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Strategic Plan: A Lisbon's creative co-living

Filipa Reimão Pinto Carmo Meirelles

Project submitted as partial requirement for the conferral of
Master's in business administration

Supervisor:

Prof. Renato Lopes da Costa, Assistant Professor,
ISCTE Business School, Department of Marketing, Strategy and Operations

Co-supervisor:

Prof. Doutor João Geraldes, ISCTE Business School

October, 2020



BUSINESS
SCHOOL

Department of Marketing, Strategy and Operations

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I would like to start by expressing my sincere gratitude to my parents for supporting me, believing in me and for giving me the opportunity and freedom to find my path on my own way. You are my role model.

I would like to dedicate my work to:

To my family, friends and my work team for all the love, support, encouragement and effort on this journey. If I can achieve anything is thanks to you;

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Abstract

The purpose of this work is to develop a strategic plan that intends to express the commercial and strategic viability of building a co-living space in Lisbon. Behind the project there is a start-up aiming to increase the awareness of co-living places as a sustainable and great accommodation service provider and as a solution for both the people and urban demographic's necessities.

In order to achieve the main goal of this strategic plan, it is firstly carried out the external analysis of the market in which the firm wants to penetrate, focusing on the external context and on the transactional environment. Followed by an analysis of the sector, as the co-living service is a branch of the Real Estate sector. As a worldwide concept, the sector must be analysed in Europe, US and Portugal. After this, it is crucial to internally analyse the firm and its competitors in order to formulate a successful strategy, based on building as most value as possible for both the firm and stakeholders.

This work was developed in Lisbon, while the author was working full time together with a team in order to bring the idea of creating the co-living place into reality. The instruments used for research were, scientific papers, firms and certificated entities reports and other papers and press articles of value. The instruments to develop the strategic plan were the business models and analysis described earlier. All the information and inputs collected in the first phase of the plan give an overview of the business idea, internally by understanding its strengths and weakness, and externally by identifying its opportunities and threats, through the study of its context, market and competitors. This is the key to build a sustainable competitive advantage.

The next phase is to formulate a strategic plan, by identifying the firm's short-term and long-term strategy, its dynamic capabilities, long-term goals, critical factors of success and finally its identity: mission, vision and values. The final chapter is focused on implementing and controlling that strategic plan, firstly by establishing the marketing mix components and resources needed and secondly by controlling the plan using the tools available. This way is possible to adjust the plan if needed and to be sure that the strategy is well implemented and effective.

Keywords: Strategy Plan; Co-living; Community; Creation; Hospitality; Real estate.

JEL classification:

M1 – Business Administration; M13; | R3; R31 | Z3; Z30

Resumo

O objectivo deste projecto é desenvolver um plano estratégico que pretenda expressar a viabilidade financeira e comercial da criação de um espaço de co-living em Lisboa. Esta ideia é a iniciativa de uma start-up, que procura dar a conhecer o conceito de co-living como uma alternativa sustentável ao modelo tradicional de acomodação, bem como a solução para problemas sociais e demográficos inerentes ao paradigma da sociedade actual.

De forma a atingir o objectivo principal do plano estratégico proposto, é necessário começar por uma análise externa ao mercado onde a empresa pretende penetrar, com foco no contexto externo e no ambiente transaccional. Após estudar o contexto, é necessário analisar o sector tanto Imobiliário, já que o co-living é um ramo deste, como o sector do próprio co-living, tanto nos Estados Unidos, na Europa e em Portugal. Depois da análise descrita, é fundamental analisar interamente a firma e os seus concorrentes, de forma a formular uma estratégia bem-sucedida, que acrescente valor tanto à própria empresa como às várias partes interessadas.

O projecto foi desenvolvido em Lisboa, enquanto a autora trabalhava a full time – em conjunto com a sua equipa– para concretizar a ideia proposta. Os instrumentos utilizados para a investigação foram documentos científicos, relatórios de empresas e de entidades certificadas e outros documentos de valor. Os instrumentos para desenvolver o plano estratégico foram os vários modelos de negócios disponíveis e a análise descrita anteriormente. Todas as informações recolhidas na primeira fase do plano concedem uma visão geral da ideia de negócio, tanto internamente, pela compreensão de seus pontos fortes e fracos, como externamente, através da identificação das suas oportunidades e ameaças. Esta é a chave para que a empresa consiga construir uma vantagem competitiva sustentável.

A fase seguinte é formular o plano estratégico, identificando a estratégia de curto e longo prazo da empresa, os seus objetivos, os factores críticos de sucesso e, finalmente, a sua identidade: missão, visão e valores. O capítulo final concentra-se na implementação e controle desse plano, em primeiro lugar, estabelecendo os componentes do ‘marketing-mix’ e os recursos necessários e, em segundo lugar, controlando o plano estabelecido anteriormente usando as ferramentas disponíveis. Desta forma, é possível ajustar o plano se necessário e assegurar que a estratégia está bem implementada e é eficaz.

Keywords: Plano Estratégico, Co-living, Comunidade; Criação; Hotelaria; Mercado Imobiliário.

JEL classification: M1 – Business Administration; M13; | R3; R31 | Z3; Z30

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1. Literature Review

In order to better understand the co-living concept and its development over the years, it is crucial to first study the industry that holds the concept, the hospitality industry. Secondly, as the business's idea is a service – is necessary to understand for whom the service will be, that is the millennial generation. Lastly, as the co-living service is a new business and there are almost no scientific papers about it, it is important to do literature review about a not as recent but very similar service – the co-working concept.

1. Hospitality Industry

Hospitality industry is one of the most complex and diverse sectors, since includes a wide range of different businesses, making it very complicated to find a definition. Bob Brotherton and Roy C. Wood defined hospitality industry as:

“compromised of commercial organizations that specialize in providing accommodation and/or food, and/or drink through a voluntary human exchange, which is contemporaneous in nature and undertaken to enhance the mutual well-being of the parties concerned.” (Lashley; Morrison, 2002).

This approach to the industry formed the three-domain approach, which covers the social, private and the commercial domains. This approach is followed by some and hated by others, because it excludes essential features that should be associated with the hospitality industry, since this activity is far more than renting rooms and selling meals and drinks, but to identify and supply facilities to meet the massive growth of demand. (Slattery, 2002).

The hospitality industry has been discussed several times, since there are significant structural differences, such economic, legal and financial, between the presence of the industry in the different countries (Jones,1999). Slattery and Johnson (1993) have suggested that the structure of a country's economy is linked with its infrastructure of the hospitality industry.

Hospitality operations management can be divided into two levels, the firm level at which strategic operations take place, and at unit level. Both frameworks are a huge help to map current issues, develop a plan and prioritize possible future outcomes. At the firm level, Jones (1999) developed a framework suggesting strategic operations could be covered in seven activities.

These are: location, integration, affiliation, configuration, organization, implementation and adaptation.

The increasing connectivity between world economies and the removal of trade and travel barriers are one of the consequences of the globalization, that shaped and transformed the hospitality industry (Bharwani, Sonia and Butt, 2012). In fact, this industry is one of the most growing sectors, evidenced by being more than a third of the total global services trade (ILO, 2010) and because, according to UNWTO (2011), tourism contributes to 5% of the world global gross domestic product (GDP).

The hospitality industry, because it is part a service sector, is considered to be a human *resource-centric industry*, making it an extremely dependent on employees, that have an essential role on delivering the best service possible (Bharwani, Sonia and Butt, Neetu, 2012). In fact, this ability of human factor to deliver service is emerging as a key source of competitive advantage in this sector world-wide (Baum etc al, 1997; Bharwani and Jauhari, 2011). Indeed, employees are considered “key determinants of service quality, customer satisfaction and loyalty, competitive advantage and organizational performance” (Kusluvan *et al*, 2010).

Other factor that have been changing across the time, is how economic value is perceived in this sector. Experiences have been emerged as one of the main reasons to increase economic value (Pine and Gilmore, 1998) that can provide emotional reactions far more valuable than functional value (Schmitt, 1999). In this context, businesses are making efforts to “engage experiences in order to create life-time memories for their guests” (Bharwani, Sonia and Butt, Neetu, 2012). In fact, hospitality industry is becoming all about focusing on experiences and customers-centric in order to satisfy the needs of the contemporary customers (Knutson *et al.*, 2006).

2. Millennials

The birth years that define the Millennial generation are not precise, as there is no universally accepted definition, but it does correspond roughly to the beginning of the 1980s until the end of the 1990s (Levenson, 2010). This generation as always got a lot of different contradictory labels, starting from a “frugal generation” (O’Connell, 2015), the “go-nowhere” generation (Buchholz & Buchholz, 2012), the “connected tech-savvy millennials” (Circella, Giovanni *et*

al, 2016), to a generation more focused on a “purpose-driven life to impact society and create a better tomorrow” (Guay, 2015).

This generation have been the theme of several studies in the fields of psychology, social sciences and marketing; however, it still exists many confusing information available. Researchers had been eager to better investigate about the behaviour and characteristics of this generation comparing to the previous ones and to better understand the impact of the current social, economic and technological factors.

As a starting point, it's important to understand that life cycle differences are often confused by generational differences between individuals. The challenge is to differentiate normal life cycles in attitudes and decisions that mainly are the same in each generation, from those that are implicitly different (Levenson, Alec R. 2010). The other big challenge on this theme, is that exists a huge lack of information that makes it complicated the comparison between generations. There are several reasons, starting by the differences between surveys that each generation did, that do not cover a lot of important issues as personal attitudes and preferences, and the arise of technology and social media. All of these make it very hard to reach a reliable and veridic conclusion (Levenson, Alec R. 2010, Garikapati *et al*, 2016). Even so, researchers got some facts.

In terms of instruction, millennials are highly educated compared to previous generations, as the college attendance has nearly doubled in the past thirty years and have about twice the college credentials. However, the education's cost has risen faster than inflation, making a lot of graduates entering in the labour market with more debt than previous generations. In addition, it is the first time ever that a generation faces that much international competition and have so many chances to migrate within the company (Levenson, 2010).

Millennials' lifestyle is one of the main points that differentiates them regarding last generations (as suggested in several marketing and consumers' behaviour studies of Costanza et al. 2012; Twenge & Campbell, 2012) and those seems to specially affect travel patterns such as car ownership and time spent driving, which can bring tangible benefits in terms of energy consumption and emissions. Also, some surveys indicate that millennials are redefining the urban landscape because of their preference to live in urban environments (Nielsen, 2014). This

generation prefer on-demand shared-mobility services as Uber, rent accommodation as Airbnb and stream their music with Spotify (Garikapati *et al.*, 2016).

Millennials tend to postpone lifecycle milestones as marriage and family creation (Furstenberg, 2010; Lamberti, 2015) comparing to previous generations. In 2014, the median age for the first marriage was 27 for woman and 29 for men, which is very different from 1960, when it was 20 and 22, respectively. For example, in 2014, only 28% of 18 to 33-year olds were married compared to 38% in 1998 (Pew Research Center 2014). Other trend is also the increase of young adults living in their parents' home after graduating college, due to their lack of financial possibilities – that can be explained by student debt and the huge gap between income and cost of housing (Levenson, Alec R. 2010). Garikapati *et al.* (2016) analysed the millennials generation by separating them into “young” and “old” millennials and conclude that the older ones did the expected transactions as Gen X did with the same age. However, there is not clear that the younger ones will do the same, as they have much more differentiated lifestyles since the technological service-based application only started in 1990s.

Millennials are considered much more adventurous and constantly seeking for overseas travel experiences (Machado, 2014). Also, are very adaptable to changes in economy and new technologies, very open to sharing economy and heavy users of information communication technology (ICT) devices and social media (Blumenberg *et al.* 2012; Kuhnimhof *et al.* 2012; Circella, Giovanni *et al.*, 2016). In fact, this generation is reported as less materialistic than the previous, except on smartphones and mobile devices, that have been shaping their lifestyle (Rainie, 2012), making them the first “digital natives” generation (Garikapati *et al.* 2016).

3. Co-working

It is not only the generation's lifestyle that is changing, but also the world of working. After the trouble times of economic crisis in 2008, the traditional employment in big structured companies and their 40-hours week schedule is being substituted by a new way of working, planned by smalls firms, big organizations and for the first time, independent individuals, by the rise of outsourcing (Schuermann, 2014; Waber *et al.*, 2014, Andrej Rus & Marko Orel, 2015).

This new way of working originated a new concept, which is normally called a co-working space, and it “refers to the co-localization of a group of individuals with more or less heterogeneous backgrounds in the same work environment” (Spinuzzi 2012; Parrino, 2013). As a spatial

solution, co-working spaces do not look like traditional offices but rather transparent, open playful spaces (Van Mel and Vos, 2001), with various settings that allow concentrative work, collaboration and social activities (Laing, 2013).

The co-working space concept was created by several economic and social aspects, such as the information and communication technology's (ICT) propagation, the deployment in economic life and the new generation's lifestyle and needs. The main drivers are this new way of working focused on work-life balanced, flexibility, the new collaborative rather than competition mindset, mobility, economic efficiency and sustainability (Joroff, 2002). This concept is considered to be "a response to today's knowledge-based economy, which require skills such as creativity, critical thinking, problem solving, communication and collaboration" (van Meel, Martens, and van Ree 2010; Bilandzic and Foth 2013).

Co-working concept started to target the independent creative workers that were tired from the distractions of working in cafes and isolation from their homes (Jones et al, 2009). After that, the target increased to the creative class and mobile workers such as freelancers, start-up entrepreneurs, small business owners or even "regular" employees that choose to work in a creative class environment (Spinuzzi 2012; Laing 2013; Parrino 2013; Caulkin, 2015).

What makes these spaces so successful are the values and atmosphere that defines them, the energetic community of sharing and collaboration, the access to knowledge and business development opportunities, and a productive and proactive atmosphere (Andrej Rus & Marko Orel, 2015). Co-working is now present in many countries across all continents and it is growing in a very surprising good, almost doubling in number each year (King and Ockels, 2014).

2. Business Idea

Co-living had its origins in the Danish cohousing concept of the 60's, and gradually adapted to the current times. A co-living is a place where one can sleep, work and live a lifestyle set on convenience, comfort, community and sustainability - where collaboration, open-mindedness and tolerance are the essence.

The original concept emerged as an alternative to the traditional housing model and consequently to the lack of community sense of belonging felt by some families. It then developed

into an intentionally raised community of private homes, clustered around areas of communal space. Each private home had traditional amenities, including a private kitchen. The shared spaces were typically included in a common building, which could have a large kitchen and dining area, laundry and recreational spaces. Shared outdoor space was also considered in the form of green areas such as walkways, gardens and other open leisure spaces. The Danish term *bofællesskab* (living community) was later introduced to North America as cohousing by two American architects, Kathryn McCamant and Charles Durrett, who visited several cohousing communities and wrote a book about it in 1988 – “Co-housing: A contemporary approach”. The first community in the United States to be designed, constructed and used specifically for cohousing was *Muir Commons* in the city of Davis, California.

The sharing economy, the communal need for a sense of belonging and the increased interest of living in a more sustainable way, inspired the birth of the co-living concept as a development of the original co-housing. It has become a considerable sustainable solution, answering both the people and urban demographics necessities, revealing a surprisingly positive demand for this type of accommodation. The concept is now a huge trend emerging across the globe.

Co-living makes the greatest sense as part of the Millennial Generation - defined by values such as flexibility, sharing, and detachment of some material possessions. The advantages of living by this lifestyle are the intelligent resource management and the access to a like-minded community without losing privacy, all in a context of knowledge sharing and interchangeable experiences.

Co-living is about new experiences, finding a new home wherever and whenever one goes and living out of a suitcase or backpack for a long or short time. These facilities are designed to provide amenities and basic “hotel” services, and some host “co-livers” on a monthly or weekly basis, while others may host for long-term. Residents can vary from working professionals, entrepreneurs, freelancers, creatives, artists, digital nomads and expats looking for a “home type” of environment where they can get inspired within a creative and a like-minded community.

Inspired by this new mindset, *samesame*’s co-living idea came as an answer to this generation’s call. In addition to the basic co-living concept, there is the love for art, culture and creativity,

making it a co-living for creative people, and for all of those that want to be surrounded by that atmosphere.

Samesame is the first 100% Portuguese creative co-living in Lisbon. The architectural project was done by a team of young architects, located at Rua da Madalena 214, in Mouraria, one of the medieval quarters of Lisbon. The building has five floors, the first a co-working space called BECO, the second and third floors are shared apartments with nine bedrooms in total with big halls, to promote interaction and the community sense of belonging; the fourth and fifth floors are private apartments, such as studios, one and two-bedroom apartments with a terrace - all with Nordic furniture allusive to the 60s, individual bathrooms, fully equipped kitchens, and overlooking Lisbon's downtown.

The intention of the project is to develop into a creative block, formed by the *samesame* co-living; *Beco* – the co-working for creative industries; *Esquina* - an artist's *atelier* and gallery for displaying fine arts; *Insitu* – a chef's restaurant located at the 3rd floor of the co-living with a small terrace surrounded by a small private garden. This space will only serve organic local and seasonal ingredients.

