INSTITUTO UNIVERSITÁRIO DE LISBOA

Business Plan: *Fundae* - The New Alcohol-Infused Ice Cream

Tomás Caeiro Pires

Master in Management

Supervisor:

Bachelor Degree Nuno Alexandre Guerreiro Pedro, Invited Associate Professor,
ISCTE – University Institute of Lisbon

September, 2023

Department of Marketing, Operations and General Management

Business Plan: *Fundae* - The New Alcohol-Infused Ice Cream

Tomás Caeiro Pires

Master in Management

Supervisor:

Bachelor Degree Nuno Alexandre Guerreiro Pedro, Invited Associate Professor,
ISCTE - University Institute of Lisbon

September, 2023

Acknowledgements

To my parents, for their unconditional support in every single moment of my life, for the values and principles they thought me, for all the sacrifices they did so that I lack nothing.

To my grandparents for being like second parents for me, for all the unconditional love and availability showed throughout my life.

To my brother for all the support, advice, and friendship not only throughout this journey but since we first met.

To my girlfriend for all the support, advice, help and motivation for always trying to reach my goals since the very beginning.

To all my friends whom directly or indirectly impacted my path until this very moment.

To Professor Nuno Pedro, my supervisor, for all the inspiration, advice, availability, and guidance throughout this path.

A big thank you to all will never be enough.

Resumo

O gelado pode parecer uma mera sobremesa, mas teve um impacto enorme em vários cantos do mundo que vão para além do seu delicioso sabor. Não se trata apenas de comida – o gelado influenciou muitas áreas, estando envolvido em celebrações por todo o mundo, impactando as economias de diversos países e podendo até ser considerado parte integrante de algumas culturas.

Em diferentes regiões do mundo, o gelado é símbolo de alegria e diversão. Quer se trate de gelato na Itália, kulfi na Índia ou gelado cremoso nos Estados Unidos, cada cultura aprecia gelado de uma maneira especial. O gelado conecta pessoas de lugares variados, mesmo tendo idiomas e origens diferentes.

O gelado também é sinónimo de boas recordações. É como uma analepse que nos leva de volta aos dias relaxantes de verão e a acontecimentos inesquecíveis. Relembrar como nos sentíamos quando comíamos um gelado em criança, ou quando o partilhávamos com aqueles que nos eram próximos faz com que seja muito mais do que uma sobremesa.

Quando se trata de dinheiro, o negócio de gelados desempenha um grande papel na economia global. De pequenas gelatarias a grandes empresas, fabricar e vender gelados gera empregos para muitas pessoas. E porque a procura é grande, a economia vê-se impulsionada até noutros setores tais como os associados aos produtos necessários para o fabricar, como leite, fruta e outros componentes.

Este plano apresenta uma proposta de criação de um novo negócio no setor de gelados baseado na criação de um modelo para uma startup que deseja ingressar nesse mercado com foco na estratégia de marketing e no seu posicionamento.

Palavras-chave: Gelado, Álcool, Plano de Negócios, Marketing.

Abstract

Ice cream might seem like a simple dessert, but it has had a huge impact on the world that goes beyond its yummy taste. It is not just about eating it – ice cream has influenced many areas, it is involved in celebrations all around the globe, it impacts countries' economies, and it can even be considered a massive part of some cultures.

In different regions of the world, ice cream is a symbol of happiness and parties. Whether it is *gelato* in Italy, *kulfi* in India, or soft serve in the United States, every culture enjoys ice cream in its own special way. Ice cream connects people from different places, even if they speak different languages and come from different backgrounds.

Ice cream also reminds us of good times. It is like a time machine that takes us back to the fun summer days and important events. Remembering how we felt when we had ice cream as kids or shared it with our loved ones makes it more than just a treat.

When it comes to money, the ice cream business plays a big role in the world's economy. From small ice cream shops to big companies, making and selling ice cream provides jobs for many people. And because people want ice cream, the things needed to make it, like milk, fruit and other components, are also important for other businesses, like farms and companies.

This business plan presents a proposal for the creation of a new business in the ice cream sector based on the creation of a business model for a startup that wants to enter the ice cream sector with a focus on the marketing strategy and its positioning inside the market: Fundae.

Key Words: Ice cream, Alcohol, Business Plan, Marketing.

Table of Contents

Introduction 1

Literature Review 2

a. Marketing-Mix 2

b. Small Retail Businesses and the Impact of Digital Economy 6

Methodology 8

Market Analyses 9

a. External Analyses 9

i. PESTEL 9

ii. Industry Definition 12

iii. Industry Data 12

iv. Demographic 15

v. Porter’s 5 Forces Model 16

b. Internal Analyses 18

i. Resources, Capabilities and Processes needed 18

c. SWOT Analyses 19

i. SWOT 19

d. Case Studies 20

i. Starbucks Case 20

ii. H&M Case 22

iii. Olay Case 23

iv. Conclusions 24

Business Concept 25

a. Business Opportunity 25

b. Project Phases 25

Objectives of the Plan 26

a. Vision and Mission 26

b. Strategic Objectives 27

c. Intermediate and Short-Term Objectives 28

d. Development Strategy 29

Implementation 31

a. Business Model 31

b. Marketing Strategy 34

i. Positioning – Differentiation 34

ii. 7P’s 35

iii. Marketing Costs 37

c. Organizational Strategy 38

d. Logistics and Operations 39

Implementation Requirements 39

a. Legislation and Requirements 39

Financial Plan 41

a. Assumptions 41

b. Discount Rate WACC 42

c. Projections 43

d. Financial Statements 44

e. Comparative Analyses 44

f. Evaluation and Economic Decision 47

g. Funding Sources 48

Conclusion 50

Sources 51

Annexes 56

List of Tables

Table 1. Benchmark of most known ice cream brands in Lisbon 15

Table 2. Prices of Fundae's ice creams 36

Table 3: CAPEX 42

Table 4. Assumptions for the Discount Rate 43

Table 5. Market Share and Cost of Sales per Scenario 43

Table 6. Sales per scenario 44

Table 7. Cost of Sales per scenario 45

Table 8. EBITDA per Scenario 46

Table 9. Net Income per Scenario 46

Table 10. Summary table of the feasibility of each scenario 47

Table 11. Debt Service Map 49

List of Graphics

Graphic 1. Size of the global ice cream market from 2013 to 2024 (in billion USD) (Statista, 2022) 13

Graphic 2. Industry revenue of "manufacture of ice cream" in Portugal from 2012 to 2025 (in million USD)" (Statista, 2021) 13

Graphic 3. Evolution of Sales per Scenario 45

Graphic 4. Evolution of Cost of Sales per Scenario 45

Graphic 5. Evolution of EBITDA per Scenario 46

Graphic 6. Evolution of Net Income per Scenario 47

List of Figures

Figure 1. Relationship between the 4P's of marketing mix and customer (Thabit H. Thabit & Manaf B. Raewf, 2018). 2

Figure 2. Size of the global ice cream market from 2013 to 2024 (in billion USD) (Statista, 2022)........ 8

Figure 3. Intermediate and Short-Term Objectives........ 29

Figure 4. Chronogram of Fundae's employees 34

Figure 5: Location of the stores in Lisbon and Porto respectively........ 36

Figure 6. Process of supply, production, and sales of Fundae's 39

Introduction

Ice cream is one big sector of the worldwide economy evaluated in around 70 billion USD.

There are a lot of big players in the market more specialized in regular ice cream. The challenge was trying to create a new brand that would represent a new innovative and premium product, and how a company could make it a trend.

This thesis aims to examine the current state of the ice cream sector in Portugal and explore innovative and disruptive avenues to expand the offerings and attract new customers. The primary focus is to introduce a novel business model for a startup specializing in alcohol-infused ice cream, called Fundae. A key objective is to devise a sustainable and pioneering marketing strategy tailored to an emerging market.

Through an exhaustive research process, including the evaluation of past studies, thorough market investigations, and an analysis of case studies, the development of a comprehensive business plan takes shape. This plan represents the formalization of a meticulous decision-making process, encompassing both operational and financial models. The methodology presented ensures that objectives are clearly defined, leading to a successful implementation of the strategy.

By examining and integrating the various facets of the ice cream industry and infusing it with creativity, this business plan aims to inspire a fresh approach to ice cream consumption. The ultimate goal is to lay the foundation for a successful startup that not only adds vibrancy to the market but also captivates consumers with an innovative and delightful product offering. The outcome of this research will contribute to shaping the future of the ice cream industry in Portugal, fostering growth and enhancing customer experiences in the process.

Literature Review

a. Marketing-Mix

One of the most important parts of a business plan is the Marketing strategy. According to some authors, marketing is the main factor of success in each organization as it gives them the opportunity to connect the company to the customers and vice versa (Thabit H. Thabit & Manaf B. Raewf, 2018).

Nowadays, when considering a marketing approach, it is crucial to talk about the Marketing Mix (MM) and to understand the evaluation of its elements. This is the starting point of every business plan. MM can be defined as a controllable group of variables that the organization can use to affect the buyer's response to a specific product. These elements are also known as the 4P's of marketing.

Figure 1. Relationship between the 4P's of marketing mix and customer (Thabit H. Thabit & Manaf B. Raewf, 2018).

- Product

The first "P" refers to the Product itself and is the most important one. In this element, we identify the value that the product or service can bring to the client.

In a case where a food-related product is new to the market and combines two different flavors, there are typically two outcomes - either the flavors blend harmoniously to create a delightful final taste, or they clash, resulting in an unpleasant experience. To predict the success of flavor combinations, various theories and methods have been proposed.

One molecular approach to food combination suggests that the success of blending flavors depends on the number of overlapping chemical components shared by both products.

However, it is also argued that cognitive factors, influenced by culture and individual habits, play a significant role in determining preferences for specific flavor combinations. These cognitive factors can be categorized into three principles: perceptual, conceptual, and affective.

The perceptual principle is based on food properties, such as the sensory characteristics of the combination. The conceptual and affective principles, on the other hand, consider extrinsic properties and individual preferences. Both these principles are closely tied to the experiences stored in memory: the conceptual principle is guided by tradition and familiarity, while the affective principle revolves around the element of surprise (G. van Bergen, S. Ushiama, D. Kaneko, G. B. Dijksterhuis, R.A. de Wijk, M. H. Vingerhoeds, 2022).

For Fundae – the ice cream with alcoholic drinks –, the novelty of the combination presents both a challenge and an opportunity. Solid and robust promotion and placement efforts become vital to familiarize the target audience with this unique flavor, making it more appealing to their palate and preferences.

Perception of value by consumers is not solely reliant on flavor. Studies suggest that food variety, complexity, and portion size also influence food choice and consumption (Anouk E. M. Hendricks-Hartensveld; Jennifer L. Brodok; John E. Hayes; Barbara J. Rolls; Kathleen L. Keller and Remco C. Havermans, 2021). In some product segments like chocolate, less complexity is preferred, while for soups or snacks, more complexity is favored. Additionally, greater variety tends to lead to increased consumption.

Furthermore, portion size can significantly impact consumers' perception of value. Larger portions often lead people to consume more, making them perceive the product as more valuable. However, the idea of portion size is context-dependent, varying across different countries and cultures.

In conclusion, the success of flavor combinations, such as Fundae's ice cream with alcoholic drinks, relies on a careful balance of sensory appeal, familiarity, and innovation. Understanding the factors that influence consumer preferences, such as complexity, variety, and portion size, can contribute to a more compelling and satisfying product experience. By considering these aspects, any product can navigate the dynamic landscape of consumer perceptions and successfully carve its place in the market.

- Price

The second one is the Price. Defining the price can be a difficult task because there are a lot of factors that must be considered, such as the costs of the product, the competitors’ prices, the products’ substitute prices, the financial situation, amongst other factors. This is an important element, as it will affect the profitability of the company and the number of units sold.

- Place

The third P refers to the Place, which is also a very relevant aspect to be considered. The company will need to choose a location that best suits their purpose and objectives, taking into account the logistics associated with transportation costs.

- Promotion

Lastly, businesses need to consider Promotion. This is where we can implement the best strategy to get to our clients and create the desire to consume our product. This can be done through many different approaches, such as advertising and partnerships. A lot of marketing strategies are based on the representation of the product by a celebrity.

Nowadays, it is important to understand the impact that celebrities can have on brand’s image. When deciding which personality is going to represent the image of a certain product, it is necessary to have a careful approach. On the one hand, this strategy can bring a lot of advantages, such as brand awareness. On the other hand, it can also damage the brand’s image. It is easy to choose a celebrity to be the face of a product, but it is hard to establish a strong link between the product and the endorser (Mukherjee D., 2009). Celebrities are people who get recognition by a certain group of people. This can happen because of some characteristics, such as attractiveness, lifestyle, special skills, position of power, among others. In endorsement, celebrities assume the position of brands’ spokespersons and, in some ways, certify the product with their image. For example, when Worten chose Ricardo Araújo de Pereira to advertise the brand, it is assumed that Ricardo likes Worten’s products and services, so he is recommending it to Portuguese people.

A few years ago, a model was created to explain the process of celebrities’ endorsements: FRED objectives (Mukherjee D., 2009). This model is about four requirements that a celebrity must fulfil. The first one is familiarity, which refers to the fact that the target audience is aware of him or her and finds him or her likeable and trustworthy. The second one is related to the relevance that the person has in and to the sector or product that he or she is promoting. The third one is having a high esteem and appreciation of that person, which directly means credibility to the masses. The last one is differentiation, which gives the idea of exclusivity or innovation because it increases the idea of the product's value. All of these factors are still considered nowadays.

It is important to understand that having celebrities creating awareness for a product is not necessarily a critical factor of success, and we have examples of companies that do not spend thousands of dollars in collaborations and still have as much or more success than the ones that do it. One of the most known cases of good performance without this kind of promotion is the Singapore Airlines, which occupies the first position in surveys regarding the best carrier according to the customers. That is so because single details make the difference in customers' experiences. This airline company uses a branded fragrance that has been infused in all airplanes and has a direct emotional impact on the consumers. Resorting to a word-of-mouth marketing, this company became known as one of the top airlines regarding the quality of the service – proving a celebrity's certification is not always needed.

In the last years, the approach of companies changed a lot. Lately, we have been seeing more investments on social media platforms, and no longer talk about celebrities (as we did before): we now talk about influencers – the Social Media Celebrities (SMC). Influencers are social media celebrities that are followed by the audience because of their content. The creation of this content is, in the majority, through images and videos on social media platforms. According to some authors, the consumers follow people with higher levels of sincerity and trustworthiness compared to the traditional celebrities. With SMC, the communication is made through emotional attachment and perceived information, which is many times considered positive word-of-mouth. This positive word-of-mouth campaign increases followers purchase intentions. This can prove the theory that SMC effectiveness in influencing consumers is better than the traditional approach.

Prior research shows that reputation, physical attractiveness, perceived sincerity, authenticity, expertise and communications skills are attributes that can positively influence the purchase intentions of influencers' followers (Hamza Kaka Abdul Wahab, Meng Tao, Anushree Tandon, Muhammad Ashfaq, Amandeep Dhir, 2022).

Nowadays, there are a lot of different marketing strategies used by companies. Because of the intense competitiveness and people's perceptions, companies are innovative in their approaches to the market. Visual Merchandising, Premium Price and Ethnocentrism are considered the three most innovative strategies in the market (A. L. P. K. Silva, 2021). Visual Merchandising is referring to external appearance such as the exterior of the store, store layout, store design, and so on. Basically, it means the image that companies want to convey. Premium

Pricing is a strategy where brands set the price high in order to make the clients believe that it is more exclusive and high quality than the competitors that practice a lower price. Lastly, Ethnocentrism can be described as a psychological concept used to attract customers based on the feeling of belonging, such as promoting the feeling of patriotisms or nationalism, for example, the Portuguese slogan "*O que é Nacional é bom*", which means "What is National, is good".

In conclusion, businesses need to find novel ideas, define the segment and the positioning, so that they can create efficient strategies accordingly, with the final goal of attracting customers to buy their products.

- People, Physical Evidence and Process

After considering the 4P's, some authors believe that they are still not enough to have a full understanding of the factors that motivate and influence buyers to decide what, where and why they buy a certain product. Therefore, it is also important to consider three more factors (making it the 7P's of marketing) that can impact the consumers' decision: People – the collaborators of the company –, Physical evidence – all services including some physical elements –, and Process – how the product or service is delivered to the customer.

The main goal of the 7P's is to influence consumer behavior. Nevertheless, consumer behavior in itself can also be studied. There are three relevant models: the economic model, the learning model and the sociological model (Dr. Anjali Mary Gomes, 2018). The first focuses on the concept that consumer behavior is governed by the urge to satisfy basic and learned needs that will generate satisfaction. The second concludes that the conscious and subconscious minds are the ones in control of the buyers' behavior. The third is related to the influence of the consumers' role in the society and the influence of people around them.

