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Business Plan for the Development of a Pickleball Club in the Municipality of Mafra

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Master in Management

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September, 2024

Department of Marketing, Strategy and General Management

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Resumo

Esta tese apresenta um plano de negócios para a criação de um clube de pickleball e ténis no concelho de Mafra. O pickleball, um desporto em rápido crescimento que combina elementos do ténis de mesa, badminton, padel e ténis, é um desporto único devido à sua fácil aprendizagem e amplo envolvimento social. O clube pretende preencher uma lacuna no mercado desportivo nacional e especialmente na área de Lisboa, onde o pickleball continua a ser largamente desconhecido, apesar da sua expansão a nível mundial.

O plano de negócios inclui uma análise do ambiente externo do mercado, uma análise detalhada dos recursos e capacidades internas do clube e uma avaliação do seu posicionamento competitivo. Delineia as estratégias de marketing a adotar e fornece projeções financeiras, avaliando a viabilidade do projeto em três cenários: pessimista, realista e otimista.

Ao integrar estes conhecimentos, a tese pretende ilustrar como a proposta de criação do clube pode efetivamente satisfazer as necessidades recreativas locais, reforçar o envolvimento da comunidade e servir de modelo futuro de desenvolvimento do desporto na região.

Palavras-chave: Desporto; Pickleball; Gestão; Vantagem competitiva; Análise de mercado

Classificação JEL

L26 – Objetivos da Empresa, Organização e Comportamento: Empreendedorismo

Z20 – Economia do Desporto: Geral

Abstract

This thesis presents a comprehensive business plan for establishing a pickleball and tennis club in the municipality of Mafra. Pickleball, a rapidly growing sport combining elements from table tennis, badminton, padel, and tennis, offers a unique appeal due to its easy learning curve and broad social engagement. The club aims to fill a gap in the national sports market, particularly in the Lisbon area, where pickleball remains largely unknown despite its global expansion.

The business plan includes an analysis of the external market environment, a detailed examination of the club's internal resources and capabilities, and an assessment of its competitive positioning. It outlines the marketing strategies to be adopted and provides comprehensive financial projections, evaluating the project's feasibility under three scenarios: pessimistic, realistic, and optimistic.

By integrating these insights, the thesis aims to illustrate how the proposed facility can effectively meet local recreational needs, enhance community engagement, and serve as a model for future sports developments in the region.

Keywords: Sports; Pickleball; Management; Competitive advantage, Market analysis

JEL Classification

L26 – Firm Objectives, Organization, and Behavior: Entrepreneurship

Z20 – Sports Economics: General

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List of Acronyms

Appickle - Associação Portuguesa de Pickleball

AM - *Ante Meridiem* (Before Midday)

A8 – Autoestrada 8

CBS - Columbia Broadcasting System

CEO - Chief Executive Officer

CIT - Company Income Tax

COVID19 – Coronavirus

CSF – Critical Success Factors

EBIT – Earnings Before Interests and Taxes

EBITDA - Earnings Before Interests, Taxes, Depreciation and Amortization

EBT - Earning Before Taxes

EN8 – Estrada Nacional 8

ESPN - Entertainment and Sports Programming Network

EU – European Union

GDP – Gross Domestic Product

GVA - Gross Value Added

INE – Instituto Nacional de Estatística

IRR - Internal Rate of Return

ISCTE - Instituto Superior de Ciências do Trabalho e da Empresa

NPV - Net Present value

PIT - Personal Income Tax

PM - *Post Meridiem* (After Midday)

ROA - Return on Assets

ROE - Return on Equity

ROI - Return on Investment

PS – Partido Socialista

PSD – Partido Social Democrata

RBV – Resource-Based View

SSR - Single Social Rate

SWOT - Strengths, Weaknesses, Opportunities and Threats

USAPA - United States of America Pickleball Association

VAT - Value Added Tax

VRIO - Value, Rarity, Imitability and Organization

Introduction

Recreational sports have seen a remarkable growth, evolving into major global activities. Among these, pickleball has gained attention as a rapidly expanding sport. Combining elements from ping-pong, badminton, padel, and tennis, pickleball is easy to learn and engaging for people of all ages and skill levels. Its rising popularity is evident from its rapid expansion in the United States and its steady progress across Europe.

In Portugal, however, pickleball remains relatively unknown, offering a unique opportunity for market entry and expansion. Despite its recent emergence, highlighted by the establishment of the national association Appickle in 2022 and the inaugural national tournament in September 2024, there are currently only 21 clubs where pickleball can be played, and none primarily focus on the sport (Appickle, 2024). This notable market gap, particularly in the Lisbon region, makes the municipality of Mafra - a short drive from the capital - an ideal location for establishing a club that prominently features pickleball.

The motivation to establish a pickleball club in Mafra is driven by a personal passion for racket sports and a desire to explore new business opportunities. My lifelong involvement in racket sports—from childhood tennis to a recent interest in padel - has led me to pickleball, with its unique combination of various racket sports and its inclusive nature. This project aims to capitalize on the sport's rapid growth and its potential to foster social and recreational engagement.

This business plan outlines the strategy for creating a pickleball and tennis club in Malveira, municipality of Mafra. It will estimate key costs and revenues and provide a plan for promoting a healthier and more active lifestyle. The analysis will include contextual, transactional, competitive, and strategic components to identify essential resources, challenges, and success factors. A literature review will support this analysis, covering sports management, business models, business strategies, and sustainable competitive advantage.

To evaluate the financial and economic viability, the plan will include key forecasting indicators and financial return calculations across three scenarios: pessimistic, realistic, and optimistic. In summary, this business plan aims to assess and predict the conditions necessary for successfully establishing a pickleball and tennis club in Mafra, addressing the demand for recreational spaces and enhancing local engagement. The club seeks to become a leading example in the region, promoting an active lifestyle and enriching the community through sport.

1. Literature Review

1.1 Business Model

In the last few decades business models have become increasingly prevalent in management terminology. Even though talking about business models has gained popularity, many people are still unsure of what they are and how to use them. Renowned writers such as Timmers, Teece or Fielit have been providing definitions of business models, but none of them seem to be widely recognized.

In the late 90's Timmers (1998) provides one of the first business model definitions: “(a) an architecture for the product, service and information flows, including a description of the various business actors and their roles; and (b) a de- scription of the potential benefits for the various business actors; and (c) a description of the sources of revenues”. For Mahadevan (2000) “A business model is a unique blend of three streams that are critical to the business. These include the value stream for the business partners and the buyers, the revenue stream, and the logistical stream”.

Many earlier definitions just focus on the structure and components of business models, including the roles of actors, revenue sources, and value streams.

Other later definitions are more formulated around the value logic in terms of creating, delivering and/or capturing value, such as: In short, a business model defines how the enterprise creates and delivers value to customers, and then converts payments received to profits (Teece, 2010). Business model describes the rationale of how an organization creates, delivers, and captures value (Osterwalder & Pigneur, 2010). A business model can be viewed as a template of how a firm conducts business, how it delivers value to stakeholders (e.g., the focal firms, customers, partners, etc.), and how it links factor and product markets. The activity systems perspective addresses all these vital issues (Zott & Amit, 2010).

Baden-Fuller and Morgan (2010) point out a different view, for them business models “act as various forms of model: to provide means to describe and classify businesses; to operate as sites for scientific investigation; and to act as recipes for creative managers. We argue that studying business models as models is rewarding in that it enables us to see how they embody multiple and mediating roles”.

Fielit (2013) made a study combining multiple definitions of business models of experts from all over the world and proposed the following definition: “a business model describes the

value logic of an organization in terms of how it creates and captures customer value. Moreover, we excluded ‘delivering’ value from our definition as we see the separation of creating value and delivering value as a supply-side perspective focusing on producers adding value. Customer (use) value cannot be created without involving the user and considering the use context”.

1.2 Business Strategy

The importance of strategy has led scholars, consultants, and managers to explore various definitions and approaches. At its core, strategy is a guiding framework that helps organizations navigate complex environments, set goals, and allocate resources. It enables companies to achieve key objectives, such as overcoming challenges and meeting stakeholder expectations. As Johnson, Scholes, and Whittington (2008) emphasize, strategy addresses external forces, solves problems, and aligns business actions with stakeholder interests, making strategic planning indispensable in modern business.

A key distinction in strategy is between corporate and business strategy. Koch and Nieuwenhuizen (2007) explain that corporate strategy focuses on the overall direction of a portfolio of businesses, dealing with high-level decisions like market entry or resource allocation. In contrast, business strategy addresses specific tactics for individual business units to compete effectively. Understanding this distinction ensures alignment between corporate objectives and operational actions.

Mishran and Mohanty (2022) identify six strategic approaches: Planning, Fit, Emergent, Positioning, Resource-based, and Stakeholder-focused. Planning strategies emphasize structured, long-term goals, while Emergent strategies allow flexibility in response to market changes. Positioning focuses on competitive placement, and the Resource-based approach leverages internal capabilities. The Stakeholder approach considers various internal and external actors. Each offers a distinct perspective for crafting and executing strategy.

Innovation also plays a crucial role in a business strategy. López and Oliver (2023) argue that innovation and strategy are interconnected. Business strategies must foster innovation, while innovation efforts should align with broader goals. Companies that integrate innovation into their strategy are better positioned to respond to disruptions and evolving customer needs, gaining a competitive advantage.

1.3 Business Model vs Business Strategy

The terms “business model” and “strategy” are being used by millions of people, but their definitions are fuzzy (Seddon & Lewis, 2003).

Business models are often seen as an intermediary between a company's strategy and its business processes (Morris et al. 2005). Thus, while strategy focuses on how to prevail over competitors, the business model depicts the logic of value creation and the effective coordination of business resources (Osterwalder et al. 2005).

Other authors, such as Teece (2010) define business models and strategy as distinct concepts that are linked to each other.

Seddon & Lewis (2003) have an alternative view that simply suggests that it may be more helpful to view a business model as an abstract representation of a firm's strategy. For them, a firm's strategy is always firmly anchored in its own particular competitive environment, it is specific to that firm and that firm alone. By contrast, a business model can be conceived as an abstraction of a firm's strategy. This same business model could then apply to more than one firm.

The ongoing debates surrounding these concepts highlight how crucial they are for any business, regardless of its size or industry. As businesses evolve and adapt to changing environments, the ongoing dialogue surrounding business models and strategies will remain a vital part of commerce, serving as guiding principles for economic growth and sustainability. These discussions are, and will continue to be, at the heart of sound and responsible business practices.

1.4 Sustainable competitive advantage

The concept of a sustainable competitive advantage lies at the core of business strategy and success. It is the vital component that sets a business apart from its competitors and guarantees its long-term survival in a dynamic and competitive industry. Organizations that create and maintain a sustainable advantage are able to grow and adapt to market fluctuations while providing exceptional goods and services that constantly exceed the expectations of their clients.

The term was firstly introduced by Porter (1985) when he argued that competitive advantage is "a firm's ability to create value for its customers that exceeds the firm's cost of producing that value. Competitive advantage stems from either offering lower prices than competitors for equivalent benefits or providing unique benefits that justify a higher price." He further developed that "there are two basic types of competitive advantage a firm can possess: low cost or differentiation. The two basic types of competitive advantage combined with the

scope of activities for which a firm seeks to achieve them, lead to three generic strategies for achieving above-average performance in an industry: cost leadership, differentiation, and focus."

For Barney (2002) "a firm experiences competitive advantages when its actions in an industry or market create economic value and when competing firms are engaging in similar actions".

Hou & Dong (2022) made a study to explore the future development mode and the prospect of China's sports undertakings and enterprises through the analysis and research on the competitive advantage of China's sports industry. They felt that creative products, competitive sports enterprises, and clear business models were urgently needed. Their study found out that the product and business model, the leadership of managers, the innovation ability of teams, and the external market environment are the core elements for sports enterprises to formulate competitive strategies and create and maintain competitive advantages.

1.5 Pickleball

Described by the Cambridge Dictionary as a "game played in the US that is similar to tennis but played close to the net with short wooden bats and a plastic ball with holes in it," pickleball is, according to Follett (2022), "rapidly dominating sports culture nationwide and attracting a wave of brands looking to capitalize on its surging popularity." The 2023 APP Pickleball Participation Report reveals that 48.3 million people (19% of the American adult population) have played pickleball at least once in the last year, continuing to be America's fastest-growing sport for the third year in a row.

It all started in 1965 when, after playing golf one Saturday during the summer, Joel Pritchard, congressman from Washington State and Bill Bell, successful businessman, returned to Pritchard's home on Bainbridge Island, WA (near Seattle) to find their families sitting around with nothing to do. The property had an old badminton court so Pritchard and Bell looked for some badminton equipment and could not find a full set of rackets. They improvised and started playing with ping-pong paddles and a perforated plastic ball. At first, they placed the net at badminton height of 60 inches and volleyed the ball over the net. As the weekend progressed, the players found that the ball bounced well on the asphalt surface and soon the net was lowered to 36 inches. (USA Pickleball Association, 2024).

The following weekend, Barney McCallum was introduced to the game at Pritchard's home. Soon, the three men created rules, relying heavily on badminton. They kept in mind the

original purpose, which was to provide a game that the whole family could play together (USA Pickleball Association, 2024).

In the following decade there were three important events in this sport. In 1967 the first permanent pickleball court was constructed. Five years later, in 1972, a corporation was formed to protect the creation of this new sport. Later, in 1976, the first known pickleball tournament in the world was held at South Center Athletic Club in Tukwila, Washington (USA Pickleball Association, 2024).

In 1990 pickleball was being played in all 50 states and eventually later in 2005 a new official corporation for the sport was established as the USA Pickleball Association (USAPA). Nowadays USA Pickleball membership numbers surpassed 78.000, an increase of 15 percent over 2023 (USA Pickleball Association, 2024). According to the Sports & Fitness Industry Association (SFIA), in 2023, pickleball had a total of 13.6 million players in the United States aged six and older who play the sport regularly. This represents a growth of 51.8% from 2022 to 2023, and an astounding 223.5% over the past four years since 2020.

The impact and success that this sport had made local governments in Portland, Oregon; Minneapolis; Long Beach, California; Asheville, North Carolina; and elsewhere try to adjust in the short term while also baking pickleball into their long-term community development and equity plans (Galvin, 2023). Dozens of endemic brands producing pickleball equipment, like paddles, nets or apparel have gotten a head start on establishing themselves in pickleball, sponsoring tournaments and striking sponsorship deals with the sport's biggest stars. From renowned athletes like Tom Brady and LeBron James investing in professional pickleball teams, to pickleball tournaments airing on major networks like ESPN and CBS Sports, to the growing number of company logos adorning players' uniforms and courtside walls (Follett, 2022).

1.6 Management of a Sports Venue

At present, the pursuit of a healthy lifestyle is a popular topic worldwide. Due to the development of scientific technology and urbanization, sedentary lifestyles are increasing, and physical activity is decreasing. In this regard, health care via physical activity is receiving increasingly more attention. This trend has contributed to the growth and expansion of the sports fitness industry, as evidenced by the yearly increase in the number of sports centers (Huang & Kim, 2023).

According to the European Health & Fitness Market Report (Deloitte, 2024), there are 64.970 centers with a total of 67.6 million members, which means a total revenue of 31.8 billion euros, demonstrating that fitness centers are important within the sports sector. For Xu SQ et al. (2023) the private-owned sports center is an infrastructure that provides convenient and diversified exercise programs at a reasonable price. With the concept of “healthy lifestyle” deeply rooted in people’s minds, the development of private-owned sports centers is thriving.

Within sports services, managing sports centers has become a complex role for managers because, due to the increase in the supply of these services, transactions with users are increasingly dynamic and unstable (García-Pascual et al. 2023). How to improve the benefits of enterprises in this environment has become a key issue for managers. The benefits of enterprises are affected by internal and external factors. In the case that external factors are not easy to change, more and more managers are starting to pay attention to the management of internal factors (Xu SQ et al. 2023).

For García-Pascual et al. (2023) “achieving loyal and satisfied users is the main objective of sports centers and the managers who run them. Achieving loyal and satisfied users leads to positive attitudes and prolonged revenues over time. Therefore, analyzing the service experience of fitness center users has become a key factor in predicting the satisfaction and future behavior of users and, above all, in improving the sustainability and profitability of the sports service”. For them “the service experience refers to the users’ subjective perception and evaluation of the quality of service that they receive in a sports center. The service experience can be influenced by a number of factors, including the attentiveness and friendliness of staff, the availability and quality of the equipment and facilities, the variety of the activities and programs offered, and the ease of access and use of the center”.

According to Huang & Kim (2023) “in the context of sports fitness centers, understanding the relationship between service quality and customer experience is crucial for enhancing customer loyalty and building long-term relationships”. In their study they reach three final conclusions: “First, that it is necessary to improve the customer orientation of the employees and ensure that they have the necessary skills and knowledge, as well as the right attitude. Specifically, when selecting employees, the skills and knowledge of the instructors should become the selection criteria. Second, trust is more likely to generate loyalty to a sports center from satisfied customers. Therefore, managers may need to pay attention to the dependability, competency, and integrity of the sports centers’ service offering and perform responsibly in

terms of center users' feedback. Third, it is particularly necessary to organize a service package and prepare an environment that focuses on the responsiveness and empathy of the service for highly involved consumers, and there should be services and procedures to provide reliability and assurance of services for less involved customers. In other words, service providers must customize their service offerings to satisfy each customer”.

Alguacil, M et al. (2021) present a different approach, for them “marketing has a lot to contribute to the improvement of sports services management, in the same way that it has been helpful in other contexts, providing useful information to managers to establish strategies in a more appropriate way. Thus, managers should not only focus on the variables related to the experience or performance of the service but also attend to brand variables”.

For Xu SQ et al. (2023) “internal communication, administrative support, and educational training were important factors affecting internal consumer satisfaction and customer orientation. They concluded that the implementation of internal marketing strategies could improve internal consumer satisfaction and customer orientation, and higher levels of internal consumer satisfaction will encourage employees to have higher degrees of customer orientation. Therefore, the implementation of internal marketing strategy was beneficial to the development of private-owned sports centers”.

To succeed in the growing sports fitness industry, managers must prioritize customer satisfaction by enhancing service quality and tailoring offerings to meet diverse needs. Focusing on employee training, internal marketing, and other factors such as brand management, customer feedback, and service customization can improve satisfaction, foster loyalty, and support long-term growth. Emphasizing these elements will help sports centers remain competitive and thrive in an expanding market.

2. Business Idea

The growing global popularity of pickleball presents an exciting opportunity to introduce the sport to Portugal. This unique game, combining the energy of tennis, padel, badminton and table tennis, has captured the attention of sports fans for its simplicity and adaptability. While tennis remains a well-loved sport in the region, the idea of integrating both tennis and pickleball in one club sets the stage for a new, dynamic sporting hub in Mafra. This club will be the only sports facility in Portugal primarily focused on pickleball, positioning it as the nation's central hub for the sport's development.

Mafra offers an ideal location for this initiative, boasting a population that embraces new sports and activities. With pickleball yet to find a foothold in the country, this club will introduce it in an engaging and accessible way, allowing players of both tennis and pickleball to enjoy the facility together. The club will create a platform for residents and visitors alike to discover and appreciate pickleball while also supporting the well-established tennis community.

By positioning itself as Portugal's primary pickleball hub, this club will not only serve local needs but also attract interest from across the country. It will provide a welcoming environment for players of all skill levels, facilitating opportunities for practice and skill development. This dual-sport approach aims to unite individuals passionate about both tennis and pickleball, ultimately fostering the growth of pickleball throughout Portugal.

3. Characterization of the sports industry in Portugal

Understanding the sports industry environment in Portugal is crucial for launching a sports club successfully. Portugal has a strong tradition of sports participation, offering diverse activities that capture the interests of its population. By knowing the dynamics and trends within the Portuguese sports industry, it is possible to adjust the supply to local preferences, using existing networks, and taking advantage of emerging opportunities.

Portugal's sports industry is a vibrant and integral part of the nation's culture, particularly with a long tradition in football that plays a significant role in Portugal's national identity. The country's passion for sports is evident in its strong tradition of participation and support, with local clubs and teams serving as pillars of community involvement.

Interest in various sports has been growing in recent years, with new disciplines gaining popularity, as evidenced by Portugal's gold medal in track cycling in the Madison event at the 2024 Olympic Games. This highlights a rising enthusiasm for sports, driven largely by a focus on well-being and health. The combat against sedentary lifestyles is increasingly being emphasized in schools and supported by families at home, with the media playing a crucial role in promoting active living.

According to Instituto Nacional de Estatística (INE) in 2022, the most recent data available, 16.441 enterprises belonged to the sports sector, which were responsible for 2.850 million euros of turnover and for 1.070 million euros of GVA. Compared to the previous year (2021), the number of sports sector enterprises recorded an increase of 14.9%. Their turnover and the GVA increased by 47% and 46%, respectively.

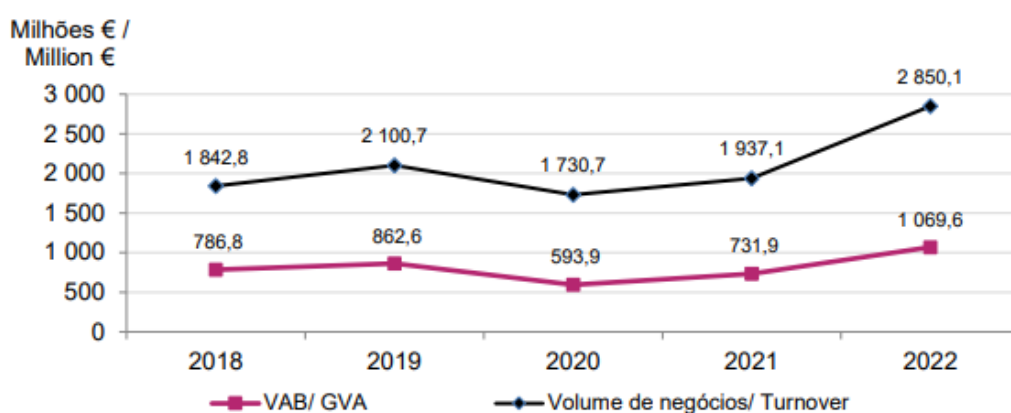


Figure 1: Turnover and GVA (million €) of sports sector enterprises, 2018-2022. Source: INE

There were also 11.456 sports clubs (more 15.8% than in the previous year) and a total of 686.214 practitioners enrolled in sports federations being 923 of them high-performance sports athletes. It is worth emphasizing that this trend is likely to increase after a few years of retraction related to the COVID crisis (INE).