Being created by Lisbon-born young entrepreneurs, it supplies a more in-depth local experience to its customers. *Samesame* will put Lisbon on the map for all the digital nomads, expats and others who are looking for an experience in the south of Europe.

3. Market Analysis

Contextual Environment

Contextual environment analysis has the purpose of helping to understand what factors can affect business in general both in short and long term. This concept can be divided in four distinct environments contexts: economic, political-legal, socio-cultural and technological.

Economic Context

Data published by the National Institute of Statistics (INE) revealed that GDP increased by 2,2% from 2019 (2,6% in 2018), reaching 212,3 billion euros. The quantitative indicator of private consumption accelerated in March 2019, with an acceleration of the current consumption component. However, the economic activity indicator, available at the same month,

decreased and the economic climate indicator has stabilized in April as the consumer confidence indicator did. The contribution of domestic demand to the annual change in GDP increased, reflecting a significant acceleration in investment.

In addition to this, INE also disclosed the following: in the first month of 2020, the unemployment rate was 6.7%, (6,8% in the same period in 2019 and 7.9% in 2018) and the turnover index in services showed an annual rate of change of 3.1%, lower by 0.5 percentage points than in December 2019 (3.5%). In that same month, the annual change in the Consumer Price Index (CPI) was 0.8%, a rate which was 0.4 percentage point higher than in the previous month. In 2019, the Housing Price Index (IPHab) experienced an average annual change of 9,6%, less 0,7 percentage points than in 2018.

About the housing and tourism sector and according to Turismo de Portugal; INE and Pordata, in 2019, 181 478 homes were traded, the highest record in the available series. There is a 1,6% increase compared to the previous year. The value of housing transactions amounted to 25.65€ billion in 2019, resulting in an increase of 1.5 billion€ (6.3%) compared to the previous year. Of the total value, 20.7 billion corresponded to sales of existing properties and 4.9 billion to new ones. The value of transactions carried out in the Metropolitan Area of Lisbon was close to 12.0 billion euros, 46.6% of the total. In that same year, the tourist accommodation sector registered 1.8 million guests and 4.1 million overnight stays in November 2019, corresponding to variations of + 12.5% and +7.2% respectively. Resident nights grew by 14.1% and non-resident nights by 4.2%. in that year, the total income in tourism sector increased by 10.2% (+5.8% in October) to 229.6€ million.

In the first eleven months of 2019, the overnight stays in hotels (82,9% of the total) increased by 2.2%, which is the smallest increase among the various segments of the tourist accommodation: +14.6% in local accommodation (up 14.3% of the total), and +6.8% in the rural tourism and of housing, or 2.8% of the total). So, in September 2019, there were in Lisbon 222 hotels with 41,463 beds and 18735 properties available to local accommodation with 106352 available beds. In the end of 2019, it has concluded that 14% of overnight stays were in local accommodation, which exceeded the ten million mark. Compared with the previous year, the number increased 15%, five times more than the 3.1% increase in traditional hotels. Local accommodation's income also increased by 20.6% in 2019 to over EUR 377 million. In traditional hotels, the number grew 6% to EUR 3.7 billion.

In 2018, the local accommodation establishments registered 4.0 million guests (+14.1%) and 9.3 million overnight stays (+13.9%), with the most significant increases compared with the other segments of accommodation - hotels and tourism in rural/housing. The internal market contributed 2.9 million overnight stays (+4.8%) representing 31.5% of overnight stays in this housing segment. External markets clearly predominated (68.5% share) and had 6.4 million overnight stays (+18.7%). The preferred destinations of non-residents were Lisbon (41.2% of the total nights spent by non-residents in this segment). In that same year, it was a reduction in the weight of tourists in the age group 45 to 64 and an increase in the range 0 to 24 years (29.7%, +1.0 p.p.). In 2019, Portugal received for the first time 27 million tourists and nearly 70 million overnight stays.

In January 2020, there were 3 250 718 overnights in Portugal (1 069 734 in Lisbon); in which 2 091 142 were in Hotels; 135 730 in apart-hotels and 484 222 in local accommodation. The group of 11 major local housing issuing markets (Germany, France, United Kingdom, Spain, Brazil, the Netherlands, Italy, USA, Poland, Belgium and Canada) accounted for 76.3% of non-resident overnight stays in 2018. Local accommodation establishments reached EUR 312,9 million in total income (+16,3%).

According to projections from the Economic Bulletin of the Bank of Portugal, present in the figure 1 – Portugal Bank’s projections to 2019-2020, the Portuguese economy should continue to grow in the period 2019-2021, albeit at a slightly slower pace than in recent years. According to the Euro system 's projections of December 2019, GDP growth in the euro area is expected to be 1.2% in 2019 and 1.1% in 2020, accelerating to 1.4% in 2021 and 2022. Inflation in the euro area is expected to be 1.2% in 2019, 1.1% in 2020, 1.4% in 2021 and 1.6% in 2022, according to the Euro system 's projections of December 2019.

Figure 1 – Portugal Bank’s projections to 2019-2022.

| | % do PIB 2018 | BE dezembro 2019 | | | | | BE outubro 2019 | BE junho 2019 | | |
|-------------------------------------------------------------------------------------|---------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | 2018 | 2019 ^{III} | 2020 ^{III} | 2021 ^{III} | 2022 ^{III} | 2019 ^{III} | 2019 ^{III} | 2020 ^{III} | 2021 ^{III} |
| Produto interno bruto | 100 | 2,4 | 2,0 | 1,7 | 1,6 | 1,6 | 2,0 | 1,7 | 1,6 | 1,6 |
| Consumo privado | 64,8 | 3,1 | 2,3 | 2,1 | 1,9 | 1,7 | 2,3 | 2,6 | 2,0 | 1,7 |
| Consumo público | 17,0 | 0,9 | 0,5 | 0,8 | 0,8 | 0,8 | 0,5 | 0,5 | 0,5 | 0,5 |
| Formação bruta de capital fixo | 17,6 | 5,8 | 7,3 | 5,4 | 4,8 | 4,3 | 7,2 | 8,7 | 5,8 | 5,5 |
| Procura interna | 99,9 | 3,3 | 3,1 | 2,6 | 2,2 | 2,0 | 2,9 | 3,5 | 2,3 | 2,2 |
| Exportações | 43,5 | 3,8 | 2,8 | 2,6 | 2,8 | 3,0 | 2,3 | 4,5 | 3,1 | 3,4 |
| Importações | 43,4 | 5,8 | 5,4 | 4,6 | 4,2 | 3,9 | 4,6 | 8,0 | 4,3 | 4,4 |
| Contributo para o crescimento do PIB, líquido de importações (em pp) ^{III} | | | | | | | | | | |
| Procura interna | 1,7 | 1,5 | 1,3 | 1,2 | 1,1 | 1,6 | 1,3 | 1,1 | 1,0 | |
| Exportações | 0,8 | 0,4 | 0,4 | 0,5 | 0,5 | 0,4 | 0,4 | 0,5 | 0,5 | |
| Emprego ^{III} | 2,3 | 1,0 | 0,8 | 0,4 | 0,1 | 0,9 | 1,3 | 0,8 | 0,4 | |
| Taxa de desemprego | 7,0 | 6,3 | 5,9 | 5,6 | 5,6 | 6,4 | 6,3 | 5,7 | 5,3 | |
| Balança corrente e de capital (% PIB) | 1,4 | 0,4 | 0,7 | 0,9 | 0,0 | 0,5 | 0,1 | 0,2 | 0,2 | |
| Balança de bens e serviços (% PIB) | 0,8 | -0,6 | -1,2 | -1,7 | -2,1 | -0,7 | -0,5 | -0,7 | -1,1 | |
| Índice harmonizado de preços no consumidor | 1,2 | 0,3 | 0,9 | 1,2 | 1,4 | 0,4 | 0,9 | 1,2 | 1,3 | |

Source: Banco de Portugal, 2019

Political-Legal Context

The political, tax and legal environment in Portugal has suffering a difficult path. As the entire world, also Portugal suffered from the crisis in 2011. Between that year and 2014, Portugal was under the intervention of Troika, that delineated the goals and rules that the country had to accomplish. The consequence of that was that the State lost political power and needed to reduce its spending and raise taxes, which generated a population discontent, loss of life quality, a reduce on investment, between others.

Portuguese government created numerous strategies while trying to solve that problem. One of those was the formation of several actions to boost the economy, such as a tax deduction of 20% in investment up to 5M€. In some years, the results were visible not only for the country but worldwide. People per hours start up index concluded that Lisbon is the 4th best place to start a new business and Start-up Europe partnership declared that the start-up ecosystem in Portugal is growing twice as the average in Europe. Other strategy was to focus on the tourism sector, which turn out to play a key part in the recovery from the recession, helping the country to grow from a long-term deficit. In 2013, the government, specifically the Turismo de Portugal, started to promote Portugal as a tourist destination through digital marketing's tools.

According to Turismo de Portugal, this strategy placed Portugal on the map, increasing its exposure on digital platforms: for example, in 2012 their Facebook page had 25% of international followers and in 2014 the number increased to 81%; the number of visitors at their website also increased by 92,5%, from 3.1M to 6M. In that same year, the number of tourists reached 9,3M, an increase of 12,3%. This was just the beginning, since the numbers have been increasing each year. According to the INE, in 2019 the number of non-resident tourists arriving in Portugal reached 27M, corresponding to a growth of 7,3% compared to 2018. Considering the evolution of overnight stays in recent years, it is observed that between 2014 and 2019 the overnight stays of residents increased 41.0% and those of non-residents increased 44.7%. In 2019, Lisbon recorded 13.8 million nights (19.8% of the total number of nights recorded in the country), which resulted in a 4.8% growth.

There is no legislation on the co-living sector yet, which makes it a complex situation to all the investors and players in the market. The only way to register and comply with the current legislation is to apply to a local housing allowance. The difference between a residential lease and the operation of a local accommodation establishment (under Decree-Law no. 128/2014, of

August 29) is associated with the way in which these two are operated. In the first case-residential lease - there real estate's lease (which can be temporary and holidays as the main purpose); however in the second case - local accommodation, there is a facility of accommodation services; that is, in addition to the accommodation itself, there are complementary services, such as cleaning, reception or other support services. It must be registered according to DL N°. 128/2014, otherwise it may incur punishments up to 4 000€ and a complaint's book according to DL N°. 156/2005.

The costs that both the local accommodation and traditional leasing have in common are the IMI, condominium fee, insurance and maintenance of the property. The difference is mainly in terms of operating costs. In the local accommodation the owners must pay booking commissions (charged by the international websites and which can go until 15%) and the human resources to take care of check-in moments, cleaning and laundry service and the advertisement fees. In Lisbon and Porto, the local accommodation is still an activity of self-employment or micro-entrepreneurship. According to Eduardo Miranda in November 2019, the President of the Association of local accommodation in Portugal (ALEP), at the national level 90.6% of Local Accommodation's hosts have 1 to 3 units and in Lisbon there are only 15 holders in a universe of about 8,000 who have more than 50 records.

According to the law, to be considered local accommodation service, it has to obey to these points:

1 - For all purposes, the operation of local accommodation establishment service corresponds to the exercise, or a natural or legal person, of the activity of providing accommodation services.

2- It is presumed to exist exploitation and intermediation of establishment of local accommodation when a property or a fraction of it:

(a) is advertised, made available or booked by any form, entity or medium, including on travel and tourism agencies or internet sites, as tourist accommodation or as temporary accommodation; or

b) being furnished and equipped, offered to the general public, in addition to sleeping, complementary services to the accommodation, namely cleaning or reception, for periods of less than 30 days.

3 – The assumption referred to in the previous paragraph may be waived in the general terms of law, in particular by presentation of an urban lease duly registered with the finance services.

There are several taxes to have in account. Starting by IRS (Internal Revenue Service), which local housing income falls under the category B (business and professional income). However, for the purpose of calculate the taxable income, the right category is F (property income), this taxation is made by adding the taxable income of the local accommodation to the result of income from other categories that it may exist. If Category B is chosen, the calculation of taxable income, i.e. income subject to IRS, can be calculated under the simplified scheme or organised accounting. If there is an invoicing up to 200 thousand euro per year, it is mandatory to apply organized accounting obliging to hire a certified accountant. Under the simplified scheme, taxable income is calculated by applying a coefficient. In the case of local accommodation, in the form of Housing and apartment, the applicable coefficient is 0.35. This means that only 35% of income is taxed. The remaining 65% are considered to be necessary costs for the pursuit of the activity and a portion (15%) is conditional on the presentation of expenditure and charges actually incurred.

In the case of creating an enterprise, the tax is IRC (Imposto sobre o Rendimento das Pessoas Colectivas). Other task to consider is IVA (Imposto sobre o Valor Acrescentado), in which local accommodation is subject to the reduced rate of 6%, a huge difference from the normally applied 23% IVA. Other tax to have in account is IMI (Imposto Municipal sobre Imóveis). This amount depends on the property's value and the tax charged by the respective municipality, which varies between 0.3% and 0.45%. In addition to IMI, there is also AIMI - in case of having a real estate asset with a VPT of more than 600 thousand euros (separate taxation) or 1.2 million euros (Joint Taxation). AIMI rates vary depending on the VPT (Valor Patrimonial Tributário) and by whom they are held (individuals or companies).

Lastly, there is also an important issue related to promoting properties at digital platforms such as AirBnb or Uniplaces, which is firstly the obligation to deliver the model 30 to the financial services and secondly the model 21-RFI, which must be required to the platforms. This is a request for total or partial exemption from withholding tax on commissions, under the convention to avoid double taxation between Portugal and the country where the company that manages the platform resides. In the absence of the document, withholding must be made at the rate of 25%. The process of classification of tourist enterprises is intended to assign, confirm or change the typology and category of tourist enterprises, through a set of requirements that are stipulated in the Regime Jurídico dos Empreendimentos Turísticos (RJET), or in the regulations

by typologies, which derive from it. Tourist enterprises are classified into the following categories:

- Hotel establishments: Hotels - 1 to 5 stars; Hotels - Apartment- 1 to 5 stars
- Hostels
- Tourist villages - 3 to 5 stars; Tourist apartments - 3 to 5 stars; Tourist sets (there is no star differentiation)
- Housing tourism enterprises (there is no differentiation by stars);
- Tourism projects in the countryside (there is no differentiation by stars)
- Agro-tourism (there is no differentiation by stars); Rural hotels - 3 to 5 stars
- Campsites and caravans - can choose to have no stars or, with additional requirements, 3 to 5 stars

In terms of the process of opening a co-living place or any service in this category, the business must comply with the licenses required by the City Council regarding construction works, safety, public health and all the information mentioned above.

Socio-Cultural Context

The socio-cultural situation is another crucial area to analyse when creating a strategy plan. The major characteristics that need to be analysed are demographic data, values and customs of the population, as the migratory movement that has occurred in Portugal.

Data published by INE indicate that in 2018 the resident population in Portugal was 10 276 617, down at 14,410 compared to 2017. There was a decrease of 114 288 young people (aged 0-14) and 210 778 people of working age (aged 15-64), however there was an increase of number of elderly people by 174 382 (65 and over). This result represents a negative effective growth, maintaining the trend of population decline. In 2018, 34 637 marriages were held in Portugal, 1 003 more than in 2017 (33,634). Postponing marriage is a trend that has continued over the past few decades for both sexes, being the average age at first marriage in 2018, 33.6 years for men and 32.1 years for women; 33.2 years and 31.6 years respectively in 2017.

More related to migratory movement: it is estimated that during 2018, 43 170 people entered in Portugal to reside for a period equal to or greater than 1 year (permanent immigrants), 6 351 more than in 2017. Of the total number of permanent immigrants, 20 415 were Portuguese (about 47%) and 22 755 were foreign - of these, 8 092 were nationals of another European

Union country (EU28) and 14 663 from a third country, with a significant increase in the latter type of immigrants. In 2013, 13.6% of permanent immigrants were between the ages of 0 and 14 (young people), 81.3% between the ages of 15 and 64 (working age) and 5.1% were 65 or older (elderly people). In 2018, compared to 2013 and in relative terms, an increase in the working age population of 82.6%. It is estimated that in 2018, a total of 31,600 people (31,753 in 2017) left Portugal to reside abroad for a period equal to or greater than 1 year.

According to the statistical information provided by the foreigners and borders service (SEF), in 2018, 93 154 residence documents were approved to foreigners, a significant increase compared to the previous year (+52.1%). The largest volume of residency grants was granted by Brazilian nationals (28 210), with a relative weight of 30.3% in total, followed by EU countries such as Italy, France, United Kingdom. In 2018, the largest volume of temporary visa grants was for people between the ages of 15 and 39: 11 678 (81.9% compared to the total of these visas). About the visas for residence the concessions were mostly for ages 15 to 44 years, 15 085 (74.0% of the respective total). In 2017, the most recent year for which comparable data exist, Portugal was in the fourth position in the ranking of European Union countries in relation to the proportion of foreign population that acquired nationality. That is a great sign and a proof of the Portugal conditions, as the workforce is increasing, more multi-national companies will be attract, start-ups will be lift, more investment and can boost the economy.