According to the research conducted by Dr. Anjali Mary Gomes (2018), all 7P's of MM have a positive correlation with shoppers buying behavior. And for that reason, these factors always need to be considered when thinking about a marketing strategy.

b. Small Retail Businesses and the Impact of Digital Economy

Nowadays, technology plays a crucial role in our society, and people are increasingly relying more on it. Businesses are always trying new and creative ways to attract new customers and make the existing ones feel comfortable. In the past, people had to go to physical stores to buy products, but now they can order them through their phones, apps, websites, or texts. This revolution shows how technology is changing the way businesses interact with customers and handle sales. Furthermore, research has shown that digital technologies play a crucial role in enabling retail firms to enhance decision-making, elevate customer services, strengthen supplier relationships, and achieve overall operational efficiency improvements (Martínez-Caro et al., 2020).

The retail industry is undergoing rapid transformations, with large-format retailers posing a significant challenge to the survival of the smaller counterparts. Additionally, the rise of E-commerce as a formidable retailing platform is revolutionizing the landscape, particularly in developing economies worldwide. The impact of this phenomenon has been further intensified by the Covid-19 pandemic, as major retailers increasingly adopt E-commerce to facilitate sales and delivery (Rajesh K. Aithal, Vikram Choudhary, Harshit Maurya, Debasis Pradhan, Dev Narayan Sarkar, 2022).

Previous research has already highlighted the significance of technology adoption for larger retailers. Leveraging technology enables them to offer exceptional customer experiences, ultimately leading to enhanced business profitability. In this dynamic and ever-evolving market, embracing E-commerce has become essential for retailers to stay competitive and meet the shifting demands of consumers.

Some companies make it easier for many retailers to do online business, allowing them to boost their sales by participating in what is commonly referred to as the "Sharing Economy". In this economic model, collaboration is key, where excess capacity in goods and services is distributed, shared, and reused. However, the sharing economy is evolving, as new platforms now connect people seeking services with those who can provide them. For example, a company using this model is Uber Eats – it now has millions of users not only in Portugal but spread throughout the world. Food ordering platforms have seen rapid growth worldwide and are one of the fastest-growing internet app industries globally. In 2022, these platforms generated 240 billion USD in sales globally, and it is projected that they will continue to expand at a compound annual growth rate of 12.6% from 2020 to 2024, reaching sales of 450 billion USD by 2024 (Meenakshi N, 2023). Notably, companies like Uber Eats, DoorDash, and GrubHub experienced substantial growth rates during and even after the pandemic lockdowns. (Meenakshi N, 2023).

Methodology

This business plan outlines the strategy and implementation roadmap for a new startup focused on producing and marketing alcohol-infused ice cream. The plan is divided in four parts: Market Analyses, Business Definition, Implementation and Financial Plan.

Figure 2. Size of the global ice cream market from 2013 to 2024 (in billion USD) (Statista, 2022)

The initial section of the thesis provides an extensive examination of the market. It begins with a PESTEL, clear industry definition, followed by the gathering of relevant data to acquire insights of the sector and assess its overall appeal. Subsequently, a more in-depth analysis of the company takes place, employing the business model canvas to evaluate its internal components effectively this analysis informs the development of a robust business model canvas, considering key elements such as revenue streams, cost structure, key partners, and value proposition, to create a solid foundation for the startup's operations.

Moreover, the competition is carefully analyzed using the Porter's 5 Forces Model, which sheds light on specific market aspects. Finally, a conclusive SWOT analysis is presented. Following these, several case studies are examined, showcasing exemplary marketing strategies implemented by other companies.

The plan continues by providing an overview of the business concept, highlighting the unique value proposition and the market opportunity presented by the growing consumer demand for innovative and indulgent products. It also defines the project phases, the objectives of the business plan and the development strategy.

During the implementation stage, the marketing strategy is formulated, incorporating insights from analyzed business cases and findings from a comprehensive survey conducted to develop an optimal communication plan. Additionally, this stage encompasses the establishment of the organizational strategy and timeline, as well as the definition of the logistics necessary for the company's supply chain. It is also during this phase that the Portuguese legal requirements are considered, ensuring a thorough understanding of the company formation process and obtaining the necessary licenses for a successful business launch.

The financial plan presents detailed projections for revenue, expenses, and profitability over a specific time horizon. This includes financial statements, comparative analyses, sensitivity analyses, and funding sources to demonstrate the financial feasibility and potential return on investment for the startup. Key performance indicators are identified to monitor progress and make informed business decisions.

In conclusion, this business plan provides a comprehensive roadmap for establishing and operating a new startup focused on alcohol-infused ice cream. By addressing critical aspects such as market analyses, competitive positioning, product development, marketing strategies, operational requirements, and financial projections, the plan offers a strategic framework for entrepreneurs and investors looking to capitalize on the unique market opportunity presented by alcohol-infused frozen desserts.

Market Analyses

a. External Analyses

i. PESTEL

This model is used to analyze and monitor almost every key factor that is impacting the organization from the outside. The acronym PESTEL is the shortened form of Political, Economic, Sociocultural, Technological, Environmental and Legal contexts.

The PESTEL analysis is a diagnostic tool that will help to understand external factors of any industry and can impact strategy and business decisions.

- Political Context

At the Political Level, Portugal assumes a certain political stability. Despite being in constant change between the left and right, in the last thirty years, the elected government has always been constituted by the central parties, the Socialist Party (Partido Socialista) and the Social-Democratic Party (Partido Social Democrata). This is thus a positive factor for Portugal as political stability is an essential condition for investment by business agents.

On the other hand, the adoption of liberal economic policies is more common when it comes to a right-wing government, as capitalism defends individual freedom and the limitation of the State. Currently, as Portugal is governed by a left-wing party, these are not as common.

- Economic Context

Regarding the Economic Context, it is important to consider the following variables and data:

- Gross Domestic Product (GDP in prices of the previous year – economic growth): 6,7% in 2022, prediction of around 2,7% in 2023 (Banco de Portugal Eurosystem, 2023);
- Inflation Rate: 3,1% in July 2023 (INE,2023);
- Bank loans interest rate: 4,25% in 2023 (Banco of Portugal Eurosystem, 2023);
- Exchange Rate: 1,0658 on September 15th, 2023 (USD vs EUR) (Banco of Portugal Eurosystem, 2023);
- Savings Rate: 9,7% in 2021 (Pordata, 2023);
- Unemployment Rate: 6,4% in June 2023 (Portugal.Gov, 2023);
- Corporate Tax: 21% in 2022 (PwC, 2023).

Nowadays, the economy is going through times of huge instability since we are facing the consequences of a worldwide pandemic and the effects of the war between Ukraine and Russia. This is affecting every economic aspect, with a special relevance on the inflation rate.

- Sociocultural Context

Portugal is a country with a Population of around 10.421 people (INE, 2023). According to the same source, the average life expectancy is 81 years old with a differentiation between men (78 years old) and women (83 years old) (INE, 2021). Our birth rate is 8,2‰ death rate is 11,025‰ (INE, 2021).

Regarding the Sociocultural Context, some social values are changing due to the increased concern about environmental sustainability, inclusion of ethnicities and equality for every person. In Portugal, 53,2% of the population that is living in the country has between 25-64 years old, and the second biggest cluster is over 65 years old, representing 23,4% of the total population (INE, 2021). Regarding employment, 6% of the population is unemployed (Portugal.Gov, 2023).

When it comes to the level of education, there is an increase in the population with a university degree and a decrease in the population without it, making the illiteracy rate 3.1% (INE, 2021). Finally, the population is concentrated in large cities such as Lisbon and Porto.

- Technological Context

From a technological standpoint it is important to consider these key factors:

  - Research and development expenditure: according to UNESCO, Portugal's R&D spending is 1.62% of its GDP (Data World Bank, 2022).
  - Patent grants: in 2022 (until September) 184 patents were granted in Portugal (WIPO, 2021)
  - Online marketing: as stated on a survey carried out jointly by CIP – Confederação Empresarial de Portugal (the Portuguese Entrepreneurs Association) and ISCTE-Business School, sales through digital channels are worth close to a quarter of the revenues of Portuguese companies that have diversified traditional sales methods and strategies (WIPO, 2021).

- Environmental Context

Environmental issues are a growing concern in today's society, namely:

Climate change: Portugal is vulnerable to the climate change impacts from extreme events associated to lack (droughts) or excess (floods) of rainfall and heat waves. Sea level rise is also a threat to Portugal's coastline where a significant amount of its population lives (worldbank.org).

  - Carbon footprint: Portugal produced 4,05 tons of carbon dioxide emissions per person in 2022, totalizing approximately 41,80 million tons. Comparing to the previous year it is more 6,4%. Portugal accounted for approximately 1,5% of the European Union (EU) carbon dioxide emissions in 2022 (Statista, 2022).
  - Environment protection laws and sustainable development rules: businesses based in Portugal must apply for an environmental license from the Portuguese Environment Agency. This license will set out the measures needed to prevent/reduce air, water and soil polluting emissions, waste generation and noise pollution. (Information System on Environmental Law (SIDDAMB)).

- Legal Context

Shifts in the legal framework are consistent, so it is important to especially be aware of the following:

- Labour laws: Portuguese employment law undergoes many changes and adjustments in terms of regulations. All employers must be registered in the Portuguese finance services and be declared to the *Autoridade para as Condições do Trabalho* (ACT).
- Trade regulations: the European Commission reports annually on the implementation of its main trade agreements, tariffs, and duty rates (ec.europa.eu).

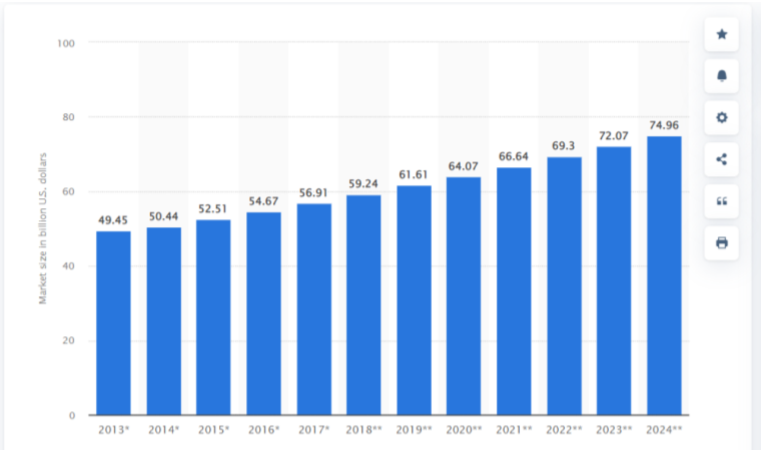
ii. Industry Definition

In the present day, the definition of ice cream has become wider, as it can be found in numerous locations, offering an extensive array of flavors and diverse methods of preparation. However, having an ice cream combined with different alcoholic drinks is relatively new.

Considering that this startup is the combination of different flavors with alcoholic drinks in ice cream it only makes sense that this company integrates the ice cream sector. To have a better understanding of the segment, it is important to analyze the growth of the market and identify the big players, as it will be presented in the next topic.

iii. Industry Data

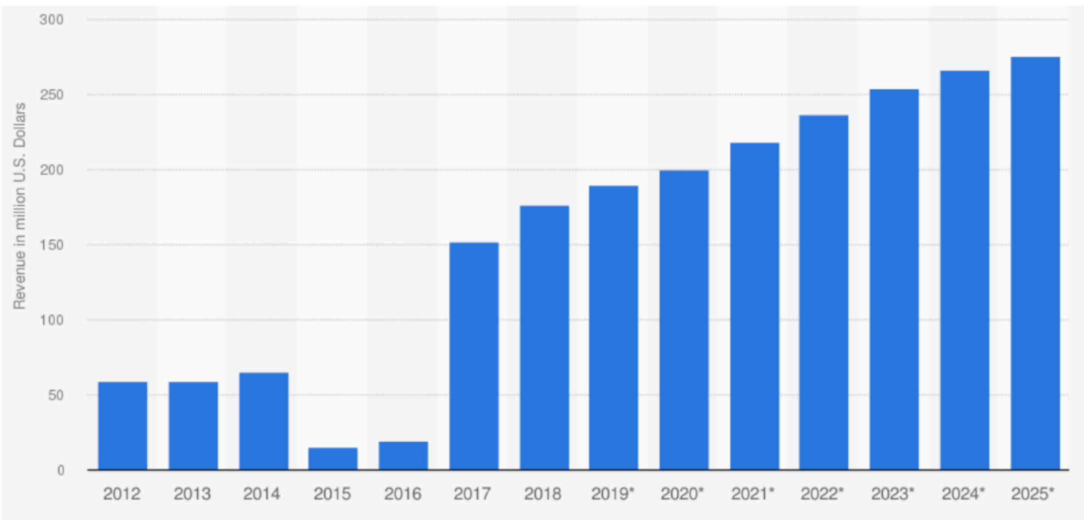
When considering this concept, it is important to consider that this product is a result of combining two big sectors that target millions of people willing to spend millions of euros in alcohol and ice cream each year. Proof of that is the evolution of the revenue from ice cream production from 2018 to 2019. In Portugal, from one year to another, the market produces 28% more than the previous year. This information means that the companies are feeling the need to increase their production to face the demand of the market.



Graphic 1. Size of the global ice cream market from 2013 to 2024 (in billion USD) (Statista, 2022)

Adding to that, Graphic 1: "Size of the global ice cream market from 2013 to 2024 (in billion USD)" (Statista, 2022) demonstrates that the ice cream sector is also increasing and, according to these projections, in 2024 this industry will have a market valuation of around 75 billions of USD. That results in an increase of approximately 8% when compared to the previous year.

Regarding the Portuguese context, the tendency is for the revenue to increase as the years go by, and according to the projection of the same source, displayed in Graphic 2: "Industry revenue of "manufacture of ice cream" in Portugal from 2012 to 2025 (in million USD)" (Statista, 2021), this trend will continue until, at least, 2025.



Graphic 2. Industry revenue of "manufacture of ice cream" in Portugal from 2012 to 2025 (in million USD)" (Statista, 2021)

According to projections by the multinational data company Statista, the global ice cream market is expected to reach approximately 70 billion USD by the end of 2022 (around 68,5 billion EUR). Furthermore, Statista predicts that in 2023, this figure will be very close to 75 billion USD (around 73,4 billion EUR). Unilever (known for brands like Ben & Jerry's), Nestlé, General Mills (Häagen-Dazs), and other conglomerates dominate this market.

Statista estimates that the national ice cream market will be around 176 million USD (approximately 172 million EUR), with a projected growth of 275 million USD (about 268 million EUR) in 2025. Portuguese per capita consumption of ice cream stands at 6,1 liters per year, slightly below the European average of 6,2 liters (GlobeNewswire, 2021). The highest consumers of ice cream in the world are the New Zealanders, with a per capita consumption of 28 liters per year, followed by North Americans, who average 20 liters per year (WorldAtlas, 2020). Among European countries, the Finish people are the most enthusiastic consumers, with a yearly average of over 14 liters per person, second only to Italy, which consumes 509 million liters annually (WorldAtlas, 2020). France, the Netherlands, and Germany are the main exporters of this product, with Italy ranking fourth (Eurostat, 2022).

Unilever continues to maintain its dominant position in the national market, with a market share of over 60%. This is primarily driven by its impulse ice cream brands, out-of-home consumption, and some of its take-away brands, such as Carte D'Or and Viennetta from Olá, which are popular for at-home consumption.

The artisanal ice cream industry was characterized as a small, family-run business that prioritizes profitability and maintains appealing profit margins. Its focus was not on extensive expansion, but rather on delivering a premium product that was highly valued by the market. This current dynamism in the industry, which was not as prominent a decade ago, aligns closely with international growth trends observed in this sector.

However, nowadays we see brands such as Santini and Artisani taking this market by opening many stores spread throughout the entire country, with a main focus on Lisbon, Porto and Algarve.

On the table below, we can observe the prices of a few of the most known famous ice cream brands (UberEats, 2023):

Brand	1 Scoop (or small)	2 Scoops (or medium)	500ml	1L
Häagen Dazs	€ 3,30	€ 5,40	€ 6,99	€ 16,00
Santini	€ 3,20	€ 4,30	€ 19,70	€ 34,80
Artisani	€ 4,60	€ 5,30	€ 15,95	€ 28,95
Amorino	€ 3,60	€ 4,70	€ 15,00	€ 27,50

Table 1. Benchmark of most known ice cream brands in Lisbon

The emergence of renowned chefs, television personalities, and culinary experts has elevated artisanal ice cream to the status of a gourmet dessert, fueling a desire for its consumption in various innovative forms. In Portugal, these new trends harmonize with the country's tourism growth and the influx of digital nomads who bring their distinctive lifestyles and preferences. The evolving landscape of the artisanal ice cream industry in Portugal is a testament to its ability to adapt and cater to evolving consumer demands.

To summarize, this sector is still growing, and the trend is to continue not only in Portugal but in all Europe. This is because consumers continue to see value in these products and are willing to pay to get them.

iv. Demographic

According to a Marketest's TGI study conducted in July 2021, over one year, more than 5.2 million individuals in mainland Portugal aged 15 and above consumed individual ice cream (unit ice cream), accounting for 61.6% of the resident population. This study brings surprising insights regarding the regions with the highest consumption of ice cream and the age groups that exhibit the greatest fondness for this delightful treat.

