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**Sierra-Monte - Importation and Exportation of  
Marble**

Afshin Tale

Master in International Management

Supervisor:

Associated Professor Ma Shaozhuang, Departamento de  
Marketing, Operações e Gestão Geral,  
ISCTE business school

October, 2020



BUSINESS  
SCHOOL

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Department of Marketing, Strategy and Operations

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## **Acknowledgments**

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To my family, Hamid, Zahra, Arash, and Sahar for making the opportunity to study be a better and successful person in life.

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## **Abstract**

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The objective of this master project is to develop a business plan for a marble trading company in Portugal. Sierra-Monte as a new registered company in Portugal is exporting different types of marbles from Portugal to gulf countries.

This study is mainly to evaluate all the aspects of marble industry, and how to operate a business in terms of import and export. Moreover, a step-by-step business plan of how to open a start-up company in the same field. Getting to know the customers, and their behaviour, channels of transport, and the revenue streams are some of the items which need to be considered. We will analyze the supply and demand in the market, as well as observing the main activities and resources of the organization. A strategic point of view on marketing plan followed by an operational plan, team management, and finally, an overview on financial aspects.

In this thesis, we will focus on the main reasons that make Portugal one of the main potential suppliers in the marble industry. Overall industrial market analysis on the stone products, from the production to end customer and all the related aspects of how to connect the supply and demand from Europe to the Middle East and vice versa in the marble industry.

**Key Words:** Marble, Stone, Middle East, Business Plan, Business Model Canvas

### **JEL Classification System:**

- M13 – New Firms; Startups
- L26 - Entrepreneurship

## **Resumo**

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O objetivo deste projeto mestre é desenvolver um plano de negócios para uma empresa de comercialização de mármore em Portugal. A Sierra-Monte como uma nova empresa registada em Portugal exporta diferentes tipos de mármore de Portugal para os países do Golfo.

Este estudo tem como objetivo principal avaliar todos os aspectos da indústria do mármore e como operar um negócio em termos de importação e exportação. Além disso, um plano de negócios passo a passo de como abrir uma empresa start-up na mesma área. Conhecer os clientes e seu comportamento, canais de transporte e as fontes de receita são alguns dos itens que precisam ser considerados. Analisaremos a oferta e demanda do mercado, bem como observaremos as principais atividades e recursos da organização. Uma visão estratégica do plano de marketing seguido de um plano operacional, gestão de equipe e, por fim, uma visão geral dos aspectos financeiros.

Nesta dissertação iremos centrar-nos nos principais motivos que fazem de Portugal um dos principais potenciais fornecedores da indústria do mármore. Análise geral do mercado industrial dos produtos de pedra, desde a produção até o cliente final e todos os aspectos relacionados de como conectar a oferta e a demanda da Europa ao Oriente Médio e vice-versa na indústria de mármore.

**Palavras-chave:** Mármore, Pedra, Oriente Médio, Plano de Negócios, Tela de Modelo de Negócios

### **Sistema de Classificação JEL:**

- M13 – New Firms; Startups
- L26 - Entrepreneurship

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## **Glossary**

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GCC - Gulf Cooperation Council

CVP - customer value propositions

HBR – Harvard Business Review

OEC - observatory of Economic Complexity

VAT - Value Added Tax

WHO - World Health Organization

ETA - Estimated Time of Arrival

BL - Bill of Lading

COO - Certificate of Origin

CNF - Cost and Freight

IRN - Instituto de Registos e Notariado

RNPC – Registo Nacional de pessoas Colectivas

## 1. Executive Summary

---

As a family business, we own a stone factory in the United Arab Emirates, and two marble queries in Iran. *Bontal trading* is a marble factory in Dubai, and Sierra-Monte is a new registered incorporation company in Lisbon. Establishing a new branch in Portugal, Lisbon creates a new opportunity to start a trading-line between Europe and the Middle East. Working for the past 10 years in our family business allows me to understand the market in Gulf countries, and get to know the culture of Middle Eastern People builds a strong connection with some of the biggest marble suppliers in the region.

Sierra-Monte as a new operating company in Portugal is planning to export marbles from Portugal to gulf countries, and analyze the possible marbles to be imported. In this thesis, a strategic analysis on marketing plan, sales, and resources was made to find out the main reason that makes Portugal one of the top potential countries in the marble and stone industry.

Furthermore, a step by step business plan on activities of Sierra-Monte, and finally, a deep financial analysis on the business and its revenue and cost to have a better understanding of the long-run strategy of the business.





## 2. Company Description

---

*Afshin Tale Unipessoal*, also known as Sierra-Monte, was established on December 16<sup>th</sup>, 2019. A new establishment and branch of Bontal trading in Portugal focusing on trading marbles. A trading line from Europe to the Middle East and vice versa. *Bontal Trading co. L.L.C.* with more than 40 years of experience also known as "Monte-Cervino" is a registered company in the United Arab Emirates and it focuses on the construction field especially in marble and granites. Full equipment machinery with more than 30 employees are all located in 20,000 square feet land are operating in Dubai.

Other than UAE, we cooperate with almost all of the GCC (Gulf Cooperation Council) countries, such as Qatar, Kuwait, Bahrain and Iraq. Cooperation in terms of buying or selling, in other words, the export and import of materials. Furthermore, Bontal operates in fixing their products as well. Supply and fix of the full project, including toilets, corridors, wall, floor, kitchen counters, and more.

### 2.1 Value proposition

We aim to be unique in the exportation and importation of stones. Sierra-Monte offers the best quality of marbles from Europe especially Portugal to GCC countries, and import top-quality materials to Portugal.

An advantage key that Sierra-Monte has is the price and unique product of Portugal. In general, company expenses and charges in Portugal are quite low compare to the UAE or other GCC countries, therefore, the final product price in a city like Dubai will be quite high. Electricity, employees, rent, and other related company charges will automatically increase the final price. Based on an agreement between Sierra-Monte and our branch in Dubai; Sierra-Monte can trade and sell their materials without any extra charges in UAE, and on the other hand, Bontal trading can order and buy materials from Europe with the lowest possible margin.

With this agreement, Sierra-Monte can sell their materials with an almost 40% margin and still be lower than the market price in GCC companies. The second factor that makes us unique and the business will stand out, is the trust and reputation in the marble industry. Bontal Trading Company with more than 40 years of experience, builds a huge reputation in the market; not only in the United Arab Emirates but also in other countries in the Middle East such as Saudi Arabia, Qatar and Kuwait. Considering Sierra-Monte as a branch of our existing

company in Dubai can boost the business for both companies. Since there are very few stone related companies with two branches in Europe and the Middle East, a firm with a branch in Dubai and Lisbon gives us a unique value proposition to attract customers.

In terms of importing materials to Europe, there is currently one potential item that can be considered as a profitable item. Pietra Grey marble also is known as “*Armani Grey*” is an Iranian marble with high water resistance. This material in specific is unique in the world in terms of quality and texture. The main advantage of this item is simply the low price. Due to sanctions that applied to Iran, the currency has dropped massively. The Iranian currency has been on a downward spiral for more than a year, falling over fourfold against major currencies. The Rial has steadily declined in the 40 years since the establishment of the Islamic Republic.

In 1978, before the revolution that toppled the monarchy, one dollar traded for 70 Rials, compared with 280,000 or even more now a day [1]. Even though inflation has affected all the items, but as of today, when we compare the Iran currency, it is still quite low. Iranian Rial is the least valued currency in the world. It is an advantage for exporters to buy the materials from Iran cheaper than before and sell them with the global price market. As the company grows, Sierra-Monte is planning to import more materials.



(Figure 2.1)

### 3. Stone Industry Knowledge

---

Since the beginning of civilization, people use minerals such as stone or metal to make useful tools and weapons. Now, a day, this business has massively grown due to the high demand. As the earth's crust began to grow, it pushed minerals up from its core, forming massive rock deposits, which we refer to as “quarries”. Marble, Granite, Onyx, Sandstone, Limestone, and Travertine are the 6 types of stones that exist. Each type of stone will have a variety of colors and textures, for example in the onyx category, the product is transparent and very fragile, it can be used only on walls with possible natural or LED lighting system and there are a variety of colors in the onyx category such as pink, yellow, green, white, blue. In general, there are More than a thousand types of marble and stones in the world, with all the possible colors and texture.

Mines and quarries are significantly spread around the world. Stone is generally one of the oldest industries worldwide. Some countries have more minerals than others as an example: The largest coal mine is in the United States; the biggest iron mine is in Brazil. It is similar in the stone industry. Some countries have more travertine than others, and some others have better granites. An interesting fact is that each marble quarry is unique in the world. For instance, the types of marbles that Portugal has cannot be found in any other country; or an exclusive type of onyx which can only be found in IRAN is unique in the world.

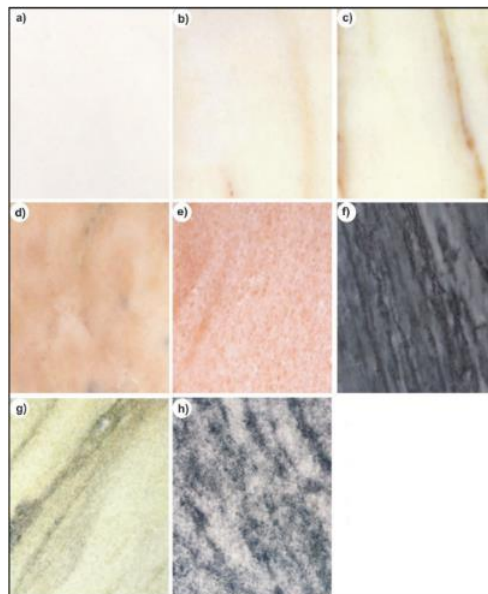
Marble companies always look for unique natural resources for stone extraction. Once they extract the blocks of marbles (cube), they cut them into slabs or smaller pieces to be used in construction. Mining or extraction of valuable minerals is one of the oldest industries. According to scientists, the oldest- known mine is in the Ngwenya Mine in Eswatini (Swaziland), which radiocarbon dating shows to be about 43,000 years old [2].

The top quality of Portuguese marbles distinguishes itself from other materials. Unlike all the mines, marble is the only query that is always unique from its kind. In other words, no two marble queries will be the same, therefore each marble is unique of its kind. Portugal has several marble queries. Some of the Portuguese marbles are as follow:

<ul style="list-style-type: none"> <li>- Rosa Aura</li> <li>- Rosa portugal</li> <li>- Vulcanitta</li> <li>- Blue Lagoon</li> <li>- Carrdinha</li> </ul>	<ul style="list-style-type: none"> <li>- Dynossaurus</li> <li>- Estremoz Cream (limestone)</li> <li>- Moca Cream (limestone)</li> <li>- Estremoz Onyx</li> <li>- Estremoz white</li> </ul>
--	--

(Table 3.1)

Note: each query might have different sorts of marble. The factory owners usually name each sort separately. As an example Rosa aura and Rosa Portugal are both from the same query, lighter shades known as Rosa aura and the darker is Rosa Portugal.



(Figure 3.1)

\*Variety of Portuguese marbles

## 4. Literature Review

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### 4.1 Entrepreneurship

The term 'Entrepreneurship' is defined in different ways. Frank H. Knight (1921) and Peter Drucker (1970) "entrepreneurship is all about risk-taking". Schumpeter (1965) defined "entrepreneurs as a person who takes the risk to profit from market opportunity through organizational innovation". Hisrich (1990) explains the characteristic of an entrepreneur as "a person with initiative and creative thinking, who is able to gain profit out of the organization, and accepts risk and failure". Bolton and Thompson (2000) have referred to an entrepreneur as "a person who innovates to build something with high values around opportunities". According to Onuoha (2007), "it is the practice of starting a new business in response to identified opportunities."

In general, an entrepreneur is defined as a person who creates a new business, enjoying most of the rewards while bearing most of the risks. They are commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures. Entrepreneurs who prove to be successful in taking on the risks are rewarded with continuous growth opportunities.

### 4.2 Business Model

The business model concept is a company's plan for making a profit. It identifies the products or services the business will sell, but that's not the only definition. Over the years, business model definitions have changed, different definitions and understandings that scientists and authors have come up with.