Technological Context

The last factor that also influence the strategy and performance of companies is the technological context in which they operate. Technological had a huge impact in almost every area of our lives, in the way we work, our productivity, the way we manufacture, the way we connect and communicate with others, the globalization and the overall life quality.

It is impossible to mention technology without mentioning internet, the fundamental instrument that connects us all. More than connecting people from all over the world, it connects companies and brands to its stakeholders worldwide. According to INE, its utilization rate is constantly rising, from 93% in 2009 to 98% in 2018 in companies with 10 or more people. In the same year, 81% of users accessed through mobile phone or smartphone and 67% of residents used or installed applications on the smartphone. The technological advance of internet allows new tools as electronic commerce and social media networks, which have transformed consumer habits, sales channels and business strategies. For example, channels as Airbnb,

booking.com, and co-living sector oriented as *Nomdx* and *Co-living.com* are now the main sales channel used to generate sales and bookings. About social media channels, it does connect companies to its stakeholders as mentioned before and creates space to build a bond between them in a much faster and efficient way. It is easier than before to get to know them, to contact directly with them, to have more accurate market insights and fulfil consumer's needs. According to INE, the percentage of companies using social media is around 94%.

As mentioned before, internet has changed people's lifestyles and working routines. Now-a-days we observe a growing trend called remote work, which is a working style that allows professionals to work outside of a traditional office environment and have the option to choose where they want to work. It can be from home, cafes, a co-working place in each country they prefer, all in the name of flexibility, technological progress and productivity. The technological sector in Portugal is growing and impacting the world. One of the first steps was hosting Web Summit, the biggest technological event worldwide, that has come to Portugal in 2016. It has such a success that Lisbon will host the summit until 2028, under a new €110 million deal, including a large-scale venue expansion to facilitate. It was estimated by the Government of Portugal that Web Summit generated more than €300 million in economic impact for the country.

According to the global accelerator Building Global Innovator (BGI), a deep tech innovation based in Lisbon with operations in Cambridge, in 2019 IT start-ups have attracted half (49.74%) of the investment made in new Portuguese companies in the last ten years. The sector was ahead of segments such as retail (20.62%), health services (12.93%) and energy and sustainability (4.11%) in attracting investment.

Transactional Environment

The transactional environment focused on a set of factors that directly influence and interact with the industry in which the company operates and the company itself. These factors and elements are designated by stakeholders, clients, suppliers and competitors.

Stakeholders

The stakeholder theory defends that a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984). They could be clients, suppliers, investors, employees, communities, regulators, environmental

associations, shareholders, among others. It is crucial to have a good relationship with stakeholders to create a successful strategy and maintain a prosperous environment. The author reinforces that “a firm should create value for all stakeholders, not just shareholders”.

Clients

Clients, or costumers, are the current and potential consumers of goods and services offered by companies that form the market. When it comes to co-living, the main costumers are the final consumers, who search for a place to live for a specific period. Most of these costumers are foreigners’ millennials, specifically digital nomads, freelancers and expats, from developed countries as USA, Australia and the majority of the countries from Europe. It is crucial to understand the choosen audience, their lifestyle, their interests, their mindset and what they are searching for, so that the firm is able to build an efficient strategy capable of accomplish the brand’s goals and offer the best service possible to satisfy our costumers’ needs.

Suppliers

A supplier is an entity, person or business that provides a product to another entity. Selecting a supplier is a key factor on every business and it’s always a challenge to rely on other business to provide a high-quality product. In the case of a co-living, there are several types of needs regarding supply as the cleaning service, insurance, kitchen equipment, management software, design, accounting, amenities providers, maintenance, laundry and companies that can provide us internet, water and electricity. Considering that the project is in Lisbon, there are several options for suppliers, which requires a deep study and analyse to choose the best one according to the same criteria: quality, pricing, reliability, responsiveness, delivery times, payment conditions, among others. To avoid a crisis, is important to have a supplier’s plan B for each type of service, so that if one of them fails would be easy to find a good quality alternative without compromising the service.

Competitors

To be able to build an effective strategy and positioning is crucial to identify and deeply analyse competition. Understand their concept, their strategy and which services they offer, which can also help to find new business opportunities.

As explained, shared living is by no means a recent phenomenon. So, while diving in research, there were found several different business models – with different scales, concepts, designs,

purposes and rules. Some are called shared living and others co-living. In one hand, shared living is mainly made of small communities that got together to create a space that could satisfy their needs, some related to loneliness and sense of belonging, some related to affordability, some related to environment and sustainable eco-systems. On the other hand, co-living business model is the one that is explained at the “business idea”, mainly created by an entity to provide a shared home to who needs it for a period in time with all the services, amenities and community oriented.

It was crucial to map all the offer and business models in order to collect insights from those who are already – or planning to – doing it. Only by deep studying their strengths, weaknesses and opportunities, the firm will be possible to build a strong and successful strategy. The areas that were decided to cover were the project’s concepts and ideals, their design and architecture, the structure and capacity, their financial and business models, their management models, community creating capacity and used tech tools. However, in this sector the focus will be on the co-living sector and main players in the market. As this is a relatively recent industry, the competition is still small even though is growing fast. In order to analyse it, the key factors defined were - orientation; location; price per month; size; concept; typology; services (easy life and home); type of events; co-working space; social media rate (Instagram and google). This data allowed to a better understanding of their business model, their service offer and the co-livers expectations from a co-living, making it possible to build a differentiation point.

They are mainly two types of co-living, the ones that promote adventure, sports and a balance between holidays and work, normally located at South America or Southwestern Asia; and the urban ones, normally located at the biggest city centres as Europe and North America. The location depends a lot on the positioning that which project wants to have and offer.

The key ingredients of the co-living sector are the people, experiences and comfort. The first point is related with a community’s creation and the dynamics that exist within, that can be built with the help of a community host and several events that boost the connection between co-livers. The experiences lay on the service that is offered, the events, the facilitation of each process, the contact with new things such as locals and places. The comfort is related with the building structure, the rooms’ decoration, and the furniture’s quality and design pieces.

The Kndrd.io company made a report about co-living industry in 2019 that covered more than 10 countries, such as UK, US, Montenegro, France, Canada, Brazil, Mexico, Germany and Portugal. Their relevant findings were that the stays have a minimum of 47 days, which means the industry offer significantly shorter-term options than traditional leasing but longer than traditional industry does and that were spent in average 22h and 285€ in marketing monthly, depending on the size of operators. Their highest demand features are SEO, channel management and private internal message, as the main booking channel is made through their own website. Finally, the study also concludes that the average time in business is 1,8 years and the oldest one has 10 years of existence, revealing how new is this model.

After a long research of worldwide co-livings, it has been concluded that there are 25 relevant ones, in which 50% are located on USA and the others mainly distributed in South America and Europe. All of them are oriented to an urban lifestyle, costs, community, travel or work, depending on their positioning and services. For a deeply research, it was chosen 12 successful worldwide co-living places that have a similar positioning as samesame. In these number, two of them are based in Lisbon. All the information above was collected by the company's websites and social media accounts.

1. Quarters

Orientation: Urban lifestyle

Mother location/ other places: Berlin / 15 cities in 14 countries

Price per month: 600-1500€; Year of birth: 2012; Size: 10K members

Concept: "We are changing the way people live together and share their lives around the globe. Beautifully designed spaces in the most vibrant cities. Spaces to live, relax, grow and play under one roof. All-in pricing."

Typology: room - private & shared / bathroom - private & shared / apartment - shared / terrace

Services: Wi-Fi; costs included; community manager; app

Home services: Fully furnished; linen & towels change; laundry service; household essentials; High end mattresses, Netflix; coffee maker.

Events: Yoga & meditation; community meals; networking; jam sessions.

Co-working place: no; IG followers/engagement: 0,49%/8,8K

2. Common

Orientation: Urban lifestyle

Mother location/ other places: NYC // 6 cities in USA

Price per month: 975-1425\$ | Year of birth: 2015 | Size: 39 homes

Concept: "Common is creating better living through convenience and community. We keep the good parts of shared housing while removing the annoyances. Common members know their neighbours, meet new people, and save money. Being a Common member means never having to worry about cleaning, moving furniture, or splitting the bill."

Typology: room - private & shared / bathroom - shared / apartment – private

Services: Wi-Fi; costs included; exclusive discounts and benefits; app

Home services: Fully furnished; weekly cleaning; home appliances; laundry service; household essentials, Netflix; coffee maker.

Events: events in general, doesn't specify;

Co-working place: no | IG followers/engagement: 0,64%/15,7K

3. Habyt

Orientation: Urban lifestyle

Mother location/ other places: Berlin // 5 cities in Europe;

Price per month: 600-900€ | Year of birth: 2017 | Size: -

Concept: "The idea behind it was born by experiencing how complex and frustrating finding a house can be. Bureaucracy, dispersed information, high set up costs and difficult flatmates."

Typology: room - private & shared / bathroom - shared / apartment – private & shared

Services: Wi-Fi; costs included; community manager; WhatsApp community service.

Home services: Fully furnished; weekly cleaning; home appliances

Events: : Yoga & meditation; motivation/networking events; social nights out

Co-working place: no | IG followers/engagement: 1,05%/ 5K

4. Outpostclub

Orientation: Urban lifestyle

Mother location/ other places: NYC / 3 cities in USA | Price per month: 1000-1400\$

Year of birth: 2016 | Size: -

Concept: "Modern co-living that fits your lifestyle."

Typology: room - private & shared / bathroom - shared / apartment – shared

Services: Costs included; security

Home services: Fully furnished; weekly cleaning; home appliances

Events: events in general, doesn't specify

Co-working place: yes, indoor | IG followers/engagement: 4%/1K

5. We Live

Orientation: Urban lifestyle

Mother location/ other places: NYC // 2 cities in USA | Price per month: 3000-4000\$

Year of birth: 2016 | Size: -

Concept: "Flexible options to fit your needs."

Typology: room - private & shared / bathroom - shared / apartment – private / gym studio

Services: Community manager; exclusive discounts; app; free tea, coffee and fruit; security.

Home services: Fully furnished; weekly cleaning; Netflix; climate control.

Events: events in general, doesn't specify

Co-working place: yes, outside (we-work) | IG followers/engagement: not available

6. Starcity

Orientation: Cost

Mother location/ other places: San Francisco // 2 cities in USA | Price per month: 2000-4000\$

Year of birth: 2016 | Size: -

Concept: "Our mission is to make cities more accessible to everyone:"

Typology: room - private & shared / bathroom - shared / apartment – private

Services: Wi-Fi; community manager-

Home services: Fully furnished; home appliances.

Events: Yoga & meditation; social nights out; weekend gateways; dance classes.

Co-working place: no | IG followers/engagement: 1,46%/ 7,4K

7. Venn

Orientation: Cost

Mother location/ other places: Brooklyn // Berlin; Tel Aviv

Price per month: 1200-3000\$ | Year of birth: 2016 | Size: -

Concept: "Venn is everything you need for better city living, all within walking distance. No-fee apartments with a transparent application process, headache-free move-in, open coworking and event spaces. All included in your rent."

Typology: room - private & shared / bathroom - shared / apartment – private & shared

Services: Wi-Fi; costs included.

Home services: Fully furnished; linen & towels change; high-end mattress; bi-weekly cleaning.

Events: Games; Suggestions around the neighbourhood; book club.

Co-working place: yes, indoor | IG followers/engagement: 2,11%/1,6K

8. A Landing Pad

Orientation: Urban lifestyle

Mother location/ other places: Barcelona

Price per month: 800-1400€ | Year of birth: 2017 | Size: 12 rooms

Concept: “A Landing Pad is a hub community for like-minded location independent professionals, Masters students, artists, remote workers visiting the wonderful city of Barcelona to work and be creative.”

Typology: room - private & shared / bathroom - private / apartment – private / terrace / rooms and apartments with balcony

Services: Wi-Fi; personalized info; WhatsApp community service; medical support; 24 line for emergencies

Home services: Fully furnished; laundry service.

Events: Yoga & meditation; motivation/networking events; social nights out.

Co-working place: yes, indoor and outdoor | IG followers/engagement: 2,46%/1K

9. The collective

Orientation: Community

Mother location/ other places: London // 2 cities in UK, one in USA |

Price per month: 2000-3000€ | Year of birth: 2010 | Size: -

Concept: "Join the global living movement. Discover co-living buildings designed to connect and inspire you, through shared spaces and experiences. We're reimagining renting so you can live your best life."

Typology: room - private & shared / bathroom - shared / apartment – private & shared / gym fitness studio

Services: Wi-Fi; costs included; community manager.

Home services: Fully furnished; weekly cleaning; household essentials, high-end mattress.

Events: Yoga & meditation; motivation/networking events; social nights out; community

meals; games; running; workshop skills, art pouring sessions.

Co-working place: yes, indoor | IG followers/engagement: 1,48%/15,5K

10. Roam

Orientation: Travel

Mother location/ other places: Miami / 5 cities, 2 USA / London, Bali, Tokyo

Price per month: 1800-4000€ | Year of birth: 2015 | Size: -

Concept: “Roam is a network of global Coliving spaces that provide everything you need to feel at home and be productive the moment you arrive. Strong, battle-tested Wi-Fi, a coworking space, chef’s kitchen and a diverse community.”

Typology: room - private & shared / bathroom – private / apartment – private / terrace

Services: Wi-Fi; costs included; exclusive discounts and benefits.

Home services: Fully furnished; bi-weekly cleaning; home appliances.

Events: events in general, doesn’t specify

Co-working place: yes, indoor and outdoor | IG followers/engagement: 2,36%/11,5K

In Lisbon:

11. Selina

Orientation: Travel

Mother location/ other places: Panama // 15 countries, 62 cities

Price per month: 400-3000€ (Lisbon) | Year of birth: 2007 // 2019 Lisbon

Size: 7500 beds all over Portugal (6 places: Lisbon, Ericeira, Peniche, Gerês, Vila Nova de Milfontes, Porto)

Concept: ““A new way to stay, explore, and co-work. Whether you’re a digital nomad, family on vacation, adventurous backpacker, or surfer looking for paradise, you’ve come to the right place. Participate in the complete ecosystem of Selina: stay, eat, work, surf, explore, and find a deeper connection with the world. Meet your tribe when you stay with Selina.””

Typology: room - private & shared / bathroom – private & shared / apartment – private & shared / terrace / bar&restaurant / swimming pool.

Services: Wi-Fi; costs included; Tea, coffee and fruit for free; personalized info.

Home services: Fully furnished; pool; outdoor cinema.

Events: Yoga & meditation; motivation/networking events; social nights out; games; wellness; jam sessions; movie nights; workshop skills; karaoke; dance classes, art pouring

sessions; open mic sessions.

Co-working place: yes | IG followers/engagement: 0,67%/ 271,4K (worldwide)

12. Outsite

Orientation: Work

Mother location/ other places: USA / 8 cities in USA; 4 South America; Bali; 4 Europe (Portugal in Lisbon and Ericeira)

Price per month: 750-1000€ (Lisbon) | Year of birth: 2015 // 2018 Lisbon

Size: 25 rooms (Lisbon)

Concept: “Coliving spaces in the places you want to be, designed for location independent lifestyles.”

Typology: room - private & shared / bathroom – private & shared / apartment – shared

Services: Wi-Fi; Community manager; exclusive discounts and benefits; security.

Home services: Fully furnished; weekly cleaning; linen and towels change; free shampoos and others; tv programming; printer; desk in room.

Events: Yoga & meditation; community meals; suggestions around the neighbourhood; games; wellness; surf sessions.

Co-working place: yes. | IG followers/engagement: 0,71%/ 37,7K (worldwide)

The first co-living place was *Ollie* in 2008, which proves one more than time that this trend is a very recent one. It’s also a common practice for each brand to have several locations, that can be different cities in the same country or cities around the world. 67% of the collected sample are in 2-5 cities. Although it is very complex to compare prices in such different locations, the average price per month of staying is 1700€ in a room, that can be shared or private. The best way to understand their success on social media platforms is to analyse their accounts and how each brand lives in digital. In a general way, by analysing their followers it was understood that 26% have less than 3K; 20% of them have between 3-5k followers and only one has more than 200K, which is Selina.

All the information collected helps the firm to understand what the target is expecting from a co-living place – the concepts that already exist, the service’s offer, the type of events organized, the established price, between others. This benchmarking will allow samesame to build an effective strategy focusing on differentiation from its competitors, not only on its service’s offer and pricing but also on its concept and identity.

4. Real Estate Sector

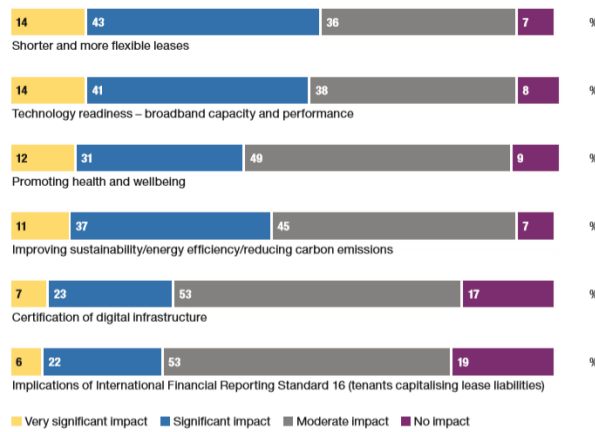
The co-living sector is a real estate's alternative sector. So, in order to better understand how it has emerged and how is its current situation, its crucial to do some research about this industry, specially in Europe.