Contrary to expectations, the Algarve region does not claim the top spot in the ranking of regions with the highest number of ice cream consumers. Greater Porto takes the lead with 69.8%, followed by Greater Lisbon with 66.8%, and the North Interior with 66.2%. In the South region, ice cream consumption remains below 45.5% (Marktest, 2020).

The study also reveals diverse behaviors across different age groups, showcasing a notable heterogeneity. True enthusiasts of ice cream fall within the age range of 35-44 years, constituting 76% of consumers. The age group between 25-34 years follows closely behind with 74.7% of representation. However, the percentage drops to 41.9% among the elderly population aged 65 and over. These valuable insights and analyses are derived from the TGI study.

v. Porter's 5 Forces Model

In the realm of business strategy and competitive analysis, understanding the forces that shape industry dynamics is crucial for success. Developed by renowned economist and strategist Michael E. Porter, the 5 Forces Model is a powerful framework that provides valuable insights into the competitive landscape of an industry. This model helps businesses and entrepreneurs assess the attractiveness of an industry and identify potential areas of competitive advantage.

- <u>Rivalry amongst existing competitors</u>

To better understand the sector's competitiveness, it is important to consider that companies are not equal in size, are not located in the same places and have different targets. For example, there are ice creams that are only sold in their stores, positioning themselves with a premium product that is known for its flavors and quality – such as Santini and Artisani. Nevertheless, there are ice cream brands that aim to a more global market – such as Olá and Nestlé – that are also of good quality, and we can still find them in the supermarkets and in almost every cafe around the corner, making them a convenient option.

Regarding Fundae, our direct competition will be Santini and Artisani, due to the fact that our concept in terms of strategy and positioning in the market is similar to what these brands are offering. After all, we are talking about ice cream, and for that reason we need to consider all competitors. **(HIGH THREAT)**

- <u>Threat of Substitute Products</u>

According to experts, eating ice cream is not the same as consuming other product or dessert. However, it is important to define what the aim of eating ice cream is because this will influence how we define our substitute products are. Is ice cream a frozen dessert or a snack? Ice cream is generally considered a frozen dessert. Desserts are sweet foods typically served at the end of a meal, and ice cream fits this description. For that reason, we can consider any type of dessert a substitute product to our ice cream. However, some people may also enjoy eating ice cream as a snack or eating during other times of the day and so we could also consider cookies and cake as substitute products.

Assuming that people eat ice cream because they are looking for a frozen dessert or snack - which, in my personal opinion, is the most reasonable concept - we can consider a few products, such as: Sorbet (frozen dessert made with fruit puree, sugar, and water), Frozen yogurt (made with milk, sugar, and live cultures that are lower in fat than usual frozen desserts), Gelato (is an Italian-style ice cream that is made with milk, sugar, and flavorings it has a denser texture and is typically lower in fat than traditional ice cream). **(LOW THREAT)**

- <u>Threat of New Entrances</u>

In terms of new entrances, many factors make it difficult to enter this market, such as: economies of scale, meaning big companies in the ice cream industry have a lot of resources and capabilities to produce ice cream on a larger scale; and the fact that smaller companies have difficulties accessing the industry's distribution channels and building a brand that the consumers associate with a high-quality product.

However, the investments aren't necessarily high to start a business, and considering that the market itself is growing, there is space for new companies with different products and a unique positioning to enter the market and succeed. **(MEDIUM THREAT)**

- <u>Bargaining Power of Suppliers</u>

To obtain their final product, ice cream producers mainly need milk and fruit, producing facilities, ice cream machines and freezers. The power of the suppliers of these materials is mainly related to their numbers and size and the uniqueness of the product they provide.

In the ice cream sector, suppliers do not have much power since there are many providers producing the main ingredients, such as fruit and milk. In Portugal, there are more than 259 thousand farmers (European Commission, 2023) **(LOW THREAT)**

- <u>Bargaining Power of Buyers</u>

In order to define the bargaining power of buyers in the Portuguese ice cream industry, it is relevant to take into account that the products are really well differentiated, and brand recognition and brand loyalty can be a huge advantage to some companies. The significant differences in the final products are the segments that they are included in. For example, Santini has a different position than Olá, that has a different position from Ben & Jerry's.

On the other hand, in this industry there are not important switching costs for the customers that decide to turn to other brands, in addition they are well informed about the brand features and quality. **(HIGH THREAT)**

- Other important factors

There is at least one more factor that might affect the dynamic of this sector since ice cream is a product often seen as a seasonable product.
Ice cream is commonly regarded as a product that is best suited for consumption during the warmer months of the year when people crave a refreshing and cool indulgence. Nonetheless, there are people who relish ice cream all year round, and in some regions with milder weather conditions, ice cream is a highly favored treat throughout the year.

The categorization of ice cream as a seasonal product is influenced by various factors, including regional climate, personal preferences, seasonal promotions and product offerings. (**MEDIUM THREAT**).

b. Internal Analyses

i. Resources, Capabilities and Processes needed

Creating and opening an ice cream startup demands a unique blend of skills and capabilities.

Firstly, a critical understanding of flavor profiles, ingredient sourcing, and production techniques is essential for creating a standout product. Financial control is crucial in managing costs, pricing strategies, and ensuring sustainable profitability. Effective market research helps identify trends, preferences, and target demographics. Strong branding and marketing skills are vital for building a distinctive identity and attracting customers. Additionally, operational proficiency in areas like inventory management and quality control ensures consistent product excellence. Finally, a focus on innovation and adaptability to differentiate products offering according to consumer tastes are key for long-term success in this dynamic industry considering that big players are already well establish in this market.

c. SWOT Analyses

i. SWOT

To gain further insight into the prospect of the Fundae venture and the value it could potentially create a SWOT analysis was performed on the concept proposed. The strengths and weaknesses are specific to this venture and were acknowledged based on the plan for the business. However, it is somewhat difficult to determine which aspects can be considered a strong or weak point.

To do so, this shop was compared to traditional ice cream shops in the Lisbon Metropolitan Area assuming that the competition in Porto will not be different. Although the intention was to tap into an inexistent niche, the assumption was made that products could be challenged by other imperfect substitutes such as regular ice creams.

- **Strengths**

Looking at this product, it is easy to conclude there is not a known concept of brand like the one created, with the product Fundae wants to offer to the market. This can bring a lot of advantages taking into consideration the benefits of being “first into the market”, such as: getting recognition by the public as a disruptive brand; creating a concept similar to Gillette, since Fundae can immediately be associated to an alcohol-infused ice cream; creating a loyal relationship with clients that can be directly transformed in revenues.

Secondly, the focus on marketing will be huge so the aim is to be present in the life of consumers on a daily basis, to create, on a first stage, brand awareness and, furthermore, brand value. The marketing strategy will be one of the critical factors of success.

The third and last strength is the low technical complexity regarding the production of the ice cream which can facilitate the process of production and have a direct impact in the cost of manufacturing.

- **Weaknesses**

Regarding weaknesses, a few were identified, such as the fact that it can be understood as a having low potential for differentiation, because at the end of the day this product is an ice cream and if the message that Fundae wants to convey in its marketing promotions is not clear, it can be just one more ice cream store in the market.

Secondly, the proximity to bigger markets that sell regular ice cream can be a weakness since that market is already established with big players, such as Unilever or Nestlé. Considering the big players that already have the know-how of the sector and the financial and strategy resources needed to implement this idea, the most crucial weakness that this concept has is its imitability – it is an easy product to replicate.

- **Opportunities**

Taking into consideration that Fundae is aiming to a niche in the market, there are very few direct competitors, and this can be a good opportunity to explore. Although the demand for this product is unknown, it can be an opportunity to maximize efforts to increase the interest of the target for the product, transforming it in sales.

- **Threats**

One of the most important threats to this startup is the fact that the product is not difficult to imitate, so the entry of a player such as Unilever, Nestlé, Santini or Artisani would be critical.

Nowadays people worry a lot about health and fitness trends, and on this case the fact that the ice cream is combined with alcohol it can be considered unhealthy, potentially impacting our sales and image.

Finally, there are no brands focused entirely on ice cream with alcohol. Therefore, we cannot predict the interest of people, which can be both an advantage or a disadvantage if the reaction is not what the expected one.

d. Case Studies

i. Starbucks Case

Starbucks, a renowned coffee chain, has achieved remarkable success in the highly competitive coffee industry by implementing a unique and effective marketing strategy. This strategy has helped Starbucks establish itself as a global brand and to create a coffee culture that transcends geographical boundaries. Several key factors have contributed to Starbucks' success, such as the following:

→ No coffee culture in the USA: When Starbucks first emerged in the United States, there was no well-defined coffee culture. Starbucks recognized this opportunity and positioned itself as a premium coffee experience, offering a wide range of high-quality coffee options. By introducing consumers to a sophisticated and personalized coffee experience, Starbucks successfully created and shaped the coffee culture in the US.

→ Standardized store layout all over the world: One of the cornerstones of Starbucks' success is its consistent and standardized store layout. Whether you visit a Starbucks store in Seattle or Tokyo, you will encounter a familiar ambiance and design. This uniformity creates a sense of familiarity and comfort for customers, regardless of their location, making Starbucks a reliable and trusted brand worldwide.

→ Standardized customer service: Starbucks places great emphasis on providing exceptional customer service. Their customer-centric approach ensures that customers receive a consistent experience in any Starbucks store they visit. The friendly and attentive staff, combined with efficient service, creates a welcoming atmosphere and encourages customer loyalty.

→ Standardized products: Starbucks offers a variety of standardized products, making sure that customers can enjoy their favorite drinks consistently, no matter the location. This commitment to coherency helps build customer trust and promotes a sense of reliability. Additionally, Starbucks' ability to adapt to local tastes and preferences through limited-time seasonal offerings allows them to cater to diverse markets while maintaining their core product offerings.

→ The feeling of "American urban cosmopolitanism": Starbucks has successfully positioned itself as a symbol of American urban cosmopolitanism. With its inviting store designs, free Wi-Fi, and comfortable seating areas, Starbucks provides a welcoming environment for people to socialize, work, or relax. This unique atmosphere resonates with customers seeking a taste of the vibrant and dynamic American city culture.

→ Treating clients by their name: Starbucks takes personalization to another level by encouraging baristas to address customers by their names. This small gesture makes customers feel recognized and valued, enhancing their overall experience, and fostering a sense of connection with the brand.

Through these strategic elements, Starbucks has been able to create a global coffee culture and establish itself as a market leader. Their focus on standardized operations, exceptional customer service, and a unique brand experience has earned them a loyal customer base. By continuously adapting to evolving consumer preferences and expanding their menu options, Starbucks has successfully maintained its position as a top-choice coffee destination worldwide.

ii. H&M Case

A few years ago, H&M used four influencers to promote its holidays new line. Through collaborations with prominent fashion icons, H&M produced four highly engaging video ads that showcased several of its newest holiday outfits to over 12 million consumers. The process was quite simple: they chose four influencers and each of them posted a 10-second “teaser” clip – as well as a full 1-minute ad – across Twitter, Facebook, and Instagram. There was a total of 6 posts per influencer. On the post, they also added the hashtag #hm and a link to the H&M website (HubSpot, 2022).

The main goals were to build brand awareness and desirability, to drive clothing sales specifically for the holiday line and to align content with each influencer creating authentic content. The influencers were chosen carefully and taking into consideration their engagement rate in all platforms.

The initial influencer in the lineup was Tyler Posey, who possesses an impressive engagement rate of over 25% on Instagram and 14% across other social media platforms. Following him was Peyton List, the second influencer, who maintains a commendable 9% engagement rate across all platforms. Jana Kramer, the third influencer, commands a solid 10% engagement rate on Instagram and approximately 4% across other platforms. Lastly, Hannah Simone, the fourth influencer, exhibits a notable 12% engagement rate specifically on Instagram.

Throughout this business case, it is important to identify three lessons:

→ Choose the right influencers: H&M demonstrated astute selection of celebrity influencers. Instead of allocating their entire campaign budget to the most prominent and expensive celebrity influencer, H&M wisely opted for multiple lesser-known celebrities who featured highly engaged and dedicated social media followers. This strategic move by H&M highlights the fact that in influencer marketing, size is not always the most crucial factor. By recognizing this, H&M reaped the benefits of their awareness and made the campaign a resounding success.

→ Allowed influencers to create content their audience will love: The sponsored videos were skillfully tailored to harmonize with the existing social media content of each celebrity involved. As an illustration, Hannah Simone's sponsored video revolved around her beloved cat, Alphie, who frequently makes appearances on her social media platforms. By crafting content that genuinely resonated with the individual interests and personality of each celebrity, H&M successfully maximized engagement.

→ Leveraged each influencers social presence to reach cross-channel audiences: Lastly, by leveraging the full spectrum of available social media platforms, H&M achieved the utmost potential in terms of reaching their target audience with their campaign.

iii. Olay Case

In mid-August 2018, Olay unveiled a campaign centered around a selected group of influential women aimed at inspiring women to embrace their true selves and ignore any criticism suggesting they were "too much" of any particular quality. The campaign, known as the "Fearless 9," featured nine diverse women as the faces of the movement. Olay created a dedicated digital space that showcased behind-the-scenes footage of the Vogue photoshoot, where the campaign was featured in the September issue (HubSpot, 2022).

Olay had several primary objectives for this campaign. Firstly, they sought to connect with a diverse audience, primarily women, by utilizing female icons to establish relatability. Secondly, they aimed to increase brand awareness and encourage women to embrace their natural beauty, challenging societal expectations. Lastly, Olay aimed to foster brand affinity and drive product sales by showcasing their commitment to empowering women.

The "Fearless 9" included an impressive lineup of models and athletes, such as Aly Raisman and Denise Bidot, as well as other influential women like Jillian Mercado and Piera Gelardi. Using the signature hashtag #FaceAnything, Olay aimed to ignite a movement where all women could embrace their inherent beauty. As part of the 28-day challenge, each influencer broke free from their usual beauty routines and instead used Olay skincare products, culminating in a makeup-free event.

In addition to the nine women featured in the Vogue spread, Olay reached out to various lifestyle, beauty, and skincare influencers to participate in a 28-day challenge. Each influencer received personalized packages of Olay products to prepare for a significant makeup-free moment.

Throughout this case study, three crucial lessons can be drawn.

→ Carefully select a core group of "Fearless 9" influencers. Olay made thoughtful choices by selecting a diverse range of influencers who embraced vulnerability, shared personal stories, and were willing to pose makeup-free for the campaign.

→ Support influencers in sharing authentic stories and content. Olay set the framework for the 28-day challenge, introduced the #FaceAnything hashtag, and provided products to the influencers. However, they allowed the influencers to tell their own stories about how the products worked for them. The storytelling was deeply personal as the Fearless 9 explored various ways in which women feel compelled to hide their true selves, emotions, or appearance. Some discussed instances where they were told they were "too strong" or "too emotional," while others challenged traditional beauty standards by addressing their own skincare concerns.

→ Connect with younger audiences using authentic content. The genuine nature of this marketing approach resonates to Millennials and Gen Z consumers, who believe brands must have high standards and often find social media celebrities more trustworthy than other personalities or branded content. About 54% of Millennial women favor the "natural look," and around 84% (the majority) believes that social media plays a significant role in shaping society's beauty standards. Olay successfully tapped into these sentiments.

By implementing these lessons, Olay effectively launched a campaign that not only resonated with its target audience but also fostered a genuine connection with consumers, ultimately empowering women to embrace their true beauty.

iv. Conclusions

In conclusion, this study of business causes has shed light on the multifaceted factors that influence the success and challenges faced by businesses. Through meticulous research and analysis, key drivers that impact the performance of businesses across various industries and regions were identified.

Best practices of the three Business Cases:

→ It is important to choose the right influencers to promote the product taking into consideration aspects such as target, engagement rate and authenticity.

→ It is crucial for the brands to allow influencers to communicate with their audience as they usually do, since a brand wants to be associated with authenticity and quality.

→ In the customer service it is important to pay attention to little details, for example, it would be valuable to put the name of our clients in the packaging exactly like Starbucks does.

→ It is crucial to standardize customer service. A customer-centric approach ensures that customers receive a consistent experience in any store they visit. The friendly and attentive staff, combined with efficient service, creates a welcoming atmosphere, and encourages customer loyalty.

→ Standardized store layout is also crucial to create identity and awareness of a brand and message.

Business Concept

a. Business Opportunity

There are three ways to identify an opportunity: observing trends, solving a problem, finding gaps in the marketplace. This product was created because of a gap in the marketplace and to solve a problem of a lot of people who like consuming alcoholic drinks and eating ice cream but never found a solution that fulfilled their desire.

There is a new market that can be explored by building an innovative brand that wants to create as much awareness as possible, always aiming to deliver a premium value proposition for its clients.