The below table, adapted from Kolstad (2013: 10) summarizes the different definitions across the years:

<b>Authors</b>	<b>COMPONENTS</b>
Timmers (1998: 4)	The business model is "an architecture for the product or service defining all then different business actors and their roles; this description includes a source of revenue and all the potential benefits for the business actors;

Weill and Vitale (2001: 34)	The business model is <i>“a description of all the roles and relationships among the firm; from customer segments to consumers, and all the major information regarding the benefits to participants.”</i>
Amit and Zott (2001: 511)	<i>“Business model is all about the content and structure of transactions, specially designed to create value through the perceived business opportunities.”</i>
Osterwalder and Pigneur (2002: 77)	<i>“A business model is defined as the value a company offers to one or several segments of customers and the structure of the firm which includes the number of partners for marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams.”</i>
Morris <i>et al.</i> (2005: 727)	The business model is <i>“it’s about how an interrelated set of decision variables, architecture, and economics are addressed to create a competitive advantage.”</i>
Johnson <i>et al.</i> (2008: 52)	Business models <i>“consist of four interlocking elements, that, taken together, create and deliver value.”</i> The authors proceed to name the four elements as a customer value proposition, profit formula, key resources, and key processes.
Teece (2010: 179)	<i>“A business model articulates the logic, the data, and all the related evidence that support a value proposition for the customer, also measuring revenues and costs for the enterprise to deliver that value.”</i>

(Table 4.1) [3]

Mark W. Johnson author of *Seizing the White Space*, explains that powerful customer value propositions (CVP) are what require to be made in revolutionary ways. Moreover, he offers perhaps the best useful starting point (picture below). Johnson offers 19 different analogies of how to start a business and how they will work.

### CAN'T THINK OF A NEW BUSINESS MODEL?

Try adapting one of these basic forms.

ANALOGY	HOW IT WORKS	EXAMPLE	ANALOGY	HOW IT WORKS	EXAMPLE
Affinity club	Pay royalties to some large organization for the right to sell your product exclusively to their customers.	• MBNA	Negative operating cycle	Lower prices by receiving payment before delivering the offering.	• Amazon
Brokerage	Bring together buyers and sellers, charging a fee per transaction to one or another party.	• Century 21 • Orbitz	Pay as you go	Charge for actual, metered usage.	• Electric companies
Bundling	Package related goods and services together.	• Fast-food value meals • iPod/iTunes	Razor/blades	Offer the high-margin razor below cost to increase volume sales of the low-margin razor blades.	• Printers and ink
Cell phone	Charge different rates for discrete levels of a service.	• Sprint • Better Place	Reverse razor/blades	Offer the low-margin item below cost to encourage sales of the high-margin companion product.	• Kindle • iPod/iTunes
Crowdsourcing	Get a large group of people to contribute content for free in exchange for access to other people's content.	• Wikipedia • YouTube	Reverse auction	Set a ceiling price and have participants bid as the price drops.	• Elance.com
Disintermediation	Sell direct, sidestepping traditional middlemen.	• Dell • WebMD	Product to service	Rather than sell a product, sell the service the product performs.	• Zipcar
Fractionalization	Sell partial use of something.	• NetJets • Time-shares	Standardization	Standardize a previously personalized service to lower costs.	• MinuteClinic
Freemium	Offer basic services for free, charge for premium service.	• LinkedIn	Subscription	Charge a subscription fee to gain access to a service.	• Netflix
Leasing	Rent, rather than sell, high-margin, high-priced products.	• Cars • MachineryLink	User communities	Grant members access to a network, charging both membership fees and advertising.	• Angie's List
Low-touch	Lower prices by decreasing service.	• Walmart • IKEA			

SOURCE SEIZING THE WHITE SPACE BY MARK JOHNSON HBR.ORG

Mark W.johnson (2006) (Table 4.2)

### 4.3 Business Plan

A business plan is like a roadmap that takes you from your spot to the desired business destination. A structured formal document containing business goals. The nature of the business, financial aspects, strategies, and all the possible events that might occur in the future can be part of the business plan. The purpose of a business plan is mainly to evaluate all the aspects of an organization and make sure you have the commercial potential.

Our mission statement for this business plan is to offer the best design and quality of marbles anyone can ask for and create a fortune by targeting the European market as a supplier and the Middle East as a consumer. Also focusing on Middle East marble as a good source for importing materials to Portugal. Our goal is to increase the number of imports and exports of Sierra-Monte as it grows and eventually start a fabrication line in Portugal.

According to estimates and financial assumptions, to achieve our goal, a minimum of 10 containers per year needs to be exported. Sierra-Monte's export margin for each shipment is about 40%. We predict after the fourth year of operation; Sierra-Monte will have enough amount for an initial investment to build a fabrication line in Portugal. Typically, most of the start-ups do not operate on a single business model, but rather on a combination of some.

Sierra-Monte business model is considered a high touch; it means the business requires a lot of human interaction. The relationship between the salesperson and the customer has a huge impact on the overall revenues of the company. Since the company has to maintain a sales force, your costs will increase. The companies with this business model operate on trust and credibility. Also, our main partner's business plan acts as a manufacturer while Sierra-Monte is a distributor to the organization.

A researcher in the business development industry has developed a step by step guide to creating a thorough, concrete, and concise business plan (Berry, 2006). He emphasis on the importance of implementation of milestone and how to make things real. You also need tactics to implement the strategy, and tactics require the correct milestone and well-defined management responsibilities (Berry, 2006, P. 114) [4].

One of the problems that most start-ups face is that they give up very fast. According to Alejandro Cremades, Author of *The Art of Start-up Fundraising & Serial Entrepreneur* "*The dilemma is that most business owners aren't even trying to match up to their goals with what they think they are supposed to be doing. Besides, getting lost and spending more time on a business plan for a couple of years can lead to lose interest or cost you a lot*" [5].

According to the Harvard Business Review (HBR), flexibility is the key to success and opportunities. Most entrepreneurs often give-up their business once they realized that their original customer is not the right one, or an alternative market could have worked better for their business. Because of these realities, lots of business plans written end up nothing more than a dream [6].

Following the same research from HBR show that:

- Entrepreneurs who start writing business plan immediately, and not spending enough time to study were mostly a failure. The most successful businesses were those who wrote their business plan 6-12 months after they decide to start a business. This technique increased the possibility of success by 8%.



- Spending less than 3 months on a business plan will increase the chance of success by 12%.

In general, some of the elements which are crucial and start-ups and founders need to consider their business plan are:

• Main objectives	• Core strategies
• Mission statement	• Marketing plans
• Keys to success	• Management
• Industry analysis	• Organizational structure
• Market analysis	• Key operations
• Competitor analysis	• Financial analysis

(Table 4.3)

A business plan is defined as future objectives and strategies and how to achieve them in the selected business. Furthermore, Osterwalder and Pigneur (2010), describes business model generation in a table which explains each of the building blocks in the business model canvas. The following table refers to the author's description of each block:

<b>Building Block</b>	<b>Description</b>
<b>Value Proposition</b>	The building block refers to the uniqueness of the service or product which is provided by the business to create value for customers.

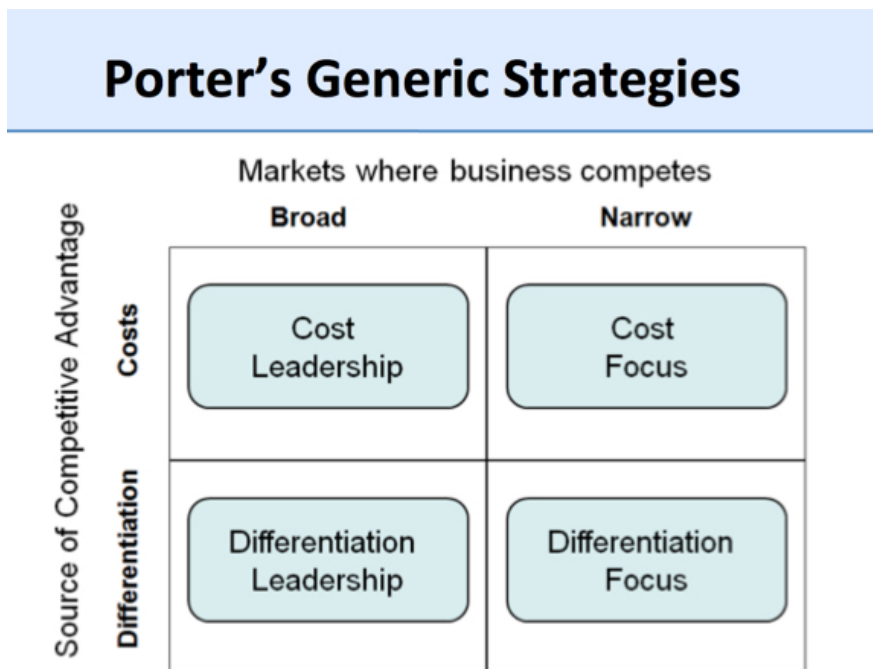
<b>Key activities</b>	This section explains the main and the most fundamental actions the firm must take in order to do business.
<b>Key resources</b>	This section refers to the main resources which are necessary to make the business work.
<b>Key Partners</b>	This section focus on the number of suppliers and partners which are necessary for the firm to work.
<b>Customer Relationships</b>	This block refers to the relationships that the firm could have with each customer segment
<b>Channels</b>	The building block explains the possible ways of communicating with clients by delivering the value propositions to the customer segments.
<b>Customer Segments</b>	The building block designed to indicate the type of consumers that the company could serves.
<b>Cost structure</b>	The section describes all the costs that the company must have in in order to function.
<b>Revenue Stream</b>	This block explains the profitability of the firm. This Profit is calculated by subtracting the costs to this amount.

The building blocks of the business model canvas

(Table 4.4) [7]

Due to the pandemic situation, Sierra-Monte’s main business objective in this period is to survive and stay profitable in the market. Focus and controlling costs, and making sure that revenue stays ahead of cost at all the times. Maintain a healthy cash flow, making sure that there will be always enough amount of cash in the company to cover all the costs and continue the cycle by the end of each year. Finally, increase the number of resources, and stay ahead of the competitors.

Marketing strategy is a competitive advantage in a broad range of market or industry segments. According to porter's framework method, there are two types of strategies to gain a competitive advantage in the market which are: Low cost or differentiation.



(Figure 4.1)

➤ **Cost Leadership**

Cost leadership is an advantage by having the lowest cost of operation in the industry. Reducing the cost of production leads the firm to have control over the selling price. Since our sister company in Dubai already have a factory, therefore Sierra-Monte can easily export the materials to them without any additional rent or employee costs.

In general, other than the stone that is purchased directly from the factories and the shipping cost, all the paper works to receive the container and offload the materials in the factory is covered by our Dubai branch company.

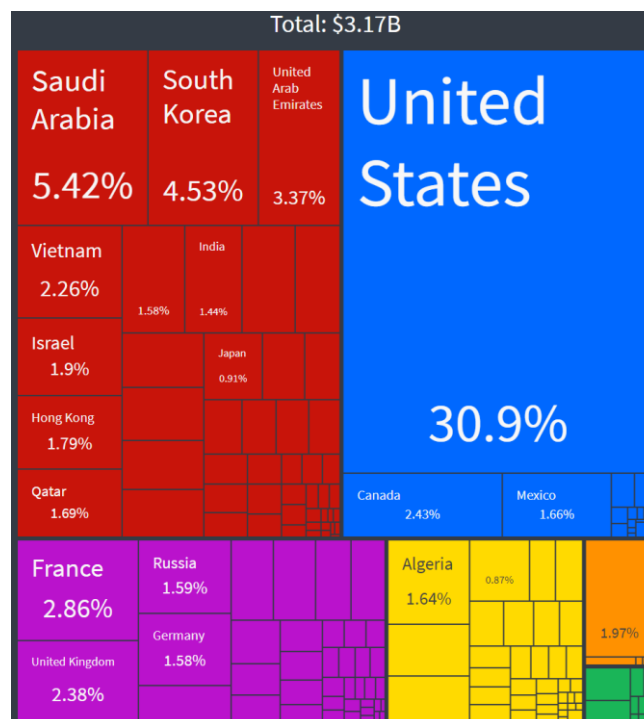
Therefore, the final price once the material reaches Dubai will be quite low compared to other competitors. Cost leadership applies to the importation of Sierra-Monte as well. Due to the low currency and current situation of Iran, the final price of the imported product will be reasonably cheap compare to the global market.

## 5. Market Analysis

### 5.1 Global Stone Industry

Following the latest evaluation of the global stone industry, the top importers of marble, travertine, and onyx were the United States with more than 980 million import value, following by Saudi Arabia (\$172M), South Korea (\$143M), and United Arab Emirates (\$107M).

The world's leading visualization engine for international trade data, OEC (observatory of Economic Complexity), has created global data trade on the importation of marble, travertine, and onyx (figure 5.1). By observing the top importing countries, we can understand that they all have two characteristics in common. The first characteristic is that; they are all countries with high GDP per capita and high demand for construction. The second characteristic that they all have in common refers to a lack of access to stone resources. None of these top countries have access to stone queries, therefore they all have to import.



