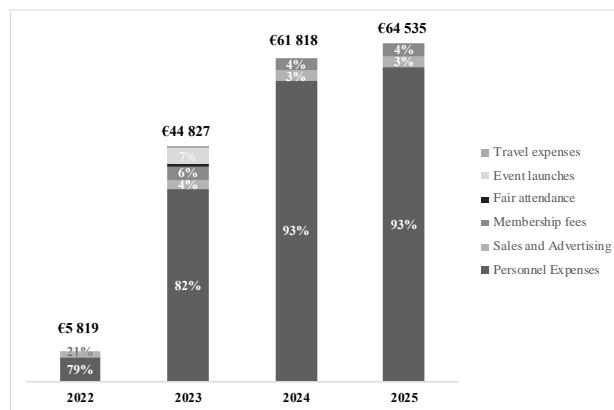


Figure 12: Cost Structure

This is unsurprising and backed by two key reasons: the fact that U.Purpose is a consulting service, an industry where sales are driven by sold hours, and therefore, hour availability; and the fact that, as a B2B business, most promotion efforts come in the form of direct selling, to which human resources are the also key investment.

What is the break-even point and implied market share?

In order to calculate the break-even points, costs were summed based on the above-mentioned yearly allocation. Furthermore, the break-even points were calculated based on three scenarios: selling only big packages (BP), selling only medium packages (MP), and selling both. The variable costs associated with each program include outsourcing costs and costs with materials, aggregated from program information sent by the organisation ([Appendix 61](#)). Hourly personnel expenses were disregarded, as the new hires will integrate the organisation, irrespective of the number of programs sold; hence, these do not represent variable costs.

Although the big program splits across 1,5 years, the analysis was performed considering all revenues and costs are received and incurred in the same year. Otherwise, values would be underestimated.

With the current pricing strategy, the break-even analysis reveals U.Dream would have to sell either 3 big packages, 11 medium packages or 2 big packages and 2 medium packages to break-even from 2025 onwards (where personnel expenses are no longer backed by IEF; 2025 also reflects salary increases). This equates a utilization rate of 38% selling MP and of around 20% selling BP.

Adjusting the estimated market size to the real forecasted GDP growth (International Monetary Fund 2022), U.Purpose will have to grow its market share to around 0,04% in 2024 and 2025 (from the current of 0,008%) in order to break-even. Detailed calculations can be found in [Appendix 62](#).

How can the price point be adjusted within the proposed range?

A sensitivity analysis on the break-even point relative to different price points within the proposed price ranges was conducted for 2024 and 2025, as these are the years where personnel expenses (the main cost) become closer to future year’s reality. It led to the conclusion that from a break-even perspective, within the €36 000-€50 000 range, U.Dream is able to reduce the break-even at a price point of €38 754 (2024) and €40 113 (2025), and would not reduce it further even if selling at €50 000. It shows the break-even is not very sensitive to price changes.

Price Range	€ 36 000,00	€ 39 081,42	€ 42 426,59	€ 46 058,10	€ 50 000
2024					
Margin (P-VC)	€ 28 155,00	€ 31 236,42	€ 34 581,59	€ 38 213,10	€ 42 155,44
Cost	€ 61 818,47	3	2	2	2
			€ 38 754,23		
2025					
Margin (P-VC)	€ 28 155,00	€ 31 236,42	€ 34 581,59	€ 38 213,10	€ 42 155,44
Cost	€ 64 535,39	3	3	2	2
				€ 40 112,70	

Figure 13: Break-even sensitivity price range 36-50k

When analyzing the medium package, it is observable that, although the proposed range is slightly lower, the break-even is relatively more sensitive to price changes. U.Dream would be able to lower the break-even significantly from pricing programs from €10 277 in 2024 and €10 617 in 2025.

Price Range	€ 8 000,00	€ 8 800,00	€ 9 680,00	€ 10 648,00	€ 20 000,00
2024					
Margin (P-VC)	€ 5 450,00	€ 6 250,00	€ 7 130,00	€ 8 098,00	€ 17 450,00
Cost	€ 61 818,47	12	10	9	8
				€ 10 277,31	€ 18 004,62
2025					
Margin (P-VC)	€ 5 450,00	€ 6 250,00	€ 7 130,00	€ 8 098,00	€ 17 450,00
Cost	€ 64 535,39	12	11	10	8
				€ 10 616,92	€ 18 683,85

Figure 14: Break-even sensitivity price range 8-20k

The break-even analysis leads to following recommendation regarding the preferred price-point within the range: €40 000 for the BP (closer to the lower-end) and €15 000 for the MP (closer to the upper-end). This leads to a margin improvement for both programs and lowers the minimum required utilization rates to 14-18% and 17-21% in 2024 and 2025 for BP and MP, respectively.

What are the maximum revenues and profits that U.Purpose can capture?

A scenario analysis was performed in order to understand the revenues and profit ranges implied by different utilization rates. Ultimately, the analysis allows for the conclusion on the maximum revenue pool that U.Purpose can acquire in light of its hour capacity. Four scenarios were considered: 25%, 50%, 70% and 100% utilization rate, assuming it sells only BP programs, MP programs and both. 2022 was disregarded as it is not expected it sells any program until the year end.

The first highlight is that, if both consultants allocate all of its time to big programs, U.Purpose can sell a total of 21, 11, 16 and 13 big programs in FY2023, 24, 25 and 26 respectively. Furthermore, if selling only medium programs full utilization is reached at 29. Through selling a combination of both, a scenario that most likely corresponds to the reality, it

can sell at most 10 BP and 15 MP in FY23, 8 BP and 11 MP in FY24, and 8 BP and 13 MP in FY25 and 26.

Secondly, the analysis reveals that U.Dream’s maximum revenue pool ranges from €560 000 to €573 333, obtained through selling only big programs.

Revenues	25%	50%	75%	100%
BP 2023	€ 133 333	€ 266 667	€ 426 667	€ 560 000
BP 2024	€ 120 000	€ 266 667	€ 426 667	€ 573 333
BP 2025	€ 133 333	€ 280 000	€ 426 667	€ 573 333
BP 2026	€ 133 333	€ 266 667	€ 426 667	€ 560 000
MP (every year)	€ 105 000	€ 210 000	€ 315 000	€ 435 000
50/50 2023	€ 113 333	€ 238 333	€ 378 333	€ 491 667
50/50 2024	€ 125 000	€ 248 333	€ 386 667	€ 511 667
50/50 2025	€ 125 000	€ 250 000	€ 375 000	€ 515 000
50/50 2026	€ 125 000	€ 250 000	€ 375 000	€ 515 000

Figure 15: Revenues given different scenarios

Furthermore, performing the same analysis for profits, it is also observable that profits are maximized when only BP programs are sold (utilization rate of 100%):

BP					MP				
Profits	25%	50%	75%	100%	Profits	25%	50%	75%	100%
2023	€ 81 436,26	€ 203 919,59	€ 350 899,59	€ 473 382,92	2023	€ 43 734,79	€ 128 516,66	€ 213 298,52	€ 310 192,09
2024	€ 25 466,53	€ 137 248,20	€ 256 688,20	€ 368 469,86	2024	€ 20 088,73	€ 101 995,94	€ 183 903,14	€ 277 511,38
2025	€ 48 767,94	€ 169 729,61	€ 290 691,28	€ 411 652,94	2025	€ 17 245,79	€ 99 026,97	€ 180 808,16	€ 274 272,37
2026	€ 39 587,94	€ 143 711,28	€ 272 331,28	€ 376 454,61	2026	€ 17 245,79	€ 99 026,97	€ 180 808,16	€ 274 272,37

50/50 BP/MP				
Profits	25%	50%	75%	100%
2023	€ 57 746,26	€ 157 236,26	€ 263 501,26	€ 345 269,59
2024	€ 39 841,53	€ 136 709,86	€ 246 028,20	€ 347 688,20
2025	€ 37 124,61	€ 138 784,61	€ 240 444,61	€ 354 554,61
2026	€ 37 124,61	€ 138 784,61	€ 240 444,61	€ 354 554,61

Figure 16: Profits given different scenarios

This is the case because, even though the MP offers a slightly better margin, revenues and variable costs with big programs split across years and are impacted by past year’s sales. It reinforces the need to carefully plan the delivery of big projects.

Detailed calculations can be found in [Appendix 63](#).

Based on scenarios, what is the estimated profit?

Although the above analysis provides a hint on the potential impact of quickly expanding the utilization rate, and thereby, projects sold, it is not realistic for U.Dream to be selling at its maximum capacity in the next few years. The reason for that is that the lack of service awareness and the early stage of the industry bound the ability to quickly expand, to which client development and marketing efforts prove crucial. Strengthened by the fact that as

a pioneer in an early stage industry, it has the opportunity to establish itself as a key player, capturing an untapped market. Hence, junior consultants’ and the program manager’s current best usage of time is not on selling programs, but rather on developing a client base and signaling market presence. Projections were made considering U.Dream does not sell until year end; an utilization rate of 25% in 2023, rising gradually to 60% until 2026; and based on three scenarios: 100% BP, 100% MP and a 50/50 split between selling medium and big programs. It should target a yearly 50-60% utilization rate and continuously adjust its workforce to it as it grows in the future (continuously hiring additional program managers and junior consultants in a recommended ratio of 1 to 2 to meet market demand).

It is estimated for U.Purpose to generate profits from 2023 onwards, with the largest IRR between 2022-2026 observed when only BP are sold (full calculations in [Appendix 64](#)):

Only BP	2022	2023	2024	2025	2026
EBITDA=EBIT=Net Income	-€ 5 819 €	77 656 €	98 957 €	169 730 €	217 201
IRR	1365%				
50/50 MP/BP	2022	2023	2024	2025	2026
EBITDA=EBIT=Net Income	-€ 5 819 €	53 966 €	77 192 €	135 918 €	188 181
IRR	974%				
Only MP	2022	2023	2024	2025	2026
EBITDA=EBIT=Net Income	-€ 5 819 €	42 323 €	62 682 €	109 765 €	147 115
IRR	778%				

Figure 17: U.Purpose projections 2022-2026

6.2 Crescer com Consciência

In order to quantify the financial impact of commercialising *Crescer com Consciência*, the strategies outlined in section 5 will serve as the baseline. For all impact calculations, the standard price is now set to be 13€ (RRP), the mid-point in the recommended price range. The donation campaign price remains the same (15€). The following inputs apply to all impact calculations: production costs are 3€/book; customers bear distribution costs. Quantifications will be made in light of the previously proposed implementation roadmap:

2022 (Oct-Dec)	2023	2024
<i>Prepare to commercialize</i>	<i>Leverage own channels, prepare ramp up (external channels)</i>	<i>Ramp-up (focus on external channels, manage internally)</i>
Apply product changes	Close deals with key retailers by year end	Begin selling at key retailers (ramp-up)
Increase the price/adjust qt. discounts	Continue with owned social media advertising strategy	Leverage key retailers for promotion (including launches)/book fair attendance
First contact with key retailers	Promote through influencers	Continue social media advertising
Improve website interface for purchases/information availability	Ensure reviews or interviews in newspapers/magazines	Maintain the 2 FTE + 1 internship every 6-months
Begin advertising on own social media pages (Facebook and Instagram)	Attend FLF and FLP (book fairs)	Extend B2B sales
Paid ads (brand awareness + conversion)	Host book launching events	Track performance, KPIs, sales management
Hire 2 FTE (marketing & communications; operations & customer service)	Establish contact with private schools	
Develop procedures to continuously evaluate the customer journey and manage each step of the purchasing process	Hire for 6-month internship	
Create a professional WhatsApp account (B2B)	Establish the contact to include the book in PNL	
Quantification deliverables (estimates)		
Profitability impact, scenario analysis, cost structure, break-even, market share	Profitability impact, scenario analysis, cost structure, break-even, market share	Personnel expenses estimation, general targets and considerations

Figure 18: Crescer com Consciência Implementation Roadmap

How does each marketing mix recommendation impact profitability?

Product and website:

U.Dream already outsources design to an external team, at a €25/h cost. Usually, the team works around 4 hours per week for the organisation (Cruz, Information Request 2022). As the recommended product changes do not interfere with illustrations, this is a service that can be provided by these external designers. Holding product changes are simple, it is assumed that it will not take more than 4h; optimistically, it is believed to take at least 2h. As such, it is estimated that product change come at a cost of at least €50 and at most €100. In regard to

website improvements, U.Dream is currently working with an external team to restructure its web page. As this is an ongoing project and the service is already hired, the recommendations provided can be included in these changes. Hence, the recommendations can be implemented at no incremental cost. Although these changes are ultimately expected to positively reflect in sales, this effect is rather indirect.

Hiring additional employees:

In order to understand the impact of hiring additional employees (2 FTE and 1 PTE) various scenarios were considered: minimum wage; above minimum wage w/o IEFP; 1 FTE under IEFP; 2 FTE under IEFP; and all employees under IEFP. On the last scenario, U.Dream hires 3 FTE instead of 2 FTE and 1 PTE, as IEFP internships do not apply to partial working schedules. The part-time internship length is of 6 months, with 20 working hours/week. If applicable to an IEFP internship, full-time employees are hired for a 12-month period and offered a contract to continue afterwards. IEFP wages are calculated considering the organisation hires graduates for full-time positions and undergraduates for 6-month internships. The comparison between hiring all employees under an IEFP internship vs. 2 FTE under IEFP and 1 PTE (outside IEFP) led to the conclusion that it is slightly more expensive for U.Dream to hire 3 FTE (2 graduates for a 12-month internship and 1 undergraduate for a 6-month internship) under IEFP instead of 2 FTE and 1 PTE, but significantly cheaper considering the hourly cost. As such, it is recommended for U.Dream to hire 3 FTE through IEFP.

Assuming U.Dream is able to hire candidates that qualify for IEFP internships; that it hires the 2 FTE in November 2022; that it opens the 6-month internship position from January 2023, renewing it every 6 months; and that once the 12-month internships end the salary remains the same, rising to €1 100 in FY2025 conditional to good performance, it is expected that it incurs in the following personnel expenses: €2 414 in FY2022, €24 428 in FY2023, €42 586 in FY2024 and €46 900 in FYs 2025/26. The summary of the assumptions used in

calculations can be found in [Appendix 65](#). Calculations were made in light of IEFP regulations and Portuguese legal requirements and are present in [Appendix 66](#).

The positive effect of hiring the additional human resources is partially embedded in the ability to implement the additional recommendations, currently not possible due to the founder's work overload; and in the increased efficiency of having the founders more focused on their management roles.

Promotion strategy 2.1 – (Owned) Social media:

The increase in posting frequency and general activity related to the initiative in owned social media pages is ultimately expected to revert to sales. Intended to understand the extent of this impact, industry data was considered. According to Rival IQ, non-profits earned nearly twice the median engagement on every channel in 2022 and were especially prolific on Facebook (Feehan 2022). With an average engagement rate of 0,97% on Instagram (Phlanx 2022) and 0,02% on Facebook (Phlanx 2022), U.Dream has a lower engagement relative to the average of non-profits (1,04% on Instagram and 0,11% on Facebook (Feehan 2022)); yet, also a significantly lower number of posts. This suggests rates can be improved through increasing posting frequency. As this is a strategy to be continuously implemented every year, projections were made starting in October 2022 until the end of 2026.

U.Dream currently has 8 000 followers on Instagram. In order to increase its engagement, and further, conversions, posting schedules were defined for every year, based on the industry averages. Steaming from the strategy, the target number of followers until the end of 2026 was set at 15 000, implying a CAGR of 17%. Additionally, it was assumed that U.Dream will be able to grow its average engagement rate at 5% per year. Every year, two case-scenarios were assumed: a conversion rate of 0,4% (worst-case) and 0,6% (best-case) for engaging followers (calculations in [Appendix 67](#)). The same methodology was applied to Facebook, where the target number of followers was set at 50 000 (implied CAGR of 6%)

(calculations in [Appendix 68](#)). Both the target number of followers and posting frequency are low relative to Instagram; even though Facebook still secures the largest number of users (Statista 2022), this is due to naturally lower engagement and perceived less attractiveness in regard to branding. The conversion rate was set at 0,2% in the worst-case scenario and 0,4% in the best-case scenario. It is estimated that the strategy will bring U.Dream at least €46 and €274 and at most €72 and €415 in profits in 2022 and 2023, respectively ([Appendix 69](#)).

Promotion strategy 2.2 – Paid ads:

In order to understand the potential impact of running promotional campaigns on Facebook and Instagram, two simulations were made using Meta's ad manager ([Appendix 70](#)). Firstly, the details and objectives of the campaigns were inserted. Both campaigns are targeted at people with above 25 years old in Portugal. On the first, the main objective is awareness, implying ads are shown to people who are most likely to remember them; on the second the main objective is conversion, implying ads are shown to people who are most likely to take an action (i.e. buy the book). The conversion event location was set to be the website. In regard to budgeting, this was defined as €5 per day for both campaigns. Based on the details inserted, Meta estimates an audience size of between 6,1 and 7,1 million people for the brand awareness campaign and a daily reach ranging from 6,6 to 19 thousand people. The campaign will be conducted during October and November (1 month), implying a total reach of between 198 and 570 thousand people, and a cost of €150. For the conversion campaign, Meta estimates an audience size of between 6,2 and 7,2 million people and a daily reach ranging from 763 to 2 200 people. Conversion is estimated to range from 8 to 22 daily, based on a 7-day click and 1-day view conversion window, implying at least 8 buyers per campaign day. The campaign will also be conducted for 1 month, beginning shortly after the previous campaign and ending close to Christmas, likewise implying a €150 cost. The total number of conversions is estimated to range between 240 and 660. It was assumed that each customer buys 1 book. Besides the investment

cost, U.Dream has to incur in the production costs of each book sold. Although the brand awareness campaign does not target conversions, it is ultimately expected that some of the people that were exposed to the ad further engage with the organisation and buy. As such, it was assumed that at least 0,3% and at most 0,5% of the audience reached visits the website; and that out of these, at least 2% and at most 3% buy 1 book. With 7 to 86 new buyers and considering all purchases are made at the standard price, the campaign is estimated to generate from -€31 up to €705 in profits ([Appendix 71](#)). The conversion campaign is estimated to generate between €2 250 and €6 450 in profits, with the customer acquisition cost being at least €0,22€ and at most €0,63 ([Appendix 72](#)).

Promotion strategy 3 – Influencers:

Out of the 20 suggested influencers ([Appendix 73](#)), 3 were disregarded due to not having children within the required age range yet. Out of the remainder, it was assumed that approximately 80% (14 out of 17) would be willing to share the book on their Instagram page. The high percentage stems from U.Dream being a social enterprise and from the perceived higher sensitivity to children education based on content posted.