As previously stated, this company would be called Fundae, since it is the perfect mix between fun and sundae and that results in the perfect combo between ice cream and alcoholic drinks. The company's mission is established in three pillars: Product, Economic and Social. Regarding the Product pillar, it is related to the product itself and the commitment in creating a classic, fancy, and premium ice cream that can and will satisfy the needs of people who enjoy eating ice cream mixed up with some of their favorite drinks. The company's second pillar is based on the goal to develop a financially sustainable business growth. The third and last pillar has the focus on the social wellbeing aiming to create a better world by having a positive impact on the clients, suppliers, and employees.

b. Project Phases

<u>1 - Concept, Initiation, Definition, and Planning</u> – Duration: 3 Months – The feasibility of implementing and completing the project is under analysis to evaluate the viability of the idea. This business plan serves as the groundwork for defining and planning the project scope, which outlines the necessary tasks. In this stage, it is also essential to identify the required resources, as outlined in this thesis, and compute the budget and schedule, as shown in the following sections.

2 - Project's Presentation to Banks – Duration: 2 Months – Once the project has been completed, and its feasibility has been established, the subsequent stage involves funding. Chapter 9 will assess the various types of funding sources and select the most appropriate ones. The project will then be presented to multiple sources to secure the best possible deal.

3 - Launch and Execution – Duration: 5 to 8 Months

3.1 - To start the business project it will be necessary to create and test the different ice cream combinations. Once a tasty, high quality and addictive number of combinations is achieved, the company is ready to advance to the next stage.

3.2 - The next phase will be defining a place in or near Chiado where the store will be located, taking care of all legal requirements and contracts to rent the store, and making a partnership with Uber Eats to sell the product.

3.3 - In this stage, the image of the brand is created and implemented, and that applies to the store layout, the ice cream cups' images, and the social media profiles' designs.

3.4 – Finally, there is the implementation of the marketing strategy and the opening the store.

4 - Performance and control – Duration: Continuous – In this stage, the numbers are analyzed, and the strategies are adjusted considering the results obtained.

5 - Expansion – This phase will occur in year 4, when the opening of a new Store in Porto, near Aliados, is defined.

Objectives of the Plan

a. Vision and Mission

The importance of a company having a clear mission and vision cannot be overstated, regardless of its size or industry. A mission statement serves to define the purpose of the company and the objectives it seeks to accomplish, while a vision statement outlines its aspirations for the future. By doing that a roadmap is created guiding decision-making and aligning the efforts of all stakeholders towards a common goal. By clearly articulating their mission and vision, companies can establish their identity, differentiate themselves from their competitors, attract and retain customers, motivate employees, and ultimately drive long-term success. Thus, a mission and vision are more than just abstract concepts: they are powerful tools that can shape the direction and culture of an organization and have a significant impact on its bottom line.

Vision: The vision is to create a global brand that inspires people to indulge in a unique and innovative alcoholic ice cream experience. Fundae aspires to redefine the traditional ice cream industry by continuously pushing the boundaries of flavor and product design. The goal is to become the go-to destination for customers seeking premium-quality and exciting alcoholic ice cream products worldwide.

Mission: To provide customers with a unique and enjoyable experience through these innovative, trendy, and premium alcoholic ice cream flavors. This company aims to become a reference for those who love ice cream and are looking for a fun twist.

b. Strategic Objectives

Strategic objectives provide clarity and focus to the company and help prioritize its efforts and allocate resources effectively. They serve as a roadmap for success and are designed to be measurable, time-bound, and in line with the organization's values and long-term goals.

→ Product Innovation: Create a diverse range of exceptional alcohol-infused ice cream flavors that set the brand apart from competitors. Emphasize innovation by experimenting with various spirits and ingredients to deliver a unique and captivating product.

→ Brand Positioning: Establish a compelling brand identity that deeply resonates with the target market. Craft a captivating brand story and image that exudes the essence of indulgence, luxury, and enjoyment associated with alcohol-infused ice cream. Position the brand as a premium and exciting treat exclusively for adult consumers.

→ Market Expansion: Identify and target key markets where there is a strong demand for alcoholic frozen desserts. Conduct regular comprehensive market research to gain insights into consumer preferences, behaviors, and trends specific to alcohol-infused products. Explore opportunities for geographic expansion, both locally and internationally, based on market potential and distribution capabilities.

→ Regulatory Compliance: Adhere to legal and regulatory requirements pertaining to the production and sale of alcohol-infused products. Ensure strict compliance with alcohol licensing, labeling, and marketing regulations specific to each target market. Stay informed about any changes in laws and regulations that could impact the business.

→ Marketing and Brand Awareness: Develop holistic marketing strategies to build strong brand awareness and generate curiosity in the alcohol-infused ice cream. Employ various channels such as social media, influencer marketing, experiential events, and collaborations to reach the target audience. Exploit on the unique characteristics of the product, highlighting its indulgent and innovative nature.

→ Consumer Education: Educate consumers about the exceptional qualities and flavors of alcohol-infused ice cream. Highlight the premium quality ingredients, the craftsmanship involved in its production, and the importance of responsible consumption. Provide transparent information about alcohol content, appropriate serving sizes, and any legal age restrictions.

→ Customer Engagement and Loyalty: Foster enduring customer relationships through engaging initiatives such as loyalty programs, dynamic social media interactions, and personalized experiences. Encourage and value customer feedback, integrating it into product development and improvement processes. Prioritize the creation of memorable and enjoyable customer experiences.

→ Operational Efficiency: Streamline production processes to ensure consistent quality, scalability, and cost-effectiveness. Optimize supply chain management to minimize product waste, maintain optimal inventory levels, and efficiently respond to demand fluctuations. Continuously evaluate and enhance operational systems to maximize productivity and profitability.

→ Sustainability and Responsibility: Incorporate sustainable practices into the business model, including the use of eco-friendly packaging materials and responsible sourcing of ingredients. Promote responsible alcohol consumption and adhere to responsible marketing practices to ensure consumer safety and well-being.

c. Intermediate and Short-Term Objectives

Regarding the short-term objectives, they are connected to the starting of the business.

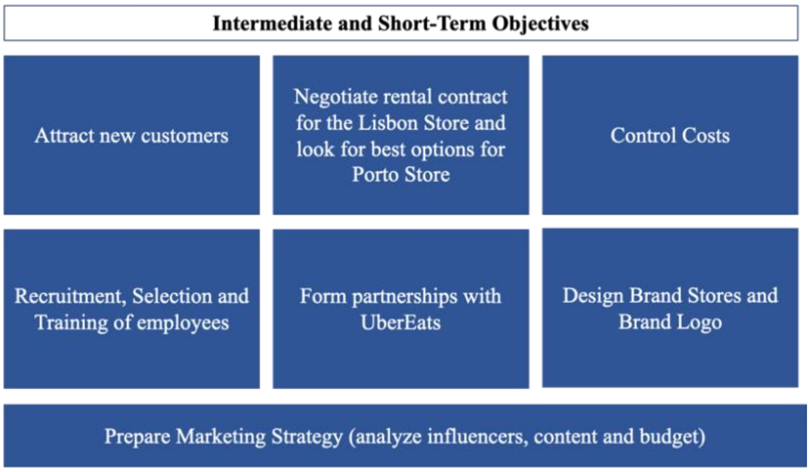


Figure 3. Intermediate and Short-Term Objectives

d. Development Strategy

Product Development:

→ Conduct market research to identify popular ice cream flavors, alcohol preferences, and emerging trends.

→ Create a range of distinctive and appealing flavors by experimenting with unique combinations of high-quality ingredients.

→ Focus on achieving a smooth and balanced texture to enhance the overall ice cream experience.

→ Maintain a culture of continuous innovation by regularly introducing new flavors, limited editions, and seasonal offerings.

Branding and Positioning:

→ Develop a strong brand identity that conveys the indulgent and premium nature of the alcohol-infused ice cream.

→ Craft a compelling brand story that highlights the use of premium ingredients and the innovative flavor combinations.

→ Emphasize the brand’s commitment to quality, craftsmanship, and responsible alcohol consumption.

→ Position the brand as a luxury treat and a must-try experience for adult consumers seeking gourmet indulgence.

Target Market and Distribution Channels:

→ Identify the target market, such as residents and tourists in the Lisbon and Porto Metropolitan Area.

→ Explore collaborations with upscale restaurants, bars, and hotels to feature the ice cream on their dessert menus or as a standalone offering.

Marketing and Promotion:

→ Develop a comprehensive marketing plan that integrates both online and offline channels.

→ Utilize visually appealing content on social media platforms like Instagram and TikTok to engage with the target audience.

→ Collaborate with influencers, food bloggers, and tastemakers who align with the brand's image and target market and are aligned with FRED objectives.

→ Consider participating in food festivals, tasting events, and strategic collaborations to increase brand visibility and attract new customers.

Regulatory Compliance:

→ Thoroughly understand and adhere to local and national regulations governing the production, distribution, and sale of alcohol-infused food products.

→ Obtain the necessary permits and licenses required for the production and sale of alcohol-infused ice cream.

→ Ensure accurate and compliant labeling and packaging that clearly communicates the alcoholic content.

Operations and Supply Chain:

→ Create partnerships with suppliers who can provide high-quality products, including premium alcoholic drinks and natural flavors.

→ Implement efficient and reliable production processes to maintain a coherent quality in every product.

→ Utilize strong inventory management systems to improve stock levels and meet customer demand effectively.

Customer Experience and Feedback:

→ Prioritize delivering exceptional customer experiences through personalized and attentive service.

→ Encourage and actively solicit customer feedback through online reviews, surveys, and social media interactions.

→ Take into consideration customer feedback and use it to improve products and enhance the experience each client has.

Sustainability:

→ Incorporate sustainable practices throughout the business, such as using eco-friendly packaging materials and sourcing local and organic ingredients whenever feasible.

→ Communicate the brand's commitment to sustainability and responsible sourcing, resonating with environmentally conscious consumers.

Continuous Innovation and Adaptation:

→ Stay informed of emerging trends, customer preferences, and market changes within the ice cream and alcohol industries.

→ Continuously innovate by introducing new and exciting flavors, limited editions, and seasonal offerings to captivate and retain customer interest as abovementioned.

→ Adapt the overall strategy based on market feedback, evolving customer demands, and industry developments to maintain competitiveness and relevance.

Implementation

a. Business Model

The rationale behind how an organization creates, delivers, and captures value is typically outlined in its business model. To aid in the process of designing such models, CANVAS provides a visual tool based on nine building blocks. These blocks cover the four main areas that are integral to any business, namely Customers, Offer, Infrastructure, and Financial Viability.

<u>- Customer Segments</u>

Defines the different groups of people or organizations an enterprise aims to reach and serve. In this startup, considering the product itself, it is important to bear in mind the location and the financial situation. Taking these aspects into account, three segments were defined to personalize the communication and strategy.

1. Tourists from upper/middle class who likes ice cream, visiting Lisbon and Porto.

2. Individuals from upper/middle class who likes ice cream, living in Lisbon Metropolitan Area and Porto Metropolitan Area.
3. Couples from upper/middle class who likes ice cream living in the Lisbon Metropolitan Area and Porto Metropolitan Area.

<u>- Value Proposition</u>

Our value proposition is producing a unique, in fashion, delicious concept of ice cream with alcohol aiming to create a premium product that makes the customers recognize the exclusivity of the product. This concept is based on the newness because some company's value propositions satisfy an entirely new set of needs that customers previously did not perceive because there was no similar offering. On this case, there are already a few premium ice creams, but the combination with some of people's favorite alcoholic drinks is a disruptive concept that will attract ice cream consumers into experiencing this product. Besides newness, Brand Status/Quality will also be a factor considering the premium price of this ice cream and its exclusivity.

These alcoholic ice creams offer a unique and trendy twist on traditional ice cream, providing customers with a new and exciting experience. Fundae only uses high-quality ingredients and offers a variety of flavors that are not available elsewhere. This store provides a fun and inviting atmosphere, and the ice creams are available on Uber Eats for convenience

<u>- Channels</u>

The channels will be focused on social media platforms such as Instagram, TikTok and Facebook. This approach is the best choice taking into consideration segmentation and Targeting customers. Nowadays people spend on average almost 3 hours per day on social networks, which leads to the conclusions that this is where investment is required to create the desired brand awareness.

<u>- Customer Relationship</u>

The relationship that this company wants to establish between the brand and the client is driven by customer acquisition in the first phase, and customer retention in the second phase. Besides the normal relationship between a brand and a consumer, it is also important to listen to the clients and understand their needs and so, one of the ideas is to potentially build a relationship of co-creation by obtaining feedback from clients about new combinations for the product.

- Revenue Streams

There are a lot of options that companies nowadays can use regarding revenue streams, such as: usage fee, subscription fees, brokerage fees, advertising, among others. In this case, the best stream is the most common one related to Asset Sale. This means that trading the product (ice cream) for money. This will be the only revenue stream.

- Key Resources

This topic must be divided in three parts: physical resources, financial resources, and human/intellectual resources.

Regarding the physical resources, owning a physical store is crucial. Some space is required to sell the product, but also to produce it, since the goal is not to have a factory, point of sales systems, machines to produce the ice cream, and freezers.

The second part is related to the financial resources which means the necessary capital to start and maintain the business.

Regarding human/intellectual resources, in the beginning, the aim is to have a Partner/CEO, a Store Manager, a Marketing Manager, an Accountant (resorting in outsourcing), a Pastry Cook that is the responsible for producing the ice cream and two workers for the store that will be fulfilling clients' needs. By the end of year 3, it is expected to start the preparation for the launch of the second store located in Porto. This store will be officially open by year 4.

A I&D department will also be created, which will be performed by the pastry cook located in Lisbon and, starting at year 4, by a co-creation between both pastry cooks from Lisbon and Porto. The chronogram for this startup would be the following:

Figure 4. Chronogram of Fundae's employees

<u>- Key Partnerships</u>

Taking into consideration the digital era that we are living in, it only makes sense to do some partnerships with companies that can help increase the sales. Uber Eats, as one of the most famous distribution companies worldwide, would mean good positioning for the brand because of the accessibility that the consumers have when using it to make orders.

<u>- Cost Structure</u>

Regarding the cost structure, the chosen approach was the cost-driven structure since the company is aiming to offer the best possible product, but also taking into consideration the profit margin.

b. Marketing Strategy

i. Positioning – Differentiation

Fundae's business is different from traditional ice cream shops as it offers alcoholic ice creams with a trendy twist. The unique flavors and high-quality ingredients set the company apart from competitors. The physical store provides a fun and inviting atmosphere, while the presence on UberEats offers convenience to customers. This company is differentiated through the exclusive value proposition, innovative products, and exceptional customer service.

ii. 7P's

Product: Fundae offers a variety of alcoholic ice creams in unique flavors, using only high-quality ingredients. Whether people are a fan of the classic flavors or crave more adventurous combinations, the market of alcoholic ice cream presents an ocean of possibilities, where consumers can picture themselves relishing a scoop of velvety vanilla infused with a delicate hint of smooth bourbon, or perhaps sipping on a fruity margarita while enjoying a refreshing scoop of zesty lime sorbet.

Next follows a few examples of products that can be developed:

→ *Piña Colada* – this ice cream recreates the flavor of the famous tropical cocktail, including pineapple juice and coconut cream mixed with white rum, creating a delicious and refreshing ice cream.

→ *Strawberry Daiquiri* – for strawberry lovers the offer might have the fabulous pairing of rum and strawberries, mixed with lime juice and syrup, recreating a fan favorite in the form of an ice cream.

→ *Margarita* – the pinnacle of summertime, this ice cream is made with Cointreau, fresh lime juice mixed with tequila. The classic drink inspired ice cream can be a great choice. It is a well-known drink that can turn into a very well-known ice cream.

→ *Blue Bayou* – this ice cream offers the refreshing taste of tropical fruits like pineapple and grapefruit. It is a stunning blue ice cream inspired by the drink that is perfect for summer. It features vodka and curaçao liquor, which gives it a blue color and an orange flavor.

→ *Limoncello Martini* – this delicious and refreshing ice cream made with the Italian liqueur limoncello, fresh lemon juice, syrup and vodka. Perfect for serving up at parties it is exciting, sweet and tastes just as good as it looks.

Price: The goal is to price the products at a premium level to reflect the high-quality ingredients and unique experience offered. Taking into consideration that according to Escola dos Gelados located in Albufeira the average cost of producing 1 liter of ice cream is around 3,5 EUR including the alcoholic drink, this value will be assumed as the Cost of Sales used in the financial projections (Vitor Carvalho – Escola dos Gelados, 2023).

Assuming the prices that the competition offers to their clients, the positioning regarding pricing will be the following:

1 scoup	3,5€
2 scoups	5,5€
3 scoups	6,50€
500ml	14€
1L	29€

Table 2. Prices of Fundae's ice creams

Place: Our physical store will be located in Chiado, in Lisbon, and near Aliados, in Porto as these were the most common answers in the survey performed, and also due to the fact that they represent the two cities that consume more ice cream in Portugal. To increase the brand's reach, the partnership with Uber Eats will be a good way to increase sales.