According to INE, the sports employment in Portugal, in 2023, increased. There were 45.6 thousand people working in this industry (5.6% more than in the previous year). Compared to the total employed population, sports employment is characterized by employing more men and younger and more educated people: 57.5% were men, 50.3% were aged between 16 and 34 years, and 48,2% had completed high school.

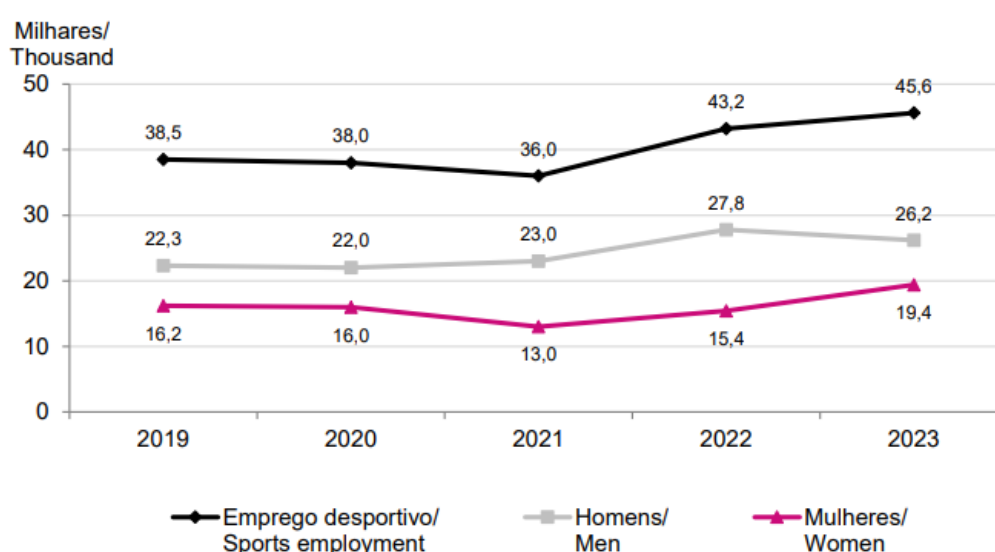


Figure 2: Total sports employment - Employed population with 16 or more years, 2019-2023. Source: INE

The total average gross monthly earnings per employee (per job) in the sports sector was 1.461 euros (6.9% more than in 2022). It should be noted that the increase in average gross remuneration was higher than the annual consumer price index recorded in 2023 (4.3%) (INE).

The sports education in Portugal also had an increase in the number of students in the school year of 2022/2023. According to INE, there were 11.153 students enrolled in tertiary education in the sports fields of education and training (1.6% more than in the previous school year).

Finally, regarding public financing of sports activities, municipalities' financing on activities and sports infrastructures reached 367.7 million euros in 2022 (13.7% more than in 2021), which represented 3.5% of total municipalities' expenditure in Portugal (INE).

4. Characterization of the pickleball industry in Portugal

To learn more about the pickleball industry in Portugal, an interview was conducted with Jorge Gabriel, the Chair of the Portuguese Pickleball Federation. This conversation took place on April 29, 2024, offering valuable perspectives on the current state of play and future trajectory of pickleball within the country. As a leading figure in the Portuguese sports community, Jorge Gabriel's expertise and vision provided invaluable insights into the growth, challenges, and opportunities that lie ahead for pickleball in Portugal.

Since 2022, Portugal has had an official pickleball federation (APPICKLE), comprising a dedicated team of individuals committed to advancing the sport nationwide. This federation is structured with three members on the board, including Jorge Gabriel as the Chair, three representatives in the general assembly, and three additional members in the supervisory board. Together, and without earning any money from it, they regulate and promote pickleball activities, ensuring that this sport continues to thrive and evolve across the country.

According to Chair of the Portuguese Pickleball Federation, in the beginning of 2022, pickleball enthusiasts in Portugal had limited options when it came to finding places to play the sport, with only four locations offering facilities, although these were scattered throughout the country: Caldas da Rainha, Lisbon, Vila Real de Santo António, and Braga.

However, in recent years, there has been a remarkable expansion in the availability of pickleball venues across the country. Nowadays, there are 21 places where individuals can enjoy pickleball, a significant increase from just a few years ago. It's worth noting that none of these locations are dedicated pickleball clubs; rather, they are existing sports facilities that have been adapted to accommodate pickleball. In most cases, tennis courts are repurposed for pickleball play, demonstrating the adaptability and versatility of the sport. Notably, Lisbon, Setúbal, Caldas da Rainha and Vila Real de Santo António stand out as the only locations where it is possible to play in dedicated pickleball courts, providing players with purpose-built facilities to enjoy the game.

The Chair of the Portuguese Pickleball Federation also mentioned that around 500 individuals actively participate in the sport, though pickleball has attracted a larger number of enthusiasts across different age groups and backgrounds who have tried it at least once. However, most players are aged 40 and above, reflecting the sport's appeal to older adults seeking recreational and social activities. In terms of nationalities of the players, even though,

in the beginning, in 2022, most of pickleball players in Portugal were foreigners, nowadays there is already a more balanced representation between Portuguese nationals and foreigners.

The discussion also covered pickleball events and tournaments being held in Portugal. According to Jorge Gabriel, tournaments are thriving and getting more and more participants with numerous competitions hosted by various clubs across the country. These tournaments provide opportunities for players to showcase their skills and compete against peers of similar levels. Winners and standout performers from these local events may choose to participate in the National Championship that took place, for the first time, in July 2024, in Vila Real de Santo António. The top 8 to 10 players from the National Championship earn qualification spots for the European Championship, set to take place in November of 2024, in England.

Additionally, on September 18th, 2024, a follow-up interview was conducted to ensure that all numbers and information provided were current and accurate.

5. Localization

Based on the Portuguese context described and recognizing the merits of pickleball and its potential for national expansion, the decision was made to explore the possibility of creating a pickleball and tennis club in Mafra.

The club will be in Travessa da Lagoa, in the village of Malveira, municipality of Mafra. This area is served by the Estrada Nacional 8 (EN8), which links directly to major highways, including the A8 Motorway, providing a quick route to Lisbon and other regions. It is 15 minutes away from both city centers of Mafra and Ericeira and 35 minutes away from Lisbon, making it accessible from various locations (Appendix A).

Additionally, Malveira's train station on the Linha do Oeste ensures regular rail services to Lisbon and surrounding towns, complemented by regional bus routes. These transport options make it convenient for members from several locations to visit the club easily.

The facilities and surroundings of the Travessa da Lagoa in Malveira, offer an attractive setting for a pickleball club. The area is characterized by a blend of residential and commercial amenities, providing a supportive environment for recreational activities.



Figure 3: Satellite image of the land and its area. Source: Google Earth

5.1 Characterization of Mafra's Population

Being the pickleball and tennis club in the municipality of Mafra, it is important to provide a characterization of its population. Mafra is a municipality in the Lisbon District, located in the center of Portugal. Known for its rich cultural heritage, particularly the Palácio Nacional de

Mafra, a UNESCO World Heritage Site, the town combines historical charm with modern amenities, making it an attractive place for both residents and tourists. With a population of approximately 86,515 inhabitants, Mafra was the municipality in the district of Lisbon that gained the most population, with a variation of +12.8% (compared to 2011 Census).

The age distribution of Mafra's population is diverse. According to the 2021 Census around 16,4% are children and youth (0-14 years), indicating a significant number of young families in the area. The majority, approximately 65,8%, are working-age adults (15-64 years), which includes people that work in Lisbon and other regions, as well as local workers. Seniors (65+ years) make up about 17,8% of the population, reflecting the common trend of aging seen in most regions in Portugal.

In terms of education, Mafra's residents have a relatively high level of education. A substantial portion of the population has completed secondary education (26,8%), and a growing number hold higher education degrees (23,2% in 2021 vs 15,9% in 2011). The presence of good schools and educational facilities in the area supports this trend, ensuring that residents have access to quality education.

The local economy benefits from a diverse range of activities. Significant employment sectors include services, retail, construction, and agriculture. The proximity to Lisbon also means many residents work in the capital, commuting daily (around 70,7% of Mafra's population uses their car on a daily basis). This economic diversity contributes to Mafra's relatively low unemployment rate, compared to national averages (6,2% in Mafra vs 8,1% in Portugal).

Migration patterns in Mafra include both internal migrations, with people from other parts of Portugal moving to the area for its quality of life and proximity to Lisbon, and international migration, with a growing number of foreigners (5,9% of total population) from various countries contributing to the municipality's cultural diversity.

All this information about Mafra's population was taken from Census 2021. These insights provide a comprehensive overview of the demographic, educational, economic, cultural, and migratory characteristics of the municipality, offering a better understanding of the community in which the pickleball and tennis club operates.

6. External Market Analysis

According to Van der Heijden K (1996) external scenarios are derived from shared and agreed upon mental models of how the external world works. This is the part of the environment where we have little or no influence, but which impacts on us in a major way.

6.1 Contextual Environment

The contextual environment is that part of the environment which has important repercussions for the organization but in which it has little or no influence. Actors in the contextual environment are known as “referees”, i.e. those who set the rules for what we do, without being subject to our influence. While the organization does not have power to influence the contextual environment its major task is to arrange its own affairs, such that it remains an effective player whatever may happen there (Van der Heijden K, 1996).

6.1.1 PESTEL Analysis

A strategic framework for evaluating external factors impacting an organization is the PESTEL analysis. This approach explores Political, Economic, Social, Technological, Environmental, and Legal influences, offering a comprehensive view of the broader context in which an organization functions. By utilizing this analysis, businesses can anticipate potential changes, identify risks, and uncover opportunities, thereby gaining crucial insights for informed decision-making and effective long-term planning.

Political

Portugal has a longstanding tradition of being governed by either the Socialist Party (PS) or the Social Democratic Party (PSD). These two parties have dominated the political landscape for decades, alternating in power and shaping the country's policy directions. The PS, under the leadership of António Costa, has been a major force since 2015, focusing on economic recovery and social equity. However, Costa's tenure ended abruptly due to a significant political scandal. Allegations of corruption and mismanagement led to his resignation, which in turn caused anticipated elections.

In contrast, the PSD, representing the center-right, has been a significant opposition force, advocating for more market-oriented economic policies. The 2024 elections marked a significant shift when the PSD, led by Luís Montenegro, returned to power, becoming the government once again. This change in leadership brought a new set of priorities and policies aimed at fostering economic growth and addressing key national issues.

An important development in Portugal's recent political landscape is the rise of the far-right party, Chega. Reflecting a broader European trend towards populism, Chega has gained considerable traction. In the 2024 elections, Chega secured approximately 18% of the votes, becoming the third-largest party. This rise in support for far-right ideas indicates a change in public opinion and brings fresh perspectives to the political debate, which may have an impact on future policy choices.

Economic

Portugal's economy has shown resilience and steady growth, particularly following the 2008 financial crisis. From 2016 to 2019, the country enjoyed strong economic performance, with average annual GDP growth of 2.8%. The COVID-19 pandemic, however, caused a sharp economic contraction of 8.3% in 2020. By 2023, Portugal's economy had rebounded with a GDP growth rate of 2.3%. As of the second quarter of 2024, year-on-year GDP growth stood at 1.5%, reflecting a continued but moderated recovery. This growth is bolstered by significant investments in digital and green transformation, renewable energy, and infrastructure development (INE).

The unemployment rate has also shown a positive trend, decreasing to around 6.2% in July of 2024 from double digits during the peak of the financial crisis (INE). The labor market's recovery is a positive indicator for personal incomes and consumer spending, which benefits businesses across various sectors, including sports and recreation. This improvement in employment suggests a growing consumer base with increased financial stability, which could lead to higher membership and participation rates at sport clubs.

The inflation rate in Portugal in August of 2024 stands at 1.9%, which marks a significant increase compared to the rates observed in recent years. For instance, in 2020, the inflation rate was as low as -0.1%, indicating deflation. By 2021, it had risen modestly to 0.5%. The growth rate in recent years highlights a notable acceleration in the rate of inflation (INE). This upward trend began in 2021 and has continued due to global supply chain disruptions from the COVID-19 pandemic, the Russia-Ukraine war, substantial increases in energy prices, and government stimulus measures that boosted demand. Additionally, labor market pressures with rising wages and shortages have increased business costs, which are often passed on to consumers. Compared to the previous years' stable rates, the current rise suggests growing economic pressures, challenging financial planning, and pricing strategies for businesses, and potentially reducing consumers' purchasing power.

Moreover, Portugal's economic strategy includes a strong focus on sustainable development, balancing growth with environmental concerns. The country's leadership in green energy initiatives within the European Union framework not only focuses on economic stability but also presents opportunities for businesses aligned with sustainability goals.

Portugal's economic trajectory reflects a resilient recovery from the setbacks of the COVID-19 pandemic, supported by strategic investments in digital innovation, renewable energy, and infrastructures. Promoting the Portuguese exports and attracting more Foreign Direct Investment could contribute to compensate some imbalances. The country ongoing challenges, such as high inflation rates and global economic uncertainty, imply adaptive strategies to sustain growth and stability in the coming years.

Social

Social cohesion lies at the heart of Portugal's national identity, and it is supported by a diverse range of cultural practices and common ideals. The demographic landscape is evolving, characterized by urbanization trends and an aging population, which necessitate nuanced policy responses to address emerging social needs.

According to the 2021 Census 23,4% of the total population was +65 years old. Portugal is the EU Member State where the population is ageing at the fastest rate of all 27 Member States (Eurostat).

The urbanization levels are also extremely high in Portugal. According to the 2021 Census Portugal has a total population of around 10.3 million people, where over 4.8 million live in the major cities and over 1.7 million live in the so called Áreas Metropolitanas of Lisbon and Oporto.

Access to essential services, such as healthcare, education, and housing, remains a priority, reflecting the government's commitment to fostering inclusive growth and equal opportunities for all citizens. Building a more resilient and cohesive society requires initiatives that support social mobility and empower vulnerable communities.

Portugal's cultural heritage serves as a source of pride and inspiration, contributing to the nation's soft power and global appeal. In an increasingly interconnected world, efforts to protect and promote cultural diversity are essential to promote intercultural communication and understanding.

Technological

Technological innovation lies at the forefront of Portugal's economic transformation in 2024, driving productivity gains and fostering competitiveness across industries. The startup ecosystem, which is based in Lisbon but spans the entire nation, represents Portugal's rise to prominence as a hub for innovation and entrepreneurship.

Supportive policies, coupled with strategic investments in research and development, propel breakthroughs in areas such as renewable energy, biotechnology, and artificial intelligence. Portugal's commitment to digitalization and connectivity ensures that no one is left behind in the digital age, with initiatives aimed at promoting digital literacy among all segments of society.

Challenges such as cybersecurity risks and data privacy issues highlight how crucial strong legal frameworks and moral principles are to directing technology development. Portugal's focus on sustainable development and responsible innovation guarantees that technology is a force for good, improving lives in a world that is changing quickly.

Environmental

Environmental sustainability is central to Portugal's agenda as the country tackles climate change and ecological degradation. In pursuit of this goal, Portugal has set ambitious targets for renewable energy, significantly boosting its use of wind, solar, and hydro power to cut carbon emissions and transition towards a greener economy.

In parallel, Portugal is committed to preserving its natural habitats through reforestation, habitat restoration, and wildlife conservation initiatives. However, these efforts are challenged by the severe annual wildfires exacerbated by climate change and heatwaves. To address this, the country has enhanced its fire management strategies, including the development of early warning systems and the implementation of controlled burns.

Portugal's coastal regions, which are rich in biodiversity and cultural heritage, are particularly vulnerable to the impacts of climate change. In response, the country is investing in coastal defenses such as restoring natural buffers and adopting adaptive management strategies to protect these critical areas.

Furthermore, Portugal adheres to circular economy principles by promoting waste reduction, recycling, and resource efficiency. These combined efforts reflect Portugal's

commitment to building a sustainable future while effectively adapting to the evolving challenges of climate change.

Legal

As a member of the European Union, Portugal aligns with EU laws and regulations, facilitating seamless trade integration and harmonized standards across the single market. Ongoing legislative reforms ensure that Portugal remains agile and adaptable in the face of evolving societal needs and global challenges.

Portugal's legal structure serves as the cornerstone of stability and predictability for businesses and individuals alike. Robust regulations govern key areas such as labor rights, taxation, and intellectual property, providing a conducive environment for investment and entrepreneurship.

6.2 Transactional Environment

The transactional environment is that part of the environment in which the organization is a significant player, influencing outcomes as much as being influenced by them. This is the playing field for which the organization develops its strategy in order to turn the game to its advantage (Van der Heijden K, 1996).

Stakeholders

The club's stakeholders consist of a diverse range of individuals and groups invested in its success. These include employees who play a key role in daily operations and customer satisfaction, local authorities responsible for zoning regulations and permit approvals, and community members whose engagement and support are essential to the club's sustainability and social impact.

Clients

The clients of the club are pivotal to its viability and growth. They consist of individuals or groups seeking recreational or competitive pickleball and tennis play. Understanding their demographics, preferences, and needs is essential for detailed club offerings and creating a compelling value proposition. By providing a welcoming atmosphere, well-maintained facilities, convenient scheduling options, and additional services such as coaching and social events, it is possible to enhance the client experience and foster long-term loyalty.

Competitors

In Mafra's market, competitors include a range of sports facilities and alternative leisure activities vying for the attention of the club's target audience. Conducting a thorough analysis of competitors' offerings, pricing strategies, and customer engagement tactics is crucial to identify market gaps and areas for differentiation. Within the tennis domain, notable competitors in the region include Clube Ténis Polidesportivo, Parque Desportivo Municipal Engenheiro Ministro dos Santos, and Ericeira Ténis Academy by Clube Moinhos do Mar. Additionally, in Malveira, there is Time2Padel, the only racket sport center in the town, which is specialized in padel. However, there are currently no facilities specifically dedicated to pickleball in the region, highlighting a unique opportunity for the club to establish itself in a niche market. By leveraging its unique strengths, such as superior facilities, innovative programming, and strong community engagement initiatives, the club can carve out a distinct niche and attract a dedicated group of participants.

Suppliers

Suppliers are integral partners in the club's operational ecosystem. They provide essential equipment, facility rentals, maintenance services, and additional amenities crucial for the club's daily operations. For the construction of the courts, the selected club partner was Euroténis, a reputable supplier known for its high-quality court installations. Lux Concept is the chosen supplier for lighting, ensuring that the facilities are well-lit and meet professional standards. In terms of cleaning and gardening services, PrimeClean and Brilho do Mar were selected to maintain the club's facilities, ensuring cleanliness and proper upkeep. Surveillance and security services are handled by Prosegur, providing a secure environment for both staff and clients. Additionally, the club's insurance needs are covered by Fidelidade, offering protection and peace of mind.

Cultivating strong relationships with these suppliers ensures timely access to quality resources at competitive prices, contributing to operational efficiency and client's satisfaction. Effective supplier management involves negotiating favorable terms, optimizing inventory logistics, and establishing contingency plans to mitigate supply chain disruptions.

7. Internal Market Analysis

7.1 Value/Supply Chain

Competitive advantage grows out of the value a firm is able to create for its buyers that exceeds the firm's cost of creating it (Porter, 1985). This underscores the essence of Porter's Value Chain, a framework designed to analyze the specific activities within an organization and their potential for creating value and competitive advantage.

Michael Porter's Value Chain frame provides a structured approach for businesses to analyze their internal activities and understand how each contributes to overall value creation and competitive advantage. Divided into primary and support activities, the Value Chain helps organizations identify opportunities for cost reduction, differentiation, and operational improvements. Primary activities include inbound logistics, operations, outbound logistics, marketing and sales, and service—each crucial for delivering products or services to customers effectively. Meanwhile, support activities such as procurement, technology development, human resource management, and firm infrastructure provide the necessary foundation and resources to support the primary activities. By examining these components, businesses can strategically allocate resources, streamline operations, and enhance their value proposition to customers.

For the club, applying Porter's Value Chain involves a detailed examination of each activity's role in delivering value to members. Inbound logistics focus on sourcing high-quality equipment and ensuring its availability for training and competitions. Operations emphasize maintaining excellent facilities and offering professional coaching services that enhance member skills and enjoyment. Outbound logistics ensure smooth event management and client logistics, minimizing disruptions and enhancing overall satisfaction. Marketing and sales activities highlight the club's unique offerings, attracting new members and retaining existing ones through targeted promotions and community engagement. Service activities are pivotal in providing personalized member experiences, addressing individual needs, and fostering long-term loyalty and satisfaction.

Support activities, such as procurement, ensure efficient sourcing of equipment and supplies, optimizing costs without compromising quality. Technology development involves leveraging digital platforms for online bookings, member communication, and performance tracking, enhancing convenience and engagement. Human resource management focuses on

recruiting passionate coaches and staff, fostering a positive club culture, and investing in ongoing training to maintain high service standards. Firm infrastructure provides the governance, financial management, and strategic planning necessary to sustain operations and drive continuous improvement initiatives. By leveraging Porter's Value Chain, the club can strategically align its activities to deliver exceptional value, enhance member experiences, and maintain a competitive edge in the local sports market.

7.2 VRIO Model

According to Barney (1991) understanding the relationship between the resources they control, and the performance of the firm is one of the critical strategic analysis tasks for managers. In recent years, arguably the dominant theoretical structure underpinning this relationship has been the resource-based view (RBV) of the firm. From the resource-based literature, the value-rarity-imitability-organization (VRIO) technique (Barney, 2002) has become widely advocated for assessing the extent to which a firm's resources meet the criteria for sustained competitive advantage (Johnson et al., 2011).

When evaluating the competitive advantage of the pickleball and tennis club, it's crucial to scrutinize its resources through the lens of Value, Rarity, Imitability, and Organization (VRIO model).

The pickleball club offers substantial value to customers by providing access to premium facilities, experienced coaching, and a supportive community environment. These resources not only elevate the members' enjoyment and satisfaction but also enrich their overall experience. Furthermore, the club's commitment to promoting health and wellness harmonizes well with the growing trend of active lifestyles, greatly strengthening its value proposition in the marketplace.

