



BUSINESS
SCHOOL

Business Plan: Sportigest

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Project submitted as partial requirement for the conferral of
Master of Science in Management

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October, 2021

Acknowledgments

I started working as soon as I enrolled into this master program. It was, without doubt, the biggest challenge of my life. Two years have passed, and this accomplishment wasn't possible without the support of whom I'm going to thank for.

First of all, I want to thank Professor Teresa Vieira for all the advices, guidance, follow-up, and for all the opportunities that were shared. Professor Teresa always tried to push me out of my comfort zone and made me improve both in professional and personal fields. It will always be my mentor, and I'll wish the best to Teresa, who I really admire.

Secondly, I want to thank my family, especially my parents, my brother and sister-in-law and my uncles. They were unstoppable during this last few years. The support, patient and understanding are beyond measures, and were key for the success of this project.

On a third point, I want to thank my girlfriend, for all the times we exchange ideas, for being aside me on the longest nights, and for all affection and dedication. She stood there without asking, so this project has a parcel of her. Thanks for all you have done.

On a fourth place, I want to thank to my colleagues, from work and university, for all the kind gestures you presented me along this path.

Following, I would like to thank to Carlos Gonçalves, General Manager of Proeleven, for the amazing interview he kindly let me do.

Finally, I want to dedicate this project to my grandmother, Maria Amélia, who passed way last year, and couldn't see me finishing this chapter of my life. To her, for everything she means.

Abstract

Football it's a sport that it's played at the highest level, and footballers need to be focused only on the game, so that they can achieve their goals. Agents play a big role on the life of players. They are responsible for negotiating their client's contracts, salary, and answer to their needs.

Although agents commit to respond to almost every problem that arises on their client's day-to-day life, the majority fail to deliver the best solutions. The aim of this thesis its to develop a business plan for a new integrated management system, that will be used by sports career managers. With the platform, agents can have all the information in one place, and will also obtain responses from its smart database. If a player needs a psychologist, the agent just needs to search on the platform for a nearby recommended professional psychologist.

This platform will be seen as a new management tool in this market. It will improve the services of career managers and that will lead to an upgrade on the delivered actions.

The business plan will access if this project is viable or not and explain the reasons in detail.

Key words: Sports and Technological Entrepreneurship, Integrated Management Systems, Sports Careers Managers, Software Innovation on Football

JEL: M10, M13, M15

Resumo

O futebol é um desporto que é praticado ao mais alto nível, e é por essa razão que os jogadores necessitam de estar focados no jogo, de modo a atingirem os seus objetivos. Os agentes têm um papel super importante nas vidas dos jogadores. São eles os responsáveis pela negociação de contratos, salários, e responder a todas as suas necessidades.

Mesmo tendo em atenção todo o esforço de cada agente em resolver todos os problemas dos clientes, a grande maioria não consegue entregar as melhores soluções. O objetivo desta tese é desenvolver um plano de negócios de uma nova aplicação integrada de gestão que será usada pelos gestores de carreiras desportivas. Com esta plataforma os agentes terão acesso a toda a informação e obterão respostas inteligentes do sistema. Se um jogador precisar de consultar um psicólogo, o agente só terá de procurar por um profissional recomendado na zona pretendida, tudo através da plataforma.

A plataforma será vista como uma nova solução no mercado. Irá melhorar os serviços prestados pelos agentes, bem como aumentar a satisfação dos seus clientes.

O plano de negócio irá analisar se o projeto é financeiramente viável e justificar todas as razões enunciadas.

Palavras Chave: Empreendedorismo Desportivo e Tecnológico, Sistema Integrado de Gestão, Gestores de carreiras desportivas, Inovação de software no futebol

JEL: M10, M13, M15

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1. Introduction

1.1 Innovative Idea

The idea came after analyzing the support that professional football players receive by their career managers. It was noticed that there were some gaps between what agents try to offer and what they actually do. This gap could be mitigated by improving their management software, that could organize all the information needed to ensure a fast and better response to players requests and needs.

The product will be an integrated management system for sports careers managers. The software will have different features to help ensuring that players only focused on the game. The platform collects the data of the player, such as their location and interests, and creates an individual record/planning, that will have key tabs, such as Health, Performance, Well-Being and Finance. With this platform agents can track the players requests and offer them better solutions, that are integrated on the system database.

1.2 Theoretical contributions, managerial and social implications

This thesis will access the viability of the new platform. At the end, if the project demonstrates to be profitable, it can be stated that this innovative management tool will bring benefits to its users and improve their services and also quality of life, while generating profit to the shareholders. The platform will be designed from the scratch, so developing the entire process can be seen as a step forward on software development for the industry.

1.3 Research Aim

The goal of this project is to create a business plan of a brand new integrated management system, that will be developed by professionals of different areas, such as management, software and accounting.

1.4 Research Question

In order to accomplish the goal of this master thesis, that was already defined, there are some questions that this research will try to give an answer to:

1. Which key features could the platform have to improve the quality agentmanagement and the players quality of life?
2. Which financial indicators should the platform have to ensure medium and long-term players financial stability?
3. Will the project have financial viability?

1.5 Research Objectives

Nowadays, Football is played at a High level, as never seen before, and every prominence counts. Problems such as finding the best nutritionist nearside, should not occupied the mind of footballers, and with this solution, their career manager will no longer need to make countless calls to help it customer, it only has to take a look on the system database.

As first objective, the author has to validate the idea and search for literature that can support and guide the creation of this management system. For that its necessary to identify the needs of football agents and its players; explore already implemented systems; access the benefits of implementing an Integrated Management System and idealize and develop tools that will mitigate their problems. One example is to access examples of well implemented financial saving strategies, so that it can be applied to each football player, according with their salary and type of contract. Their careers have a limited time, so it's very important to plan their long-term financial stability. The second main objective is to develop a well structure business plan, that will be the main focus of this thesis.

2. Literature Review

Before trying to gather information to answer to the research questions, which were already mentioned, it is important to look to the concept of entrepreneurship and its link with sports management so that the author can understand if technology had already any sort of major impact on this management area. After this first literature research, it is necessary to look into theoretical definitions and practical uses of management systems, and more specifically, Integrated Management Systems, in order to comprehend if the system that will be developed can improve sport managers services.

Last, but not least, the role of a football agent will be explained and the main problems a professional footballer can face with will be listed, as well as the main solutions and actions which are taken in order to improve the players performance and day-to-day quality of life.

2.1 Sports and Technological Entrepreneurship

Many researchers have already addressed entrepreneurship and defined similar concepts. In 1989, Hebert and Link, stated that "An entrepreneur is someone who organizes a business venture and assumes the risk for it.", and after that, in 2000, Yusuf and Schindehutte, referred to entrepreneurs by saying that when they (entrepreneurs) spot a good opportunity, they will try

to explore it and obtain the maximum outcomes. This type of people are always looking for new challenges and are more likely to assume risk than other professionals are, it is part of their DNA (Schneider et al. 2007). In the majority of the cases, the entrepreneur is characterized as someone who is willing to take risks (Ratten, 2010).

However, entrepreneurship doesn't only happen as an effort of one individual, it can be seen as the outcome of a group work that, together, pursue the same desire of accomplishing new goals and developing businesses ideas (Terjesen 2008). The economic benefits generated by entrepreneurs are well established, from generation of employment to improving productivity or increasing growth rates, it depends on the type of activity developed, but besides the risk, it can bring a large range of positive outcomes (Van Praag and Versloot 2007).

There are entrepreneurs everywhere, and in sports it's no different. Ratten, in 2010, defined Sport-based entrepreneurship as "any form of enterprise or entrepreneurship in a sports context". Some organizations, such as The Sport Journal, also tried to connect sports to entrepreneurs, and ended up with the conclusion that a sport entrepreneur can be defined "as a person that organizes, operates, and assumes the risk for sport-related business venture".

The entrepreneur associated risk does not go away in sports, it only increases, because athletes have to push themselves to the limit (which may be dangerous) and the results, most of the times, are unpredictable. The risk takers in sports are not only the athletes, but also the events organizers, officials, coaches, sports administrators and agents. The risk can vary regarding the personality of the individual, which includes his emotional and physical presence and participation (Ratten, 2010).

Over the last few years, technology had a significant impact on innovation in sport (Ratten 2010). The implementation of new engineering processes and the usage of new materials and tools are responsible for much of the innovation in sport, and that contributed a lot to higher achievements on every sport (Castonguay 2008). Innovation in sports is necessary and must be encouraged by every agent involved (Schwarz and Hunter 2008). In the last decade, one of the major innovations, was the improvement of computer statistics that help managers to analyse the competitions and also to generate precise reports on team's performance and on markets (Ratten 2010).

As it was already stated, technology has a major role on sports. Technological entrepreneurs are linking their vision with sports entrepreneurs and are obtaining good results (Castonguay 2008). The definition of technological entrepreneurship was also related with the act of innovating and assuming its risks, as Nacu and Avasilcăi said in 2013, "The results on

development of a new business idea in technological domain, along with risk taking, define the technological entrepreneurship”.

It is important to refer that the implementation of a new IT tool does not guarantee competitive advantage. Even though some companies think that implementing a new technology always brings value, that is not necessarily true. Processes must be studied by managers and they should align them with the customer perspective, only then the IT tool should be implemented (Terziovski et al., 2003). Upgrading the software of an organization is indispensable for them to keep thriving in the market, but such action needs to be taken in accordance with managers review processes, so that the change is fully aligned with their needs (Ngai, Law, and Wat, 2008).

To assure that the outcomes of the informatization are obtained, managers should conduct a cost-benefit analysis, to estimate the financial viability and management skills improvement over time, and that is the right way to choose the IT development that suits the better to the company (Love, Irani, Standing, Lin and Burn 2005).

2.2 Integrated Management Systems

Before trying to understand the specifications of an Integrated Management System, it is essential to analyze the role that a Management Information System has inside an organization. In 1987, Waston, described a MIS (Management Information System) as “an organizational method of providing past, present and projected information related to internal operations and external intelligence. It supports the planning, control and operation functions of an organization by furnishing uniform information in the proper time frame to assist the decision makers”. The information is available at any time, so that managers can extract data and analyze it. Some MIS are also prepared to predict what is going to happen in the future, by looking to previous collected data (Asemi, Safariand Zavareh 2011).

As part of the company strategy, implementing a new Management Information System can be the key to ensure success. Innovation assumes various forms, and a well designed MIS can really bring a strong competitive advantage (Heras-Saizarbitoria and Boiral, 2013). In 2010, as a reflection of innovation, Conti, talked about a “new systems- based management model”, and pointed the benefits of integrating the multiples Managements Systems in a single system. This new model would avoid the loss of information and would help to analyze and manage data, since it would be all in one place.

The “New Model” was already mentioned before, in 2003 by Beckmerhagen, when the author stated that it would improve and help keep the data of a company organized, because the Integrated Management System had the function of “putting together different function-specific management systems into a single and more effective IMS”. Moving from several MIS to a unique Integrated Management System can be seen as innovation, as it represents “the employment of design or construction techniques, or materials, that do not have a proven history of performance or are not covered by an organization's current practice” (BSI 2008). The goal of any company is to obtain competitive advantage, and according to the current literature, innovation is essential for an organization to differentiate from their competitors (Birkinshaw et al., 2008).

Nowadays there is a huge variety of Integrated Management Systems, therefore it is important to keep innovating so that this software can satisfy its users in every segment. Process automation is a concept used for a few years already, and was referred by Harmon, in 2003, as “the use of IT to assist or replace employees in the performance of a business process”. Integrated Management Systems can no longer be just a library to collect data, they must act as a smart machine. Automated tasks will reduce the time spent by employees, and that will lead to the reduction of costs and ultimately, better performance (Trkman 2010). The whole business coordination can be improved by implementing automation and intelligent systems, which will potentially lead to an increase of performance as well (Nikolaidou et al., 2001).

The information gathered inside an IMS can be seen as a library. Anyone (with permissions) can check, at any time, specific data and generate reports. But, the ideal system, which was idealized by Min and Oh, in 2012, should not only be used as a library but also as a search tool, in other words, the software should give answers to its users, so that they would not waste time searching it in other websites, it should be an offline and online tool.

The use of this Integrated Management Systems must be stimulated, and upgrading the existing software, to a more sophisticated one can be a big step (Min and Oh 2012). This new IMS has the goal to create and collect its own knowledge and then deliver it efficiently to the user, so it will not only have all the information together, but it will also offer a service (Min 2008).

2.3 Sports Career Management

The last part of this literature focuses on the relation between the agent and the footballplayer, and the challenges that each one may face. To begin, it is important to understand the role of the

agent in football and to collect past research that explains why almost every player has a career manager.

The highest entity of football, FIFA (Federation Internationale de Football Association), defines a player agent as “a natural person who, for a fee, introduces players to clubs with the objective of negotiating or renegotiating an employment contract. It can also introduce clubs to one another aiming for a transfer agreement, in compliance with the provisions set forth in these regulations.”. We can conclude that an agent participates in every transaction, by representing his player and defending its interests.

Agents must operate at high speed since this is a market where every second counts. One agent can have several clients therefore he might have to deal with lots of transactions at the same time, negotiating with so many different clubs and a huge variety of people, it is a hyperactive environment. Although career managers have to deal with all the process of a transaction, the player and the club always take the final decision (Didier and Morgan 2013).

In a player’s career, salary negotiation is a constant and as contracts can’t exceed 5 years duration, teams consider players as their employees but also a financial asset, so the relationship of this two it’s not as simple as it look. Selling and buying players is the main point on the investment strategies of a football club (Ascari and Gagnepain 2006; Paché and N’Goala 2008). Players are all different, and their wages vary according with a large number of factors, but to simplify, they can be divided in two, were in the first part are top-level players, the minority, and on the other, the average players, the majority (Bourg and Gouguet 2001). The second group is confronted with salaries that are not as high as the first tier players and face a brutal competition, and as consequence, the risk of unemployment is much higher in this tier (Didier and Morgan 2013).

World best agents are known to have good relationships with directors of clubs and their players, and this is essential to keep doing businesses. Sport career managers try to attract players by offering services that can help the player grow both in personal and professional aspects (Masteralwxis 2005). The services that are guaranteed by agents are, most of the times, partnerships with professionals of other areas that can help their clients with their life problems, such as legal, marketing, fiscal or financial advisory. After a while, a player can become a friend, but the market demands that it always remain seen as a client that can generate profit for the agent (Didier and Morgan 2013).