(Figure 5.1)

\*This treemap shows the share of countries that Import building stone. 2018-2019

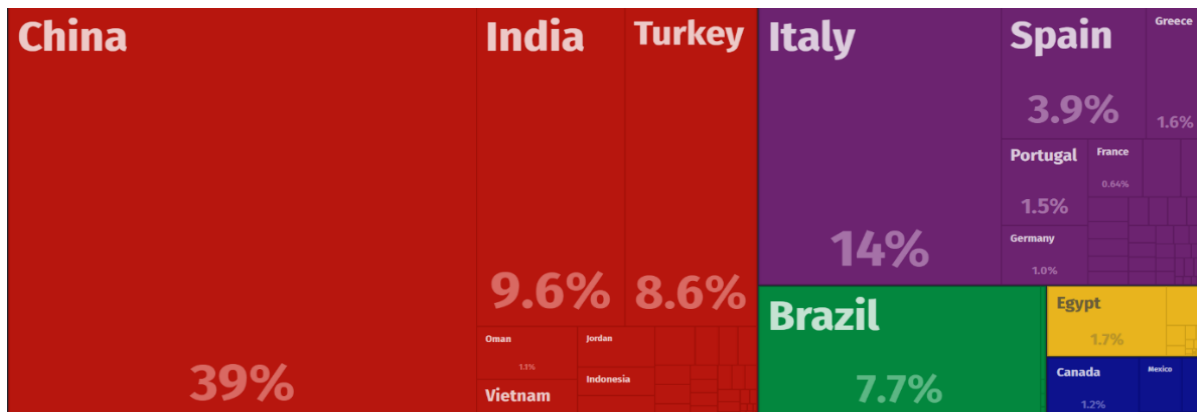
\* Source: OEC (observatory of Economic Complexity), the world's leading visualization engine for international trade data

	Imported Value	Global Percent
<b>Portugal</b>	\$ 9.17 M	0.29%
<b>United Arab Emirates</b>	\$107 M	3.37%

(Table 5.1)

Observing the above treemap shows that 10% of the global importation of stones, belongs to three gulf countries (Saudi Arabia, United Arab Emirates, Qatar) with a total imported value of \$330million.

In terms of exportation, without any doubt, China is a leading country in terms of exportation of stones worldwide, while Portugal's importation rate is around 1.5% annual.



(Figure 5.2)

\*This treemap shows the share of countries that export building stone. 2018-2019

\* Source: OEC (observatory of Economic Complexity), the world's leading visualization engine for international trade data [8]

In general, Portugal stone-industry companies are focused more on their export materials other than import. Since Portugal have their unique type of stones, therefore they prefer to market on their materials. During my visit to some Portuguese factories in Evora city, I got to know that only a few factories have imported materials, and they were mostly imported from

Italy, but not necessarily Italian marbles. Overall, there is not much demand for imported materials in Portugal. The most popular imported stone in Portugal is Chinese granite, it's mainly because of its low price.

## **5.2 Supply and Demand**

Stone is one of the oldest and most widely used materials in building and construction. As a material, stone has always played an important role in construction and architecture. Therefore, there has always been a supply and demand when it comes to construction. A country with more construction will definitely have more demands.

GCC countries are improving more than ever. Their economic growth during the last decade allowed them to build their countries. Stadiums, hotels, apartments, towers are some of the few constructions which take place in countries such as Qatar, U.A.E, and Saudi Arabia. An advantage to the stone industry is that none of these countries have marble queries. Therefore, to build these structures, they need to import raw materials, and it creates a huge demand in the market.

## **5.3 Country Evaluation**

### **➤ Portugal**

Located in the south of Europe, bordering Spain, with roughly an estimated 10.3 million populations. It is one of the top countries for tourists, a place with a huge history behind with lots of attractions. Estimated about 7.7 million visitors per year which plays a big role in the economic aspect.

Based on the Organisation for Economic Cooperation and Development known as OECD better life index, some of the important factors which need to know about Portugal are as follow:



(Figure 5.3) [9]

The above chart compares the general life aspects of 40 different countries. From the united states, Mexico, to South Africa, Europe, and even Korea. According to the above chart, based on the OCED study, Portugal ranks above the average in the following categories:

- Housing (It's not about the cost, but more about the quality of living, a place that offers comfort, safety, and privacy, somewhere they can raise a family. All of these elements help makes a house a home.)
- work-life balance
- personal security
- environmental quality

Portugal stands below average in:

- income



- wealth
- health status
- social connections
- civic engagement
- education and skills

We need to know that it is all subjective of well-being, jobs, and earnings. Moreover, we need to consider that the chart is calculated only among 40 random countries, therefore it is not very accurate, but we can get an idea of how life in Portugal stands among the U.S, Asia, and most of the European countries. Another factor which we need to know is that Portugal has a 23% VAT (Value Added Tax) which is higher than in most European countries. For instance, Germany's VAT is 19%, Great Britain is 20%.

Poland	23%	200 PLN
Portugal	23%	€61.35
Romania	19%	250 RON
Slovakia	20%	€100
Slovenia	22%	€50.01
Spain	21%	€90.16
Sweden	25%	200 SEK
Switzerland	8%	300 CHF
Turkey	18%	118 TRY

\* EU VAT standard rates are set by member countries and can fluctuate. Your refund will likely be less than the rate listed above, especially if it's subject to processing fees.

(Table 5.2) [10]

Based on business news of Reuters and a recent report by the International Monetary Fund, Portugal had a net public investment of about negative 1.2 percent of GDP in 2016, putting it at the bottom of a list of 26 rich countries, including Greece, Italy, and Spain. That means it is not spending enough to offset the depreciation of state assets [11].

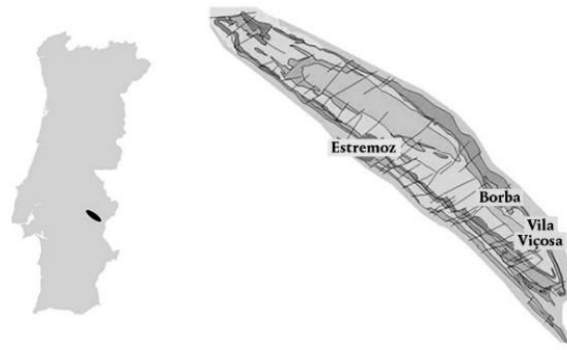
During 2017 and 2018, Properties in Portugal especially in Lisbon have raised incredibly. House prices increased by 10%, and rent prices went up by 9.3%. In Algarve, recorded the highest increase in rent prices. According to the National Statistics Institute, this council has less than 7,000 inhabitants, and prices went up by 28.4%. The average rent price per square meter went up from €4.86 to €6.24 [12].

Even though the salaries are quite low in Portugal but recently they announced that The Portuguese minimum wage in the civil service increase to 635 Euros, which is the first increase in 9 years. In 2020, the national minimum wage in Portugal remained fixed at 740.8 € per month. Accordingly, the national minimum wage has been raised 40.8 Euros per month from the previous year, 5.83% [13].

Antonio Costa, the prime minister of Portugal since 2015, already started a series of public works projects since the start of 2019, including new hospitals, a new airport for Lisbon, and extensions of the subway system in the capital and Porto. Costa also launched a tender to buy 22 new locomotives worth 168 million euros. Since the salaries in Portugal are still low, it attracts big companies to invest in their business in Portugal. Facebook, Farfetch, Amazon, and some of the other big companies are all having offices in Portugal due to the low salary of employees, and the government is having an advantage out of that with their tax charges. Also, Portugal is one of the safest places in Europe and we can clearly feel that Portugal is on change.

Studying about European countries and getting to know their advantage and disadvantage, I got to know that, VAT won't apply to the exportation of material, and Portugal is one of the top countries in Europe which is safe and the salaries are low, not to forget that they have amazing marbles and granites. Therefore, I realized that opening my own business and choosing Portugal as my base country will have a lot of advantages.

Portugal has several stone queries. From granite queries located in Pedras Salgadas (Vila Pouca de Aguiar), Sátão, Roriz and Alpendorada (Marco de Canaveses) which are near Porto, to limestone and marble queries in Estremoz Anticline, located in the Alentejo region.



(Figure5.4) Alentejo region – Estremoz

Estremoz Anticline is one of the great marble extraction sites in the world. The excellence of these stones is evidenced by their chromatic diversity and physical and mechanical properties, established by the increasingly specific demands of international markets, placing the Estremoz marble stones among the best in the world [14].

Parameter	Mean $\pm$ Standard deviation (%) <i>n</i> = 36 samples	Max. (%)	Min. (%)
SiO <sub>2</sub>	1.54 $\pm$ 1.01	4.67	0.12
Al <sub>2</sub> O <sub>3</sub>	0.61 $\pm$ 0.37	1.69	0.10
Fe <sub>2</sub> O <sub>3</sub>	0.15 $\pm$ 0.07	0.31	0.04
MnO	0.01 $\pm$ 0.01	0.04	0.01
CaO	53.85 $\pm$ 0.97	55.55	51.65
MgO	0.57 $\pm$ 0.50	2.76	0.04
Na <sub>2</sub> O	0.14 $\pm$ 0.31	1.80	0.03
K <sub>2</sub> O	0.18 $\pm$ 0.14	0.82	0.04
TiO <sub>2</sub>	0.01 $\pm$ 0.01	0.01	0.00
Loss on Ignition (LOI)	42.90 $\pm$ 0.58	43.49	41.32



(Figure 5.5). Chemical composition of Estremoz Marbles, adapted from Casal Moura et al. (2007)

At the beginning of 2014, the deepest quarry in the Estremoz Anticline was 150 m deep.

Plenty of stone fabrications in Portugal are dealing with Estremoz quarry, but only some of them have access to good qualities. Sierra Monte's list of resources have narrowed down to three main companies:

- Geoinveste - Comércio E Industria De Rochas, Sa.
- Bloco B - Mármore Inertes e Construção Lda
- Solubema - Sociedade Luso-Belga De Mármore, S.A.

### ➤ **Middle East / UAE Market**

The United Arab Emirates located in western Asia, the peninsula on the Persian Gulf, and bordering with Oman, Saudi Arabia, and Qatar. United Arab Emirates has 7 states. Abu Dhabi is the capital, Dubai is a famous city following, Al Ain, Ras Al Khaimah, Sharjah, Ajman, and Fujairah. On December 2<sup>nd</sup>, 1972 all the 7 emirates joined as one to mark the UAE's formal national day. In 2019 UAE is celebrating their 54<sup>th</sup> national day.

It is very fascinating that a country with 54 years of history has become one of the top places in the world. The tallest building with the fastest elevators, the Tallest Hotel, the largest indoor snow park, also the second-largest mall in the world by the total land area of 1,124,000 m<sup>2</sup> are some of the world records that Dubai has achieved. Moreover, World's largest acrylic panel (Aquarium) inside Dubai Mall, which is (32.88 m wide × 8.3 m high × 750 mm thick and weighing 245 tons).

According to the Guinness world record, UAE has 186 world records and the majority are shared between Dubai and Abu Dhabi [15].

In 2006, according to Gulf News, it was reported that 24% of total world construction cranes are located in Dubai itself [16]. Qatar is preparing itself for the world cup 2022. Based on wall street journal published in July 2019 [17], Qatar is the richest country per capita, following Kuwait is the 5<sup>th</sup> and U.A.E is 7<sup>th</sup>. Therefore, they have the fund to support and they want to be the best in the world.

On the other hand, when it comes to construction, they have to outsource their supply. Other than IRAN, none of the countries in the Middle East have good marble queries. Middle East countries share an economic interest distinct from their OPEC membership. These countries seek to diversify their growing economies away from oil. On a per-capita basis, they are among the wealthiest countries in the world. Together, they supply one-third of U.S. oil and own at least \$273 billion of U.S. debt [18].

Following the latest news by gulf business journal, Dubai economy grew 2.1% in the first half of 2019, which means Total gross domestic product reached \$56.7bn during the first six

months of this year, at constant prices compared to the same period last year, according to the Emirate's Media Office citing the Dubai Statistics Centre [19].

Sheikh Mohammed bin Rashid Al Maktoum, the Vice President and Prime Minister of the United Arab Emirates, and ruler of the Emirate of Dubai have plans for his country. Construction and business have been moving massively in this country, the country has grown in all aspects and it won't stop anytime soon. Not only the UAE, but the whole Middle East is influenced by the growth. Qatar, Saudi Arabia, and Kuwait are the next followers. To achieve their goals and build their city, they will need manpower, electricians, engineers, suppliers, and a lot more. Therefore, Lots of foreigners have moved to Gulf countries due to high demand.