As the only pickleball-centered club in Portugal, and with few locales available to play pickleball in the Lisbon area, this club's uniqueness and rarity lies in its specialized focus on pickleball and its community-centered approach. Certain aspects of the club's resources may be replicable, such as quality facilities and coaching. However, fostering a strong sense of community and its emphasis on inclusivity and creating a welcoming atmosphere may present challenges for competitors to imitate.

Effective organization and management are crucial for sustaining the club's competitive advantage. Strong leadership, strategic planning, and operational efficiency are essential for delivering on the club's value proposition and maintaining its rareness.

The pickleball and tennis club exhibits a strong potential for competitive advantage based on its valuable, rare, and potentially challenging-to-imitate resources, coupled with effective organization and management.

8. Competitive Analysis

8.1 SWOT Analysis

Developing an innovative business plan demands a comprehensive understanding of internal and external factors that can influence success. An essential first step in this approach is to conduct a SWOT analysis that provides a structured frame to assess the business idea's Strengths, Weaknesses, Opportunities, and Threats. This analysis helps entrepreneurs to identify competitive advantages, deal with possible obstacles, seize opportunities, and successfully manage risks. By exploring these critical elements, a SWOT analysis establishes the basis for a strategic and well-informed business plan, increasing the probability of long-term expansion and success in the constantly evolving marketplace.

Regarding the club, the SWOT analysis consists in:

Strengths:

- **Unique Offering:** Being the first pickleball-centered club in Portugal and in Mafra is a significant strength. This novelty can attract curious individuals and enthusiasts eager to experience something new. Offering a distinct sport not widely available in the region positions the club as a pioneer, potentially building a strong customer base.
- **Diversification of Services:** Offering a wide range of services beyond court rentals attracts and retains customers. Beginner-friendly lessons, specialized coaching, league competitions and social events cater to preferences, fostering customer loyalty.
- **Location Advantage:** The selection of Travessa da Lagoa, in the village of Malveira, municipality of Mafra offers a strategic advantage due to its accessibility and prominence. Situated in the center of Malveira, the club gains immediate visibility among sports enthusiasts frequenting the area. It also has the advantage of being close to Lisbon, offering easy access to the capital, but with significantly lower installation and maintenance costs.
- **Facility Innovation:** A well-designed and equipped facility is a significant draw. High-quality courts, well-maintained facilities, modern amenities, and comfortable gathering areas enhance the overall customer experience, attracting both beginners and experienced players.
- **Online Presence:** A strong online presence through social media, a user-friendly website, and online booking systems attracts customers and improves accessibility. Engaging with the community through online platforms can foster a sense of belonging and keep members informed about club activities.

Weaknesses:

- **Initial Investment:** The high initial costs associated with starting a pickleball and tennis club might pose a financial challenge. Expenses for securing facility construction, equipment procurement, marketing, and staff hiring can strain initial finances.
- **Awareness & Education:** Introducing pickleball to an area where it's relatively unknown requires extensive educational efforts. Investing in marketing campaigns, free trial sessions and engaging local influencers can help to create awareness and educate the public about the sport.
- **Limited Target Audience:** Initially, pickleball might predominantly attract specific age groups or demographics, limiting the immediate customer base. Targeted marketing and diversified offerings to cater to different demographics will be essential to broaden the club's appeal.
- **Dependency on Participants:** Pickleball, most often played in duos, can pose challenges in ensuring consistent engagement. If there's a shortage of players or difficulty in organizing matches due to the need for both partners and opponents, it might limit the accessibility and frequency of games.

Opportunities:

- **Market Growth:** Riding the wave of increasing interest in racquet sports and recreational activities presents a promising opportunity. Leveraging this trend can lead to an expanded customer base and sustained growth.
- **Enthusiastic Community:** Pickleball fans form an increasingly engaged and passionate community. Making the most of this community can result in powerful word-of-mouth recommendations, encouraging a sense of loyalty and belonging among participants. Organizing regular events, leagues, and social gatherings can further strengthen community ties.
- **Partnerships and Collaborations:** Collaborating with local schools, community centers, or sports organizations for joint events, workshops, or tournaments can increase visibility and attract potential customers. Building strategic partnerships can also enhance the club's reputation and credibility.
- **Ideal sport characteristics for gatherings among families and friends:** Pickleball and tennis, with their family-friendly and inclusive characteristics, offer a prime opportunity for the club to become a go-to destination for gatherings among families and friends. Both sports

feature easy-to-learn rules, adaptability for various ages, and provide opportunities for enjoyable social interactions while engaging in physical activity, catering to players of different skill levels and preferences.

Threats:

- **Regulatory Challenges:** Navigating through legal and regulatory hurdles, obtaining licenses, respecting zoning regulations, and complying with local regulations can pose challenges and delay the club's opening.
- **Economic Volatility:** Economic changes can affect how much money people have for leisure activities like sports. This could impact the club's earnings and overall financial health.
- **Operational Risks:** Ensuring consistent quality standards, managing operational costs, maintaining staff, and addressing any unforeseen challenges are ongoing operational risks that need careful consideration and planning.
- **Competitive Pressure:** Established tennis clubs, padel clubs, gyms, or other recreational activities in Mafra could pose competitive challenges. Understanding their offerings, differentiating the club's services, and highlighting its unique aspects will be crucial in attracting customers. Additionally, as pickleball grows in popularity, new entrants in the market may emerge, intensifying competition and making it even more important for the club to maintain its distinct position and continuously innovate to stay ahead.

8.2 Five Forces Model

Porter's five forces describe the competitive forces within an industry and can help to analyze the strength of threats to a company. According to Porter (1985) the strength of each of the five competitive forces is a function of industry structure, or the underlying economic and technical characteristics of an industry. The identification of these threats – or at the same time of opportunities – can help organizations to develop appropriate strategies that maximize profit gains and ensure a long-term survival of a company (Shariatmadari et al., 2013, p. 886). Porter defined the following five factors: bargaining power of buyers, bargaining power of suppliers, competitive rivalry, threats of new entrants, and threats of substitutes. The stronger a factor is, the more the business models within this industry are at risk. Hence, the forces can be used by companies as an early warning system to analyze the threats to business models within industrial sectors (Lüttgens and Diener, 2016).

The details of this analysis are outlined in Appendix B.

Threat of New Entrants

The threat of new entrants into the pickleball and tennis club market in Mafra is relatively low. While there are some barriers to entry, such as the need for significant initial capital investment for building facilities, purchasing equipment, and covering operational expenses, these barriers are manageable. New competitors might be deterred by these upfront costs, but they are not insurmountable. Regulatory requirements, including obtaining permits and complying with zoning laws, do add complexity for new entrants, but they are not overly restrictive. Additionally, being the first pickleball club in Mafra provides a distinct advantage in establishing strong brand recognition and customer loyalty early on, making it more challenging for new competitors to attract members.

Bargaining Power of Suppliers

The bargaining power of suppliers for establishing a pickleball club in Mafra is relatively low. There are several suppliers available for court construction, equipment, and other essential resources, which provides the club with multiple options to choose from. This variety in supplier options helps to prevent any one supplier from having significant influence over pricing or terms. The availability of multiple suppliers allows the club to negotiate better deals and terms, helping to keep costs under control. By building strong relationships with these suppliers and considering mass purchasing or long-term contracts, the club can further strengthen its negotiating position and reduce supplier power.

Bargaining Power of Buyers

The bargaining power of buyers, such as potential club members or players, is reasonably low. As the first pickleball club in Mafra, there are currently no direct competitors offering similar facilities, which limits the alternatives available to potential members. This scarcity creates higher demand and reduces the ability of buyers to negotiate prices or terms. However, should other recreational activities such as padel, or fitness clubs be readily available and appealing in Mafra, buyers could have more options, potentially increasing their bargaining power. It's important for the club to focus on providing unique offerings and superior value to maintain its advantage.

Threat of Substitute Products or Services

The threat of substitute recreational activities is high for the club. There are numerous alternatives available, such as padel, gym memberships, and various outdoor interests that

might attract potential clients away from the club. The relative appeal of these substitutes in terms of cost, convenience, and enjoyment could impact the club's ability to retain members. To counter this threat, the club needs to differentiate itself by offering exceptional value or unique experiences that are not easily replicated by these substitutes.

Competitive Rivalry

The intensity of competitive rivalry within the local sports and recreational market in Mafra is moderate to high. While there are currently no other pickleball clubs in the area, existing tennis and padel clubs, recreational centers, and other sports facilities could compete for similar demographics. These competitors may use pricing strategies, diverse service offerings, and promotional activities to attract customers. To mitigate competitive threats, the club must identify opportunities for differentiation, such as offering superior coaching, hosting exclusive events, or creating a vibrant community atmosphere. Establishing a strong value proposition is crucial for securing a distinctive position in the market.

9. Strategic Analysis

Having a clear business strategy is essential for every entrepreneur and company, as it forms the creation of competitive advantages. Barney (2002) points out that a firm experiences competitive advantages when its actions in an industry or market create economic value while competitors are engaging in similar actions. This underscores the importance of strategic planning in identifying and implementing actions that set a company apart, enabling it to generate greater economic value. By defining their value propositions and strategically allocating resources, businesses can effectively navigate competitive markets and ensure sustained growth and success.

The necessity of a robust business strategy is supported by Peteraf and Barney (2003), who state that a competitive advantage is the capability of a firm to create more economic value than its competitors. This emphasizes the critical role of strategic planning and careful preparation in every established company. A well-prepared business strategy enhances decision-making, prioritization, and resource management, ensuring that all actions contribute to long-term objectives and economic value creation. This strategic approach not only drives growth and efficiency but also strengthens the firm's position in the market, enabling it to consistently outperform rivals.

9.1 Porter Generic Forces

In exploring competitive advantage, it's clear that firms can generally achieve it through two main avenues: either by pursuing low-cost leadership or by differentiation. These strategic directions form the basis for three primary strategies that companies can use to attain above-average performance within their industries: cost leadership, differentiation, and focus.

Cost leadership involves a company becoming the most economical producer in its sector, thereby enabling it to offer competitive pricing or higher profit margins. On the other hand, differentiation involves enhancing a company's products or services in ways that set them apart through superior quality, innovation, or brand prestige, allowing the firm to command premium prices. Meanwhile, the focus strategy narrows in on serving the distinct needs of specific market segments, either through cost leadership or differentiation within those niches.

The pickleball and tennis club in Mafra aligns best with the differentiation strategy, primarily due to its unique position as the only pickleball club in the region and the largest pickleball club in Portugal. By emphasizing exceptional facilities, top-tier coaching, and

fostering a vibrant community atmosphere exclusive to pickleball and tennis enthusiasts, the club distinguishes itself from competitors. Moreover, by selectively targeting local sports enthusiasts or families, the club integrates elements of the focus strategy, thereby meeting the unique preferences and needs of these specific market segments. Through this strategic blend of differentiation and focus, the pickleball and tennis club can effectively establish a robust and competitive position in the market.

9.2 Ansoff Matrix

The primary purpose of a business is to increase its long-term value by creating and implementing growth strategies. The Ansoff Matrix provides a straightforward and simple way to think about the potential risks of each option, as it helps companies to understand how risky a particular strategy might be by considering whether it involves existing or new products and markets (Ansoff, 1987). This insight forms the basis of the Ansoff Matrix, a strategic planning tool used to identify and analyze growth strategies.

The Ansoff Matrix, also known as the Product/Market Expansion Grid, helps businesses evaluate their growth options by categorizing strategies based on whether they involve new or existing products and markets. The matrix consists of four main strategies: market penetration, product development, market development, and diversification. Market penetration focuses on increasing sales of existing products in existing markets, while product development involves creating new products for existing markets. Market development targets the introduction of existing products into new markets, and diversification involves launching new products in new markets. Each strategy varies in risk, with market penetration being the least risky and diversification being the most.

For the club, market penetration could involve attracting more members through aggressive marketing campaigns, special promotions, or loyalty programs to encourage current members to use the facilities more frequently.

Product development would focus on introducing new services to existing markets. The club could enhance its offerings by adding advanced training programs, wellness and fitness classes, or new sports facilities and activities that complement pickleball and tennis, thereby meeting the evolving needs of its members.

Market development involves entering new markets with existing products. The club could expand its reach by targeting new geographical areas, such as setting up satellite locations in

nearby towns or cities. It could also attract different demographic segments, such as schools, corporations, or senior communities, by offering more tailored-made programs and packages.

Diversification, the riskiest strategy, involves introducing new products to new markets. The club could branch into entirely new business areas, such as opening a sports retail shop, offering sports tourism packages, or developing a franchise model to open new clubs in different regions.

Given these options, market penetration emerges as the most favorable strategy for the club at this stage. By focusing on attracting more members through targeted marketing and enhancing member engagement, the club can solidify its position in the existing market with minimal risk. This approach allows for immediate revenue growth while fostering a strong community atmosphere. As the number of clients increases, the club can then consider product development and market development strategies to further enhance its offerings and expand its reach, ensuring sustainable long-term growth.

Applying the Ansoff Matrix to the club provides a structured approach to exploring various growth opportunities, ensuring that strategic decisions align with the club's long-term goals.

10. Strategy Formulation

10.1 Vision, Mission and Values

Vision:

To be the premier destination for pickleball and tennis enthusiasts in Mafra, fostering a vibrant community, promoting health and wellness, and creating lasting memories through the joy of sport.

Mission:

Our mission is to provide an exceptional pickleball and tennis experience by offering top-notch facilities, expert coaching, and a welcoming environment. We aim to encourage active lifestyles, build a sense of community among players of all ages, and contribute positively to the local sports culture in Mafra.

Values:

1. **Inclusivity:** We value and welcome individuals of all skill levels, backgrounds, and ages, fostering a diverse and inclusive pickleball community.
2. **Excellence and Professionalism:** We are committed to delivering excellence in every aspect, from the quality of our facilities and coaching to the overall member experience.
3. **Community:** We prioritize building a supportive and connected community in the city inhabitants.
4. **Integrity:** We operate with integrity, maintaining transparency, honesty, and fairness in all interactions, both within the club and with the broader community.
5. **Innovation:** We embrace innovation to enhance the pickleball experience, continuously seeking new and creative ways to engage our members and improve our offerings.
6. **Health and Wellness:** We promote physical well-being and an active lifestyle through the sport of pickleball, contributing to the overall health and wellness of our members.

10.2 Company Goals

Whenever launching a business setting goals is essential as they provide a clear direction and purpose. Without establishing goals, it is easy to lose focus and drift aimlessly, risking inefficiency and missed opportunities. According to Clark (2018) establishing clear goals is critical for any leader, it ensures that everyone is on the same page and can work together effectively to achieve the desired outcomes.

Short-term objectives provide immediate targets to strive for, keeping momentum high and ensuring progress is made in the early stages of the business. In contrast, long-term objectives provide a strategic vision for the future and direct steady growth and development over time. By setting both types of goals, it is possible to maximize the chances of success, by balancing the urgent requirements and long-term ambitions.

The development of goals across various areas of operation is critical for comprehensive business planning and success. From marketing and financial sustainability to social impact, growth, facilities, technology, sustainability, partnerships, customer service, community involvement, employee development and retention, brand identity, risk management, and innovation, each area plays a vital role in the overall success and sustainability of a business.

The goals defined by the club are:

Short-term goals

- Initiate activity - 01-07-2025.
- Achieve financial sustainability by increasing revenue through court rentals, classes, and introductory programs.
- Partner with local schools and youth organizations to introduce pickleball as a recreational activity.
- Implement an online booking system for court reservations and program registrations.
- Forge partnerships with local businesses and organizations to offer member discounts and sponsor events.
- Engage in local community events and sponsorships to raise awareness of the club and its activities.
- Provide staff with ongoing training and professional development opportunities.

Long-term goals

- Create a vibrant online community through active participation in social media platforms, forums, and online groups, doubling member engagement within the first year.
- Implement a diversified revenue strategy to reduce dependency on court rentals, increasing annual revenue by 20% within three years.
- Establish satellite locations or affiliated clubs in neighboring cities or towns.
- Develop a mobile app for the club, improving communication and engagement among members.
- Establish a mentorship program for staff members to foster leadership and career growth.

- Implement a data collection system to track the clients' demographics and participation trends.

10.3 Critical Success Factors

In the journey to establish and grow a successful pickleball and tennis club, it is essential to identify and prioritize the key elements that will drive its success. These critical success factors (CSFs) serve as the cornerstone of strategic planning and decision-making, guiding the club towards achieving its objectives and fulfilling the needs of its members and stakeholders.

For the club in the municipality of Mafra the CSF are:

- Facility Quality and Accessibility
- Clients Engagement and Retention
- Competitive Pricing and Value Proposition
- Marketing and Branding
- Quality Coaching and Instruction
- Equipment and Facility Maintenance
- Community Engagement and Partnerships
- Financial Management and Sustainability
- Creation of Events

11. Strategy Implementation

11.1 Marketing Mix

This strategy model, was first introduced by E. Jerome McCarthy in the 1960s, quickly became a foundational concept in marketing, providing businesses with a straightforward framework to guide their marketing strategies. McCarthy (1960) stated that modern marketing strategies should be built on the product, price, promotion and place, which are called the 4P's of marketing.

Later this model was reformulated by Booms and Bitner (1981). They argued that 4P's may be valid for goods, but the same elements would be inadequate for the services, and they could not be valid at times due to unique characteristics of services. Therefore, the study of Booms and Bitner (1981) came up with a new idea, namely, 7P's: product, price, promotion, place, physical environment, process, and people (participants) as the mixed elements may be suitable for services marketing.

In establishing a pickleball and tennis club in Mafra, Portugal, a comprehensive marketing mix strategy includes the seven key elements.

Product: The primary offering of the club is access to pickleball and tennis courts for enthusiasts of the sport. Members can enjoy well-maintained courts that provide a quality playing experience, catering to both recreational players and competitive athletes. The club focuses on creating an inviting atmosphere where players can engage in matches and enjoy the sport in a social setting. The club may also organize regular events and tournaments to foster a sense of community among players, encouraging both competition and camaraderie. This core offering not only fulfills the needs of the members but also establishes the club as a hub for pickleball and tennis enthusiasts in the area.

Price: Pricing strategies will be developed with careful consideration of various factors, including court rental rates and costs associated with additional services. The club will adopt a competitive pricing model that reflects the quality and value of the amenities and services provided. Regular assessment of local competitors' pricing structures will ensure that the club remains attractive to potential members while maintaining profitability.

Place: Strategically located within Travessa da Lagoa, in the village of Malveira, the club ensures easy accessibility for all residents and visitors of Mafra. The location is chosen for its visibility and proximity to residential areas, making it convenient for players to reach the

facility. There are sufficient parking facilities to accommodate members and visitors, along with clear signage to direct them to the club entrance. Convenient transportation options are also available to ensure that the club is accessible to all community members, including those who may not have personal vehicles.

Promotion: Awareness of the club and its offerings will be raised through a multi-channel promotional strategy. Local advertising, including flyers and posters in community centers, schools, and local businesses, will capture the attention of potential members. An active presence on social media platforms such as Facebook, Instagram, and TikTok will engage the community, showcasing events, player testimonials, and updates on club activities. The club will also explore partnerships with local organizations and schools to promote pickleball and tennis, potentially offering workshops or demo days to introduce the sports to new audiences. Special promotions and incentives may be utilized to attract new players and generate interest in club activities.

People: The success of the club is heavily reliant on the individuals involved, including staff, instructors, and clients. Hiring knowledgeable and friendly personnel is crucial for creating a welcoming environment. Staff training programs will be implemented to ensure that all team members are equipped to provide excellent customer service and support. Engaging experienced instructors who can deliver high-quality coaching will further enhance the player experience, allowing individuals to improve their skills in a supportive setting. Additionally, fostering a sense of community among players—through events and social gatherings—will promote a positive atmosphere where everyone feels valued and connected.

Process: Improving the entire customer experience is vital for player satisfaction and retention. The club will streamline processes such as court reservations and access to club amenities to create a seamless experience for players. An easy-to-use online booking system will enable players to reserve courts effortlessly. Regular feedback will be solicited from users to identify pain points and areas for improvement, ensuring that the club continually evolves to meet their needs. A focus on efficiency will not only enhance player satisfaction but also free up staff to engage more meaningfully with participants.

Physical Evidence: The club's physical surroundings, including court conditions, amenities, and overall cleanliness, play a significant role in shaping player perceptions. Regular maintenance and cleanliness of courts and facilities will be prioritized to provide a safe and enjoyable environment for all players. Creating an inviting atmosphere through well-

maintained spaces, vibrant colors, and comfortable seating areas will encourage players to spend more time at the club, fostering a sense of belonging and community.

12. Implementation Plan

12.1 Facilities

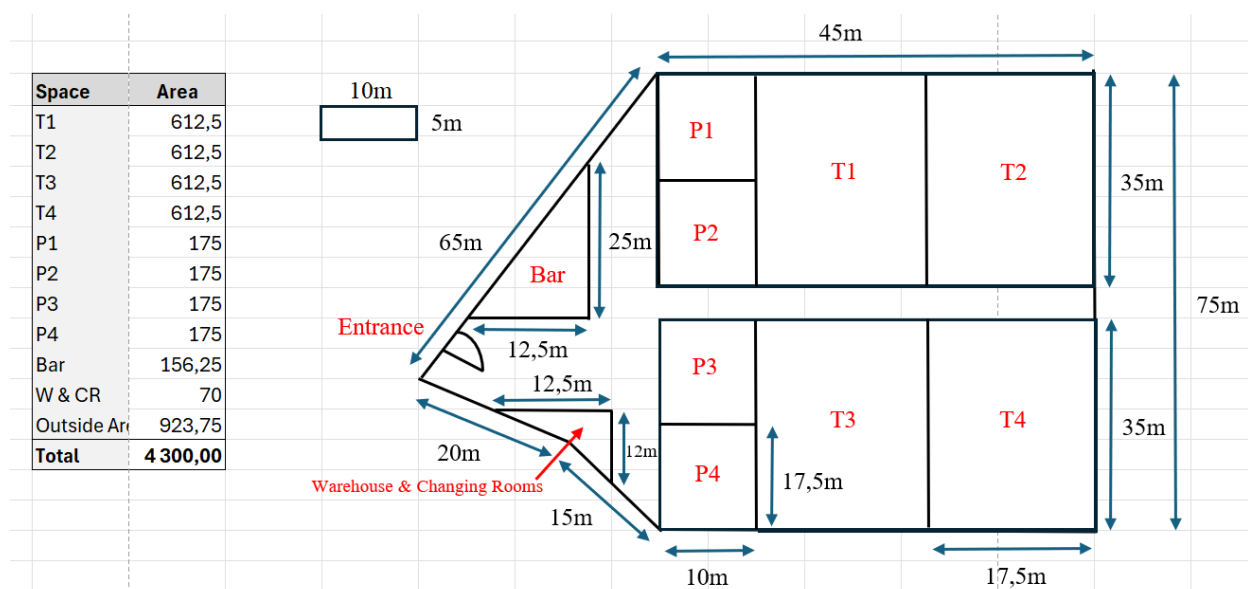
The new pickleball and tennis club will be built in Travessa da Lagoa, Malveira, Mafra. This land, which belongs to my family, spans 4.300 m², making it an ideal and spacious location for the club.