There are also “tiers” regarding agents. On the first tier are the career managers that have the top players and again, are the minority, and on the second tier there is the population with the average players. If athletes are not happy with their negotiations and with their services or

simply because some offer more reliability and contacts, they will change to other agent (Didier and Morgan 2013).

The urge to succeed is explained by analysing the main characteristics of the football player career. Balliauw and Spiegel did it, in 2018, and pointed five main traces, such as short career, with only 15 to 20 years to play the game, and that results on a “concentrated period of income”. The limit of the duration of the contract, 5 years, its other aspect that as a huge impact. In the third point stands the vulnerability to injuries, which can end up a football career at any second. Living abroad, without having any contact with their families is another variable that contributes to the action of this market. The fact that the player supports the entire family, in financial terms, can also have a negative impact on his life.

Financial education is very important to know how to manage income and to avoid financial problems (Anderloni 2012; Seshan ad Yang 2012). Young players tend to ask to non-professionals for advices to invest their money and that leads to high debts and bad investments (Dowling et al. 2009). On the other hand, asking for advisory to financial specialists have positive impact on the savings, and that offers financial stability (Kiiza and Pederson 2001; Van Rooij et al, 2012).

A survey lead by Balliauw and Spiegel, in 2018, concluded that 23 out of a total of 99 players in the first Belgium division indicated that “occasionally have financial problems”, and this includes players that have high wages, not only players with average incomes. This is a representation that having big wages does not mean financial stability. Players are not only focused on achieving good results inside the pitch, but also in life. On this survey, 29 players claimed that financial results had a positive impact on their performance, so they link the success on investments to their commitment and effort with football. Financial advice comes normally from family, as 69% said that they always asks advice to their fathers and siblings, and only 25% seeks help with a financial specialist. Agents came on third place, with only 20% saying that it is not usual to seek the help of their agents regarding their investments. “Investing in real estate, which is considered in Belgium as an investment with low risk, significantly reduces the probability of incurring financial turmoil.” (Balliauw and Spiegel 2008).

3. Methodology

3.1 Research Context

To develop a Business Plan it is essential to understand the reality of the market. Interacting with professionals is one of the best ways to get closer to the necessities of each individual. The main target are the agents of football players, from all ages, because they will be the ones that will use the platform to manage their client's necessities. The platform that will be created is still in its initial phase, so it is necessary to collect information regarding the real struggles of agents and their player's needs.

It's also extremely important to analyze other companies practices that are being done and learn with their positioning. In order to prepare the launching of the product, primary data and secondary data will be obtained, in different phases and with peculiar characteristics.

3.2 Research Design, Data Analysis and Data Collection

On a first moment, qualitative research will be one of the approaches used to collect data that will contribute to answer the questions that were already listed. This data collection will be focused in two groups, football agents and players.

Semi-structured interviews will be conducted, the often called as "conversations with a purpose", and their goal is not only to ask a few business related questions but also to give some space to the interviewee so that he can feel free to give examples and approach ideas that can enrich the conversation. With agents, the target is to collect the maximum information about their problems with management systems, automation processes and ways to improve their relationship with their clients. On the other hand, the conversation with players is linked with their struggles on the day-to-day life, the financial management tools that they use, and frustrations with the services of their agents.

The plan is to interview 5 agents and 10 football players, to gather different opinions and multifunctional visions. After conducting the interviews, the next step will be analyzing each conversation and order each response according with the level of disappointment, so that the team can link the most common responses and understand if it's possible to mitigate that problem with the new integrated system. Connecting this primary data results with the literature, will clear up the path to the development of the Integrated Management System, that will be as advanced as possible.

On a second phase, secondary data will also be collected. Understanding the environment and the market is essential for a project to be successful. When developing external and internal analysis, the author will have to focus on scientific articles, journals and books that are related with the market where the platform will be launched. Other example it's the use of quantitative analysis, which will help to estimate the costs and revenues of the platform, and the financial viability of the Project.

4. Scientific Investigation Chronogram

The different phases of this thesis have already been defined and are stated bellow.

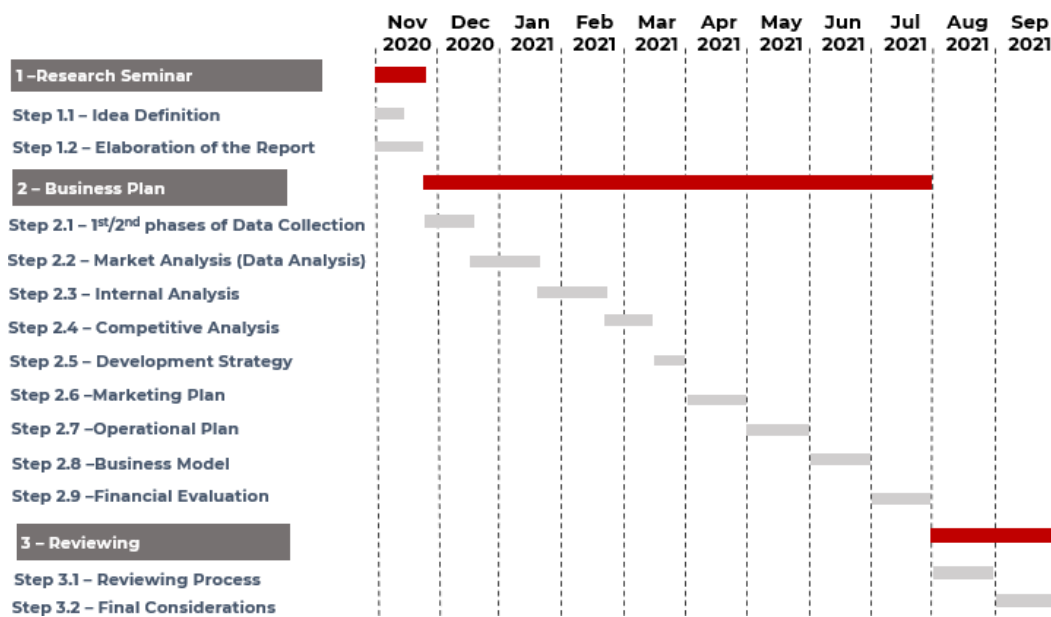


Figure 4.1 – Scientific Investigation Chronogram

5. External Analysis

5.1 PESTEL

5.1.1 Political

Since 2015 that Portugal has been under the same political party, and that, alongside with the consecutive economic growth brought stability into the political spectrum. Covid-19 was an unexpected and traumatizing event that put everything to proof. Government, and its different entities, were able to implement measures that prevent the spread of covid-19 and tried to minimize the economic damages that this crisis would bring. Rules such as “Home Office” and

“Lay-off” had the goal to give support and let people do their lives according to the circumstances.

There are some relevant institutions and programs, held mainly by Government, that have the goal to encourage and stimulate entrepreneurship among citizens, such as Portugal 2020, “Investe Jovem – IEFPP” and IAPMEI. It’s important to refer that there are other public institutes that have the goal to boost businesses, like regional programs or local city councils. Portugal 2020 was created in 2014, between Portugal and the European Commission, with the vision of establishing solid and helpful policies to secure an economic, social and territorial development in the country. Portugal received 25 billion euros between 2014 and 2020, to spread it for smart and strategic regions and businesses. IEFPP it’s the Portuguese Institute of employing and training and also has programs that help already established entrepreneurs to develop their businesses and brand-new creators and visionary’s, and help can come from technical support, to credit counseling and also financing support. IAPMEI is also a public institute that held programs dedicated to the creation of start-ups or scale-up initiatives. These institutions are proof that exists a progressive effort by Portuguese public entities on developing new ideas and creating disruptive businesses.

With the globalization of technology, Portuguese government had worked closely with investment and international entities in order to capture the attention of foreign markets, to launch Portuguese companies worldwide. AIECP it’s an example of that, by being a public entity that gives counseling in how to approach external markets and how-to identify business opportunities and then maintain follow-up processes in order to help companies succeed outside Portugal. This agency also keeps track at every foreign investment project, so that they can identify the Portuguese companies that can gain from that opportunity, according to their profile.

5.1.2 Economic

Portugal suffered a strong downfall after the crisis of 2008, and it took several years to revitalize Portuguese economy. 2016 marked the beginning of a sustainable growth, due to several factors that influenced private consumption, such as lower unemployment rates and higher disposable family income. At the end of 2019 the predictions of “Banco de Portugal” for the next couple of years were based on a steady and measured growth, not impressive as previous years, but enounced good perspectives for the future.

The out brake of the Covid-19 came without any announcement and launched a scenario without precedents all over the globe. According to “IMF – World Economic Outlook Database April 2021” Portuguese GDP fell by 3.9% in the first quarter of 2020 and 13.9% on the second. The expectations of IMF, released in mid of 2020, was that Portuguese GDP in 2021 would grow 6.5%, but the second wave, changed the speed of recovery, and on April Analysis, the IMF adjusted the GDP growth to 3.9% in 2021 and 4.8% in 2022.

European Commission it’s also predicting an increase on GDP, but on the report of Summer 2021 stated that the average GDP growth of EU countries will be around 4.8% for 2021 and 4.5% for 2022, positioning Portugal with lower growth rhythm this current year, but forecast a better response next year.

According to data from the World Bank, the IT sector in Portugal kept growing on the last years and following an INE report, IT already represents 4,8% of the European Economy. Sports are also an important sector on Portuguese panorama. Following a report of EY, Portugal’s Football industry generated 750 million euros on 2019-2020 season, representing a contribution of around 494 € million euros for GDP, around 0.26%, and this not include the indirect impacts of professional football on the rest of the economy.

5.1.3 Social

Sports are a sector that Portuguese citizens give a special attention. According to INE, in 2019, 42.5% of the population between 18 years old and 69 years old attended live sport events, so almost half of the active population spend their time watching sports. In 2020 Portugal had 688 894 players enrolled on sportive national federations and 11 429 sport clubs. There were 184,4 thousand players enrolled on Portuguese Football Federation.

In the season of 2020/2021, there were 435 football agencies companies licensed by Portuguese Football Federation, and in 2017/2018 were 384. In 2019, there were 3 346 international transfers that had an agent representing a player or a club, which represents 20.4% of all transfers, statistics shared by FIFA.

According to a market research held by CIES, Football Observatory, the average age of agents its 42 years old, and two thirds are included in the age range from 31 to 50 years old. In this study it’s also important to refer that 79% of agent hold a university degree and only 29% of them do not speak any foreign language.

Regarding agents’ practices there are two main differences. The help provided to marketing and endorsements is way bigger than the support on players personal care activities, like renting

a house, travelling guides, or fitness solutions. The first its secured by 98% and the second by only 46% of agents.

It's also very normal for an agent to be a former player, which brings knowledge to the business and give them a change to re-orientate their careers.

5.1.4. Technology

Technology and Sports have been linked for a long time now, with a lot of interactions along the way. Sports won a lot by adopting and bringing technology to its side. Nowadays it's possible to heal faster, to analyze performances looking only to graphs, to capture high quality live images, to train players more efficiently and to manage in a simpler way.

Technologies such as time-tracking systems, clothing and equipment, goal-line technology, GPS Data Tracking, Virtual imaging, accuracy and decision systems and Athletes Management Systems, are valuable contributors to evolution of sports.

Technology in sports its focused on improving the performance of each player, in order to retain as much as possible from their talent and work. There is software capable of giving constructive opinion on a player game performance, measure their evolution over the season, and adapt training sessions looking at their current shape.

Following a specialized study from PWC Sports Business Advisory, that reinforces the urge and need for a digitally integrated ecosystem for every sport club, it's possible to see the importance of technology, as quotes "The Overall football family will gain as digital creates closer ties between its members". This proximity will have impact on engagement and happiness not only for fans but also for players, that will gain exponentially by this digitalization process.

5.1.5 Legal

Following regulations from EU and international laws that aim to protect users and intellectual property of software owners, there are few directives that software companies should look at.

Although service delivery of software does not follow a specific law, there are some general laws that are relevant to a proper delivery of each software product, such as Computer Programs Protection Act (DL n°252/94, de 20 de Outubro), Computer Crime Law (Lei n.º 109/91, de 17 de Agosto) and Copyright Code and Related Rights (CDADC). In order to protect intellectual property, the owners should register the code on software deposit at Portuguese Software Association, in order to use Copyright.

Software applications are considered intellectual property, so when selling this software, the Portuguese Software Association (ASSOFT), recommends distributing software and always celebrate a licensing contract, that regulates the way to use the application, and this is normally called as Software License.

Portuguese law also demands that every commercialized product in Portuguese territory should have a Portuguese Guidebook, and software is no exception.

Following RGDPD procedures, its essential to follow the Portuguese law for Personal Data Protection (Lei 58/2019, de 08 de Agosto), so that software can go to market with transparency and assuring that users personal data is used in a legal and correct way.

5.2 Porters Analysis

5.2.1 Threat of new entrants

		Contribution to Force					
		1	2	3	4	5	
Economies of scale	High					x	Low
Service Differentiation	High		x				Low
Needs for capital	High			x			Low
Switching costs for clients	High		x				Low
Ease of access to distribution channels	Low			x			High
Ease of access to necessary technology	Low				x		High
Effect of experience in the sector	High	x					Low
Probability of retaliation from existing competitors	High			x			Low

Table 5.1 – Threat of new entrants

Nowadays there is software that can deliver high quality and well oriented tasks, and even predict results. Despite the current advance in technology and the existence of several well-known software companies, there are some niches that demand adjusted skills and experience in the sector, to insure a well design product.

The implementation of an Integrated Management Systems implies a long-term vision, because the software will collect data from several applications and then, after reading it and filtering it, show it to the user. A change on this kind of systems can take time and expensive IT specialized resources.

There are existent management systems that could try to enter in this market, by adapting their software to this business needs, but in order to succeed it's important that the system be able to offer different services that go behind only coding, and can actually simplify and help agents to provide better services to their clients, like players and clubs. The average it's 2.9.