The UAE is the home of over 200 nationalities. Locals are roughly estimated to be 20% of the total population. Which means 80% of the UAE populations are foreigners. UAE is also known as the "home of foreigners" the world's highest percentage of immigrants [20].

Operating a business in such a wealthy country could have a high profit, therefore the salaries are high and everything is expensive. On the other hand, there is a large amount of people who lives in the UAE with a minimum salary and life expectations. A low economy class of population that are mostly from India, Pakistan, Nepal, and Afghanistan are part of the big chunk of the population.

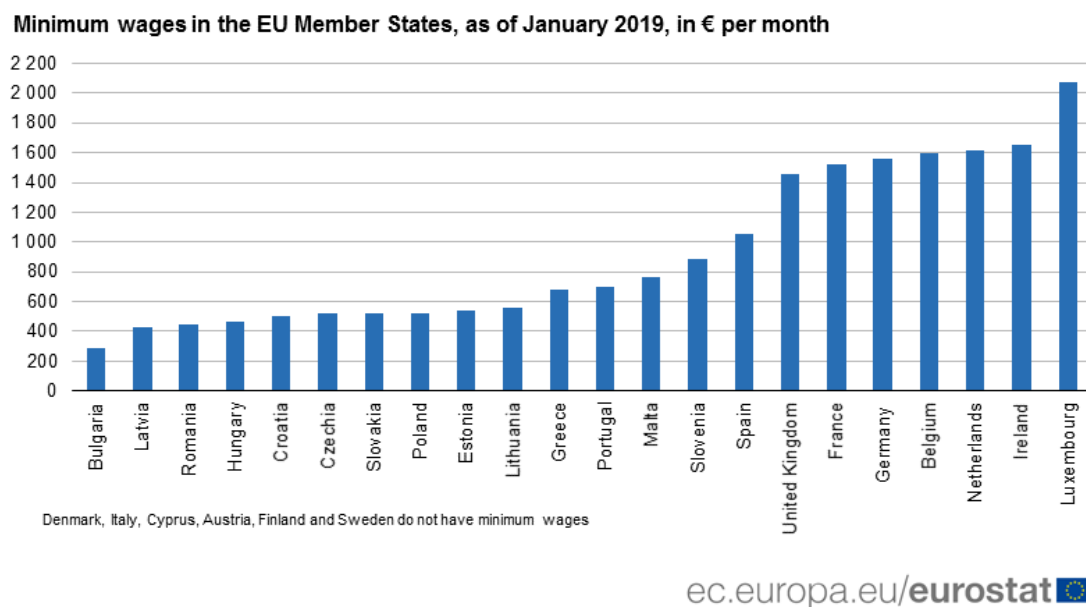
UAE does not have a minimum wage in place; which means, in most cases, employers are free to pay whatever wages they determine are fair for work that's done for them. This means that there are extremely high paying jobs in Dubai, especially in booming industries like technology and hospitality. There are also extremely low-paying jobs such as labourers and maids with a starting price of 240EUR (1000 AED) per month.

However, in 2013, the UAE Ministry of Labour approved three rules for minimum salaries for different types of workers.

1. University graduates should receive a minimum monthly salary of AED 12,000 (2924.12 EUR).
2. Skilled technicians should receive a minimum monthly salary of AED 7,000 (1705.68 EUR).
3. Skilled labourers should receive a minimum monthly salary of AED 5,000 (1218.34 EUR), as long as they have a secondary school certificate.

Even though the government sets up a couple of rules but still a lot of employees from poor countries are coming to Dubai with salaries of 240-300 EUR per month, and still, the government of UAE does not announce and set the official minimum wage.

In general UAE, especially Dubai has unique economic rules. Comparing the salaries and minimum wages in Europe (picture below), we can see that Bulgaria has the lowest wage compare to EU members, of an approximate amount of 300 Euros per month, while Luxembourg has the highest wags of more than 2000 Euros. UAE could stand below all the countries in terms of a minimum wage, but yet is the most successful and one of the richest countries per capita in the economical aspect.



(Figure 5.6) [21]

Analyzing the Middle East and the availability of marbles to import to Portugal, we realize Iranian marbles are the best choice in terms of quality and price. We have our own resources for impetrating Iranian materials. Pietra Grey marble quarry is located in Iran, Isfahan city. *Arnosh stone trading company* is our main resource when it comes to Pietra Grey marble. They are the quarry owner and also they have their own factory, therefore the final product that

they produce is quite competitive in the market. Based on the reputation and trust between both companies, we can purchase the materials with short term credit, which creates a big advantage.

#### **5.4 Porter's five forces**

An analysis scheme was created by Harvard business school professor Michael E.Porter. It gives an ability for business managers to measure the level of competition within their company's industry so that they can evaluate the potential lines of business. The profitability of a business could decrease as the competition increases; therefore, this analysis is used to help the managers set their profitability expectations.

The five forces are frequently used to measure the attractiveness, competition, and profitability of an industry. It is necessary to observe porter's five forces to assess the attractiveness of the marble industry. Let us consider the opportunities and threats of each element to have a better understanding of the current market.

##### **➤ Competition in the industry –High**

The marble industry has been around for centuries. Thousands of queries around the world, lots of factories and trading companies creates a huge competition. In 2019, the biggest stone fair in Verona Italy hosted more than 1.700 exhibitors with more than 70.000 visitors; from Asian countries, Africa to the Middle East, and even the United States. In general, the marble industry is an old industry with high demand and lots of competitors from all around the world which needs to be considered.

##### **➤ Potential of new entrants into the industry –low/Medium**

Studies show that new entrants in an industry always look for new capacity and the desire to attract market share. The seriousness of the threat depends on the barriers to enter a certain industry. Harder to enter to industry, lower the competition. The loyalty of existing brands, governmental policies, or even large capital requirements are some of the barriers that industry can have.

The threat of new entrants in the stone industry can be considered as Low/medium. It requires some advanced capital investment, such as Land or Storage, machinery, labours. Also,

there is some loyalty to the existence of quarry owners. Each mountain of stone usually belongs to a certain family, and over the years it inherits by their family members. Therefore, not everyone has access to the stones directly, and there is a middle-man always involved. Moreover, the new entrant might not have the experience of how to cut the marbles or differentiate a good marble from the bad one, so it creates a competitive disadvantage right from the start.

On the other hand, it's not impossible to enter the market, there are lots of small trading companies, who only buy and sell from one end to another. They outsource their purchase and even cutting their materials from different factories, and easily enter the market, but with less power compared to the factory and quarry owners.

➤ **Power of Suppliers -Medium**

The concentration of suppliers and the availability of substitute suppliers are important factors in determining supplier power. The bargaining power of suppliers in the stone industry can be considered medium. Looking at the major inputs that stone companies require, we see that they will need the raw materials to proceed. If the price of stone blocks change, factories should change their selling price, unless the quarry owner and factory owners are the same. Sierra-Monte has also affected by the bargaining power of suppliers, since it's fully dependent on the factory price and shipping price.

➤ **Power of customers - High**

The stone industry is all about offering the right product, at the right price, to the right audience. Sierra-Monte is a Client-Base business model. It is affected by how many customers or buyers a company has, how much it would cost a company to find new customers, and how significant each customer is. It is known that at the starting of any business, there will be a high power of customer. As the company grows, the company will be more independent, and the power of customers will decrease. Due to the current pandemic situation, everything has changed. Finding the right customer for Sierra-Monte is harder than before, and because of fewer demands on the market, each customer has more power over the company.



### ➤ **Threat of Substitute products -High**

There is a high threat of substitute products, in the construction industry especially in final products. There are lots of different choices when it comes to final touches in construction. Ceramic tiles, wood, MDF sheets, and even artificial marbles with high technology, are some of the substitutes that every customer considers when it comes to purchasing. High-quality products with very competitive prices create a high threat of substitutes for the stone industry.

Finally, after analyzing the five forces of Porter; it can be concluded that the sector is relatively attractive. Based on our analysis, the power of supplier and potential of new entrants are both considered as medium and low/medium. On the other hand, due to the vast availability of materials, there is high competition in the industry, followed by the power of customers and the Threat of substitute products.

Understanding Porter's Five Forces and how they apply to an industry, can enable a company to adjust its business strategy to better use its resources to generate higher earnings for its investors. Given all the factors regarding the attractiveness of the industry, enables us to proceed to SWOT Analysis and developing a new business plan.

## **5.5 SWOT Analysis**

Identifies the crucial aspects of an organization's business environment and the strategic capability of the company (Johnson, Scholes, & Whittington, 2008). In order to study the internal environment, the strengths and weaknesses of the company are analyzed. Also, analyzing the external environment, by going through the opportunities and threats that surrounding context provides to the company.

The current situation of Covid-19 has influenced not only Sierra-Monte but also millions of other companies. A virus that primarily spreads through contact with an infected person when they cough or sneeze. It has spread around the planet, sending billions of people into lockdown. It is declared as a pandemic by the World Health Organization (WHO). By early spring, Europe had become the worst-affected region, with Italy and Spain particularly hard hit. Considering the current pandemic situation and global market, SWOT analysis is as follow:

## ➤ Strengths

### ○ Dubai Branch

Bontal trading company with more than 40 years of experience is a huge support for Sierra-Monte. One of the main key strengths of Sierra-Monte is our main branch in Dubai. 20,000 square feet of land in the Alqouz industrial area in Dubai, provides an opportunity for Sierra-Monte to use their facilities and resources. The experience and trust of our company create a big strength for our new firm.

Sierra-Monte is currently operating with minimum resources, a small office in Lisbon with two employees, most of our physical resources and human resources are located in Dubai, UAE.

It is extremely important that companies invest in human resources since the employees' well-being and motivation influences several crucial aspects, such as the productivity of the operational processes and the brand image. Reducing the cost and ability to use resources of Bontal is another advantage of Sierra-Monte.

### ○ The capability of Cost and Quality Control

Portuguese marbles are unique in the world in terms of color, texture, and quality. There is not any other country besides Portugal that has these materials. Sierra-Monte's job is to select and buy the good blocks of marble and cut them into slabs, making sure that the final price will be lower than the market price. In general, operating a factory in a city like Dubai is quite expensive, therefore, the final product in such factories will have at least a 70% margin on top to gain some profit and cover all the factory costs.

Bontal trading has agreed to sell Sierra-Monte's material without any additional factory costs. It means the price of the final product of Sierra-Monte will be much lower than the market price which can be count as one of the strengths of Sierra-Monte. Therefore, our main strength in the stone industry is the expertise for quality control and cost control that we gained over the years, to make the price and quality competitive.

## ➤ **Weaknesses**

### ○ Cash flow

Future cash flows may fall short of expectations as a consequence of changes in market variables. Each shipment from the Middle East to Europe or vice versa will take around 40-45 days. We also need to consider that each shipment might take several months to be sold. Therefore, the period, from purchasing to selling the materials, is unknown and might take several months, unless the customer on the other side is confirmed. In most Middle East countries, short-term credit is common practice, while in Portugal is not.

Therefore, in terms of importation of materials, we are able to manage our cash flow, while in exportation, materials have to be purchased fully in advance and we might face some difficulties. Overall, a long period of time and a shortage in cash flow might be one of the main negative impacts and weaknesses of a business when it comes to export.

## ➤ **Opportunities**

### ○ Nature of business

Unlike food products, marble will never get expired or damaged. It does not need any specific care and you can easily sell an item even though it has been outside under the rain and sun for several years.

### ○ Expansion Opportunity

One of the opportunities of this business is the possibility to expand. It is always recommended to start a business with the minimum risk and the lowest cost, to see how the business goes and what are the opportunities. Once, there were future opportunities, it's time to expand. Sierra-Monte is planning to expand in the following categories:

- More employees
- Working with more countries in Europe and the Middle East
- Rent/ Buy land or warehouse for keeping the stock
- Participate in international stone exhibitions
- Converting warehouse to factory

- **Business Line**

There are more than a thousand different types of stones in the world. The key opportunity is to know the suppliers of marble (factories and queries) and connect them where the demand is more. The economy of GCC countries is growing, construction is improving and the number of tourists and visitors is increasing every year. In these Developing countries, knowledge and manpower are always required to build their country. Some of the resources can be pursued through the local market and some others should be through the help of other countries.

GCC countries don't have access to good quality natural stones, and in order to build their country, they need to import natural stones. Therefore, the demand for foreign natural stones in GCC countries is very high. In general, a trade line between Europe and the Middle East can be one of the key factors of Sierra-Monte. With the right market-study and business plan, we can start a trade line and connect with gulf countries, which creates a huge opportunity for Sierra-Monte.