The club will include 4 high-quality courts for pickleball and 4 courts for tennis, equipped with fencing and modern lighting for evening play. With the ability to convert each tennis court into four pickleball courts, the area may be used to its fullest potential, accommodating up to 20 pickleball courts simultaneously and making it Portugal's largest pickleball club.

At the entrance of the club is a welcoming reception area with well-appointed restrooms and locker rooms, providing convenience for all members. Furthermore, the club will feature an inviting bar area, offering a variety of snacks and beverages, including a spacious and comfortable outdoor terrace, ideal for enjoying refreshments and relaxing in a pleasant environment. This area serves as the perfect setting for socializing after a game of pickleball or tennis.

In addition to the physical amenities, the successful operation of the pickleball and tennis club will require the implementation of a specialized software. The administrative and management systems will be supported by this software, which will simplify operations including court reservations, classes, and event and tournament scheduling.

To check the implementation chronogram, see Appendix C.



12.2 Human Resources

Having quality human resources is crucial for the success operation of any organization. They contribute to a positive work environment, efficient operations, and ultimately, the achievement of the established organizational goals. Their skills, dedication, and commitment are instrumental in maintaining high standards and fostering a culture of excellence.

In the pickleball and tennis club there will be six dedicated individuals comprising the team: Firstly, as the manager, I will oversee the overall functioning of the club ensuring that all aspects run efficiently and take charge of the club's social media presence and advertising efforts, earning a monthly gross salary of €1.750.

Supporting me, in the administrative department will be two receptionists who will handle member inquiries, manage bookings, and assist in maintaining the administrative functions of the club. Their monthly gross salary will be €1.000.

In the operational department, there will be three experienced pickleball and tennis coaches who will lead training sessions and provide personalized coaching to the members. They will have €1.250 as their monthly gross salary. Additionally, in the beginning of 2029, another coach will be hired to accommodate the increase in training sessions and club operations.

Each member of the team will play a vital role in creating an exceptional experience for our members and ensuring the success of the club.

12.3 Outsourcing

To guarantee efficient operations and compliance with rules, the club will outsource accounting services and legal support, security, gardening, and cleaning services to specialized firms. This strategic decision makes it possible to focus on delivering exceptional sports facilities and services to the club members while benefiting from professional expertise in these areas.

The combined monthly cost for outsourcing accounting services and legal support is estimated at €200. This fee covers essential financial management and legal assistance, ensuring that the club operates efficiently and complies with all legal requirements. For security it was allocated a total monthly amount of €200.

Additionally, the monthly cost for outsourcing cleaning and gardening services is estimated at €1.500. This investment guarantees that the facilities are maintained to the highest standards, providing a clean and welcoming environment for the clients and guests.

By delegating these critical functions to external companies, it is possible to simplify the operations, reduce administrative burdens, and allocate resources more effectively. This approach enables the club to focus on its core mission of providing an exceptional experience while ensuring that all aspects of our club are managed professionally and in accordance with legal and regulatory standards.

12.4 Subcontracting

For the lounge and bar area it was decided to subcontract it for a monthly rent of €600 with a 2% increase per year. With 156,25 square meters of indoor space and a spacious terrace, the bar will be managed to provide healthy food options that support the club's commitment to fitness and health, which is in line with our mission to promote active lifestyles and well-being among club members.

Subcontracting the bar area will offer flexibility to adapt to changing market trends and preferences. A specialized subcontractor can offer innovative menu options, cater to specific dietary needs, and introduce new concepts that align with evolving consumer preferences. This dynamic approach ensures that the bar remains competitive and relevant in a constantly evolving market landscape.

Moreover, by subcontracting the management of the bar, it will be possible to focus on the club's core competencies, such as organizing tennis events, maintaining facilities, and providing exceptional services. This strategic reallocation of responsibilities enables the club to optimize its overall experience and deliver greater value to its members.

12.5 Legal Procedures

After a meeting with Mafra Town Hall, specifically with Rita Xavier, the Head of the Tourism and Economic Development Division, and Patricia Gomes, the Technical Manager of Mafra Municipal Sports Facilities Management Unit Centre, the club was informed and provided with three crucial licenses necessary for the construction of the club, namely:

- Checking that the land in question allows building and understanding the applicable limitations.
- Once this is confirmed, it is necessary to apply for a building license, with all that this entails, and only then can an application for a sports use license be made.
- Finally, applying the Legal Framework for Sports Facilities for Public Use, regulated by Decree-Law no. 141/2009 of 16 June, amended by Decree-Law no. 110/2012 of 21 May,

which applies to establishments that provide sports services in the area of fitness, such as gyms, fitness centers, or health clubs, regardless of the name adopted and the form of operation.

With all these licenses being granted by Mafra Town Hall the club can be opened to the public.

12.6 Marketing Plan

In the world of sports and leisure, having a solid marketing plan isn't just a good idea; it's crucial for success. As part of the initial marketing plan, before the club opens, a total budget allocation of €4.600 is set to make a significant impact. This budget includes €2.000 dedicated to traditional advertising and €2.600 to social media. In today's digital age, where consumer engagement thrives online, a strong social media presence will be instrumental in cultivating excitement and building anticipation. However, it is also important to acknowledge the power of traditional advertising channels, with resources allocated to print ads and street banners to ensure broad exposure and reach.

An additional €300 per month will be allocated to expenses in advertisement and social media.

12.6.1 Advertisement

With a budget of €2.000 dedicated to advertisement, we're spreading the word about our pickleball and tennis club in Mafra with:

- Local Print Advertising: An investment of €400 will be made in captivating print ads in local newspapers and magazines such as Jornal de Mafra to reach a wide audience. Additionally, flyers will be distributed in community centers, schools, and local businesses to capture the attention of potential members.
- Street Advertising: €1.600 will be dedicated to eye-catching street banners placed strategically in high-traffic areas around Malveira and the municipality of Mafra to increase visibility.

12.6.2 Social Media

With €2.600 allocated to social media, the idea is to generate excitement for the opening of the pickleball and tennis club in Mafra, through a dynamic online presence on Facebook, Instagram, Tik Tok and LinkedIn, namely with:

- Teaser Campaign: €650 is allocated to sponsored posts and boosted content on social media platforms to create anticipation and offer sneak peeks of the club's facilities.
- Website Launch: An investment of €1.300 in website development will be made to ensure that the online presence captures the attention of potential members searching for pickleball and tennis clubs in Mafra.
- Social Media Launch Campaign: €650 are allocated for sponsored posts and boosted content to showcase the energy and excitement of our opening day and encourage attendance.

13.Economic And Financial Viability Study

13.1 Business Assumptions

To conduct an economic and financial viability study, it is essential to make several business assumptions. By establishing these assumptions, it is possible to create realistic financial models that help to assess the feasibility and profitability of the business. Accurate assumptions are crucial to identify potential risks and opportunities, ultimately guiding strategic decision-making. The assumptions taken for this case study are:

- 12 months of operation
- 360 days of club operation
- Initiate activity - 01-07-2025.
- 21% CIT rate.
- 1.5% municipal surcharge rate.
- 10% average PIT rate.
- 23.75% company's social security contribution rate (SSR).
- 11% employee's social security contribution rate (SSR).
- Work accident insurance equivalent to 1% of the total annual base salary.
- Standard VAT rate of 23%, intermediate VAT rate of 13%, and reduced VAT rate of 6%.
- No salary increases in 2026.
- Salary increases of 3% in 2027, 3.25% in 2028, 3.50% in 2029, 3.75% in 2030, 4% in 2031, 4.25% in 2032 and 4.50% in 2033.
- Inflation rate previsions of 2,1% in 2026, 2% in 2027, 1.8% in 2028, 1.5% in 2029, 1.5% in 2030, 1.5% in 2031, 1.5% in 2032 and 1.5% in 2033.
- Interest rate of 3% for short-term deposits.

13.2 Sales and costs forecast

To calculate the sales and costs for the club, three distinct scenarios were created: optimistic, realistic, and pessimistic. Each scenario represents a different outlook on the club's performance based on varying market conditions, customer demand, and operational factors. For each scenario, a comprehensive 10-year forecast (2024-2033) was conducted to analyze the club's progression over time. By exploring these scenarios, it is possible to gain a complete understanding of the potential challenges and opportunities the club may encounter, making it possible to develop robust strategies for success.

For formulating the three scenarios, various factors were considered, such as:

- Calculations are performed assuming months with 22 business days and 8 weekend days.
- There are 4 pickleball and 4 tennis courts.
- 14 daily operating hours (from 9.00 AM to 11:00 PM).
- Price difference for court reservations between standard hours (before 6:00 PM) and premium hours (after 6:00 PM).
- Price differentiation between pickleball and tennis for both reservations and classes.
- Weekend reservations are considered as premium hours.
- Number of students registered in lessons with coaches.
- Price differences based on the frequency of lessons.
- 36% occupancy rate was used as a benchmark for the pessimistic analysis, 50% for the realistic analysis and 71% for the optimistic scenario.
- On average, Mafra experiences rainfall for approximately 62 days per year, according to Weather Spark, which is around 17% of the year. See Appendix D for details.
- Sales volume growth of 5% per year for tennis and 10% per year for pickleball.
- Lounge and bar monthly rent increase by 2% each year.

The tables below offer a comprehensive breakdown of the values constituting the projected revenue for the three scenarios (pessimistic, realistic, and optimistic) examined over the initial first year of operations. The values presented on the tables represent the projected revenue for the club if it were operational for the entire year of 2025. However, since the club will only open on July 1st, 2025, the actual revenue for its first year of operation should be halved.

For the pessimistic scenario for reservations, it was assumed that each court would be booked for 5 hours per day, being reservations made 40% at standard time and 60% at premium time. For the classes, the number of students taking lessons is projected to follow the distribution presented in the tables below.

The total annual revenue for the pessimistic scenario in the first entire full year of operations (2025) if it was opened the entire year is €204.993 from court reservations, €37.740 from classes, and €7.200 from the bar rental, making a total of €249.933.

Table 1: Revenue from Pickleball Court Reservations - Pessimistic Scenario. Source: The Author

Revenue from Pickleball Court Reservations									
Pickleball	N° Courts	N° Hours Booked (Weekday)	Price p/Hour	Daily Revenue (Week days)	N° Hours Booked (Weekend)	Daily Revenue (Weekend)	Weekly Revenue	Annual Revenue	Annual Revenue (considering rainy days)
Standard Time	4	2	14,00 €	112,00 €	0	- €	560,00 €	28 800,00 €	23 915,84 €
Premium Time	4	3	16,00 €	192,00 €	5	320,00 €	1 600,00 €	82 285,71 €	68 330,96 €

92 246,79 €

Table 2: Revenue from Tennis Court Reservations - Pessimistic Scenario. Source: The Author

Revenue from Tennis Court Reservations									
Tennis	N° Courts	N° Hours Booked (Weekday)	Price p/Hour	Daily Revenue (Week days)	N° Hours Booked (Weekend)	Daily Revenue (Weekend)	Weekly Revenue	Annual Revenue	Annual Revenue (considering rainy days)
Standard Time	4	2	16,00 €	128,00 €	0	- €	640,00 €	32 914,29 €	27 332,38 €
Premium Time	4	3	20,00 €	240,00 €	5	400,00 €	2 000,00 €	102 857,14 €	85 413,70 €

112 746,08 €

Table 3: Revenue from Pickleball Classes - Pessimistic Scenario. Source: The Author

Revenue from Pickleball Classes						
Classes	Once a week	Monthly payment	Twice a week	Monthly payment	Monthly revenue	Annual Revenue
1 student class	2	120,00 €	1	200,00 €	440,00 €	5 280,00 €
2 student class	3	60,00 €	2	100,00 €	380,00 €	4 560,00 €
3 or more students classes	6	30,00 €	4	50,00 €	380,00 €	4 560,00 €

14 400,00 €

Table 4: Revenue from Tennis Classes - Pessimistic Scenario. Source: The Author

Revenue from Tennis Classes						
Classes	Once a week	Monthly payment	Twice a week	Monthly payment	Monthly revenue	Annual Revenue
1 student class	2	140,00 €	1	225,00 €	505,00 €	6 060,00 €
2 student class	6	80,00 €	3	120,00 €	840,00 €	10 080,00 €
3 or more students classes	8	40,00 €	4	70,00 €	600,00 €	7 200,00 €

23 340,00 €

For the realistic scenario for reservations, it was assumed that each court would be booked for 7 hours per day, being reservations made 43% at standard time and 57% at premium time. The number of students taking lessons is projected to follow the distribution presented in the tables below.

The total annual revenue for the realistic scenario in the first entire full year of operations (2025) if it was opened the entire year is €285.965 from court reservations, €59.040 from classes and €7.200 from the bar rental, making it in total €352.205.

Table 5. Revenue from Pickleball Court Reservations - Realistic Scenario. Source: The Author

Revenue from Pickleball Court Reservations									
Pickleball	N° Courts	N° Hours Booked (Weekday)	Price p/Hour	Daily Revenue (Week days)	N° Hours Booked (Weekend)	Daily Revenue (Weekend)	Weekly Revenue	Annual Revenue	Annual Revenue (considering rainy days)
Standard Time	4	3	14,00 €	168,00 €	0	- €	840,00 €	43 200,00 €	35 873,75 €
Premium Time	4	4	16,00 €	256,00 €	7	448,00 €	2 176,00 €	111 908,57 €	92 930,10 €

128 803,86 €

Table 6: Revenue from Tennis Court Reservations - Realistic Scenario. Source: The Author

Revenue from Tennis Court Reservations									
Tennis	N° Courts	N° Hours Booked (Weekday)	Price p/Hour	Daily Revenue (Week days)	N° Hours Booked (Weekend)	Daily Revenue (Weekend)	Weekly Revenue	Annual Revenue	Annual Revenue (considering rainy days)
Standard Time	4	3	16,00 €	192,00 €	0	- €	960,00 €	49 371,43 €	40 998,58 €
Premium Time	4	4	20,00 €	320,00 €	7	560,00 €	2 720,00 €	139 885,71 €	116 162,63 €

157 161,21 €

Table 7: Revenue from Pickleball Classes - Realistic Scenario. Source: The Author

Revenue from Pickleball Classes						
Classes	Once a week	Monthly payment	Twice a week	Monthly payment	Monthly revenue	Annual Revenue
1 student class	2	120,00 €	1	200,00 €	440,00 €	5 280,00 €
2 student class	4	60,00 €	2	100,00 €	440,00 €	5 280,00 €
3 or more students classes	8	30,00 €	6	50,00 €	540,00 €	6 480,00 €

17 040,00 €

Table 8: Revenue from Tennis Classes – Realistic Scenario. Source: The Author

Revenue from Tennis Classes						
Classes	Once a week	Monthly payment	Twice a week	Monthly payment	Monthly revenue	Annual Revenue
1 student class	4	140,00 €	2	225,00 €	1 010,00 €	12 120,00 €
2 student class	10	80,00 €	5	120,00 €	1 400,00 €	16 800,00 €
3 or more students classes	15	40,00 €	7	70,00 €	1 090,00 €	13 080,00 €

42 000,00 €

For the optimistic scenario for reservations, it was assumed that each court would be booked for 10 hours per day, with reservations evenly distributed between standard time and premium time. For the classes, the number of students taking lessons is projected to follow the distribution presented in the tables below.

The total annual revenue for the optimistic scenario in the first entire full year of operations (2025) if it was opened the entire year is €404.861 from court reservations, €97.440 from classes and €7.200 from the bar rental, making it in total €509.500.

Table 9: Revenue from Pickleball Court Reservations - Optimistic Scenario. Source: The Author

Revenue from Pickleball Court Reservations									
Pickleball	N° Courts	N° Hours Booked (Weekday)	Price p/Hour	Daily Revenue (Week days)	N° Hours Booked (Weekend)	Daily Revenue (Weekend)	Weekly Revenue	Annual Revenue	Annual Revenue (considering rainy days)
Standard Time	4	5	14,00 €	280,00 €	0	- €	1 400,00 €	72 000,00 €	59 789,59 €
Premium Time	4	5	16,00 €	320,00 €	10	640,00 €	2 880,00 €	148 114,29 €	122 995,73 €

182 785,32 €

Table 10: Revenue from Tennis Court Reservations - Optimistic Scenario. Source: The Author

Revenue from Tennis Court Reservations									
Tennis	N° Courts	N° Hours Booked (Weekday)	Price p/Hour	Daily Revenue (Week days)	N° Hours Booked (Weekend)	Daily Revenue (Weekend)	Weekly Revenue	Annual Revenue	Annual Revenue (considering rainy days)
Standard Time	4	5	16,00 €	320,00 €	0	- €	1 600,00 €	82 285,71 €	68 330,96 €
Premium Time	4	5	20,00 €	400,00 €	10	800,00 €	3 600,00 €	185 142,86 €	153 744,66 €

222 075,62 €

Table 11: Revenue from Pickleball Classes - Optimistic Scenario. Source: The Author

Revenue from Pickleball Classes						
Classes	Once a week	Monthly payment	Twice a week	Monthly payment	Monthly revenue	Annual Revenue
1 student class	3	120,00 €	2	200,00 €	760,00 €	9 120,00 €
2 student class	6	60,00 €	4	100,00 €	760,00 €	9 120,00 €
3 or more students classes	12	30,00 €	8	50,00 €	760,00 €	9 120,00 €

27 360,00 €

Table 12: Revenue from Tennis Classes - Optimistic Scenario. Source: The Author

Revenue from Tennis Classes						
Classes	Once a week	Monthly payment	Twice a week	Monthly payment	Monthly revenue	Annual Revenue
1 student class	6	140,00 €	4	225,00 €	1 740,00 €	20 880,00 €
2 student class	14	80,00 €	10	120,00 €	2 320,00 €	27 840,00 €
3 or more students classes	20	40,00 €	14	70,00 €	1 780,00 €	21 360,00 €
						70 080,00 €

For the lounge and bar, it has been decided to subcontract these services for a monthly rent of €600, starting from July 2025. Since the club will only be open from July to December in 2025, the rent for that year will cover just 6 months. From 2026 until 2033, the monthly rent will increase by 2% each year, reflecting an annual adjustment to account for inflation and other cost factors. The revenue from the subcontract of the lounge and bar area is presented in the table below.

Table 13: Lounge and Bar Area Revenue – All Scenarios. Source: The Author

Lounge and Bar Area Revenue					
Year	2025	2026	2027	2028	2029
Bar	3 600,00 €	7 344,00 €	7 490,88 €	7 640,70 €	7 793,51 €
Year	2029	2030	2031	2032	2033
Bar	7 793,51 €	7 949,38 €	8 108,37 €	8 270,54 €	8 435,95 €
Total					33 869,09 €

Additionally, for each scenario, a sales volume growth of 5% per year for tennis and 10% per year for pickleball was established, starting from 2025 and continuing until 2033, the final year of analysis. The revenue values presented in Table 14 do not include the 23% VAT.

Table 14: Annual Sales Revenue (Excluding VAT) – All Scenarios. Source: The Author

Annual Sales Forecast (Excluding VAT)						
Scenario/Year	2024	2025	2026	2027	2028	
Pessimistic	- €	101 598,73 €	222 084,82 €	242 632,58 €	264 717,51 €	
Realistic	- €	143 172,79 €	312 850,59 €	341 668,04 €	372 620,49 €	
Optimistic	- €	207 114,20 €	452 616,14 €	494 351,30 €	539 176,72 €	
Scenario/Year	2029	2030	2031	2032	2033	Total
Pessimistic	288 131,27 €	313 800,78 €	341 958,37 €	372 861,45 €	406 795,33 €	2 554 580,83 €
Realistic	405 410,99 €	441 339,61 €	480 727,69 €	523 931,09 €	571 344,06 €	3 593 065,36 €
Optimistic	586 662,01 €	638 687,76 €	695 718,29 €	758 267,82 €	826 905,96 €	5 199 500,21 €

A 23% VAT was calculated from the total revenue volume. Consequently, the total amount of sales, including VAT, is presented below in Table 15.

Table 15: Annual Sales Revenue (Including VAT) – All Scenarios. Source: The Author

Annual Sales Forecast (Including VAT)						
Scenario/Year	2024	2025	2026	2027	2028	
Pessimistic	- €	124 966,44 €	273 164,32 €	298 438,07 €	325 602,53 €	
Realistic	- €	176 102,53 €	384 806,23 €	420 251,69 €	458 323,21 €	
Optimistic	- €	254 750,47 €	556 717,86 €	608 052,10 €	663 187,37 €	
Scenario/Year	2029	2030	2031	2032	2033	Total
Pessimistic	354 401,47 €	385 974,96 €	420 608,79 €	458 619,58 €	500 358,25 €	3 142 134,42 €
Realistic	498 655,52 €	542 847,73 €	591 295,06 €	644 435,24 €	702 753,19 €	4 419 470,39 €
Optimistic	721 594,28 €	785 585,94 €	855 733,50 €	932 669,42 €	1 017 094,34 €	6 395 385,26 €

After calculating the projected revenues for the 10-year operational period, the focus shifted to determining the expenses associated with the club's activities. The process began by calculating the monthly operational costs and then using these figures to estimate annual expenses. These values are adjusted to account for inflation rates.