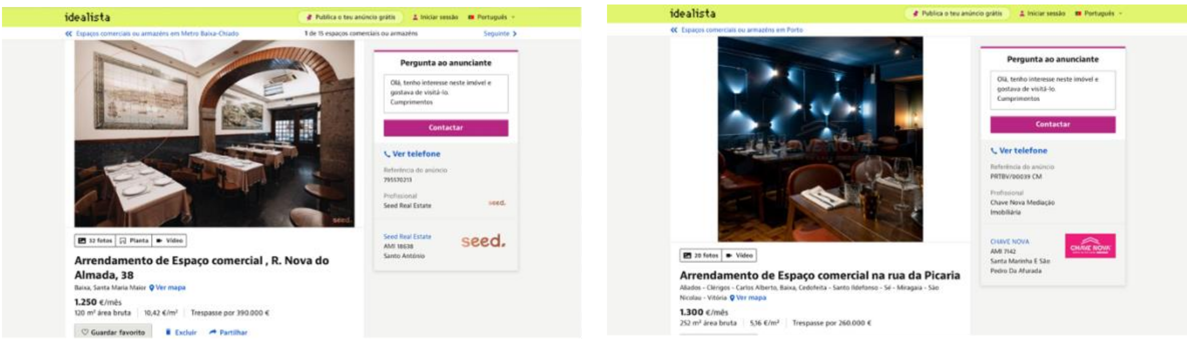


Figure 5: Location of the stores in Lisbon and Porto respectively

Promotion: Fundae will leverage social media platforms such as Instagram, Facebook, and TikTok to promote the products and engage with customers just as validated through the survey. Influencers will be hired, and magazines will be contacted to increase the reach. In this topic it is crucial to use some of the best practices adopted by other companies just like it was analyzed in topic d) of Market Research. Participating in festivals will also be a way to reach a wider audience.

People: Fundae will hire friendly and knowledgeable staff who are passionate about the products and committed to providing exceptional customer service.

Process: The ice creams will be made with consistent quality and the store and Uber Eats ordering process will be easy, convenient, and intuitive for customers. The company will monitor the number of orders, best-selling product and levels of satisfaction of the clients.

Physical Evidence: The store will be designed to provide a fun and inviting atmosphere, and the packaging will be designed to reflect the trendy and unique features of the brand.

iii. Marketing Costs

The success of Fundae's brand will be directly connected to the success of the marketing strategy and for that reason it is important to have a strong and smart investment in the approach taken. The marketing costs will include social media advertising, influencer marketing, magazine advertisements, festival participation, and store promotions. The estimation of the total marketing costs will be around 30.000 EUR in the first year of operation because it will be entirely focused on creating brand awareness and attract people to experience the product. The marketing costs will be divided by many aspects such as:

Social media advertising: This can include running ads on platforms like as Facebook, Instagram, and Tiktok to reach a wider audience. The cost of social media advertising can vary depending on the platform, target audience, and ad format. For example, the cost of a Facebook ad can range from a few cents to several euros per click, depending on factors such as competition and targeting. After consulting the website of Meta it is possible to conclude that the costs of advertisement can be calculated by 2 methods: total amount invested and cost per result (Meta, 2023). In this case and to create a more solid assumption a fix value was defined to be maintained during the entire project. It is estimated that the cost will be around 10.000 EUR per year.

Influencer marketing: This involves partnering with influencers on social media to promote the product to their followers. The cost of influencer marketing can vary depending on the size and engagement of the influencer's audience, as well as the type of content they create. For example, an influencer with 100.000 followers may charge between 500 EUR and 5.000 EUR for a sponsored post (Máxima, 2023). The approach is to hire two influencers that fulfill FRED objectives and will promote the brand on their posts and stories. Taking into account the defined target, the aim is to have influencers that can cover the population from upper/middle class who

likes ice cream. To make sure that these products reach all ages, one of the chosen persons will be more focus on younger people and the other on the older people.
Estimated cost: 10.000 EUR

Magazine advertisements: This can include placing ads in food and lifestyle magazines to reach a targeted audience. The cost of magazine advertisements can vary depending on the publication, ad size, and placement. For example, a full-page ad in a popular food magazine may cost several thousand euros.
Estimated cost: 7.000 EUR

Festival participation: This involves participating in food and drink festivals to promote the product and build brand awareness. The cost of festival participation can vary depending on the size and location of the festival, as well as any associated fees for booth rental or sponsorship. For example, participating in a large food festival may cost several thousand euros.
Estimated cost: 3.000 EUR

Total estimated marketing costs for the first year of operation: 30.000 EUR.

c. Organizational Strategy

Regarding the organizational strategy, it is important firstly to understand what the company's organizational strategy will be. It will have six elements: partner/CEO, Store Manager, Marketing Manager, Accountant (resorting in outsourcing), Pastry Cook and two workers for the store.

Five employees for the store will be required, including one store manager, one ice cream chef, and three store employees. The CEO position will initially be filled by the founders and will require someone who can manage the company's operations, delegate tasks, drive profitability, manage the organizational structure, and communicate with team members. For marketing, we will hire a marketing manager with at least three years of experience in a marketing-related field to oversee marketing strategies, branding, and social media presence. An accountant will also be hired to manage financial information and ensure legal and tax requirements are met – however, the company will be resorting outsourcing. The store manager will be responsible for daily operations, customer satisfaction, and business strategy, requiring at least five years of experience in food-related businesses and a degree in management. The ice cream chef will be responsible for the quality and consistency of the ice cream and must have at least four years of professional experience. Store employees will attend to customers, maintain the store's cleanliness, and require at least two years of experience in food-related businesses and strong communication, organizational skills and fluency in English. Other languages are also valued.

The company strategy will be creating, in the first phase, brand awareness in the target. The secret for the success of the brand will be transforming brand awareness into sales.

d. Logistics and Operations

Regarding the logistics of the store, it is not going to be complex since the production of the ice cream will take place inside the store and so there will be no relevant transportation costs.

According to the estimative made, it is predicted that the production will reach more than 3.271 liters of ice cream in the first year. However, it is important to consider that some products are required to fabricate the ice cream which will imply some costs regarding the delivery. For the people who want to consume the ice cream outside the store, they can order it through UberEats or take-away.

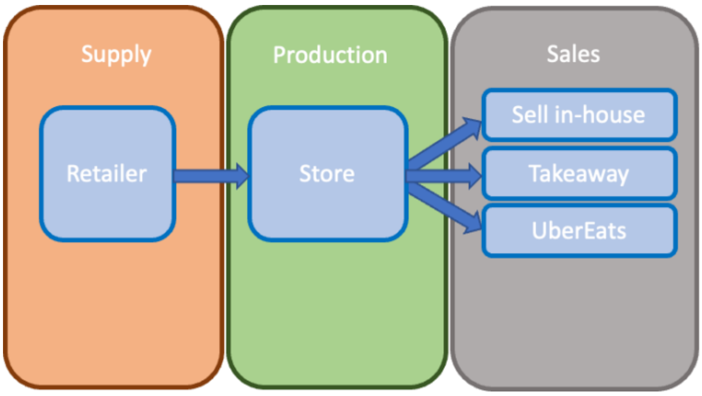


Figure 6. Process of supply, production, and sales of Fundae's

Implementation Requirements

a. Legislation and Requirements

The goal is to create a limited liability company, or "sociedade por quotas", with only one shareholder. We chose this model, and not the joint-stock one ("sociedade anónima"), because we prefer to have a more closed company, as the number 1 of article 182 of the Commercial Company's Code ("Código das Sociedades Comerciais", DL n.º 262/86) determines that the share of the shareholder can only be transmitted with the consent of all the others. Although we will only have one shareholder in the beginning, there is the possibility of growth, and the possibilities of changing will be evaluated each step of the way.

First, we need to request a "Certificado de Admissibilidade de Firma" ("CAF"), to make sure the company's name is available. We do with through the website ePortugal, and it has a cost of 75 €. The chosen name of the company will be analyzed in order to determine its availability. This business case is based on the assumption that the name "Funday" will be accepted.

Afterwards, we can use the "Empresa na Hora" service to incorporate the company online. We will use the previously requested CAF, choose the pre-made available model regarding the bylaws of the company (which will govern the company), designate an accountant, and deposit the share capital on a bank account titled by the company itself. We estimate that a share capital of 5.000 € would be enough as a safeguard to show the market the capacity of the company. This was also the starting value of the company "Sabores do Dia – Gelado Artesanal, Lda.", commercial known as "Artisani". The sole shareholder will also be the director as to allow the control of the day-to-day of the company. The "Códigos de Atividade Económica" ("CAEs") will be the following: 56107 (restaurants, which include ice cream shops), and 10520 (ice cream making). The cost of incorporation of the company through this website will be 360 €.

Finally, according article 3, number 1, paragraph a) of the "Regime Jurídico do Registo Central do Beneficiário Efetivo" (Lei n.º 89/2017), it is required to identify the ultimate beneficial owner of the company. This means that it is mandatory to indicate who owns at least 25% of the company, to prevent the use of the financial system for the purposes of money laundering or terrorist financing. In this case, the beneficial owner is the sole shareholder.

Finally, after the company is incorporated, we need a place to sell the ice cream. As previously mentioned, the Baixa de Lisboa and Aliados do Porto are the chosen location. We decided not to buy a building, due to the high costs of acquisition and because we only want to begin with a small "grab-and-go" model. Therefore, investing in real estate is not justified.

The objective is to lease a place with a "licença de utilização para restauração e bebidas" (license of use for food and drinks) already issued by the City Council.

Some works might be needed, to change the layout of the store, but because we are not expecting them to change the structure of the building, we probably will not need an administrative license, but only a mere communication to the City Council.

When everything is ready to go, another simple communication to the City Council, online – through the "Balcão do Empreendedor", is required.

Financial Plan

Financial projections are like a roadmap for a business. They give a detailed estimative of how a company's finances will look in the future, considering aspects like income, expenses, and potential profits. These projections are crucial for making smart business decisions, getting funding, and setting realistic goals.
When starting the financial projections, it is important to have a few data regarding the sector. In this case, it was crucial to understand the dimension of the market.

a. Assumptions

<u>- Sales:</u> To reach the total value of this market in the cities of Lisbon and Porto, it was necessary to understand (i) the percentage of people that enjoys eating ice cream and (ii) the percentage of people that consume alcohol not only in the Portuguese context but also tourists.

To have a solid base to calculate the percentage of tourists that enjoys eating ice cream, the best route was to consider the top three nationalities of tourists that visit Portugal, which are British, Spanish and German (ECO, 2018).

Also, the average of the percentage of people that like ice cream in those three countries was considered, as well as the average of the percentage of people who enjoy alcohol from those three nationalities. This study found that 80% of tourists from the top three nationalities visiting Portugal enjoy eating ice cream and 76% enjoy consuming alcohol.

Taking into consideration that Portugal receives, per year, in Lisbon about 4,5 million tourists and in Porto around 1,6 million tourists (Público, 2018), the market regarding international tourists is of around 3,7 million people – 2,7 million in Lisbon and 1 million in Porto.

Considering that there are around 3 million people living in the metropolitan area of Lisbon and around 2 million in Porto (Sapo, 2021). 70% of the residents in Porto enjoys eating ice cream and 67% in Lisbon (Sapo, 2021). In Portugal 70% of total population enjoys consuming alcohol (Our World in Data, 2022). This gives us a total Portuguese market around 1.3 million in Lisbon and 0.840 million in Porto.

The total market is around 6 million people possibly consuming our product as shown in Annex 9.

- Operational Cost:

According to Vítor Carvalho, an employee of Escola dos Gelados, located in Albufeira, 1 liter of ice cream costs around 3,5 EUR to produce considering every ingredient. This value will be assumed as the Cost of Sales.

The spaces rentals presented in the chapter of Marketing Strategy topic ii). The annual value in year 0 of the Lisbon Store will be 15.000 EUR and 15.600 EUR Porto Store. After year 0 the ren will increase taking into consideration the inflation rate presented in the Annexes 6.

The salary of the employees will predict an increase of 2% per annum and will suffer a small increase from year 2 to year 3 because at the end of year another pastry cook will start working before the remaining team that will only start in year 4 consequence of the opening of Porto Store.

All the representative costs are presented in Annexes 7.

-Investment:

Assessment the operations of both Lisbon Store and Porto Store, taking into consideration the capital expenditure allocated for crucial equipment necessary for store setup. This will amount to approximately 30,000 EUR, distributed as follows: 20.000 EUR for Store Layout, roughly 1.800 EUR for the freezer, 3.545 EUR for the ice cream machine, and 4.656 EUR for the ice cream displayer.

CAPEX	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Basic Equipment	30 000	-	-	30 000	-	-	-	-	-	-
Office Equipment	3 000	-	-	-	-	-	-	-	-	-

Table 3: CAPEX

b. Discount Rate WACC

Upon finalizing the funding decision, it became imperative to incorporate the Weighted Average Cost of Capital (WACC) to accurately assess the company's cash flows. The WACC stands as one financial metric, evaluating the cost associated with financing a company's activities through a blend of debt and equity. This metric is typically derived by computing a weighted average of both the cost of debt and the cost of equity, where the weights are determined by the respective proportions of debt and equity in the company's capital makeup.

In formulating the WACC, two distinct approaches were considered. It was possible to adopt either an average debt/equity ratio or a dynamic debt/equity ratio that factors in potential shifts in the company's capital structure over the investment horizon as it can be seen in the Annexes 4. When opting for a WACC with an average debt/equity ratio, the assumption was that the company's capital structure would exhibit relative stability over time. In this scenario, the WACC weights remained constant, representing the company's average debt-to-equity ratio throughout the investment period, in this case the WACC calculate was 5,57% using the assumptions presented below.

Discount Rate	
Risk Free Rate (Germany Bonds 10 years)	2,46%
IRC	21%
Beta Market - Retail	0,54
Market Risk Premium	5,66%
Country Risk Premium	2,89%

Table 4. Assumptions for the Discount Rate

c. Projections

For the purpose of testing this business model a sensitivity analysis was created using two variables: cost of sales and market share owned.

Conservative Scenario	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Sales	-	78 280	213 130	353 609	598 848	654 924	833 486	769 021	852 376	870 276
Cost of Sales	-	31 312	85 252	141 444	239 539	261 970	333 395	307 608	340 951	348 111
EBITDA	(23 960)	(99 123)	(21 816)	21 560	122 388	151 542	254 096	211 328	257 286	264 105
Net Income	(42 544)	(120 457)	(43 423)	(2 707)	92 218	123 567	187 805	156 567	194 514	199 799

Base Scenario	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Sales	-	130 467	266 413	408 011	679 130	732 052	917 176	854 467	939 618	959 350
Cost of Sales	-	37 835	77 260	118 323	196 948	212 295	265 981	247 796	272 489	278 211
EBITDA	(23 960)	(53 460)	39 614	99 114	245 313	279 094	406 823	358 927	415 898	426 602
Net Income	(42 544)	(74 794)	17 046	72 535	187 189	204 427	305 747	270 957	317 438	325 734

Optimistic Scenario	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Sales	-	208 746	399 619	598 416	1 018 694	1 147 203	1 400 092	1 347 525	1 375 823	1 336 098
Cost of Sales	-	54 274	103 901	155 588	264 861	298 273	364 024	350 357	357 714	347 385
EBITDA	(23 960)	8 381	146 443	252 948	518 161	610 377	795 047	754 240	773 218	741 934
Net Income	(42 544)	(12 952)	109 446	179 506	387 375	461 172	606 620	577 324	594 362	570 116

Table 5. Market Share and Cost of Sales per Scenario

This model defined a variation of 0,3 percentual points on the market share and a variation of the cost of sales – in Scenario 0 an increase of 11% and in Scenario 2 a decrease of 3%.

Conservative Scenario presents a pessimist vision with an increase in the cost of sales and a decrease regarding the market share owned each year.

Base Scenario defines what is expected to occur taking into consideration the market research developed.

Optimistic Scenario is the optimistic scenario considering a decrease in terms of cost of sales and an increase of the market share.

d. Financial Statements

A thorough analysis based on the provided assumptions was conducted and the financial statements for Scenario 1 were formulated. A detailed breakdown can be found in Annexes 1 and 2. This involved projecting prices and quantities to reach the value of total sales, and estimating costs related to human resources, external supplies, services, and necessary investments.

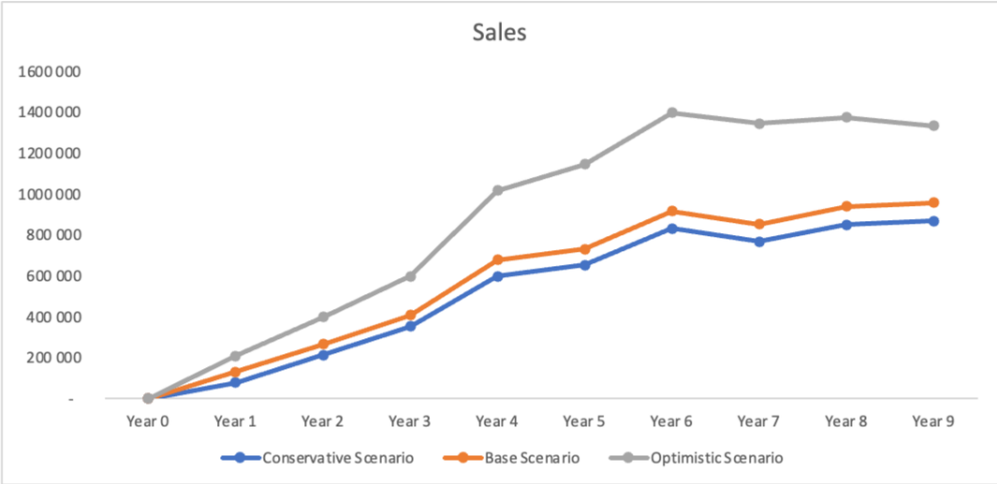
e. Comparative Analyses

- Sales

Regarding the sales analyzed in the graphic below, there was an increase of sales registered as the years goes by. In year 0 there will be no sales since that is when the opening of the first store will be getting prepared. In all three scenarios, and during this 10 years project, there are two important moments. The first one occurs from year 3 to year 4, because that is when the opening of the second store in Porto is expected, which predictably will have a big impact on the sales. The second one is the variation from year 6 to year 7, since that is when it is expected that the company reaches its phase of maturity and so it is likely to suffer a small downsize. Nevertheless, the business is still expected to keep growing in a steady and sustainable way.