Information was gathered with the follower base and engagement rates of each influencer. The total number of followers is of 3,8 million (n=14), and average engagement rate of 2,3%, higher than both U.Dream's engagement rate (0,97%) and the average influencer engagement rate in 2022 (1,18%) (Feehan 2022). The 14 influencers from the list were selected randomly. Calculations were made based on a lower-end and upper-end scenario and can be found in [Appendix 74](#). Out of the total number of people that is expected to engage with the content posted (80 400) it was assumed that at least 10% and at most 20% will visit U.Dream's page. Out of these it was assumed that at least 2% and at most 3% convert into clients. The range was determined based on the average influencer conversion rate of 2,55% and typical range of 1-3% (Chen e Knisely 2016); and on the high customer-product congruence (Belanche,

et al. 2021). U.Dream would not incur in costs other than the book's production costs (€3/unit) and distribution costs (€2,5 per influencer). As such, assuming all customers buy at €13, profits from this strategy are estimated to range between €1 573 and €4 789. As the strategy must be implemented after the product is reviewed and holding the planned tasks until the year end, it is recommended for it to be implemented in 2023.

Promotion strategy 4 – Newspapers and Magazines:

According to Reuters, Jornal de Notícias, Expresso and Público are the most trusted news brands (Cardoso, Paisana e Pinto-Martinho 2022). Additionally, both Expresso and Público have culture focused magazine supplements (Revista E and Ípsilon, respectively). As such, it is recommended that U.Dream preferentially contacts these sources to have an interview or review published. This is a punctual strategy; hence, estimates must be based on average daily readers. It is considered that U.Dream is able to have an interview or review published in paid published editions, as this is the way to access more engaged readers. In the first trimester of 2023, Jornal de Notícias and Público reported average daily buyers of 22 735 and 58 738, respectively (digital and physical). Expresso reported average weekly buyers of 100 194. Aggregate, this equate 181 667 buyers. The value was adjusted to reflect for the fact that a minor number of buyers may not read and that the number of readers is likely higher than the number of buyers, as these buyers may ultimately share (e.g. household, hairdressers, cafés, etc.). Assuming that at least 0,2% and at most 0,3% of readers purchase 1 book, and that all purchases are made at the RRP (13€/book), the promotion strategy is estimated to yield at least €3 814, up to €5 722 in profits. Calculation details in [Appendix 75](#).

Promotion strategy 5 – Book fairs and launches:

According to GFK (2021), the number of books sold in fairs in 2021 is estimated to be 0,9 million, equating €12,3 million in sales. For calculation purposes, it was assumed that the Lisbon and Porto's book fairs secure 80% of this value. The % was set based on research

regarding other fairs, that concluded that Lisbon and Porto's fairs are by far the largest in regard to number of participants, but that there is a large number of small fairs in Portugal. Based on the assumption, the aggregate sales are estimated to be €9,84 million. Lisbon's 2022 fair will count with 140 participants (Lopes 2022) and Porto's with 84 (Porto. 2022). The sales value attributable to each fair was computed based on a weighted average of visitors, where the last pre-pandemic values available were considered (no restriction on the number of visitors). Therefore, it is estimated that Lisbon's book fair had sales of €6 million and Porto's book fair of €3,82 million ([Appendix 76](#)). If all participants sold equally, each participant would secure a share of 0,7% and 1,19% in Lisbon's and Porto's fairs, respectively. Whereas this is hardly the truth, given that the largest publishers and book retailers participate, as well as small book sellers and publishers, it was used to guide the scenario analysis.

It is estimated that U.Dream would be able to secure at least 0,2% and at most 0,3% market share in Lisbon. With the cost per stand of €1 800 (APEL 2022), required annual APEL associates fee of €149 (APEL 2022), books' production cost and travel and accommodation expenses, the participation is estimated to translate into between €6 229 and €10 861 in profits. In regard to Porto's book fair, it is estimated that U.Dream would be able to secure at least 0,6% and at most 0,7% market share, where the relatively higher % stems from the established brand name in the city. The cost per stand is of €500 in Porto (Porto. 2022), with estimate profits ranging from €17 126 to €20 063. Overall, the participation in Lisbon and Porto's 2023 book fairs is estimated to grant at least €23 355 and at most €30 924 in profits ([Appendix 77](#)).

In regard to book launches, it is recommended for U.Dream to internally organise events for each book of the collection (total of 2) in key locations where it already has a strong presence: Porto and Braga. Further, it is recommended that it holds events upon the release of a new book. These events must be held by the founders in pair with the writer Pedro Rosário (only writer in Portugal). The scope of the calculations is internally organised events, although

the organisation may be also able to hold book launches once partnerships with bookstores are established (higher reach, yet uncertain). Nevertheless, internally organised events can be more intimate, providing access to customers that are more likely to convert. U.Dream already held one event. As it was during the pandemic, it occurred online; it counted with around 25 people (Cruz, Information Request 2022). Assuming U.Dream is able to leverage its contacts to have suitable, free, event locations in these cities (preferably high schools, through U.Academy, or municipal libraries or sites, as these provide greater access to the target customer); that it counts with between 70 and 100 attendants in Porto and between 50 and 80 attendants in Braga (higher than the previous event, as now it will be backed by an advertising plan); that at least 20% and at most 30% of attendants convert; that 80% of customers buy at the standard price and 20% at the campaign price; considering production costs and estimating travelling expenses between Braga and Porto at €13 (w/ return); it is estimated the strategy will bring at least €222 and at most €484 in profits. The impact of holding an event in Lisbon was also calculated. However, the weak brand equity in the city aligned with the travel expenses to hold the event make it unprofitable. Calculations can be found in [Appendix 78](#).

B2B promotion strategies:

Out of the 1965 private schools teaching pre-school, 1st cycle and/or 2nd cycle in Portugal, it was assumed that at least 10% and at most 20% reply to the direct e-mail sent showing interest in scheduling a visit. To incentivize the purchase, it was recommended that U.Dream offers a free sample on these visits; hence it will incur in production costs. It was assumed that at least 4% and at most 5% would be willing to order. In order to understand the quantity discounts applicable, the number of students enrolled in private schools in pre-school, 1st cycle and 2nd cycle levels (191 075 (Pordata 2022)) was divided by the number of schools, concluding an average of 97 students per establishment. Assuming schools order for all students, either to offer on a special occasion or to include in in-class activities, the quantity

discount applicable would be of €2/unit (11€/book). As such, it is estimated that B2B private selling translates into at least €5 525 and at most €14 107 in profits ([Appendix 79](#)).

What is the overall impact in profitability in 2022/2023?

In aggregate, it is estimated that the recommendations provided grant U.Dream at least €10 285 and at most €36 972 between October 2022 and the end of 2023.

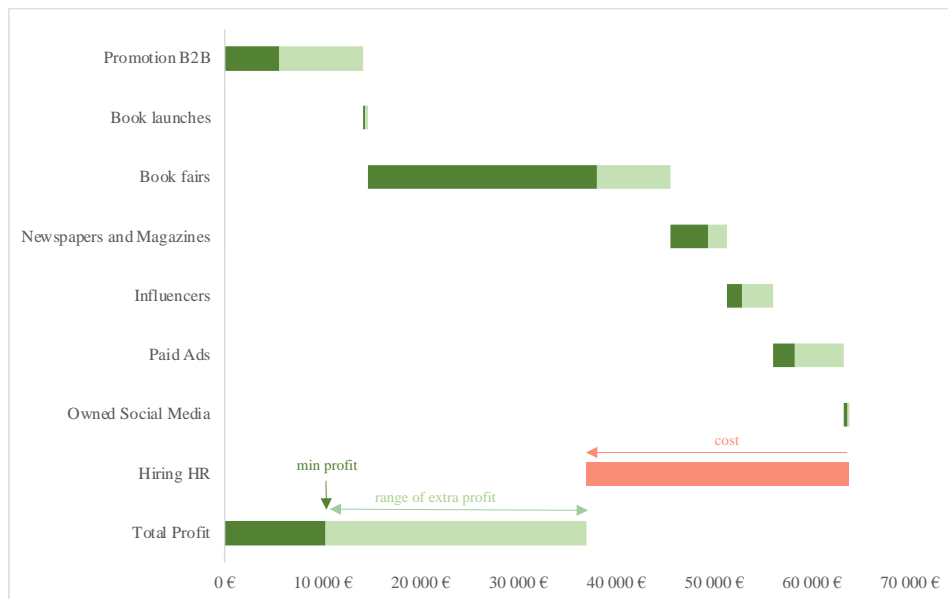


Figure 19: Estimated Profitability

What is the break-even point and implied market share?

The estimated cost structure of the initiative for the next years was already mentioned in the above recommendations. However, an aggregate analysis is necessary to calculate the break-even points, hence concluding under which scenarios the provided recommendations ensure costs coverage. The cost analysis reveals a large weight of personnel expenses associated with new hires, followed by advertising and promotion expenses; it stems from these being the areas with largest identified gaps. Importantly, the relatively low advertising and promotion expenses stem from the benefits of leveraging the non-profit position, rather than by lack of investment. Assuming all books are sold at €13, in 2022 it is highly likely for U.Dream to break-even, as it is only uncappable to achieve the point under the low-case scenario. Furthermore, in 2023, when the majority of promotion strategies are planned, estimates fairly surpass the break-

even point under all scenarios. Even if only selling through own channels, the recommendations are estimated to grant a vast increase in total sales (366% in 2022 and 905% in 2023), and market share, concluding that U.Dream can turn *Crescer com Consciência* into a profitable business by addressing internal gaps.

Personnel expenses are projected to become heavier in 2024 and 2025, as funded internships cease and FTE are promoted, stabilizing at €46 900. Although this leads to a 63% increase in the break-even (in reality, higher, as only personnel expenses are considered), it is not perceived to be an issue, as it is expected for U.Dream to already sell in big retailers by then and grow external partnerships, ramping-up the commercialization of the collection.

A summary of the analysis can be found in [Appendix 80](#).

6.3 Aggregate Impact on Profitability and Key take-aways

Crescer com Consciência is estimated to bring at least €10 285 and at most €36 972 incremental profits between 2022-2023. Over the same period, U.Purpose is estimated to bring at least €36 504 and at most €71 837, where the upper-end represents a scenario where only BP are sold, and the lower-end a scenario where only MP are sold. Holding U.Dream’s net income of €23 695 in 2021, the go to market strategies are estimated to add at least €46 789 and at most €108 809 in profits until the end of FY2023.

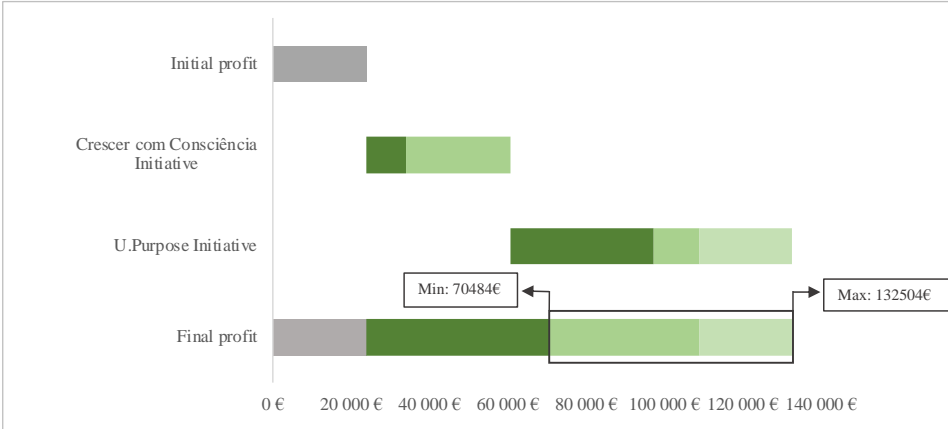


Figure 20: Overall Expected Impact on Profitability

Key Takeaways

- U.Purpose positions itself in an early-stage industry with high growth potential. U.Dream already developed a solid product, that caters to CSR needs of corporates. Currently, it needs to focus on building brand awareness and actively searching for clients in order to succeed. The **cost structure** reveals this need: **personnel expenses** are by far the **largest contributor**, as without human resources, U.Dream cannot pitch its product to market (**a key revenue driver**).
- The required **utilization rate to break-even** is relatively **low**, especially for big programs. It suggests **low risk** associated with the **fixed cost structure**. The break-even can be further reduced by adjusting pricing within the previously proposed ranges. Based on a sensitivity analysis of break-even relative to price, **prices were revised to €40 000 for the big program and €15 000 for the medium program**. Furthermore, the scenario analysis over different utilization rates reveals a high profit potential, reinforcing business attractiveness.
- U.Dream must continuously **target a 50-60% utilization rate**, hiring additional consultants and program managers once exceeded. This allows it to sell while ensuring future clients. It is recommended it hires 1 program manager per 2 consultants. However, in an early stage, client development and marketing efforts are of up-most importance. As such profit estimates are based on a utilization rate of **25%** in 2023, that gradually rises to **60%** until 2026.
- Estimated **profits** range from **€36 504** (scenario where only medium programs are sold) to **€71 837** in **2023** (scenario where only big programs are sold). The **various financial analysis** suggests the **focus** must be on **selling big programs**. From a **strategic perspective**, that is **also the case**, as it is easier to secure and manage one client relative to the three that entail the same profit.

- The analysis ultimately reveals one main **risk**: the success of U.Purpose is **conditional** to the **ability to hire and retain talent**, as in such industry, that is key to unlock value.
- *Crescer com Consciência* positions itself in a mature industry with few growth opportunities. Nevertheless, U.Dream has a differentiated product, that if combined with an adequate promotion strategy may turn the initiative into a steady income source.
- In order to compete with publishing companies, it is of high importance that it hires a team to fully specialize on the initiative. Consequently, personnel expenses are also the largest contributor to costs.
- Estimated profits range from €10 285 to €36 972 until the end of FY2023, revealing **positive income** even in the **worst-case scenario**. However, there is one **remark**: hiring recommendations are based on leveraging IEFP; from 2024 onwards, the fixed cost structure will become heavier, as IEFP funding cease for 2 employees (increasing break-even in 48%). Furthermore, profits are concentrated in one promotion initiative: attending Porto and Lisbon's book fairs.
- The success of the initiative is bounded by the ability to secure **partnerships** with **key retailers**. That is the point when the commercialization of the collection will truly ramp-up. With a fully focused team, it is believed that by 2024 these partnerships will have been secured. However, U.Dream must be aware that the initiative might be unprofitable if that is not the case. In such scenario, it will need to cut on personnel expenses, as without them, the light cost structure allows profitability.
- Altogether, the commercialization of *Crescer com Consciência* and U.Purpose are estimated to increase profits by at least 97% and at most 359% until the end of 2023. While both initiatives reveal **high profit potential** relative to the base-line profit, U.Purpose is the hidden gem to unlock value creation, and *Crescer com Consciência* (if partnerships are secured) the steady contributor to profits and portfolio diversification.

6.4 Project Wrap-Up

Considering U.Dream as a whole, what is in and out of scope in this project? What does it reveal regarding areas of concern and opportunities?

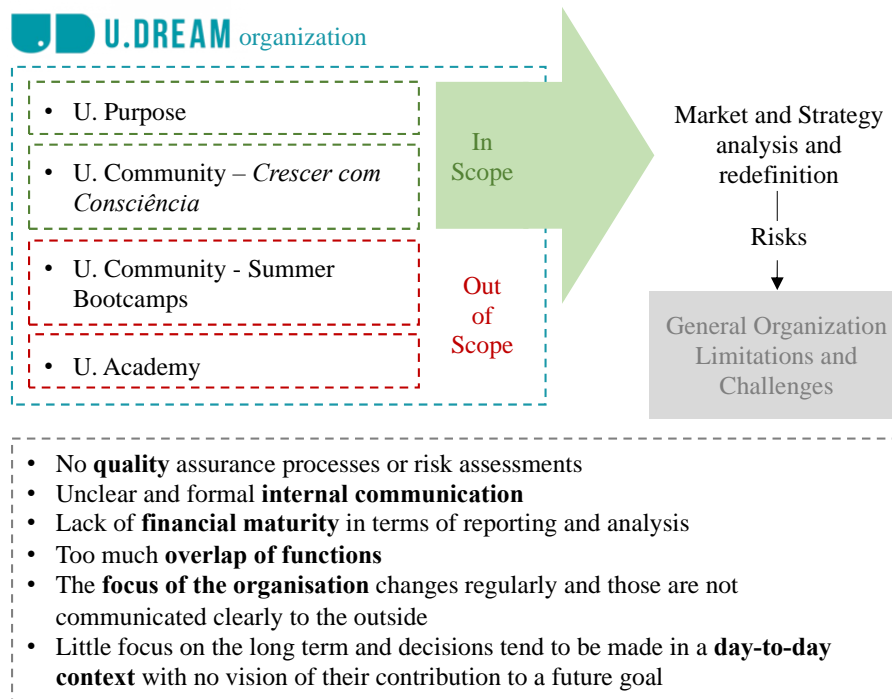


Figure 21: Summary of Thesis Scope and Limitations

- The project centered on the analysis of U.Purpose and *Crescer com Consciência* (initiative within U.Community). It excludes U.Academy, U.Dream's core business unit and key contributor to organic revenues. An analysis of U.Academy's current strategy might reveal opportunities that unlock financial and social value creation.
- While a general analysis of the organisation was performed under section 1, it was not the focus of the project. Nevertheless, it revealed aspects, on an organisational level, that may hinder the success of the go to market strategies. The key areas of concern are operations, where efficiency is low in light of a lack of standardized internal and external procedures, finance, where the lack of financial analysis hides risks and opportunities, and strategy, where the lack of clear long-term goals leads the team to lose its focus in regard to tasks prioritization and resource allocation on a daily basis.
- U.Dream must prioritize a deeper analysis on this level and revision.

What are the main conclusions?

Is there an opportunity for U.Dream in the children's book and CSR markets?

Yes.

Both *Crescer com Consciência* and U.Purpose are distinctive, quality offerings, that cater to attractive segment's needs. Whereas the CSR market is in an early stage, and therefore growing and with few competitors, the book market is mature, stagnated and highly competitive. As a consulting service, and therefore value-based offering, U.Purpose displays the highest potential to drive revenue and profit growth, sustaining the organisation in the future. Nevertheless, when ramped-up, *Crescer com Consciência* is expected to promise a steady revenue stream, allowing for diversification benefits.

In detail

1. What is U.Dream's current setting as it goes to market with U.Purpose and Crescer com Consciência?

- U.Dream is a social enterprise that focuses on developing social leadership skills. It is seeking business opportunities that allow it to deliver its social mission while ensuring future financial sustainability. With that purpose, it recently launched a collection of children's books – *Crescer com Consciência* – and a CSR consulting service for corporates – U.Purpose. However, this was done without a market assessment and clear strategy.