Table 16: Operating Expenses – All Scenarios. Source: The Author

Operating Expenses	Monthly	2024	2025	2026	2027
Rent	- €	- €	- €	- €	- €
Land Clearing	- €	850,00 €	- €	- €	- €
Electricity	910,14 €	- €	5 460,84 €	11 151,04 €	11 374,06 €
Water	218,25 €	- €	1 309,52 €	2 674,04 €	2 727,52 €
Cleaning + Gardening	1 500,00 €	- €	9 000,00 €	18 378,00 €	18 745,56 €
Surveillance and Security	200,00 €	- €	1 200,00 €	2 450,40 €	2 499,41 €
Insurance	350,00 €	- €	2 100,00 €	4 288,20 €	4 373,96 €
Advertising and Marketing	300,00 €	- €	6 400,00 €	3 675,60 €	3 749,11 €
Accounting and Legal Procedures	200,00 €	- €	1 200,00 €	2 450,40 €	2 499,41 €
Membership Management Software	100,00 €	- €	600,00 €	1 225,20 €	1 249,70 €
Repair and conservation	300,00 €	- €	1 800,00 €	3 675,60 €	3 749,11 €
Specialized Works	100,00 €	- €	600,00 €	1 225,20 €	1 249,70 €
Materials	100,00 €	- €	600,00 €	1 225,20 €	1 249,70 €
Other Costs	200,00 €	- €	1 200,00 €	2 450,40 €	2 499,41 €
Total	4 478,39 €	850,00 €	31 470,36 €	54 869,27 €	55 966,66 €

2028	2029	2030	2031	2032	2033
- €	- €	- €	- €	- €	- €
- €	- €	- €	- €	- €	- €
11 578,79 €	11 752,47 €	11 928,76 €	12 107,69 €	12 289,30 €	12 473,64 €
2 776,61 €	2 818,26 €	2 860,53 €	2 903,44 €	2 946,99 €	2 991,20 €
19 082,98 €	19 369,22 €	19 659,76 €	19 954,66 €	20 253,98 €	20 557,79 €
2 544,40 €	2 582,56 €	2 621,30 €	2 660,62 €	2 700,53 €	2 741,04 €
4 452,70 €	4 519,49 €	4 587,28 €	4 656,09 €	4 725,93 €	4 796,82 €
3 816,60 €	3 873,84 €	3 931,95 €	3 990,93 €	4 050,80 €	4 111,56 €
2 544,40 €	2 582,56 €	2 621,30 €	2 660,62 €	2 700,53 €	2 741,04 €
1 272,20 €	1 291,28 €	1 310,65 €	1 330,31 €	1 350,27 €	1 370,52 €
3 816,60 €	3 873,84 €	3 931,95 €	3 990,93 €	4 050,80 €	4 111,56 €
1 272,20 €	1 291,28 €	1 310,65 €	1 330,31 €	1 350,27 €	1 370,52 €
1 272,20 €	1 291,28 €	1 310,65 €	1 330,31 €	1 350,27 €	1 370,52 €
2 544,40 €	2 582,56 €	2 621,30 €	2 660,62 €	2 700,53 €	2 741,04 €
56 974,06 €	57 828,67 €	58 696,10 €	59 576,54 €	60 470,19 €	61 377,24 €

The operating expenses remain consistent across the three analyzed scenarios, with explanations for some costs presented below.

- Rent: Since the land belongs to my family, there is no need to pay rent, thereby reducing the overall operational costs for the club.
- Land Clearing: It was agreed with the company Giestas to clean the land in 2024 for a price of €850.
- Electricity: To calculate the electricity expense, it was considered that the court area requires 20 projectors, which are on for an average of 7 hours per day, with a daily consumption of 70 kWh. In the other areas, it was assumed that the lights are on all day, which equals 14 hours per day, with a daily consumption of 84 kWh. Considering that the cost per kWh from EDP in September 2024 is €0,197 the monthly cost amounts to €910. See Appendix E for details.
- Water: It was assumed that the water daily consumption was 3.500 liters and considering that according to SMAS Mafra the water rate in 2024 is 2,0786 (€/m³), the monthly cost amounts to €218. See Appendix F for details.
- Cleaning + Gardening: Considering the area of the club, the companies PrimeClean and Brilho do Mar agreed to provide its services for €1.200 and €300 per month respectively,
- Surveillance and Security: Several service companies were contacted, and a monthly amount of €200 was established with Prosegur.
- Insurance: The company Fidelidade was contacted, and a monthly payment of €350 was established.
- Advertising and Marketing: It was decided to spend an average of €300 per month on marketing and advertising.

The remaining accounts present estimated average values, which are based on a detailed analysis of market data and expenditure patterns. These estimates are derived from an assessment of current market trends, historical spending patterns, and industry benchmarks, ensuring a realistic and informed projection of costs and revenues.

Turning to the personnel expenses category, a detailed calculation was conducted containing a range of employee-related costs. This includes salaries, social security contributions, meal allowances, work accident insurance, and additional expenses such as training programs and workplace safety and hygiene measures. Each of these elements was meticulously analyzed to provide a comprehensive overview of the total financial commitment associated with managing personnel.

In the beginning of the project, the team will consist of two receptionists, three coaches, and one sports manager. The receptionists will be scheduled for 7-hour shifts, enabling the club to operate continuously from 9 a.m. to 11 p.m., ensuring a total of 14 hours of service each day. The three coaches will handle various student groups and classes throughout the day, while the sports manager will be responsible for overseeing all aspects of club management, including organizational tasks, strategic planning, and business development. It is anticipated that the staffing levels will remain stable throughout the initial five-year period. However, starting in 2029, the team is projected to expand to seven members with the addition of another coach, in response to the anticipated growth in pickleball and tennis classes.

The monthly salaries for employees vary based on their roles, as specified in the salary table below. Social security contributions are calculated at 23.75% of each employee's gross monthly salary. Employees are also provided with a daily meal allowance of €7,00. In addition to these benefits, each employee is covered by work accident insurance, costing 1% of their base salary.

Table 17: Income Wages at the start of business – All Scenarios. Source: The Author

Income Wages			
Position	Wages	Social Charges	Meal Allowance
Manager	1 750 €	23,75%	7,00 €
Recepcionist 1	1 000 €	23,75%	7,00 €
Recepcionist 2	1 000 €	23,75%	7,00 €
Coach 1	1 250 €	23,75%	7,00 €
Coach 2	1 250 €	23,75%	7,00 €
Coach 3	1 250 €	23,75%	7,00 €

Additionally, a salary increase was stipulated for all employees of 3% in 2027, 3.25% in 2028, 3.50% in 2029, 3.75% in 2030, 4% in 2031, 4.25% in 2032 and 4.50% in 2033. It is possible to see all details in Table 18.

Table 18: Salaries/Payroll Expenses – All Scenarios. Source: The Author

Salaries/Payroll Expenses					
Entry/Year	2025	2026	2027	2028	2029
Annual Wages	52 500,00 €	105 000,00 €	108 150,00 €	111 664,88 €	134 835,34 €
Social Charges (23,75%)	12 468,75 €	24 937,50 €	25 685,63 €	26 520,41 €	32 023,39 €
Meal Allowance	4 851,00 €	10 143,00 €	9 993,00 €	10 318,00 €	12 458,79 €
Work Accident Insurance	525,00 €	1 050,00 €	1 081,50 €	1 116,65 €	1 348,35 €
Compensation Funds	39,38 €	78,75 €	81,11 €	83,75 €	101,13 €
Other Personnel Expenses	945,00 €	1 890,00 €	1 946,70 €	2 009,97 €	2 427,04 €
Total	71 329,13 €	143 099,25 €	146 937,94 €	151 713,65 €	183 194,03 €
Entry/Year	2030	2031	2032	2033	Total
Annual Wages	139 891,66 €	145 487,33 €	151 670,54 €	158 495,71 €	1 107 695,45 €
Social Charges (23,75%)	33 224,27 €	34 553,24 €	36 021,75 €	37 642,73 €	263 077,67 €
Meal Allowance	12 925,99 €	13 443,03 €	14 014,36 €	14 645,00 €	102 792,17 €
Work Accident Insurance	1 398,92 €	1 454,87 €	1 516,71 €	1 584,96 €	11 076,95 €
Compensation Funds	104,92 €	109,12 €	113,75 €	118,87 €	830,77 €
Other Personnel Expenses	2 518,05 €	2 618,77 €	2 730,07 €	2 852,92 €	19 938,52 €
Total	190 063,81 €	197 666,36 €	206 067,18 €	215 340,20 €	1 505 411,54 €

For the calculation of social contributions, the applicable percentages have been used. Company Social Contributions account for 23.75% of total remuneration, covering the employer's share of social security payments. Employee Social Contributions are calculated at 11% of total remuneration, and an average Employee Personal Income Tax (PIT) is applied at a fixed rate of 10%. See all details on Table 19.

Table 19: Income Tax Contributions – All Scenarios. Source: The Author

Income Taxes Contribution					
Entry/Year	2025	2026	2027	2028	2029
Company Social Contributions	12 468,75 €	24 937,50 €	25 685,63 €	26 520,41 €	32 023,39 €
Employee Social Contributions	5 775,00 €	11 550,00 €	11 896,50 €	12 283,14 €	14 831,89 €
Employee Personal Income Tax (PIT)	5 250,00 €	10 500,00 €	10 815,00 €	11 166,49 €	13 483,53 €
Total	23 493,75 €	46 987,50 €	48 397,13 €	49 970,03 €	60 338,81 €
Entry/Year	2030	2031	2032	2033	
Company Social Contributions	33 224,27 €	34 553,24 €	36 021,75 €	37 642,73 €	
Employee Social Contributions	15 388,08 €	16 003,61 €	16 683,76 €	17 434,53 €	
Employee Personal Income Tax (PIT)	13 989,17 €	14 548,73 €	15 167,05 €	15 849,57 €	
Total	62 601,52 €	65 105,58 €	67 872,57 €	70 926,83 €	

In addition to analyzing income tax contributions, a detailed examination of the total VAT was conducted, involving the calculation of both the liquidated VAT and the deductible VAT. This analysis is comprehensively outlined in the Table 20 below.

Table 20: Value Added Tax – VAT - Realistic Scenario. Source: The Author

Value Added Tax - VAT (Realistic Scenario)						
Entry/Year	2024	2025	2026	2027	2028	VAT (%)
Liquidated Amount						
Revenue						
Sales	- €	32 929,74 €	71 955,64 €	78 583,65 €	85 702,71 €	23%
Liquidated Total	- €	32 929,74 €	71 955,64 €	78 583,65 €	85 702,71 €	
Deductibel Amount						
Operating Expenses						
Rent	- €	- €	- €	- €	- €	23%
Land Clearing	195,50 €	- €	- €	- €	- €	23%
Electricity	- €	327,65 €	669,06 €	682,44 €	694,73 €	6%
Water	- €	78,57 €	160,44 €	163,65 €	166,60 €	6%
Cleaning + Gardening	- €	2 070,00 €	4 226,94 €	4 311,48 €	4 389,09 €	23%
Surveillance and security	- €	276,00 €	563,59 €	574,86 €	585,21 €	23%
Insurance	- €	483,00 €	986,29 €	1 006,01 €	1 024,12 €	23%
Advertising and Marketing	- €	1 472,00 €	845,39 €	862,30 €	877,82 €	23%
Accounting and Legal Procedures	- €	276,00 €	563,59 €	574,86 €	585,21 €	23%
Membership Management Software	- €	138,00 €	281,80 €	287,43 €	292,61 €	23%
Repair and conservation	- €	414,00 €	845,39 €	862,30 €	877,82 €	23%
Specialized Works	- €	138,00 €	281,80 €	287,43 €	292,61 €	23%
Materials	- €	138,00 €	281,80 €	287,43 €	292,61 €	23%
Other Costs	- €	276,00 €	563,59 €	574,86 €	585,21 €	23%
Total Operating Expenses	195,50 €	6 087,22 €	10 269,67 €	10 475,06 €	10 663,61 €	
Intangible Assets						
Software	- €	115,00 €	- €	- €	- €	
Total Intangible Assets	- €	115,00 €	- €	- €	- €	
Personnel Expenses						
Training Formation	- €	51,75 €	103,50 €	106,61 €	110,07 €	23%
Workplace Safety and Hygiene	- €	93,60 €	187,20 €	192,82 €	199,08 €	13%
Total Personnel Expenses	- €	145,35 €	290,70 €	299,42 €	309,15 €	
Deductibel Total	195,50 €	6 347,57 €	10 560,37 €	10 774,48 €	10 972,77 €	
Total VAT	- 195,50 €	26 582,17 €	61 395,27 €	67 809,16 €	74 729,95 €	

Value Added Tax - VAT (Realistic Scenario)						
Entry/Year	2029	2030	2031	2032	2033	VAT (%)
Liquidated Amount						
Revenue						
Sales	93 244,53 €	101 508,11 €	110 567,37 €	120 504,15 €	131 409,13 €	23%
Liquidated Total	93 244,53 €	101 508,11 €	110 567,37 €	120 504,15 €	131 409,13 €	
Deductibel Amount						
Operating Expenses						
Rent	- €	- €	- €	- €	- €	23%
Land Clearing	- €	- €	- €	- €	- €	23%
Electricity	705,15 €	715,73 €	726,46 €	737,36 €	748,42 €	6%
Water	169,10 €	171,63 €	174,21 €	176,82 €	179,47 €	6%
Cleaning + Gardening	4 454,92 €	4 521,75 €	4 589,57 €	4 658,42 €	4 728,29 €	23%
Surveillance and security	593,99 €	602,90 €	611,94 €	621,12 €	630,44 €	23%
Insurance	1 039,48 €	1 055,07 €	1 070,90 €	1 086,96 €	1 103,27 €	23%
Advertising and Marketing	890,98 €	904,35 €	917,91 €	931,68 €	945,66 €	23%
Accounting and Legal Procedures	593,99 €	602,90 €	611,94 €	621,12 €	630,44 €	23%
Membership Management Software	296,99 €	301,45 €	305,97 €	310,56 €	315,22 €	23%
Repair and conservation	890,98 €	904,35 €	917,91 €	931,68 €	945,66 €	23%
Specialized Works	296,99 €	301,45 €	305,97 €	310,56 €	315,22 €	23%
Materials	296,99 €	301,45 €	305,97 €	310,56 €	315,22 €	23%
Other Costs	593,99 €	602,90 €	611,94 €	621,12 €	630,44 €	23%
Total Operating Expenses	10 823,57 €	10 985,92 €	11 150,71 €	11 317,97 €	11 487,74 €	
Intangible Assets						
Software	- €	- €	- €	- €	- €	
Total Intangible Assets	- €	- €	- €	- €	- €	
Personnel Expenses						
Training Formation	132,91 €	137,89 €	143,41 €	149,50 €	156,23 €	23%
Workplace Safety and Hygiene	240,39 €	249,41 €	259,38 €	270,41 €	282,58 €	13%
Total Personnel Expenses	373,30 €	387,30 €	402,79 €	419,91 €	438,81 €	
Deductibel Total	11 196,87 €	11 373,22 €	11 553,50 €	11 737,88 €	11 926,55 €	
Total VAT	82 047,66 €	90 134,89 €	99 013,86 €	108 766,27 €	119 482,59 €	

To determine the liquidated VAT, a standard rate of 23% was applied to the total revenues generated during the analyzed period. For the deductible VAT, the same standard rate of 23% was used for intangible assets acquired during the first year of operations. In relation to personnel expenses, a VAT rate of 23% was applied to training costs, while workplace safety and hygiene expenses were subjected to a reduced rate of 13%.

Regarding operating expenses, all costs were generally subjected to the standard VAT rate of 23%, except for water and electricity expenses, which were taxed at a reduced VAT rate of 6%. This detailed breakdown ensures a clear understanding of the VAT impacts on various expense categories and revenue streams.

13.3 Fixed Capital and Depreciations

To successfully open the club, acquiring fixed assets is essential. The primary fixed assets for the club include four tennis courts and four pickleball courts, which will serve as the central hub for the club's activities. Additionally, high-quality light projectors are needed to ensure the courts are well-lit for evening play. The lounge and bar area will provide a space for members to relax and socialize, while the changing rooms will offer convenience and comfort for all club members.

In the process of securing these assets, numerous suppliers were contacted to ensure a wide range of options. The selection criteria focused on balancing quality and cost, aiming to find suppliers whose offerings met the club's high standards, while remaining financially feasible. After thorough evaluations, the suppliers that best aligned with the club's needs - in terms of quality, reliability, and price - were chosen.

The tables below detail all the suppliers that were contacted during this process. They also highlight the selected suppliers, with those who were chosen being marked in blue. This table provides a clear overview of the decision-making process and the rationale behind the final choices.

Table 21: Suppliers Proposal for the 8 Courts Construction. Source: The Author

Supplier proposal for the 8 courts construction		
Supplier	Price	Services included
EuroTennis	178 300,00 €	Instalation for all courts + painting + fencing + netting
GreenPark	321 902,00 €	Instalation for all courts + painting + fencing + netting + lighting
Playgroup	65 000,00 €	Instalation for all courts
LusoTrato	224 500,00 €	Instalation for all courts + painting + fencing + netting
Obras os Monos	123 250,00 €	Instalation for all courts + painting + netting

Table 22: Suppliers Proposal for Lighting. Source: The Author

Supplier proposal for lighting		
Supplier	Price	Services included
Homekit	13 976,37 €	Supply + transportation
Lux Concept	11 880,00 €	Supply + transportation + installation
Phillips/Signify	17 500,00 €	Supply + transportation + installation

The proposals from Euroténis for the court construction and Lux Concept for lighting were selected based on the exceptional quality of their products and the comprehensive nature of their service offerings. Euroténis impressed with their long experience in building high-quality tennis and pickleball courts, ensuring durability and optimal playing conditions. Similarly, Lux Concept stood out with their advanced lighting solutions, providing excellent illumination that meets the club's requirements for evening play.

Both proposals included all necessary services to ensure that the courts and light projectors were fully operational and ready for immediate use. This included installation, transportation, setup, along with any additional services needed to complete the project to the highest standards. Additionally, Euroténis and Lux Concept offered these premium services at competitive prices, making their proposals not only the most attractive in terms of quality but also cost-effective. This combination of high-quality products and comprehensive, reasonably priced service packages made Euroténis and Lux Concept the ideal choices for the club's needs.

Furthermore, a thorough and detailed assessment of the expenses associated with the construction of the lounge area and changing rooms was carried out. This involved evaluating various cost factors, including materials, labor, and additional services required to complete these essential facilities to the club's high standards. After a careful analysis, a budget allocation of €32.500 was determined. This budget ensures that the lounge area and changing rooms and warehouse will be constructed with high-quality materials, providing a comfortable and functional space for members to relax and prepare for their activities.

In addition to the primary fixed assets, several other tangible assets needed further investments, totaling €5.000. This investment covered the procurement of essential items such as a computer, office supplies, and equipment for the bar and lounge area, as well as sport materials.

Considering the intangible assets, the only significant expenditure was the acquisition of a specialized software designed for court reservations, scheduling, and lesson bookings. This software, valued at €500, is integral to the efficient management of the club's day-to-day operations and enhances the overall experience for members. These details are comprehensively presented in Table 23, providing a clear overview of both tangible and intangible asset investments.

Table 23: Tangible and Intangible Assets Costs – All Scenarios. Source: The Author

Fixed Assets	
Tangible Assets	Price
8 Courts	178 300,00 €
Lighting	11 880,00 €
Bar with Lounge Area	22 500,00 €
Warehouse & Changing Rooms	10 000,00 €
Other Investments	5 000,00 €
Tangible Assets Total	227 680,00 €
Software	500,00 €
Intangible Assets Total	500,00 €
Fixed Assets Total	228 180,00 €

To calculate the depreciation on fixed assets, the straight-line depreciation method was employed. This method allows for the even distribution of depreciation expenses across the asset's useful life, assuming a consistent rate of value loss over time.

For the assets including the courts, lighting, lounge, and bar area, changing rooms, and warehouse, a useful life of 20 years was assumed. This means that the total cost of these assets is spread evenly over two decades, with annual depreciation calculated accordingly. In contrast, the software used for court reservations, scheduling, and lesson bookings was assigned a useful life of 3 years, reflecting its shorter duration of utility and technological obsolescence. Other investments, such as office supplies and equipment, were allocated a useful life of 10 years, recognizing their moderate longevity and replacement cycle.

The annual depreciation for each category of fixed asset has been calculated based on these assumptions and is detailed in Table 24, offering a clear overview of how depreciation expenses are allocated over the respective useful lives.

Table 24: Fixed Assets Depreciation – All Scenarios. Source: The Author

Assets/Year	Value	Depreciation (%)	2024	2025	2026	2027
8 Courts	178 300,00 €	5%	-	4 457,50 €	8 915,00 €	8 915,00 €
Lighting	11 880,00 €	5%	-	297,00 €	594,00 €	594,00 €
Bar with Lounge Area	22 500,00 €	5%	-	562,50 €	1 125,00 €	1 125,00 €
Warehouse & Changing Rooms	10 000,00 €	5%	-	250,00 €	500,00 €	500,00 €
Other Investments	5 000,00 €	10%	-	250,00 €	500,00 €	500,00 €
Total Depreciations	-	-	-	5 817,00 €	11 634,00 €	11 634,00 €

2028	2029	2030	2031	2032	2033	Value beggining of 2034
8 915,00 €	8 915,00 €	8 915,00 €	8 915,00 €	8 915,00 €	8 915,00 €	102 522,50 €
594,00 €	594,00 €	594,00 €	594,00 €	594,00 €	594,00 €	6 831,00 €
1 125,00 €	1 125,00 €	1 125,00 €	1 125,00 €	1 125,00 €	1 125,00 €	12 937,50 €
500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	5 750,00 €
500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	750,00 €
11 634,00 €	11 634,00 €	11 634,00 €	11 634,00 €	11 634,00 €	11 634,00 €	128 791,00 €

13.4 Financing

The capital required to develop the new club is €229.641. This investment will be entirely funded with private equity, eliminating the need for bank loans. I will provide the necessary equity capital as the sole investor, covering the total amount. As the sole stakeholder, I will own 100% of the company's shares.

The capital will be allocated to cover both assets, valued at €228.180, and the initial settlement of financial expenses, totaling €1.461 as part of the working capital fund. This detailed financial plan ensures that all aspects of the club's development are adequately funded and accounted for. This comprehensive allocation of capital, with a clear breakdown of expenditures and investment areas, underscores the meticulous planning involved in establishing the club and sets a solid foundation for its successful operation.

13.5 Financial Statements

The financial statements presented in the following tables provide a comprehensive overview of the financial activities and transactions of the club, facilitating an in-depth assessment of its financial health and performance. These statements, detailed in Tables 25, 26, 27, 28, and 29, cover the projected results over the first ten years of operation, reflecting a realistic scenario of anticipated values. They include vital metrics such as revenue, expenses, profit margins, and cash flow projections, offering a clear picture of the club's economic trajectory.