	Sales									
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Conservative Scenario	-	78 280	213 130	353 609	598 848	654 924	833 486	769 021	852 376	870 276
Base Scenario	-	130 467	266 413	408 011	679 130	732 052	917 176	854 467	939 618	959 350
Optimistic Scenario	-	208 746	399 619	598 416	1 018 694	1 147 203	1 400 092	1 347 525	1 375 823	1 336 098

Table 6. Sales per scenario

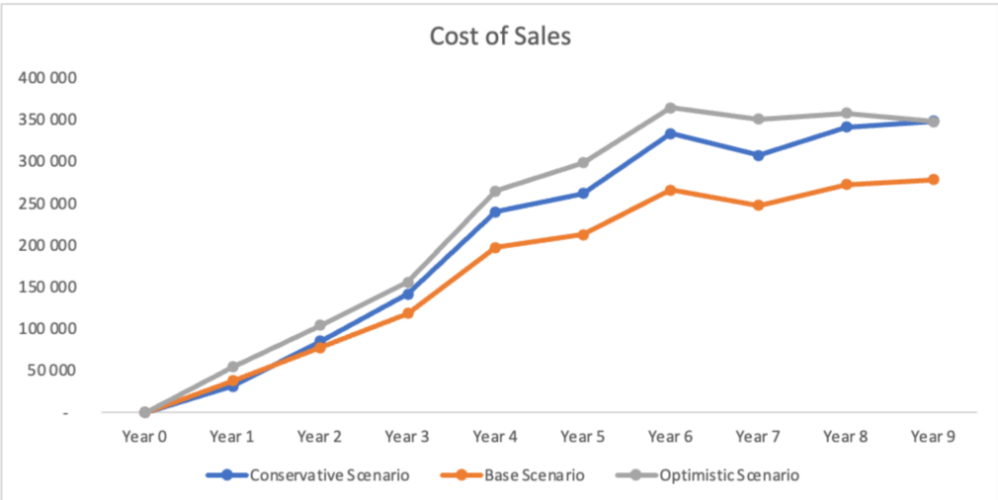


Graphic 3. Evolution of Sales per Scenario

- Cost of Sales

Cost of Sales	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Conservative Scenario	-	31 312	85 252	141 444	239 539	261 970	333 395	307 608	340 951	348 111
Base Scenario	-	37 835	77 260	118 323	196 948	212 295	265 981	247 796	272 489	278 211
Optimistic Scenario	-	54 274	103 901	155 588	264 861	298 273	364 024	350 357	357 714	347 385

Table 7. Cost of Sales per scenario

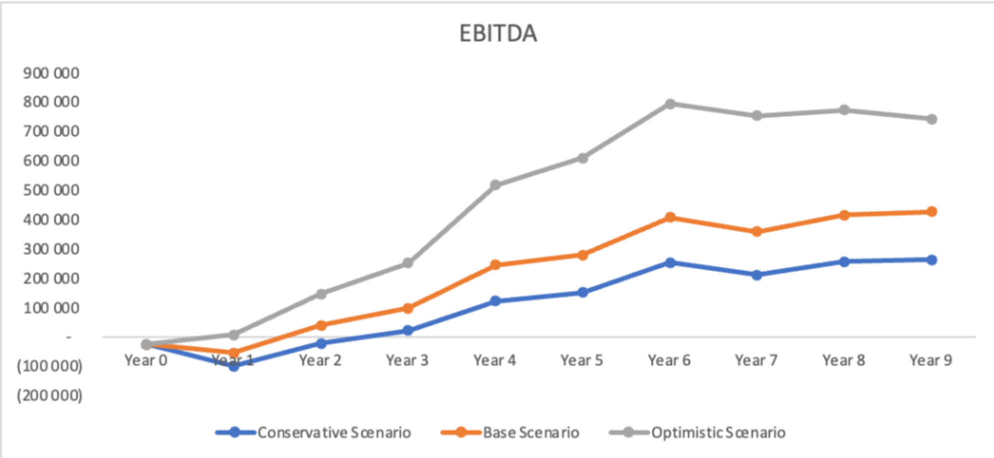


Graphic 4. Evolution of Cost of Sales per Scenario

- **EBITDA**

	EBITDA									
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Conservative Scenario	(23 960)	(99 123)	(21 816)	21 560	122 388	151 542	254 096	211 328	257 286	264 105
Base Scenario	(23 960)	(53 460)	39 614	99 114	245 313	279 094	406 823	358 927	415 898	426 602
Optimistic Scenario	(23 960)	8 381	146 443	252 948	518 161	610 377	795 047	754 240	773 218	741 934

Table 8. EBITDA per Scenario

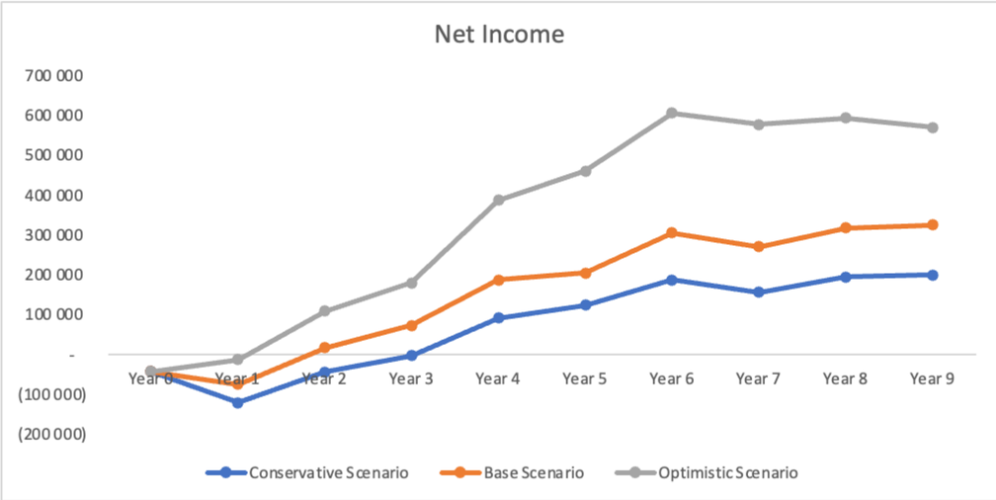


Graphic 5. Evolution of EBITDA per Scenario

- **Net Income**

	Net income									
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Conservative Scenario	(42 544)	(120 457)	(43 423)	(2 707)	92 218	123 567	187 805	156 567	194 514	199 799
Base Scenario	(23 960)	(53 460)	39 614	99 114	245 313	279 094	406 823	358 927	415 898	426 602
Optimistic Scenario	(42 544)	(12 952)	109 446	179 506	387 375	461 172	606 620	577 324	594 362	570 116

Table 9. Net Income per Scenario



Graphic 6. Evolution of Net Income per Scenario

f. Evaluation and Economic Decision

Net Present Value (NPV) represents the disparity between the current value of incoming cash flows and outgoing cash flows within a specified timeframe. On the other hand, the internal rate of return (IRR) is a computation employed to analyze the potential profitability of investments. (Investopedia, 2022). In every scenario presented, the NPV is positive, which means that the project is economically viable. It makes sense that the Conservative Scenario presented the lowest NPV taking into consideration that it is the pessimistic scenario.

The IRR is based on the findings presented on this business case – Optimistic Scenario emerges as the more profitable project and offers the highest return.

Conservative Scenario	
NPV @WACC	500 745 €
IRR	29%
Payback (Years)	6,6

Base Scenario	
NPV @WACC	1 110 033 €
IRR	59%
Payback (Years)	4,7

Optimistic Scenario	
NPV @WACC	2 441 234 €
IRR	118%
Payback (Years)	2,9

Table 10. Summary table of the feasibility of each scenario

To conclude, all scenarios present a positive NPV and a positive IRR, meaning that in all scenarios this investment would have a positive return.

It is important to understand that the success of this business plan depends on the occurrence of some of the assumptions presented in the topic a.

g. Funding Sources

Venture Capital/Private Equity is a form of private equity investment offered to startups and small businesses with perceived long-term growth potential. It is usually provided by affluent individuals, investment banks, and various financial institutions. While venture capital often involves monetary support, it can also take the form of valuable technical or managerial expertise. This type of funding is typically directed towards small companies that exhibit outstanding growth potential or those demonstrating rapid expansion and a promising trajectory for future growth.

Crowdfunding is a method of gathering funds to support various projects and businesses. It allows fundraisers to gather financial contributions from a broad audience through online platforms.

State Incentives – Portugal 2020 offers a range of funding opportunities for small and medium-sized enterprises (SMEs). The Qualification Incentive System of Portugal 2020 extends eligibility to SMEs of all types and legal structures. To apply, SMEs must meet various criteria, including having a minimum eligible project expenditure of 25.000 EUR and being legally and financially established and stable.

Bootstrapping refers to the scenario where an entrepreneur initiates a company with minimal initial capital, depending on resources other than external investments. An individual is considered to be bootstrapping when they endeavor to establish and grow a company using personal funds.

Family and Friends – Like self-funding, in this scenario, entrepreneurs turn to nearby financial resources. This can be achieved through similar channels such as crowdfunding, investors, or banking institutions.

Business Angels – An angel investor offers the initial funding for startup ventures, typically in return for a stake in the company's ownership. This investor could be engaged in a string of projects as a professional or may be someone within the entrepreneur's circle of family and friends. The investor's participation might entail a single injection of seed capital or a continuous financial support to bring a product to market

In this case, the best option was to rely on a bank loan and family and friends' capital. This way, I could own 100% of this business and depending on the market possibly consider other strategies to expand the brand.

So, regarding the bank loan, the assumption was a seven-year loan with two years of capital exemption. The interest rate was 10,2% according to Caixa Geral de Depósitos' website simulator (CGD, 2023).

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Debt Capital	- €	170 000 €	170 000 €	141 667 €	113 334 €	85 001 €	56 668 €	28 333 €
Render	- €	- €	45 075 €	45 075 €	45 075 €	45 075 €	45 075 €	45 075 €
Interest	18 034 €	18 034 €	18 034 €	15 028 €	12 022 €	9 017 €	6 011 €	6 011 €
Amortized Capital	- €	- €	28 333 €	28 333 €	28 333 €	28 333 €	28 333 €	28 333 €
Debt Capital at the end	170 000 €	170 000 €	141 667 €	113 334 €	85 001 €	56 668 €	28 335 €	- €

Table 11. Debt Service Map

Conclusion

This thesis aimed to study the economic viability of a business plan developed to a new alcohol-infused ice cream.

To sum up, this idea centered around alcoholic ice cream holds a big opportunity in the market. The research, strategic planning, and innovative product development outlined in this business plan lay a strong foundation for success. With a unique and enticing product offering, Fundae is well-positioned to captivate a wide range of consumers seeking a novel and indulgent treat.

The projected financials demonstrate not only a solid return on investment but also a sustainable and profitable business model. Moreover, the scalability and potential for diversification highlighted in this plan provide avenues for growth and long-term viability in a dynamic and evolving industry.

By leveraging strategic marketing efforts, partnerships, and a customer-centric approach, this startup aims to establish a strong brand presence and cultivate a loyal customer base. The incorporation of feedback loops and continuous improvement strategies will ensure our offerings remain aligned with consumer preferences and market trends.

It is important to acknowledge that there are a few aspects that could be reconsidered with more research and data regarding the sector, such as: funding sources, store location and even positioning in the market.

In conclusion, this alcohol-infused ice cream venture not only embodies a new innovative fusion of flavors but also represents a sound and economically viable business opportunity. With a clear path to success and a commitment to delivering premium quality this is a big opportunity to consider.

Sources

Banco de Portugal Eurosystem. (2023, June 16th). Retrieved from Banco de Portugal Eurosystem: https://www.bportugal.pt/en/page/projecoes-economicas

Banco de Portugal Eurosystem. (2023, August 25th). Retrieved from Banco de Portugal Eurosystem: https://www.bportugal.pt/taxas-cambio

Banco de Portugal Eurosystem. (2023, August). Retrieved from Banco de Portugal Eurosystem: https://www.bportugal.pt/page/taxas-de-juro-oficiais-do-eurosistema-pol-mon

Bergen, G. v., Ushiama, S., Kaneko, D., Dijksterhuis, G., Wijk, R. d., & Vingerhoeds, M. (2022). What makes foods and flavours fit? Consumer perception of (un)usual product combinations. Food Quality and Preference, Vol. 102. https://doi.org/10.1016/j.foodqual.2022.104680

Bloomberg. (2023). Retrieved from Bloomberg: https://www.bloomberg.com/markets/rates-bonds/government-bonds/germany

CGD. (2023). Retrieved from CGD: https://www.cgd.pt/Particulares/Credito/Pessoal/Simulador-Expresso/Pages/Credito-Pessoal-Simulador-Expresso.aspx#!/ExpressoMultifinalidade

Cornelia Lange, K. M. (2017). Alcohol consumption among adults in Germany: risky drinking levels. Journal of Health Monitoring. Retrieved from https://www.rki.de/EN/Content/Health_Monitoring/Health_Reporting/GBEDownloadsJ/FactSheets_en/JoHM_2017_02_Alcohol-consumption_adults.pdf?__blob=publicationFile

Data World Bank. (2022, October 24). Retrieved from Data World Bank: https://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS?locations=PT

Diário de Noticias. (2022, August 16th). Retrieved from Diário de Noticias: https://www.dn.pt/sociedade/ja-sao-mais-de-700-as-geladarias-artesanais-no-pais-15093433.html

ECO. (2018, August 24th). Retrieved from ECO: https://eco.sapo.pt/2018/08/24/de-onde-vem-os-turistas-que-mais-visitam-portugal/

European Comission. (2023). Retrieved from European Comission: https://agriculture.ec.europa.eu/system/files/2023-04/csp-at-a-glance-portugal_en.pdf

Eurostat. (2022, August 29th). Retrieved from Eurostat: https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20220829-1

Eva Martínez-Caro, J. G.-N.-R. (2020). Digital technologies and firm performance: The role of digital organisational culture. Technological Forecasting and Social Change. https://doi.org/10.1016/j.techfore.2020.119962

GlobeNewswire. (2021, December 3rd). Retrieved from GlobeNewswire: https://www.globenewswire.com/en/news-release/2021/12/03/2345744/28124/en/European-Ice-Cream-Market-Report-2021-Average-Consumption-of-Ice-Cream-Across-Europe-is-6-20-liters-per-capita-Per-Year.html

Gomes, D. A. (2018). Influencing Factors of Consumer Behaviour in Retail Shops. http://doi.org/10.2139/ssrn.3151879

Hendriks-Hartensveld, A. E., Brodock, J. L., Hayes, J. E., Rolls, B. J., Keller, K. L., & Havermans, R. C. (2022). The relative importance of complexity, variety, and portion size in ice cream preference in Dutch and American participants. Food Quality and Preference, Vol. 99. https://doi.org/10.1016/j.foodqual.2021.104523

HubSpot. (2022). Retrieved from HubSpot: https://cdn2.hubspot.net/hubfs/505330/Influencer-Marketing-5-Case-Studies-Ebook.pdf

INE. (2021). Censos 2021 Resultados Definitivos. Lisboa: Instituto Nacional de Estatística, I.P.