U.Dream's recent restructuring and healthy financial position place it well to succeed with the go to market strategies. The financial analysis reveals the need to do so. The P&L indicates high dependency on public funds – 61% of revenues sources – as well as a heavy fixed costs structure – 61% of costs are personnel expenses, and 84% of organic revenues concentrated in one business unit, suggesting potential diversification benefits from entering new markets. While the management team is driven and enthusiastic, the

organisational analysis revealed a lack of structure and long-term planning, with no clear and objective targets, strategic analysis and delivery and financial reporting procedures. Revising these is key to succeed in the CSR and children's book markets.

2. What is the current market landscape for U.Purpose?

- U.Purpose is a B2B business unit of U.Dream that offers Corporate Social Responsibility (CSR) consulting services to corporates. It has three packages of services that address different consumer needs in terms of price and time of the projects. When analysing the current market situation of U.Purpose it was found that the business unit has few direct competitors (Grace, Stravillia, Sair Da Casca and Impact team) a sizeable revenue pool (€139 million), a high threat of new entrants yet a moderate substitute product threat. Therefore, market conditions are extremely favourable to U.Purpose. Furthermore, the way U.Purpose differentiates itself is also extremely favourable due to the unique structure of the service provided (client volunteering, dreams realization, sense of community, lasting impact, wellbeing of client employees, mantra, and variety of packages). When looking at the "as-is" of the business unit however some questions were raised. Since it is still in a "pilot" phase, there is no systemized approach to dealing with customers or promotion activities. Furthermore, considerable issues surfaced in the gap analysis with regard to: logistics, location, prioritization, competitor price points, competitors processes, marketing strategy and customer acquisition. This chapter demonstrated the current limitations the business unit has in terms of operational/commercial issues and demonstrates the need for further research to be done on the above before U.Dream can successfully launch itself to market.

3. How can U.Dream successfully launch U.Purpose to market?

- U.Purpose's key value proposition gives the brand a competitive edge in the market however within its current state of affairs, the business unit faces significant constraints

that could hinder potential growth. Given that the brand is still in a pilot stage and has not yet officially launched to market, marketing is of utmost importance. The brand needs to leverage on both traditional and digital marketing practices to drive customer awareness and cater the message according to the cluster targeted. Furthermore, U.Purpose's pricing strategy must reflect current market demands. Lastly, the sub-brand needs to focus on the fundamental elements such as marketing, human resources, finance, and strategy to become the successful business unit U.Dream wants it to be.

4. What are the characteristics of the children's book industry and market and how is Crescer com Consciência positioned in the competitive landscape?

- The market and the book industry analysis indicates that the business model that U.Dream has chosen is the extreme opposite of what is the predominant choice. Thus, while U.Dream is responsible for all steps, from book development, to production and marketing, most of its competitors rely on publishers who work with the best professionals in each step. Furthermore, the Portuguese book market is considered mature and stable, with no significant variability in prices. These two facts stress the relevance of developing a strategy oriented towards competing with these professionals, leaving behind an ad-hoc methodology. This is reinforced by the fact that the way to grow will be to capture competitors' market share and/or (in a future phase) expand to other geographies. The organisation has already achieved differentiating and unique conditions in terms of production costs; however, it still needs to professionalize a strategy for the final part of the supply chain.

5. What are the strategic revisions that allow Crescer com Consciência to establish a successful positioning?

- Since B2B customers are not part of the traditional definition of the book market, an STP analysis was conducted to get a clearer picture of the type of customer to target.

The result was three different segments with similar characteristics: civic/social awareness, empathy, and alert. This reinforces U.Dream's responsibility to live up to its promises in terms of social action but, at the same time, represent a group of potentially loyal and activist consumers (earned media). The fact that U.Dream has not fully understood its market and has not developed a concrete strategy, explains the need to develop one that addresses the organisation's key challenge: communication. Therefore, most of the recommended 7Ps are oriented to support an integrated and cohesive promotion strategy such that potential customers understand the value proposition of the offer.

6. What is the incremental impact on profitability from pitching U.Purpose and Crescer com Consciência to market?

- U.Purpose and *Crescer com Consciência* are estimated to add at least €46 789 and at most €108 809 in profits until the end of FY2023, that add to €23 695 in Net Income in 2021. The values are promising, backed by U.Purpose's financial projection until 2026 and expectation that in 2024 U.Dream will already have been able to sell *Crescer com Consciência* in key retailers. However, it reveals some risks: U.Purpose's success is conditional to hiring and retaining talent, and of *Crescer com Consciência* to secure partnerships that allow it to compete with big publishers.

What are the main limitations to the analysis?

Some limitations are expressed in the disclaimer, namely lack of financial information per business unit and internal documents on the initiatives/overall organisation, and lack of availability to respond to data requests. Additionally, the CSR survey conducted presents a time-accuracy trade-off, where a larger sample could allow for more accurate conclusions. Further research can still be done to increase the accuracy in financial projections, namely integrating historical financial information and the impact of financing decisions.

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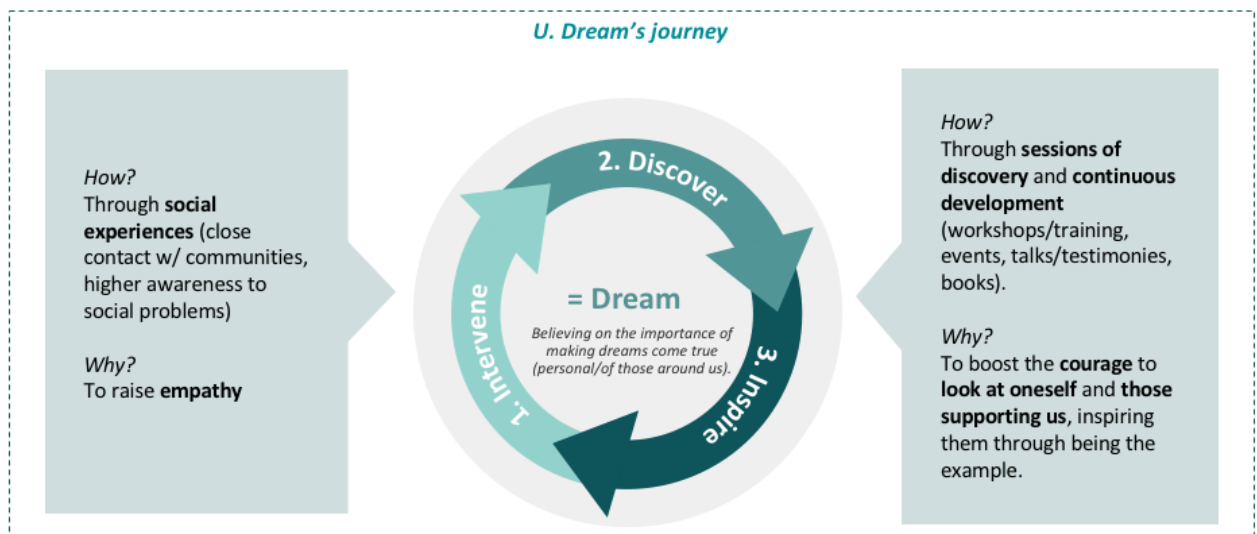
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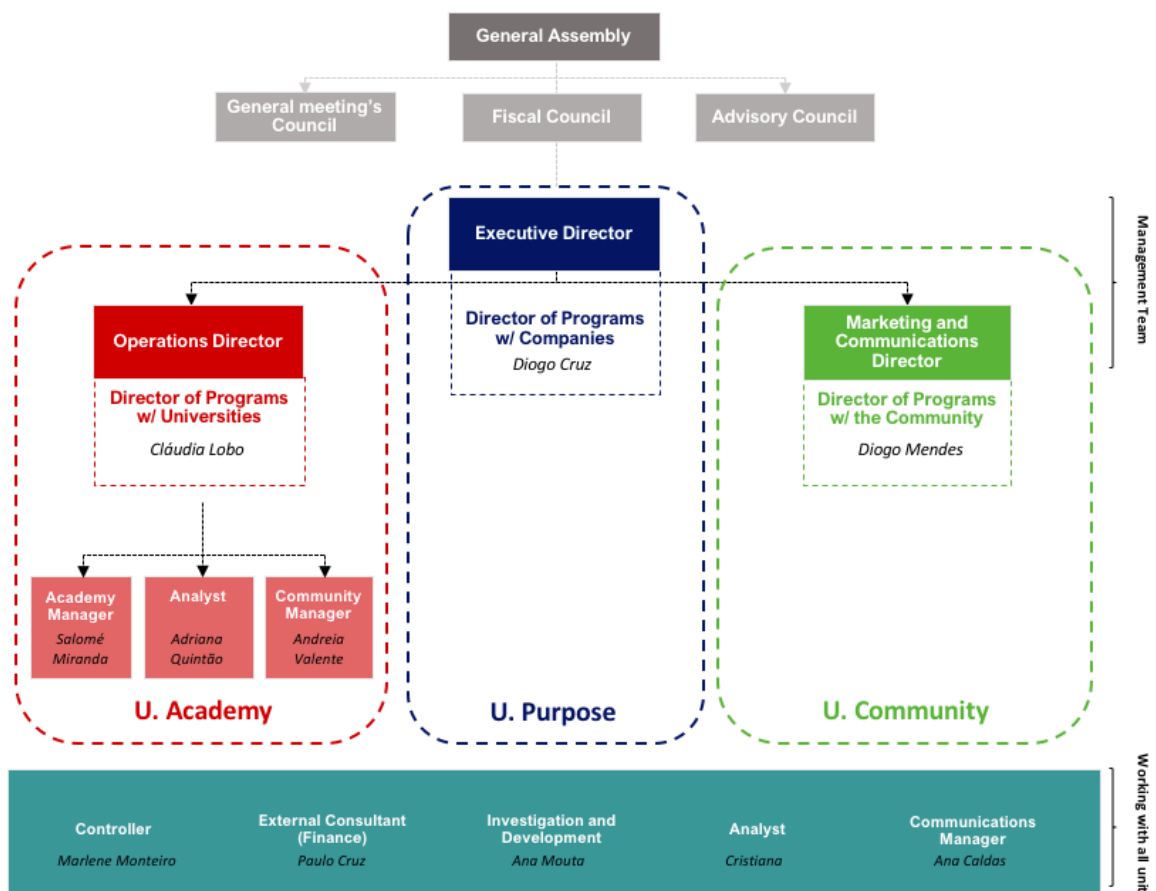
Figure 21: Summary of Thesis Scope and Limitations 45

Appendix

Appendix 1: U.Dream's journey



Appendix 2: Organogram



Appendix 3: Diagnostic Tool for Social Enterprises

Score	Rating	Explanation
1	Statement is False	There are no processes, policies, actions or documents in place
2	Statement is Partly False	The organisation is able to reference some of the documents, policies or procedures, but there is no evidence of these being embedded or implemented in practice.
3	Statement is Neutral	The organisation has the policies, procedures and documents in place, and can reference them, but the evidence of them being embedded and live is weak.
4	Statement is Partly True	The organisation has relevant policies and knowledge, but there is room for improvement in terms of embedding and using the processes or undertaking the actions.
5	Statement is True	Processes and policies are practiced and embedded in the organisation and continuous improvements to them are made.

	Score	Weight	Comment	Adviser's Notes
1. Strategy				
Section Goal: To explore the direction and strategic planning of the organisation, ownership of the strategy and alignment of new ideas with the overall direction.				
The organisation has a strategy that defines its vision, mission and objectives.	2	20%	The organisation recently shifted its vision, mission and objectives. Currently, documents regarding this shift are still being developed as the organisation tailors its new vision and mission to daily activities and works with external consultants. There is no scope definition of the organisation over the long-term.	Strategy is the direction and scope of an organisation over the long-term, setting out its aspirations and goals to meet the needs of the market and to fulfil stakeholder expectations, as well as taking into consideration the operating environment and resources available. A strategy can be a short document.
Where a strategy exists, it has been developed in collaboration with key stakeholders, and takes into account the organisation's strengths, weaknesses, opportunities and threats.	3	20%	Strategies are developed considering, but not necessarily in collaboration with key stakeholders. The organisation uses the SWOT analysis punctually for internal purposes. However, it is not commonly used when developing strategies for new projects.	With the goal of creation of win win relationships with the involved parts.
There is a 3- 5 year business plan in place that is directly related to the organisation's strategy and identifies the activities to be undertaken to achieve the objectives.	1	20%	The organisation currently manages its strategy ongoing. There is no definition of activities nor objectives for the time frame of 3 to 5 years.	A business plan is the working tool to turn the strategy into reality. It is a written management document which is used to develop, grow and manage a business. The business plan is aligned to the strategy and sets out the key operational issues and activities.

<p>A person or team has been appointed to take responsibility for developing, monitoring and reviewing the business plan on at least a yearly basis.</p>	<p>1</p>	<p>20%</p>	<p>Over previous years, the organisation used frameworks such as a Balance Scorecard to review its business plan on a regular basis. Currently, it considers that reviewing its business plan adequately, deeply and regularly is too time consuming. Therefore, formally, there are no procedures for business plan revisioning on a yearly basis.</p>	
<p>New business development or project ideas are assessed against the overall strategy and the organisation's objectives. The project ideas are prioritized according to their impact on the overall organisation.</p>	<p>5</p>	<p>20%</p>	<p>Although a long-term strategy currently lacks and the overall strategy is being redefined, U.Dream follows a 3 step methodology to prioritize business development/new projects and ideas: alignment with the mission, generation of social impact vs. impact on the overall organisation and achieving financial sustainability.</p>	<p>Business development refers to activities which an organisation undertakes related to trading, sales or products, to grow the existing customer base and find new markets. This would include new contract and commissioning opportunities.</p>
<p>Avg. Weighted Score</p>	<p>2,4</p>	<p>100%</p>		

	Score	Weight	Comment	Adviser's Notes
2. Governance				
Section Goal: To explore the direction and strategic planning of the organisation, ownership of the strategy and alignment of new ideas with the overall direction.				
The organisation has an appropriate legal structure in place for its activities, and relevant legal documentation.	5	15%	U.Dream is a non-profit youth association with public utility. This legal structure allows it to commercialize its activities (Books, U.Purpose, U.Academy) and access public funding. It has the relevant legal documentation.	It will be important to jointly explore with the organisation whether they have chosen an appropriate structure (e.g. Charity, IPS, CLG, CLS, LLP, CIC, other). If they are unincorporated explore with them if this is still appropriate to them, based on their income, scope of activities and risk.
A Board of at least 3 people has been appointed to guide the direction of the organisation. The Board meets on a regular basis (at least once every 6 months) to discuss the organisation's progress and strategic direction.	2	20%	U.Dream has a Director's Council (9 people), a General Meeting's Council (3 people), a Fiscal Council (3 people), and an Advisory Council (3 people). However, none of these councils meet with each other or internally. The majority of the meetings that focus on the organisation's progress and strategic direction are held either by the management team (most common) or by the management team with external consultants and the advisory council.	Rules vary depending on the legal structure of the organisation as to the ideal number of board members, but a board of 3 people is recommended, to present a third voice in the event of disputes in decision making.
The Board meets with or receives regular updates from the Management Team of the organisation to ensure that it is aware of any operational and financial issues that could impact on the direction of the organisation.	3	15%	The Director's Council meets with the management team in regard to operational and financial issues. However, this is not done regularly.	

Board members are recruited based on their relevant expertise, influence and knowledge. The organisation provides capacity building for Board members.	1	15%	The statement applies to the management team. The Board was set based on knowledge of the organisation and availability/willingness to be part of it.	Capacity building and training of board members is important, enabling them to give guidance and effective direction to the organisation.
An organisational chart is in place with clear lines of accountability and authority.	5	15%	U.Dream as an organogram specifying lines of authority and accountability. It does not include the board (governing bodies), however these are present in the annual reports.	
The organisation has undertaken a stakeholder analysis to understand which parties have particular interest in it and influence over it.	4	10%	The organisation understands who are its direct and indirect beneficiaries and stakeholders in general. Data in this sense could be more structured.	A stakeholder is a person, group, organisation, or system who affects or can be affected by an organisation's activities.
The organisation has established feedback mechanisms to ensure it is meeting the needs of key stakeholders.	5	10%	All projects (except for <i>Crescer com Consciência</i>) have impact measurement, where participants/stakeholders fill an evaluation form at the beginning and end of the program and have the opportunity to provide feedback.	This could include consultations and evaluations completed by key stakeholders, via group meetings, virtual questionnaires or evaluation forms.
Avg. Weighted Score	3,4	100%		

	Score	Weight	Comment	Adviser's Notes
3. Customers & Users				
Section Goal:	To explore the strength of the market, and the organisation's understanding and ability to meet the needs.			NB: majority of the times who's paying for the services/products is not the user
The organisation knows who its key customers are and has undertaken research to understand what customers want and how much they are willing to pay for products or services.	1	20%	U.Dream researched potential customers for its for-profit goods and services (educational programs, corporate programs and books). However, this research is broad and not implemented in practice. A clear and detailed market research has not been done. Prices were set in line of what few competitors practice and willingness to pay of few customers and are often adapted in different situations.	Customers are those who pay for goods and services. Users are those using and benefiting from the services provided. Market research selects a sample of potential customers who do not yet buy the product or service and assesses what they are willing to pay and how often.
There is sufficient demand for the goods and services to make an economic case to stay in the market.	1	30%	U.Dream is currently financing 70% of its costs through social funds. For such a reason, it is practicing cheaper prices. The organisation has not undertaken an analysis to understand the viability of its products or services, i.e. products and services may be viable but documentation, analysis and procedures lack.	There are enough customers interested and willing to buy the services and goods.
The organisation understands the needs of its service users / beneficiaries and has developed its activities to meet those needs.	4	20%	U.Dream identifies a need for social leadership skills development in overall communities. It further tailors its products and services to the direct beneficiaries it aims to target. However, a target customer assessment would be beneficial to improve product and service offerings.	