Additionally, to ensure a robust financial planning outline, the same financial statements have been meticulously prepared for both pessimistic and optimistic scenarios. These alternative projections, available in the Appendices, provide valuable insights into potential variations in financial performance, enabling better readiness for different market conditions and operational challenges. This comprehensive approach highlights the thorough financial planning and strategic vision applied to the club's development and future operations.

Table 25: Income Statement - Realistic Scenario. Source: The Author

Income Statement					
Entry/Year	2024	2025	2026	2027	2028
Sales Revenue	- €	143 172,79 €	312 850,59 €	341 668,04 €	372 620,49 €
Operating Subsidies	- €	6,00 €	12,00 €	12,00 €	12,00 €
Cost of Sales	- €	- €	- €	- €	- €
Gross Margin	- €	143 178,79 €	312 862,59 €	341 680,04 €	372 632,49 €
Operating Expenses	- 850,00 €	- 31 470,34 €	- 54 869,23 €	- 55 966,62 €	- 56 974,02 €
Personnel Expenses	- €	- 71 329,13 €	- 143 099,25 €	- 146 938,00 €	- 151 713,48 €
Impairment of Inventory (Losses/Reversals)	- €	- €	- €	- €	- €
Impairment of Receivables (Losses/Reversals)	- €	- 289,48 €	- 316,28 €	- 345,41 €	- 376,70 €
Other Income	- €	1 431,73 €	3 128,51 €	6 263,07 €	10 464,97 €
Other Expenses	- €	- 1 431,73 €	- 3 128,51 €	- 3 416,68 €	- 3 726,20 €
EBITDA	- 850,00 €	40 089,84 €	114 577,83 €	141 276,40 €	170 307,05 €
Depreciations and Amortizations	- €	- 5 900,33 €	- 11 800,67 €	- 11 967,33 €	- 11 884,00 €
EBIT	- 850,00 €	34 189,51 €	102 777,16 €	129 309,07 €	158 423,05 €
Interest and Similar Expenses	- €	- 936,00 €	- €	- €	- €
EBT	- 850,00 €	33 253,51 €	102 777,16 €	129 309,07 €	158 423,05 €
Income Tax	- €	- 7 290,79 €	- 23 124,86 €	- 29 094,54 €	- 35 645,19 €
Corporate Income Tax (CIT)	- €	- 6 804,74 €	- 21 583,20 €	- 27 154,90 €	- 33 268,84 €
Municipal Surcharge	- €	- 486,05 €	- 1 541,66 €	- 1 939,64 €	- 2 376,35 €
Net Income	- 850,00 €	25 962,72 €	79 652,30 €	100 214,53 €	122 777,86 €

Income Statement					
Entry/Year	2029	2030	2031	2032	2033
Sales Revenue	405 410,99 €	441 339,61 €	480 727,69 €	523 931,09 €	571 344,06 €
Operating Subsidies	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €
Cost of Sales	- €	- €	- €	- €	- €
Gross Margin	405 422,99 €	441 351,61 €	480 739,69 €	523 943,09 €	571 356,06 €
Operating Expenses	- 57 828,63 €	- 58 696,06 €	- 59 576,50 €	- 60 470,15 €	- 61 377,20 €
Personnel Expenses	- 183 194,03 €	- 190 063,81 €	- 197 666,36 €	- 206 067,18 €	- 215 340,20 €
Impairment of Inventory (Losses/Reversals)	- €	- €	- €	- €	- €
Impairment of Receivables (Losses/Reversals)	- 409,85 €	- 446,18 €	- 486,00 €	- 529,67 €	- 577,61 €
Other Income	15 470,98 €	20 638,63 €	26 733,48 €	33 856,65 €	42 120,15 €
Other Expenses	- 4 054,11 €	- 4 413,40 €	- 4 807,28 €	- 5 239,31 €	- 5 713,44 €
EBITDA	175 407,35 €	208 370,81 €	244 937,04 €	285 493,43 €	330 467,76 €
Depreciations and Amortizations	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €
EBIT	163 606,68 €	196 570,14 €	233 136,37 €	273 692,76 €	318 667,09 €
Interest and Similar Expenses	- €	- €	- €	- €	- €
EBT	163 606,68 €	196 570,14 €	233 136,37 €	273 692,76 €	318 667,09 €
Income Tax	- 36 811,50 €	- 44 228,28 €	- 52 455,68 €	- 61 580,87 €	- 71 700,10 €
Corporate Income Tax (CIT)	- 34 357,40 €	- 41 279,73 €	- 48 958,64 €	- 57 475,48 €	- 66 920,09 €
Municipal Surcharge	- 2 454,10 €	- 2 948,55 €	- 3 497,05 €	- 4 105,39 €	- 4 780,01 €
Net Income	126 795,18 €	152 341,86 €	180 680,69 €	212 111,89 €	246 967,00 €

Table 26: Balance Sheet - Realistic Scenario. Source: The Author

Balance Sheet					
Entry/Year	2024	2025	2026	2027	2028
Assets					
Non-Current Assets	228 180,00 €	222 765,29 €	211 935,88 €	201 468,93 €	190 617,83 €
Tangible Fixed Assets	227 680,00 €	221 863,00 €	210 229,00 €	198 595,00 €	186 961,00 €
Investment Properties	- €	- €	- €	- €	- €
Goodwill	- €	- €	- €	- €	- €
Intangible Assets	500,00 €	416,67 €	250,00 €	416,67 €	166,67 €
Financial Investments	- €	- €	- €	- €	- €
Other Financial Investments	- €	485,63 €	1 456,88 €	2 457,26 €	3 490,16 €
Current Assets	15 610,50 €	59 475,79 €	152 637,06 €	266 731,85 €	403 489,98 €
Inventory	- €	- €	- €	- €	- €
Accounts Receivable	- €	28 658,88 €	31 311,63 €	34 195,82 €	37 293,70 €
Income Taxes	1 460,50 €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Cash and Bank Deposits	14 150,00 €	30 816,91 €	121 325,42 €	232 536,03 €	366 196,29 €
Total Assets	243 790,50 €	282 241,08 €	364 572,93 €	468 200,78 €	594 107,81 €
Equity					
Total Equity	228 790,50 €	260 126,44 €	341 944,77 €	444 204,47 €	568 604,85 €
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Installments	1 460,50 €	6 833,72 €	8 999,75 €	11 044,93 €	12 667,44 €
Retained Earnings	- €	- 850,00 €	25 112,72 €	104 765,02 €	204 979,55 €
Legal Reserves	- €	- €	- €	- €	- €
Net Income	- 850,00 €	25 962,72 €	79 652,30 €	100 214,53 €	122 777,86 €
Liabilities					
Non-Current Liabilities	- 15 000,00 €	- €	- €	- €	- €
Provisions	- €	- €	- €	- €	- €
Medium and Long Term Loan	- 15 000,00 €	- €	- €	- €	- €
Current Liabilities	30 000,00 €	22 114,64 €	22 628,16 €	23 996,31 €	25 502,96 €
Accounts Payable	- €	6 353,08 €	5 533,12 €	5 645,57 €	5 749,87 €
Income Taxes	- €	15 761,56 €	17 095,04 €	18 350,74 €	19 753,09 €
Short Term Loan	30 000,00 €	- €	- €	- €	- €
Other Payables	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Other Financial Liabilities	- €	- €	- €	- €	- €
Total Liabilities	15 000,00 €	22 114,64 €	22 628,16 €	23 996,31 €	25 502,96 €
Total Equity and Liabilities	243 790,50 €	282 241,08 €	364 572,93 €	468 200,78 €	594 107,81 €

Balance Sheet					
Entry/Year	2029	2030	2031	2032	2033
Assets					
Non-Current Assets	180 064,39 €	170 057,72 €	159 602,81 €	149 205,10 €	139 370,52 €
Tangible Fixed Assets	175 327,00 €	163 693,00 €	152 059,00 €	140 425,00 €	128 791,00 €
Investment Properties	- €	- €	- €	- €	- €
Goodwill	- €	- €	- €	- €	- €
Intangible Assets	- €	333,33 €	166,67 €	- €	333,33 €
Financial Investments	- €	- €	- €	- €	- €
Other Financial Investments	4 737,39 €	6 031,39 €	7 377,15 €	8 780,10 €	10 246,18 €
Current Assets	544 153,59 €	710 634,35 €	905 751,92 €	1 132 629,21 €	1 394 724,05 €
Inventory	- €	- €	- €	- €	- €
Accounts Receivable	40 575,53 €	44 171,45 €	48 113,60 €	52 437,61 €	57 182,93 €
Income Taxes	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Cash and Bank Deposits	503 578,05 €	666 462,90 €	857 638,32 €	1 080 191,60 €	1 337 541,11 €
Total Assets	724 217,98 €	880 692,07 €	1 065 354,73 €	1 281 834,31 €	1 534 094,56 €
Equity					
Total Equity	695 858,10 €	850 579,75 €	1 033 282,24 €	1 247 634,55 €	1 497 581,69 €
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Installments	13 125,51 €	15 505,31 €	17 527,10 €	19 767,52 €	22 747,66 €
Retained Earnings	327 757,41 €	454 552,59 €	606 894,45 €	787 575,14 €	999 687,03 €
Legal Reserves	- €	- €	- €	- €	- €
Net Income	126 795,18 €	152 341,86 €	180 680,69 €	212 111,89 €	246 967,00 €
Liabilities					
Non-Current Liabilities	- €	- €	- €	- €	- €
Provisions	- €	- €	- €	- €	- €
Medium and Long Term Loan	- €	- €	- €	- €	- €
Current Liabilities	28 359,87 €	30 112,32 €	32 072,49 €	34 199,76 €	36 512,88 €
Accounts Payable	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €	6 259,45 €
Income Taxes	22 487,06 €	24 146,23 €	26 010,95 €	28 040,46 €	30 253,43 €
Short Term Loan	- €	- €	- €	- €	- €
Other Payables	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Other Financial Liabilities	- €	- €	- €	- €	- €
Total Liabilities	28 359,87 €	30 112,32 €	32 072,49 €	34 199,76 €	36 512,88 €
Total Equity and Liabilities	724 217,98 €	880 692,07 €	1 065 354,73 €	1 281 834,31 €	1 534 094,56 €

Table 27: Treasury Budget - Realistic Scenario. Source: The Author

Treasury Budget					
Entry/Year	2024	2025	2026	2027	2028
Operational Cash Flow	- 1 045,50 €	27 229,69 €	88 342,49 €	109 780,43 €	132 037,74 €
Receivables	- €	150 052,40 €	384 977,71 €	423 297,15 €	465 325,60 €
Current Year					
Accounts Receivable	- €	147 154,17 €	352 888,84 €	385 394,17 €	420 307,39 €
Inventories	- €	- €	- €	- €	- €
Other Receivables	- €	1 437,73 €	3 140,51 €	6 275,07 €	10 476,97 €
Previous Year					
Accounts Receivable	- €	- €	28 948,36 €	31 627,91 €	34 541,23 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	1 460,50 €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Payments	1 045,50 €	122 822,71 €	296 635,21 €	313 516,73 €	333 287,86 €
Current Year					
Accounts Payable	1 045,50 €	32 294,83 €	61 786,48 €	63 042,23 €	64 206,88 €
Personnel Expenses	- €	46 851,00 €	94 143,00 €	96 513,06 €	99 649,73 €
Income Taxes					
CIT					
PIT	- €	3 750,00 €	9 000,00 €	9 270,00 €	9 571,28 €
VAT	- €	17 798,11 €	51 162,72 €	56 411,81 €	62 274,96 €
SSR	- €	13 031,25 €	31 275,00 €	32 213,25 €	33 260,18 €
Labor Compensation Fund	- €	375,00 €	900,00 €	927,00 €	957,13 €
Other Expenses	- €	1 431,73 €	3 128,51 €	3 416,68 €	3 726,20 €
Previous Year					
Accounts Payable	- €	- €	6 353,08 €	5 533,12 €	5 645,57 €
Personnel Expenses	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
CIT	- €	7 290,79 €	23 124,86 €	29 094,54 €	35 645,19 €
PIT	- €	- €	1 500,00 €	1 500,00 €	1 545,00 €
VAT	- €	- €	8 899,06 €	10 232,54 €	11 282,36 €
SSR	- €	- €	5 212,50 €	5 212,50 €	5 368,88 €
Labor Compensation Fund	- €	- €	150,00 €	150,00 €	154,50 €
Other Expenses	- €	- €	- €	- €	- €
Financing Cash Flow	229 640,50 €	- 10 562,78 €	2 166,02 €	2 045,18 €	1 622,52 €
Receivables	229 640,50 €	5 373,22 €	2 166,02 €	2 045,18 €	1 622,52 €
Share Capital and Supplementary Payments	229 640,50 €	5 373,22 €	2 166,02 €	2 045,18 €	1 622,52 €
Short-Term Credit	- €	- €	- €	- €	- €
Payments	- €	15 936,00 €	- €	- €	- €
Borrowings	- €	- €	- €	- €	- €
Debt Amortization	- €	15 000,00 €	- €	- €	- €
Dividends and Interest	- €	- €	- €	- €	- €
Dividends	- €	- €	- €	- €	- €
Interest and Similar Expenses	- €	936,00 €	- €	- €	- €
Investment Cash Flow	- 229 445,00 €	- €	- €	- 615,00 €	- €
Receivables	- €	- €	- €	- €	- €
Non-Refundable Subsidy	- €	- €	- €	- €	- €
Payments	229 445,00 €	- €	- €	615,00 €	- €
Fixed Assets	229 445,00 €	- €	- €	615,00 €	- €
Year-Start Balance					
	- €	14 150,00 €	30 816,91 €	121 325,42 €	232 536,03 €
Year-End Balance					
	- 850,00 €	30 816,91 €	121 325,42 €	232 536,03 €	366 196,29 €
Total Balance					
	- 850,00 €	16 666,91 €	90 508,51 €	111 210,60 €	133 660,26 €

Treasury Budget					
Entry/Year	2029	2030	2031	2032	2033
Operational Cash Flow	136 923,70 €	161 120,06 €	189 153,62 €	220 312,87 €	254 984,37 €
Receivables	510 446,81 €	559 456,26 €	613 612,39 €	673 450,21 €	739 562,41 €
Current Year					
Accounts Receivable	457 293,43 €	497 820,25 €	542 249,29 €	590 981,96 €	644 462,98 €
Inventories	- €	- €	- €	- €	- €
Other Receivables	15 482,98 €	20 650,63 €	26 745,48 €	33 868,65 €	42 132,15 €
Previous Year					
Accounts Receivable	37 670,40 €	40 985,39 €	44 617,62 €	48 599,59 €	52 967,28 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Payments	373 523,11 €	398 336,21 €	424 458,77 €	453 137,34 €	484 578,04 €
Current Year					
Accounts Payable	65 579,72 €	66 621,25 €	67 687,23 €	68 778,80 €	69 897,22 €
Personnel Expenses	120 327,05 €	124 839,32 €	129 832,89 €	135 350,79 €	141 441,58 €
Income Taxes					
CIT					
PIT	11 557,31 €	11 990,71 €	12 470,34 €	13 000,33 €	13 585,35 €
VAT	68 373,05 €	75 016,58 €	82 511,56 €	90 638,56 €	99 472,99 €
SSR	40 161,67 €	41 667,73 €	43 334,44 €	45 176,15 €	47 209,08 €
Labor Compensation Fund	1 155,73 €	1 199,07 €	1 247,03 €	1 300,03 €	1 358,53 €
Other Expenses	4 054,11 €	4 413,40 €	4 807,28 €	5 239,31 €	5 713,44 €
Previous Year					
Accounts Payable	5 749,87 €	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €
Personnel Expenses	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
CIT	36 811,50 €	44 228,28 €	52 455,68 €	61 580,87 €	71 700,10 €
PIT	1 595,21 €	1 926,22 €	1 998,45 €	2 078,39 €	2 166,72 €
VAT	12 454,99 €	13 674,61 €	15 003,32 €	16 502,31 €	18 127,71 €
SSR	5 543,36 €	6 693,61 €	6 944,62 €	7 222,41 €	7 529,36 €
Labor Compensation Fund	159,52 €	192,62 €	199,85 €	207,84 €	216,67 €
Other Expenses	- €	- €	- €	- €	- €
Financing Cash Flow	458,07 €	2 379,79 €	2 021,80 €	2 240,42 €	2 980,14 €
Receivables	458,07 €	2 379,79 €	2 021,80 €	2 240,42 €	2 980,14 €
Share Capital and Supplementary Payments	458,07 €	2 379,79 €	2 021,80 €	2 240,42 €	2 980,14 €
Short-Term Credit	- €	- €	- €	- €	- €
Payments	- €	- €	- €	- €	- €
Borrowings	- €	- €	- €	- €	- €
Debt Amortization	- €	- €	- €	- €	- €
Dividends and Interest	- €	- €	- €	- €	- €
Dividends	- €	- €	- €	- €	- €
Interest and Similar Expenses	- €	- €	- €	- €	- €
Investment Cash Flow	- €	- 615,00 €	- €	- €	- 615,00 €
Receivables	- €	- €	- €	- €	- €
Non-Refundable Subsidy	- €	- €	- €	- €	- €
Payments	- €	615,00 €	- €	- €	615,00 €
Fixed Assets	- €	615,00 €	- €	- €	615,00 €
Year-Start Balance	366 196,29 €	503 578,05 €	666 462,90 €	857 638,32 €	1 080 191,60 €
Year-End Balance	503 578,05 €	666 462,90 €	857 638,32 €	1 080 191,60 €	1 337 541,11 €
Total Balance	137 381,77 €	162 884,85 €	191 175,42 €	222 553,28 €	257 349,51 €

Table 28: Working Capital Fund - Realistic Scenario. Source: The Author

Working Capital Fund					
Entry/Year	2024	2025	2026	2027	2028
Working Capital Needs	1 460,50 €	28 948,36 €	31 627,91 €	34 541,23 €	37 670,40 €
Accounts Receivable	- €	28 948,36 €	31 627,91 €	34 541,23 €	37 670,40 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	1 460,50 €	- €	- €	- €	- €
VAT	1 460,50 €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Working Capital Resources	- €	22 114,64 €	22 628,16 €	23 996,31 €	25 502,96 €
Accounts Payable	- €	6 353,08 €	5 533,12 €	5 645,57 €	5 749,87 €
Income Taxes	- €	15 761,56 €	17 095,04 €	18 350,74 €	19 753,09 €
PIT	- €	1 500,00 €	1 500,00 €	1 545,00 €	1 595,21 €
VAT	- €	8 899,06 €	10 232,54 €	11 282,36 €	12 454,99 €
SSR	- €	5 212,50 €	5 212,50 €	5 368,88 €	5 543,36 €
Labor Compensation Fund	- €	150,00 €	150,00 €	154,50 €	159,52 €
Other Payables	- €	- €	- €	- €	- €
Working Capital	1 460,50 €	6 833,72 €	8 999,75 €	10 544,93 €	12 167,44 €
Change in Working Capital	1 460,50 €	5 373,22 €	2 166,02 €	1 545,18 €	1 622,52 €

Working Capital Fund					
Entry/Year	2029	2030	2031	2032	2033
Working Capital Needs	40 985,39 €	44 617,62 €	48 599,59 €	52 967,28 €	57 760,54 €
Accounts Receivable	40 985,39 €	44 617,62 €	48 599,59 €	52 967,28 €	57 760,54 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
VAT	- €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Working Capital Resources	28 359,87 €	30 112,32 €	32 072,49 €	34 199,76 €	36 512,88 €
Accounts Payable	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €	6 259,45 €
Income Taxes	22 487,06 €	24 146,23 €	26 010,95 €	28 040,46 €	30 253,43 €
PIT	1 926,22 €	1 998,45 €	2 078,39 €	2 166,72 €	2 264,22 €
VAT	13 674,61 €	15 003,32 €	16 502,31 €	18 127,71 €	19 894,60 €
SSR	6 693,61 €	6 944,62 €	7 222,41 €	7 529,36 €	7 868,18 €
Labor Compensation Fund	192,62 €	199,85 €	207,84 €	216,67 €	226,42 €
Other Payables	- €	- €	- €	- €	- €
Working Capital	12 625,51 €	14 505,31 €	16 527,10 €	18 767,52 €	21 247,66 €
Change in Working Capital	458,07 €	1 879,79 €	2 021,80 €	2 240,42 €	2 480,14 €

Table 29: Statement of Changes in Equity - Realistic Scenario. Source: The Author

Statement of Changes in Equity					
Entry/Year	2024	2025	2026	2027	2028
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Contributions	1 460,50 €	6 833,72 €	8 999,75 €	11 044,93 €	12 667,44 €
Net Income	- 850,00 €	25 962,72 €	79 652,30 €	100 214,53 €	122 777,86 €
Retained Earnings		- 850,00 €	25 112,72 €	104 765,02 €	204 979,55 €
Dividends	- €	- €	- €	- €	- €
Legal Reserves	- €	- €	- €	- €	- €
Other Changes in Equity	- €	- €	- €	- €	- €
Total Shareholders' Equity	228 790,50 €	260 126,44 €	341 944,77 €	444 204,47 €	568 604,85 €
Changes in Equity	228 790,50 €	31 335,94 €	81 818,33 €	102 259,70 €	124 400,38 €

Statement of Changes in Equity					
Entry/Year	2029	2030	2031	2032	2033
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Contributions	13 125,51 €	15 505,31 €	17 527,10 €	19 767,52 €	22 747,66 €
Net Income	126 795,18 €	152 341,86 €	180 680,69 €	212 111,89 €	246 967,00 €
Retained Earnings	327 757,41 €	454 552,59 €	606 894,45 €	787 575,14 €	999 687,03 €
Dividends	- €	- €	- €	- €	- €
Legal Reserves	- €	- €	- €	- €	- €
Other Changes in Equity	- €	- €	- €	- €	- €
Total Shareholders' Equity	695 858,10 €	850 579,75 €	1 033 282,24 €	1 247 634,55 €	1 497 581,69 €
Changes in Equity	127 253,25 €	154 721,65 €	182 702,49 €	214 352,31 €	249 947,14 €

13.6 Project Evaluation

To assess the financial feasibility of the club project, an extensive examination of multiple factors affecting the company's financial accounts over the analysis period was conducted. This involved a detailed financial review of the company, calculating various financial and economic ratios, which are presented in Tables 30 and 31.