5.2.2 Rivalry among existing competitors

Contribution to Force				
1	2	3	4	5

Number of existing competitors	Low				x		High
Market Concentration	High			x			Low
Market Growth	High		x				Low
Fixed Costs	Low	x					High
Differentiation among services provided	High			x			Low
Switching costs for clients	High		x				Low
Diversity among existing competitors	High				x		Low
Barriers to exit (divided into:)							
Specialization of existing assets	Low			x			High
Cost of exit	Low	x					High
Emotional Barriers	Low		x				High
Social and Legal Restrictions	Low	x					High

Table 5.2 – Rivalry among existing competitors

The offer of management systems, both for players agents and clubs its high, with more solutions provided to clubs. Solutions are provided by software companies that aim to facilitate management along transversal sectors of each client.

The current management systems try to stand out by adding new features, such as data treatment for analysis, smart players search or prediction graphs. Its relevant that suppliers keep innovating. The majority of competitors offer management systems are focused on players performances and financial stability, and few looks to other relevant agents’ tasks.

Switching costs for clients can actually play an important role on rivalry among existing competitors, because as it was explained above, changing from on complex management system to another can really take time and turn very expensive. It has an average of 2.4.

5.2.3 Bargaining power of clients

Contribution to Force				
1	2	3	4	5

Number of existing clients	High			x			Low
Switching costs for clients	High		x				Low
Clients profitability	High		x				Low
Weight of provided services on client’s costs	Low		x				High
Importance of the quality of service provided for clients	High		x				Low
Differentiation of offered services	High			x			Low
Availability of substitute services	Low			x			High

Table 5.3 – Bargaining power of clients

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There are 435 football agencies companies licensed by Portuguese Football Federation and over than 6000 agents worldwide, and the tendency it's to keep growing.

Football transfer market environment requires high management skills, and agents seek tools to help them finding better players faster, identifying ways to improve, or just overiewing their financial results. There are different software's that agents can choose to several areas of expertise, but none of them distance themselves as much from the others.

The best succeeded agents have enormous profit margins by negotiating a player and obtain revenues from clubs and also from players high salaries, so every aspect count.

The search for new applications from clients its constant, because software can really help them distance themselves from the rest, and the quality of software it's very important when choosing the one to work with. The average is 2.4.

5.2.4 Bargaining power of suppliers

		Contribution to Force					
		1	2	3	4	5	
Number of existing suppliers	High			x			Low
Size and concentration of the market among existing suppliers	Low		x				High
Relevance of the industry for the suppliers	High			x			Low
Average volume of purchase from suppliers	High				x		Low
Cost of switching suppliers	Low				x		High
Profitability of suppliers	Low			x			High
Weight of the cost of products computed by the industry in the total cost	Low			x			High
Differentiation of services acquired from suppliers	Low				x		High
Availability of substitute products to those purchased	High		x				Low

Table 5.4 – Bargaining power of suppliers

In this industry, technological suppliers can be divided according their type of offer, that can be more technical or management oriented. The first type focus on providing sportive features, such as data collection platforms, smart scouting applications, players performance monitoring.

The second type its oriented to provide services that will help manage the organization as a hole, providing global management systems.

There are relevant suppliers on the market, but as technology advances, the number of tech companies that provide new technical systems keep rising, with focus on data treatment. It’s easier to change from an analytical application, as an agent can have more than one application to look for different perspectives on market, but the change for a new management system can be more difficult, due to the complexity and information already inserted. The average it’s 3.

5.2.5 Threat of substitutes

		Contribution to Force					
		1	2	3	4	5	
Availability of substitute products	Low			x			High
Switching costs for clients, for choosing substitute services	High			x			Low
Profitability of suppliers of substitute products vs. the level of effort required from the agents	Low		x				High

Table 5.5 – Threat of substitutes

The rise of new substitute products, due to an advance on data treatment and to an increase of available technologies, provide agents with affordable and intelligent solutions, that can help them thrive in the industry.

Changing from one platform to another can take a lot of work, but also be as simple as stop using the application, depending on the information collected and provided by the supplier. Technical systems are easier to be forgotten, because if it’s launched a new feature by an existing product, the old one can look useless. Management systems, in the other hand, represent more costs when changing it, and costs can be heightened by the increase in

information provided, as these systems reunite important documents, personal data or strategies of agents. It has an average of 2.7.

5.2.6 Summary of Sectors Attractiveness analysis

Following the various components of Porters 5 forces, it can be stated that the attractiveness of this market segment is in a medium level.

Looking for scores and considerations of each force, Bargaining power of suppliers it's the highest force, due to the importance that software as on customers and differentiated features that few products have. The switching costs also play an important role here.

Threat of new entrants and threat of substitutes are currently a medium force, but with potential to rise, because factors such low needs for capital, lower ease of access to distribution channels, and higher probability of retaliation from existing competitors. With the rise of suppliers, and development of already established products, can became easier to switch from one application to another.

This industry it's still growing, and it's not yet in a mature phase, so rivalry between existing players it's in a medium/low force, as barriers for exit are low and differentiation being an important factor. Bargaining power of customers are at the level low due to the importance of the quality of service provided for clients, and relatively high costs of switching products, and the lack of knowledge for producing this software.

5.3 Market Opportunities

As the number of suppliers keep rising, due to constant investments on research and innovation, price will be pressured. In order to reduce bargaining power, it could be interesting to increase product dependency, by creating more dynamic and smart features, or partnering with other suppliers, to offer bigger technological environments.

On the market, there are already systems that can deliver with quality, but as suppliers keep innovating, the importance of knowing clients its very demanding, so do a regular survey to learn about their preferences could mitigate the gap and accentuate differences.

A normal management system can be adapted from other industry, by following guidelines from expertise professionals, but building up an integrated management system requires way more effort. Developing a brand image will generate loyalty and this will act as a barrier to new entrants. Forming alliances with linked products it's also a defensive/preventing plan to create a higher brand reputation.

5.4 SWOT Analysis

5.4.1 Opportunities

1. Higher technological investment;
2. Relatively importance of software for agents;
3. Integrated management systems that lead to ISO Quality stamp;
4. High profitability margins from sports industry;

Despite Covid-19 alarms regarding a financial future crisis, technological investments are still growing, as they are seen as a mitigator and key solution to turn every sector more virtual and advanced. Football agents are also looking to software with other perspective, as they've noticed that certain software's can really give them competitiveness advantage in the market.

Implementing an Integrated Management System brings a quality stamp for the organization, as its linked to ISO 9001 Quality Management, ISO 14001 Environment Management and OHSAS 18001 Safety Management. Sports transfer market its known to deal with high revenues, and profitability follow the same path, which leads to more disposable income to invest in complementary technologies.

5.4.2 Threats

1. Loyalty from existing partnerships;
2. Fast pace developments and innovations;
3. Rising of competitiveness;
4. Fast adaptation of other players;

Current software companies, such as tech start-ups, have more flexibility regarding new developments and innovations, and are always looking for new features to suit their clients.

On the other hand, established players have more probability to have strong relationships with clients and gain from that loyalty patterns, as it can be easier for them to adapt their technology, due to the proximity and know-how obtained along the years.

The fast evolution on software houses, that focused their developments on new Data solutions, or smart management tools, can rise competitiveness in the market, as they launch new and innovative products.

6. Internal Analysis

It's important to state that SportiGest isn't yet an existing corporation, but it's essential to organize and describe the future structure of the company, in order to identify strengths and weaknesses, that when combined with opportunities and threats can give competitive advantage to thrive in this market.

A success of a start-up lays a lot on its initial owners. The time and effort required its very demanding, and a person can fulfill more than one position to give response for every need.

The pace of a start-up isn't for everyone, and structuring a company from the beginning its obligatory, as the environment can be chaotic and stressful sometimes.

6.1 Structure

A software company depends a lot on technology and developments made, but that's not the only sector to look too. SportiGest will have a simple structure, focused on continuous delivery and continues improvement, to ensure the highest quality to clients and keeping vision on future investments for a sustainable growth.

In SportiGest there will be implemented a hierarchical structure, with the CEO (Chief Executive Officer) on the top, and two specialized Heads, one Head of IT and other Head of Business Development. There's also one IT developer, that will respond to the Head of IT.

The CEO, in a start-up company it's the man to look to, as he is the one who's responsible for the biggest decisions and takes control of principal management tasks. SportiGest CEO will be the one who gives direction an defines strategies for the company. The two heads will report to him, and he will be responsible to define deliverables and keep the team motivated and focused. Market research and establishing partnerships will also be part of a day-to-day task of the CEO, as he will have to coordinate with head of business development. He will also be responsible for monitoring financial reports and plan sustainable investments.

Business development plays an important role in every company, but in a start-up, where knowing the market can be decisive for success, it's almost demanding to have a Head of Business Development that will be responsible to spread this technology throw the industry. This business developer will do market research, as the CEO does, and also be main responsible for setting strategic partnerships that will be used to feed and improve the system data base. He will also have the important mission of establishing strong relationships with agents, in order to follow their recent needs so that can pass it to the IT development team.

Last, but not list, there is the Head of IT that will be responsible for managing software development team, that will have as main objective delivering and supporting the Integrated Management System of SportiGest. The head of IT will be in charge of searching for new and more efficient technologies, and also train and give guidance to other developers that may join the team. He will have a close proximity with CEO and Head of Business Development in order to develop the software accordance business needs and directions.

6.2 Strengths

1. Flexibility on adapting the software;
2. Know-how (development experts) and proximity with market target;
3. Software features that increase customer loyalty;
4. Partnerships that help agents providing better services to its players on their day-to-day life;

SportiGest proposes to deliver a differentiated Integrated Management System, that will provide agents with tools for management and will improve their services provided for players and clubs. In SportiGest, there are qualified software development specialists that have flexibility and certain freedom when developing features, allowing a fast adaptation to new market needs.

The fact of having partners with a proximity and close contact with market target facilitates the creation and nurturing of bonds and will help define new software features that aim to increase loyalty among customers.

Establishing partnerships with external professionals, such as doctors, physiotherapists, investments funds, house brokers, accountability specialists, will increase data and solutions for agents and players, and that's one of the goals of SportiGest.

6.3 Weaknesses

1. Small size of development team;
2. Lack of external investment;
3. Missing timing for launchings new updates;
4. Dependence on partners to increase client loyalty;

Being a start-up has pros and cons, and cons represent a big role on weaknesses that have to be mitigated.

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The fact of having a small software development team, increases communication and flexibility, but if the complexity of each new feature increases, the development team may take more time to work on it, and that can generate frustration inside the team. Other scenario to look to it's that the last fact, can be turned into slow response to new market needs, by missing exact timings for launching updates.

Not having huge capital funds also increases dependency on external factors, such as investors that have the power of providing liquidity to keep people aligned with the project.

Other major point it's the dependency on external partners that aim to increase clients loyalty, may be preoccupying, because if they start having disrespectful behaviors or do not deliver a good service, it can harm SportiGest reputation.

7. Competitive analysis

7.1 Systemic SWOT

	Strengths	Weaknesses
	<ul style="list-style-type: none"> - Flexibility of adapting the software; - Know-how (development experts) and proximity with market target; - Software features that increase customer loyalty; - Partnerships that help agents providing better services to its players on their day-to-day life; 	<ul style="list-style-type: none"> - Small size of development team; - Lack of external investment; - Missing timing to launch new updates; - Depending on partners to increase client loyalty;
Opportunities	Challenges	Constraints
<ul style="list-style-type: none"> - Higher technological investment; - Relatively importance of software for agents; - Integrated management systems that lead to ISO Quality stamp; - High profitability margins from sports industry; 	<ul style="list-style-type: none"> - Built strong relationships with agents; - Establish contact with technology investors; - Register the software and receive certified quality standards; 	<ul style="list-style-type: none"> - Reinforce size development team; - Training development team to meet with high pace developments; - Develop strategies to build relationships with partners to assure delivery and quality;
Threats	Alerts	Danger
<ul style="list-style-type: none"> - Loyalty from existing partnerships; - Fast pace developments and innovations; - Rising of competitiveness; - Fast adaptation of other players; 	<ul style="list-style-type: none"> - Track new releases from competitors; - Define key agents to work with; - Adapt business strategies that respond to market changes; 	<ul style="list-style-type: none"> - Slow paced development team; - Low attractiveness for investors; - Missing with target needs and loss of buyer's interest;

Table 7.1 – Systemic SWOT

7.2 Ansoff Matrix

The Ansoff Matrix has as key goal to help companies to plan their strategies for growth. It’s also known as “Product-Market Matrix”, as it gives entities a position and delivers directions on developing new products or jumping into new markets.

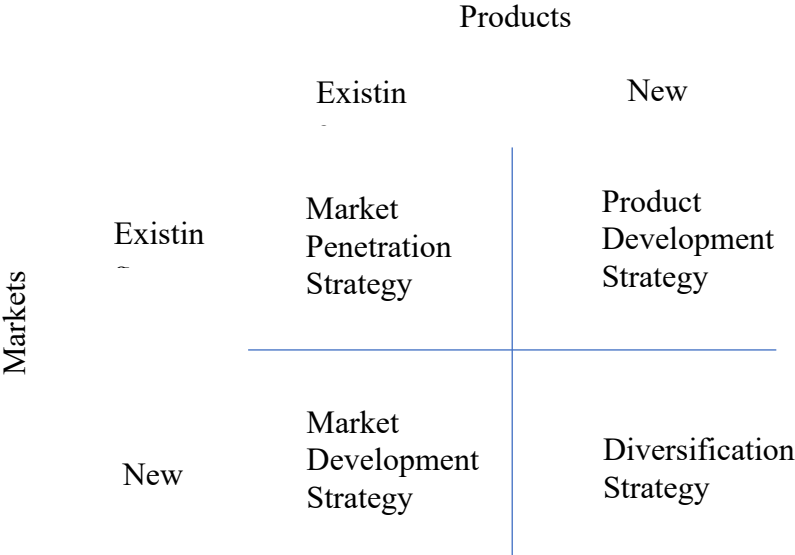


Figure 7.2 – Ansoff Matrix

The matrix in the figure above, has high relevance to SportiGest, in order to define the precise approach of the company. SportiGest will launch a brand new innovative product on an existing market, where competitiveness is rising. To succeed in this market its demanding to deliver a high quality product, with features that meet agents expectations. SportiGest will deliver an Integrated Management System, that aim to have innovative features that will help agents to manage better their players careers and provide them with services that no other product in the market its able to deliver. There is a gap in the market, as agents are not able to provide promised services, due to lack of time and management software that should provide efficient systems.