<p>Feedback from customers and service users is collected on a systematic basis and taken into consideration to improve the services and products supplied.</p>	<p>3</p>	<p>15%</p>	<p>Feedback from programs and projects is always collected. However, it is more focused on assessing impact. Nevertheless, when applicable it is taken into consideration for improvements. <i>Crescer com Consicência</i> currently do not have feedback mechanisms.</p>	<p>Ideally the organisation should be collecting a mixture of qualitative and quantitative data (eg are they satisfied with the services and products; are the prices relevant; how many people are utilising the services?) An organisation may be undertaking evaluations, surveys or questionnaires, so explore how and when these are undertaken and how they analyse the information they are collecting.</p>
<p>Customer and user satisfaction levels are good, and the organisation has a high success rate of repeat customer use.</p>	<p>1</p>	<p>15%</p>	<p>Repeat customer use does not apply to U.Purpose right now, as the goal is for the organisation to be involved within the time period of programs but afterwards continue developing by itself. Furthermore, as the organisation recently restructured and changed its core focus, the educational programs only began being commercialized now (first round, no repeat customer use yet), as well as U.Purpose. The organisation does not measure repeat customer use/buy for books.</p>	<p>In the case of socially focused businesses an organisation providing services for people with mental illness could measure satisfaction where a PCT continues to commission their services.</p>
<p>Avg. Weighted Score</p>	<p>1,9</p>	<p>100%</p>		

	Score	Weight	Comment	Adviser's Notes
4. Social/Environmental Value				
Section Goal:	To explore the wider positive social impact the organisation is contributing to, methods of measuring its outcomes and how it is demonstrating its value as an organisation.			Does the project have a clear value proposition?
The organisation understands the outcomes of its activities and the wider impact it seeks to achieve.	4	20%	Although the organisation understands the outcome of its activities and wider impact it seeks to achieve, it does not have specific impact targets.	Outputs are the direct and tangible result of the activities the organisation undertakes. Outcomes are the benefit or change that results from the organisation's outputs. Impact is the overall difference made by your organisation or project by achieving the outcomes.
The organisation is aware of social impact assessment and the tools available to measure the outcomes and impacts of its activities. It has chosen an appropriate tool to prove its social value.	5	20%	Yes, namely number of beneficiaries, measuring number of hours of volunteering, NPS and frameworks provided by the EU.	There is a raft of tools available for organisations to measure their outcomes and impact. Organisations may be aware of some or all of the following: Social Return on Investment (SROI), SIMPLE, Social Accounting, The Big Picture, Outcomes Star. There are also referral mechanisms that organisations could be made aware of to help them in selecting a tool (e.g. Prove and Improve and OASES).
The organisation has established a process and systems for measuring the outcomes of its activities and has allocated resources to implement them.	5	20%	All projects have impact measurement and established processes and systems to assess activities' outcomes. Time and people are allocated to this task.	If a tool has been chosen and is being used, the organisation should have related systems and processes in place to measure the outcomes of its activities, to ensure effective implementation of the tool. The organisation will also need to have allocated resources (time, people and money) to implement the tool and measure their outcomes.

Measuring the outcomes of the organisation is embedded into the operations of the organisation and is endorsed by the Management Team.	5	20%		In order for an organisation to effectively measure its outcomes it needs to ensure that it has set clear targets or indicators, and staff are collecting data in relation to its activities (e.g. collection of data using databases or spreadsheets). The manager and their team need to understand the value and need to collect such data and encourage staff to implement the established systems.
The organisation uses data from outcomes and impact assessment in marketing materials, funding bids, board reports and other organisational documents, to clearly articulate and demonstrate the social value of the organisation.	5	20%		Evidence of data being effectively used will be from annual reports and other communication documents, which demonstrate the change achieved for beneficiaries.
Avg. Weighted Score	4,8	100%		

	Score	Weight	Comment	Adviser's Notes
5. Operations				
Section Goal: To explore how the operations are undertaken, and what data and systems are in place to support the operations, and how the organisation considers risks or threats to its longer-term survival.				
The organisation plans its activities and resources to achieve operational efficiency.	3	20%	The organisation has a workload that is too high when compared to the current number of employees. Activity planning and resource allocation is therefore not always structured and operational efficiency is compromised.	Operational efficiency refers to the right combination of people, process and technology coming together to enhance the productivity and value of any business operation, while driving down the cost of routine operations to a desired level and avoiding duplication. This requires day-to-day management of operations.
Project and contract delivery are monitored to ensure resources are correctly allocated and spent and deliverables are achieved.	5	20%	Yes, to the extent that social funds have specific requirements and audit project and contract delivery and resource allocation.	Is it possible to reduce the cost of the operation? How? What are the KSF that guaranty the quality of the operation? Possible bottlenecks?
Useful data is collected by the organisation and managed according to appropriate requirements and the Data Protection Act.	3	15%	Not everything is done in accordance to the data protection rules.	Useful data could include output data for funders, beneficiary information, times sheets and financial data. Data collected has to be managed, stored and disseminated in compliance with the data protection act.
Data collected is analysed and shared with the Management Team and the Board, for strategic decision-making, reporting and marketing.	3	15%	When data is collected, it is shared with the management team. It is shared with the board if relevant for decision-making.	

<p>The organisation has undertaken an analysis of risks and has put in place strategies to deal with those which could have a significant negative effect on the organisation.</p>	<p>1</p>	<p>15%</p>	<p>No risk analysis is performed.</p>	<p>A risk is the threat that an event will adversely affect an organisation's ability to achieve its objectives. You want to find out if the organisation has considered risks related to its finances, staff, assets, reputation and operations. Have they factored in contingency plans in their business plan? For example: what will happen if customer invoices are not paid on time; what if grant funding is cut or reduced; what if key staff leave or have to be made redundant; do they have insurance or liability cover in place?</p>
<p>The organisation has quality assurance procedures in place that help the organisation to improve its operational effectiveness.</p>	<p>1</p>	<p>15%</p>	<p>No quality assurance procedures are in place.</p>	<p>These could be internal processes such as clearly documented processes and peer review or externally accredited processes which are methods for ensuring that the organisation is delivering good quality products and services. Externally accredited quality standards could include PQASSO and ISO, but these are not essential and are dependent on which sector the organisation is in.</p>
<p>Avg. Weighted Score</p>	<p>2,8</p>	<p>100%</p>		

	Score	Weight	Comment	Adviser's Notes
6. Systems, Data & Processes				
Section Goal:		To explore the systems and processes in place to support and enhance the organisation's operations and allow efficient and effective working.		
The organisation has Information Communication Technology (ICT) systems in place that meet their needs, are reliable and fit for purpose.	4	20%	The organisation is working with Kaizen Institute to improve internal processes. It is currently implementing an analytical accounting system. Improvements can be made specially regarding managing financial data (e.g. the organisation does not know how much revenues were generated nor how much costs have been incurred per product or business unit. There is also a lack of analysis).	
There is suitable and easily accessible ICT support in place (in-house or externally) to manage the system.	2	15%	No specific procedure for accessing ICT support. A professional is hired externally in case of need.	
All users of ICT in the organisation are trained and able to use the equipment and software in line with their role and responsibilities.	5	20%		
An IT back-up procedure is undertaken on a regular basis and contingency plans are in place, should the system fail.	1	15%	Back-up procedures are done on drobox for long-term information. There aren't necessarily back-up procedures covering all of the information. There isn't a contingency plan.	

The organisation has administrative procedures and filing systems (paper or on-line) in place, and proportionate staff time is designated to undertake this work	3	15%	Not everything is done in accordance to the data protection rules.	Data collected has to be managed, stored and disseminated in compliance with the Data Protection Act.
All staff understand what is required of them in terms of systems, processes and data management.	2	15%	Not necessarily. No communication of procedures.	
Avg. Weighted Score	3	100%		

	Score	Weight	Comment	Adviser's Notes
7. Finances				
Section Goal: To explore the financial management procedures in place, the organisations attitude to managing risk, and their overall financial stability.				
The organisation has a designated person responsible for strategic and operational financial matters. This person is supported by the Chief Executive and the Board (or committee of the Board) to effectively manage the finances of the organisation.	3	15%	The executive director is also responsible for strategic financial matters (not the core focus). Operational financial matters are mostly handled by an external consultant providing services on a weekly basis. Execution is handled by a certified accountant when needed. There is a gap between strategy and operations. The organisation should have a finance department (i.e. employees fully focused on financial matters).	In some cases, this could be a board member (treasurer), but it is important that there is a designated person.
The organisation has written financial policies and procedures, approved by the Board, which relevant staff is aware of and action as necessary. The organisation has policies including a reserves policy, an accounting policy and a risk register, in order to ensure the effective financial management of the organisation	1	10%	No written financial policies or procedures.	Reserves are funds (i.e. surpluses/profits) that become available to the organisation and are to be spent at the discretion of the directors in furtherance of any of the organisation's objectives, but which are not yet spent, committed or designated – they are 'free'. A Reserves Policy is a specific policy implemented by an organisation with the objective of accumulating reserves.

<p>Financial information is produced regularly and includes: income and expenditure accounts with actual compared to budget; balance sheet; cash-flow forecasts; and reports on significant financial risks.</p>	<p>3</p>	<p>15%</p>	<p>No financial risks report is done.</p>	<p>An Accounting Policy refers to the specific accounting principles adopted and consistently followed by an organisation in the preparation of its financial statements. These principles will have been determined by the organisation to be the most appropriate for presenting fairly its financial results and operations. A Risk Register is a tool commonly used in project planning and organisational risk assessments. It is often referred to as a Risk Log. This tool is widely used within Risk Management for identifying, analysing and managing risks. In this context a risk is the threat that an event will adversely affect an organisation's ability to achieve its objectives. The register contains the information on the identified and collected risks that the organisation faces.</p>
<p>Financial management information is presented in a consistent format, is accessible and easy to understand; it is also based on robust data management systems and data quality is assured.</p>	<p>3</p>	<p>10%</p>	<p>The formatting of financial information is consistent. The last annual report is published on the organisation's website. However, there is a lack of notes and explanations making it hard or impossible to understand key line items (such as revenues/revenue sources). The organisation outsources the production of financial information to a certified accountant, but mismatches have been found while analysing this data (e.g. FY2018 Balance Sheet). Quality is not ensured. An analytical accounting system is currently being implemented.</p>	

Break even points for the organisation's products and services are understood.	1	10%	This analysis is not performed.	The break-even point is the point at which cost, or expenses and revenue are equal: there is no net loss or gain. The break-even point is one of the simplest yet least used analytical tools in management. It helps to provide a dynamic view of the relationships between sales, costs and profits.
The organisation is managed pro-actively to ensure its financial sustainability (profitability, liquidity and solvency).	1	15%	The organisation is profitable and healthy from a liquidity and solvency perspective. However current values are inflated by public funding (large cash inflows, big share of total revenues). These analysis are not performed by the organisation.	Profitability: Measure that indicates how well a firm is performing in terms of its ability to generate profits, (i.e. sales and revenue are larger than costs and expenses). Liquidity: is the ability of an asset to be changed into money easily (e.g. a cheque is more liquid than an investment in property). Solvency: ability to pay all outstanding debts; having enough money to pay all the money that is owed to other people or organisations.
The organisation understands and meets all its legal and statutory financial requirements, including those of Companies House, Charity Commission, Inland Revenue, funders and regulatory authorities.	5	15%	The organisation has legal support from VdA. It understands and meets legal and statutory financial requirements.	

The Board receives regular reports on the financial management of the organisation, including on significant financial risks and how these are being managed.	3	10%	The Board is aware of the financial management of the organisation, but a financial risk assessment is not done.	
Avg. Weighted Score	2,6	100%		Financial risk of the income sources should be evaluated

	Score	Weight	Comment	Adviser's Notes
8. Income Generation				
Section Goal: To explore the diversity of revenue sources the organisation has and is pursuing to ensure a stable income base for future sustainability.				
The organisation has diverse sources of income and there is no single customer which constitutes more than 20% of its turnover.	1	15%	The organisation is currently highly dependent on few income sources (more than 50% of Total Revenues are Operating subsidies and donations).	This refers to the concentration and diversity of the customer base and number of contracts that the organisation has.
The organisation has business development plans in place to minimize dependency on grants and move towards self-sustainability.	3	20%	Although the goal of having started to commercialize U.Academy, U.Purpose and <i>Crescer com Consciência</i> was to make to organisation financially sustainable (less dependent on public funding and donations), business plans to reach this goal are not clear, detailed and an implementation plan lacks over the long run. The organisation recently worked with Maze (consultancy) to assess financial sustainability and develop a strategy to be financially sustainable until 2023.	
The organisation is aware of how to identify funding and tender opportunities using a wide variety of sources (including networks, internet portals and publications), and how to prioritize them.	4	20%	The organisation is aware of how to identify funding/tender opportunities through a variety of sources but currently does not have a procedure on how to prioritise (it is trying to get all opportunities).	Funding bids refer to grants and tenders refer to private or other public sector contracts.

The organisation has in-house capacity to prepare or outsource funding bids and tenders.	5	10%		
The organisation focuses on winnable opportunities and has a high success rate for contracts or business won.	4	15%	The organisation targets all funds that it is aware of and are applicable. It is being successful in winning contracts thus far.	The success rate is relative to the number of bids the organisation is submitting and they are smart in pursuing opportunities where they have a high chance of winning. This could be based on the geography, scale and scope of the opportunities.
In preparing bids, the organisation secures as a minimum full cost recovery in all product and contract pricing.	4	20%	The organisation analysis all bills prepared	
Avg. Weighted Score	3,45	100%		

	Score	Weight	Comment	Adviser's Notes
9. Marketing & Communications				
Section Goal:		To explore how the organisation markets its products and services and communicates its value and activities to a wider audience.		
The organisation has a marketing plan in place to promote its services and products.	3	20%	The organisation is currently developing a marketing plan. There is, currently, a communication plan. There haven't been marketing campaigns for the most recently launched products.	The marketing plan may sit within the overall business plan or may be a separate plan. This should include promotional and sales activities that the organisation is undertaking related to its products and services.
The organisation has designated resources (staff, time and money) for sales and marketing activities.	4	20%	There is a marketing and communications director and a marketing and communications department with 4 people (including the director).	
Marketing materials clearly articulate the services / products of the organisation and are targeted at potential customer groups.	3	20%	For the products/services to which there are marketing materials, articulating those could be done more clearly. Nevertheless, marketing for the main brand is generally strong.	Marketing materials promote and sell the services and products that are delivered.
The organisation has developed a Unique Selling Point and exploits this to attract customers.	4	10%	The organisation has a unique selling point for its products/services and communicates it when selling them to potential customers. However, it would benefit from communicating it clearly in an uniform manner through a marketing strategy.	The Unique Selling Point is what makes a product or service stand out from the competition. For example, if a social enterprise is providing catering services, which are undertaken by people with disabilities, the USP is the social value which it brings, compared with a traditional catering company. Where an organisation has undertaken assessment of its social values and outcomes, this should help them in

				articulating their value and USP. No relation with strategy or value creation proposition: benchmarking, blue ocean, etc.
The organisation has a mechanism to measure the effectiveness of its marketing activity.	2	15%	The organisation only relies on statistics such as those provided on Facebook ads. No mechanism to measure the effectiveness of overall marketing activities.	For example, does the organisation ask new customers where and how they heard about the organisation and its products and services?
The organisation has a communication plan to articulate its value and activities to key stakeholders. Communication materials are sensitive to the needs of and accessible to user groups.	4	15%	Has the organisation did not conduct a market research for its most recently launched products, the communication plan can improve to reach potential user groups and better target their needs.	Communication materials aim to tell the story, successes and aims of the organisation and they are shared with key stakeholders (for example users, trustees, local authorities, funders).
Avg. Weighted Score	3,3	100%		

	Score	Weight	Comment	Adviser's Notes
10. HR & Organisational Development				
Section Goal:		To explore the systems and procedures in place to support staff and volunteers, and which contribute to building an environment conducive to good staff performance.		
All staff members have an employment contract and relevant job description.	5	20%		Employment contracts only apply to paid staff, but it is recommended that organisations have job descriptions and role specifications for volunteers. Organisations have to ensure volunteer documents do not set out "rights" or "obligations".
The organisation has a staff handbook which covers all HR and organisational policies which staff is to be aware of and is responsible for adhering to.	1	10%		The handbook should also include volunteers.
A staff appraisal system is in place and all staff have a development plan. The organisation actively supports the training of staff in relation to their development plans.	4	20%	The organisation actively supports staff development and training.	You want to explore with the organisation how they assess staff performance and identify gaps in staff capacity and skill sets and provide appropriate training.
Good staff performance is recognized and rewarded.	3	10%	The organisation rewards good performance and increased experience. However, this is not formally specified.	You will want to explore with the organisation how performance is rewarded. Reward may be financial or non-financial. Evidence they may be able to cite could include bonuses, share dividends, staff surveys, staff away or fun days, training etc.