- **Economy Crisis**

The world economy has collapsed and more than 100 million people have become unemployed around the world. Even though it's a tragic event, but it could be an opportunity for some businesses. This tragic event is somehow similar to the recession in 2008, where a lot of companies declared bankruptcy, and a lot of employees got layoff. During these types of events, the global economy influences lots of businesses.

The stock market, real estate, and construction are some of the top entities that effects the most. Even though that number of companies have shut down during these events, but some investors see it as an opportunity. A period where demand is less, and prices have reduced, a perfect time for those who have cash in hand to invest. Thus, it creates threats as well as opportunities.

➤ **Threats**

- **Covid-19**

Coronavirus was a global threat that WHO characterized it as "pandemic". A pandemic describes an infectious disease where spreads in all countries around the world at the same

time. Swine flu in 2009 was the last pandemic which occurred and killed hundreds of thousands of people.

According to a recent journal by matt carven, every pandemic is unique, which makes predicting the repercussions of any crisis more educated guesswork than science. Simply there are not many recent examples that compare to something like COVID-19, but we can see is that the financial system suffers significant distress [22].

The pandemic situation is a new obstacle, and it will impact lots of economies. Predicting the long-term effect of this event can be very difficult. Sierra-Monte is not an exception. Real Estate, construction, and demand for marble are all like a chain connected together. A decrease in one field can lead to other sectors. Covid-19 is a very big threat to Sierra-Monte which needs to be considered.

- Competition and finding the right customer

Even though each marble in each country is unique, but at the same time, it makes it a very highly competitive market. More than a Thousand types of stones in the world with different textures and qualities create a big market.

Turkey is one of the main competitive countries in terms of exportation. They have a similar type of marbles compare to Portugal, and due to their low currency, their final material has a lower price. Moreover, because of their geographic situation, their shipping cost to the Middle East will cost less, compared to Portugal. Due to the strong competitive stone industry, marketing and finding the right customer is a dilemma and could be count as one of the threats of this industry.

Expanding your connections with construction companies and attend stone exhibitions, and in general expand your marketing circle can create an opportunity, otherwise, it could be hard to survive in the market.



## 6. Marketing Plan

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### 6.1 Risk Analysis

Companies need to plan well with specific objectives and real ways of achieving and evaluating them, to pursue their main goals. It is very crucial to define which market the entrepreneur wants to target, and what are the obstacles that might face. The strategy is to analyze the main values, type of customers, and the resources that the company might have. Furthermore, study the sales strategy and market forecast with all the possible risks.

Risk analysis is implemented to analyze and process the potential issues that could negatively impact a business. Susanne Madsen, author of *“the project management coaching workbook”* suggested following several simple steps to implement risk analysis [23].

Step 1: Brainstorm all the possible risks	Step 4: capture the risk response.
Step 2: Analyse the risks.	Step 5: assign the owner.
Step 3: Determine the probability and impact.	Step 6: Monitor and communicate risks

(Table 6.1)

Focusing only on imported marbles from Iran to Portugal will create risks for the firm. The sales margin of imported materials is much lower than the exported ones. In other words, the net profit of exportation is about 45% of the total cost, while in importation it is about 15%. Moreover, since Sierra-Monte is new to the Portugal market, and doesn't have enough space to stock the imported products, finding the right customer and selling them will be difficult.

As a result, we need to minimize our risks and focus on exportation only, until Sierra-Monte expands its trust and reputation within Portuguese companies.

## 6.2 Customer Relationships

Due to the high competition in the market, customer relationship is one of the most important factors in this business field. Creating trust among customers and the company is one of the high priorities. Making sure that the customer feels safe to start a business with your company, and he/she can get what they are promised.

Other than customers, the relation between the employees and staff of other related companies such as the shipping company and other marble factory members needs to be considered. As an example during my first purchase of marble from Portugal to Dubai, I was treated very well, they send me several emails with the updated products and even invited me for a lunch, just to create a relationship and trust.

*“Your most unhappy customers are your greatest source of learning.” —Bill Gates.*

## 6.3 Customer Segments

There are two types of customers for Sierra-Monte. One type of customer is related to the importation of goods; and another type of customer is related to exportation.

### ➤ **Importation**

Delivering Blocks of stone from Iran to Portugal or other European countries will be only interested in factory owners or stone traders. Since the imported stones are raw materials, it needs a set of fabrication procedure, therefore Factory owners and stone traders are the only types of customers who will be interested in these types of materials. These types of customers are the experts, and in order to interact with them, you need to have full knowledge about the product size, dimension, and quality. Some of the potential customers that will be interested in imported materials in Portugal are:

- *Dimpomar Rocchas portuguesas, Limitada.*
- *Bloco B — Mármore Inertes e Construção Lda*
- *Mármore Galvão - Eduardo Galvão Jorge & Filhos S.A.*
- *Tons de Pedra Lda.*



## ➤ **Exportation**

Gulf countries are the main target customers in terms of the exportation of materials. Based on our trust and reputation in the United Arab Emirates; we got the opportunity to build an entity with trustful customers. These customers know us either directly or through the recommendation of other companies. There are a variety types of customers which could be considered as our customer segments:

• Architectures	• property managers
• Designers	• procurement manager
• project managers	• factory owners
• Construction managers	• etc.

(Table 6.2)

In general, since the exported materials are polished slabs, whoever works in a construction field could be pointed as a potential customer.

### **6.4 Target market and forecast**

Due to market study and the current supply and demand in the market, Sierra-Monte is targeting GCC countries. Since the sister company is operating in Dubai, It's a good opportunity to target Middle East countries. Starting with countries such as U.A.E and Qatar, and expanding to Kuwait, Saudi Arabia, and Bahrain as our main target market.

According to Stonenews, during 2019, Portugal managed to export marble blocks and slabs of 39.14 million euros worth as well as finished marble products of 70.54 million euros. The table below shows the percentage of growth in marble blocks and finished products in 2018-2019.

### Portugal's Marble Products Exports January - December 2018 - 2019 Growth %

	Marble Blocks and Slabs		Finished Marble Products	
	Value	Quantity	Value	Quantity
<b>Total</b>	26,93	47,67	<b>-4,43</b>	6,63
<b>January</b>	12,85	59,50	<b>-4,29</b>	<b>-3,43</b>
<b>February</b>	67,42	113,15	0,29	<b>-10,30</b>
<b>March</b>	73,64	78,88	<b>-18,53</b>	<b>-17,45</b>
<b>April</b>	50,09	84,14	<b>-0,55</b>	7,40
<b>May</b>	19,12	81,17	5,14	11,74
<b>June</b>	33,87	30,47	<b>-9,37</b>	21,30
<b>July</b>	63,59	100,89	<b>-1,65</b>	<b>-0,44</b>
<b>August</b>	<b>-1,44</b>	42,22	9,12	9,48
<b>September</b>	18,49	59,86	<b>-8,14</b>	<b>-2,41</b>
<b>October</b>	11,52	<b>-0,71</b>	2,81	<b>-1,84</b>
<b>November</b>	<b>-19,08</b>	<b>-21,27</b>	<b>-17,24</b>	23,08
<b>December</b>	15,55	<b>-22,48</b>	<b>-6,33</b>	48,19

Source: Eurostat, Stonenews.eu

(Figure 6.1)

The study from Eurostat and Stone news shows that the total value and the quantity of raw materials that have been exported are both growths massively compared to last year's same period of time. On the other hand, not the value but the amount of finished materials that have been exported has also increased by 6,63 %. Following the studies above, it shows that the Portugal stone market is an old industry which has been improved a lot recently. Other than Italy and Spain, Portugal's market is improving worldwide.

Due to the recent global situation is known as COVID-19, Portugal has announced the state of emergency, which means the whole country will be locked down. All the companies will be closed except supermarkets, groceries, and pharmacies. This tragedy has influenced the whole global businesses. The stock market and price of oil have dropped massively.

The global shock has interfered with all sorts of businesses and it's not excluded from the marble industry. The current situation will reduce the import and exportation rate of transactions in Portugal, and due to low demand and transactions, the price of materials will drop, and it could possibly be a good time for purchasing materials.

On the other hand, Iran's currency value falls to the lowest-ever rate against USD, and it creates a perfect opportunity to import marbles from Iran to Portugal. Market observers have blamed the instability of currency in Iran mainly on U.S. sanctions which have caused a

significant drop in the country's oil exports, and hence a shortage in currency income. The recent hike in the dollar's value has put the currency's gain against Rial at about 55 percent since the beginning of the current Iranian calendar year that started on March 20. It is also predicted that the currency will stay the same until the sanctions are completely removed [24].



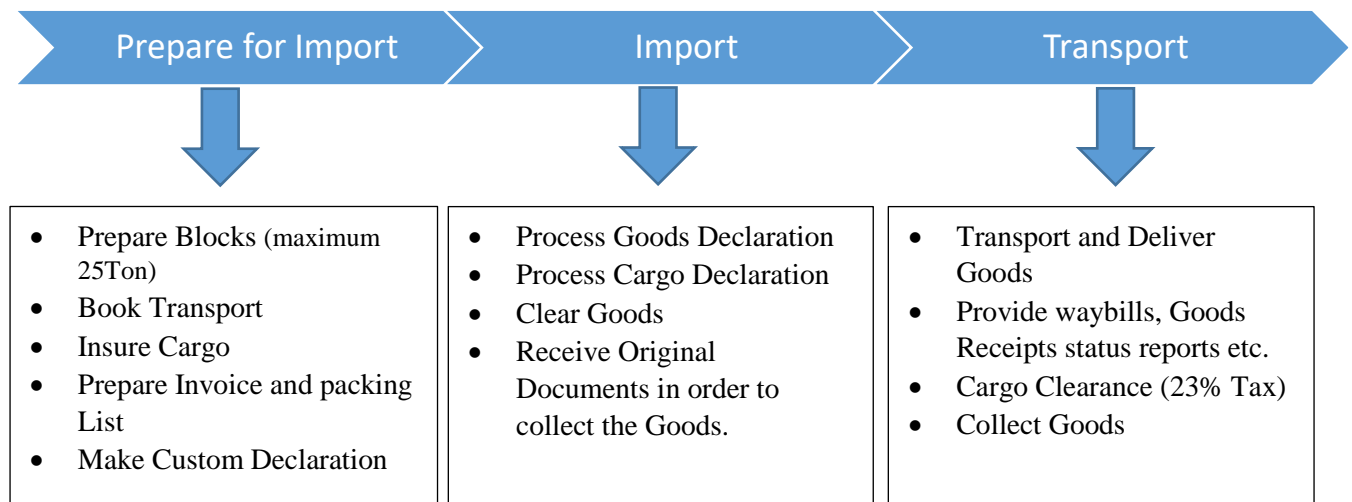
## 7. Operational Plan

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### 7.1 Activities

#### ➤ Importation of material from Middle East to Portugal

For the first phase of importation, we decided to focus on one type of material only. A specific type of marble known as Pietra Grey. This item has an advantage in terms of quality and price, and they are what they call “fast going materials”. In other words, they are easy to sell. The second phase of importation will be more focused on the onyx stone. Onyx is a type of material which are usually more expensive and more precious. Therefore, they might have a better margin but higher risk to sell them.



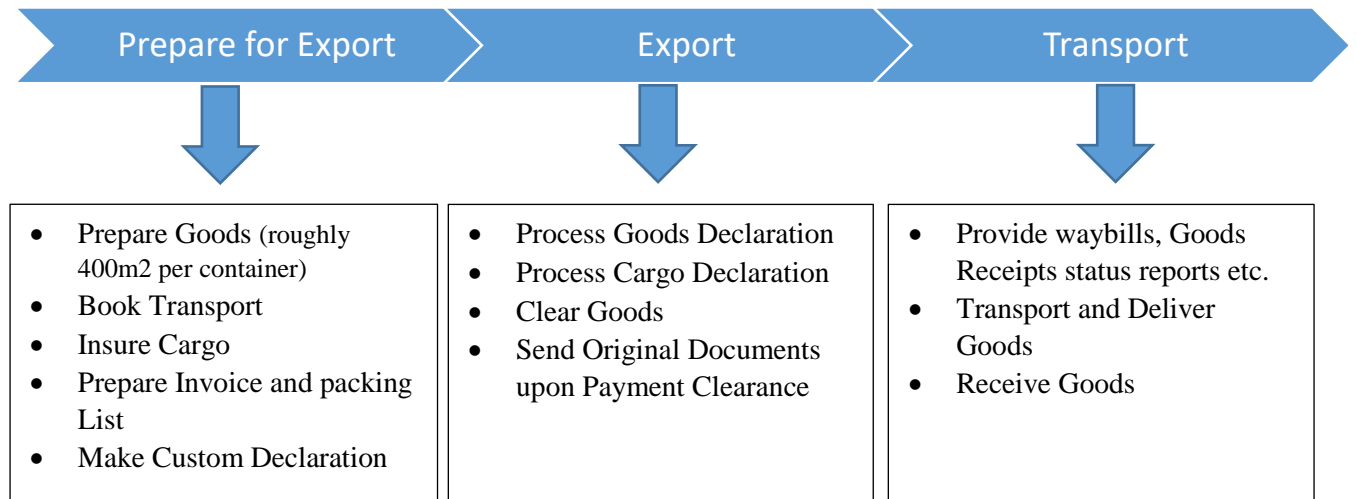
(Figure 7.1)

#### ➤ Exportation of finished materials to GCC countries especially Dubai

Basically, exporting material from its origin country to Gulf countries. For instance, exporting *Blue Lagoon* which is originally from Estremoz, Portugal to UAE; or *Crema Marfil* from Spain to Qatar. In general, this line of business required a lot of traveling and good resources, to be certain that the material that has been purchased is good quality at a reasonable price.