These ratios are crucial quantitative measures that provide deep insights into the company's financial stability and operational efficiency. They facilitate a comprehensive review of the company's financial statements, highlighting areas of strength, potential weaknesses, and opportunities for improvement. It is essential for understanding the overall financial health of the company.

For potential investors, these metrics are also indispensable tools. They not only offer a clear picture of the company's current financial status but also assist in the strategic allocation and optimization of resources. This level of financial scrutiny ensures that decisions are made based on solid data, aligning with the club's strategic objectives and long-term vision.

Moreover, this evaluation includes considerations of market conditions, competitive positioning, and economic trends that may impact the club's financial outlook. Such a holistic approach ensures that all aspects influencing the club's financial performance are accounted for, thereby providing a robust foundation for decision-making and future planning.

Table 30: Financial Ratios - Realistic Scenario. Source: The Author

Financial Ratios					
Entry/Year	2024	2025	2026	2027	2028
ROI - Return on Investment		10%	22%	21%	21%
ROE - Return on Equity		10%	23%	23%	22%
ROA- Return on Assets		9%	22%	21%	21%
Operational Margin		28%	37%	41%	46%
Net Profit Margin		18%	25%	29%	33%
Financial Autonomy	94%	92%	94%	95%	96%
Solvency	1625%	1276%	1611%	1951%	2330%
Asset Turnover	0%	51%	86%	73%	63%
Current Liquidity	52%	269%	675%	1112%	1582%
Indebtedness	6%	8%	6%	5%	4%

Financial Ratios					
Entry/Year	2029	2030	2031	2032	2033
ROI - Return on Investment	18%	17%	17%	17%	16%
ROE - Return on Equity	18%	18%	17%	17%	16%
ROA- Return on Assets	18%	17%	17%	17%	16%
Operational Margin	43%	47%	51%	54%	58%
Net Profit Margin	31%	35%	38%	40%	43%
Financial Autonomy	96%	97%	97%	97%	98%
Solvency	2554%	2925%	3322%	3748%	4202%
Asset Turnover	56%	50%	45%	41%	37%
Current Liquidity	1919%	2360%	2824%	3312%	3820%
Indebtedness	4%	3%	3%	3%	2%

The financial ratios from 2024 to 2033 provide a comprehensive view of the company's financial health and performance over the decade. In 2025, the club will only be open for six months, which explains some of the initial figures.

Throughout the analysis period, key performance indicators such as Return on Investment (ROI), Return on Equity (ROE), and Return on Assets (ROA) were strong, stabilizing at high levels in the later years. The ROI levels indicate that while initial investments were highly effective, there may be a need for ongoing evaluation to sustain high returns in the latter years. Considering ROE, the robust numbers in the initial years reflect strong profitability relative to shareholders' equity, though the minor decline indicates potential areas for improving equity utilization in the later period. The ROA levels indicate effective asset utilization, while the subsequent decline suggests a need for enhanced asset management strategies.

Operational and net profit margins consistently improve, indicating enhanced profitability and better cost management. The increasing margins reflect the club's ability to grow its revenues faster than its expenses, which is a positive sign for its long-term sustainability and success.

The club's financial autonomy remains strong, showing high levels of independence from external financing. This is further supported by the exceptionally high solvency ratios, which indicate a robust capacity to meet long-term obligations and reduce financial risk.

The Asset Turnover ratios for the club shows an initial increase, peaking at 86% in 2026, indicating high efficiency. However, the constant subsequent decline to 37% suggests decreasing efficiency in using assets to generate revenue, signaling a need for better asset management or strategic changes.

Current liquidity improves dramatically, highlighting the club's growing ability to cover short-term liabilities. This is an important factor for day-to-day operations, ensuring that the club can meet its immediate financial commitments.

Indebtedness decreases steadily, reflecting a reduced reliance on debt financing. This trend suggests a healthier balance sheet and lower financial risk, making the club more attractive to investors and stakeholders.

In summary, the financial ratios reveal a positive trend for the club, showcasing strong profitability, excellent solvency, and improving liquidity. These factors collectively indicate that the club is well-positioned to sustain growth and navigate economic challenges effectively.

Table 31: Break-Even and Safety Margin - Realistic Scenario. Source: The Author

Break- Even and Safety Margin					
Entry/Year	2024	2025	2026	2027	2028
Fixed Costs	850,00 €	98 180,59 €	188 600,14 €	193 318,71 €	198 883,97 €
Variable Costs		4 618,88 €	9 368,35 €	9 585,90 €	9 803,53 €
Annual Sales		143 172,79 €	312 850,59 €	341 668,04 €	372 620,49 €
Break- Even Sales Point		101 453,57 €	194 422,13 €	198 899,06 €	204 257,93 €
Safety Margin		41 719,22 €	118 428,46 €	142 768,97 €	168 362,56 €

Break- Even and Safety Margin					
Entry/Year	2029	2030	2031	2032	2033
Fixed Costs	230 454,08 €	237 945,53 €	246 165,76 €	255 179,05 €	265 057,93 €
Variable Costs	10 568,58 €	10 814,33 €	11 077,10 €	11 358,28 €	11 659,47 €
Annual Sales	405 410,99 €	441 339,61 €	480 727,69 €	523 931,09 €	571 344,06 €
Break- Even Sales Point	236 622,54 €	243 922,47 €	251 971,78 €	260 833,65 €	270 579,68 €
Safety Margin	168 788,45 €	197 417,15 €	228 755,91 €	263 097,44 €	300 764,39 €

Building on these positive financial indicators, it is important to consider the club's break-even sales point, which steadily increases from €101.454 in 2025 to €270.580 in 2033.

The break-even point represents the minimum sales required to cover all fixed and variable costs, so this rise indicates growing operational expenses that necessitate higher sales to prevent losses.

Meanwhile, the safety margin, which measures the difference between actual sales and the break-even point, also increases from €41.719 in 2025 to €300.764 in 2033. A higher safety margin means that the club's actual sales are well above the break-even point. This suggests that the club's revenues are growing faster than its costs, highlighting an improvement in financial stability and a lower risk of incurring losses.

Table 32: Financial Indicators – All Scenarios. Source: The Author

Entry/Year	NPV	IRR	Payback Period	Residual Value	Perpetuity
Pessimistic	143 834,39 €	15%	8,8	140 044,49 €	2 829 411,55 €
Realistic	740 094,85 €	41%	4,4	150 371,99 €	6 614 869,60 €
Optimistic	1 663 471,78 €	73%	3,0	166 411,71 €	12 490 597,01 €

To assess the investment opportunity for the club, several key financial indicators are analyzed: Net Present Value (NPV), Internal Rate of Return (IRR), payback period, residual value, and perpetuity value. NPV measures the difference between the present value of cash inflows and outflows, reflecting the overall profitability of the investment. IRR indicates the discount rate at which the NPV of cash flows equals zero, representing the investment's rate of return. The payback period shows how long it takes to recover the initial investment. Residual value estimates the remaining worth of the project at the end of its useful life. Finally, perpetuity value calculates the project's worth if it were to continue indefinitely with consistent cash flows, highlighting its long-term value.

In the pessimistic scenario, the NPV is €143.834, indicating a modest positive return. This suggests that while the investment will generate some profit, it is relatively small. The IRR is 15%, reflecting moderate profitability, which is lower compared to more optimistic projections. The payback period extends to 8.8 years, meaning the club will need a long time to recoup the initial investment, which might be a deterrent for those seeking quicker returns. At the project's end, the residual value is estimated at €140.044, representing a remaining worth that is modest but still valuable. Despite the lower immediate returns, the perpetuity value of €2.829.412 underscores the project's significant long-term potential.

In the realistic scenario, the NPV rises to €740.095, demonstrating a much better return compared to the pessimistic outlook. This higher NPV reflects a more attractive investment opportunity. The IRR increases to 41%, indicating a strong rate of return that suggests the investment is profitable. The payback period improves to 4.4 years, showing a more reasonable time frame for recovering the initial investment. The residual value rises slightly to €150.372, indicating better value retention at the project's conclusion. The perpetuity value also increases

substantially to €6.614.870, highlighting a significant enhancement in long-term worth and strong ongoing returns.

In the optimistic scenario, the NPV reaches €1.663.472, reflecting an exceptionally high return on investment and significant profitability. The IRR is notably high at 73%, suggesting outstanding profitability and an excellent rate of return. The payback period is notably short at 3.0 years, indicating a very rapid recovery of the initial investment and robust cash flows. The residual value is the highest among the scenarios at €166.412, showing considerable remaining worth at the end of the project. The perpetuity value soars to €12.490.597, demonstrating extraordinary long-term value and substantial perpetual returns.

Overall, the pessimistic scenario offers a conservative outlook with modest returns, a lengthy payback period, and lower long-term value, making it suitable for those with high risk aversion. The realistic scenario strikes a balance with solid profitability, a reasonable payback period, and good long-term value, presenting a practical investment choice. The optimistic scenario shows the highest potential with very strong profitability, a quick payback period, and exceptional long-term value, ideal for investors willing to accept higher risk for greater rewards.

Conclusion

This thesis has meticulously developed a business plan for establishing a pickleball and tennis club in Mafra, highlighting the unique potential and challenges associated with this project. The proposed club seeks to provide both pickleball and tennis facilities, attracting a diverse group of sports enthusiasts and offering a valuable recreational space for the community.

The analysis covers a thorough examination of external market conditions, as well as the competitive environment. Additionally, it includes a detailed strategy analysis, evaluating the club's internal resources and capabilities, and assessing strengths and weaknesses that could impact its operational success. This strategy analysis identifies key competitive advantages and operational approaches that could enhance the club's market position. The business plan is further supported by comprehensive financial projections that evaluate the project's feasibility across three different scenarios: pessimistic, realistic, and optimistic.

In the pessimistic scenario, the business faces a challenging start with a Net Present Value (NPV) of €143.834, an Internal Rate of Return (IRR) of 15%, and a payback period of 8.8 years. Despite these initial challenges, the business demonstrates steady improvements in profitability, liquidity, and solvency over time. The increasing safety margin suggests that, with careful management and a focus on operational efficiency, the club can achieve stability and financial security.

The realistic scenario presents a more optimistic outlook, with an NPV of €740.095, an IRR of 41%, and a payback period of 4.4 years. These indicators suggest strong profitability and liquidity, indicating that the club is well-positioned to become a viable and profitable enterprise. The growing safety margin further supports the potential for sustainable growth and efficient resource management.

In the optimistic scenario, the business shows exceptional potential, with an NPV of €1.663.472, an IRR of 73%, and a short payback period of 3.0 years. These impressive financial metrics indicate a robust cash position and substantial safety margin, suggesting that the club can not only sustain itself but also expand significantly. This scenario supports a more aggressive growth strategy and the exploration of new market opportunities.

In conclusion, the proposed pickleball and tennis club presents a strong business opportunity, especially under realistic and optimistic projections. The growing interest in recreational sports and the demand for community-focused spaces position this venture for

success. I am confident this is a viable business and am eager to move forward with it. With well-executed strategies and sound financial planning, the club can effectively tap into the local market's potential, setting a precedent for future sports ventures in Portugal.

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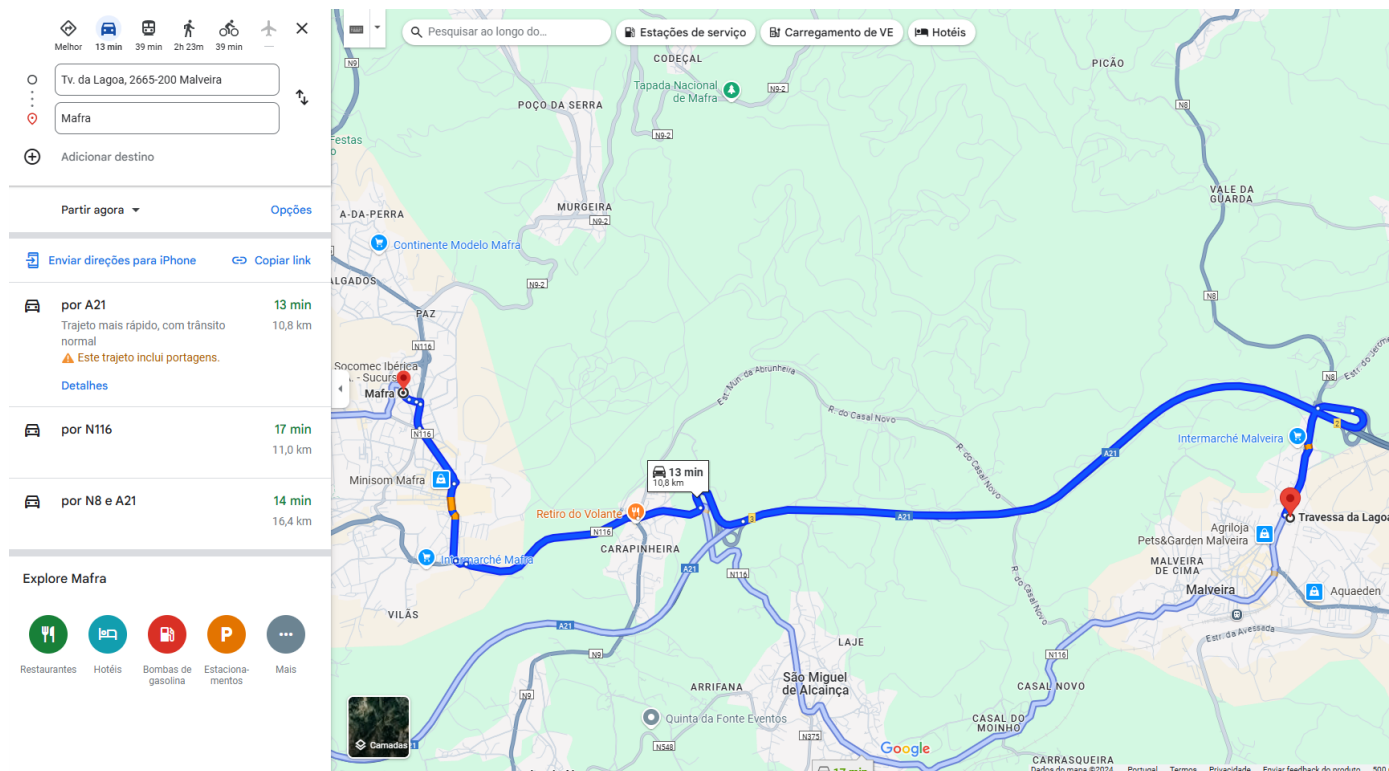
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Appendices

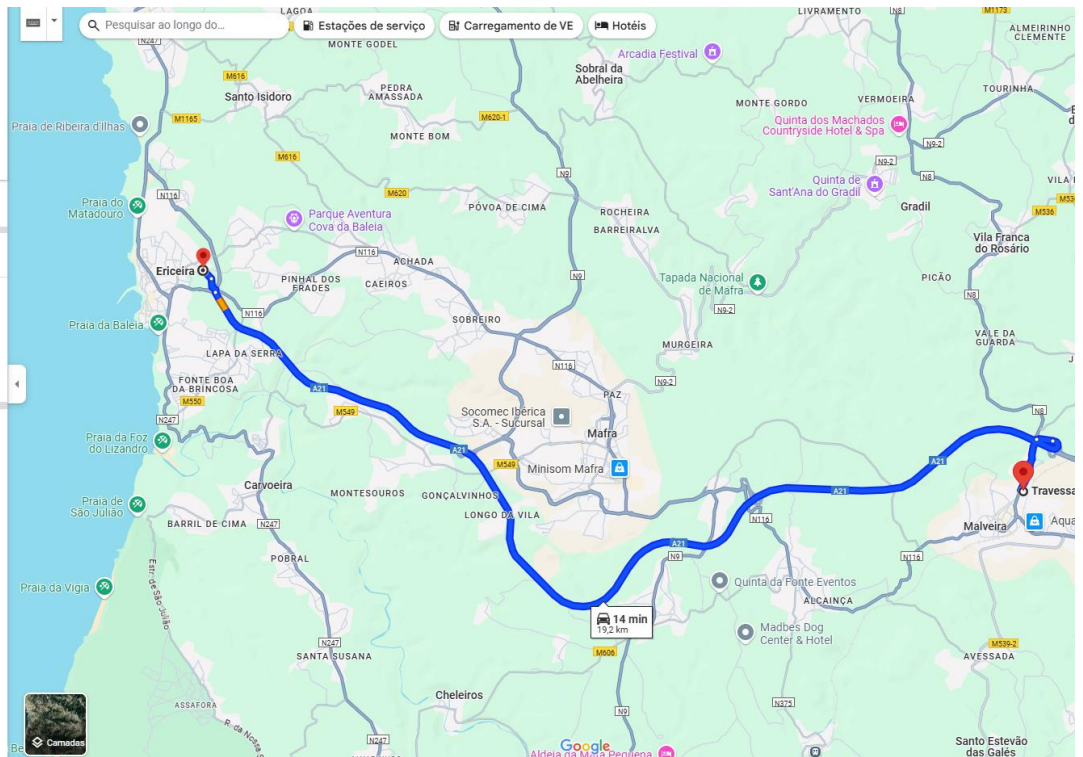
Appendix A – Distances from the club to Mafra, Ericeira and Lisbon. Source: Google Maps

Distance to Mafra:



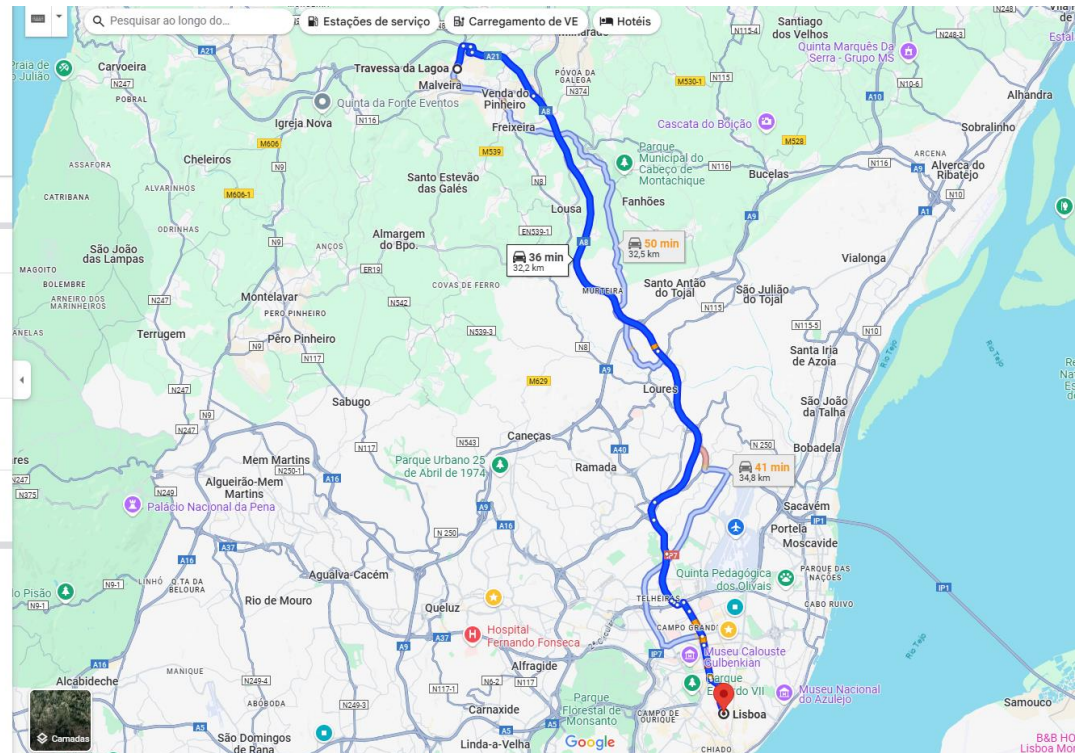
Distance to Ericeira:

Melhor 14 min 58 min 4h 15m 1h 4m
 Tv. da Lagoa, 2665-200 Malveira
 Ericeira
 Adicionar destino
 Partir agora Opções
 Enviar direções para iPhone Copiar link
 por A21 14 min
 Trajeto mais rápido, com trânsito normal
 Este trajeto inclui portagens.
 Detalhes
 Explore Ericeira
 Restaurantes Hotéis Bombas de gasolina Estacionamentos Mais



Distance to Lisbon:

Melhor 36 min 1h 16m 7h 2h 16m
 Tv. da Lagoa, 2665-200 Malveira
 Lisboa
 Adicionar destino
 Partir agora Opções
 Enviar direções para iPhone Copiar link
 por A8 36 min
 Trajeto mais rápido, com trânsito fluído mais que o normal
 Este trajeto inclui portagens.
 Detalhes
 por R374 50 min
 Pouco trânsito, como de costume
 por A8 e IP7 41 min
 Pouco trânsito, como de costume
 Explore Lisboa
 Restaurantes Hotéis Bombas de gasolina Estacionamentos Mais