8. Development Strategy

In order to define SportiGest relative competitive position, it’s important to analyze Porter’s Generic Strategies, as it provides options and helps defining the right strategy to attack the market and acquire a strong competitive advantage. There are three relative firms’ positions:

differentiation, cost leadership and focus. Competitive advantage types, such as lower cost or differentiation, and the competitive scope type, like broad target or narrow target, leads the way to define the strategies on the figure bellow.



Figure 8.1 – Types of Competitive Advantage

The main focus of the company it’s to launch an innovative product for agents, so after looking to Porters Generic Strategies, some notes have to be taken.

In order to convince this narrow target, SportiGest will adopt a differentiation focus strategy. Agents are a selective and demanding buyers’ group, so its key to develop a product that go along with their expectations and refined needs, and as it was already mentioned, knowing their services will help mitigating the market gap, that does not support agents on end-to-end delivering service.

8.1 Mission

SportiGest mission focus on being a reputable sporting software development company, that brings higher quality of life to every stakeholder involved, by increasing efficiency, reducing management gaps and delivering distinctive services.

8.2 Vision

Reach to every sports career manager in the world, by delivering an innovative, distinctive and smart integrated management system.

8.3 Values

1. Sport Lover: Being a sport lover will always be in the DNA of SportiGest;
2. Constant Innovation: Developing a unique and distinctive management platform requires a lot of innovative ideas, and its demanding to never keep innovation aside on a long term;
3. Commitment and Happiness: Having a committed and passionate team helps overcoming step backs and reaching objectives;
4. Rich technological environment: Guarantee high standards on every software's feature and focus on delivering efficient and smart services.

8.4 Objectives and SMART Goal

Defining the Mission, Vision and Values is an important step to determine the real identity of SportiGest. Not less important its to define the broader objectives, and after that the SMART Goals, with specific measurable targets to be achieved.

8.4.1 Objectives

1. Partner with sport professionals with enough know-how to help grow SportiGest faster and built strong relationships with potential clients;
2. Attract talent to the team and provide them constant training, in order to continue innovating;
3. Develop a high quality integrated management software, always following the pure identity of the company.
4. Reach to potential investors, and show them how their financing role can be turned into profits;

8.4.2 SMART Goals

1. Bring the team together and develop the core product of SportiGest, the Integrated Management Software by 1st of January of 2023;

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2. Attend technological fairs and do presentations in order to attract investors interest to finance SportiGest, and guarantee the first investor by 1st of July of 2022;
3. Partner with an agent and deliver the first beta product by 1st of October of 2022, in order to test the features and do corrections;
4. Hire two more software developers by mid of 2023. One will be more focused on the product and other for Data analysis and Business Intelligence;
5. Have more than 10 partnerships with universities, by the end of 2023, to search for trainees, and also to acquire high qualify professionals that will use SportiGest to do services. Are included physiotherapists, doctors, accounting technicians, law experts, marketing managers or finance specialists;
6. Partner with more than 15 medical clinics, 15 physiotherapists experts, 30 personal trainers, 5 real state companies, 5 legal firms, 5 top investment advisors, 5 marketing specialist, 5 accounting entities, 5 leisure agencies, and all by the end of 2023;
7. Increase business development team with one junior and one senior manager at end of 2023;
8. Reach the mark of 20 clients at the end of 2023;

8.5 Critical Success Factors

In order to achieve competitive advantage and thrive into the industry its key to define the critical success factors. Some of these factors can be external and other can be internally controlled, but it's essential to determine activities that will impact directly on success of SportiGest.

Giving the statement above, SportiGest critical success factors are:

1. Ensure continuous improvement and promote innovative critical thinking;
2. Built a strong team, capable of surpassing every obstacle;
3. Develop strong long-term strategies and short-term ones that can adapt to unexpected circumstances;
4. Guarantee funding that can ensure new developments and sustainable growth;
5. The right timing will be key, as the software must be delivered only when meets agents' expectations;

9. Implementation Strategy

The implementation strategy will take in account all the factors detailed on internal and external analysis. It's strictly demanding to define the Marketing Strategy, by conducting a Marketing-Mix analysis, segmenting the market, target potential clients and adopt the right position. Operations and Human Resources structure are also mandatory to detail, in order to implement the best development practices and to ensure high quality delivery. Defining costs, it's also part of implementation strategy, to anticipate possible savings or to prevent major problems.

9.1 Segmentation and Targeting

In order to segment the market, it was conducted a TAM/SAM/SOM analysis to reach to a clear overview.

The first layer, TAM, or "Total Available Market", aims to access the total market demand. According to FIFA, on a data provided for CIES, there were around 6000 thousand licensed football agents in the world, and that number it's the Total Available Market for SportiGest.

SAM refers to "Serviceable Available Market" and it's the second layer. In order to obtain it, it's important to look to TAM and adjust it to the geographical area of SportiGest action. According to "Transfermarket", the largest data base in football, there are around 705 agencies from the European Top Leagues, that have a total market value above 1.5 million euros. These agencies are the ones with higher probability of getting interest on SportiGest, due to their client's number and financial availability.

The last layer, it's the Serviceable Obtainable Market, SOM, and refers to the beginning phase, the real market that SportiGest might capture. The first released product will be focused on delivering a high quality service, so services will be oriented to the Portuguese market, at first, with a fast escalation plan. According again to "Transfermarket" there are 64 Portuguese football agencies that have more than 1.5 million market value.

9.2 Target

The main target of SportiGest are individual football agents or agencies, from Portugal, with more than 1.5 million market value, that have already provided or are interested on providing differentiated services to its players.

9.3 Positioning

SportiGest positioning has to take in account several aspects, such as the specific identification of the offer, that will guide the company path and the differentiation aspects from the rest of the competitors.

The company aims to deliver an integrated management system, with organic and regular management features, but also with options for agents to deliver extended and premium services to its players. In order to identify the differentiator factors, its relevant to analyze the target expectations, the benefits of the product and competitors positioning.

The target expectations are focused on high quality management tools, that can offer analytical reports, improve communication inside their agencies and help solving players day-to-day needs. The potential benefits of the system lay in the premium features that take in account player needs outside football pitch and give agents arguments and the right tools to provide them advices on legal, health, investments, accounting, marketing, and social constraints. This also increases the information and help them keep on track of each player situation.

Competitors can be separated in 2 groups, the ones that deliver a management system, such as “Football ISM”, and the others that deliver scouting and analytical reports for agents, like “WyScout”. Sometimes they can merge, with the creation of partnerships, but both try to deliver user friendly and reliable products, so that they do not fail when meeting target expectations.

9.4 Marketing Mix

9.4.1 Product

SportiGest will be the start-up company responsible to produce and commercialize the integrated management software. The product will have the same name of the company, adding just the number of the version, to identify recent updates. So, the first released product will be named “SportiGest 1.0”.

The first product will be more focused on Portuguese agencies, in order to deliver features that really satisfy their needs. The software will have 3 main areas of application:

1. Players;
2. Backoffice;
3. Scouting;

The first one, its focused on players and it's the main area, the one that will be more detailed and with premium and innovative solutions that agents can offer to their players. The agent can have access to each player file that will have subdomains, such as:

1. Overview – Contains general information of the player and points out players requests and needs;
2. Health – Have their players current health status, and gives agents the possibility to choose doctors, physiotherapists, physiologists, or nutritionists to allocate and suggest their players the right help, according to feedback and location;
3. Finance – Agents can have access to investment firms and accounting professionals, and provide their services to each player, according to their needs;
4. Legal – This segment will provide agents suggestions and a closer contact with lawyers and legal representants that will be choose according to specialization type.
5. Marketing – There will also be marketing specialists on the application, in order to help players on their career growth and improve their revenue;
6. Social – This sub feature its aimed to support players on specific problems, when they want to buy a new house, or help bringing their family to Portugal, or providing them with house cleaning services;

The software will only be used by agents and players, that will have a simplified version. Agents are the ones that can add new services, send direct emails to these partners and pin their player favorite services.

Every partner that will be updated on the application its noticed and knows previously that will receive feedback from their services.

Players have access to a version that let them check the professionals that their agents think are better for them, and can make contact with them, by email or mobile phone. They can also make suggestions, give feedback and upload documents. The Backoffice feature gives agents faster access to information, such as Revenues, Costs, Documents and Clubs requests. This tool helps agents having higher awareness on key business aspects. This segment will have dashboards and graphs that make information reading easier.

The last segment, Scouting, provides greater organization when scouting new players. Each scouted player will have an independent file with scouting reports and updated information. They can rate their interest on the player, and each week the software releases a report with the highest scores.

9.4.2 Price

In order to implement a correct price policy and to follow market tendencies, it was conducted a price analysis of other competitors. SportiGest has the goal to established itself in the market with a disruptive premium style.

Competitors such as Football ISM, focused on delivering intuitive and complete management tools, that target football clubs, but can also be adapted to agents. Depending on the size of each client, they can practice prices from 500€/month to 4000€/month, with bigger clubs/agents paying more than smaller ones. Wyscout, the platform of scouting, focused on delivering analytical reports and transfer features to help agents making their decisions. Although this software only focuses on one area of business of agents, they try to be specialists on this segment. This competitor price is established according to the number of reports that each agent wants to extract, so the standard application, with only one report per month costs 600€/year.

SportiGest software will take in account the dimension and financial availability of each client, so price will be adapted according to the number of players that each football agency represents.

The goal it’s to offer a product can be used by every single agent, so defining a price policy its key to reach to every professional. Each footballer represents a cost per month, and the client can opt to pay monthly fee or annual fee.

	Number of Players	Fee per player/monthly	Fee per player/annual	Average Number of players per group
Group 1	10 or less	45 €	540 €	5
Group 2	20 or less	40 €	480 €	15
Group 3	50 or less	35 €	420 €	35
Group 4	100 or less	25 €	300 €	75
Group 5	More than 100	20 €	240 €	150

Table 9.1 – Sales Assumptions

When installing SportiGest software it will be demanding to consider every player on agents’ wallet. With this price it’s also guaranteed 8 hours of free application support per month, and if the client exceeds this time, it will be billed 30€ per hour of support services. There will not be added installment costs to the client.

If agents lost players during the year, SportiGest will not return that player fee. Each player added to the system as to be considered for 12 months.

Every agency will obtain the same product, and there will not exist exclusive prices to obtain premium features. The product will be delivered to agents on an equal way to provide a high quality software to every client.

9.4.3 Placement

The software will be distributed by SportiGest representatives, such as Business Developers. There will not exist an online application, and software will not be available on downloading platforms. SportiGest it's the only side responsible for the delivery and implementation of the system.

The mobile application will be sent to every player by email, with a specific link with guidelines to follow in order to install the application successfully.

There will exist a website with general information's of the company and the product, that will also contain a chatbot in order to potential clients reach out to SportiGest representants.

9.4.4 Promotion

SportiGest communication strategy have the goal to attract potential clients, in order to acquire the software and also increase investors interest on the company.

On the beginning the aim will be to be present on start-up fairs, such as Web Summit, that as a cost of 995€, and do pitch presentations to venture capital enterprises and other investment related companies, such as Portugal Ventures. Raise awareness and get feedback its fundamental to orientate the speech, in order to improve and keep getting closer to potential investors.

The second phase its fundamental to spread SportiGest technology over the market. There will be made contacts directly with agents to try to present the software and show them how it works and its benefits. At the beginning this task its responsibility of the CEO and Business Developer, that will get in touch with potential clients. Looking for contacts on agencies websites, LinkedIn, or directly from partners will be a strategy to follow.

Creating a strong image trough social networks its other important aspect to retain. Keeping the feed updated with new company features and company accomplishments on Instagram and Facebook will increase the number of followers, generating potential leads. SportiGest will partner with a publicity management specialist, that will be responsible to allocate company

adds on websites visited by the potential target, such as sports online magazines. This partner will work on part-time regime and will also be responsible to produce social network content. It will be paid 450€ per month for this professional.

Implementing a “Invite” systems it’s also part of the strategy to build a strong and sustainable network. This system will award existing clients that suggest potential clients and invite them to experience the software. If this direct contact generates a new deal for SportiGest, the promoter will receive a discount on future added players fee.

9.5 Operations and Organizational Structure

9.5.1 Logistics, capacity and operations

9.5.1.1 Dimension and Location

The first steps of SportiGest will be made with a small team, with just four elements, the CEO, the Head of Business Development, Head of IT and a software developer. It will be implemented remote work with possibility of hybrid schedule, if the employee wants it to. The goal is to rent an office space, with 25 m², in Oeiras, on the outskirts of Lisbon, to reduce rent price and still be near Lisbon center. This rent its estimated to cost around 400€/month, according to current market price.

After one year the team it’s expect to grow and better conditions should be offered to its employees, such as a bigger office, with 150 m² costing around 1400€ per month.

9.5.1.2 Development Process

The software development process will follow agile methodologies, with daily meetings and sprints of 2 weeks with sprint reviews at the end of each cycle. The Head of IT will act as Scrum Master, Product Owner and Senior Developer, and the other software developer will be focused on righting code and help build the application from scratch.

The CEO will also participate on daily meetings and will act as Project Manager to keep on track with delivering timings, budget limits and developer’s needs. The goal is to release a beta product on 1st of July of 2022, and for this to happen it will be necessary to follow a strict and organized path.

9.5.1.3 Suppliers Qualification

The most important suppliers of SportiGest will be software programs that will be used by developers. Every supplier will go through an analysis that will be focused on four key aspects - scalability, performance, security and price. It's very important to look at every aspect carefully when choosing each supplier, in order to guarantee a sustainable growth.

There are 3 main application divisions, such as the Database, Backend and Frontend. Each segment will require a program to gain form. In the Database, SQL Server it's a good example of meeting requirements, for its adaptability with other technologies, low price (900 € user fee), and reputable performance. On the backend, the .net technology, from Microsoft, it's a free open source program that it's used around the world to develop applications that delivers a good performance and link really well with different Databases and frontend programs. It's also important to refer that Microsoft keeps always innovating its program, allowing suppliers to keep on track with new tendencies. On the frontend part, programs such as Angular, can also be a good choice, due to its price, flexibility on designing screen figures and reputability of its brand.