We are planning to invest more in the business as we grow. Increase the number of exported materials, and for the second phase, investment in a warehouse or yard to stock the

materials and some machinery that can be added to the assets, to be able to produce cut-to-size ordered materials.



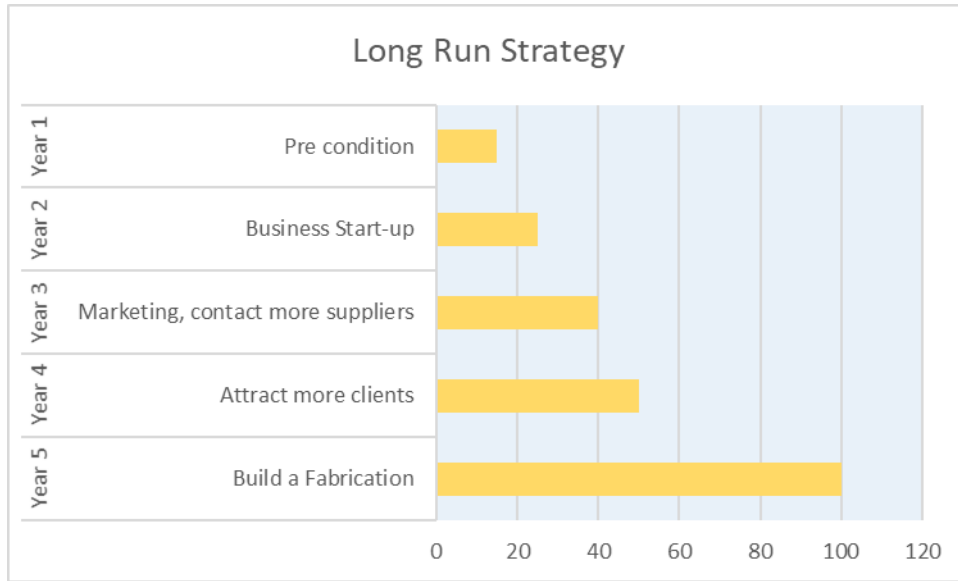
(Figure 7.2)

## 7.2 Long Run Strategy

Cost leadership strategy is identified as the strategy that Sierra-Monte needs to lead the organization to success. We are planning to increase the profit by reducing costs while charging market-average prices.

Cost leadership strategy applies to the importation and exportation of Sierra-Monte. Following the same strategy, Sierra-Monte is obliged to keep the prices below the market and make sure the final price of the imported or exported product will be reasonably lower compared to the market. It is also very crucial to keep the quality high and not to lose the quality over the price.

As an operational plan in the stone industry, it is always good to expand. The long-run strategy of Sierra-Monte is to establish a factory with high technology machinery to start a fabrication line where blocks of local and imported stones get cut and packed and get ready for export. Establishing a factory with a good amount of employees and machinery will decrease the cost of finished materials a long-run strategy.



(Figure 7.3)

\* Year 1: a precondition to open a company. Rules and regulations.

\* Year 2: Sart a company and start trading.

\* Year 3: marketing on suppliers and customers in Portugal and UAE.

\* Year 4: increasing sales by expanding our marketing trading to other countries.

\* Year 5: start a new fabrication line/ new branch/ in Portugal

Bontal group has decided that for the long run strategy; the exportation of Sierra-Monte has less risk and more advantages than importing materials. In a sense that, in order to sell the import materials from Iran to Portugal, Sierra-Monte needs to be well known in the Portugal market and build a circle of trust and reputation among Portuguese companies. Also, a warehouse or an open area is required to stock the imported materials. In conclusion, we have decided that we will start the importation from the fifth year onwards, and meanwhile focus on exporting marbles.





## 8. Management Team

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### 8.1 Key partners

A partnership is the network of suppliers and partners that makes the business model work. It is often used for three main purposes:

- To optimize the business model
- To reduce the Risk
- To gain more resources

Kevin o'leary, a successful businessman on his latest book called "*Cold hard truth*" explains the anatomy of a perfect team. "Your business is going to suffer if you don't have the perfect team, you need the strongest people to be competitive in the market. If you are missing any of these important players, or if you have got them and they are underperforming, you need to search for another team." (O'Leary, 2011, p.84)

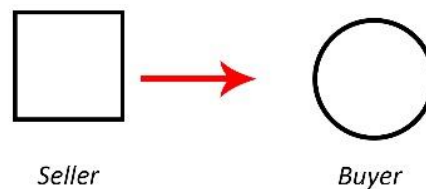
o'leary emphasize the importance of partnership; Furthermore, he simplified the perfect team, which involves: The business partner, The number expert, The second Thinker, The efficiency Expert, and finally, The home Team Leader.

Sierra-Monte is created based on the partnership model. A new branch in Europe where both parties can make advantages out of that. Both parties are able to have access to more resources and customers. On one hand, Bontal Company in Dubai can have direct access to European materials with the best quality and price, on the other hand, Sierra-Monte can use their potential customers.

On the whole, psychologically clients can feel safer and more trusted when a company is big and have couple of branches around the world. Based on an agreement between Sierra-Monte and our branch in Dubai; Sierra-Monte can trade and sell their materials independently without any additional charges in UAE, and on the other hand, Bontal trading can order and buy materials from Europe with the lowest possible margin.

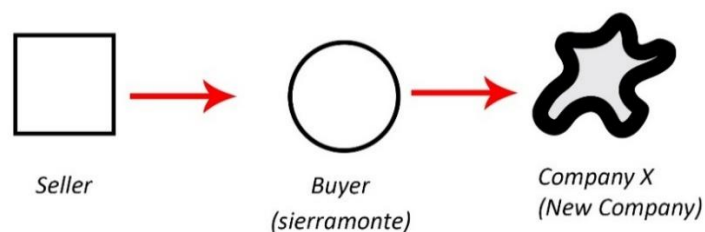
## 8.2 Channels

Transfer and sending marble blocks or tiles from one country to another required a container. Shipping companies are in charge of arranging a container and send it overseas to the desired destination. They are between the seller and the final customer. In other words, they make sure that the material is safe and fulfilled its payment until it reaches the final customer. A simple procedure refers to two entities, where a seller directly deals with the buyer (below picture). In this type of deal, the shipping company simply loads the materials from the seller and send it to the buyer.



(Figure 8.1)

Sierra-Monte acts as a buyer, also known as a trader (below picture). An entity between the seller and the new buyer (company x). We transport our materials through sea freight shipping companies, from one country to another. ETA (Estimated Time of Arrival) of each shipment from Portugal to UAE is about 35-40 days.



(Figure 8.2)

The procedure of Sierra-Monte works as the following:

The first step is to order a container from a shipping company. Once it is booked, they will send you a booking number, a date to pick up, and a delivery date.

1) The empty container will be transferred from the nearest seaport to the desired location (marble factory).

2) The seller will load the materials.

3) Meanwhile, an Invoice and Packing list prepared by Sierra-Monte for company x (new company) which is the materials in the container, needs to be submitted by the shipping company to get a clearance letter from customs. Note that customs will not accept the container without the mentioned documents.

4) The loaded container will get sealed and handed over to the shipping company.

5) Once the container reached the destination, four documents need to be submitted by the company x, in order to be able to receive the container.

5.1. Original Invoice (with signature and stamp)

5.2. Original Packing List (With signature and stamp)

5.3. Original BL (Bill of Lading)

5.4. COO (Certificate of Origin)

Note: Original documents are kept with Sierra-Monte (buyer) as a guarantee. Once the company x fulfils their payments, these documents can be released and send to them, so that they can have their items.



## **9. Financial Analysis**

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We have analyzed the financial requirements and the possible profit, as well as tax and expenses for the first four years of the company. The company's timeline has been divided into two phases.

The first phase is dedicated to the exportation of material for 4 years of the operation. In this phase, Sierra Monte is expecting to increase the number of their exports by the end of each year continuously.

The second phase will be focus on importing marbles from Iran and establishing on fabrication line. A factory with a couple of machinery, to start a fabrication line, in order to reduce the initial cost of the materials is dedicated to the second phase of Sierra Monte. Yearly expenses of the company are also calculated in financial analysis. Salary of employees, accountants, rent, transportation, and petrol are some of the items which need to be put on consideration as yearly expenses of the company.

Since the exportation of Sierra-Monte has more profit than imported materials and we are new to Portugal market, stocking the imported materials from Iran and selling them in Portugal will be difficult, therefore we are planned to focus on exportation only and start importing once the company has grown and the customers are confirmed. The following financial analysis is based on the exportation of Sierra-Monte.

### **9.1 Capital Requirement**

We propose a capital of 250.000 €, for the first phase. Purchase of materials, cash flow, cargo, and transportation charges are all included in the capital requirement. Calculation of capital requirement depends on the type of the stone which will be exported, each container will have an average estimate of 400 square meters, with an average cost of 16.000 Euros. We have estimated 10 containers for the first year, which sums up to 160.000 euros, and 90.000 euros for cash flow and miscellaneous charges.

The second phase of investment is related to start a fabrication line. Fixed assets, machinery, office furniture, vehicles and begin with the importation of marbles are part of the calculated 800.000 Euro investment for the second phase.

Sierra-Monte is mostly focused on the first phase requirements, and making sure the company can operate well, and fulfil all customer demands. The second phase is not the priority of Sierra-Monte and it can be postponed from 5<sup>th</sup> year to 6<sup>th</sup> or 7<sup>th</sup> depending on the market situation.

Phase	Period	Capital (Euro)
First	Fist 4 years	250.000
Second	5 <sup>th</sup> year onwards	800.000

(Table 9.1)

## 9.2 Sales margin

Revenue of Sierra-Monte is basically to purchase materials in a large quantity at a low price and resell it to other countries, preferably the Middle East. There are two types of customers that Sierra-Monte have in this line of business

### ➤ **Family business company (Bontal Trading Co. L.L.C)**

Our family business has worked in the United Arab Emirates for the past 15 years. They have their own projects and inquiries. Bontal is the first and the most potential customer for Sierra-Monte as a start-up company.

### ➤ **Listed companies**

Following my personal experience and connections in the stone-industry field, I get to meet lots of companies, owners, architectures, designers, and basically construction-related entities, mostly in UAE and Qatar. Presenting the new branch of Bontal Company in Portugal can lead Sierra-Monte to a new group of customers. In overall, we believe that our stones are unique and relatively low prices compare to the Middle East market price.

The roughly estimated margin of each shipment is 46%. The cost of each material per square meter-CNF (Cost and Freight) is about 40€ per square meter, and the selling price is about 75€ per square meter. Therefore, there is enough space to play with. Importing Pietra Grey marble from Iran will have roughly 15 -20% net profit. Knowing that each block of marble will cost around 250 Euro per ton and the weight of each block could be 15-20 tons. In other words, each block will cost 4000-5000 Euro and on average it could yield around 600-1000 Euro net profit.

### **9.3 Cost structure**

The cost structure is referred to as proportions of fixed and variable costs that a business incurs. It can be defined as a product or service. In this business plan, the cost is divided into two sections of company cost and material cost.

#### **➤ Company Cost**

Opening a company and operating it in Portugal will have several charges which are as follow:

- Corporation charges

Registration charges at National Register of Legal Entities (RNPC) (IRN - Instituto de Registos e Notariado)

- Lawyer cost

It is recommended to hire a well-experienced lawyer, someone whose familiar with all the rules and regulations.