INE. (2023, June 15th). Retrieved from INE: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=594879758&DESTAQUESmodo=2

INE. (2023, August 10th). Retrieved from INE: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_pesquisa&frm_accao=PESQUISAR&frm_show_page_num=1&frm_modo_pesquisa=PESQUISA_SIMPLES&frm_texto=%C3%ADndice+de+preços+no+consumidor&frm_modo_texto=MODO_TEXTO_ALL&frm_data_ini=&frm_data_fim=&frm_tema=QUALQU

International Trade Administration. (2023, June). Retrieved from Trade.gov: https://www.trade.gov/country-commercial-guides/portugal-ecommerce

Máxima. (2023, April 19th). Retrieved from Máxima: https://www.maxima.pt/celebridades/detalhe/quanto-ganham-afinal-as-influencers-portuguesas-com-o-instagram

Market Risk Premia. (2023). Retrieved from Market Risk Premia: http://www.market-risk-premia.com/market-risk-premia.html

Marketeer. (2021, September 8th). Retrieved from Marketeer: https://marketeer.sapo.pt/onde-se-comem-mais-gelados-em-portugal-nao-e-no-algarve/

Marktest. (2020, July). Retrieved from Marktest: https://www.marktest.com/wap/a/n/id~267d.aspx

Meenakshi, N. (2023). When do we eat? Food ordering platform strategies. Journal of Business Strategy, 136-144. http://doi.org/10.1108/JBS-11-2021-0187

Meta. (2023). Retrieved from Facebook: https://www.facebook.com/business/ads/pricing

Mintel. (2022). Retrieved from Mintel: https://store.mintel.com/report/uk-ice-cream-market-report

Mintel. (2023). Retrieved from Mintel: https://store.mintel.com/report/germany-ice-cream-market-report

Mukherjee, D. (2009). Impact of Celebrity Endorsements on Brand Image. SSRN Electronic Journal, Vol. 42, No. 2. http://doi.org/10.2139/ssrn.1444814

NHS Digital. (2022). Retrieved from NHS Digital: https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021/part-3-drinking-alcohol

Our World in Data. (2018, April). Retrieved from Our World in Data: https://ourworldindata.org/alcohol-consumption

Público. (2021, September 8th). Retrieved from https://marketeer.sapo.pt/onde-se-comem-mais-gelados-em-portugal-nao-e-no-algarve/

Público. (8th de September de 2021). Público. Obtido de Público: https://www.publico.pt/2018/04/04/sociedade/noticia/lisboa-e-porto-tem-mais-turistas-por-residente-que-londres-e-barcelona-1809036

Pordata. (2023, April 12th). Retrieved from Pordata: https://www.pordata.pt/portugal/taxa+de+poupanca+das+familias-2340

Portugal.Gov. (2023, June 30th). Retrieved from Portugal.Gov.pt: https://www.portugal.gov.pt/pt/gc23/comunicacao/noticia?i=a-taxa-de-desemprego-alcancou-novo-minimo-historico

Pwc. (2023, August 1st). Retrieved from Pwc: https://www.pwc.pt/pt/pwcinforfisco/guia-fiscal/2023/irc.html

Rajesh K. Aithal and Vikram Choudhary, H. M. (2022). Factors influencing technology adoption amongst small retailers: insights from thematic analysis. International Journal of

Retail & Distribution Management Vol. 51. http://doi.org/10.1108/IJRDM-02-2022-0042
Renascença. (2021, July 28th). Retrieved from Renascença: https://rr.sapo.pt/noticia/pais/2021/12/16/censos-2021-area-metropolitana-de-lisboa-ganhou-49-mil-habitantes-em-dez-anos/247780/
Renascença. (2021, July 28th). Retrieved from Renascença: https://rr.sapo.pt/noticia/pais/2021/12/16/censos-2021-area-metropolitana-do-porto-perdeu-mais-de-22-mil-residentes-na-utima-decada/247781/
Revista Alimentaria. (2016, july). Retrieved from Revista Alimentaria: https://revistaalimentaria.es/opinion/elaborados/quien-come-mas-helados
Sanidad, S. d. (2021). Spanish Alcohol Report 2021: Consumption and consequences. Retrieved from Ministerio de Sanidade: https://pnsd.sanidad.gob.es/profesionales/publicaciones/catalogo/catalogoPNSD/publicaciones/pdf/2021_Summary_Report_ALCOHOL_2021_SPAIN.pdf
Silva, L. (2021). Marketing Strategies Adopted by Different Industries (A Comprehensive Literature Review). Uva Wellassa University. http://doi.org/10.2139/ssrn.3984695
Statista. (2021, September 31th). Retrieved from Statista: https://www.statista.com/forecasts/395040/manufacture-of-ice-cream-revenue-in-portugal
Statista. (2022). Retrieved from Statista: https://www.statista.com/statistics/449812/co2-emissions-portugal/
Statista. (2022, January 14th). Retrieved from Statista: https://www.statista.com/statistics/326315/global-ice-cream-market-size/
Statista. (2023, March 20th). Retrieved from Statista: https://www.statista.com/statistics/1028120/ice-cream-production-revenue-eu/
Stern. (2023, July). Retrieved from Stern: https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html
Thabit, T., & Raewf, M. (2018). The Evaluation of Marketing Mix Elements: A Case Study. International Journal of Social Sciences & Educational Studies, Vol.4, No.4. http://dx.doi.org/10.23918/ijsses.v4i4p100
UberEats. (2023). Retrieved from UberEats: https://www.ubereats.com
Wahab, H. K., Tao, M., Tandon, A., Ashfaq, M., & Dhir, A. (2022). Social media celebrities and new world order. What drives purchasing behavior among social media followers?

Journal of Retailing and Consumer Services, Vol. 68. https://doi.org/10.1016/j.jretconser.2022.103076

WIPO. (2021). Retrieved from World Intellectual Property Organization: https://www.wipo.int/edocs/statistics-country-profile/en/pt.pdf

WorldAtlas. (10th de January de 2020). Obtido de WorldAtlas: https://www.worldatlas.com/articles/the-top-ice-cream-consuming-countries-of-the-world.html

WorldAtlas. (2020, January 10th). Retrieved from WorldAtlas: https://www.worldatlas.com/articles/the-top-ice-cream-consuming-countries-of-the-world.html

Yahoo Finance. (2023). Retrieved from Yahoo Finance: https://finance.yahoo.com/quote/PEP/key-statistics?p=PEP

Yahoo Finance. (2023). Retrieved from Yahoo Finance: https://finance.yahoo.com/quote/JRONY/key-statistics?p=JRONY

Yahoo Finance. (2023). Retrieved from Yahoo Finance: https://finance.yahoo.com/quote/SON.LS/key-statistics?p=SON.LS

Yahoo Finance. (2023). Retrieved from Yahoo Finance: https://finance.yahoo.com/quote/UL/key-statistics?p=UL

Annexes

1. Balance Sheet (Base Scenario)

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Assets											
	NON-CURRENT ASSETS										
	Tangible assets	32 450	29 150	25 850	49 550	43 250	36 950	30 650	24 350	18 050	11 750
	Other non-current assets	103	731	1 373	2 192	3 344	4 519	5 718	6 941	8 188	9 460
	Total Non-Current Assets	32 553	29 881	27 223	51 742	46 594	41 469	36 368	31 291	26 238	21 210
	CURRENT ASSETS										
	Inventories										
	Clients	-	17 872	36 495	55 892	93 031	100 281	125 641	117 050	128 715	131 418
	Taxes and contributions receivable	9 842	22 498	31 855	52 083	63 569	67 407	80 070	76 209	82 216	83 867
	Cash and cash equivalents	121 463	31 004	6 327	10 334	149 815	324 877	585 587	842 709	1 155 235	1 483 779
	Total Current Assets	131 305	71 374	74 677	118 309	306 415	492 565	791 297	1 035 968	1 366 166	1 699 064
	Total Assets	163 858	101 255	101 900	170 051	353 009	534 035	827 665	1 067 259	1 392 404	1 720 274
EQUITY											
	Social Capital	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000
	Additional paid-in capital	-	4 584	8 596	20 015	26 146	27 685	33 136	33 136	35 627	36 182
	Retained earnings	-	(42 544)	(117 338)	(100 291)	(27 756)	159 433	363 859	669 606	940 563	1 258 001
	Net income	(42 544)	(74 794)	17 046	72 535	187 189	204 427	305 747	270 957	317 438	325 734
	Total Equity	(22 544)	(92 753)	(71 695)	12 259	205 578	411 544	722 742	993 699	1 313 629	1 639 917
LIABILITIES											
	NON-CURRENT LIABILITIES										
	Loans	170 000	141 667	113 333	85 000	56 667	28 333	-	-	-	-
	Total Non-Current Liabilities	170 000	141 667	113 333	85 000	56 667	28 333	-	-	-	-
	CURRENT LIABILITIES										
	Suppliers	11 570	19 081	26 902	38 039	53 400	56 612	67 194	63 976	69 000	70 386
	Taxes and contributions payable	4 831	4 928	5 027	6 420	9 031	9 212	9 396	9 584	9 776	9 971
	Loans	-	28 333	28 333	28 333	28 333	28 333	28 333	-	-	-
	Total Current Liabilities	16 402	52 342	60 262	72 792	90 764	94 157	104 923	73 560	78 776	80 357
	Total Liabilities	186 402	194 009	173 595	157 792	147 431	122 490	104 923	73 560	78 776	80 357
	Total Equity and liabilities	163 858	101 255	101 900	170 051	353 009	534 035	827 665	1 067 259	1 392 404	1 720 274

2. Income Statement (Base Scenario)

PROFITS AND LOSSES	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Revenue	-	130 467	266 413	408 011	679 130	732 052	917 176	854 467	939 618	959 350
Cost of sales	0	(37 835)	(77 260)	(118 323)	(196 948)	(212 295)	(265 981)	(247 796)	(272 489)	(278 211)
Staff costs	(13 864)	(84 847)	(86 544)	(110 529)	(155 490)	(158 600)	(161 772)	(165 007)	(168 307)	(171 673)
External Services Provided	(10 097)	(61 851)	(63 150)	(80 076)	(81 430)	(82 813)	(84 224)	(85 665)	(87 137)	(88 639)
Other operational costs										
Other income	-	607	155	32	52	749	1 624	2 928	4 214	5 776
EBITDA (Profit/(Loss) before depreciations, financing expenses and taxes)	(23 960)	(53 460)	39 614	99 114	245 313	279 094	406 823	358 927	415 898	426 602
Depreciation and amortization	(550)	(3 300)	(3 300)	(6 300)	(6 300)	(6 300)	(6 300)	(6 300)	(6 300)	(6 300)
EBIT (Profit/(Loss) before financing expenses and taxes)	(24 510)	(56 760)	36 314	92 814	239 013	272 794	400 523	352 627	409 598	420 302
Interest and similar income										
Interest and similar expenses incurred	(18 034)	(18 034)	(18 034)	(15 028)	(12 022)	(9 017)	(6 011)	(3 006)	-	-
Profit/(Loss) before taxation	(42 544)	(74 794)	18 280	77 786	226 991	263 777	394 512	349 622	409 598	420 302
Taxes	-	-	(1 234)	(5 251)	(39 802)	(59 350)	(88 765)	(78 665)	(92 160)	(94 568)
Net income	(42 544)	(74 794)	17 046	72 535	187 189	204 427	305 747	270 957	317 438	325 734

3. Retail Relevered Beta Market

Beta Market - Retail	Levered Beta	Debt	Equity	D/E	Equity/D+E	IRC	Unlevered Beta
Pepsico	0,54	43 620 000 000	17 824 452 435	2,45	0,29	21%	0,12
Jeronimo Martins	0,42	3 760 000 000	2 627 716 822	1,43	0,41	21%	0,14
Sonae	1,04	2 390 000 000	314 929 503	7,59	0,12	21%	1,00
Unielever	0,17	30 710 000 000	21 921 621 815	1,40	0,42	21%	1,00
Average	0,54	20 120 000 000	10 672 180 144	3,22	0,31	21%	0,57
Relevered Beta	1,88						

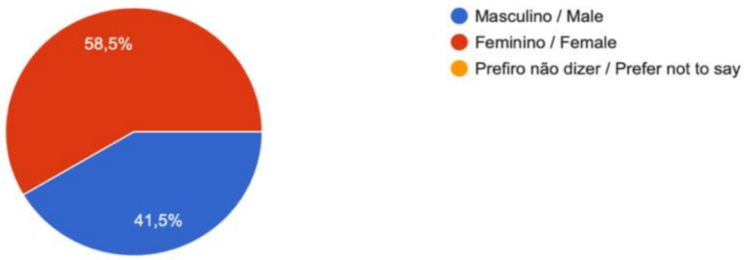
4. WACC Dynamic

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
WACC Dynamic	5,57%	7,49%	6,98%	6,26%	5,47%	4,65%	3,78%	2,49%	1,49%	0,21%

5. Survey

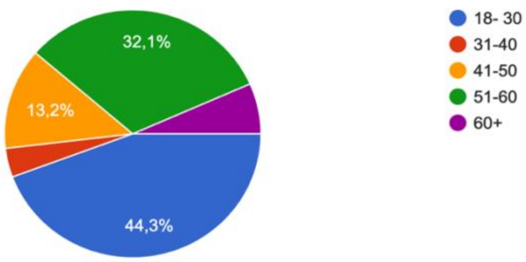
1. (PT) Qual o seu género? (ENG) What is your gender?

106 respostas



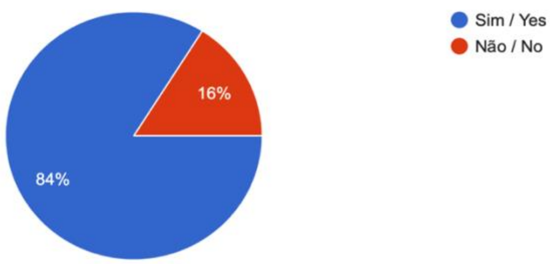
2. (PT) Qual a sua Idade? (ENG) How old are you?

106 respostas

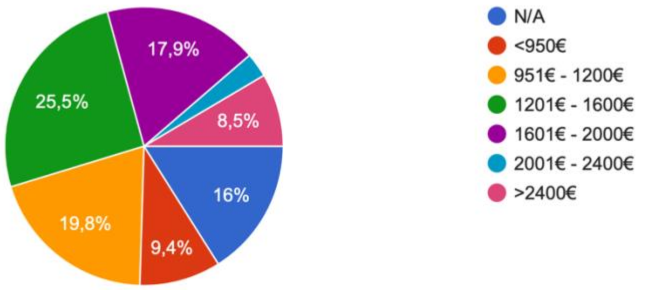


3. (PT) Encontra-se neste momento empregado? (ENG) Are you currently employed?

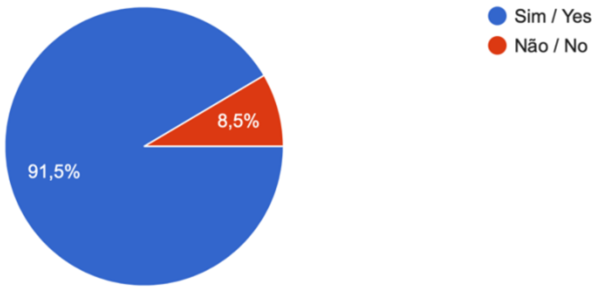
106 respostas



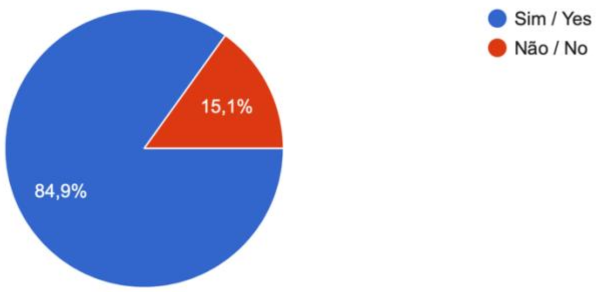
4. (PT) Qual o seu salário líquido mensal? (ENG) What is your monthly salary (after tax)?
106 respostas



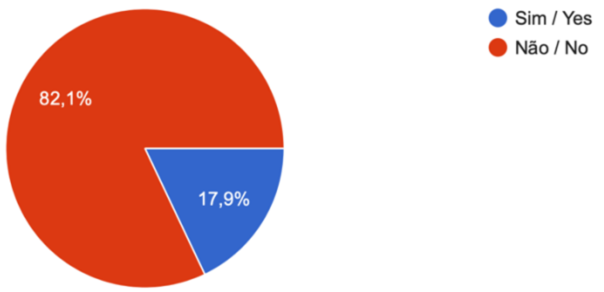
5. (PT) Vive ou trabalha atualmente na Área Metropolitana de Lisboa? (ENG) Are you currently living in the Lisbon Metropolitan Area?
106 respostas



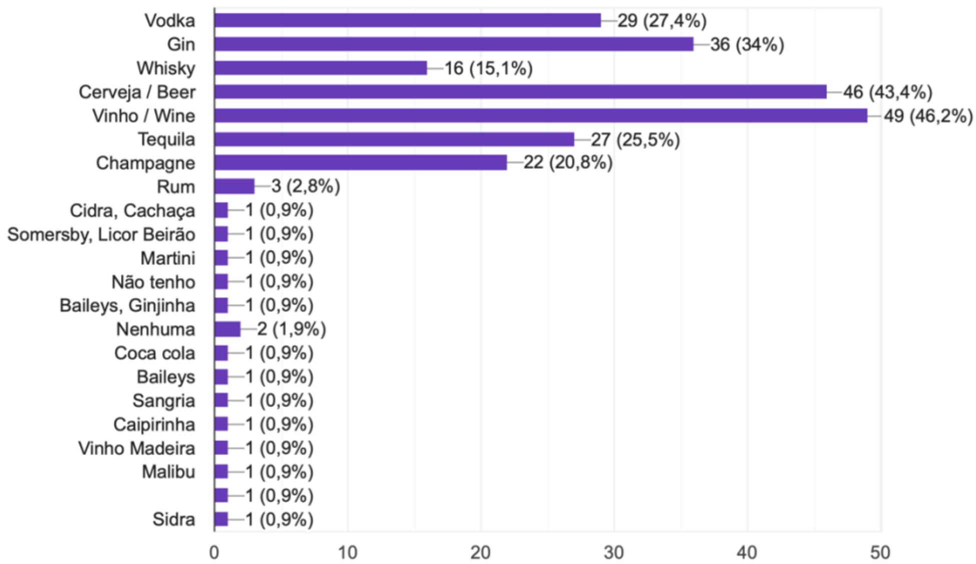
6. (PT) Costuma consumir gelados? (ENG) Do you usually consume ice cream?
106 respostas