Emerging Trends in Real Estate® Europe is a trend and forecast report in the real estate industry undertaken jointly by PwC and Urban Land Institute, which reflects the views of 885 individuals from this sector and similar. According to this 2019 report, the real estate's leaders remain optimist about their business prospects in this year, as the industry is in good health and financial discipline in stable. However, some issues are rising as the market is tough due to the very high property's valuation, the rising interest rate, the geopolitical uncertainty and demographic issues. One pan-European fund manager affirms that: "For most of the bigger markets we are one year further into the cycle and one year closer to the end. But I believe we have another good couple of years to go until things correct and it will not be a severe correction like the financial crisis. The market has matured, and you see the shift [by investors] from sectors like office to residential. It will not be too severe unless there is a major geopolitical incident."

According to the report, sustainable income has become the dominant factor for most investors. There are many ways of doing it, some investors focus on good quality assets with income streams but the most common strategy has been to focus on alternative, less cyclical real estate sectors: "We see demand for alternatives remaining very strong because of yields, compared with the more mature sectors," says a pan-European institutional investor.

The biggest issues that the industry is facing now and over the medium term are international and national political stability, housing affordability, environmental issues and urbanization, mass migration and social inequality. As one property company CEO affirms: "We have to make sure our buildings are flexible enough to cope with whatever is coming in 10 years' time. We have no control over that, but it will drive what we do. We must look at the megatrends that are driving human behaviour – ageing population, growing population, structural shortage in housing, structural oversupply in retail property, a younger generation that is completely digitally enabled. We will have to be much quicker in evolving our product."

Figure 2 - Factors influencing real estate strategies over the next 3–5 years



Source: Emerging Trends in Europe, 2019

While forecasting trends and solutions, it is important to understand the factors that are influencing real estate strategies in short-term, as it is described in the figure 2 – “Factors influencing real estate strategies over the next 3–5 years”. The first one is related to flexible leases, that are increasing as a consumer’s demand; the second is the capacity to be in pace with technological movement. The third is related to promote health and wellbeing, which would be considered irrelevant not so long ago in this industry, however, half of the respondents have faith in its impact on strategies. One pan-European fund manager concludes that the tenant’s happiness is crucial since they are paying for a service, and in order to have the greatest sustainable return, they must be loyal tenants. Other important issues are the energy efficiency and sustainability issues, that are the today’s top issues; the digital structure and implications of tenants capitalising lease liabilities.

Figure 3 - Real estate investment in European countries Q4 2017–Q3 2018 (€ bn)



Source: Real Capital Analytics, 2018

As mentioned before, the alternative real estate and residential is the chosen strategy to most survey respondents, making it an outstanding shift in industry. Almost 60% are already investing in alternative and 66% wishing to be or to increase assets. These alternatives come in many shapes and sizes as hotels, student housing, co-livings, flexible workspaces, senior healthcare spaces, and others, proving once more that the new paths are supported by strong demographic issues and challenges. One big change in the structure of the industry is the fact that a property can be transform into a service.

Figure 4 - Sector prospects in 2019

| Overall Rank | Investment | Rank | Development | Rank |
|---------------------------------|------------|------|-------------|------|
| 1 Co-living* | 4.40 | 1 | 4.25 | 1 |
| 2 Logistics facilities | 4.34 | 3 | 4.24 | 2 |
| 3 Retirement/assisted living | 4.34 | 4 | 4.22 | 3 |
| 4 Flexible/serviced offices | 4.29 | 5 | 4.12 | 4 |
| 5 Data centres* | 4.36 | 2 | 4.11 | 5 |
| 6 Student housing | 4.21 | 6 | 4.08 | 6 |
| 7 Private rented residential | 4.19 | 8 | 4.07 | 7 |
| 8 Serviced apartments | 4.21 | 7 | 4.05 | 8 |
| 9 Housebuilding for sale | 4.00 | 13 | 3.96 | 9 |
| 10 Social housing | 4.04 | 10 | 3.95 | 10 |
| 11 Healthcare | 4.14 | 9 | 3.93 | 11 |
| 12 Affordable housing | 4.03 | 11 | 3.92 | 12 |
| 13 Hotels | 4.02 | 12 | 3.85 | 13 |
| 14 Science parks* | 3.93 | 14 | 3.78 | 14 |
| 15 Industrial/warehouse | 3.90 | 15 | 3.76 | 15 |
| 16 Self-storage facilities* | 3.57 | 18 | 3.74 | 16 |
| 17 Central city offices | 3.83 | 16 | 3.61 | 17 |
| 18 Parking | 3.64 | 17 | 3.46 | 18 |
| 19 Business parks | 3.47 | 19 | 3.22 | 19 |
| 20 High street shops | 3.34 | 20 | 3.08 | 20 |
| 21 Suburban offices | 3.23 | 21 | 3.04 | 21 |
| 22 City centre shopping centres | 3.16 | 22 | 2.78 | 22 |
| 23 Retail parks | 3.16 | 23 | 2.78 | 23 |
| 24 Out-of-town shopping centres | 2.75 | 24 | 2.45 | 24 |

● Generally good = above 3.5
 ● Fair = 2.5-3.5
 ● Generally poor = under 2.5

Source: Emerging Trends in Real Estate® Europe, 2019

When asked to the 885 individuals from this sector and similar their prospects for investment and development in 2019, it’s important to notice two main points - firstly, seven of the top sectors are a form of a residential product and secondly, co-living come at the top for both investment and development, as the Figure 4 – “Sector prospects in 2019” shows. Co-living service can be very interesting, according to some, since it can be a solution for some of the biggest issues related to demographics. “Demand for the not-so-mature asset classes like student housing and serviced apartments has been pretty good, and because of the rise of the millennial generation you are also seeing demand grow for sectors like co-living,” one CEO says.

So, according to the same report, the last solution to all the mentioned challenges will come from constructing many more properties and homes of all types to satisfy the different market’s needs. “The last few years have seen an increasing institutionalised investment market in the

accommodation space,” adds one pan-European private equity player. “It includes multi-family, student, and senior. It is a big market, but it is in its infancy, and it is not capitalised with the right long-term capital. So, it’s a trend that has started but will continue.”

5. Co-living sector

As a co-living industry is a recent one, with approximately 10 years, was extremely hard to find enough data about this sector. However, some players had recently made a study that covered this theme, facilitating access to some information in order to understand how this concept emerged and how was been its development over the years.

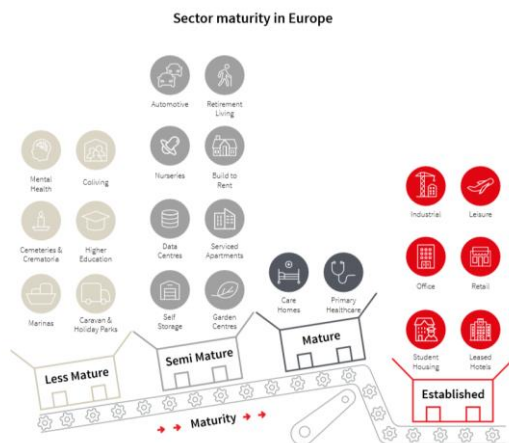
The sharing economy is a system in which people prefer to share products and services rather than owning them. This system and collaborative-oriented mindset are changing lifestyles and therefor cities. For example, according to UN in 2019, 55% of the world’s population live in cities – in 2050 the number will increase to 68%. Urbanization and gentrification have already a huge impact in cities and the way is planned, along with the disruption in mobility, creating new opportunities and business models as co-living places. According to Forbes magazine, the sharing economy is projected to grow from \$15bn in 2014 to \$335bn in 2025. Co-living is a branch of this movement.

The living market is being determined by consumer demand in an era of flexibility, mobility, technology, globalization and sustainability movement. As generations, specifically Millennials, are changing so much, the impact on traditional sectors can also be felt. Their mindset and lifestyle require real estate players and authorities to adapt to their reality. Copping with the consumer’s requirements and being aware of the political, economic, technological and socio-cultural situations is the solution to improve the sector in a successful away. Along with the information above, the Co-living sector also exists to fill the gap that is currently not supported by any other segment: a place to live more than a week (a trip) and less than two years. Rent a traditional house for less than a year is not efficient at all due to all the move in/out costs, furnishes, agent fees, utilities and so on.

Co-living in Europe

According to the 2019 report made by JLL, a real state multinational company, the maturity of the co-living industry varies across Europe, yet in most markets these sectors remain at a fairly early stage, considered less mature.

Figure 5 - Sector maturity in Europe in 2019



Source: JLL, 2019

European cities are adapting and evolving to cope with the demand and mindset changes. More than ever, values as sustainability, flexibility, mobility and liveability are cherished. Co-living business model can progressively meet with those values and satisfy the demand in long-term. As the studies proved, the main markets across Europe are all in parallel maturity stages and under-supplied, as the Figure 5 – “Sector Maturity in Europe in 2019” shows. As the house prices across major markets are arising, the number of renters will also increase. “The current way in which we live, work and play support more specialized living formats where assets are much less volatile due to operating performance and more flexible regarding exit strategies given possible conversions.” (JLL). The living market remain at early stage making it less mature and a good opportunity to invest.

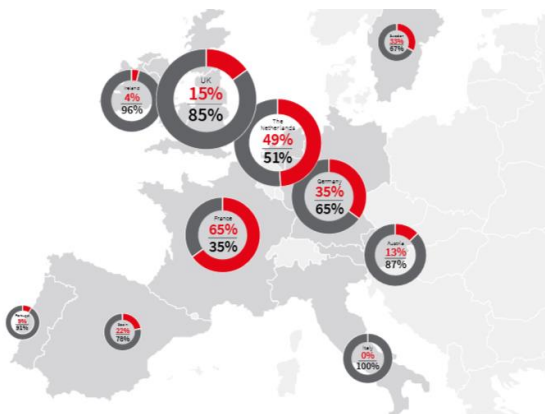
According to the several studies mentioned above, what is expected from a co-living is:

- a) Location: central and accessible in cosmopolitan areas, with preference in big cities and capitals;
- b) Architecture: modern, flexible and functional; with good taste in design;
- c) Space: big multipurpose common areas, optimization in private areas and small size communities (4-10 people)
- d) Services: an all-inclusive rent (such as internet, water, electricity, cleaning service), a discounts or partnerships for extra on-demand services; an app or WhatsApp service to assure contact within the community, free amenities & activities.
- e) Period of stay: weekly to monthly until one year.
- f) Sense of community: community manager to boost the connection between people and to have weekly activities and events that generate opportunities to socialization and network.

As JLL’s report concluded, residents are willing to pay a premium price to have all-in-one bill, which means that besides the rent, they could have access to flexible lease terms, furnished units, housekeeping and co-working spaces. The size and architecture of properties is changing as the sector develops. By 2019, 50% of assets have been created and built specifically for the co-living concept, but for those who are in pipeline the number increases to 85%. According to JLL’s data base, 53% of currently operating co-living service providers have over 100 beds, the rest has between 20 to 100. However, in pipeline the numbers will change, 79% will have more than 250 beds. So not only will exist more co-living players but also their own projects will be bigger than the ones that already exist.

In the past two years, the co-living business model has grown across Europe. Most units are under development but soon investors will invest substantial capital to develop way more. According to the Co-living Code, by Kinderer Quarters, there are 23,500 Coliving beds available or in the development pipeline in Europe. That represents a third of the size of other hospitality services, however evidences prove that this number will grow fast, since 60% have started in 2017. Early movers had small assets, such as adapted buildings and houses – but currently the models are increasing to bigger structures with hospitality services and a variety of amenities and activities.

Figure 6 – Scheme status and market size in Europe in 2019



Source: JLL, 2019

JLL did a map that identifies the co-living service industry in national market across Europe. Services with less than 20 beds were not considered, either currently or in pipeline; also, the countries needed to have a total of 100 beds or more. The goal of the map on the figure 6 – “Scheme status and market size in Europe in 2019” is to understand what the market currently

is and identify the areas of growth. The study concluded that 72% of beds are to be completed in a timeline of two years. Currently: Sweden: 33%; Ireland: 4%; UK: 15%; The Netherlands: 49%; Germany: 35%; France: 65%; Austria: 13%; Italy: 0%; Spain: 22%; Portugal: 9%.

Now-a-days the co-living model in Europe is focused mainly in three countries, France, The Netherlands and Germany. However, a significant portion are still in pipeline at planning and construction stages: 72% are yet to be completed and is expected to be finished in two years. The business model of each unit/project is changing as the sector mature. 50% of the current stock have been design specifically for the co-living concept and the number increase to 85% for those who are in the pipeline. According to the Kindrer’s database, 53% of the currently operating units have more than 100 beds, but the remaining one has over 20 to 100 beds. However, in the pipeline the numbers change dramatically and most of the units, 79%, comprises more than 250 beds.

In city-level, nearly three-quarters of co-living projects is in eight cities, while the rest is spread across 24 cities, as it is represented on the figure 7 – “Market type in co-living sector”. The main concentration of co-living beds is in two markets – London and Amsterdam, that account 40% of total stock (across a sample of 30 assets). This can be justified by the global status of each city, their young population made of locals and expats, their tourism numbers, economy development and dynamic property markets.

Figure 7 – Market type in co-living sector



Source: JLL, 2019

Co-living sector in US

US was the birthplace of the biggest co-living players that exist in the market. According to the co-living industry report, made by KNDRD in 2019, were invested 2B \$ in 2018 in co-living services by several players. The success of co-working places is a huge indicator of how the population is willing to accept co-living places. Players like Wework, one of the biggest in the world, that had a return on investment of 10,000%, understood that potential and expanded its brand into a co-living service – Welive – and is already scaling with high demand. According to the study mentioned before, co-working and co-living industries together are evaluated on 2T \$ and is expected to increase.

The co-living industry has a lot of space to grow in US, since the rent market size is relatively large, 485B\$ dollars annual rent market size and increasing and 193B\$ on rental short-term housing. An example of that is Collective, a Britain player, that raised over 400M\$ to expand to US and Common that received 63B\$ to improve its services and size in US According to JLL, of all the co-living service providers, 55% were delivered in 2018 alone and the number is expected to grow to 84% in 2021.

Co-living sector in Portugal

Despite the financials' hard times that Portugal had, it is a very special country that has been attracting more and more people to live in. In 2019, for the first time ever, Portugal appeared at the top 10 ranking list of best cities to live for expats, a poll by Internations, where in 2018 occupied the 18th place. It's the first European city in the ranking, in the 6th place, followed by Barcelona. According to the SEF (Serviço de Estrangeiros e Fronteiras), around 480,000 immigrants lived in Portugal legally in 2018, the number increased for 566 thousand in 2019. Portugal is a country to work, study, invest and live.

In 2020 Lisbon has currently three main players in the market, one of them is *samesame*. The biggest one is Selina Secret Garden, that belongs to the massive group of Selina, present in more than 27 countries, that has arrived in 2019 to Santa Catarina and offers a wide range of accommodation options from dorm rooms to suites, a co-working area (priced separately), a rooftop area, bar, and even a swimming pool. The second one is Outside, a multinational brand present in more than 15 cities in the world, that was the first big player to arrive to Lisbon, specifically at Cais do Sodré, and hosts more than 30 suite rooms, a coworking space and a cafe. Both these players work on short and medium term.

However, there are three more co-living projects in pipeline. Smart Studios that will be located at Santa Apolonia and has availability for 114 beds; a multinational co-living company called Habyt that have already announced their coming to Lisbon but without any further detail and the last one will be at Creative Hub, a huge project at Beato, that do not reveal any information so far. There also a few co-living places around Lisbon, specifically in Ericeira, Peniche or Costa da Caparica. Even though Selina and Outside are among them, all the assets are small, maximum of 12 beds and the majority has only 5. As their location is far from the city center, their focus is their proximity to nature and beach as a place of adventure and new experiences (and less about work or creation). Above from Lisbon, there are more co-living places in Portugal, specifically at Porto, Algarve (Sagres), Costa Vicentina (Aljezur and Vila Nova de Milfontes) and Azores.

According to the study made by JLL and Joyn, the Co-living offer in Portugal has the potential to grow more than 25 times. There is an estimated potential demand for 16,000 to 18,000 co-living beds in Lisbon and Porto. This number was calculated by the number of digital nomads, the expats and the international entrepreneurs who are coming to Portugal and stay for short-medium periods of time. Also, young workers between 20-35 years that have at least a bachelor, have a monthly net salary of 1200€ and have no children. JLL also counted with International PHD students and Portuguese students that have financial conditions.

JOIN did a market study with 300 digital nomads and understood that 50% of them plan to live in Lisbon for more than 1 year, 13% want to stay for 3-6 months, 13% don't have any plan and 12% wants to stay for 6-12 months. About their accommodation, 49% live in a share flat; 36% on their own and 9% in an Airbnb flat. The rest are homeowners, their work provides accommodation or live at hostels. When asked, 79% of the nomads said that would live at a co-living place in Lisbon and 42% already do live at one. Also, Meetup, a platform for finding and building local communities, concluded that Lisbon is the largest digital nomads' city in Europe with 5,000 nomads in 2019.