9.5.2 Human Resources

9.5.2.1 Organogram and Salaries Structure

A five year time horizon will be defined to access SportiGest availability, and it will be set three structural evolutions over time.

The initial team will be formed by four members, that will have as main focus to create and launch the first company product. The CEO will lead the way and will have one Head of Business Development and one Head of Software Engineering responding to him. Adding to this, it will also be hired a software developer, quoted as mid-level, to help developing the Integrated Management Software. At this point, salary will be equal to every member, 1200€ net per month.

Salaries 2022	CEO	HBD	HIT	1st Developer
Wage	1 200 €	1 200 €	1 200 €	1 200 €
Food Alwance	105 €	105 €	105 €	105 €
TSU	285 €	285 €	285 €	285 €
Compensation Fund	12 €	12 €	12 €	12 €
Employee Insurance	15 €	15 €	15 €	15 €
Total	1 617 €	1 617 €	1 617 €	1 617 €
Holidays Subsidy (YEARLY)	2 400 €	2 400 €	2 400 €	2 400 €
Total - 6 months	43 608 €			

Table 9.2 – Salaries Structure 2022

The first structural change will be made at the end of 2022 and beginning of 2023, first with the expansion of Software Engineering Team and second by recruiting 2 more business developers, to give a boost on networking and sales. The initial team will start receiving 1600 € net per month. The two new software developers will both earn 1200€, the junior business developer will earn 900€ net and the senior member will earn 1500€ net, per month.

The second structural evolution will be focused on adding 5 more software developers, 2 trainees, 1 junior and 2 seniors, and add two new departments, the financial and marketing. The goal it’s to adapt SportiGest structure to keep innovating and bringing new features to the management system, such as smart analytical dashboards. Adding new team members will also prepare de company to launch its product to international markets, to keep expanding in a sustainable way.

9.5.2.2 Personnel Policies

The 3 founders will be responsible to wright the “Personnel Policy Manual” that will have all the information that each employee need to know when joining SportiGest, such as the hardware that will be provided, working hours, extra hours payments, company goals and personal objectives. This manual acts as a guide to new joiners to understand better the company culture and methodology of work.

This manual will be updated recurrently and the CEO it’s the main responsible to deliver it to new SportiGest members and assure that everyone understands their role.

9.5.3 Partners

A partnership is quoted as a business relationship between SportiGest and other entity, that will generate a win-win situation, without involving money transfers.

In this case, the main partners are qualified professionals, such as doctors, physiotherapists, physiologists or nutritionists, that will be enrolled in the platform and can be contacted to provide their services for any player. SportiGest will not demand a fee for each service that a partner provides, and they are free to practice the prices they choose, there will not be any kind of restriction. These partners will be evaluated by players and agents and will receive feedback of their services.

Partners will play a big role on SportiGest attempt to success, as they will provide a distinguished service from other competitors. Keep adding new partners and do constant follow ups of existing ones its key to guarantee a high satisfaction level from clients.

9.5.4 Legislation/Licensing/Patents

Regarding legal aspects, and in order to protect intellectual property, it will be made 3 requests: national, European and international. Registering the brand, it's one of the ways of preventing other competitors to use SportiGest image and replicate the same software. In Portugal, the brand should be registered at INPI – “Instituto Nacional da Propriedade Industrial” and for international measures, its necessary to register at WIPO – “World Intellectual Property Organization”.

This kind of registrations help protecting SportiGest against brand replications, but does not guarantee total safety, because competitors have too many ways of bypassing this legal aspect. Registering on this international comity also represents high costs and takes a lot of time to approve the request.

In Portugal, software companies can register their software at ASSOFT – “Associação Portuguesa de Software”, that guarantees copyrights and deliver a certification for each company that develop innovative products.

Other legal aspect to look to, it's the tax that SportiGest will support when selling its software. According to Portuguese legislation, every sale has to contemplate an VAT tax of 23%.

9.5.5 Project Chronogram

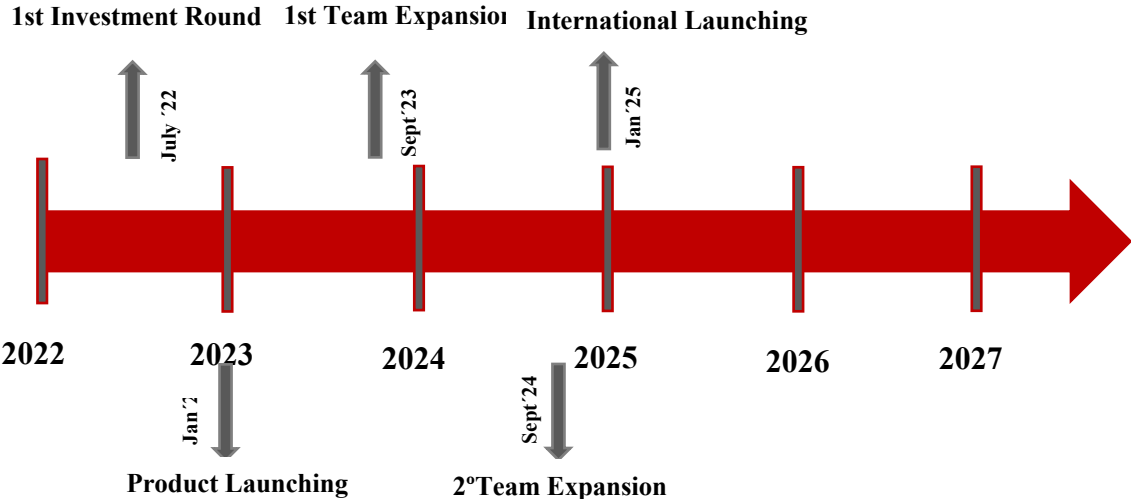


Figure 9.3 – Project Chronogram

The goal it’s that from January to July of 2022, the 3 founders start conceptualizing the product and develop the initial beta, in order to present the idea to investors and get them to finance the project. After raising the needed capital, the next step it’s to develop the final beta version and deliver it to an agency to test it and receive feedback from them.

From October to the end of 2022, the beta will be turned into the final version of “SportiGest 1.0”. In January of 2023 the product will be launched to the market and from then the expansion starts.

If everything goes as planned, in September of 2023, the team will grow, by adding 2 more software developers and after a while adding more 2 Business Developers. In 2024 the aim it’s to continue growing nationally and consolidating the brand. At the end of 2024 the organizational structure will change for a second time, by adding more software developers and 2 new departments. This team growth will guide SportiGest for an international expansion.

The following years will be market as international boom, with the goal of reaching football agents from the 6 biggest European leagues.

10. Financial Forecasts

10.1 Sales

The integrated management system of SportiGest will be sold as unique product, without the necessity of paying for extra features. The goals for each year, regarding sales, are already set.

In 2023 the aim it's to get 20 clients, and the next year duplicate it, to 40. In 2025, following international expansion, the goal it's to grow around 200%. In 2026, and after launching the product to the other European leagues, the goal it's to close deals with the biggest and strongest agents in Europe.

The price of the software changes according to the number of players that a football agency represents. There are some facts that have to be taking in account, when making assumptions. Groups of agents with less players, usually, have a lower buying power than groups that represent more players. Other, it's that is easier to implement the Integrated Management System in medium size agencies than in larger ones, due to the complexity and size of their database and subsystems.

In order to simplify assumptions, it was set that the percentage with bigger sales will be group 3, with 50%, and then group 2 and group 4 with a percentage of 20% and, at last group 1 and group 5 will be the ones with a lower percentage, of around 5%. Group 1 buyers will not have that much of financial availability and will not require a management system urgently, due to their small size. On the other hand, group 5 clients will be more difficult to conquer their trust and attract them to change their management system to "SportiGest 1.0".

10.2 Suppliers and External Services

Every company needs a structured and established strategy regarding costs planning. Suppliers and External Services represent a big percentage on costs structure, so its demanding to rationalize each service acquired.

This category of costs can be divided into fixed and variable costs. On the variable side are Program Licenses, Technology Fairs, Travelling Costs, Office Consumables, Hardware and Marketing Services. Variable costs represent around 80% of Suppliers and External Services costs structure on the first year. Each service will increase or decrease depending on SportiGest growth. The first 3 years are expected to be full of consecutive investments in order to keep up with team growth and expansion of the company, and on 4th year, the goal is to stabilize the services acquired in order to control the dimension of costs structures.

On the other hand, there are the fixed costs. They represent around 20% on total Suppliers and External Services costs on the first year and don't depend on any factors, such as travelling's, new joiners or consumables. Office rent and accounting services are cost's that can't be reduced or controlled, they are key to keep operational services.

10.3 Personnel Costs

People are the main focus of this project, as they are the key for a successful roll out and delivery of SportiGest. Every member of this project has to be rewarded for their effort and commitment and that's the main reason that personnel costs represent the biggest cut on global costs structure.

SportiGest will implement an equal wage policy, and that's why every member will receive 1617€ gross wage on the first year and half. Wages were calculated looking at two main aspects, current market wages and seniority level.

Career progression it's also represented on personnel costs over the years. The 3rd year represent the biggest increase on this category, as 4 new qualified professionals will join the team. On the following years, 7 more employees will join the team, and adding wage progressions, costs will rise, reaching the mark of 455 460€ on the 6th year.

10.4 Share Capital

The first investors will support the first year and half of company operations, by adding 115 000€ into SportiGest capital. This will represent a 20% share cut on global share capital. The others 80% represent 460 000€ on share capital, and are sustained on intangible asset, beta and final product.

If a second round of investment its needed, it will be given a maximum cut of 20% on share capital, released by founders. It will be given an exclusive position to investors from 1st round. It will also be given 9% of share capital over the years to employees, in order to reward them and increase their sense of belonging on SportiGest Project.

10.5 Time Horizon

It was established a six-year time horizon to access the viability of the project. The first year its connoted as year 0, and its focused on attracting investors and develop the Integrated Management System. It will be followed 5 years of sales growth and international expansion.

The technological market its fast and volatile, and it's important to adapt to new developments and technology revolutions. Studying personnel costs and suppliers and external services on the path according different growth stages, its demanding to understand the limits of employee's size and software or hardware that must be acquired.

10.6 Investment (Capex)

SportiGest product will be created by the internal team, so there will not be necessary to acquire services to develop the software, and the only required investment its hardware, such as computers, because even program licenses may not be necessary, as there are free available technologies.

The capex in the first year its 4800€, and as the team grows more investment will be made, into the same type of hardware. Regarding depreciations and amortizations, a legal study was conducted, and equipment's, such as hardware and office consumables, were depreciated at a rate of 10% per year and intangible assets were amortized at a rate of 33,33%.

11. Financial Analysis

11.1 Future Cash Flows

Due to the inexistence of sales and payment of wages and acquired services, SportiGest will have a negative Cash Flow on the first year. On the second year, the product will already be commercialized and that will have a major impact on Cash Flows, and after that, it's expect that the company presents a positive Cash Flow.

11.2 CAPM Interest Rate

In order to proceed to the actualization of Cash Flows, it was calculated the Capital Asset Pricing Model interest rate.

To accomplished this, and looking at CAPM formula, there are 3 variables that must be taking into account.

$$R_e = rf + (E_{Rm} - rf) * \beta$$

To calculate the variable rf , risk free rate, was made an average of the 10-year treasury bonds of six countries, being Portugal, Spain, France, England, Germany and Italy. The reason of doing this, its because SportiGest as the goal to sell its product to the top six European leagues right after the third year of existence.

The second variable, $E_{Rm} - rf$, Equity Risk Premium, was obtained following the same logic of the first variable, by calculating the average of each country market risk premium. The last variable, β , Unlevered Beta, was achieved by using Software (System & Application) Beta, by Damodaran. Every intel was obtained on authenticated sources, such as Pordata,

Investing.com and Damodaran. After applying the formula, the interest rate for actualization of Cash Flows its 5,39%.

11.3 Economic Decision

In order to access the global viability of the project, indicators such as NPV (Net Project Value), MIRR (Modified Internal Rentability Rate), Rentability Index and Financial Payback have to be analyzed. The Net Project Value indicator is the actualization of all cash flows to the present moment, so the NPV must be bigger than zero, in order to create value. In SportiGest case, the Net Project Value its 6 519 464,05€, and this gives a strong image, when assessing the viability of the project.

The modified internal rate of return also shows positive signs, with 165%, being higher than the discount rate (WACC). On the rentability index, the perspectives are promising, as it presented a value around 100€, so for each 1 euro invested in SportiGest the shareholder would get 100€ in return. The last indicator, Financial Payback, lets investors get to know the time that a project it's expected to be profitable. In SportiGest case, will be in 1 year, 6 months and 25 days, taking just one year and half to be profitable.

Since every indicator show positive signs, it is possible to access an economic viability of the project.

11.4 Project Viability Ratios

11.4.1 Rentability Ratios

Rentability Ratios						
Growth	0	1	2	3	4	5
Operational Sales Rentability	-	9,68%	26,86%	42,02%	81,04%	86,92%
Net Sales Rentability	-	-10,32%	16,27%	31,52%	60,78%	65,19%
Simple Method	0	1	2	3	4	5
ROA	-11,82%	5,95%	25,55%	57,98%	127,99%	132,71%
ROE	0,00%	63,09%	104,68%	172,66%	255,48%	250,69%
ROIC	-12,12401095	5,901758519	6,314419212	6,838289734	9,850619974	10,84716623

Table 11.1 – Rentability Ratios

There are two main groups of ratios that have to be analyzed. First related only with sales and then the evolution of global rentability ratios over the years.

On the sales side, as we can see on figure 11.1, the operational sales rentability ratio shows an increase over the years, meaning that the percentage of sales that are represented on EBIT gets higher, after all exploration costs are supported. The same applies to Net Sales Rentability

ratio, that even with a slower increase represents a positive sign, showing that the percentage of sales that arrive at net income arises year after year.

Looking at the global rentability ratios, it's possible to point out that every ratio improves every year. The operational performance (ROA); The effectiveness in the remuneration of the capital invested in the company (ROE); The ability of SportiGest to generate profit from the investments made (ROIC), that increases substantially on the 4th year, and this is explained by the evolution of the company and capacity of reaching to international markets.

11.4.2 Risk Analysis

After conducting a risk analysis, it's possible to withdraw that after the first year, sales are always above the break-even point and that the security margin keeps increasing over the years, demonstrating that SportiGest business has low risk when compared to other business activities.