The organisation has health and safety, diversity and equal opportunity policies which are reviewed at least once a year to ensure they are in line with new legislation and monitored to ensure that the organisation operates in compliance with its policies.	1	15%	Nothing formally specified.	These policies are not mandatory for all organisations but is considered good practice for an organisation to have them in place, to ensure the organisation is compliant with the relevant legislation and that it can demonstrate that these issues have been considered, in the event of an employment tribunal.
The organisation has clear communications, grievance and staff (including volunteer) complaints procedures in place and any staff issues are dealt with in accordance to the policies.	3	15%	The organisation recently established a procedure to handle staff complaints has it happened for the first time (earlier no policy or procedure existed).	
The organisation undertakes a regular review of its business plan to identify and fill any gaps in its resources, knowledge or skills which could prevent it from effectively delivering its service	4	10%	The number of employees is associated with requirements for co-financed projects. As the organisation undertakes new projects, it hires the appropriate number of human resources to be able to deliver them. However, generally, the organisation would improve by assessing the gap in resources to undertake its regular operations, especially as it restructures business units and shifts/broadens its focus (e.g. executive director currently manages 5 departments; excessive workload may harm performance on his traditional functions).	
Avg. Weighted Score	3,2	100%		

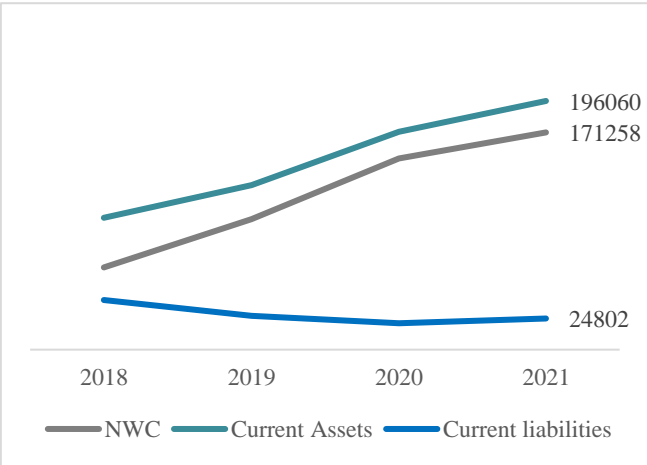
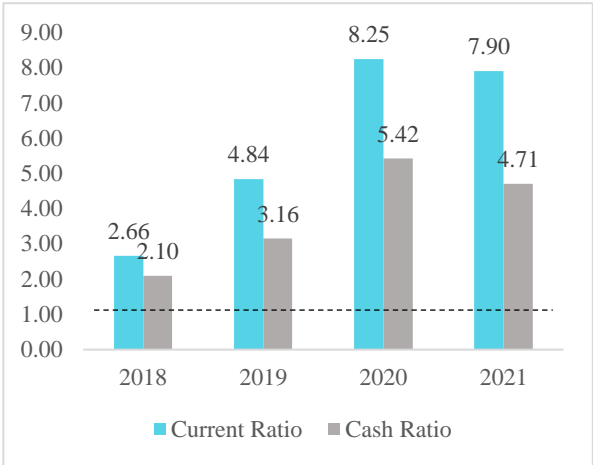
Appendix 4 : U.Dream's Financial Statements – Balance Sheet

	2016	2017	2018	2019	2020	2021
Assets						
<i>Non-current Assets</i>						
Property, plant and equipment	2245,95	2245,95	2245,95	2856,84	1904,55	4515,41
Financial Assets (Investments)	-	-	318,89	1410,61	1912,84	2590,11
Total	2245,95	2245,95	2564,84	4267,45	3817,39	7105,52
<i>Current Assets</i>						
Inventory						
Accounts Receivable	3000	-	21740	44844,65	13361,1	8823,75
State and other public entities	1681,72	-	-	-	-	-
Deferrals	59,58	650,61	-	205,12	200,91	2743,17
Other current assets	4231,12	48230,84	-	68,02	45370,52	67615,46
Cash and cash equivalents	14148,02	27066,47	82210,74	84698,8	112718,7	116877,44
Total	23120,44	75947,92	103950,74	129816,59	171651,23	196059,82
Total Assets	25366,39	78193,87	106515,58	134084,04	175468,62	203165,34
Equity						
Retained earnings	16296,73	44387,76	67393,74	107275,54	154668,54	178363,18
Total Equity	16296,73	44387,76	67393,74	107275,54	154668,54	178363,18
Liabilities						
<i>Non current liabilities</i>						
Other accounts payable	1828,89	-	-	-	-	-
Total	1828,89	0	0	0	0	0
<i>Current liabilities</i>						
Accounts payable	-	-	-	359,88	1044,88	5846,92
State and other public entities	169,53	2526,39	2323,47	451,09	6853,69	6654,12
Interest bearing loans and borrowings		895,18	33988,37	25602,32	1331,22	33,61
Other current liabilities	7071,24	30384,54	2810	395,21	11570,29	12267,51
Total	7240,77	33806,11	39121,84	26808,5	20800,08	24802,16
Total Liabilities	9069,66	33806,11	39121,84	26808,5	20800,08	24802,16
Total Equity and Liabilities	25366,39	78193,87	106515,58	134084,04	175468,62	203165,34

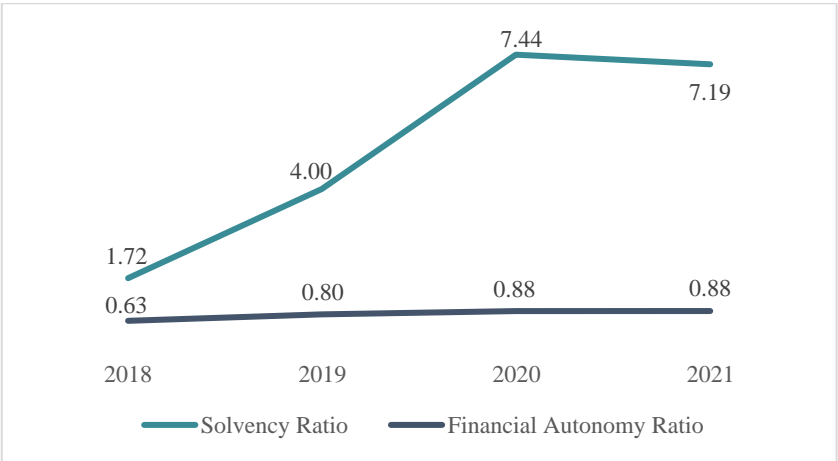
Appendix 5: U.Dream's Financial Statements – Income Statement

	2016	2017	2018	2019	2020	2021
Revenues	51091,89	116464,54	182155,65	140275,73	98612,67	146539
Operating subsidies and donations	7086,59	80415,34	74788,86	171672,01	172152,38	233099
Total Revenues/Subsidies and donations	58178,48	196879,88	256944,51	311947,74	270765,05	379638
Change in inventories	-	-	-	-	-	-
COGS	-	-	-	-	-	-
Operating expenses	-35148,7	-64468,06	-103780,3	-113596,92	-57183,63	-125296
Personnel expenses	-5247,05	-103247,4	-127996,9	-149130,61	-160047,16	-215420
Other operating income	-	-	-	65,92	763,19	596
Other operating expenses	-1486	-287,01	-1641,19	-4476,18	-3884,12	-13856
EBITDA	74475,21	28877,41	23526,12	44809,95	50413,33	25662
Depreciation/Amortization				-3198,24	-952,29	-1325
EBIT	74475,21	28877,41	23526,12	41611,71	49461,04	24337
Finance income	-	-	-	-	0,15	2
Finance expense	-	-786,38	-520,14	-1729,91	-1650,48	-1
EBT	74475,21	28091,03	23005,98	39881,8	47810,71	24338
Income tax expense (not corporate tax; steams from non-tax exempt services hired)	-	-	-	-	-417,71	-643
<i>% tax</i>					0,9%	2,6%
Net income	74475,21	28091,03	23005,98	39881,8	47393	23695

Appendix 6: Liquidity Analysis



Appendix 7: Capital Structure Analysis



Appendix 12: U.Purpose Implementation Roadmap

Prioritization	Strategic objective	Dimension	Problem	Recommendation	Actions for the implementation of the recommendation	Key Performance Indicator	Start date planned	End date planned
2	HR	Human Resources	Lack of UP personnel/team	Hire an account/project manager and two junior consultants	U.Academy gives UP access to a pool of talent (university students) that can be used to address the staff issue, competitive incentives can be used to attract the best talent	Number of projects completed	nov/22	fev/23
2				Hire an account/project manager	Hire an account manager to initiate engagements, communicate with current and potential clients, and maintain an overview of the client's portfolio	Number of projects completed	nov/22	fev/23
2				Hire two junior consultants	Hire a junior consultant through the U.Academy programme, using the best talent available through a similar competition for masters level students	Number of projects completed	nov/22	fev/23
2	Finance	Finance	Operational costs	Hourly rates	By having a standardized labour cost throughout the U.Purpose packages, keeping the hourly rates homogenous will increase cost efficiency	Cost efficiency	out/22	dez/22
2				Price to value	Through comparison of competitors, customer perception and the current price point UP can maximise its value to the market	Profit margin fluctuations	out/22	dez/22
3	Marketing	Marketing	Lack of brand awareness	Communications strategy	Implementing online advertising (google, LinkedIn) and two-way advertising (emails, phone calls, direct contact) with the help of U.Dream's head of marketing	Conversion rates, number of customers reached, number of clients signed	jan/23	jun/23
3				Online	Establishing social media marketing (LinkedIn), search engine optimization (SEO)	Conversion rates, number of customers reached, number of clients signed	jan/23	jun/23
3				Fairs	Physical presence at summits, seminars, trade shows, conferences and corporate fairs by having a UP stand and promoting the brand	Number of clients reached	jan/23	dez/23
3				Product launch	Have an exclusive UP launch with previous clients and potential clients (from list) in an informal setting (breakfast or lunch) held by U.Purpose	Number of clients signed	jan/23	fev/22
4	Strategy	Strategy	Location	Widen the scope to all of Portugal	Have an expansion strategy in multiple steps. Step 1: Lisbon, in a digital manner at first, Step 2: enough capital is raised to open a second office in Lisbon, Step 3: Offer UP out of the two commercial hubs of Portugal: Lisbon and Porto	Number of clients signed	jan/27	dez/27

2	Strategy	Language	Have the capacity to take on English speaking clients	Have the option of providing services to English clients on their communication platforms by translating website, social platforms and other communications. Furthermore, offer the UP service in English to expand customer reach.	Number of international clients reached and/or signed	out/22	jan/23
1	Strategy	Website	Alter website so that it not only is a point of contact but also a platform for client interaction	Provide more information on U.Purpose, points of contact (not just lets get in touch), previous testimonies and success factors such as capital raised for social good by companies, companies that UP has worked with and impact measurements such as number of hours of employee engagement in social causes. Furthermore, provide the breakdown of costs and processes of each "package".	Number of clients reached/signed	set/22	out/22
3	Strategy	Lack of collaborators	U.Purpose does not have any partnerships to encourage and promote sales elsewhere	Expand the network to become part of GRACE and BCSD to strengthen links within the industry and benefit from strategic allies	Brand perception, reputation, number of clients signed	jan/23	dez/23
3			Join GRACE	Apply for an annual membership fee of €500	Brand perception, reputation, number of clients signed	jan/23	dez/23
3			Join BCSD	Membership fee €2000	Brand perception, reputation, number of clients signed	jan/23	dez/23
3	Strategy	Lack of professional accreditations	Build U.Purpose's credibility by integrating the United Nations Sustainable Development Goals into U.Dreams value proposition	Communicate on the implementation of the UN's SDG's through communication platforms (social media, emails, promotional outreach). Align the mission, vision and values with the SDG's and use the logo, symbols and colour schemes throughout U.Dream communications (on emails, posters, media, on social media posts) to demonstrate its role within the organisation	Brand perception, credibility	jan/23	fev/23
2	Impact	Lack of impact measurement	UP doesn't have an efficient impact measurement system	Through the KPI's in this implentation roadmap, UP will have the ability to measure the effectiveness of each reccomendation, sugesstion and process	This roadmap	out/22	out/23
2	Sales	UP only represents 2% of revenues	Ramp up sales	Through hiring a UP team, implementing a marketing strategy and having strategic collaborators	Percentage of U.Dream's revenues	out/22	out/23

Appendix 59: IEFP and Assumptions (U.Purpose)

In order to perform the calculations in this page, the following considerations were applied (the numbers refer to IEFP regulation's clauses; *source: IEFP Regulation 2022 https://www.iefp.pt/documents/10181/10178040/4Revisao+Regulamento+Estagios+ATIVAR_07-01-2022.pdf/65aa2d12-ee37-44d8-a1c5-8de9e870df45*):

- 1 2 FTE are hired in November 2022 and 1 FTE in January 2023. One of the November and the January hire are under a 12-month IEFP internship - junior consultants. Afterwards, the salary remains the same, until FY2025 where it rises to €1 000 for the November hire and for the January hire (junior consultants). The program manager is hired without IEFP (experienced hire, likely does not apply). The salary starts at €1 050, rising to €1 100 in 2024 and €1 200 in 2025.
- 2 As U.Dream is a non-profit, IEFP reimburses 80% of salaries (15); however, it does not reimburse mandatory contributions for SS (12.6, c)). As such, the 80% applicable are applied over the gross salary excluding the 11% required individual contribution.
- 3 IEFP does not exclude the organisation from paying TSU (12.6, b)). However, as a non-profit, U.Dream pays 22,3% of TSU instead of 23,75% (Source: <https://www.seg-social.pt/calculo-das-contribuicoes1>)
- 4 Under IEFP, the salary attributable to undergraduates is of €886,4 (QNQ 6) and to graduates €975,04 (QNQ 7) (14.1).
- 5 The minimum meal subsidy is of €4,77 (IEFP 14.2, c)) and no taxes apply.
- 6 IEFP interns do not receive vacations nor christmas subsidies (12.4 f))
- 7 IEFP interships can last 6, 9 or 12 months (2.5)
- 8 There were 251 working days in 2022 in Portugal.
- 9 The average required insurance for work accidents is of 1% the gross salary times 14 salaries. (source: <https://www.nos.pt/empresas/repositorio-informacao/criar-uma-empresa/guias-praticos/Pages/quanto-custa-trabalhador.aspx>). When under IEFP, the salary was multiplied by 12, as there is no christmas and vacations subsidy.
- 10 In FY 2023, the christmas subsidy was calculated adjusting to the working days (in that year, in November, 1 FTE under IEFP finishes the IEFP intership) (source: <https://www.doutorfinancas.pt/literacia-financiera/subsidio-de-natal-o-que-diz-a-lei-e-como-calcular/>).

Appendix 60: Personal Expenses – U.Purpose

Junior Consultants		2022	2023	2024	2025
<i>Start date</i>	# New Employees				
nov/22	1	€ 975,04	€ 975,04	€ 975,04	1000
jan/23	1	€ -	€ 975,04	€ 975,04	1000
	Salaries	€ 1 950,08	€ 23 400,96	€ 23 400,96	€ 24 000,00
	Subsidies (Chirstmas/Vacations)	€ -	€ 162,95	€ 3 900,16	€ 4 000,00
	Meal Subsidy	€ 190,80	€ 2 394,54	€ 2 184,66	€ 2 184,66
	Social Security Costs (22,3%)	€ 434,87	€ 5 254,75	€ 6 088,15	€ 6 244,00
	Insurance Work Accidents (avg. of 1%)	€ 19,50	€ 234,01	€ 234,01	€ 240,00
	Other Gains	€ 1 388,46	€ 15 273,03	€ -	€ -
	Total	-€ 1 206,79	-€ 16 174,19	-€ 35 807,94	-€ 36 668,66
PM		2022	2023	2024	2025
	# New Employees				
	1	€ 1 050,00	€ 1 050,00	€ 1 100,00	€ 1 200,00
	Total	€ 2 100,00	€ 12 600,00	€ 13 200,00	€ 14 400,00
	Subsidies (Chirstmas/Vacations)	€ 483,40	€ 2 100,00	€ 2 200,00	€ 2 400,00
	Meal Subsidy	€ 190,80	€ 1 082,79	€ 1 092,33	€ 1 092,33
	Social Security Costs (22,3%)	€ 576,10	€ 3 278,10	€ 3 434,20	€ 3 746,40
	Insurance Work Accidents (avg. of 1%)	€ 42,00	€ 1 512,00	€ 1 584,00	€ 1 728,00
	Other Gains	€ -	€ -	€ -	€ -
	Total	-€ 3 392,29	-€ 20 572,89	-€ 21 510,53	-€ 23 366,73
	TOTAL	-€ 4 599,09	-€ 36 747,08	-€ 57 318,47	-€ 60 035,39

Appendix 61: Big and Medium programs (Detailed)

1st phase - U.Dream's Impact Consulting							Final Value	Comments
Type of action	Cost/hour	Nr people	Hours	Costs w/ materials	Outsourcing costs			
Employee assessment	50,00 €	1	22	0,00 €		1 100,00 €		
Strategic analysis of the company	50,00 €	1	10	0,00 €		500,00 €		
Assessment of the communities' needs	50,00 €	1	8	0,00 €		400,00 €		
Development of an annual social responsibility strategy	50,00 €	1	20	0,00 €	100,00 €	1 100,00 €		
Total			60			3 100,00 €		
2nd phase - U.Dream Classes (max. 10 people, ideal 8)							Final Value	Comments
Type of action	Cost/hour	Nr people	Hours	Costs w/ materials	Outsourcing costs			
Integration in U.Dream's platform	50,00 €	1	4			200,00 €		
Narratives presenting and motivating for the program	50,00 €	1	8	20,00 €		420,00 €	Action to introduce the class and motivate it + offering a "dreamers" kit	
Realization of 2 impact actions	50,00 €	1	16	150,00 €		950,00 €	In the audience determined at the beginning of the program (assessment of communities' needs). The idea is to create continuity, more classes going there in the future.	
Realization of 3 workshops	50,00 €	1	12	0,00 €		600,00 €	Developed in line with the class' needs within the contents "I, I with the Others and I with the Community"	
Realization of 1 impact campaign	50,00 €	1	8	75,00 €		475,00 €	Either within or outside the company	
Celebration moment	50,00 €	1	4	75,00 €		275,00 €	Moment for sharing, visualization of the video, giving testimonies, impact measurement and gift offering	
Production of a video and photography of the class					1 000,00 €	1 000,00 €		
Total			52			3 920,00 €		
3rd Phase - Impact in the overall organization							Final Value	Comments
Type of action	Cost/hour	Nr people	Hours	Costs w/ materials	Outsourcing costs			
Realization of 3 dreams	50,00 €	1	60	750,00 €		3 750,00 €	Preparation meeting + action	
Realization of 3 impact actions in the city	50,00 €	1	21	225,00 €		1 275,00 €	E.g. campaign, "cantar as janeiras" in a nursing home	
Access to inspirational content (updated monthly)	50,00 €				3 600,00 €	3 600,00 €	Periodic communication including creation of videos, photographs, educational content and impact tips (300€/month)	
2 actions of inspiration	50,00 €	1	12		600,00 €	1 200,00 €	Workshops for everyone including impact testimonies provided by guests and other inspirational content	
Total			93			9 825,00 €		
4th phase - Impact celebration							Final Value	Comments
Type of action	Cost/hour	Nr people	Hours	Costs w/ materials	Outsourcing costs			
Impact measurement	50,00 €	1	32	0,00 €		1 600,00 €		
Development of an annual impact report	50,00 €	1	8	0,00 €	250,00 €	650,00 €		
Documentaries covering impact stories	50,00 €	1	5		1 000,00 €	1 250,00 €	Implies gathering content from all over the year, including interviews and stories by employees participating in the program	
Total			32			3 500,00 €		
Notes:								
Possibility to create moments for larger groups; budgeted separately								
TOTAL			250	1 295,00 €	6 550,00 €			
Total Outsourcing costs + costs w/ materials						7 845,00 €		
Final Calculations					Final Values	Comments/Outputs		
Type of project	Quantity							
1st phase	1	U. Dream's Impact Consulting		3 100,00 €				
2nd phase	5	U. Dream's classes		19 600,00 €	To impact 50 employees with high impact. Maximum recommended period of 8 weeks.			
3rd phase	1	Impact in the overall organization		9 825,00 €	To impact 60 employees through punctual actions			
4th phase	1	Impact celebration		3 500,00 €				
TOTAL OF THE PROGRAM				36 025,00 €	400 hours of on field impact per class (8h/person) and 180 hours of impact in punctual actions (4h p/dream + 2h p/impact action)			
					300 hours of training (6h p/person).			
					150 impact actions through workshops (3 actions/person)			
					x contents and hours of impact (education for impact). - communication content and inspiration actions			
					x beneficiaries targeted			