However, there is still a huge problem in Portugal that can keep the country behind its neighbours. The bureaucracy and legislation are still not clear and outdated, providing neither laws nor enough information for this new type of business model nor encouraging private investors to inject capital in it. The Portuguese law is not yet ready for this type of alternative segments.

6. Location

The location is one of the most important items to have in consideration while developing a strategy plan. The location can make all the difference in the business's success, making it extremely hard to attract people if it is too far from the center or if it is nearby competition. A co-living is a place where one can sleep, work and enjoy its free time; so, it is crucial to be in a central area and surrounded by basic amenities, transport services and others useful services.

While developing this strategy, a strategic decision needed to be made. As mentioned before, the co-living industry is divided between the rural and the urban ones, each one with different purposes. After analysing the economic and social context (mentioned before), the real state's trends and aligned with the project's initial purpose, the decision fell in building a place in Lisbon, Portugal's capital.

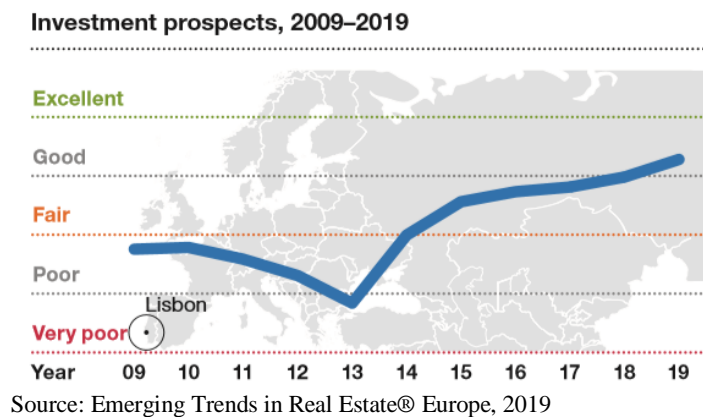
Emerging Trends in Real Estate® Europe is a trend and forecast report in the real estate industry undertaken jointly by PwC and Urban Land Institute, which reflects the views of 885 individuals from this sector and similar. According to this 2019 report, Lisbon is considered to be the most developed region of Portugal, with “29,700 PPS (purchasing power standards) per inhabitant in 2016 (Eurostat, 2018), the region is above the national average (22,500) and above the EU-28 average (29,200)”. In addition, Lisbon is 2019 year's choice for overall prospects, rising from the number 11 to the 1st one, as the Figure 8 – “2019 choice for overall prospects” shows. Many reasons support this decision, as the “quality of live”, the “positive leadership”, the growing Portuguese economy, and the fact that this city has become home for several multinational companies, start-ups, investors and tourists, which attract a lot of expats. Plus, is it seen as a late-cycle play. “Everyone is talking about Lisbon now”, says a private equity investor, as this city lays on the top one in Emerging Trends Europe leader board.

Figure 8 – 2019 choice for overall prospects;

| Overall Rank | Investment | Rank | Development | Rank | |
|--------------|------------|------|-------------|------|----|
| 1 | Lisbon | 4.27 | 1 | 4.19 | 1 |
| 2 | Berlin | 4.12 | 3 | 4.11 | 2 |
| 3 | Dublin | 4.19 | 2 | 4.01 | 5 |
| 4 | Madrid | 4.08 | 6 | 4.03 | 4 |
| 5 | Frankfurt | 4.08 | 5 | 4.03 | 3 |
| 6 | Amsterdam | 4.04 | 7 | 3.94 | 8 |
| 7 | Hamburg | 3.99 | 9 | 3.99 | 6 |
| 8 | Helsinki | 4.10 | 4 | 3.83 | 13 |
| 9 | Vienna | 4.01 | 8 | 3.90 | 11 |
| 10 | Munich | 3.91 | 14 | 3.96 | 7 |
| 11 | Paris | 3.95 | 11 | 3.91 | 10 |
| 12 | Luxembourg | 3.92 | 13 | 3.93 | 9 |

Source: Emerging Trends in Real Estate® Europe, 2019

Figure 9 – Lisbon Investment Prospects 2009-2019



There are several central locations in Lisbon but none as its heart, Baixa/Chiado. So, the same co-living's location is at Rua da Madalena 214, a perfect line between the traditional neighbourhood of Mouraria and Lisbon's downtown, the most attractive place in the city. This place is one of the most expensive ones to invest on due to the price per square metre, it will have a huge impact on expenses and operations, which will oblige an increase at the final price. However, the surroundings of this location will attract the selected target and will generate more income. The final location is at a walking distance from basic amenities as supermarkets and pharmacies; from several bus lines, two subway lines and two train stations whose destiny are two very visited places, Sintra and Cascais; is from a walking distance to cultural and artistic entities such as theatres, museums and small galleries; nearby one of the biggest commerce areas in the city with several local and franchised shops and finally, surrounded by numerous restaurants, bars and night life.

The property is a traditional "Pombalino" building of five floors, that needed to be remodelled given its bad conditions. Together with the founder team and aligned with the co-living concept, a young team of architects designed a project that was able to respond to the concept's needs and the building itself. The building has now five floors: one the first one is a creative industries' co-working place; in the second and third floor are shared apartments with private bedrooms, a common living room and kitchen; and the fourth and fifth floors are six apartments divided in 3 typologies: studios, one bedroom apartment and two bedroom apartments, some of are even duplex with balconies. The third floor also gives access to a terrace where will be a restaurant managed by the team.

7. Internal Analysis

Supply Chain

While formulating a company's strategy is crucial to build a competitive advantage over competitors, in order to be profitable and generate a long-term success. This competitive advantage normally falls in two categories, rather by cost advantage or by differentiation advantage. However, in order to choose the right path, it is important to fully understand the organization itself, specially how each step of the value chain works and how can the firm can optimize it in order to add the most value as possible. A value chain is a set of activities that an organization carries out to create value for its customers.

Based on that, Porter (1985) defined a framework of internal organizational analysis, which is a tool to identify each of the company's activities, the primary and the support ones, how each one generate value, how they work as a value chain and how they affect costs, profits and in the end, its overall success. This tool allows to optimize the entire organization and potentialize its performance. According to Porter, the Primary activities are directly related to the physical creation of the product, sale, maintenance, support and delivery to the consumer, as the aftersales service. The support activity, as the name itself, supports the primary functions, helping and complementing it trough technological development, human resources management, purchase of inputs and company infrastructures.

The primary activity is crucial to the overall performance of the service.

- **Inbound Logistics:** These are all the processes related to receiving, storing, and distributing inputs internally. The co-living service really needs and depends on its suppliers, as the cleaning service, software management, maintenance, laundry service, amenities providers, between others. Each one of these suppliers must be well managed by the internal team in order to add the most value for the best price possible and the end, offer the best experience to the client;
- **Operations:** Operations and systems create value and are represented by all the procedures and processes that produce service. Currently, the co-living is just one building with nine rooms and six apartments to manage. The department must manage all the daily operations that the service requires, to take care of the maintenance, make sure the cleaning and laundry

service are following the standards, to manage the clients' needs and demands, to organize the events, logistics, between others. To make sure everything is as it should be.

- **Outbound logistics:** These activities deliver the product or service to the client and it can be internal or external of the organization. The services or products can be the room the client booked, the check-in moment, the access to the co-working place, the customer transportation, a yoga class; between others.
- **Marketing & Sales:** Every action that is taken to attract customers and increase brand awareness. In a co-living service, it can be through its presence in social media (Instagram, Facebook, YouTube and others), brand activation, advertising, blog (website), booking platforms, sales force tools, pricing, so on. Even by organizing events, the brand's image must always be a reflecting of its DNA and values.
- **Service:** includes activities required to keep the service working effectively. Since the client's first contact until the post-sale/delivery service, each step is crucial to enhance the consumer experience. The service is a critical factor of success and there are many points that must be taken in consideration as the proportion between co-living availability and the available staff, the staff's sympathy, attention and efficiency, the little details. Service will be a huge competitive advantage and people are willing to pay more for a better service.

The Support activities:

- **Procurement:** What organization does to get the resources it needs to operate. Activities undertaken to purchase inputs that can go from real estate, supplies, furniture, machinery, kitchen equipment, raw materials, office equipment, between others. These activities are related to general administration, planning and implementation, accounting, etc. This also can be a huge source of competitive advantage if well managed.
- **Human Resources Management:** Managing human capital and keeping them motivated is fundamental to an organization's performance and growth over the years, especially in the hospitality service and customer service. All the processes must be taken into consideration such as hiring, training, development, skill assessment, compensations, salary, between others.

- **Technology:** Activities related to managing and processing information, as well as protecting a company's knowledge base. It can improve processes and services such as managing CRM, inventory, reporting, design, billing, between others. The main goal is to reduce the costs and improve efficiency by staying current with the tech advances, since it is a huge source of value and competitive advantage.
- **Infrastructure:** Represented from the management team, administration, finance department, legal services, accounting planning and quality management. The company's support system can be of the biggest source of value since its where what defines the whole strategy and key decisions.

Each step of the value chain should work coherently in order to build a sustainable and positive performance. For instance, in a co-living service, even though the final product is the leasing of a room, the client's experience starts when it exists the first touchpoint between the client and the firm - that usually is online, through an ad, a booking's platform or even at social media. Each step of the process, as the promotion, the booking process, the communication with the team and the moment of check in are crucial to determine the overall success and the client's satisfaction, making not only the delivery of primary service but also the supplementary services both part of the full service.

VRIO model

The VRIO model is a tool used to analyse a firm's internal resources and capabilities in order to understand if it can be a source of sustained competitive advantage (Rothaermel, 2012). A capability is a subset of a firm's resources and is defined as tangible or intangible assets that enable a firm to take full advantage of the resources it controls. A firm has a competitive advantage (C.A.) when it can generate more economic value than rival firms. So, the size of a firm's C.A. is the difference between an economic value that a firm can generate and the rival's economic value. The VRIO model helps a firm to identify if its C.A. are sustained or temporary (Barney; Hesterly, 2015).

The VRIO model stands for four questions related to: Value; Rarity; Imitability and Organization. Regarding to Value, this aspect tends to identify if resources and capabilities of a firm enable it to exploit an external opportunity or neutralize an external threat. It is very difficult to understand the real value of each resource and capability, so one way to determine is to track

its impact on a firm's revenue and costs. If the resources and capabilities hold value, it will have an impact on net revenues or decrease net costs: it's valuable if allows a greater competitive advantage.

About rarity, we may ask: how many competing firms possess that particular valuable resource or capability? If it is already controlled by numerous companies its no longer a source of competitive advantage. Not all of it must be valuable and rare, in fact some can be common but are essential to the firm's successful performance. However, in order to generate a sustainable competitive advantage, a firm must have some key resources or capabilities that are valuable and rare, otherwise would be just competitive parity.

Firms with valuable and rare resources are often strategic innovators since they have key ingredients that others don't. However, it's only a source of sustainable competitive advantage if those resources and capabilities are inimitable: otherwise would just be temporary. The firms must understand how costly and how hard would be for competitors to imitate those valuable and rare assets. There are two forms of doing it, by direct duplication or by substitution for other as valuable and rare resource or capability that could fill the same gap or offer the same benefit. There are several reasons to make it hard for competitors to imitate, such as being too costly, by the firm's unique historical conditions, by its intangible ambiguity, by being too complex or legally not possible, as patents for example. If this is a situation, then it's resources and capabilities are a source of sustainable competitive advantage.

However, to fully realize a firm's potential, a firm must be organized to exploit its rare, valuable and inimitable resources and capabilities. Organization is a key factor and can exist in many forms, as a formal reporting structure, in its methods, as an information management control system, as a compensation policy, between others. Organization alone is limited on generating sustainable competitive advantage but makes all the difference when combined with the other points.

To sum up, a resource and capability is only a source of competitive advantage if it is valuable, rare, inimitable and easily exploited by the firm. Otherwise, if its not valuable then a firm is in disadvantage, if is valuable but not rare, is already a strength but it is a competitive parity, if is easy to imitate, then is a temporary advantage. Regarding to *samesame*, there are several resources and capabilities that can fill these criteria, as the multiples services that can be offered

(two different co-working spaces, a restaurant/bar, the events, ...); the dimension of the project (multiples services but in a small scale, generating a strong community-sense); location (it's very hard and costly to move to Lisbon's downtown); between others. Each one of the capabilities and resources that the firm has and could have must be taken into consideration in order to understand if they are optimized and are on its fully potential, secondly they must obey the VRIO model in order to understand which one of them can be a source of competitive advantage.

8. Competitive Analysis

After doing an internal analysis and deeply understanding the business idea and its potential, it is crucial to understand the market that surrounds it. This way is possible to reach a sustainable competitive advantage, to be ready to face the external and internal challenges that may rise and to have a long-term successful performance. In the competitive analysis, the business idea will be analysed through the 5 forces of Porter model and the author will do a SWOT, Dynamic SWOT and a SWOTi analysis.

Porter's 5 forces

The 5 Forces of Porter (1980) is a model that identifies and analyse different forces that shape every industry, how that industry is structured and determine its weaknesses and strengths. This framework analyses a company's competitive environment: the number and power of a company's competitive rivals, potential new market entrants, suppliers, customers, and substitute products that have a huge influence in a company's profitability. This model can be applied to any segment of economy and helps to formulate a better strategy focused on sustainable competitive advantage and long-term profitability.

a) Competitive Rivalry

Competitive rivalry refers to the number of competitors in an industry. The larger the number of competitors in an industry, and the number of products and services available, the lesser power one company has. The rivalry over positions, costumers and profitability involves price's strategies, introduction of new products or services, relationship with costumers, brand awareness's tactics, distribution programs, between others. What makes a highly competitive rivalry is a massive number of competitors in the same market however with absence of differentiation, a reduced growth rate and high fixed costs and exit barriers. On the other hand, when the rivalry is lower, a company has more power in the industry.

Competition is crucial in a market. It is what makes brands more creative, offer better products or services and build more innovative strategies. However, too much rivalry can be tricky and hard as well. As a new industry, the co-living market has a low number of players making it a low rivalry industry. Specially in Portugal, the major players in the market are only: *Outsite*, *Selina* and *samesame*. There are also several projects in pipeline as the *Smart Studios* that are not co-living projects but similar. There is also an important point, the fact that this is a new industry makes it an unknown service for most people, that is used to search for other kinds of services such as AirBnb, ApartHotels or others Local Housing services. More competition in Portugal, specially from big players, will raise more awareness about the co-living industry, which will help small projects as well. The barriers to entry are high, since it requires a huge investment in infrastructures and staff. There are several ways of differentiation, making it easier for brands to choose a positioning and build a competitive advantage, it can be related with the concept and services provided, the pricing strategy but also the location and quality of infrastructures.

b) Threat of New Entrants

The Threat of New Entrants is related with the barriers that competitive companies face when entering in a market. If the entry barriers are high then the threat is low; conversely if the barriers are low, exist a big threat of new entrants and competitors. Barriers can be high investment, specific expertise on a subject, governmental rules or laws, between others. If it doesn't cost that much time and money for a company to enter in a market, it means that the established companies in that market can be easily threatened.

As mentioned before, there are high barriers to entry in a co-living market. It requires a huge investment on infrastructures, furniture, communication and staff; however, brands must be aware that is not that difficult to imitate if they have enough financial power to do it. It also requires expertise in the sector's operations and partnerships with other digital channels. Sharing is becoming trendy, the digital nomads' lifestyle is becoming a thing and the millennials are demanding for new services, making the co-living industry an attractive market. Samesame is a first mover in Lisbon, making it a huge advantage in several ways. Lastly, the absence of legal barriers and policies make it an easy to competitors to entry in the market, however, due to the local population's protests and pression on the government, can be something that will change soon.

c) The Threat of Substitution Products or Services

Any company that offer products or services is considered to be a threat to other existing products in the market. As Porter (1979) mentioned, substitute products can reduce potential profit to companies already stated in the market. This force is especially threatening when buyers can easily find substitute products with better quality or attractive prices and when buyers can switch from one product or service to another with almost now cost.

In the co-living industry, substitutes can be other co-living projects or even traditional leasing, Airbnb, aparthotels or similar. Co-living was born to fill a gap in the market, specially related with the cosmopolitan millennials' demand, few housings offers and the rise of digital nomads' lifestyle. So, although the traditional leasing still exist and can always be a substitute product since it offers a place to live and probably less costly; the co-living concept offers other complementary services as the amenities, the easy move-in and out, a totally equipped home, cleaning service, the possibility to belong to a like-minded community, a host manager's support, a spot at one co-working place, between others, that make more attractive and a differentiation product. The co-living concept is the only one who offers a service as complete.