The Corporate Economic Leverage shows that the first year of commercial activity can be a little bit risky, due to the existence of costs, and sales are not high enough. However, after the second year, the ratio demonstrates that the business gets safer, as costs keep steady and sales keep rising exponentially. The last 3 years are below 3, on performance, showing that SportiGest can be considered a low risk business.

The last two ratios, CFL and CCL, have a simple reading, with the Corporate Financial Leverage being equal to 1, because this project does not possess any financial costs. Following this, the Corporate Combined leverage has the same values of CEL, so it can be stated that the project has a low global risk, taking into account the fixed costs and balance structured previously defined.

11.5 Income Statement

Provisional Income Statement						
	0	1	2	3	4	5
Sales	- €	304 500,00 €	609 000,00 €	1 218 000,00 €	3 654 000,00 €	7 308 000,00 €
Costs of Goods Sold						
Gross Margin	- €	304 500,00 €	609 000,00 €	1 218 000,00 €	3 654 000,00 €	7 308 000,00 €
External Services and Supplies	17 300,00 €	16 912,09 €	37 872,90 €	54 438,66 €	41 385,70 €	41 442,75 €
Personnel Costs	43 608,00 €	87 216,00 €	200 112,00 €	380 132,00 €	424 644,00 €	455 460,00 €
EBITDA	(60 908,00) €	200 371,91 €	371 015,10 €	783 429,35 €	3 187 970,30 €	6 811 097,25 €
EBITDA margin		0,66 €	0,61 €	0,64 €	0,87 €	0,93 €
Depreciations and Amortizations	- €	170 898,58 €	207 436,08 €	271 566,16 €	226 618,90 €	458 953,66 €
EARNINGS BEFORE TAXES	(60 908,00) €	29 473,33 €	163 579,02 €	511 863,18 €	2 961 351,40 €	6 352 143,59 €
Deductible Losses	- €	(60 908,00) €	(31 434,67) €	- €	- €	- €
Taxable Amount	(60 908,00) €	(31 434,67) €	132 144,35 €	511 863,18 €	2 961 351,40 €	6 352 143,59 €
Taxes on Profits	- €	- €	33 036,09 €	127 965,80 €	740 337,85 €	1 588 035,90 €
NET INCOME	(60 908,00) €	(31 434,67) €	99 108,26 €	383 897,39 €	2 221 013,55 €	4 764 107,69 €
NOPAT	(60 908,00) €	139 463,91 €	306 544,34 €	655 463,55 €	2 447 632,45 €	5 223 061,35 €

Table 11.2– Provisional Income Statement

The Income Statement of SportiGest shows an increase on Net Income, demonstrating a steady growth on EBIT. Year 0 has a negative Net Income due to already existing costs and the nonexistent of sales. On year 1, there are already expected sales, but the prior year negative result, and high amortizations, lead to a consecutive negative net income. After year 2, results will be positive, showing a promising company health.

11.6 Cash Flows Statement

Cash Flow Statement	Year					
	0	1	2	3	4	5
Cash and Equivalents at the beginning of the year	- €	3 262,50 €	14 105,02 €	121 031,46 €	203 909,86 €	794 016,25 €
Operating Activities						
Cash Inflows						
Cash receipts from clients	- €	343 323,75 €	717 858,75 €	1 435 717,50 €	4 244 730,00 €	8 614 305,00 €
Cash Outflows						
D&A	- €	170 898,58 €	207 436,08 €	271 566,16 €	226 618,90 €	458 953,66 €
Cash paid to suppliers	19 997,75 €	20 349,63 €	44 934,07 €	65 636,32 €	51 368,68 €	50 968,73 €
Cash paid to personnel	43 608,00 €	87 216,00 €	199 982,06 €	379 925,75 €	424 590,38 €	455 422,88 €
Payment of VAT	(17 300,00) €	54 017,02 €	120 676,81 €	243 929,83 €	734 733,79 €	1 531 240,35 €
Payment of Income Taxes	- €	- €	33 036,09 €	127 965,80 €	740 337,85 €	1 588 035,90 €
Net cash from operating activities	(46 305,75) €	10 842,52 €	111 793,64 €	346 693,64 €	2 067 080,40 €	4 529 683,48 €
Investing Activities						
Cash Inflows						
Share Capital	115 000,00 €	- €	- €	- €	- €	- €
Cash Outflows						
Purchase of non-current assets	65 431,75 €	- €	4 867,20 €	8 523,48 €	- €	- €
Net cash from investing activities	49 568,25 €	- €	(4 867,20) €	(8 523,48) €	- €	- €
Financing Activities						
Cash Inflows						
Loan Received	- €	- €	- €	- €	- €	- €
Cash Outflows						
Repayment of debt	- €	- €	- €	- €	- €	- €
Interest on Borrowings	- €	- €	- €	- €	- €	- €
Dividends Paid	- €	- €	- €	255 291,76 €	1 476 974,01 €	3 168 131,61 €
Net cash from financing activities	- €	- €	- €	(255 291,76) €	(1 476 974,01) €	(3 168 131,61) €
Net increase/decrease in cash flows	3 262,50 €	10 842,52 €	106 926,44 €	82 878,39 €	590 106,39 €	1 361 551,86 €
Cash and cash equivalents at end of the year	3 262,50 €	14 105,02 €	121 031,46 €	203 909,86 €	794 016,25 €	2 155 568,11 €

Table 11.3 – Cash Flows Statement

SportiGest will have a first round of investment on year 0, to support the first year and half of operational activities. This initial investment gives the company the possibility to always have a cash at the end of first and second year. After the third year, and due to the increase on sales, cash and cash equivalents will grow exponentially.

11.7 Balance Sheet

Provisional Balance Sheet						
	0	1	2	3	4	5
Assets						
Non-current Assets						
Software for development	1 800,00 €	1 200,00 €	2 425,20 €	5 782,95 €	3 652,50 €	1 522,05 €
Application	64 508,00 €	152 465,92 €	304 855,79 €	546 301,33 €	1 141 608,97 €	1 880 386,79 €
Project Dossier	444 797,75 €	296 531,83 €	148 265,92 €	- €	- €	- €
Total Non-current Assets	511 105,75 €	450 197,75 €	455 546,91 €	552 084,28 €	1 145 261,47 €	1 881 908,84 €
Current Assets						
Accounts Receivable	- €	31 211,25 €	62 422,50 €	124 845,00 €	374 535,00 €	749 070,00 €
VAT	1 104,00 €	- €	1 119,46 €	1 960,40 €	- €	- €
Cash	3 262,50 €	14 105,02 €	121 031,46 €	203 909,86 €	794 016,25 €	2 155 568,11 €
Total Current Assets	4 366,50 €	45 316,27 €	184 573,42 €	330 715,26 €	1 168 551,25 €	2 904 638,11 €
Total Assets	515 472,25 €	495 514,02 €	640 120,33 €	882 799,54 €	2 313 812,72 €	4 786 546,95 €
Shareholders' Equity						
Equity Capital	575 000,00 €	575 000,00 €	575 000,00 €	575 000,00 €	575 000,00 €	575 000,00 €
Legal Reserves	- €	- €	4 955,41 €	19 194,87 €	111 050,68 €	238 205,38 €
Transited Results	- €	(60 908,00) €	(92 342,67) €	1 810,17 €	111 220,93 €	744 209,79 €
Retained Earnings	(60 908,00) €	(31 434,67) €	94 152,85 €	109 410,76 €	632 988,86 €	1 357 770,69 €
Total Shareholders Equity	514 092,00 €	482 657,33 €	581 765,59 €	705 415,80 €	1 430 260,47 €	2 915 185,87 €
Liabilities						
Non-current Liabilities						
Long-term Debt	- €	- €	- €	- €	- €	- €
Total Non-current Liabilities	- €	- €	- €	- €	- €	- €
Current Liabilities						
Accounts Payable	1 281,25 €	1 733,49 €	3 383,08 €	4 706,31 €	4 242,03 €	4 247,88 €
State and Other Public Entities	99,00 €	11 123,20 €	21 935,57 €	44 711,64 €	138 972,36 €	279 077,30 €
Income Taxes Payable	- €	- €	33 036,09 €	127 965,80 €	740 337,85 €	1 588 035,90 €
Total Current Liabilities	1 380,25 €	12 856,69 €	58 354,74 €	177 383,74 €	883 552,25 €	1 871 361,08 €
Total Liabilities	1 380,25 €	12 856,69 €	58 354,74 €	177 383,74 €	883 552,25 €	1 871 361,08 €
Total Liabilities and Shareholders' Equity	515 472,25 €	495 514,02 €	640 120,33 €	882 799,54 €	2 313 812,72 €	4 786 546,95 €

Table 11.4 – Provisional Balance Sheet

On the provisional Balance Sheet, Assets and Liabilities are the global items that have the biggest growth over the years. On Assets, as Project Dossier keeps amortizing, the main application value will increase, compensating the loss of the first item. Income Taxes Payable are also very expressive, due to the amount of software sales. On Equity side, transited results are not as high as should be expected, and this is explained by the Dividends policy of SportiGest, that aims to reward their stakeholders by sharing dividends.

12. Conclusion

This business plan allows to conclude that SportiGest it's a viable project. It was demonstrated that SportiGest shows really positive signs regarding social, economic and financial fields.

The Integrated Management System will be implemented in a market that does not have massive competition, with rivals focusing on delivering differentiative and specific solutions. SportiGest will target sports agents that does not possess efficient management systems, capable of giving response to every player needs. Players have a busy and short career, so helping them achieve their highest potential it's the main goal of an agent. For that to happen it's key to provide them with the best services possible, and SportiGest has the right tools for that, by keeping all information in one single place, and delivering it in a user-friendly, fast and efficient way.

The structure of SportiGest was designed to create the best application of the market. The internal structure, with qualified, goal-driven and passionate members, aligned with a conducted scientific analysis, allows the company to develop fast solutions and adapt to sudden market changes.

When looking to financial indicators it's possible to state that they represent how promising this business can be. With a Net Project Value of 6 519 464,05€, a Modified Internal Rate of Return of 165% and a Financial Payback of one year and half, SportiGest financial indicators really catch our attention. There is always associated risks, but with the low costs structure that was defined, the exit strategy will not require too much effort and capital.

All assumptions were based on a strict market study, and even being exposed to external variables, they reflect an optimistic look to business roll out. Customers were divided into groups according to their sizer, financial health and market shares in order to get closer to current market structure.

Being a start-up as pros and cons, but one thing its guaranteed, innovation. Working with a new team gives the flexibility and freedom of defining strategies from the scratch. Defining key partners and suppliers were aspects that had a major focus. They represent a big cut on a business success rate, and for SportiGest it's not different. It was important to assure win-win strategies, in order to attract the best partners. Regarding the technological side, were chosen free open-source suppliers that will lead company developers to create the application, taking always in account, safety and product scalability.

Keeping a close contact with clients it's also one of SportiGest obligations, in order to keep succeeding on the market. Understanding their needs and presenting constant innovations will

increase customer loyalty and satisfaction. Developing an innovative product on a market requires a lot of know-how, and to achieve it there is no better way than looking to clients as partners, as they are the ones that use the software and give constructive feedback, if we ask for.

SportiGest evolved from a simple idea to a structured business plan. Followed by a conversation between friends over football industry, it was possible to state that there was a gap between agents and players, and nobody due to several aspects, there was not an available solution that could mitigate this gap. The Integrated Management System of SportiGest focus on a market niche, and there are three main aspects that will be decisive for a successful product development. First of all, the capacity and quality of software developers, that will develop the IMS. On a second place comes establishing good relationships with agents, to create the perfect management system, that will resolve every problem. Last but not least, get investors' attention to secure an organic and sustainable company growth.

To conclude, SportiGest it's a not anymore just one idea and has now structured scientific analysis that support the viability of the project. The next mark will be developing the first product beta and launching the company into the market, always following the defined strategies that will lead to success.

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Business Plan: Sportigest

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Annexes

Annex A:

Interview Script – Carlos Gonçalves – General Manager of Proeleven

1. Do your company use any Integrated Management System?
 - We do not use a complex management system, it was designed and adapted to our business, and it's more focused on market day-to-day business;
2. Does that application give information to your players?
 - No, typically players call us when they need something, and doesn't meter the importance or complexity of their problem.
3. Do you think it will be an advantage to have an application that not only help you manage your business, but also gives all information needed to your player?
 - Yes, of course. It would be a really good idea. The information that would be shared with players has to be analyzed and measured, and the application should really focus on the business.
4. What should a perfect application contain to improve your business?
 - At ProEleven we really invest in new software. For me a perfect Integrated Management Application should focus principally on Business tasks, such as finding for new market opportunities, new players to work with, closing deals. All the backoffice must be supported. Having a sustained and organized information of each player, such as current contract, wages and games analysis. If the software could contact with clubs and players, that will be the perfect one.

Annex B:

Players Questionnaire

1.

Sou representado por um agente? *

Sim

Não

2.

Em que país jogas? *

Portugal

Espanha

Inglaterra

Alemanha

Itália

França

Outro

3.