1st phase - U.Dream's Impact Consulting							
Type of action	Cost/hour	Nr people	Hours	Costs w/ materials	Outsourcing costs	Final Value	Comments
Strategic analysis of the company	50,00 €	1	10	0,00 €		500,00 €	
Assessment of the communities' needs	50,00 €	1	8	0,00 €		400,00 €	
Development of an annual social responsibility strategy	50,00 €	1	12	0,00 €		600,00 €	
						0,00 €	
						1 500,00 €	
3rd Phase - Impact in the overall organization							
Type of action	Cost/hour	Nr people	Hours	Costs w/ materials	Outsourcing costs	Final Value	Comments
Integration in U.Dream's platform	50,00 €	1	4			200,00 €	
Realization of 2 dreams	50,00 €	1	40	500,00 €		2 500,00 €	Preparation meeting + action
Realization of 4 impact actions in the city	50,00 €	1	28	300,00 €		1 700,00 €	E.g. campaign, "cantar as janeiras" in a nursing home
3 actions of inspiration	50,00 €	1	18			900,00 €	Workshops for everyone including impact testimonies provided by guests, "invading" the office and other inspirational content
Coverage of 5 actions					1 500,00 €	1 500,00 €	
Entry into U.Dream's platform						0,00 €	
						6 800,00 €	
4th phase - Impact celebration							
Type of action	Cost/hour	Nr people	Hours	Costs w/ materials	Outsourcing costs	Final Value	Comments
Development of an annual impact report	50,00 €	1	6	0,00 €	250,00 €	550,00 €	
						0,00 €	
						550,00 €	
TOTAL			126	800,00 €	1 750,00 €		
<i>Total Outsourcing costs + costs w/ materials</i>						<i>2 550,00 €</i>	

Final Calculations				
	Type of project	Quantity	Final Values	Comments/Outputs
1st phase	U. Dream's Impact Consulting	1	1 500,00 €	
3rd phase	Impact in the overall organization	1	6 800,00 €	To impact 60 employees through punctual actions
4th phase	Impact celebration	1	550,00 €	
TOTAL OF THE PROGRAM			8 850,00 €	
TOTAL w/o consulting and celebration			6 800,00 €	
TOTAL just impact, w/o video			5 300,00 €	

Appendix 62: Cost structure, breakeven analysis and implied market share

	2021	2022	2023	2024	2025
Cost Structure					
Operating Expenses					
Personnel Expenses	€ 4 599,09	€ 36 747,08	€ 57 318,47	€ 60 035,39	
Sales and Advertising	€ 1 220,00	€ 1 800,00	€ 2 000,00	€ 2 000,00	
Membership fees	€ -	€ 2 500,00	€ 2 500,00	€ 2 500,00	
Fair attendance	€ -	€ 500,00	€ -	€ -	
Event launches	€ -	€ 3 000,00	€ -	€ -	
Travel expenses	€ -	€ 280,00	€ -	€ -	
Total	€ 5 819,09	€ 44 827,08	€ 61 818,47	€ 64 535,39	
"Fixed costs"		€ 5 675,00	€ 11 350,00	€ 17 025,00	
Total*	€ 5 819,09	€ 50 502,08	€ 73 168,47	€ 81 560,39	
Big package					
Price	€ 36 025,00				
Variable costs (outsourcing + hours worked)		€ 2 170,00	€ 2 170,00	€ 2 170,00	€ 2 170,00
hours/program	250				
hour/program y1	167				
hour/program y2	83				
personnel expenses/working hour	€ 11,22	€1,89	€2,68	€5,94	€6,09
outsourcing costs + costs w/ materials	€ 7 845,00				
outsourcing costs + costs w/ materials y1	€ 2 170,00				
outsourcing costs + costs w/ materials y2	€ 5 675,00				
Break-even point (assuming last year's sales = break-even)		0,17	1,49	2,16	2,41
Break-even point (considering costs in the same year)		0,21	1,59	2,19	2,29
Implied Utilization Rate			14%	20%	20%
Implied Utilization Rate (assuming last year's sales = break-even)			11%	18%	20%
Actual break-even point		1	2	3	3
Medium package					
Price	€ 8 850,00				
Variable costs (outsourcing + hours worked)	€ 2 550,00	€ 2 550,00	€ 2 550,00	€ 2 550,00	€ 2 550,00
hours/program	126				
personnel expenses/working hour	€ 11,22	€1,89	€2,68	€5,94	€6,09
outsourcing costs	2550				
Break-even point		0,9	7,1	9,812	10,2
Implied Utilization Rate		3%	28%	34%	38%
Actual break-even point		1	8	10	11
Best combination of big and medium packages					
Big Package					
Price - Variable Costs	€ 28 180,00	€ 28 180,00	€ 28 180,00	€ 28 180,00	€ 28 180,00
Margin	78%	78%	78%	78%	78%
Medium Package					
Price - Variable Costs	€ 6 300,00	€ 6 300,00	€ 6 300,00	€ 6 300,00	€ 6 300,00
Margin	71%	71%	71%	71%	71%
Actual break-even point		1 BP	2 BP	1 MP + 2 BP	2 MP + 2 BP / 3 BP
Market share analysis					
Estimated market size (in M)	€ 139,00	€ 144,56	€ 147,60	€ 151,14	€ 154,31
Current revenues	€ 11 500,00				
Current market share	0,008%				
Implied market share to break-even (assuming the market size grows by the same % as the forecasted real GDP growth)		0,004%	0,030%	0,041%	0,042%

Line 15 regards outsourcing costs and costs with materials that will have to be incurred assuming the previous' years sales equaled the break-even. As such, although variable costs, these behave as fixed costs in the second year of the program (i.e., if U.Dream already sold 1 program in the previous year, it will necessarily incur in these costs in year 2)

Note: utilization rate based on hours in year 1 and hours in year 2

Appendix 63: Scenario analysis (Scenario 1: only BP, Scenario 2: only MP, Scenario 3: BP/MP)

Analysis

BP Price	€	40 000,00
MP	€	15 000,00

BP

Number of hours	250
Lenght	1,5y

Assumption: hours split equally throughout the lenght of the program

Nr hours/year	167
Nr hours/0,5y	83

MP

Number of hours	126
Lenght	6m

	2022	2023	2024	2025	2026
Working hours	280	3664	3664	3664	3664

2023								
Only BP								
# employees	2							
Max. Nr. Projects	21,00							
Nr h/p/y	167							
Personnel expenses/h	€	2,68						
Outsourcing costs + costs w/ materials	€	7 845,00						
outsourcing costs + costs w/ materials y1	€	2 170,00						
outsourcing costs + costs w/ materials y1	€	5 675,00						
Utilization rate	25,0%	50%	75%	100%				
Hours worked	916,0	1832,0	2748,0	3664				
Hours available for new projects	916,0	1832,0	2748,0	3664,0				
# projects sold	5,5	11,0	16,5	22,0				
Rounded down	5,0	10,0	16,0	21,0				
Revenues	€	133 333	€	266 667	€	426 667	€	560 000,00
Variable Costs	€	10 850,00	€	21 700,00	€	34 720,00	€	45 570,00
Gross Profit	€	122 483,33	€	244 966,67	€	391 946,67	€	514 430,00
Gross Margin		92%		92%		92%		92%
Operating Expenses								
Personnel Expenses	€	36 747,08	€	36 747,08	€	36 747,08	€	36 747,08
Sales and Advertising	€	1 800,00	€	1 800,00	€	1 800,00	€	1 800,00
Membership fees	€	2 500,00	€	2 500,00	€	2 500,00	€	2 500,00
Fair attendance	€	500,00	€	500,00	€	500,00	€	500,00
Event launches	€	3 000,00	€	3 000,00	€	3 000,00	€	3 000,00
Travel expenses	€	280,00	€	280,00	€	280,00	€	280,00
Profits	€	77 656,26	€	200 139,59	€	347 119,59	€	469 602,92

2025								
Only BP								
# employees	2							
Max. Nr. Projects	16,00							
Nr h/p	167							
Personnel expenses/h	€	6,09						
Outsourcing costs + costs w/ materials	€	7 845,00						
outsourcing costs + costs w/ materials y1	€	2 170,00						
outsourcing costs + costs w/ materials y1	€	5 675,00						
Utilization rate	25%	50%	75%	100%				
Hours worked	916,00	1832,00	2748,00	3664,00				
Hours available for new projects	749	1415	2081	2747				
# projects sold	4,5	8,5	12,5	16,5				
Rounded down	4	8	12	16				
Revenues	€	133 333	€	280 000	€	426 667	€	573 333
Variable Costs	€	20 030,00	€	45 735,00	€	71 440,00	€	97 145,00
Gross Profit	€	113 303,33	€	234 265,00	€	355 226,67	€	476 188,33
Gross Margin		85%		84%		83%		83%
Operating Expenses								
Personnel Expenses	€	60 035,39	€	60 035,39	€	60 035,39	€	60 035,39
Sales and Advertising	€	2 000,00	€	2 000,00	€	2 000,00	€	2 000,00
Membership fees	€	2 500,00	€	2 500,00	€	2 500,00	€	2 500,00
Fair attendance	€	-	€	-	€	-	€	-
Event launches	€	-	€	-	€	-	€	-
Travel expenses	€	-	€	-	€	-	€	-
Profits	€	48 767,94	€	169 729,61	€	290 691,28	€	411 652,94

2024								
Only BP								
# employees	2							
Max. Nr. Projects	11,00							
Nr h/p	167							
Personnel expenses/h	€	5,94						
Outsourcing costs + costs w/ materials	€	7 845,00						
outsourcing costs + costs w/ materials y1	€	2 170,00						
outsourcing costs + costs w/ materials y1	€	5 675,00						
Utilization rate	25%	50%	75%	100%				
Hours worked	916	1832	2748	3664				
Hours available for new projects	499,3	998,7	1414,7	1914				
# projects sold	3,0	6,0	8,5	11,5				
Rounded down	2	5	8	11				
Revenues	€	120 000	€	266 667	€	426 667	€	573 333
Variable Costs	€	32 715,00	€	67 600,00	€	108 160,00	€	143 045,00
Gross Profit	€	87 285,00	€	199 066,67	€	318 506,67	€	430 288,33
Gross Margin		73%		75%		75%		75%
Operating Expenses								
Personnel Expenses	€	57 318,47	€	57 318,47	€	57 318,47	€	57 318,47
Sales and Advertising	€	2 000,00	€	2 000,00	€	2 000,00	€	2 000,00
Membership fees	€	2 500,00	€	2 500,00	€	2 500,00	€	2 500,00
Fair attendance	€	-	€	-	€	-	€	-
Event launches	€	-	€	-	€	-	€	-
Travel expenses	€	-	€	-	€	-	€	-
Profits	€	25 466,53	€	137 248,20	€	256 688,20	€	368 469,86

2026								
Only BP								
# employees	2							
Max. Nr. Projects	13,00							
Nr h/p	167							
Personnel expenses/h	€	6,09						
Outsourcing costs + costs w/ materials	€	7 845,00						
outsourcing costs + costs w/ materials y1	€	2 170,00						
outsourcing costs + costs w/ materials y1	€	5 675,00						
Utilization rate	25%	50%	75%	100%				
Hours worked	916	1832	2748	3664,00				
Hours available for new projects	583	1165	1748	2331				
# projects sold	3,5	7,0	10,5	14,0				
Rounded down	3	6	10	13				
Revenues	€	133 333,33	€	266 666,67	€	426 666,67	€	560 000,00
Variable Costs	€	29 210,00	€	58 420,00	€	89 800,00	€	119 010,00
Gross Profit	€	104 123,33	€	208 246,67	€	336 866,67	€	440 990,00
Gross Margin		78%		78%		79%		79%
Operating Expenses								
Personnel Expenses	€	60 035,39	€	60 035,39	€	60 035,39	€	60 035,39
Sales and Advertising	€	2 000,00	€	2 000,00	€	2 000,00	€	2 000,00
Membership fees	€	2 500,00	€	2 500,00	€	2 500,00	€	2 500,00
Fair attendance	€	-	€	-	€	-	€	-
Event launches	€	-	€	-	€	-	€	-
Travel expenses	€	-	€	-	€	-	€	-
Profits	€	39 587,94	€	143 711,28	€	272 331,28	€	376 454,61

2023

Only MP				
# employees	2			
Max. Nr. Projects	29,00			
Nr h/p	126			
Personnel expenses/h	€	2,68		
Outsourcing costs	€	2 550,00		
Utilization rate				
	25%	50%	75%	100%
Hours worked	916,00	1832,00	2748,00	3664,00
# projects sold	7	15	22	29
Rounded down	7,0	14,0	21,0	29,0
Revenues	€ 105 000,00	€ 210 000,00	€ 315 000,00	€ 435 000,00
Variable Costs	€ 17 850,00	€ 35 700,00	€ 53 550,00	€ 73 950,00
Gross Profit	€ 87 150,00	€ 174 300,00	€ 261 450,00	€ 361 050,00
Gross Margin	83%	83%	83%	83%
Operating Expenses				
Personnel Expenses	€ 36 747,08	€ 36 747,08	€ 36 747,08	€ 36 747,08
Sales and Advertising	€ 1 800,00	€ 1 800,00	€ 1 800,00	€ 1 800,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ 500,00	€ 500,00	€ 500,00	€ 500,00
Event launches	€ 3 000,00	€ 3 000,00	€ 3 000,00	€ 3 000,00
Travel expenses	€ 280,00	€ 280,00	€ 280,00	€ 280,00
Profits	€ 42 322,92	€ 129 472,92	€ 216 622,92	€ 316 222,92

2025

Only MP				
# employees	2			
Max. Nr. Projects	29,00			
Nr h/p	126			
Personnel expenses/h	€	6,09		
Outsourcing costs	€	2 550,00		
Utilization rate				
	25%	50%	75%	100%
Hours worked	916,00	1832,00	2748,00	3664,00
# projects sold	7,3	14,5	21,8	29,1
Rounded down	7,0	14,0	21,0	29,0
Revenues	€ 105 000,00	€ 210 000,00	€ 315 000,00	€ 435 000,00
Variable Costs	€ 17 850,00	€ 35 700,00	€ 53 550,00	€ 73 950,00
Gross Profit	€ 87 150,00	€ 174 300,00	€ 261 450,00	€ 361 050,00
Gross Margin	83%	83%	83%	83%
Operating Expenses				
Personnel Expenses	€ 60 035,39	€ 60 035,39	€ 60 035,39	€ 60 035,39
Sales and Advertising	€ 2 000,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ -	€ -	€ -	€ -
Event launches	€ -	€ -	€ -	€ -
Travel expenses	€ -	€ -	€ -	€ -
Profits	€ 22 614,61	€ 109 764,61	€ 196 914,61	€ 296 514,61

2024

Only MP				
# employees	2			
Max. Nr. Projects	29,00			
Nr h/p	126			
Personnel expenses/h	€	5,94		
Outsourcing costs	€	2 550,00		
Utilization rate				
	25%	50%	75%	100%
Hours worked	916	1832	2748	3664
# projects sold	7	15	22	29
Rounded down	7,0	14,0	21,0	29,0
Revenues	€ 105 000,00	€ 210 000,00	€ 315 000,00	€ 435 000,00
Variable Costs	€ 17 850,00	€ 35 700,00	€ 53 550,00	€ 73 950,00
Gross Profit	€ 87 150,00	€ 174 300,00	€ 261 450,00	€ 361 050,00
Gross Margin	83%	83%	83%	83%
Operating Expenses				
Personnel Expenses	€ 57 318,47	€ 57 318,47	€ 57 318,47	€ 57 318,47
Sales and Advertising	€ 2 000,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ -	€ -	€ -	€ -
Event launches	€ -	€ -	€ -	€ -
Travel expenses	€ -	€ -	€ -	€ -
Profits	€ 25 331,53	€ 112 481,53	€ 199 631,53	€ 299 231,53

2026

Only MP				
# employees	2			
Max. Nr. Projects	29,00			
Nr h/p	126			
Personnel expenses/h	€	6,09		
Outsourcing costs	€	2 550,00		
Utilization rate				
	25%	50%	75%	100%
Hours worked	916	1832	2748	3664,00
# projects sold	7,3	14,5	21,8	29,1
Rounded down	7,0	14,0	21,0	29,0
Revenues	€ 105 000,00	€ 210 000,00	€ 315 000,00	€ 435 000,00
Variable Costs	€ 17 850,00	€ 35 700,00	€ 53 550,00	€ 73 950,00
Gross Profit	€ 87 150,00	€ 174 300,00	€ 261 450,00	€ 361 050,00
Gross Margin	83%	83%	83%	83%
Operating Expenses				
Personnel Expenses	€ 60 035,39	€ 60 035,39	€ 60 035,39	€ 60 035,39
Sales and Advertising	€ 2 000,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ -	€ -	€ -	€ -
Event launches	€ -	€ -	€ -	€ -
Travel expenses	€ -	€ -	€ -	€ -
Profits	€ 22 614,61	€ 109 764,61	€ 196 914,61	€ 296 514,61

2023				
	BP	MP		
# employees	2	2		
Max. Nr. Projects	10,00			
Nr h/p	250	126		
	Hours Y1			
	Hours Y2			
Personnel expenses/h	€ 2,68	€ 2,68		
Outsourcing costs	€ 7 845,00	€ 2 350,00		
outsourcing costs + costs w/ materials yl	€ 2 170,00			
outsourcing costs + costs w/ materials yl	€ 5 675,00			
HR Capacity	25%	50%	75%	100%
Working hours	916,00	1832,00	2748,00	3664,00
Hours available for new projects	916,00	1832,00	2748,00	3664,00
# BP projects sold	2,7	5,5	8,2	11,0
# MP projects sold	4,6	7,9	11,2	15,9
BP Rounded down	2,0	5,0	8,0	10,0
MP Rounded down	4,0	7,0	11,0	15,0
Revenues	€ 113 333,33	€ 238 333,33	€ 378 333,33	€ 491 666,67
Variable Costs	€ 14 540,00	€ 40 050,00	€ 73 785,00	€ 105 350,00
Gross Profit	€ 98 793,33	€ 198 283,33	€ 304 548,33	€ 386 316,67
Gross Margin	87%	83%	80%	79%
Operating Expenses				
Personnel Expenses	€ 36 747,08	€ 36 747,08	€ 36 747,08	€ 36 747,08
Sales and Advertising	€ 1 800,00	€ 1 800,00	€ 1 800,00	€ 1 800,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ 500,00	€ 500,00	€ 500,00	€ 500,00
Event launches	€ 3 000,00	€ 3 000,00	€ 3 000,00	€ 3 000,00
Travel expenses	€ 280,00	€ 280,00	€ 280,00	€ 280,00
Profits	€ 53 966,26	€ 153 456,26	€ 259 721,26	€ 341 489,59