The co-living projects in Lisbon are still quite different from each other, making it a bit harder to be substituted. *Selina* and *Outsite* are multinational companies present in several countries around the world, however, *Selina* has 6 different spaces around Portugal and the one in Lisbon is a more attractive place than the *Outsite* one. On the other hand, *samesame* positioned itself has a creative co-living, has a micro-scale – making the service more personalized; hosts several weekly cultural events and have a bar and two co-working spaces available. About the pricing strategy, *samesame* has less available rooms, all of them private with a private bathroom and is cheaper than others. *Samesame* will always try to have a competitive advantage by differentiation than pricing but now-a-days it has also more accessible prices than competition.

d) The Bargaining Power of Suppliers

This force addresses how easily suppliers can drive up the cost of inputs. The force is affected by the number of suppliers and inputs of a good or service, how rare and valuable these inputs are and how much it would cost a company to switch to another supplier. The lesser suppliers available in the industry, the more a company is dependent on them, which could be a threat. That give the supplier a power to increase prices and work by its rules. By opposite, when there are many suppliers, the switching costs are lower.

In the case of a co-living, there are several types of needs regarding supply as the cleaning service, insurance, kitchen equipment, management software, design, accounting, amenities providers, laundry and companies that can provide us internet, water and electricity, between others. Considering that the co-living is Lisbon-based, there are several options for suppliers, as well as enough information and other options in order to facilitate a substitution just in case. This situation reduces the bargaining power of suppliers. All the co-living value chain depends on the quality, reliability and responsiveness of the suppliers, specially those that are in almost direct contact with costumers as the cleaning service, so it's crucial to choose the best option available. The pricing and payment conditions are also very important in the financial strategy.

e) **The Bargaining Power of Customers**

The last force is the power of customers. They have the power of demanding prices, more quality, different services, more products. Each individual customer has more power as the lower the number of clients each company has; so that affects its power of negotiation for better prices. It is very important to companies to understand the number of clients it has and how much would cost a company to find new markets.

As mentioned before, the co-living market is a recent one, making it less known at the general public. However, this concept has becoming a trend in some niches as digital nomads and remote workers since it satisfies their needs. There are two possible strategies, in one hand is to reach and raise awareness about the concept with customers that live by this lifestyle but haven't got any contact with the co-living concept, which will increase the potential number of customers; in the other hand is to build a strong relationship with this niche, *samesame's* target. As small number of customers, the bargaining power of customers is high and the company must be not only fully aware of their needs, interests and demands but also aware of the competition's prices in order to stay competitive.

As a service provider, the relationship with the customer is the most important thing. The customer must have the best experience in its overall stay. It starts at its first touch-point, probably online by social media or advertisement; the first contact with a member of staff, the arriving moment, the check-in, the "welcome home" feeling inside its room or apartment, all the events, the staff's support, between others. Each moment at *samesame* must be a great experience to the customer.

SWOT & SWOTi Analysis

In order to build a successful strategy plan, a company must do an internal analysis to be totally aware of their capabilities, resources and limitations. One of the tools available is the SWOT analysis that allows the identification of the firm's strengths and weaknesses but also the opportunities and threats. The SWOT analysis will help companies to build a sustainable competitive advantage but also to have a sustainable growth by exploiting its capabilities and resources and solving or mitigating the weaknesses.

The strengths are what a company does well, what are its unique resources and capabilities and what differentiate them from its competitors. Weaknesses, on the other hand, are inherent features of the organization that could be improved or should be avoided. They can be related to a product, people, systems, or others. Both can be from an internal or external perspective. Above it, there is also opportunities and threats. Opportunities usually arise from situations outside the company and can be related to a new market, technology, an environmental condition, so on. It is crucial identify and exploit an opportunity in order to generate sustainable competitive advantage. Threats include anything that can negatively affect the business from the outside. The key is to anticipate them and act against it.

The following table illustrates the SWOT Analysis of *samesame*:

Table 1 – SWOT analysis

| Strengths | Weaknesses |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Being the first creative co-living in the world: Artistic and entrepreneur profile, local and cultural oriented; | Legalization procedure still under process; |
| Being the only 100% Portuguese co-living; | High initial investment; |
| Central location: in the Lisbon's downtown, between the most touristic area and a traditional neighbourhood (Mouraria); | Some spaces are still under construction (the second building); |
| Several public transports as train, subways and bus nearby, night life and entertainment places at a small walking distance; | Still in soft-opening process; |
| Young, energetic and open-minded team; | The non-existence of brand awareness; |
| Project is expanding (other building under construction; space to a grocery, so on) | Too much offer around, especially local renting for short term; |
| Varied offer of products and services; | The team had no experience in this field (hospitality); |
| Has a co-working space to creative industries; | Few human resources (small team); |
| Has a collaborative atelier & art gallery to fine arts; | Low budget for marketing and communication; |
| Has a restaurant and events place with in and out-door areas; | Small budget for communication and activities; |
| New and high-quality infrastructures, modern architecture; | |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>100% equipped furnished apartments with high-quality design pieces;</p> <p>All rooms have private bathroom, climate control;</p> <p>Free amenities as fruit, spices and basics to cook, hairdryer and others;</p> <p>All services and amenities in one bill: facility;</p> <p>Cheapest co-living in Lisbon;</p> <p>Access to free activities as workshops, concerts and others to reinforce the community sense of belonging;</p> <p>24/7h community host available;</p> <p>Great sense of home due to the familiar scale;</p> <p>As a small community (18 beds) the service is totally personalized and adapted to each guest.</p> | <p>No washing machine;</p> <p>No extra services included like gym or pool (but there is a partnership).</p> |
| <p>Opportunities</p> <p>New industry (10 years);</p> <p>Can be a solution for the modern challenges as lack of affordability; millennials' loneliness; crowded cities; sustainability needs;</p> <p>Renting/Leasing market is highly expansive;</p> <p>Housing offer cannot meet the demand;</p> <p>Great weather, safe country, great location, same time zone of London, near beach and nature, affordable compared to others European countries, friendly locals;</p> <p>Great environment and policies to boost economy and start-up ecosystem;</p> <p>Almost no competition in the sector in Lisbon or Portugal;</p> <p>Best #6 place to live to expats, each year arrive more and more people to Lisbon (566K in 2019);</p> <p>Opportunity to expand to other places in Lisbon or outside of the city;</p> <p>Possibility of creating a community of artists from all around the world;</p> <p>Partnerships with co-works and co-livings around the world;</p> <p>Opportunity to expand the brand as a co-living, co-working or other services connected with creativity and community;</p> <p>Big brands are coming to Lisbon and will bring more awareness to the co-living concept.</p> | <p>Threats</p> <p>Almost no awareness about this industry;</p> <p>Strong competition with worldwide brands;</p> <p>Lot of pipeline projects to compete;</p> <p>Possibility of replication, copying.</p> |

Once the SWOT analysis is done and the positive and negative aspects were identified, it is time to make a Dynamic SWOT Analysis. This one confronts the business's current paradigm with both situations, the past and the predicted future.

Tabel 2: Dynamic SWOT

| DYNAMIC | | |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SWOT | Strengths | Weaknesses |
| Opportunities | <p>Pioneer project; new industry, first 100% Portuguese project in national market: use this perk as a communication pillar and a way to reach local community and partners;</p> <p>Entrepreneur, creative, artistic DN: attract like-minded community, contribute to a differentiation point and a Competitive Advantage (CA);</p> <p>Multiplicity of services as co-living, co-works, art galleries, restaurant & opportunity to expand more: deliver a unique and complete service – other C.A.</p> | <p>As the concept is becoming popular, the legislation and investment will follow;</p> <p>New players in the market will rise more awareness to Lisbon and the co-living concept;</p> <p>As the projects expands and grows, staff team will increase and services as laundry will exist.</p> |
| Threats | <p>Incessantly invest in innovation and differentiation at the level of service and the concept;</p> <p>Fast and efficient service and keep delivering unique experiences to the community;</p> <p>The prices must reflect a good value for money.</p> | <p>Focus on differentiating from competition, building a strong and loyal community;</p> <p>As the year passes by, samesame will have more brand awareness; always study the pipeline's projects in order to offer a better service.</p> |

ISCTE business school's teachers developed a new adaption of the SWOT, which is called the SWOTi analysis (figure 10). Even though that all organizations have values, usually referring to economic, social and environmental concerns, when are formulation strategies or actions these values are often forgotten. One of the main goals of the matrix is to answer to both questions: 1) Are the actions synchronized with the values of the organization? 2) Will the actions have a positive or negative impact in environmental, social or economic sphere? (Strategic Plan ISCTE, 2018-2022).

Figure 10 – SWOTi



Source: Lopes da costa et al. (2019)

This analysis is generated upon three filters: the firm's strategic pillars, the firm's values and the project's impact on society/environment/encomic sector. This way, a firm can be able to make sure that each one of its strengts, weaknesses, opportunitie and threats are according to the company's core and with the external impact that it aims to have. That being said, the *samesame*'s three strategic pillars are 1) client's satisfaction – by providing the best service possible; 2) creativity – that must be present in every area of the project: each department, each contact with the client, each event and gathering, etc.; 3) community – by building a community and making each co-liver feeling a community sense-of-belonging.

The second filter are the firm's values, which are Creation, Creativity, Community, Wellness, Sustainability, Respect. The third filter and last one is the impact that the firm aims to have in the world. In fact, *samesame* aims to have a powerfull and positive impact on the environment and on society. A co-living promotes a sense of liveability, accessibility and resource efficiency by making best use of resources and space that typically do not get maximum usage, such as joint kitchens and central recreation spaces, shared amenities, etc. making it a more sustainable way of living not only financially but also environmentally. People want a more affordable, better and sustainable life. Co-livings can be an antidote to social isolation and loneliness and can help who is struggling to find a home, specially with the lack of housing offer in overpopulated cities. *Samesame* itself, by being a creative co-living and by aiming to build a community of artists from all over the world, will invest on the artistic sector – so often depreciated.

After defining the three filters, it is crucial to re-analyse each strength, weaknesses, opportunity and threat through those criteria in order to understand if they are according. If not, it no longer makes sense to use it as a strategic point or tactic.

9. Strategy Formulation

As Pat Fallon said, “brilliant execution without strategy is irrelevant but brilliant strategy without brilliant execution is invisible”. The strategy and implementation’s plans should be always connected and both rigorous in order to be successful. According with Porter (1991), there are three types of broad strategies that a company can define: Cost Leadership, Differentiation and Specialization. The first strategy focuses on offering a competitive price by cutting costs. This is only possible if a company is efficient in its production and by saving money that is normally invested in advertising, distribution, customer service, and others.

The second strategy is Differentiation, which is the inverse of the first one. This is the most expensive strategy, that requires an investment on a high-quality service/product and on building a strong bond with clients by investing on advertising, consumer service, distribution, a better RH, between others. Even though the final price is higher, the customer will be willing to pay for that if it feels that is a great value for money. The final one, is the Specialization strategy. This strategy is focus on a segment or niche, trying to satisfy its needs and desires. The Specialization strategy can also be used with one of the strategies mentioned above.

In the case of *samesame*, the strategy is the Differentiation. *Samesame* is the first creative co-living and it aims to give the necessary means of space, time and environment to make the co-livers share the inherent truth of their creativity. In order to make that happen, the building’s infrastructures and furniture are all new, modern, comfortable and have some high-quality design pieces to make them feel inspired. Plus, the project invests in a high-quality customer service, having a host manager 24/7 willing to help the “co-livers” with anything they may need and private creative events (workshops, concerts, mediation classes, yoga..) that are included in the final price. The marketing budget is a crucial cost, since it makes it possible to reach people from all over the world and spread the brand’s concept. According to all the studies and analysis mentioned before, this kind of service is what demand is craving for.

Other two broadly strategies that *samesame* will follow are the development and loyalty ones. In short term, the strategy will be to develop the brand by increasing the overall demand, by conquering new clients and leveraging the stays’ duration. One of the tools to make it possible is the digital marketing, using the tools google AdWords, SEO and social media to reach more clients but also with the help of strategic partnerships. In a long term, the strategy will change

to focus on a loyalty based one. This one seeks to build a community and increase the client's loyalty and bound with the brand. This is actually the *samesame*'s ultimate goal and vision: to build a worldwide creative community.

Dynamic Capabilities

Dynamic capabilities emerged as a reaction against the incapacity of the resource-based view (RBV) to interpret and use resources and capabilities to manage changing environments (Galvin, Rice & Liao, 2014). So, Dynamic Capabilities are “the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments” and can be considered as a source of competitive advantage (Teece, Pisano & Shuen, 1997).

The concept of Dynamic Capabilities was created by Penrose (1950) and since then several authors had tried to define this concept. Helfat et al. (2010), summarized the most relevant points by affirming that dynamic capabilities are the “capacity of an organization to purposely create, extend and modify its resource base”. To sum up, dynamic capabilities have been sparked the interest of business managers and researchers in innovation, strategy, marketing, operations and others related fields.

In the case of *samesame*, it is important to use its dynamic capacity to seize opportunities and avoid threats of the external environment in order to generate a competitive advantage. As a co-living place, it is crucial to ensure that the company understands its guests – their interests, needs, preferences and how could the project satisfy them. The co-living's target is a very specific community with a strong profile – so the firm needs to study that profile in order to recognise what they are looking for. In addition, as a co-living is a new industry, is also important to study and be aware of all the worldwide trends and projects related but also all the competitors – not only the ones based in Lisbon but worldwide. This way, all the processes, strategy, product or prices can be constantly monotonized and reviewed.

Mission, Vision and Values

In order to define a successful sustained strategy, a company must understand its identity, what really defines it and what wants to achieve. There are some strategic tools and instruments to do that, as defining a company's mission, vision and values.

The mission of a company is the ultimate statement of an organization's reasons for existence. It is a firm's long-term purpose. Defines both what a firm aspires to be in the long run and what it wants to avoid in the meantime (Barney & Hesterly, 2015). The mission should be the core of the organization, should be clear and support the vision, goals and a direction to stakeholders. The co-living's mission is an emotional one, speaking directly to all the creatives. The *samesame's* mission is: *Our purpose is to trigger our community's creativity by providing the necessary means of time, space and environment.*

On the other hand, a company's vision should be a strategic goal on a long-term situation. Should be an aspirational and emotional one: an ideal state that the company is looking forward to. The co-living's vision is to build and empower a worldwide community that inspires people to create and have a positive impact in society.

The value statement is the core principles that guide the culture of an organization. The set of values should conduct the employees' behaviour, the company's strategic decisions and be the core of a company's image. As the values are being created, the board should reflect on which values are unique for the company and which should guide its operations. The co-living's values are: *Creation, Creativity, Community, Wellness, Sustainability, Respect.*

The co-living intro:

Samesame, a different way of co-living. The first 100% Portuguese creative co-living in the center of Lisbon where one can rest, create and linger. It belongs to a creative block, including two creative co-working spaces and a bar – Beco, Esquina and Insitu. Raised upon the need of creating a place that cherishes art and the sense of belonging, *samesame* is a place where imagination is supported and welcomes which creative self into a growing like-minded community.

Company Goals

In order to achieve anything, is crucial to have a plan with specific goals. These must relate to an organization's mission and vision and should be a guideline to work on daily. There are several different types of goals in an organization, depending on the person, department and available time.

The big goals are the objectives that are planned to reach the medium-long term. For *samesame*, they are:

To be recognized as a pioneer project in Lisbon;

Be a worldwide reference brand in the co-living sector;

Build a strong creative worldwide community and help to spread their talents;

Improve the operational department and never lose quality;

Retain co-livers;

Generate great, unique and creative services and products (and consequently a great, genuine experience to customers)

Never lost its DNA: creativity, community, art, youth; uniqueness, friendly.

Critical Factors of Success

Critical factors for success (CFS) are the essential elements that deliver the most value to a company's customers. There are vital to make a company succeed and achieve its goals – moreover, it can be the reason of its failure. In order to better understand them, we must have a clear analysis of the company, of how it works and what are the main factors that will make it succeed. The key is to identify the proper CFS and use them to drive decisions and actions that will allow a company to have a competitive advantage (Grant, 2008).

In the case of *samesame*, a creative co-living the CFS are:

Samesame experience

Give to customers a great, genuine and unique experience must be the *samesame*'s ultimate goal. According to the Maslow's pyramid, the basic needs a person has to satisfy are the physiological ones, which are the need of having shelter, food and water; the second ones are the safety needs; followed by the sense of belonging and love: to have friends, to be loved, to belong to a group; the fourth one is the esteem needs: to feel valid and the sense of accomplishment and only after satisfying all these stages, the last needs a person wants to fulfil are the creative ones: to create, to build, to achieve one's potential. A *samesame* experience has the goal to satisfy all these needs and make the customers feel at home, to live a unique and genuine experience, to be part of a worldwide creative community and to feel fulfilled.

Customer Service

At the hospitality industry, the customer service is a crucial part. At the end of the day, co-living is about people hosting other people and making them feel at home in their own home.

In order to help the costumers and satisfy its needs, *samesame* has a host manager that lives in the building and is willing to help 24/7. There is also an extreme careful with the cleaning service, the laundry, the check-in and out and the chat with the clients to make sure that everything is perfect.