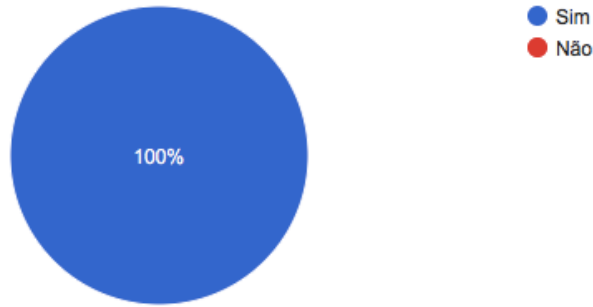
Responda às questões de acordo com a sua experiência

		Discordo Totalmente	Discordo	Concordo parcialmente	Concordo	Concordo Totalmente
a)	Tenho total apoio do meu agente	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Tenho acesso a todos os serviços oferecidos pelo meu agente	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)	Sinto dificuldade em resolver problemas do dia-a-dia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d)	Utilizo serviços fora da prática desportiva (ex: fisioterapeutas; nutricionistas; empresas de investimentos; contabilistas; etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e)	Utilizo aplicações para contactar com prestadores de serviços ((ex: fisioterapeutas; nutricionistas; empresas de investimentos; contabilistas; etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f)	Seria positivo ter uma aplicação que facilitasse o contacto com os prestadores de serviços?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g)	O meu agente facilita o contacto com todos os prestadores de serviços?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

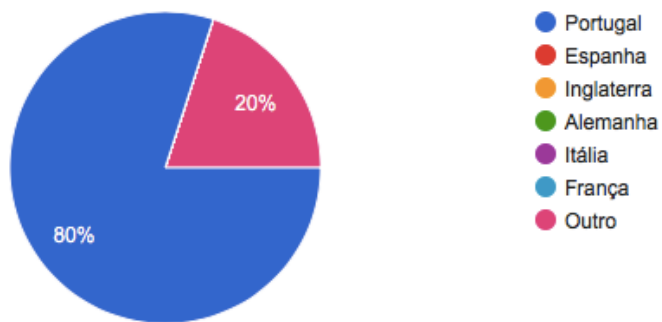
Annex C:

Questionnaire Results

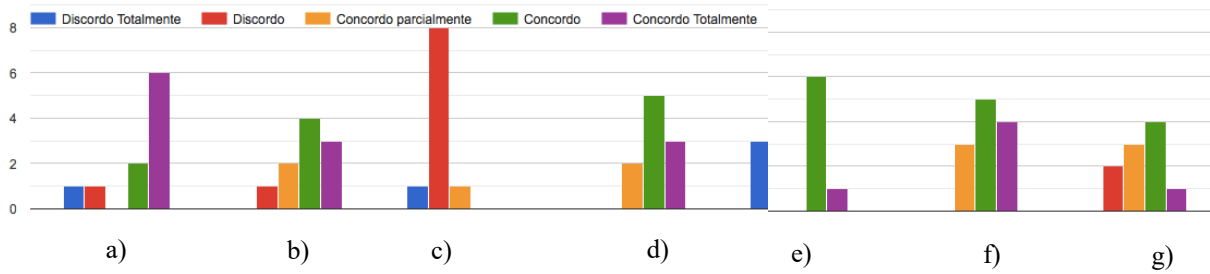
1.



2.



3.



Business Plan: Sportigest

	2022	2023	2024	2025	2026	2027
Number of Sales						
Group 1	0	1	2	4	12	24
Group 2	0	4	8	16	48	96
Group 3	0	10	20	40	120	240
Group 4	0	4	8	16	48	96
Group 5	0	1	2	4	12	24
Total	0	20	40	80	240	480
Revenue						
Group 1	0 €	2 700 €	5 400 €	10 800 €	32 400 €	64 800 €
Group 2	0 €	28 800 €	57 600 €	115 200 €	345 600 €	691 200 €
Group 3	0 €	147 000 €	294 000 €	588 000 €	1 764 000 €	3 528 000 €
Group 4	0 €	90 000 €	180 000 €	360 000 €	1 080 000 €	2 160 000 €
Group 5	0 €	36 000 €	72 000 €	144 000 €	432 000 €	864 000 €
Total	0 €	304 500 €	609 000 €	1 218 000 €	3 654 000 €	7 308 000 €

Annex D – Sales Assumptions

	2022	2023	2024	2025	2026	2027
Personnel Expenses	43 608 €	87 216 €	200 112 €	380 132 €	424 644 €	455 460 €

Annex E – Global Personnel Expenses

Salaries 2022	CEO	HBD	HIT	1st Developer
Wage	1 200 €	1 200 €	1 200 €	1 200 €
Food Alwance	105 €	105 €	105 €	105 €
TSU	285 €	285 €	285 €	285 €
Compensation Fund	12 €	12 €	12 €	12 €
Employee Insurance	15 €	15 €	15 €	15 €
Total	1 617 €	1 617 €	1 617 €	1 617 €
Holidays Subsidy (YEARLY)	2 400 €	2 400 €	2 400 €	2 400 €
Total - 6 months	43 608 €			

Annex F – Personnel Expenses – 1st year

Business Plan: Sportigest

Salaries 2023	CEO	HBD	HIT	1st Developer
Wage	1 200 €	1 200 €	1 200 €	1 200 €
Food Alwance	105 €	105 €	105 €	105 €
TSU	285 €	285 €	285 €	285 €
Compensation Fund	12 €	12 €	12 €	12 €
Employee Insurance	15 €	15 €	15 €	15 €
Total	1 617 €	1 617 €	1 617 €	1 617 €
Holidays Subsidy (YEARLY)	2 400 €	2 400 €	2 400 €	2 400 €
Total - year	87 216 €			

Annex G – Personnel Expenses – 2nd year

Salaries 2024	CEO	HBD	HIT	1st Developer	2nd Developer	3rd Developer	Junior BD	Senior BD
Wage	1 600 €	1 600 €	1 600 €	1 500 €	1 200 €	1 200 €	900 €	1 500 €
Food Alwance	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €
TSU	380 €	380 €	380 €	356 €	285 €	285 €	214 €	356 €
Compensation Fund	16 €	16 €	16 €	15 €	12 €	12 €	9 €	15 €
Employee Insurance	20 €	20 €	20 €	19 €	15 €	15 €	11 €	19 €
Total	2 121 €	2 121 €	2 121 €	1 995 €	1 617 €	1 617 €	1 239 €	1 995 €
Holidays Subsidy (YEARLY)	3 200 €	3 200 €	3 200 €	3 000 €	2 400 €	2 400 €	1 800 €	3 000 €
Total - year	200 112 €							

Annex H – Personnel Expenses – 3rd year

Business Plan: Sportigest

Salaries 2025	CEO	HBD	HIT	1st Developer	2nd Developer	3rd Developer	Junior BD	Senior BD	4th Developer	5th Developer	6th Developer	7th Developer	8th Developer	Finance Specialist	Marketing Specialist
Wage	1 800 €	1 800 €	1 800 €	1 700 €	1 300 €	1 300 €	1 100 €	1 600 €	900 €	900 €	1 200 €	1 300 €	1 600 €	1 500 €	1 300 €
Food Alwance	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €
TSU	428 €	428 €	428 €	404 €	309 €	309 €	261 €	380 €	214 €	214 €	285 €	309 €	380 €	356 €	309 €
Compensation Fund	18 €	18 €	18 €	17 €	13 €	13 €	11 €	16 €	9 €	9 €	12 €	13 €	16 €	15 €	13 €
Employee Insurance	23 €	23 €	23 €	21 €	16 €	16 €	14 €	20 €	11 €	11 €	15 €	16 €	20 €	19 €	16 €
Total	2 373 €	2 373 €	2 373 €	2 247 €	1 743 €	1 743 €	1 491 €	2 121 €	1 239 €	1 239 €	1 617 €	1 743 €	2 121 €	1 995 €	1 743 €
Holidays Subsidy (YEARLY)	3 600 €	3 600 €	3 600 €	3 400 €	2 600 €	2 600 €	2 200 €	3 200 €	1 800 €	1 800 €	2 400 €	2 600 €	3 200 €	3 000 €	2 600 €
Total - year	380 132 €														

Annex I – Personnel Expenses – 4th year

Salaries 2026	CEO	HBD	HIT	1st Developer	2nd Developer	3rd Developer	Junior BD	Senior BD	4th Developer	5th Developer	6th Developer	7th Developer	8th Developer	Finance Specialist	Marketing Specialist
Wage	2 100 €	2 100 €	2 100 €	1 800 €	1 400 €	1 400 €	1 300 €	1 700 €	1 100 €	1 100 €	1 400 €	1 500 €	1 700 €	1 600 €	1 400 €
Food Alwance	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €
TSU	499 €	499 €	499 €	428 €	333 €	333 €	309 €	404 €	261 €	261 €	333 €	356 €	404 €	380 €	333 €
Compensation Fund	21 €	21 €	21 €	18 €	14 €	14 €	13 €	17 €	11 €	11 €	14 €	15 €	17 €	16 €	14 €
Employee Insurance	26 €	26 €	26 €	23 €	18 €	18 €	16 €	21 €	14 €	14 €	18 €	19 €	21 €	20 €	18 €
Total	2 751 €	2 751 €	2 751 €	2 373 €	1 869 €	1 869 €	1 743 €	2 247 €	1 491 €	1 491 €	1 869 €	1 995 €	2 247 €	2 121 €	1 869 €
Holidays Subsidy (YEARLY)	4 200 €	4 200 €	4 200 €	3 600 €	2 800 €	2 800 €	2 600 €	3 400 €	2 200 €	2 200 €	2 800 €	3 000 €	3 400 €	3 200 €	2 800 €
Total - year	424 644 €														

Annex J – Personnel Expenses – 5th year

Salaries 2027	CEO	HBD	HIT	1st Developer	2nd Developer	3rd Developer	Junior BD	Senior BD	4th Developer	5th Developer	6th Developer	7th Developer	8th Developer	Finance Specialist	Marketing Specialist
Wage	2 200 €	2 200 €	2 200 €	1 900 €	1 500 €	1 500 €	1 400 €	1 800 €	1 300 €	1 200 €	1 500 €	1 700 €	1 900 €	1 700 €	1 500 €
Food Alwance	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €	105 €
TSU	523 €	523 €	523 €	451 €	356 €	356 €	333 €	428 €	309 €	285 €	356 €	404 €	451 €	404 €	356 €
Compensation Fund	22 €	22 €	22 €	19 €	15 €	15 €	14 €	18 €	13 €	12 €	15 €	17 €	19 €	17 €	15 €
Employee Insurance	28 €	28 €	28 €	24 €	19 €	19 €	18 €	23 €	16 €	15 €	19 €	21 €	24 €	21 €	19 €
Total	2 877 €	2 877 €	2 877 €	2 499 €	1 995 €	1 995 €	1 869 €	2 373 €	1 743 €	1 617 €	1 995 €	2 247 €	2 499 €	2 247 €	1 995 €
Holidays Subsidy (YEARLY)	4 400 €	4 400 €	4 400 €	3 800 €	3 000 €	3 000 €	2 800 €	3 600 €	2 600 €	2 400 €	3 000 €	3 400 €	3 800 €	3 400 €	3 000 €
Total - year	455 460 €														

Annex L – Personnel Expenses – 6th year

Business Plan: Sportigest

Costs of Goods Sold and Supplies and Services Expenses - Current Prices						
	2022	2023	2024	2025	2026	2027
Accumulated Inflation Factor	0,00%	1,27%	1,40%	1,47%	1,56%	1,70%
Supplies and Services Expenses	0	1	2	3	4	5
Office Rent	2 400 €	4 861 €	17 035 €	17 047 €	17 062 €	17 086 €
Program Licenses	1 800 €	- €	1 825 €	4 566 €	- €	- €
Technology Fairs	1 500 €	1 519 €	1 521 €	1 522 €	1 523 €	1 526 €
Travelling costs	2 700 €	2 734 €	4 563 €	14 713 €	14 726 €	14 747 €
Office consumables	500 €	506 €	761 €	761 €	762 €	763 €
Accounting Services	1 200 €	2 430 €	2 434 €	2 435 €	2 437 €	2 441 €
Hardware	4 800 €	- €	4 867 €	8 523 €	- €	- €
Marketing Services	2 400 €	4 861 €	4 867 €	4 871 €	4 875 €	4 882 €
Total SSE Purchases	17 300,00 €	16 912,09 €	37 872,90 €	54 438,66 €	41 385,70 €	41 442,75 €

Annex M – Global Costs of Sold and Supplies and Services Expenses

Office Rent	
1st office	400 € per month
2nd office	1 400 € per month

Technology fairs	
Websummit	1 500 €

Program Licenses	
SQL Server	900 € per user

Travelling Costs	150 €	plafond for each founder, per month
	10 000 €	For international travelling per year

Accounting Services	200 € per month
---------------------	-----------------

Hardware	
Computers	1 200 € per unit

Marketing Servies	400 € per month
-------------------	-----------------

Annex N – Detailed Expenses

2022 costs	
Personnel Expenses	43 608 €
Suppliers and Services Expenses	17 300 €
Total	60 908 €

2023 Costs	
Personnel Expenses	87 216 €
Suppliers and Services Expenses	16 912 €
Total	104 128 €

Required capital for 1 year and half	
2022 costs	60 908 €
1/2 2023 costs	52 064 €
Total	112 972 €

Share Capital Structure	Value	Share Percentage
1st Investors	115 000 €	18%
Founders	460 000 €	82%
Total	575 000 €	100%

Annex O – Share Capital Structure

Needed Investment - year 0	
Personnel Expenses	43 608 €
Office Expenses	2 400,00 €
SSE	
Program Licenses	2 400,00 €
Technology Fairs	1 800,00 €
Travelling costs	1 500,00 €
Office consumables	2 700,00 €
Accounting Services	500,00 €
Hardware	4 800,00 €
Marketing Services	4 800,00 €

Investment - Core Expenses	64 508 €
CAPEX	4 800 €
OPEX	59 708 €
Treasure Safety Margin	50 492 €
Investors Capital	115 000 €

Annex P – Calculation of Investment Nedeed

	Dividends					
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Period Result	(60 908,00) €	(31 434,67) €	99 108,26 €	383 897,39 €	2 221 013,55 €	4 764 107,69 €
Legal Reserv	- €	- €	4 955,41 €	19 194,87 €	111 050,68 €	238 205,38 €
% of results to distribut	0%	0%	0%	70%	70%	70%
Dividends	- €	- €	- €	255 291,76 €	1 476 974,01 €	3 168 131,61 €
1st Investors	- €	- €	- €	47 025,92 €	272 065,43 €	583 584,46 €
Founders	- €	- €	- €	38 363,53 €	221 949,72 €	476 085,51 €
Retained Results	(60 908,00) €	(31 434,67) €	94 152,85 €	109 410,76 €	632 988,86 €	1 357 770,69 €
Transited Results	- €	(60 908,00) €	(92 342,67) €	1 810,17 €	111 220,93 €	744 209,79 €

Annex Q – Dividends Calculation

CAPM Interest		5,39%
Rf (from: Investing.com and Pordata)	Riskless interest rate / 10-year treasury bonds	
	Portugal	0,23%
	Espanha	0,33%
	França	0,00%
	Inglaterra	0,76%
	Alemanha	-0,33%
	Itália	0,71%
	Average	0,28%
E(Rm)-Rf (from: Damodaran)	Equity Risk Premium	
	Portugal	6,85%
	Espanha	6,27%
	França	5,20%
	Inglaterra	5,31%
	Alemanha	4,72%
	Itália	6,85%
Average	5,87%	
Beta (from: Damodaran)	Market Beta	0,87