- Staff

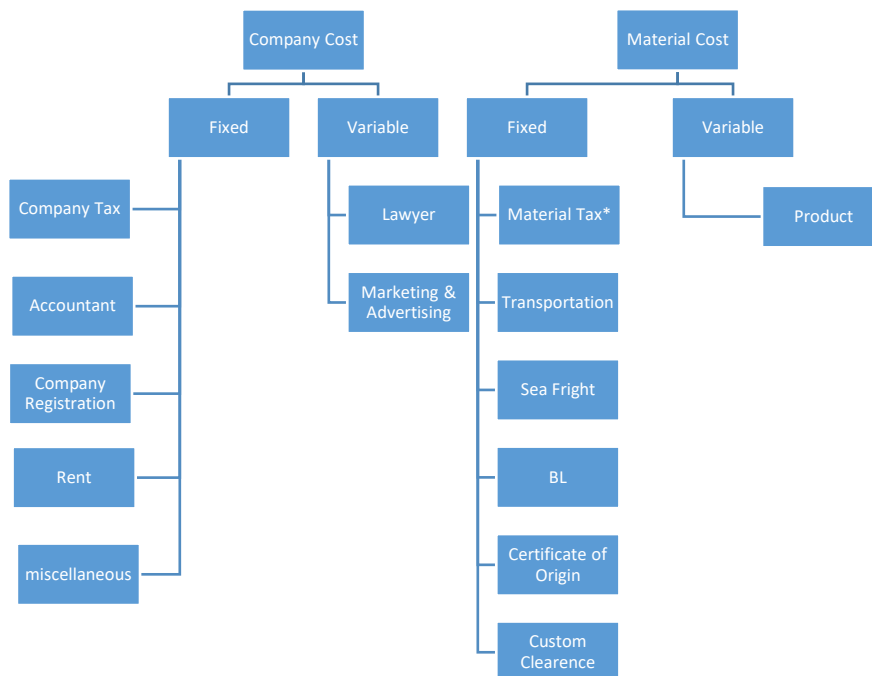
To operate a company having an accountant is necessary. In addition, salaries of employees and their social security and other related employee charges needed to be considered.

- Miscellaneous charges

Other charges include Office charges, furniture, water, transportation, fuel, and more.

➤ **Material Cost**

Importation or exportation has some variable costs and some fixed costs. For instance, Shipping which includes: transportation, sea freight, BL (Bill of Lading), COO (Certificate of Origin) are all known as fixed charges, while, the product itself depends on the type, size, quality, and quantity are variable costs.



(Figure 9.1)

\* In Exportation, material Tax does not apply, it only applies to the importation of material, which is 23%.

There are variable Payment terms for purchasing stones. Usually, when it comes to purchasing materials, factories asked for a percentage (10-30%) of advanced payment to book the material and the rest upon delivery.



## 9.4 Tax payments

VAT on exportation in Portugal does not apply. This is an advantage to us, and a positive point to be focused more on exportation. According to Portugal's income tax rate 2020 (Table 9.2), your annual income tax can start from 14% up to 48%. Due to the high annual income of Sierra-Monte, we are expecting a maximum income tax rate of 48% annually.

Annual taxable income	Portugal income tax rate
up to €7,112	14.5%
€7,113-€10,732	23%
€10,733-€20,322	28.5%
€20,323-€25,075	35%
€25,076-€39,967	37%
€39,968-€80,882	45%
€80,883+	48%

(Table 9.2)

## 9.5 Income Statement

In our financial statement, it shows how profitable our business is over the given 4 years period. This financial performance shows the revenue, minus all the expenses.

Yearly expenses such as Office rent, employee salaries, social securities, vehicles. Based on the calculation and regular expenses of the company, and also possible expansions and increase in the future rent price and the number of employees, we have increased the yearly expenses. (Refer to Annex C)

### Income Statement (in Euro)

YEAR	1st	2nd	3rd	4th
<b>Number Of Containers</b>	10	15	25	35
<b>Sales</b>	300,000.00	450,000.00	750,000.00	1,050,000.00
<b>Less : Purchase</b>	160,000.00	240,000.00	400,000.00	560,000.00
<b>Gross Profit</b>	140,000.00	210,000.00	350,000.00	490,000.00
<b>Less : Yearly Expenses</b>	30,000.00	35,000.00	42,000.00	52,000.00
<b>Net Profit Before Tax</b>	110,000.00	175,000.00	308,000.00	438,000.00
<b>Less : Income tax</b>	52,800.00	84,000.00	147,840.00	210,240.00
<b>Net Profit</b>	<b>57,200.00</b>	<b>91,000.00</b>	<b>160,160.00</b>	<b>227,760.00</b>

(Table 9.3)

In the above statement, we have calculated that each container with 400 (m2) material will be purchased at the rate of €40 and to be sold at the rate of €75 to the desired destination.

As we can see, the revenue for the first year is lower than the average for the following four years. We assume in the first year, we need to promote the company and increase the number of customers. From the second year onwards, we are expecting to expand our circle of customers and markets.

### 9.6 Cash Flow

A financial statement that measures how well a company manages its cash position and summarizes the amount of cash entering and leaving a company. Making sure that there will be always enough amount of cash in the company to continue the cycle by the end of each year.

In other words, how the company generates cash to pay its debt obligations and fund its operating expenses.

As calculated, in order to use our net profit by the end of each year, we need to consider that, each shipment will take around 40-45 days to reach the destination, and roughly estimated 2-3 months to sell the materials. In our cash flow statement, we calculate a yearly withdraw from the Net profit by the end of each period. The estimated amount of 30.000- 50.000 Euros per year, which is about an average amount of 3.000 Euros per month, is calculated for personal expenses.

**Cash Flow (in Euro)**

<b>YEAR</b>	<b>year 0</b>	<b>1st</b>	<b>2nd</b>	<b>3rd</b>	<b>4th</b>
Initial Investment	250,000.00				
Cash From Operation		57,200.00	91,000.00	160,160.00	227,760.00
Yearly Withdrawal		-30,000.00	-35,000.00	-42,000.00	-50,000.00
Net Increase In Cash		<b>27,200.00</b>	<b>56,000.00</b>	<b>118,160.00</b>	<b>177,760.00</b>
Yearly Cumulative Cash	<b>250,000.00</b>	<b>277,200.00</b>	<b>333,200.00</b>	<b>451,360.00</b>	<b>629,120.00</b>

(Table 9.4)

We predict after the fourth year of operation, Sierra-Monte will have a roughly cumulative amount of 630.000 Euros, which will be enough for an initial Investment of the second phase of the operation.

## 10. Conclusion and Implications

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Through this study, we have investigated several concepts related to the stone industry, new incorporate company and business models, as well as gained extensive knowledge regarding the Portuguese market, in particular import and export of constructional stones. A full storyline and complexity of opening a new company in Portugal, and to establish a business relationship with the Middle East and Gulf countries.

Observation of the Europe stone industry market shows that Portugal stands right after Spain and Italy; with, good resources, lots of stone production factories, and the highest technology in terms of extraction and fabrication. Marketing and promoting in the Middle East is our first concern. During the preparation of material for my thesis and doing actual business at the same time, it helped me to improve my knowledge about the nature of this business and its complexity.

This business plan intends to demonstrate the process of establishing a new company and the reasons for doing so. This company which has already been established under the name of “AfshinTale Unipessoal LDA”, intends to involve in natural stone activities in Portugal. The presence of coronavirus, which originated in China in late 2019, has already crashed lots of economies and seemingly continues its effect in years to come. As we all know, the world's economy has been suffered before, like the crisis in 1929 or more recently in 2008, but they were not as effective as the so-called “coronavirus crisis”.

The aim is to build a trade-line business between Europe and the Middle East. Importation and exportation of stones from one to another. In the current crisis, the travel and tourism industry has suffered the most. Businesses start to shut down, distributions, manufacturing parts, retailers, restaurants and cafes, and lots of other related businesses. Crash of stock market and oil price like never before, leading to a new set of economic crises which is hard to examine or predict the situation.

At this period of time, there is a lack of money or credit, and it forces the prices down including real estates and properties. Sierra-Monte is directly connected with properties and construction, and Covid-19 will affect our businesses. The new incorporate company was successful during the first transaction, but things might go slower due to the recent situations. Studying more about the market, reducing the cost, taking baby steps, and in general reducing the risks are some of the most recommended things to do during a crisis.

In summary, our major objective in this period of time is to survive the business by reducing our expenses and also slow down business activities and hopefully get ready to enter the market right after the current crisis will diminish.

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## Annexes

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### Annex A - Business Trip Research (Maromac Exhibition)

An international event in Verona Italy 25-28 September 2019. Also known as Verona fair with more than 69,000 trade operators from 154 countries and 1,650 companies from 61 countries attended the 54th edition of Marmomac.

Marmomac is the biggest and the leading global event for the natural stone industry and represents the entire supply chain, from raw material to semi-finished and finished products, from processing machinery and technologies to applications of stone in architecture and design. They host the marble sector, from machines to instrumental products, from marble abrasives to diamond tools and chemical products as well as marble blocks, slabs, and standard finished products.



Traveling to Italy, Verona for 4 days was enough to understand the global stone market. Going through different companies around the world from China to Oman and even the United States of America allows me to understand the market availability and demand. Analyzing the prices and quality of each marble gives me a huge advantage to proceed with my own company.

Maromac event was divided into 12 halls and 5 outdoor areas. Halls were dedicated to marble and stone companies and types of machinery such as cutting, polishing, extraction, and parts. The outdoor area was mostly dedicated to companies that wish to sell big blocks of marbles or very heavy machinery. Each section was divided into countries. For example,

Portugal was located in a partial area of hall No.5. and partial area No.5 which was located outside.



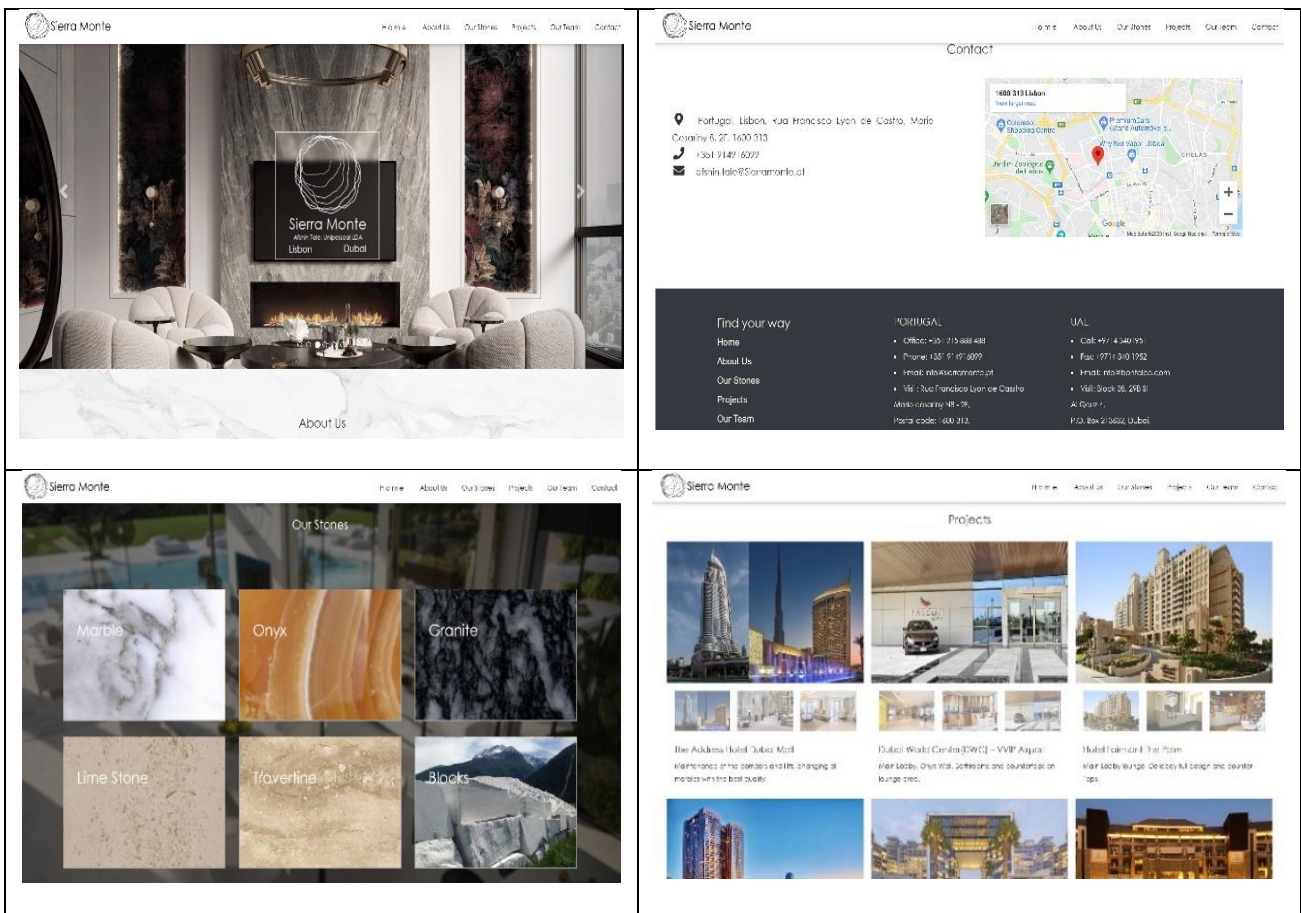
Italy, Spain, China, Greece, Iran, and Turkey were some of the other main countries that were involved in this event. The marble industry (factory and query owners) in general is a family business, a sort of business that usually runs generations after generations. This event was not an exception, in most of the companies I get to meet the father or the son of the owner, which is quite similar to my case, and it was more understandable in terms of how to generate a business from both sides.