Empowered staff

As mentioned before, the staff makes a place or a service. One of the most important characteristics a person must have in a start-up business is the pro-activity: to understand what is missing, what can be better, what can be built and do it. Its only possible to have it if they are empowered, if have they have freedom and are confident enough to do it. So, there is the constant need of investing in training and education to make the staff feel valued and to make sure the work is perfectly done. It is also important to make them feel inspired by the organization's values and to have weekly meetings and some staff events to satisfy their belonging needs and feed the team spirit.

Marketing

It is crucial to have a strong presence online, not only to reach a worldwide audience but also to build a relationship with its customers. There are several tools that help to reach those goals, as having a website with a great SEO, using the google AdWords tool and to use social media to share the *samesame*'s values, identity and activities.

Market trends and consumer behaviour

As a co-living can be a solution for the nowadays problems, as mentioned before, its crucial to closely monitoring the market trends, the worldwide issues and solutions related to real state and the life in cities, the millennials' lifestyle and needs, the competitors' innovations and new entrants. As a brand with global costumers, *samesame* is not only competing with the co-livings in Lisbon but also in everyplace that has the same weather, social and culture conditions. The better the brand knows its costumer, the better service it can provides.

10. Strategy Implementation

Marketing Mix

Marketing is one of the most important tools to help a business to prospect. Marketing focus on providing value through a process that facilitates a creation and exchange of products that groups and individuals demand. It helps to increase sales by understanding what costumers

need and desire, in order to offer them as most value as possible (Kotler, 1973). Marketing planning can be linked to all the organisation or to strategic business units (SBU). A company should do marketing plans in order to determine the future strategy of the entire firm or specific fields as the product development, market, the target, channel and sales promotion. For example, as the market is the one who defines the products, that must satisfy the demand's needs, it is crucial to research all about the costumers that a firm wants to reach All this fields can dramatically change the firm's overall profitability.

It is crucial to have a marketing plan and to implement it well, otherwise the firm can struggle. This marketing plan should include the the marketing mix but also a digital marketing strategy, a unique selling proposition strategy, a conversation strategy and a partnerships strategy (Lavin-sky, 2012). A marketing plan is a framework that links the strategies to the operations and goals. The marketing-mix is a set of tactics and actions that a company uses to promote its brand or product in the market. It is composed by Product (the good or service), Price (what costumers pay to have it), Place (the location or channels used to deliver, sell or promote) and Promotion (advertising, communication) (McCarthy, 1960). The four Ps are used to identify a firm's key factors, how and who is the demand, if the product can meet their needs and add value, how the product is perceived, between others.

Product

The Product refers to a good or a service that a company offers to clients. The product should deliver a level of performance and have a unique selling proposition in order to have a sustainable competitive advantage. Besides that, a successful product must fulfil a gap in the market or a demand's need. Marketers need to identify the life cycle of the product in order to create strategies and tactics to deal with every stage. A crucial part in the product's conception is the branding. Brading is the product's DNA and identity, and that is what will make the costumers want to purchase or be part of it. Branding is the way to "Humanize" a product, by giving it personality and making people feel identified with its values and traits. This strategy is the best way to foster customer loyalty and differentiate itself in the market.

In the case of the co-living place, the product is a service. When creating a service, it must be divided into three categories: the unique value proposition, the actual product/service and the augmented product/service. The unique value proposition is the base consumer value and what the company offers to the costumer, that should be unique, benefit and add value. What the co-

living offers is an opportunity to belong to a worldwide like-minded creative community and live a unique creative experience.

The actual product: The first creative co-living in the center of Lisbon, *samesame*. The service is to provide a place where people can rest, create and linger. That means, where people can live from three weeks until one year that includes: an easy-in/easy-out process, all the costs included in one bill (facilitator), each apartment or bedroom is totally equipped with high-end kitchens and 60's iconic design pieces, in room climate control and private bathrooms. The augment product is what supports the basic service and helps to make it an even better service. That is the weekly cleaning service and laundry, a weekly bio fruit and vegetables delivery for free, 24/7 host manager's support, the access to a creative community not only at *samesame* but also with the local staff, with all the co-workers from *BECO* and *Esquina*, the access to weekly free events such as expositions, concerts, community dinners and others and co-working special rates.

As a service provider, the way the staff interact with the customers is a key factor. The interaction should be kind of informal yet always professional; it must be attentive, kind, always friendly, always available and flexible in order to adapt the service to each customer. Besides that, it is crucial that the customer feels itself at home at *samesame*, so at the check-in time, the host gives a welcome kit with a *samesame* tote bag, the weekly agenda and two Lisbon's map curated by the team with all the important facilities and best spots to go. Also, the host always gives support with bureaucracies and important subjects.

As mentioned before, branding is a key factor. As the name is already chosen: *samesame*, it is crucial to develop all the brand's identity: the overall concept, the communication tone, the image, logo, slogan, communication materials and others. In this step, it is crucial to analyse and determine the brand equity. This is composed by the perceived quality by the customers, the brand association, the brand awareness and the brand loyalty. All these fields are key factors to increase the brand equity and must be frequently analysed to understand if the brand's strategy and actions are being successful or not. One important thing is the brand extension, which means that the brand can extend other products and services under the same umbrella. That is the case of both co-working spaces, that all belong to the same creative block. The reason why a firm can choose that strategy is because of the expertise, the prestige that the first brand can bring to the others and because of the access that creates. However, it only makes sense if the

innovation have a logical fit – which it has since a co-living place needs to offer co-working spaces as a place to work and the extension should have the potential to generate new sales- which also has since the co-working space communicates to the locals, in contrast with the co-living that only speaks to the foreign, expats and digital nomads.

Price

There are four steps for price definition: the first one is evaluating value-based and cost-based prices by analysing the competition, the company’s costs and the unique value proposition and target. The second one is estimating the demand, the third is selecting a pricing strategy and finally, establishing the final price. A way to evaluate the value-based and cost-based is by the table created by Kotler, P. and Keller, K.L. (2012) where are three levels of benefits and costs: less, the same or more. That table can help to understand which value a firm wants to offer when comparing with competition: less, the same or more. According to this table, it only starts to be a successful strategy when offers or the same/more benefits for less/same price or even more benefits for less price. After a long analysis, the co-living strategy will be to offer same or more benefits (depending on what is possible) for less price.

Samesame has reach two main packages: the rest&linger and rest, create&linger. The only difference between them is that the second one gives 24h access to the co-working spaces. The decision to do this differentiation is because several customers couldn’t afford the second package or didn’t need a place to work since they work at Lisbon-based companies. Besides this package, there are two price list, represented on the table3 – “pricing”. One for people who stay from 8-28 nights and other for people who stay longer than 29 nights. In the final costs all the bills are included (gas, water, electricity, internet), a weekly cleaning service, laundry service, weekly events as yoga and meditation, expositions and film nights. All the fixed costs reach 30% of the total revenue.

Table 3 - Pricing

| | R&L 8-28 | R&L +28 | R&C&L 8-28 | R&C&L +28 |
|------------------------|----------|---------|------------|-----------|
| Double bedroom | 42 | 33 | 49 | 40 |
| Special bedroom | 49 | 38 | 56 | 45 |
| Studio | 65 | 50 | 72 | 57 |
| 1b apartment | 76 | 58 | 83 | 63 |
| 2b apartment | 82 | 63 | 89 | 70 |
| 2b apartment w/balcony | 104 | 80 | 111 | 87 |

Source: elaborated by the author, 2020

Place

The location is a key factor in a co-living place business's success, making it extremely hard to attract people if it is too far from the center or if it is nearby competition. A co-living is a place where one can sleep, work and enjoy its free time; so, it is crucial to be in a central area and consider its surroundings such as basic amenities, transport services, supermarkets, pharmacies and basic goods, restaurants, bars, shopping points and touristic and artistic places.

As mentioned before, *samesame* is located at the multicultural neighbourhood of Mouraria, two minutes walking from the Lisbon's downtown. A mark in the Portuguese history— where Moors lived before the Portuguese reconquest it and where Fado was born. Mouraria serves food from all over the world, hosts a mini “Chinatown”, owns the most beautiful tiled façades and the most beautiful views over Lisbon. The sense of community is inherent to the neighbourhood and the thriving artistic atmosphere is also becoming part of its DNA.

Promotion

Promotion is one of the most important fields of a business. The strategy's planning and execution can be brilliant and yet fail if the service is not well communicated with the target. When defining a promotion's strategy, is very important to follow these steps: define a target audience, define the communication objectives, design the message that the co-living wants to spread, define the communication's tools, the level of investment and finally the promotion's calendar.

As designing the product and promotion, it is crucial to understand and deeply analyse the target in consideration. While doing that, the conclusion was that this kind of target when is looking for a co-living service or a place to live always take in consideration these factors: the localization (must be in the city center); a great infrastructures quality; a modern architecture and design; comfort and facility; flexibility (easy in/easy out, only one bill with all included); to be part of a community: sense of belonging; to have activities and events within the space and community; life quality; to have a place to work if needed; affordability / no extra fees; great and big common areas and to be inspired by the place the customer is in.

Saying so, the co-living's target are mainly foreign people from 25 to 45 years with a creative side. They lifestyle is normally location-free as they are called digital nomads, or can be less flexible as slow nomad, expats, workers doing a short-term assignment in Lisbon or business

travellers. The digital nomads' community is a niche but a very solid one. Is made of people from all over the world who are willing to connect and be part of something, so all of them are very active, vivid and open.

The target's location is mainly in Europe (center & north); but also, in the biggest and modern states in USA as New York and California; in the biggest cities of Argentina and Brazil in South America and finally Sydney and Melbourne in Australia. As mentioned before, most of the target are millennials with a preference for single or married but with no kids as they have more freedom. Professions tend to be designers (of all kind), web developers, artists, marketeers, consultants etc. Majority freelancers. About their interests, the focus in on people who love to travel; to meet and connect with new people; who cherish art and creativity; that are minimalist and material detached; that look for flexibility and freedom; that are open-minded and digital native; who look for personal and professional growth and development; who enjoy a healthy lifestyle; who seek a work-life-mind balance; seek for new experiences – local, immersive and authentic ones; who look to be part of a creative like-minded community and believe in the sharing economy and lifestyle.

The communication's objectives are related to the SMART goals, to reach the co-living's target, to offer them the best experirnece and to spread the service's identity. In a second step, would be to retain co-livers and create a worldwide creative community. Here is crucial to define objectives and to desing a message that needs to crave the target's attention, interest, desire and action.

The SMART goals (George T. Doran, 1981), are an acronym used to guide a goal setting, which means specific, measurable, attainable, realistic and time-based. They are:

Reach a medium of 80% occupation rate during the first three years;

Have an annual profit of 20%

Have the capacity of generate at least 16K in order to pay 50% to the investor and cover all the costs.

Start the activity of the second building during the year of 2021.

Keep the operational costs (maintenance, cleaning, laundry, and others) lower than 30% of the total revenue;

Have a high ROI on marketing strategy/digital marketing.

About the communication's tools, the main ones used will be by internet marketing, social media, PR, Personal Selling, Direct e-mail in form of a community's newsletter and events.

Samesame will not only host gatherings and meetings at the bar, but also will be the target's home and place to work. *Samesame* can be exactly the place that there were looking for. A way to do that is by partnering with the founders of the meet-ups groups or any other service providers that can match that service, as more co-working spaces or any other co-living platforms.

As a real-state model, the most important channel for communicate is the internet. A co-living place is very different from a hotel and a hostel from several reasons and its crucial to underline this factor, so the commonly used platforms as "booking", "trivago", "expedia" or even "uniplaces" will be not be used. The most used platform will be the website, but it makes sense to also use co-living specific platforms as "coliving.com", "Nomadx", "Anyplace".

As the main platform is the website, it must be adapted to the target but always in line with the *samesame*'s values and identity. Besides the information about the brand and all the services, it will have a blog as well as a way to facilitate the communication with the target. Also, is crucial to invest on two tools: SEO (Search Engine Optimization) and Google AdWords so the organic reach is optimized and can easily reach a worldwide big audience. In addition to the website and the partners' strategies, *samesame* will also have a social media presence. It will have a Facebook account, an Instagram account, a YouTube account and a Pinterest account. The Facebook one will be specially because of the events and the meet-up groups, digital nomad's groups and others related. The Instagram account will be the easier to reach out new customers, to show the brand's identity, values, moods and services and to build a strong relationship with the target. At social media, there will be organic and paid promotions.

It will be also interesting to invest in sponsorship by partnering with some digital nomad's influencers and bloggers so that *samesame* can easily be mapped in their circle. For now, television and radios don't make sense as a communication channel, but international and national related press can be – only as free tool by sending a press release. As mentioned before, expats and people who came to Lisbon to do short-term assignments can also be customers. In order to reach them, *samesame* will communicate with multinational or big Portuguese companies to do short-term contracts in order to host their workers. *Samesame* will also have offline communication, specially with events. *Beco*, *Esquina* and th bar will host several artistic and cultural events more focused on the locals as for example the meditation & yoga classes, artistic

workshops, cinema nights, pop-up stores and others but also will host meet-up events, talks and other related ones designed specifically to the co-living's target.

Finally, is crucial to have a budgeting table to understand the level of available investment in order to prioritize the promotion's actions and have an accurate planning. The actions will be at the promotion's calendar that all the marketing and operation's team will have access, where all the tactics and objectives have a deadline that must be respected.

Resources

Company organizational chart

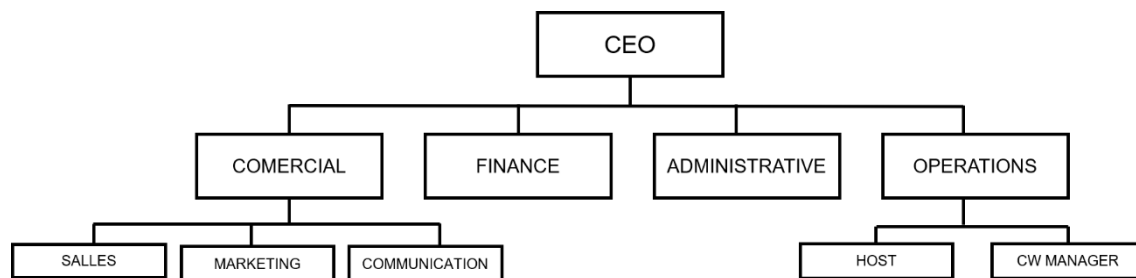
The formal structure of an organization is represented by its organizational chart. It identifies the way in which the activities develop by a company are divided, organized and coordinated. As a Start-up, the chart is flexible and more horizontal than traditional big companies, having room to be changed according to the needs.

The business's idea organizational chart is represented on the figure 11. As a small team, it starts with the CEO, responsible for the major corporate decisions, to plan and control all activities and resources of a company in order to make sure they are efficient. In the second line, it is the Finance department responsible for all the financial actions of the company; the Commercial department composed by the sales, communication and marketing managers. This department's mission is to facilitate growth and increase sales by developing strategies that will promote the brand and gain a competitive advantage. The communication's person will be the closest that the firm has of a human's resource manager, that needs to comply with the team's needs, aspiration and communication with themselves, the others and with customers by working together with the host. Together, with the guidance of the marketing and operations manager, will manage the same's community by having one-to-one daily conversations, community's WhatsApp groups, newsletters and internal events.

The third position in line is the Operations department is responsible for the day-to-day administrative and operational functions of the business, being responsible for all the operations of the co-living and bar. In this department is also the host manager, responsible for managing the community, the intern events and dynamics, the check-ins and outs and to manage the cleaning and laundry services. In the same department is also the manager of both the co-working spaces,

Beco and *Esquina*. Finally, the last department is the Administrative one, responsible for a wide variety of administrative support to the administration, team and customers, as for example the communication with accounting service, preparation of important papers and reports, coordinating calendars, analysing data as budget expenditures, between others.

Figure 11: Company organizational chart



Source: Elaborated by the author, 2020

Human Resources

The human resources in organizations are essential to their functioning, regardless of their size. It is crucial that the staff is in line in the firm's values and culture and is motivated to do their best work. On the other hand, the firm must take care of their employees, not only to teach and paid them accordingly but also to motivate them and make them feel cherished and integrated.

The founding team are three young professionals, with ages of 25-27, from fields as operations, communication and management. In order to fill the gap of hospitality's expertise, the team will hire an administrative and host that have already worked on those fields. The perks of being a small and young team is their open-mind, it's energy to build and generate value for the customers, the fact that they don't have any pre-rules but only a passion to create something special. As a people-oriented project, the staff's relationship with each other is crucial in order to create a strong community and overall project.

In a first step, each one of the fields will need a person:

CEO: one of the founders; Commercial: one of the founders as well, that will be responsible for the marketing, sales and will lead a person responsible for the communication and design; Finance: Firstly will be the CEO, then the company will hire a person; Administrative: A person that will be responsible for all the administrative task; Operations: the third founder, responsible for managing all the operations, the host manager and the co-works' manager.

Material resources

Material Resources are the physical resources that the company needs in order to operate properly daily. The resources are the physical place, which is a building of five floors at the Rua da Madalena 214. The building already belonged to the investor, which make it easier to start the business. There was a need of rebuilding the whole place in order to improve the facilities, the comfort and design. The building has 1000 square metre, divided into 5 floors. All need to be high-end and fully equipped with furniture, bed sheets, kitchen commodities and decoration's details in order to build not a house but a home. About the bar, there is also crucial to invest in furniture and kitchen equipment.