Annex R – CAPM Interest Rate

Business Plan: Sportigest

D&A	Value	D&A Interest	Lifespan	Accounting Value (End of each Period)						D&A					
				Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Intangible Assets															
Software for development	900,00 €	33,33%	3	1 800,00 €	1 200,00 €	2 425,20 €	5 782,95 €	3 652,50 €	1 522,05 €	- €	600,00 €	600,00 €	1 208,40 €	2 130,45 €	2 130,45 €
Application	64 508,00 €	33,33%	3	64 508,00 €	152 465,92 €	304 855,79 €	546 301,33 €	1 141 608,97 €	1 880 386,79 €	- €	21 502,67 €	57 989,53 €	120 948,44 €	222 416,59 €	454 675,19 €
Project Dossier	444 797,75 €	33,33%	3	444 797,75 €	296 531,83 €	148 265,92 €	- €	- €	- €	- €	148 265,92 €	148 265,92 €	148 265,92 €	- €	- €
Fixed Tangible Assets															
Hardware	1 200,00 €	10,00%	10	4 800,00 €	4 320,00 €	8 707,20 €	16 263,96 €	14 444,89 €	12 625,82 €	- €	480,00 €	480,00 €	966,72 €	1 819,07 €	1 819,07 €
Office Consumables	500,00 €	10,00%	10	500,00 €	956,35 €	1 616,22 €	2 200,56 €	2 709,47 €	3 143,26 €	- €	50,00 €	100,64 €	176,69 €	252,79 €	328,96 €
Accounting Total Values				FTA	5 300,00 €	5 276,35 €	10 323,42 €	18 464,52 €	17 154,36 €	15 769,08 €					
				IA	511 105,75 €	450 197,75 €	455 546,91 €	552 084,28 €	1 145 261,47 €	1 881 908,84 €					
Total Depreciations					- €	170 898,58 €	207 436,08 €	271 566,16 €	226 618,90 €	458 953,66 €					

Annex S – Depreciations and Amortization

Business Plan: Sportigest

Auxiliar Calculations						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Office Rent	2 400,00 €	4 860,96 €	17 035,20 €	17 046,96 €	17 062,08 €	17 085,60 €
Program Licenses	1 800,00 €	- €	1 825,20 €	4 566,15 €	- €	- €
Technology Fairs	1 500,00 €	1 519,05 €	1 521,00 €	1 522,05 €	1 523,40 €	1 525,50 €
Travelling costs	2 700,00 €	2 734,29 €	4 563,00 €	14 713,15 €	14 726,20 €	14 746,50 €
Office consumables	500,00 €	506,35 €	760,50 €	761,03 €	761,70 €	762,75 €
Accounting Services	1 200,00 €	2 430,48 €	2 433,60 €	2 435,28 €	2 437,44 €	2 440,80 €
Hardware	4 800,00 €	- €	4 867,20 €	8 523,48 €	- €	- €
Marketing Services	2 400,00 €	4 860,96 €	4 867,20 €	4 870,56 €	4 874,88 €	4 881,60 €
Application						
	64 508,00 €	173 968,58 €	362 845,32 €	667 249,77 €	1 364 025,56 €	2 335 061,97 €
Growth per year						
	- €	109 460,58 €	188 876,74 €	304 404,45 €	696 775,79 €	971 036,41 €

Annex T – Application Valuation

Provisional Income Statement						
	0	1	2	3	4	5
Sales	- €	304 500,00 €	609 000,00 €	1 218 000,00 €	3 654 000,00 €	7 308 000,00 €
Costs of Goods Sold						
Gross Margin	- €	304 500,00 €	609 000,00 €	1 218 000,00 €	3 654 000,00 €	7 308 000,00 €
External Services and Supplies	17 300,00 €	16 912,09 €	37 872,90 €	54 438,66 €	41 385,70 €	41 442,75 €
Personnel Costs	43 608,00 €	87 216,00 €	200 112,00 €	380 132,00 €	424 644,00 €	455 460,00 €
EBITDA	(60 908,00) €	200 371,91 €	371 015,10 €	783 429,35 €	3 187 970,30 €	6 811 097,25 €
EBITDA margin		0,66 €	0,61 €	0,64 €	0,87 €	0,93 €
Depreciations and Amortizations	- €	170 898,58 €	207 436,08 €	271 566,16 €	226 618,90 €	458 953,66 €
EARNINGS BEFORE TAXES	(60 908,00) €	29 473,33 €	163 579,02 €	511 863,18 €	2 961 351,40 €	6 352 143,59 €
Deductible Losses	- €	(60 908,00) €	(31 434,67) €	- €	- €	- €
Taxable Amount	(60 908,00) €	(31 434,67) €	132 144,35 €	511 863,18 €	2 961 351,40 €	6 352 143,59 €
Taxes on Profits	- €	- €	33 036,09 €	127 965,80 €	740 337,85 €	1 588 035,90 €
NET INCOME	(60 908,00) €	(31 434,67) €	99 108,26 €	383 897,39 €	2 221 013,55 €	4 764 107,69 €
NOPAT	(60 908,00) €	139 463,91 €	306 544,34 €	655 463,55 €	2 447 632,45 €	5 223 061,35 €

Annex U – Provisional Income Statement

	0	1	2	3	4	5
Operational Cash Flows	(60 908,00) €	139 463,91 €	306 544,34 €	655 463,55 €	2 447 632,45 €	5 223 061,35 €
VAT Rate	23%	- €	70 035,00 €	140 070,00 €	280 140,00 €	840 420,00 €
Clients	1	- €	31 211,25 €	62 422,50 €	124 845,00 €	374 535,00 €
VAT to Recover (Over investment)	1	1 104,00 €	- €	1 119,46 €	1 960,40 €	- €
Total Cyclical Needs	1 104,00 €	31 211,25 €	63 541,96 €	126 805,40 €	374 535,00 €	749 070,00 €
External Supplies and Services Purchases	12 500,00 €	16 912,09 €	33 005,70 €	45 915,18 €	41 385,70 €	41 442,75 €
Suppliers (purchases with value added tax)	1	1 281,25 €	1 733,49 €	3 383,08 €	4 706,31 €	4 247,88 €
Gross Added Value (sales-purchases)	(17 300,00) €	287 587,91 €	571 127,10 €	1 163 561,35 €	3 612 614,30 €	7 266 557,25 €
Value Added Tax to deliver to the State	(5 083,00) €	66 145,22 €	130 239,78 €	265 658,71 €	830 901,29 €	1 671 308,17 €
State Value Added Tax Payable	2	- €	11 024,20 €	21 706,63 €	44 276,45 €	138 483,55 €
Costs with personnel	1 188,00 €	1 188,00 €	2 747,25 €	5 222,25 €	5 865,75 €	6 311,25 €
Payment of costs with personnel	1	99,00 €	99,00 €	228,94 €	435,19 €	525,94 €
Total Cyclical Resources	1 380,25 €	12 856,69 €	25 318,65 €	49 417,94 €	143 214,39 €	283 325,18 €

Annex V – Operational Cash Flows

	0	1	2	3	4	5
Working Capital	(276,25) €	18 354,56 €	38 223,30 €	77 387,46 €	231 320,61 €	465 744,82 €
Investment on Working Capital	(276,25) €	18 630,81 €	19 868,75 €	39 164,15 €	153 933,15 €	234 424,21 €
Exploration Cash Flows	(60 631,75) €	120 833,10 €	286 675,59 €	616 299,40 €	2 293 699,30 €	4 988 637,14 €
Capex Investment	4 800,00 €	- €	4 867,20 €	8 523,48 €	- €	- €

Annex X – Working Capital

Business Plan: Sportigest

	0	1	2	3	4	5
Net Project Cash Flow	(65 431,75) €	120 833,10 €	281 808,39 €	607 775,92 €	2 293 699,30 €	4 988 637,14 €
Accumulated Net Cash Flow	(65 431,75) €	55 401,35 €	337 209,75 €	944 985,66 €	3 238 684,96 €	8 227 322,10 €
Updated Net Cash Flow	(65 431,75) €	114 657,73 €	253 739,90 €	519 273,02 €	1 859 542,77 €	3 837 682,38 €
Updated Accumulated Cash Flow	(65 431,75) €	49 225,98 €	302 965,88 €	822 238,90 €	2 681 781,67 €	6 519 464,05 €

Annex Z– Net Project Cash Flow

NPV (Net Project Value)	6 519 464,05 €
MIRR (Modified Internal Rentability Rate)	165%
Rentability Index	100,64
Payback (Accounting)	1,542
Updated Payback	1,571

Annex AA – Financial Indicators

Cash Flow Statement	Year					
	0	1	2	3	4	5
Cash and Equivalents at the beginning of the year	- €	3 262,50 €	14 105,02 €	121 031,46 €	203 909,86 €	794 016,25 €
Operating Activities						
Cash Inflows						
Cash receipts from clients	- €	343 323,75 €	717 858,75 €	1 435 717,50 €	4 244 730,00 €	8 614 305,00 €
Cash Outflows						
D&A	- €	170 898,58 €	207 436,08 €	271 566,16 €	226 618,90 €	458 953,66 €
Cash paid to suppliers	19 997,75 €	20 349,63 €	44 934,07 €	65 636,32 €	51 368,68 €	50 968,73 €
Cash paid to personnel	43 608,00 €	87 216,00 €	199 982,06 €	379 925,75 €	424 590,38 €	455 422,88 €
Payment of VAT	(17 300,00) €	54 017,02 €	120 676,81 €	243 929,83 €	734 733,79 €	1 531 240,35 €
Payment of Income Taxes	- €	- €	33 036,09 €	127 965,80 €	740 337,85 €	1 588 035,90 €
Net cash from operating activities	(46 305,75) €	10 842,52 €	111 793,64 €	346 693,64 €	2 067 080,40 €	4 529 683,48 €
Investing Activities						
Cash Inflows						
Share Capital	115 000,00 €	- €	- €	- €	- €	- €
Cash Outflows						
Purchase of non-current assets	65 431,75 €	- €	4 867,20 €	8 523,48 €	- €	- €
Net cash from investing activities	49 568,25 €	- €	(4 867,20) €	(8 523,48) €	- €	- €
Financing Activities						
Cash Inflows						
Loan Received	- €	- €	- €	- €	- €	- €
Cash Outflows						
Repayment of debt	- €	- €	- €	- €	- €	- €
Interest on Borrowings	- €	- €	- €	- €	- €	- €
Dividends Paid	- €	- €	- €	255 291,76 €	1 476 974,01 €	3 168 131,61 €
Net cash from financing activities	- €	- €	- €	(255 291,76) €	(1 476 974,01) €	(3 168 131,61) €
Net increase/decrease in cash flows	3 262,50 €	10 842,52 €	106 926,44 €	82 878,39 €	590 106,39 €	1 361 551,86 €
Cash and cash equivalents at end of the year	3 262,50 €	14 105,02 €	121 031,46 €	203 909,86 €	794 016,25 €	2 155 568,11 €

Annex AB– Cash Flow Statment

Business Plan: Sportigest

Provisional Balance Sheet						
	0	1	2	3	4	5
Assets						
Non-current Assets						
Software for development	1 800,00 €	1 200,00 €	2 425,20 €	5 782,95 €	3 652,50 €	1 522,05 €
Application	64 508,00 €	152 465,92 €	304 855,79 €	546 301,33 €	1 141 608,97 €	1 880 386,79 €
Project Dossier	444 797,75 €	296 531,83 €	148 265,92 €	- €	- €	- €
Total Non-current Assets	511 105,75 €	450 197,75 €	455 546,91 €	552 084,28 €	1 145 261,47 €	1 881 908,84 €
Current Assets						
Accounts Receivable	- €	31 211,25 €	62 422,50 €	124 845,00 €	374 535,00 €	749 070,00 €
VAT	1 104,00 €	- €	1 119,46 €	1 960,40 €	- €	- €
Cash	3 262,50 €	14 105,02 €	121 031,46 €	203 909,86 €	794 016,25 €	2 155 568,11 €
Total Current Assets	4 366,50 €	45 316,27 €	184 573,42 €	330 715,26 €	1 168 551,25 €	2 904 638,11 €
Total Assets	515 472,25 €	495 514,02 €	640 120,33 €	882 799,54 €	2 313 812,72 €	4 786 546,95 €
Shareholders' Equity						
Equity Capital	575 000,00 €	575 000,00 €	575 000,00 €	575 000,00 €	575 000,00 €	575 000,00 €
Legal Reserves	- €	- €	4 955,41 €	19 194,87 €	111 050,68 €	238 205,38 €
Transited Results	- €	(60 908,00) €	(92 342,67) €	1 810,17 €	111 220,93 €	744 209,79 €
Retained Earnings	(60 908,00) €	(31 434,67) €	94 152,85 €	109 410,76 €	632 988,86 €	1 357 770,69 €
Total Shareholders Equity	514 092,00 €	482 657,33 €	581 765,59 €	705 415,80 €	1 430 260,47 €	2 915 185,87 €
Liabilities						
Non-current Liabilities						
Long-term Debt	- €	- €	- €	- €	- €	- €
Total Non-current Liabilities	- €	- €	- €	- €	- €	- €
Current Liabilities						
Accounts Payable	1 281,25 €	1 733,49 €	3 383,08 €	4 706,31 €	4 242,03 €	4 247,88 €
State and Other Public Entities	99,00 €	11 123,20 €	21 935,57 €	44 711,64 €	138 972,36 €	279 077,30 €
Income Taxes Payable	- €	- €	33 036,09 €	127 965,80 €	740 337,85 €	1 588 035,90 €
Total Current Liabilities	1 380,25 €	12 856,69 €	58 354,74 €	177 383,74 €	883 552,25 €	1 871 361,08 €
Total Liabilities	1 380,25 €	12 856,69 €	58 354,74 €	177 383,74 €	883 552,25 €	1 871 361,08 €
Total Liabilities and Shareholders' Equity	515 472,25 €	495 514,02 €	640 120,33 €	882 799,54 €	2 313 812,72 €	4 786 546,95 €

Annex AC– Balance Sheet