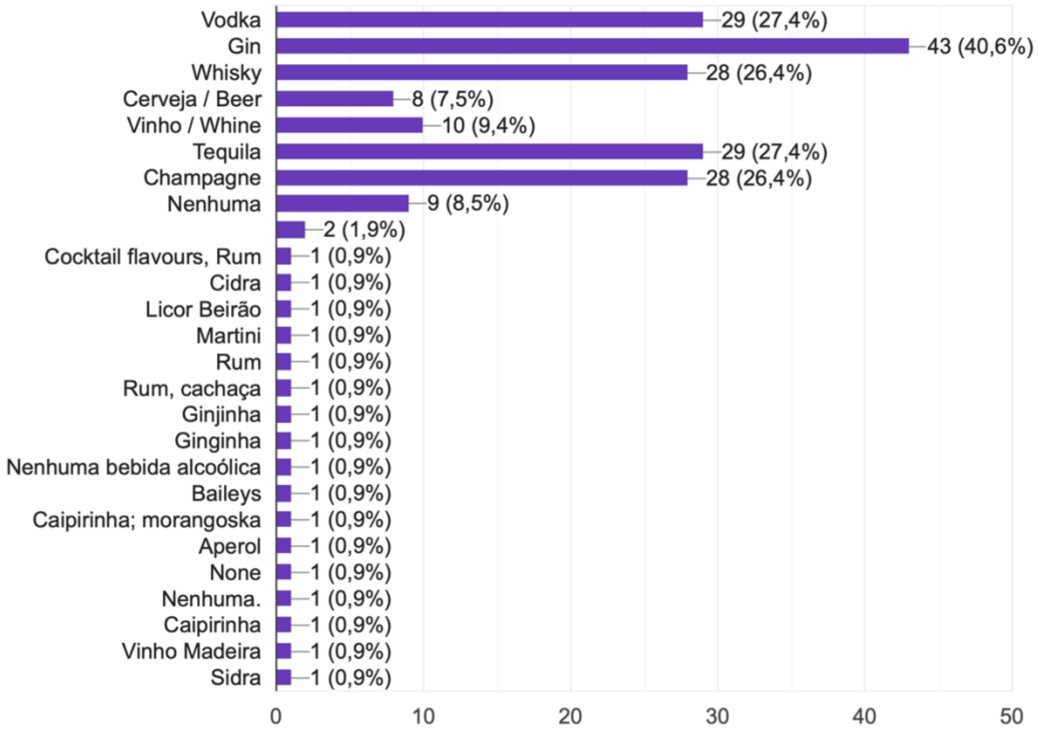
7. (PT) Já alguma vez consumiu um gelado que tivesse as suas bebidas alcoólicas favoritas? (ENG) Have you ever consumed an ice cre...at was mixed with you favorite alcoholic drinks?
106 respostas



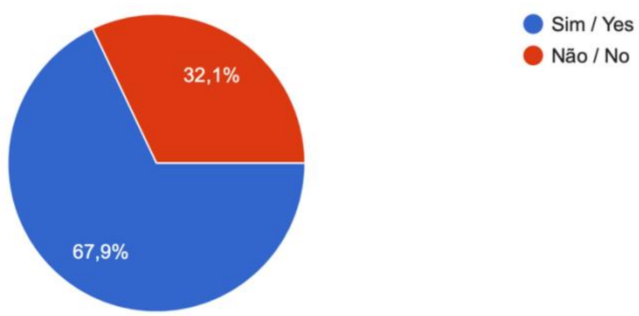
8. (PT) Quais são as suas bebidas alcoólicas favoritas? (ENG) What are you favorite alcoholic drinks?
106 respostas



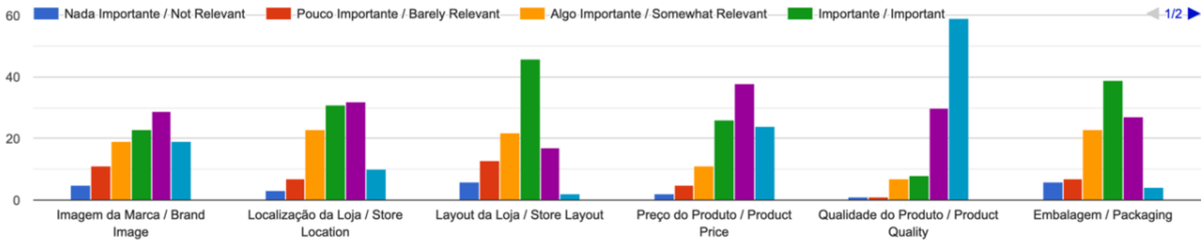
9. (PT) Que bebidas alcoólicas gostaria de ter incluídas no seu gelado? (ENG) What alcoholic drinks would you like to have on your ice cream?
106 respostas



10. (PT) Estaria interessado neste conceito? (ENG) Would you be interested in this concept?
106 respostas

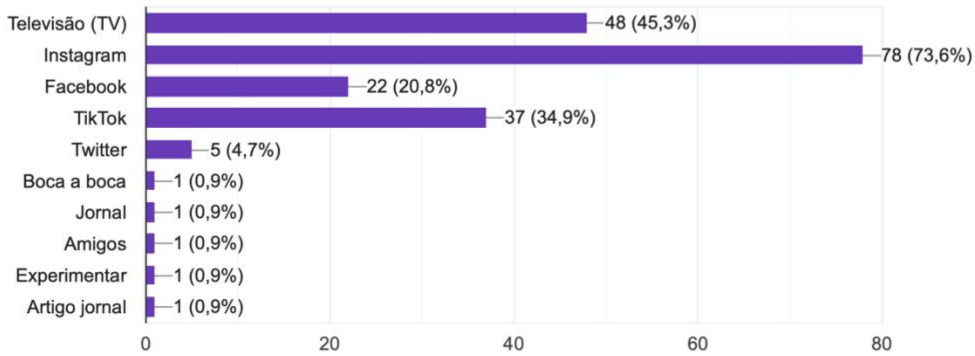


11. (PT) Numa escala de 1 a 5, classifique os critérios que acha mais impactantes na escolha de consumir/experimentar um produto? (1 = Nada Importante, 2 = Pouco Importante, 3 = Algo Importante, 4 = Importante, 5 = Muito Importante,...levant, 3 = Somewhat Relevant, 4 = Important, 5 = Very Important, 6 = Crucial)



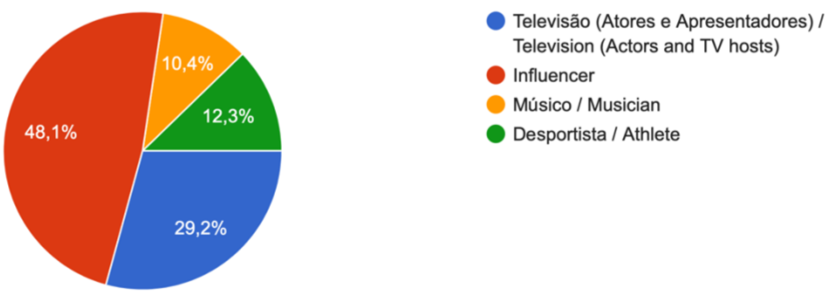
12. (PT) Qual seria o canal de divulgação que consideraria mais eficiente para chegar até si? (ENG) What would be the most efficient channel to reach out to you?

106 respostas

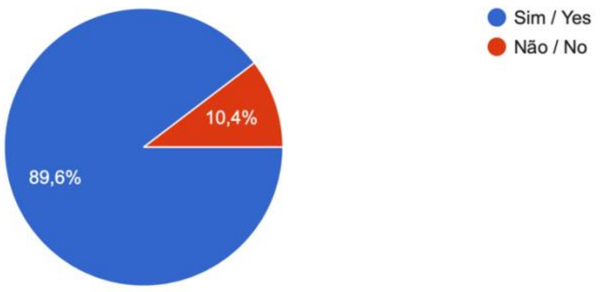


13. (PT) No caso de imaginar alguém a representar este tipo de produto, de que área seria? (ENG) If you could imagine anyone representing this product from what area would that person be?

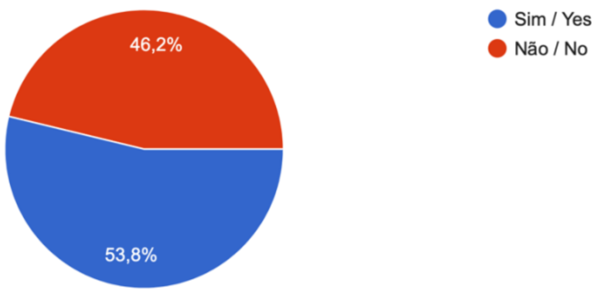
106 respostas



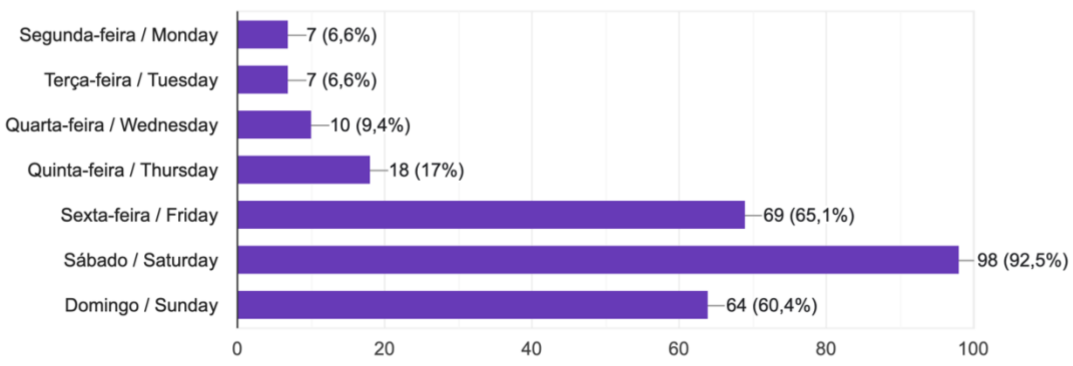
14. (PT) Consideraria experimentar este produto? (ENG) Would you consider try this product?
106 respostas



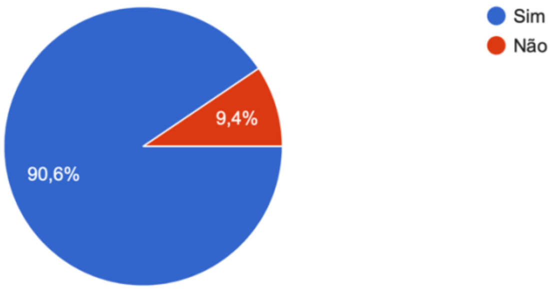
15. (PT) Consideraria adquirir este produto através de aplicações como a UberEats? (ENG) Would you consider order this product in apps such as UberEats?
106 respostas



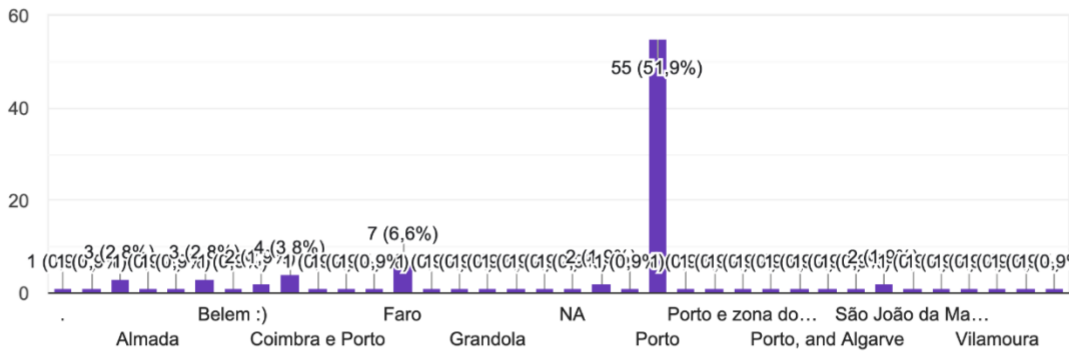
16. (PT) Em que dias da semana é que provavelmente iria consumir este produto? (ENG) In what days of the week would you most likely consume this product?
106 respostas



17. (PT) Gostaria de ver esta marca noutra cidade portuguesa? (ENG) Would you like to see this brand in another Portuguese city?
106 respostas



18. (PT) Sem ser Lisboa, que outra cidade em Portugal escolheria para nós abrirmos uma segunda loja da marca? (ENG) Besides Lisbon, in which city ...ugal would you like for us to open a second store?
106 respostas



6. Inflation Rate

2024 (Year 1)	2025 (Year 2)	2026 (Year 3)	2027 (Year 4)	2028 (Year 5)	2029 (Year 6)	2030 (Year 7)	2031 (Year 8)	2032 (Year 9)
3%	2%	2%	2%	2%	2%	2%	2%	2%

7. Employees' Salaries

Costs	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Salaries	11 107	67 973	69 332	88 547	124 566	127 058	129 599	132 191	134 835	137 531
Specialized Jobs	413	2 531	2 584	2 639	2 694	2 751	2 808	2 867	2 928	2 989
Marketing	5 165	31 641	32 305	32 984	33 676	34 384	35 106	35 843	36 595	37 364
Surveillance and Security	155	949	969	990	1 010	1 032	1 053	1 075	1 098	1 121
Quick-Wear Tools and Utensils	413	2 531	2 584	2 639	2 694	2 751	2 808	2 867	2 928	2 989
Electricity	645	3 949	4 032	4 116	4 203	4 291	4 381	4 473	4 567	4 663
Water	413	2 531	2 584	2 639	2 694	2 751	2 808	2 867	2 928	2 989
Transport Costs	310	1 898	1 938	1 979	2 021	2 063	2 106	2 151	2 196	2 242
Rents	2 583	15 820	16 153	32 092	32 438	32 792	33 153	33 521	33 898	34 282

8. Depreciation Costs

Lisbon

Depretiation costs	Cost	Depreciation Rate	Anual Depreciation
Store Layout	20 000	10%	2 000
Freezer	1 799	10%	180
Ice cream Machine	3 545	10%	355
Ice cream Displayer	4 656	10%	466
			3 000

Porto

Depretiation costs	Cost	Depreciation Rate	Anual Depreciation
Store Layout	20 000	10%	2 000
Freezer	1 799	10%	180
Ice cream Machine	3 545	10%	355
Ice cream Displayer	4 656	10%	466
			3 000

Lisbon + Porto	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Store Layout	36 000	32 000	28 000	24 000	20 000	16 000	12 000	8 000	4 000	-
Freezer	3 238	2 878	2 519	2 159	1 799	1 439	1 079	720	360	(0)
Ice cream Machine	6 381	5 672	4 963	4 254	3 545	2 836	2 127	1 418	709	-
Ice cream Displayer	8 381	7 450	6 518	5 587	4 656	3 725	2 794	1 862	931	-
Total	54 000	48 000	42 000	36 000	30 000	24 000	18 000	12 000	6 000	(0)

9. Target Population

Number of People Living in the Metropolitean Area of Lisbon	2 871 133
Percentage of Ice Cream Consumers in Lisbon	67%
Number of Ice Cream Consumers in Lisbon	1 917 917
Number of portuguese consuming alcohol	69%
Number of Residents enjoying Ice Cream and Alcohol in Lisbon	1 327 198

Number of People Living in the Metropolitean Area of Porto	1 737 395
Percentagem de consumidores no Porto	70%
Número de consumidores no Porto	1 212 702
Number of portuguese consuming alcohol	69%
Number of Residents enjoying Ice Cream and Alcohol in Porto	839 190

Top 3 Nationalities Visiting Lisbon and Porto	
Percentage of People eating Ice Cream	
British	91%
Spanish	61%
German	89%
Average	80%

Top 3 Nationalities Visiting Lisbon and Porto	
Percentage of People consuming Alcohol	
British	79%
Spanish	77%
German	73%
Average	76%

Number of People Living in the Metropolitean Area of Porto	1 737 395
Percentagem de consumidores no Porto	70%
Número de consumidores no Porto	1 212 702
Number of portuguese consuming alcohol	69%
Number of Residents enjoying Ice Cream and Alcohol in Porto	839 190

Number of Tourists Visiting Porto	1 600 000
Percentage of Ice Cream Consumers Visiting Porto	80%
Number of Ice Cream Consumers Visiting Porto	1 285 333
Number of Tourists Consuming Alcohol	76%
Number of Tourists enjoying Ice Cream and Alcohol in Lisbon	981 995