During my 4 days stay in Verona Italy, I get to know so many Portuguese suppliers which finally leads to my first purchase. In overall, 75 registered companies in maromac 2019 were from Portugal. Some related to parts and machinery, but mostly related to final products and different queries.

## Annex B - Advertisement and marketing

A professional website is created to be more visible and accessible to the global market. All the Available stones and projects that we have done following by contact details of both companies are mentioned on the website.

www.sierramonte.pt





**Annex C - Monthly / Yearly Expenses**

**Detail Of Expenses**

SR	DESC	AMOUNT	
		MONTHLY	YEARLY
1	RENT	700.00	8,400.00
2	ACCOUNTANT	170.00	2,040.00
3	WATER	40.00	480.00
4	ELECTRICITY	54.00	648.00
5	GAS	35.00	420.00
6	PETROL	50.00	600.00
7	SALARY	1,200.00	14,400.00
8	MISC.	250.00	3,000.00
<b>Total</b>			<b>29,988.00</b>





## Annex D - New Establishment

As a foreigner, in order to start a business, a lawyer who knows all the legal terms and the procedure of how to open a company was hired. Choosing a name for the company was one of the first steps which needed to be done. Sierra-Monte was rejected due to its similarity to some other businesses, therefore they suggest to create a company by my first and last name, and keep the Sierra-Monte as a brand. They scheduled a meeting with the National Register of Legal Entities (RNPC) to open the company and create new social security and contribute number for the new firm.



(Company Card)



(Company Logo)

Afshin Tale Unipessoal opened on December 16<sup>th</sup>, 2019. A Portuguese based company focused on trading marbles. A trading line from Europe to the Middle East.



## Annex E - Official Trade

For the first official trade of Sierra-Monte, purchased roughly around 430 square meters of white and black marble slabs from two different companies in Estremoz, Portugal. During the purchase, I noticed different factories are more focused on different types of materials. For example, some factories were more focused on foreign materials, while some others were only dealing with White Estremoz. Therefore, I decided to purchase two different items from two separate factories.

Bontal Trading as the main partner, and the first client of Sierra-Monte, required a specific type of marbles with a budget of less than 50 Euro (including shipping charges). After several emails and conversations, Bontal approved the materials for purchase. All the materials were selected, packed, and put in the container.



### ➤ Purchased materials

Referência	Descrição	Cod Dest.	Qtd Ch.	Qtd.	Comp.	Larg.	Alt.	Qtd Total	Unid.	P. Unitário	Valor Liq.	TVA	
1.001.02	MARBLE POLISHED SLABS 2CM	BC189/5		3,00	2.10	1,42	0,00	8,946	M2	28,00	250,48	0	
1.001.02	MARBLE POLISHED SLABS 2CM	BC189/5		12,00	2.13	1,42	0,00	36,295	M2	28,00	1.016,27	0	
1.001.02	MARBLE POLISHED SLABS 2CM	BC189/5		3,00	2.10	1,36	0,00	8,568	M2	28,00	239,90	0	
BUNDLES: 1 NET WEIGHT: 3.500 KG GROSS WEIGHT: 3.500 KG  DELIVERY CONDITIONS: EXW FACTORY  PAYMENT CONDITIONS: FULL PAYMENT BEFORE LOAD  BAKN DETAILS  Material will be reserved for the maximum period of 4 days until confirmation is effected.													
Os artigos facturados foram colocados à disposição do adquirente nesta data. <b>Isento Artigo 14.º do CIVA (ou similar)</b>													
Incidência	Taxa	Valor do IVA	Local de Carga: N/ Instalações		Data de Carga: 08-02-2020		Hora de Saída: 15:19		Total Iliquido		1.506,66		
1.506,66	0	0,00	Viztura		Local de Descarga: Lisboa				Desconto Comercial		0,00		
										Total Líquido		1.506,66	
										Total I.V.A		0,00	
Observações:										<b>TOTAL (EURO)</b>		<b>1.506,66</b>	

(Company#1 invoice)

Tax Payer:	Customer ID:	PROFORMA INVOICE: Nº 9/2020					
Sales person	Reference	Coin	Payment Terms	Due Date	Date		
		EUR			14-01-2020		
Item #	Description	Qty.	Un.	Unit Price	Discount	Tax	Line Total
	ONE FACE POLISHED MARBLE SLABS 2cm ( Block nr 3920 - 30 slabs )	81,00	M2	33,00	0 + 0	0	2.673,00
	ONE FACE POLISHED MARBLE SLABS 2cm ( Block nr 4004 - 24 slabs )	56,64	M2	33,00	0 + 0	0	1.869,12
	ONE FACE POLISHED MARBLE SLABS 2cm ( Block nr 4002 - 34 slabs )	93,67	M2	33,00	0 + 0	0	3.091,11
	ONE FACE POLISHED MARBLE SLABS 2cm ( Block nr 3218 - 10 slabs )	27,30	M2	33,00	0 + 0	0	900,90
	ONE FACE POLISHED MARBLE SLABS 2cm ( Block nr 3956 - 31 slabs )	119,12	M2	33,00	0 + 0	0	3.930,96
Containers - 1							
- Gross Weight: 24.000,0 Kg							
- Price FOB Lisbon / Sines							
- Payment: 30% advance rest before according load							
- Isento Iva Ao abrigo do Artº 198/90 do CIVA							
Our Banking Coordinates:							
MILLENNIUM BCP							
						Processed by computer	
#	I.V.A.	%	Description	Incidência	Value	Total	Page
1			ISENTO	12.465,09		12.465,09	1/1
Total				12.465,09	0,00	12.465,09	
						Total Document	
						Gross	12.465,09
						Discount	0,00
						Total Discount	0,00%
						Sub Total	12.465,09
						Delivery	0,00
						Sales Tax	0,00
						Total	12.465,09
Observations:							
Local load:							
Local of unloading:							
Expedition:							
Fatura: Doze mil quatrocentos e sessenta e cinco Euros e nove cêntimos							

(Company #2 Invoice)

In overall, all the materials were purchased from two companies, with different qualities and rates:

Company	Item description	Quantity M2	Rate (EUR)	Total (EUR)
#1	Black Magic Marble Slab- 2cm	53.809	28	1.506 EUR
#2	Estremoz White marble slab - 2cm	377.73	33	12.465,09 EUR
<b>Total</b>				<b>13.961,09</b>

### ➤ Shipment

Going through several quotations and prices, I finally found a trusted company with a reasonable price. A shipment of 20 ft. container from Portugal, Lisbon-Sines Port to United

Arab Emirates-Jebel Ali port. Estimated Time of Arrival (ETA) was after 28 days, but due to the Coronavirus situation, the container reached Dubai after 43 days.

FACTURA ORIGINAL

<b>Morada Fiscal</b>		<b>Morada Envio</b>					
AFSHIN TALE, UNIPESSOAL LDA RUA MARIO CESARINY N°8 2°F 1600-313 LISBOA LISBOA Portugal Contribuinte N° : PT 515785806		AFSHIN TALE LDA RUA MARIO CESARINY N°8 2°F 1600-313 LISBOA LISBOA Portugal					
Código Cliente C3405	Nº Documento FA T2020 835	Data de Emissão 2020-03-02	Data de Vencimento 2020-03-03	Nº Ref. 2020/426			
Navio/Voo nº SEALAND MICHIGAN 006E E	BL/AWB nº	Origem SINES	Destino JEBEL ALI	Ref. Cliente			
Descrição	Qtd.	Valor Unitário	Valor	Cur.	Câmbio	IVA	EUR
<b>DETALHES</b>							
PROC/2020/426/TR/EXP							
1 X 20 DV							
CNTRS + CRSU 1318034+							
Frete Marítimo	1,0000	870,00	870,00	EUR	1,000000	0,00 141P	870,00
Despesas Locais	1,0000	310,00	310,00	EUR	1,000000	0,00 141P	310,00
Certificado de Origem	1,0000	65,00	65,00	EUR	1,000000	0,00 141P	65,00
<b>SUBTOTAL</b>						EUR	1.245,00
<b>TOTAL IVA</b>						EUR	0,00
<b>TOTAL</b>						EUR	1.245,00


(Shipping Company Invoice)

The invoice was based on the size of the container, final destination, and list of documents which Sierra-Monte needed:

Item No.	Item description	Rate (EUR)	Total (EUR)
1	Sea Freight	870,00	870,00
2	Local Charges	310,00	310,00
3	Certificate of Origin	65,00	65,00
<b>Total</b>			1.245,00

## ➤ Client

Bontal Trading is the main partner and the first client of Sierra-Monte. As agreed, the final invoice with an estimated 30% profit was issued to our sister company in Dubai.

<b>AFSHIN TALE Unipessoal, Lda</b> Rua Mario Cesariny nº 8 - 2ºF 1600-313 Lisboa		 <small>Afshein Tale Unipessoal LDA</small>				
		<b>Bontal Trading Co. L.L.C</b> Dubai, Alqouz3, Opposite Belhasa Car Rental P.O.BOX: 213632 Dubai UAE Emirados Árabes Unidos				
Factura <b>FT 2020/2</b>		<b>Original</b>				
<b>Data</b>	<b>Vencimento</b>	<b>V/ NIF</b>	<b>V/ Referência</b>			
2020-02-19	2020-03-19	N/D	N/D			
Código	Descrição	Preço	Qtd.	Unid.	Valor	IVA
MRB	One Face Polished Marble Slabs 2cm (Block nr 3920 - 30 slabs)	46,00	81,000	M2	3.762,00	0,00%
MRB	One Face Polished Marble Slabs 2cm (Block nr 4004 - 24 slabs)	46,00	56,640	M2	2.605,44	0,00%
MRB	One Face Polished Marble Slabs 2cm (Block nr 4002 - 34 slabs)	46,00	93,670	M2	4.308,82	0,00%
MRB	One Face Polished Marble Slabs 2cm (Block nr 3218 - 10 slabs)	46,00	27,300	M2	1.255,80	0,00%
MRB	One Face Polished Marble Slabs 2cm (Block nr 3996 - 31 slabs)	46,00	119,120	M2	5.479,55	0,00%
MRB	Black Magic Marble Polished Slabs 2cm (BC 189/5)	43,00	8,946	M2	384,67	0,00%
MRB	Black Magic Marble Polished Slabs 2cm (BC 189/5)	43,00	36,295	M2	1.560,68	0,00%
MRB	Black Magic Marble Polished Slabs 2cm (BC 189/5)	43,00	8,568	M2	368,24	0,00%
Contentor - 1 CRSU1318034 - Total Volumes - 13 bundles						
- Price CNF Jebel Ali - Gross Weight: 27.500 kgs ; Net Weight: 26.800 kgs; - Payment : 30 % advanced, 70% after Delivery						
					<b>Total Liquido</b>	<b>19.725,20</b>
					IVA	0,00
eHOR-Processado por Programa Certificado N.º 1501/AT - facturama.pt					<b>Total a Pagar</b>	<b>19.725,20 €</b>
<b>Taxa IVA</b>	<b>Incidência</b>	<b>Valor</b>				
0,00%	15 373,98	0,00	Isento Artigo 14.º do CIVA			

(Sierramonte invoice to Bontal Trading)

## ➤ Profit

The profit of Sierra-Monte for the first container was around 4,500 Euro, which can be considered as a decent amount for only one container. Bontal Trading purchased the items with a minimum margin from Sierra-Monte, and still, the deal was profitable for both parties.

Dealing with other factories in the UAE, who wants to keep the materials for their stock, 20% profit is a reasonable amount be applied. Below table is the net profit of Sierra-Monte's first container:

<b>Total Cost</b>	<b>Total sell</b>	<b>Profit</b>
15.206,09	19.725,20	4.518,11 €