The staff will work at the co-working space, so the facilities as chairs, tables, printers among others are already included in the building's costs. There is also the need of investing in office supplies, which includes the need of buying two computers – the rest of the team will use their own personal computers until the cashflow allows the investment; the software (the management/accountability one, the key's code one; the booking one, the creative one) and the remaining equipment will be to serve administrative tasks, such as papers, pens, staplers, between others.

Sales Force

The sales forces are the team responsible for selling the product or service of a firm. In the case of a co-living, the sales forces have the goal of reach 80% of occupation rate, which means, have bookings. In samesame, the sales force is composed directly by one person – the commercial manager, responsible for the marketing as well – but it depends on the whole team. It depends on a good work made by the designer, a good work from the operations and the staff manager. There are two ways of reaching the goals, the first one is by reaching new customers – the marketing's goal; the second one is by retaining the actual costumers – by providing them an excellent stay and experience. So, the whole team must be aware of this, always in communication and focused 100% on the client's experience, since the first contact until he leaves the building. The sales force's digital channels are the website and the co-living-oriented platforms, which the marketing department must manage. The specific booking management platform used in the website is Availpro, a company focused on these services to hospitality. The sales force's offline strategies are the relationship with actual customers, as mentioned before, and the presence in meet-up events or related ones or by investing in partnerships.

Accounting and Legal Support

The accounting and legal support will be outsourced to an expertise company or individual for a number of hours per week or according to the need. Their responsibility will be to ensure the company and each service complies with legal requirements and to take care of the taxes' payment, wages processes, among others. As the company does not have any background or expertise in this field, this will be the best option.

Implementation Plan

Implementation is the process of breaking-down the marketing strategy into actions and tasks. During this process, the responsible must ensure the efficient use of capital, the management of human resources – setting the number of staff needed and understanding who can do what depending on their capabilities. And lastly, manage all this in time, aligning the actions in time by setting a calendar with deadlines.

Before starting is crucial to do a detailed budgeting list with all the important numbers: the initial investment available and all the costs. Next, a firm must analyse what financial resources are necessary to implement the plan, the cost of each marketing action and the investments predicted for the communication plan (promotion). The success of an implementation plan depends not only on the quality of the marketing strategy but also on a carefully controlled execution. All the stakeholders must be on board and somehow involved and the sales and marketing people must be aligned with the strategy and plans. There are several approaches to do an implantation plan. The firm should invest on market studies and benchmarking in order to understand how competition is performing, should invest on brand loyalty, should assure that all the team – not only the marketing department but the whole firm's staff - is focus on the plan, the strategies and tactics decided and is motivated to have the best results possible and should have a total quality management.

The Gantt chart shown in Figure 12 presents an orderly progress and time intervals for the steps required to start the activity.

Figure 12: Implementation Plan - Gantt Chart

| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|--------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| Business Plan Analysis | █ | █ | | | | | | | | | | |
| Creating Brand | | | █ | █ | █ | | | | | | | |
| Legal Procedures for opening | | | █ | █ | █ | | | | | | | |
| Building's remodeling | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | | |
| Recruitment and selection of staff | | | █ | █ | | | | | | | | |
| Acquisition of materials and needed resources (e.g. software) | | | █ | █ | | | | | | | | |
| Training staff | | | | | █ | █ | █ | | | | | |
| Start implementing the mkt plan; eg promotion (social media, website...) | | | | | | █ | █ | █ | █ | █ | █ | █ |
| Decoration and last details | | | | | | | | █ | █ | █ | █ | |
| Start activity, control implementation, collect customer's feedback | | | | | | | | | | | | █ |

Source: Elaborated by the author, 2020

The implementation plan will be divided in a year, 12 months, by 10 steps. The first one is the business plan analysis, which is a crucial part in the project's performance. It should be reviewed from time to time in order to be as updated as possible. For that, two months will be the indicated time. The second step will be the brand's creation. That involves the brand's concept, naming, image, logotype, mood board, communication style, social media profile, website design, between others. This is a crucial part as the branding should represent the firm's values and culture and be able to connect with the target. This step will define the brand's success. For this, will be needed a designer and a marketing's manager. Once the business plan is closed, it is time to take care of all the legal procedures to start activity, that includes the co-living, the bar and the co-working spaces. For this step, the firm will need to contact a lawyer or a company with expertise in this field. The four step is the building remodeling. This step starts at the first week because since it was an old building, even before the firm had a chance to do a business plan, it was already under construction by a young team of architects. So, these 10 months would be the necessary time to adjust the design to the co-living concept and it would open with all new infrastructures.

After that, it will be necessary to recruit the necessary staff, to invest on mentoring and training and to buy the necessary materials and resources – as computers, software, among others. This is last from the month 3 until the 7 in order to make sure that the staff is well prepared. The eight step will be the implementation of the marketing plan, which includes the promotion's strategies and tactics. Here, at the month 6, the firm will put the website and booking platform online, will do the partnerships with the co-living's platforms and will create a social media account on Instagram, Facebook and Pinterest. From this month forward will generate content, analysis its performance and finish all the other planned actions. The nine step is related with the building, the physical asset. As the remodeling is getting to the end, it is time to buy the

furniture and decorate the whole space. So, the decoration team will get in and finish its job by preparing each apartment and area with all the commodities and facilities needed.

The last step will be the first month of activity. The co-living place, both the co-working places and the bar will open its doors to the world. The customers will be able to book, the staff will be able to host them and collect as much feedback as possible in order to improve every weakness. As the marketing plan is being implemented, it is crucial to have a cautious control over each step and activity in order to have the best performance as possible.

11. Strategic control

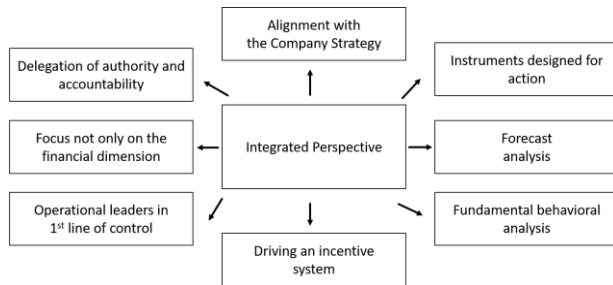
In the today's paradigm, with all the globalization, strong competition, technological developments and social crisis, it is complex to manage a business and follow the initial strategic planning. Control is the key factor, that will make possible to adjust the plan according to the firm's objectives and the external environment. By taking in consideration the past and future of a company, the financial information, the operations, the external factors and what is actually happening in the company – is the only way to succeed and make sure the strategy is well implemented and effective. Managers have a very hard work here to keep the entire organization motivated and keep creating value from alignment and communication (Jordan, 2008).

When doing the results' evaluation and monitoring, it is also important to understand if the information is good and enough to work on, if is getting on time, if is clear and flexible, in order to be able to change the direction as soon as the manager understands that is not working. A control phase must follow four steps, the review of marketing objectives, establishing Keep Performance Indicators (KPIs), evaluating gap according to defined criteria as if the message is correct, if is hitting the market, if the media or marketing mix tactics were the right one to choose and if the goals are not being achieved, why not. The fourth step is to analyse if the standards demanded to the marketing team are being kept. If the plan is not working for some reason, is important to understand what did not work, to have less error tolerance, to re-analyse the SWOT table and to create a more demanding strategy.

It is crucial to never forget to generate value for the Stakeholders. As stakeholders can be a variety group of people and entities, is mandatory to understand each one of them, what they

need and are looking for to be able to create different performance metrics for each one of them. This metrics need to be aligned with the firm’s mission, goals and smart objectives.

Figure 13: The Eight Principles of Management Control



Source: Lopes da Costa (2012)

As mentioned in the Figure 13 – “The Eight Principles of Management Control”, when a firm is doing a strategic control over a plan it is crucial to have an integrated perspective, following those principles.

So, *samesame* need to generate value trough:

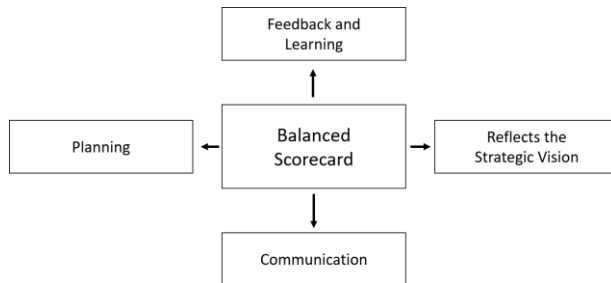
1. Generate financial metrics;
2. Generate metrics for the operational processes and quality control;
3. Generate metrics for marketing strategy and tactics;
4. Generate a customer analysis and satisfaction’s metrics. Understand who is the target, their needs, their interests and others to maximize their experience;
5. Generate metrics about the consumer behaviour (as for example, how long they are stayin and how long is the booking’s window);
6. Generate metrics about the occupation rate, the company’s growth and potential growth;
7. Generate metrics to manage properly the supplier’s work and its payment;
8. Generate metrics to employee performance and compensation plan.

Balanced Score Card (BSC)

The Balanced Score Card (BSC) is a strategic planning and management system created by Norton and Kaplan, two Harvard’s teachers. This tool’s goal is to communicate the firm’s objectives that needs to be accomplished, align the day-to-day work with the strategy, prioritize projects, products and services and finally to measure progress. The BSC measure a more “balanced” view of overall performance, by focusing on not only financial measures but on a holistic system for managing strategy. Lopes da Costa (2012) refers that this tool can be used to analyse internal and external factors, to improve the overall firm’s performance by focusing on

these areas: feedback and learning process, efficient planning, efficient communication aligned with the plan and objectives and the result must reflection the firm's strategic vision.

Figure 14: Practical Methodology of Balanced Scorecard



Source: Adapted from Lopes da Costa, 2012

In order to *samesame* work efficiently on its management control system, the performance monitoring needs to be framed into four perspectives of analysis. Kaplan and Norton (1996) advocate that performance monitoring needs to be linked with Financial perspective, Market perspective, Internal process perspective and finally, Organizational development perspective. These elements need to be adjusted with a firm's strategic mission and can create value to customers and stakeholders, generating a good overall performance.

The Financial Perspective, on table 4, is related to how the firm looks to its stakeholders. It measures whether the company's strategy, implementation and execution are contributing to the firm's performance improvement. This financial analysis tends to demonstrate that the company is focused on growth, profitability and value creation.

Table 4: The Financial Perspective

| | Critical Factors for Success | Performance Indicators | 1 | 2 | 3 | 4 |
|------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------|----------|----------|----------|----------|
| Financial Perspective | Growth Company Expansion | Rate of growth activity Turnover Market share | | | | |
| | Profitability | Return on equity Profitability of sales Earnings per share | | | | |
| | Value created: Capabilities to generate value for the shareholders | CVA (Cash Value Added) EVA (Economic Value Added) NI (Net Income) | | | | |

Source: Adapted from Lopes da Costa, 2012

In the Customer Perspective of the Balanced Scorecard, present in the table 5, managers need to classify the customer and market segments in which the firm will compete and measure the

firm’s performance in these segments. These segments are the ones who will generate revenue that make possible to accomplish the financial objectives. The market perspective needs to answer the question: how the customers see the firm? Most companies focus on the consumer’s satisfaction as a main mission statement. Therefore, how a customer sees the company is the top priority. This perspective is focus on four areas, which are customer satisfaction, the customers loyalty, the acquisition of new customers and the customer’s profitability.

Table 5: The Market Perspective

| | Critical Factors for Success | Performance Indicators | 1 | 2 | 3 | 4 |
|---------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------|----------|----------|----------|
| Market Perspective | Improve Customer Satisfaction | Satisfaction index (survey) Waiting period Claims | | | | |
| | Degree of loyalty of current clients | Growth rate of turnover in current customers Number of customers per year "Repeat Clients" | | | | |
| | Ability to innovate on offer, Acquisition of new customers | Turnover Market Share Number of differentiated offers in the market | | | | |
| | Yield | Eva (Economic Value Added) Return on Sales / Customers | | | | |

Source: Adapted from Lopes da Costa, 2012

The Internal Process Perspective, represented on table 6, is focused on answering the question: in what the organization must excel on? This perspective allows to better analyse the firm’s resources and capabilities necessary to improve the overall quality and performance. In addition, is crucial for a company to understand its internal processes and each step of its operations, so it will have enough knowledge to innovate any process in the value chain, to deliver value propositions to customers and to retain them and finally to satisfy the stakeholders’ expectations, improving this way the results of both market and financial perspectives. A key factor in a firm is the control of the processes in order to produce reliable and high-quality products and services. A deep and constant control leads to a consistent level of product and service, so its crucial to have the right variables to measure. In this perspective, the four areas to focus on are the rationalization by eliminating non-value activities, efficiency by resource’s optimization, quality by ensuring high levels of acceptance of the products and effectiveness by improving service delivery.

Table 6: The Internal Process Perspective

| | Critical Factors for Success | Performance Indicators | 1 | 2 | 3 | 4 |
|---------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------|----------|----------|----------|----------|
| Internal Processes Perspective | Rationalize Elimination of non-value creating activities | Product unit costs | | | | |
| | Efficiency analysis Resource optimization | Productivity Tax capacity utilization rate Absenteeism | | | | |
| | Quality Ensuring high levels of acceptance of the products / services | Rejection Rate | | | | |
| | Organization Improve service delivery | "Lead time" or deadlines Waiting time | | | | |

Source: Adapted from Lopes da Costa, 2012

The Organizational Development Perspective, on table 7, is focused on people, systems and procedures. This is linked to the firm's internal capacity, the development perspective and is crucial to understand how the company can use its efforts to accomplish all the objectives.

Table 7: The Organizational Development Perspective

| | Critical Factors for Success | Performance Indicators | 1 | 2 | 3 | 4 |
|-----------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------|----------|----------|----------|
| Organizational Development Perspective | Innovation: Employee capacity to generate new ideas | Number of new ideas taken Number of new products or services | | | | |
| | Satisfaction: Guarantee high levels of motivation and commitment | Satisfaction Index Amount of awards and incentives | | | | |
| | Qualifications: Ensure knowledge levels of employees that enhance their performance | Number of qualified staff Number of training hours | | | | |
| | Technology: Harnessing the technological potential | Average investment per employee Number of computerized activities | | | | |

Source: Adapted from Lopes da Costa, 2012

Considering all the information above, the creative co-living must use the BSC tool and analyse the whole business through the four perspectives in order to improve the strategic management, to better overcome internal and external challenges, to improve the overall performance and to achieve its goals. This way it can maintain a sustainable competitive advantage.

Conclusion

The objective of this project was to make a study and present a strategic plan to assess the feasibility of a co-living place in the Lisbon area. Hence, it was developed an external research, involving political, economical, legal and social contexts and several other subjects and analysis related to the Real Estate and the Co-living sectors, in order to understand the viability of the project, the existing offer and potential demand.

There was also the need of doing a benchmarking, by studying the competitors - their concepts, services and pricing – as to better understand the market and how *samesame* could differentiate itself. As to be totally aware of *samesame*'s capabilities, resources and limitations, an internal analysis was made. One of the tools used for this study was the SWOT analysis, to help building a sustainable competitive advantage and growth by exploiting its capabilities, resources and solving or mitigating the weaknesses. At this stage, the strategic pillars are already defined, allowing for the strategic formulation and implementation. With the above information, the brand's identity, the 'marketing-mix' and the company's structure is defined.

To conclude the strategic plan, and in order to cope with the objectives, it is crucial to generate metrics for performance control and execution monitoring of what was outlined. The Balance Score Card is a very useful tool but there is also the need to generate Key Performance Indicators to each strategic tactic in the sales, marketing, finance and operations department in order to keep the track and ensure the strategy is well implemented and effective.

It became clear that *samesame* is a viable option. There will always be limitations, specially regarding to the Portuguese legal context, the financial need of investment and the fierce competition that soon will arrive - but all of them can be solved or mitigated.

The sharing economy, that has been rising in the past ten years, is a system in which people prefer to share products and services rather than owning them. This system and a collaborative-oriented mindset are changing lifestyles and therefore cities. Managers, architects, designers and the society in general should ask themselves the following: how should we live in the future? How can spatial design improve people's health and fulfilment? How can we build homes to make people wealthier and happier?

Co-living is a global movement that is shaping the future of how we live. It promotes a sense of liveability, accessibility and resource efficiency. By sharing spaces, food, energy, mobility and other services, it can reduce costs through economies of scale and help mitigate the feeling of loneliness that is so present in this generation. Fortunately, there is a demand for this kind of service, that has the potential of making it a financially viable option. The studies mentioned during this whole project collaborate with that.

No one can predict the future, but anyone can shape it – so, it is crucial to rethink the way people live and discover how shared living can help to solve some of the social and urban demographics biggest issues. Shared living can't be seen as a trendy throwback to a utopian idea from the past, it must be regarded as a viable solution to some of the present's biggest challenges.

“Sharing allows us to make from the ego to eco-based culture” (Jamie Williams)

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