2025				
	BP	MP		
# employees	2	2		
Max. Nr. Projects	8,00			
Nr h/p	250	126		
	Hours Y1			
	Hours Y2			
Personnel expenses/h	€ 6,09	€ 6,09		
Outsourcing costs	€ 7 845,00	€ 2 350,00		
outsourcing costs + costs w/ materials yl	€ 2 170,00			
outsourcing costs + costs w/ materials yl	€ 5 675,00			
HR Capacity	25%	50%	75%	100%
Hours worked	916,00	1832,00	2748,00	3664,00
Hours available for new projects	749,33	1498,67	2248,00	2997,33
# BP projects sold	2,2	4,5	6,7	9,0
# MP projects sold	3,3	6,6	9,9	13,2
BP Rounded down	2,0	4,0	6,0	8,0
MP Rounded down	3,0	6,0	9,0	13,0
Revenues	€ 125 000,00	€ 250 000,00	€ 375 000,00	€ 515 000,00
Variable Costs	€ 23 340,00	€ 46 680,00	€ 70 020,00	€ 95 910,00
Gross Profit	€ 101 660,00	€ 203 320,00	€ 304 980,00	€ 419 090,00
Gross Margin	81%	81%	81%	81%
Operating Expenses				
Personnel Expenses	€ 60 035,39	€ 60 035,39	€ 60 035,39	€ 60 035,39
Sales and Advertising	€ 2 000,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ -	€ -	€ -	€ -
Event launches	€ -	€ -	€ -	€ -
Travel expenses	€ -	€ -	€ -	€ -
Profits	€ 37 124,61	€ 138 784,61	€ 240 444,61	€ 354 554,61

2024				
	BP	MP		
# employees	2	2		
Max. Nr. Projects	8,00			
Nr h/p	250	126		
	Hours Y1			
	Hours Y2			
Personnel expenses/h	€ 5,94	€ 5,94		
Outsourcing costs	€ 7 845,00	€ 2 350,00		
outsourcing costs + costs w/ materials yl	€ 2 170,00			
outsourcing costs + costs w/ materials yl	€ 5 675,00			
HR Capacity	25%	50%	75%	100%
Working hours	916,00	1832,00	2748,00	3664,00
Hours available for new projects	749,33	1415,33	2081,33	2830,67
# BP projects sold	2,2	4,2	6,2	8,5
# MP projects sold	3,3	5,9	8,6	11,9
BP Rounded down	2,0	4,0	6,0	8,0
MP Rounded down	3,0	5,0	8,0	11,0
Revenues	€ 125 000,00	€ 248 333,33	€ 386 666,67	€ 511 666,67
Variable Costs	€ 23 340,00	€ 49 805,00	€ 78 820,00	€ 102 160,00
Gross Profit	€ 101 660,00	€ 198 528,33	€ 307 846,67	€ 409 506,67
Gross Margin	81%	80%	80%	80%
Operating Expenses				
Personnel Expenses	€ 57 318,47	€ 57 318,47	€ 57 318,47	€ 57 318,47
Sales and Advertising	€ 2 000,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ -	€ -	€ -	€ -
Event launches	€ -	€ -	€ -	€ -
Travel expenses	€ -	€ -	€ -	€ -
Profits	€ 39 841,53	€ 136 709,86	€ 246 028,20	€ 347 688,20

2026				
	BP	MP		
# employees	2	2		
Max. Nr. Projects	8,00			
Nr h/p	250	126		
	Hours Y1			
	Hours Y2			
Personnel expenses/h	€ 6,09	€ 6,09		
Outsourcing costs	€ 7 845,00	€ 2 350,00		
outsourcing costs + costs w/ materials yl	€ 2 170,00			
outsourcing costs + costs w/ materials yl	€ 5 675,00			
HR Capacity	25%	50%	75%	100%
Hours worked	916	1832	2748	3664,00
Hours available for new projects	749,33	1498,67	2248,00	2997,33
# BP projects sold	2,2	4,5	6,7	9,0
# MP projects sold	3,3	6,6	9,9	13,2
BP Rounded down	2,0	4,0	6,0	8,0
MP Rounded down	3,0	6,0	9,0	13,0
Revenues	€ 125 000,00	€ 250 000,00	€ 375 000,00	€ 515 000,00
Variable Costs	€ 23 340,00	€ 46 680,00	€ 70 020,00	€ 95 910,00
Gross Profit	€ 101 660,00	€ 203 320,00	€ 304 980,00	€ 419 090,00
Gross Margin	81%	81%	81%	81%
Operating Expenses				
Personnel Expenses	€ 60 035,39	€ 60 035,39	€ 60 035,39	€ 60 035,39
Sales and Advertising	€ 2 000,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
Membership fees	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ -	€ -	€ -	€ -
Event launches	€ -	€ -	€ -	€ -
Travel expenses	€ -	€ -	€ -	€ -
Profits	€ 37 124,61	€ 138 784,61	€ 240 444,61	€ 354 554,61

Appendix 64: Financial Projections U.Purpose

<i>Assumption</i>							
<i>Accrual method of accounting</i>		50/50 MP/BP	2022	2023	2024	2025	2026
Revenues		€	-	€ 113 333	€ 170 000	€ 238 333	€ 306 667
BP Price	€ 40 000,00				50%	40%	29%
MP	€ 15 000,00						
	<i>Nr BP</i>		0,00	2,75	2,75	5,00	5,60
	<i>Rounded down</i>		0,00	2,00	2,00	4,00	5,00
	<i>Nr MP</i>		0,00	4,62	6,21	7,93	8,19
	<i>Rounded down</i>		0,00	4,00	6,00	7,00	8,00
Hours sold			0,00	916,00	1115,73	1665,33	1865,07
	<i>Working hours/year</i>		280	3664	3664	3664	3664
	<i>Utilization rate</i>		0,00%	25,00%	35,00%	50,00%	60,00%
	<i>h/BP year 1</i>		167	167	167	167	167
	<i>h/BP year 2</i>		83	83	83	83	83
	<i>h/MP</i>		126	126	126	126	126
Variable Costs		€	-	€ 14 540,00	€ 30 990,00	€ 37 880,00	€ 53 950,00
	<i>BP outsourcing costs + costs w/ materials y1</i>		2170,00	2170,00	2170,00	2170,00	2170,00
	<i>BP outsourcing costs + costs w/ materials y2</i>		5675,00	5675,00	5675,00	5675,00	5675,00
	<i>MP outsourcing costs + costs w/ materials</i>		2550,00	2550,00	2550,00	2550,00	2550,00
Gross Profit		€	-	€ 98 793,33	€ 139 010,00	€ 200 453,33	€ 252 716,67
Operating Expenses							
	Personnel Expenses	€	4 599,09	€ 36 747,08	€ 57 318,47	€ 60 035,39	€ 60 035,39
	Sales and Advertising	€	1 220,00	€ 1 800,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
	Membership fees	€	-	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
	Fair attendance	€	-	€ 500,00	€ -	€ -	€ -
	Event launches	€	-	€ 3 000,00	€ -	€ -	€ -
	Travel expenses	€	-	€ 280,00	€ -	€ -	€ -
Operating Expenses		€	5 819,09	€ 44 827,08	€ 61 818,47	€ 64 535,39	€ 64 535,39
Total*		€	5 819,09	€ 44 827,08	€ 61 818,47	€ 64 535,39	€ 64 535,39
EBITDA=EBIT=Net Income Margin		-€	5 819	€ 53 966	€ 77 192	€ 135 918	€ 188 181
	<i>IRR</i>		974%	48%	45%	57%	61%
EBITDA=EBIT=Net Income (2022/2023)		€		48 147			

Only BP	2022	2023	2024	2025	2026
Revenues	€ -	€ 133 333	€ 200 000	€ 280 000	€ 346 667
		€	€ 1	€ 0	€ 0
Nr BP	€ -	€ 5	€ 5	€ 8	€ 9
Rounded down	€ -	€ 5	€ 5	€ 8	€ 9
Nr MP	€ -	€ 1	€ 1	€ 1	€ 0
Rounded down	€ -	€ -	€ -	€ -	€ -
Hours sold	€ -	€ 916	€ 866	€ 1 415	€ 1 532
Working hours/year	€ 280	€ 3 664	€ 3 664	€ 3 664	€ 3 664
Utilization rate	€ -	€ 0	€ 0	€ 1	€ 1
	€ 167	€ 167	€ 167	€ 167	€ 167
h/BP year 1	€ 83	€ 83	€ 83	€ 83	€ 83
h/BP year 2	€ 126	€ 126	€ 126	€ 126	€ 126
h/MP					
Variable Costs	€ -	€ 10 850	€ 39 225	€ 45 735	€ 64 930
BP outsourcing costs + costs w/ materials y1	€ 2 170	€ 2 170	€ 2 170	€ 2 170	€ 2 170
BP outsourcing costs + costs w/ materials y2	€ 5 675	€ 5 675	€ 5 675	€ 5 675	€ 5 675
MP outsourcing costs + costs w/ materials	€ 2 550	€ 2 550	€ 2 550	€ 2 550	€ 2 550
Gross Profit	€ -	€ 122 483	€ 160 775	€ 234 265	€ 281 737
Operating Expenses					
Personnel Expenses	€ 4 599	€ 36 747	€ 57 318	€ 60 035	€ 60 035
Sales and Advertising	€ 1 220	€ 1 800	€ 2 000	€ 2 000	€ 2 000
Membership fees	€ -	€ 2 500	€ 2 500	€ 2 500	€ 2 500
Fair attendance	€ -	€ 500	€ -	€ -	€ -
Event launches	€ -	€ 3 000	€ -	€ -	€ -
Travel expenses	€ -	€ 280	€ -	€ -	€ -
Total	€ 5 819	€ 44 827	€ 61 818	€ 64 535	€ 64 535
Total*	€ 5 819	€ 44 827	€ 61 818	€ 64 535	€ 64 535
EBITDA=EBIT=Net Income	-€ 5 819	€ 77 656	€ 98 957	€ 169 730	€ 217 201
Margin		58%	49%	61%	63%
IRR	1365%				
	€ 71 837				

Only MP	2022	2023	2024	2025	2026
Revenues	€ -	€ 105 000,00	€ 150 000,00	€ 210 000,00	€ 255 000,00
		43%	40%	21%	
Nr BP	0,00	0,20	0,13	0,41	0,34
Rounded down	0,00	0,00	0,00	0,00	0,00
Nr MP	0,00	7,27	10,18	14,54	17,45
Rounded down	0,00	7,00	10,00	14,00	17,00
Hours sold	0,00	916,00	1282,40	1832,00	2198,40
Working hours/year	280	3664	3664	3664	3664
Utilization rate	0,00%	25,00%	35,00%	50,00%	60,00%
	167	167	167	167	167
h/BP year 1	83	83	83	83	83
h/BP year 2	126	126	126	126	126
h/MP					
Variable Costs	€ -	€ 17 850,00	€ 25 500,00	€ 35 700,00	€ 43 350,00
BP outsourcing costs + costs w/ materials y1	2170,00	2170,00	2170,00	2170,00	2170,00
BP outsourcing costs + costs w/ materials y2	5675,00	5675,00	5675,00	5675,00	5675,00
MP outsourcing costs + costs w/ materials	2550,00	2550,00	2550,00	2550,00	2550,00
Gross Profit	€ -	€ 87 150,00	€ 124 500,00	€ 174 300,00	€ 211 650,00
Operating Expenses					
Personnel Expenses	€ 4 599,09	€ 36 747,08	€ 57 318,47	€ 60 035,39	€ 60 035,39
Sales and Advertising	€ 1 220,00	€ 1 800,00	€ 2 000,00	€ 2 000,00	€ 2 000,00
Membership fees	€ -	€ 2 500,00	€ 2 500,00	€ 2 500,00	€ 2 500,00
Fair attendance	€ -	€ 500,00	€ -	€ -	€ -
Event launches	€ -	€ 3 000,00	€ -	€ -	€ -
Travel expenses	€ -	€ 280,00	€ -	€ -	€ -
Total	€ 5 819,09	€ 44 827,08	€ 61 818,47	€ 64 535,39	€ 64 535,39
Total*	€ 5 819,09	€ 44 827,08	€ 61 818,47	€ 64 535,39	€ 64 535,39
EBITDA=EBIT=Net Income	-€ 5 819	€ 42 323	€ 62 682	€ 109 765	€ 147 115
Margin		40%	42%	52%	58%
IRR	778%				
	€ 36 504				

Appendix 65: IEFP and Assumptions (*Crescer com Consciência*)

In order to perform the calculations in this page, the following considerations were applied (the numbers refer to IEFP regulation's clauses; *source: IEFP Regulation 2022 https://www.iefp.pt/documents/10181/10178040/4Revisao+Regulamento+Estagios+ATIVAR_07-01-2022.pdf/65aa2d12-ee37-44d8-a1c5-8de9e870df45*):

- 1 The 2 FTE to be integrated in the company are hired in November 2022 under a 12-month IEFP internship. Afterwards, the salary remains the same, until FY2025 where it rises to €1 100.
- 2 The additional FTE hired under a 6-month IEFP intership is hired in January 2023. When the intership ends, another intern is hired under the same regime.
- 3 As U.Dream is a non-profit, IEFP reimburses 80% of salaries (15); however, it does not reimburse mandatory contributions for SS (12.6, c)). As such, the 80% applicable are applied over the gross salary excluding the 11% required individual contribution.
- 4 IEFP does not exclude the organisation from paying TSU (12.6, b)). However, as a non-profit, U.Dream pays 22,3% of TSU instead of 23,75% (Source: <https://www.seg-social.pt/calculo-das-contribuicoes1>)
- 5 Under IEFP, the salary attributable to undergraduates is of €886,4 (QNQ 6) and to graduates €975,04 (QNQ 7) (14.1).
- 6 The minimum meal subsidy is of €4,77 (IEFP 14.2, c)) and no taxes apply.
- 7 IEFP interns do not receive vacations nor christmas subsidies (12.4 f))

8 IEFP internships can last 6, 9 or 12 months (2.5)

9 There were 251 working days in 2022 in Portugal.

10 The average required insurance for work accidents is of 1% the gross salary times 14 salaries. (source: <https://www.nos.pt/empresas/repositorio-informacao/criar-uma-empresa/guias-praticos/Pages/quanto-custa-trabalhador.aspx>). When under IEFP, the salary was multiplied by 12, as there is no christmas and vacations subsidy.

11 With less than 5 working hours/day the company does not have to pay meal subsidy. (Source: <https://jornaleconomico.pt/noticias/subsidio-de-alimentacao-trabalhadores-em-part-time-tem-direito-saiba-tudo-524478>)

12 There is no IRS retention for salaries below 710€ (source: <https://www.doutorfinancas.pt/tabelas-de-retencao-irs-2022/>)

13 In FY 2023, the christmas subsidy was calculated adjusting to the working days (in that year, in November, the 2 FTE under IEFP finish their IEFP internship) (source: <https://www.doutorfinancas.pt/literacia-financeira/subsidio-de-natal-o-que-diz-a-lei-e-como-calculat/>).

Appendix 66: Impacts of hiring recommendations considering different scenarios

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	FY2024	FY2025
# New Employees	Salary (min wage)	Salary (no IEFP)	Salary (Part-time + 1 IEFP)	Salary (Part-time + IEFP)	Salary (All IEFP)	After 1Y w/ IEFP	After 2Y w/ IEFP
6 months internship (part-time except for scenario 5)	1	€352,50	€425,00	€425,00	€425,00	€886,40	€886,40
Full-time	2	€705,00	€850,00	€975,04	€975,04	€975,04	1100
<i>(The values for salaries are gross values)</i>							
Salaries	€19 035,00	€22 950,00	€25 950,96	€25 950,96	€28 719,36	€34 037,76	€37 036,80
Subsidies (Chirstmas/Vacations)	€2 820,00	€3 400,00	€1 950,08	€0,00	€0,00	€3 900,16	€4 400,00
Meal Subsidy	€2 394,54	€2 394,54	€2 394,54	€2 394,54	€2 993,18	€3 381,93	€3 381,93
Social Security Costs (22,3%)	€4 873,67	€5 876,05	€6 221,93	€5 787,06	€6 404,42	€8 460,16	€9 240,41
Insurance Work Accidents (avg. of 1%)	€190,35	€263,50	€279,01	€259,51	€287,19	€379,38	€414,37
Other Gains	€0,00	€0,00	€8 330,74	€16 661,48	€20 448,18	€7 573,40	€7 573,40
Total	-€29 313,56	-€34 884,09	-€28 465,78	-€17 730,59	-€17 955,96	€42 585,98	€46 900,10

Part-time	€524,03
Hourly cost	6,55
Full-time	€561,59
Hourly cost	€3,51

	2022	2023	2024	2025	2026
Personel Expenses	€2 413,58	€24 428,30	€42 585,98	€46 900,10	€46 900,10

Working Days Portuga	251
Minimum meal subsidy	4,77 €
<i>(no taxes applicable)</i>	

Appendix 67: Impacts of own social media recommendations - Instagram

Instagram						
	2022	2023	2024	2025	2026	
U.Dream's followers	8000	9361	10954	12819	15000	
Average engagement rate	1,7%	1,79%	1,87%	1,97%	2,07%	
Engagement	136	167	205	252	310	
Number of posts*	1 Carousel post every 2 weeks; In December, prior to Christmas, post 1+ photo and video	1 Carousel post every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	1 Carousel post every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	1 Carousel post every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	1 Carousel post every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	
Yearly Engagement (52 weeks/year)	1156	6684	8213	10091	12398	
Assumptions						
Target Number of Followers (4Y)	15000					
Implied CAGR	17%					

*Note: estimations as of August 2022; adjust conditional to performance

Appendix 68: Impacts of own social media recommendations - Facebook

Facebook						
	2022	2023	2024	2025	2026	
U.Dream's followers	39000	41499	44159	46989	50000	
Average engagement rate	0,020%	0,021%	0,022%	0,023%	0,024%	
Engagement	8	9	10	11	12	
Number of posts*	1 photo every 2 weeks; In December, prior to Christmas, post 1+ photo and video	1 photo every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	1 photo every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	1 photo every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	1 photo every 2 weeks, 1 video every month; In December, prior to Christmas, post 1+ photo and video	
Yearly Engagement (52 weeks/year)	66	349	389	435	486	
Assumptions						
Target Number of Followers (4Y)	50000					
Implied CAGR	6%					

**Note: estimations as of August 2022; adjust conditional to performance*

Appendix 69: Impact Calculations: Promotion strategy 1 – Owned Social Media

	2022		2023		2024		2025		2026	
	Lower-end	Upper-end	Lower-end	Upper-end	Lower-end	Upper-end	Lower-end	Upper-end	Lower-end	Upper-end
Yearly Engagement Instagram	1156		6684		8213		10091		12398	
Conversion Rate	0,40%	0,60%	0,40%	0,60%	0,40%	0,60%	0,40%	0,60%	0,40%	0,60%
Conversions	5	7	27	40	33	49	40	61	50	74
Yearly Engagement Facebook	66		349		389		435		486	
Conversion Rate	0,20%	0,40%	0,20%	0,40%	0,20%	0,40%	0,20%	0,40%	0,20%	0,40%
Conversions	0	0	1	1	1	2	1	2	1	2
Revenues (assuming all purchase at 13€)	€ 61,84	€ 93,62	€ 356,63	€ 539,48	€ 437,18	€ 660,83	€ 536,03	€ 809,70	€ 657,35	€ 992,34
Production costs	€ 14,27	€ 21,60	€ 82,30	€ 124,50	€ 100,89	€ 152,50	€ 123,70	€ 186,85	€ 151,70	€ 229,00
Profits	€ 47,57	€ 72,01	€ 274,33	€ 414,99	€ 336,29	€ 508,33	€ 412,33	€ 622,84	€ 505,65	€ 763,34
Mid-scenario	€ 59,79		€ 344,66		€ 422,31		€ 517,59		€ 634,49	

	2022	2023	2024	2025	2026
Revenues mid-points	€ 78	€ 448	€ 549	€ 673	€ 825
COGS mid-points	€ 18	€ 52	€ 103	€ 113	€ 127

Appendix 70: Meta Ads Manager

Campaign name

Crescer com Consciência [Create Template](#)

Special ad categories
Declare if your ads are related to credit, employment or housing, or about social issues, elections or politics. Requirements differ by country. [Learn more](#)

Categories
No categories declared

Campaign details

Buying type
Auction

Campaign objective

Awareness
 Brand Awareness
 Reach

Consideration
 Traffic
 Engagement
 App Installs
 Video Views
 Lead Generation
 Messages

Conversion
 Conversions
 Catalogue Sales
 Store Traffic

Conversions

Show your ads to the people who are most likely to take action, such as buying something or calling you from your website. [Learn more](#)

[Show more options -](#)

A/B test [Create A/B test](#)

Try different images, ad text, audiences and more to see which one performs best. [Learn more](#)

Campaign budget optimisation [Off](#)

Campaign budget optimisation will distribute your budget across ad sets to get more results depending on your delivery optimisation choices and bid strategy. You can control spending on each ad set. [Learn more](#)

Audience definition

Your audience selection is fairly broad.

Specific Broad

Estimated audience size: 6,200,000 - 7,200,000

Your criteria is currently set to allow detailed targeting expansion. Estimates may vary significantly over time based on your targeting selections and available data.

Estimated daily results
Based on 7-day click and 1-day view conversion window

Reach **763-2.2K**

Conversions **8-22**

Audience
Define who you want to see your ads. [Learn more](#)

Create new audience **Use saved audience**

Crescer com Consciência

Location: Portugal

Age: 25-65+

Detailed targeting expansion: On

Detailed targeting expansion is on

We recommend keeping expansion on as it provides more opportunities for improved performance. If you want to turn it off, you can duplicate your audience and deselect detailed targeting expansion.

[Duplicate Audience](#)

[Learn more](#)

[Edit](#)

Ad set name

Crescer com Consciência [Create Template](#)

Conversion

Conversion event location

Website
 App
 Website and app
 Messenger
 WhatsApp

Pixel

Meta pixel

You can now create a pixel for tracking, optimisation and remarketing. [Learn more](#)

[Create Pixel](#)

Placements [Learn more](#)

Automatic placements (recommended)
Use automatic placements to maximise your budget and help show your ads to more people. Facebook's delivery system will allocate your ad set's budget across multiple placements based on where they're likely to perform best.

Manual placements
Manually choose the places to show your ad. The more placements you select, the more opportunities you'll have to reach your target audience and achieve your business goals.

[Show more options -](#)

Dynamic creative [Off](#)

Provide creative elements, such as images and headlines, and we'll automatically generate combinations optimised for your audience. Variations may include different formats or templates based on one or more elements. [Learn more](#)

Budget & schedule

Budget

Daily budget **€5.00** EUR

You'll spend up to €6.25 on some days, and less on others. You'll spend an average of €5.00 per day and no more than €35.00 per calendar week. [Learn more](#)

Schedule

Start date
1/10/2022 **16:00** UTC time

End - Optional
 Set an end date

[Show more options -](#)

Optimisation and delivery

Optimisation for ad delivery
Conversions

Cost per result goal (optional)

€X.XX

Meta will aim to spend your entire budget and get the most conversions using the highest volume bid strategy. If keeping the average cost per result around a certain amount is important, enter a cost per result goal.

[Show more options -](#)

Appendix 71: Impact Calculations: Promotion strategy 2 – Brand Awareness Campaign

Brand Awareness Campaign			
	Lower-end	Upper-end	
Total reach	198000	570000	
% people that would visit the website	0,30%	0,50%	
# people that would visit the website within 1 week	594	2850	
% people that would buy within 1 month	2%	3%	
# people that would buy within 1 month	12	86	
Total Revenues (assuming all purchases are made at 13€)	€ 154,44	€ 1 111,50	
Total Investment (1 month)	150	150	
Production costs	35,64	256,50	
Profit	-€ 31,20	€ 705,00	

-> Reasoning: No direct engagement with the organisation, no incentive to purchase at the donation campaign price

Mid-point € 632,97

Mid-point € 150,00

Mid-point € 146,07

Appendix 72: Impact Calculations: Promotion strategy 2 – Conversion Campaign

Conversion Campaign					
		Lower-end	Upper-end		
Total reach (daily)		763	2200		
Daily conversions		8	22		
Implied monthly conversions		240	660		
<hr/>					
Total Revenues (1 month; assuming all purchases are made at 13€)	€	3 120,00	€	8 580,00	-> Reasoning: No direct engagement with the organisation, no incentive to purchase at the donation campaign price
Total Investment (1 month)	€	150,00	€	150,00	Mid-point € 5 850,00
Approximate customer acquisition cost	€	0,63	€	0,23	Mid-point € 150,00
Production costs	€	720,00	€	1 980,00	Mid-point € 1 350,00
Profit	€	2 250,00	€	6 450,00	Mid-point € 4 350,00

Appendix 73: Influencer List for Quantification Purposes (n=14)

Name	Instagram	Followers (in m)	Engagement Rate	Engagement	Content	Observations
Carolina Deslandes	@carolinaleslandes	956	1,7%	16,25	Lifestyle, Music, Maternity	3 children (4, 5 and 6 y/o)
Ana Garcia Martins	@apipocamaisdoce	872	1,5%	13,25	Lifestyle, Humor, Maternity	2 children (9 and 4 y/o)
Mafalda Sampaio	@mafalda.sampaio	587	3,4%	20,13	Lifestyle, Fashion, Maternity	2 children (9 months and 4 y/o)
Maria Cerqueira Gomes	@maria_cerqueira_gomes	471	2,6%	12,15	Lifestyle, Fashion, Maternity	2 children (19 and 5 y/o)
Francisca Pereira	@franciscaprperreira	277	1,2%	3,43	Lifestyle, Maternity	3 children (10, 8 and 4 y/o)
Joana Machado Madeira	@joanamachadamadeira	153	2,0%	3,08	Lifestyle, Acting, Maternity	2 children (9 and 1 y/o)
Maria Gabriela Gouveia	@bibapitta	124	3,6%	4,43	Family, Lifestyle	Mother and grandmother; 2 grandchildren (2 and 5 y/o)
Carmen Garcia	@mae.imperfeita_	96	1,0%	0,98	Family, Society, Maternity	5 children (10 and 8 y/o)
Mariana Seara Cardoso	@marianasearacardoso	85,3	1,6%	1,34	Lifestyle, Maternity	5 children (7, 6 (twins) and 2 y/o)
Márcia d'Orey	@minniemars	67	2,9%	1,95	Storytelling, Travel, Maternity	2 children (7 and 5 y/o)
Ana Dida	@didoandcompany	43,7	4,1%	1,81	Parenting, Pregnancy, Maternity	2 children (5 and 2 y/o)
Joana Reis	@maede3gemeos	36	1,7%	0,61	Lifestyle, Maternity	4 children (8 (triplets) and 1 y/o)
Mariana Delgado	@marianadelgado	23,4	4,1%	0,95	Lifestyle, Fashion, Maternity. Entrepreneurship	3 children (10, 5 and 4 y/o)
Sylvia Sousa	@montessoriportugal	6,5	0,5%	0,03	Education, Maternity	Focuses on the Montessori teaching method; opportunity to reach niche customers; 3 children (15, 12 and 6 y/o)
Total		3797,9		80,40		
Average		271,28	2,3%			
U.Dream	@udream.pt	8m	1,7%			

Average Engagement Rate (Influencers 2022)	1,18%
Average Influencer Marketing Conversion Rate	2,55%
Typical range for influencer marketing conversion rates	1-3%

Appendix 74: Impact Calculations: Promotion strategy 3 – Influencers

	Lower-end	Upper-end
% of people that will visit U.Dream's page	10%	20%
# people that will visit U.Dream's page	8040	16080
% of visitors that convert into clients	2,0%	3,0%
# of visitors that convert into clients	161	482
Revenues from new clients (assuming all purchases are made at 13€)	€ 2 090,40	€ 6 271,20
Production cost (3€ per book)	€ 482,40	€ 1 447,20
Dist. Costs (2,5€ per book)	€ 35,00	€ 35,00
Profit	€ 1 573,00	€ 4 789,00

-> Reasoning: The aim of the influencer's campaign is to let customers know the product and clarify how it is intended to be used. Therefore, no mention to the donation campaign price.

Mid-point	€ 4 180,80
Mid-point	€ 964,80
Mid-point	€ 35,00

Appendix 75: Impact Calculations: Promotion strategy 4 – Newspapers and Magazines

# portuguese that read newspapers and magazines	4800000
Daily buyers (digital + physical) - Público	58738
Daily buyers (digital + physical) - Expresso	100194
Daily buyers (digital + physical) - JN <i>(Average in the first trimester of 2022)</i>	22735
Total daily subscriptions	181667
<i>It is presumed that a high % of buyers read; nevertheless, it is also true that buyers may provide non-buyers with access to the journals/magazines (e.g. household, hairdresser, café). As such, it was assumed that additional 5% people (approx.) would read.</i>	
Total number of readers	190718

	Lower-end	Upper-end
% of readers that would buy U.Dream's books	0,20%	0,30%
# buyers	381	572
<hr/>		
Revenues from new clients (assuming all purchases made at 13€)	€ 4 958,68	€ 7 438,02
<hr/>		
Production costs (3€/book)	€ 1 144,31	€ 1 716,47
Profits	€ 3 814,37	€ 5 721,55

-> Assuming the interview mentions the donation campaign price.

Mid-point	€ 6 198,35
Mid-point	€ 1 430,39

Appendix 76: Book fairs sales' analysis

Porto's book fair <i>(organised by Câmara Municipal do Porto)</i>	
# participants (2022)	84
# stands	126
# days	16
# visitors (2018, last available data pre-pandemic)	300000

Feira do Livro de Lisboa <i>(organised by APEL)</i>	
# participants (2022)	140
# stands	340
# days	16
# visitors (2019, pre-pandemic)	473000

GFK Estimates (2021)	
<i>Note: although the number of visitors dropped with the pandemic, sales did not (APEL)</i>	
# books sold in fairs (in millions)	0,9
Sales (in millions)	€ 12,30
<i>Assumption: Lisbon and Porto's book fairs secure 80% of the total sales volume</i>	
Sales (Porto + Lisbon)	€ 9,84
# participants Porto	84
% if all sold equally	1,19%
# participants Lisbon	140
% if all sold equally	0,7%
Sales Porto (weighted average based on # of visitor's)	€ 3,82
Sales Lisbon (weighted average based on # of visitor's)	€ 6,02

Appendix 77: Impact Calculations: Promotion strategy 5 – Book Fairs

	Lower-end	Upper-end			
U.Dream's market share in Porto	0,60%	0,70%			
U.Dream's sales in Porto's book fair (in €)	€ 22 913,32	€ 26 732,21	Mid-point	€	24 822,77
Cost of a stand (+IVA; U.Dream does not pay IVA)	€ 500,00	€ 500,00	Mid-point	€	500,00
Implied # books sold (assumption: all at 13€)	1762,56	2056,32			
Production costs	€ 5 287,69	€ 6 168,97	Mid-point	€	5 728,33
Profit	€ 17 125,63	€ 20 063,24			
U.Dream's market share in Lisbon	0,20%	0,30%			
U.Dream's sales in Lisbon's book fair (in €)	€ 12 042,23	€ 18 063,34	Mid-point	€	15 052,78
Cost of a stand	€ 1 800,00	€ 1 800,00	Mid-point	€	1 800,00
Implied # books sold (assumption: all at 13€)	926,33	1389,49			
Production costs	€ 2 778,98	€ 4 168,46	Mid-point	€	3 473,72
Travel + accomodation expenses	€ 1 085,00	€ 1 085,00	Mid-point	€	1 085,00
<i>Assumption: 30/night/person, 2 people go; travel by car to transport the books</i>					
Annual APEL associates fee (1st tier based on sales volume	€ 149,00	€ 149,00	Mid-point	€	149,00
Profit	€ 6 229,25	€ 10 860,88			
Overall Profit	€ 23 354,88	€ 30 924,12	Mid-point	€	27 139,50

Appendix 78: Impact Calculations: Promotion strategy 5 – Book Launches

	Lower-end	Upper-end		
Oporto				
Expected # attendants/event	70	100		
Conversion rate	20%	30%		
Revenues (80% at standard price, 20% at campaign price)	€ 187,60	€ 402,00		Mid-point € 294,80
Production costs	€ 50,40	€ 108,00		Mid-point € 79,20
Profits (x2)*	€ 137,20	€ 294,00		Mid-point € 215,60
Braga				
Expected # attendants/event	50	80		
Conversion rate	20%	30%		
Revenues (80% at standard price, 20% at campaign price)	134	322		
Production costs	€ 36,00	€ 86,40		
Travelling expenses for UD founders	€ 13,00	€ 13,00		
Profits (x2)	€ 85,00	€ 222,20		

*Assumption: Pedro Rosário travels at his own expenses

Car ride to Braga	
Tolls	€ 3,35
Km	55
Price/l	€ 1,83 (23-08-2022)
Consumption	6l/100km (Assumption)
Cost w/ return	€ 18,77
Train ticket w/ return	€ 6,50 Preferred choice

Mid-point € 227,80

Mid-point € 61,20

Mid-point € 13,00

Lisbon				
Expected # attendants		20		60
Conversion rate		5%		15%
Revenues (80% at standard price, 20% at campaign price)	€	13,40	€	120,60
Production costs	€	3,60	€	32,40
Travelling expenses (Founders and Author)	€	120,00	€	120,00
Profits	-€	110,20	-€	31,80
		NO GO		NO GO

Total Profits	€	222,20	€	484,40
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Mid-point € 353,30

Appendix 79: Impact Calculations - Promotion strategy B2B

Quantity	Price
<50	[12;14]
50-150	[10;12]
150-300	[8,5;11,5]
>300	[8;11]

# private schools (pre-school, 1st cycle and 2nd cycle)	1965
# e-mails to be sent	1965
# students in private schools (pre-school, 1st cycle and 2nd cycle)	191075
#students/school	97

	Lower-end	Upper-end			
% schools that would reply showing interest in scheduling a visit	10%	20%			
# schools that would reply showing interest in scheduling a visit	197	393			
Production cost (offering a sample)	€ 589,50	€ 1 179,00	Mid-point	€	884,25
% of schools that would be willing to order	4%	5%			
# schools that would order	8	20			
<i>Assuming it orders for all students</i>					
# books ordered	764	1911			
Revenues (book price based on quantity discounts)	€ 8 407,30	€ 21 018,25	Mid-point	€	14 712,78
Production costs	€ 2 292,90	€ 5 732,25	Mid-point	€	4 012,58
Profit	€ 5 524,90	€ 14 107,00	Mid-point	€	9 815,95

Appendix 80: Breakeven Analysis – *Crescer com Consciência* recommendations

	2021	2022	2023	2024	2025
Cost Structure					
Operating Expenses					
Personnel Expenses	€ 2 413,58	€ 24 428,30	€ 42 585,98	€ 46 900,10	
Sales and Advertising	€ 300,00				
Dist. Costs		€ 35,00			
Travelling Expenses		€ 1 098,00			
One-off expenses (offering book B2B)		€ 884,25			
Book fair stand		€ 2 300,00			
Total	€ 2 713,58	€ 28 745,55	€ 42 585,98	€ 46 900,10	
Price/book	€ 13,00	€ 13,00	€ 13,00	€ 13,00	(same on the next year)
Variable Costs	€ 3,00	€ 3,00	€ 3,00	€ 3,00	
Break-even point		271	2875	4259	4690
Projected Revenues	€ 6 560,70	€ 65 938,13			
Standard Price	€ 6 560,70	€ 51 120,84			
B2B quantity discounts	-	€ 14 712,78			
Campaign price	-	€ 104,52			
Estimated # books sold		505	5284		
Market Size (Physical Books) in million					
GFK	€ 233,40				
Statista	€ 381,60	€ 328,60	€ 342,00	€ 336,80	€ 328,00
Sales	€ 1 408,63	€ 6 560,70	€ 65 938,13		
% increase		366%	905%		
Implied market share GFK	0,0006%				
Implied market share Statista	0,0004%	0,0020%	0,019%		
% increase		441%	866%		
Implied market share to break-even		0,001%	0,008%	0,013%	0,014%
Implied # books sold	141				
	(all at 10€)	(all at 13€)	(most at 13€, also qt. discounts/campaign)		
Revenues 2022					
	Lower-end	Mid-case	Upper-end		
Revenues Promotion 2.1	€ 62	€ 78	€ 94		
Revenues Promotion 2.2	€ 3 274,44	€ 6 482,97	€ 9 691,50		
Total Revenues	€ 3 336	€ 6 561	€ 9 785		
Estimated # books sold	257	505	753		
Does it break-even?	FALSE	TRUE	TRUE		
Revenues 2023					
	Lower-end	Mid-case	Upper-end		
Revenues Promotion 2.1	€ 356,63	€ 448,06	€ 539,48		
Revenues Promotion 3	€ 2 090	€ 4 181	€ 6 271		
Revenues Promotion 4	€ 4 958,68	€ 6 198,35	€ 7 438,02		
Revenues Promotion 5.1	€ 34 955,55	€ 39 875,55	€ 44 795,55		
Revenues Promotion 5.2	€ 321,60	€ 522,60	€ 723,60		
Standard Price	€ 249,60	€ 405,60	€ 561,60		
Campaign Price	€ 72,00	€ 117,00	€ 162,00		
Revenues Promotion B2B	€ 8 407,30	€ 14 712,78	€ 21 018,25		
Total Revenues	€ 50 734	€ 65 938	€ 80 247		
Estimated # books sold	3903	5072	6173		
Does it break-even?	TRUE	TRUE	TRUE		