Appendix B - Porter 5 Forces Analysis. Source: The Author

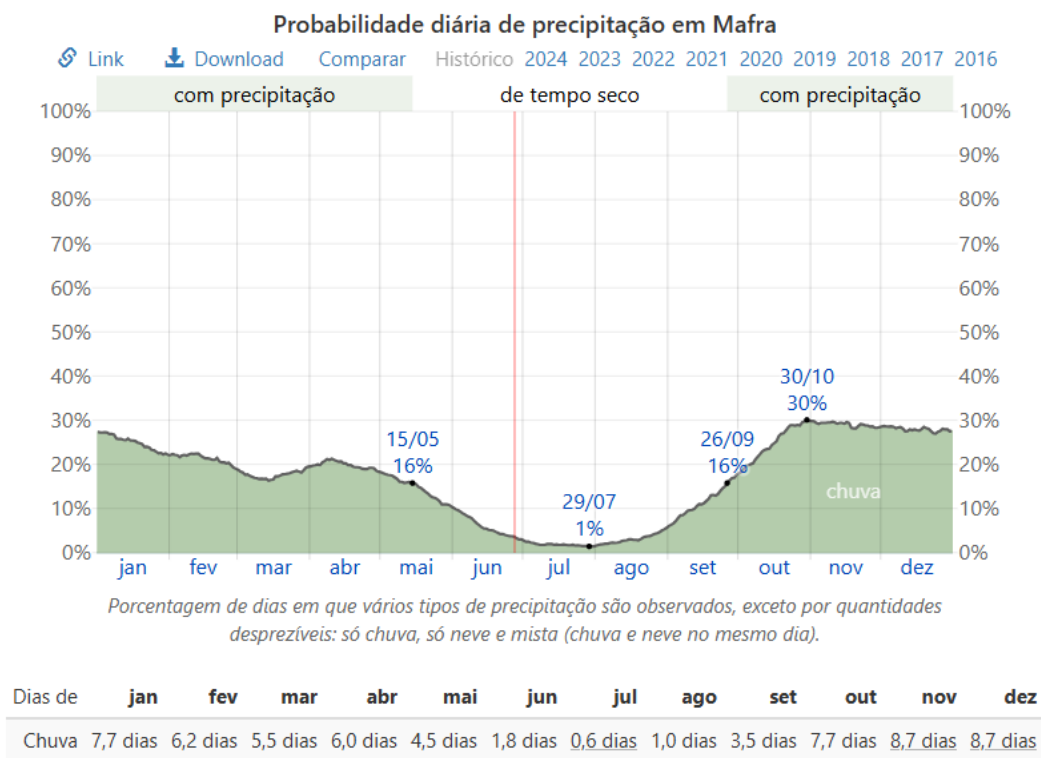
Porter analysis							
Entry	L	1	2	3	4	5	H
Competitive rivalry							
Nr. Competing companies	-		X				+
Market concentration level	-		X				+
Market growth	-					X	+
Fixed costs	-			X			+
Product differentiation level	-				X		+
Switching costs for costumers	-			X			+
Exit barriers	-			X			+
Major strategic interests in the industry	-			X			+
Force Global Value	3.125						
Threat of new entrants							
Product differentiation	-				X		+
Brand identification	-				X		+
Costs disadvantages	-			X			+
Capital needs	-		X				+
Switching costs for costumers	-			X			+
Difficulty in accessing the necessary technology	-			X			+
Experience effects	-			X			+
Likelihood of retaliation from existing companies	-			X			+
Force Global Value	3.125						
Suppliers Power							
Nr. of industry suppliers	-		X				+
Level and dimension of the suppliers, regarding industry	-		X				+
Industry as an important client for the suppliers	-		X				+
Average volume of purchases from suppliers	-			X			+
Suppliers change cost	-			X			+
Supplier profitability	-			X			+
Purchased products cost weight on total costs	-				X		+
Purchased products quality importance	-				X		+
Purchased products differentiation degree	-			X			+

Substitute products availability	-		X				+
Suppliers' information availability	-			X			+
Force Global Value	2.82						
Clients power							
Nr. of industry clients	-			X			+
Average volume of purchases by customers	-			X			+
Changing suppliers' costs for customers	-		X				+
Customer profitability	-			X			+
Industry customers product quality importance	-			X			+
Product differentiation degree provided by the industry	-			X			+
Substitute products for customers availability	-		X				+
Customers industry information availability	-			X			+
Force Global Value	2.75						
Threat of substitute products							
Substitutes availability	-				X		+
Costs for customers to change for a substitute product	-			X			+
Substitute products suppliers' profitability	-			X			+
Substitute products suppliers' aggressiveness	-			X			+
Price-Performance relation of substitute products	-				X		+
Force Global Value	3.4						

Appendix C: Implementation Chronogram starting in October 2024. Source: The Author

Phase	Time Allocation	Month
Business Plan Analysis	1 month	Month 1
Legal Procedures	1-2 months	Months 1-2
Land Preparation	1-2 months	Months 2-3
Materials and Equipment Acquisition	1-2 months	Months 2-3
Employee Recruitment Process	1-2 months	Months 4-5
Infrastructures Installation and Construction	4-5 months	Months 4-8
Employee Training and Development	1-2 months	Months 6-7
Technology Integration	1-2 months	Months 7-8
Quality Assurance and Testing	1 month	Month 8
Club Preparation and Decoration	1 month	Month 9
Club Marketing and Promotion	3-4 months	Months 6-9
Opening of the Club	1 week	End of Month 9

Appendix D: Daily probability of precipitation in the municipality of Mafra. Source: WeatherSpark



Appendix E: Calculation of monthly electricity expenses. Source: The Author

Electricity				
Category	Nº of Projectors	Power p/projector	Total Power (W)	Total Power (kW)
Tennis Courts	16	500	8,00	8 000,00
Pickleball Courts	4	500	2,00	2 000,00
Other areas	N/A	N/A	6,00	0,00
Daily Operating Hours	Daily Consumption (kWh)	Monthly Consumption (kWh)	Electricity Rate (€/kWh)	Monthly Cost (€)
7	56,00	1 680,00	0,19700	330,96 €
7	14,00	420,00	0,19700	82,74 €
14	84,00	2 520,00	0,19700	496,44 €

*According to EDP September 2024 910,14 €

Appendix F: Calculation of monthly water expenses. Source: The Author

Water				
Category	Daily Water Consumption (liters)	Monthly Water Consumption (liters)	Water Rate (€/m³)	Monthly Cost (€)
Tennis Courts	0	0	2,0786	- €
Pickleball Courts	0	0	2,0786	- €
Other areas	3 500	105 000	2,0786	218,25 €

*According to SMAS Mafra 2024 218,25 €

Appendix G: Income Statement – Alternative Scenarios. Source: The Author

Pessimistic Scenario:

Income Statement					
Entry/Year	2024	2025	2026	2027	2028
Sales Revenue	- €	101 598,73 €	222 084,82 €	242 632,58 €	264 717,51 €
Operating Subsidies	- €	6,00 €	12,00 €	12,00 €	12,00 €
Cost of Sales	- €	- €	- €	- €	- €
Gross Margin	- €	101 604,73 €	222 096,82 €	242 644,58 €	264 729,51 €
Operating Expenses	- 850,00 €	- 31 470,34 €	- 54 869,23 €	- 55 966,62 €	- 56 974,02 €
Personnel Expenses	- €	- 71 329,13 €	- 143 099,25 €	- 146 938,00 €	- 151 713,48 €
Impairment of Inventory (Losses/Reversals)	- €	- €	- €	- €	- €
Impairment of Receivables (Losses/Reversals)	- €	- 205,42 €	- 224,52 €	- 245,29 €	- 267,62 €
Other Income	- €	1 015,99 €	2 220,85 €	2 426,33 €	3 011,26 €
Other Expenses	- €	- 1 015,99 €	- 2 220,85 €	- 2 426,33 €	- 2 647,18 €
EBITDA	- 850,00 €	- 1 400,16 €	23 903,81 €	39 494,67 €	56 138,48 €
Depreciations and Amortizations	- €	- 5 900,33 €	- 11 800,67 €	- 11 967,33 €	- 11 884,00 €
EBIT	- 850,00 €	- 7 300,49 €	12 103,15 €	27 527,34 €	44 254,48 €
Interest and Similar Expenses	- €	- 936,00 €	- 936,00 €	- €	- €
EBT	- 850,00 €	- 8 236,49 €	11 167,15 €	27 527,34 €	44 254,48 €
Income Tax	- €	- €	- 753,78 €	- 5 908,02 €	- 9 957,26 €
Corporate Income Tax (CIT)	- €	- €	- 703,53 €	- 5 514,15 €	- 9 293,44 €
Municipal Surcharge	- €	- €	- 50,25 €	- 393,87 €	- 663,82 €
Net Income	- 850,00 €	- 8 236,49 €	10 413,36 €	21 619,32 €	34 297,22 €

Income Statement					
Entry/Year	2029	2030	2031	2032	2033
Sales Revenue	288 131,27 €	313 800,78 €	341 958,37 €	372 861,45 €	406 795,33 €
Operating Subsidies	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €
Cost of Sales	- €	- €	- €	- €	- €
Gross Margin	288 143,27 €	313 812,78 €	341 970,37 €	372 873,45 €	406 807,33 €
Operating Expenses	- 57 828,63 €	- 58 696,06 €	- 59 576,50 €	- 60 470,15 €	- 61 377,20 €
Personnel Expenses	- 183 194,03 €	- 190 063,81 €	- 197 666,36 €	- 206 067,18 €	- 215 340,20 €
Impairment of Inventory (Losses/Reversals)	- €	- €	- €	- €	- €
Impairment of Receivables (Losses/Reversals)	- 291,29 €	- 317,24 €	- 345,71 €	- 376,95 €	- 411,25 €
Other Income	4 826,37 €	6 460,75 €	8 636,96 €	11 423,19 €	14 890,31 €
Other Expenses	- 2 881,31 €	- 3 138,01 €	- 3 419,58 €	- 3 728,61 €	- 4 067,95 €
EBITDA	48 774,39 €	68 058,42 €	89 599,17 €	113 653,75 €	140 501,03 €
Depreciations and Amortizations	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €
EBIT	36 973,72 €	56 257,75 €	77 798,51 €	101 853,08 €	128 700,36 €
Interest and Similar Expenses	- €	- €	- €	- €	- €
EBT	36 973,72 €	56 257,75 €	77 798,51 €	101 853,08 €	128 700,36 €
Income Tax	- 8 319,09 €	- 12 657,99 €	- 17 504,66 €	- 22 916,94 €	- 28 957,58 €
Corporate Income Tax (CIT)	- 7 764,48 €	- 11 814,13 €	- 16 337,69 €	- 21 389,15 €	- 27 027,08 €
Municipal Surcharge	- 554,61 €	- 843,87 €	- 1 166,98 €	- 1 527,80 €	- 1 930,51 €
Net Income	28 654,64 €	43 599,76 €	60 293,84 €	78 936,14 €	99 742,78 €

Optimistic Scenario:

Income Statement					
Entry/Year	2024	2025	2026	2027	2028
Sales Revenue	- €	207 114,20 €	452 616,14 €	494 351,30 €	539 176,72 €
Operating Subsidies	- €	6,00 €	12,00 €	12,00 €	12,00 €
Cost of Sales	- €	- €	- €	- €	- €
Gross Margin	- €	207 120,20 €	452 628,14 €	494 363,30 €	539 188,72 €
Operating Expenses	- 850,00 €	- 31 470,34 €	- 54 869,23 €	- 55 966,62 €	- 56 974,02 €
Personnel Expenses	- €	- 71 329,13 €	- 143 099,25 €	- 146 938,00 €	- 151 713,48 €
Impairment of Inventory (Losses/Reversals)	- €	- €	- €	- €	- €
Impairment of Receivables (Losses/Reversals)	- €	- 418,77 €	- 457,58 €	- 499,77 €	- 545,09 €
Other Income	- €	2 071,14 €	5 940,18 €	13 351,42 €	21 980,70 €
Other Expenses	- €	- 2 071,14 €	- 4 526,16 €	- 4 943,51 €	- 5 391,77 €
EBITDA	- 850,00 €	103 901,97 €	255 616,10 €	299 366,82 €	346 545,07 €
Depreciations and Amortizations	- €	- 5 900,33 €	- 11 800,67 €	- 11 967,33 €	- 11 884,00 €
EBIT	- 850,00 €	98 001,63 €	243 815,44 €	287 399,49 €	334 661,07 €
Interest and Similar Expenses	- €	- 936,00 €	- €	- €	- €
EBT	- 850,00 €	97 065,63 €	243 815,44 €	287 399,49 €	334 661,07 €
Income Tax	- €	- 21 648,52 €	- 54 858,47 €	- 64 664,88 €	- 75 298,74 €
Corporate Income Tax (CIT)	- €	- 20 205,28 €	- 51 201,24 €	- 60 353,89 €	- 70 278,82 €
Municipal Surcharge	- €	- 1 443,23 €	- 3 657,23 €	- 4 310,99 €	- 5 019,92 €
Net Income	- 850,00 €	75 417,12 €	188 956,96 €	222 734,60 €	259 362,33 €

Income Statement					
Entry/Year	2029	2030	2031	2032	2033
Sales Revenue	586 662,01 €	638 687,76 €	695 718,29 €	758 267,82 €	826 905,96 €
Operating Subsidies	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €
Cost of Sales	- €	- €	- €	- €	- €
Gross Margin	586 674,01 €	638 699,76 €	695 730,29 €	758 279,82 €	826 917,96 €
Operating Expenses	- 57 828,63 €	- 58 696,06 €	- 59 576,50 €	- 60 470,15 €	- 61 377,20 €
Personnel Expenses	- 183 194,03 €	- 190 063,81 €	- 197 666,36 €	- 206 067,18 €	- 215 340,20 €
Impairment of Inventory (Losses/Reversals)	- €	- €	- €	- €	- €
Impairment of Receivables (Losses/Reversals)	- 593,09 €	- 645,69 €	- 703,34 €	- 766,58 €	- 835,97 €
Other Income	31 914,61 €	42 552,08 €	54 712,45 €	68 556,05 €	84 260,10 €
Other Expenses	- 5 866,62 €	- 6 386,88 €	- 6 957,18 €	- 7 582,68 €	- 8 269,06 €
EBITDA	371 106,25 €	425 459,41 €	485 539,36 €	551 949,29 €	625 355,63 €
Depreciations and Amortizations	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €	- 11 800,67 €
EBIT	359 305,59 €	413 658,74 €	473 738,69 €	540 148,63 €	613 554,97 €
Interest and Similar Expenses	- €	- €	- €	- €	- €
EBT	359 305,59 €	413 658,74 €	473 738,69 €	540 148,63 €	613 554,97 €
Income Tax	- 80 843,76 €	- 93 073,22 €	- 106 591,21 €	- 121 533,44 €	- 138 049,87 €
Corporate Income Tax (CIT)	- 75 454,17 €	- 86 868,34 €	- 99 485,13 €	- 113 431,21 €	- 128 846,54 €
Municipal Surcharge	- 5 389,58 €	- 6 204,88 €	- 7 106,08 €	- 8 102,23 €	- 9 203,32 €
Net Income	278 461,83 €	320 585,52 €	367 147,49 €	418 615,19 €	475 505,10 €

Appendix H: Balance Sheet – Alternative Scenarios. Source: The Author

Pessimistic Scenario:

Balance Sheet					
Entry/Year	2024	2025	2026	2027	2028
Assets					
Non-Current Assets	228 180,00 €	222 765,29 €	211 935,88 €	201 468,93 €	190 617,83 €
Tangible Fixed Assets	227 680,00 €	221 863,00 €	210 229,00 €	198 595,00 €	186 961,00 €
Investment Properties	- €	- €	- €	- €	- €
Goodwill	- €	- €	- €	- €	- €
Intangible Assets	500,00 €	416,67 €	250,00 €	416,67 €	166,67 €
Financial Investments	- €	- €	- €	- €	- €
Other Financial Investments	- €	485,63 €	1 456,88 €	2 457,26 €	3 490,16 €
Current Assets	15 610,50 €	31 870,64 €	40 022,86 €	74 686,42 €	122 067,43 €
Inventory	- €	- €	- €	- €	- €
Accounts Receivable	- €	20 337,00 €	22 227,34 €	24 283,86 €	26 494,23 €
Income Taxes	1 460,50 €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Cash and Bank Deposits	14 150,00 €	11 533,64 €	17 795,52 €	50 402,55 €	95 573,20 €
Total Assets	243 790,50 €	254 635,94 €	251 958,73 €	276 155,35 €	312 685,26 €
Equity					
Total Equity	228 790,50 €	220 708,64 €	232 809,93 €	255 955,40 €	291 318,59 €
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Installments	1 460,50 €	1 615,13 €	3 303,05 €	4 829,21 €	5 895,17 €
Retained Earnings	- €	- 850,00 €	- 9 086,49 €	1 326,87 €	22 946,19 €
Legal Reserves	- €	- €	- €	- €	- €
Net Income	- 850,00 €	- 8 236,49 €	10 413,36 €	21 619,32 €	34 297,22 €
Liabilities					
Non-Current Liabilities	- 15 000,00 €	- 15 000,00 €	- €	- €	- €
Provisions	- €	- €	- €	- €	- €
Medium and Long Term Loan	- 15 000,00 €	- 15 000,00 €	- €	- €	- €
Current Liabilities	30 000,00 €	48 927,29 €	19 148,81 €	20 199,95 €	21 366,68 €
Accounts Payable	- €	6 353,08 €	5 533,12 €	5 645,57 €	5 749,87 €
Income Taxes	- €	12 574,21 €	13 615,69 €	14 554,38 €	15 616,81 €
Short Term Loan	30 000,00 €	30 000,00 €	- €	- €	- €
Other Payables	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Other Financial Liabilities	- €	- €	- €	- €	- €
Total Liabilities	15 000,00 €	33 927,29 €	19 148,81 €	20 199,95 €	21 366,68 €
Total Equity and Liabilities	243 790,50 €	254 635,94 €	251 958,73 €	276 155,35 €	312 685,26 €

Balance Sheet					
Entry/Year	2029	2030	2031	2032	2033
Assets					
Non-Current Assets	180 064,39 €	170 057,72 €	159 602,81 €	149 205,10 €	139 370,52 €
Tangible Fixed Assets	175 327,00 €	163 693,00 €	152 059,00 €	140 425,00 €	128 791,00 €
Investment Properties	- €	- €	- €	- €	- €
Goodwill	- €	- €	- €	- €	- €
Intangible Assets	- €	333,33 €	166,67 €	- €	333,33 €
Financial Investments	- €	- €	- €	- €	- €
Other Financial Investments	4 737,39 €	6 031,39 €	7 377,15 €	8 780,10 €	10 246,18 €
Current Assets	163 772,98 €	220 474,49 €	294 069,86 €	386 527,89 €	500 035,82 €
Inventory	- €	- €	- €	- €	- €
Accounts Receivable	28 837,60 €	31 406,73 €	34 224,88 €	37 317,81 €	40 714,08 €
Income Taxes	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Cash and Bank Deposits	134 935,38 €	189 067,76 €	259 844,98 €	349 210,07 €	459 321,74 €
Total Assets	343 837,37 €	390 532,21 €	453 672,67 €	535 732,99 €	639 406,34 €
Equity					
Total Equity	319 973,22 €	365 308,88 €	426 919,67 €	507 324,23 €	609 201,16 €
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Installments	5 895,17 €	7 631,08 €	8 948,02 €	10 416,44 €	12 550,60 €
Retained Earnings	57 243,41 €	85 898,05 €	129 497,80 €	189 791,65 €	268 727,79 €
Legal Reserves	- €	- €	- €	- €	- €
Net Income	28 654,64 €	43 599,76 €	60 293,84 €	78 936,14 €	99 742,78 €
Liabilities					
Non-Current Liabilities	- €	- €	- €	- €	- €
Provisions	- €	- €	- €	- €	- €
Medium and Long Term Loan	- €	- €	- €	- €	- €
Current Liabilities	23 864,15 €	25 223,33 €	26 753,00 €	28 408,76 €	30 205,18 €
Accounts Payable	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €	6 259,45 €
Income Taxes	17 991,34 €	19 257,25 €	20 691,46 €	22 249,46 €	23 945,72 €
Short Term Loan	- €	- €	- €	- €	- €
Other Payables	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Other Financial Liabilities	- €	- €	- €	- €	- €
Total Liabilities	23 864,15 €	25 223,33 €	26 753,00 €	28 408,76 €	30 205,18 €
Total Equity and Liabilities	343 837,37 €	390 532,21 €	453 672,67 €	535 732,99 €	639 406,34 €

Optimistic Scenario:

Balance Sheet					
Entry/Year	2024	2025	2026	2027	2028
Assets					
Non-Current Assets	228 180,00 €	222 765,29 €	211 935,88 €	201 468,93 €	190 617,83 €
Tangible Fixed Assets	227 680,00 €	221 863,00 €	210 229,00 €	198 595,00 €	186 961,00 €
Investment Properties	- €	- €	- €	- €	- €
Goodwill	- €	- €	- €	- €	- €
Intangible Assets	500,00 €	416,67 €	250,00 €	416,67 €	166,67 €
Financial Investments	- €	- €	- €	- €	- €
Other Financial Investments	- €	485,63 €	1 456,88 €	2 457,26 €	3 490,16 €
Current Assets	15 610,50 €	121 858,61 €	325 525,84 €	563 446,64 €	838 191,73 €
Inventory	- €	- €	- €	- €	- €
Accounts Receivable	- €	41 458,02 €	45 300,06 €	49 477,12 €	53 963,47 €
Income Taxes	1 460,50 €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Cash and Bank Deposits	14 150,00 €	80 400,59 €	280 225,78 €	513 969,52 €	784 228,27 €
Total Assets	243 790,50 €	344 623,90 €	537 461,71 €	764 915,57 €	1 028 809,56 €
Equity					
Total Equity	228 790,50 €	317 607,09 €	509 475,87 €	735 066,40 €	996 921,95 €
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Installments	1 460,50 €	14 859,98 €	17 771,79 €	20 627,72 €	23 120,94 €
Retained Earnings	- €	- 850,00 €	74 567,12 €	263 524,08 €	486 258,68 €
Legal Reserves	- €	- €	- €	- €	- €
Net Income	- 850,00 €	75 417,12 €	188 956,96 €	222 734,60 €	259 362,33 €
Liabilities					
Non-Current Liabilities	- 15 000,00 €	- €	- €	- €	- €
Provisions	- €	- €	- €	- €	- €
Medium and Long Term Loan	- 15 000,00 €	- €	- €	- €	- €
Current Liabilities	30 000,00 €	27 016,81 €	27 985,84 €	29 849,17 €	31 887,61 €
Accounts Payable	- €	6 353,08 €	5 533,12 €	5 645,57 €	5 749,87 €
Income Taxes	- €	20 663,73 €	22 452,72 €	24 203,59 €	26 137,74 €
Short Term Loan	30 000,00 €	- €	- €	- €	- €
Other Payables	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Other Financial Liabilities	- €	- €	- €	- €	- €
Total Liabilities	15 000,00 €	27 016,81 €	27 985,84 €	29 849,17 €	31 887,61 €
Total Equity and Liabilities	243 790,50 €	344 623,90 €	537 461,71 €	764 915,57 €	1 028 809,56 €

Balance Sheet					
Entry/Year	2029	2030	2031	2032	2033
Assets					
Non-Current Assets	180 064,39 €	170 057,72 €	159 602,81 €	149 205,10 €	139 370,52 €
Tangible Fixed Assets	175 327,00 €	163 693,00 €	152 059,00 €	140 425,00 €	128 791,00 €
Investment Properties	- €	- €	- €	- €	- €
Goodwill	- €	- €	- €	- €	- €
Intangible Assets	- €	333,33 €	166,67 €	- €	333,33 €
Financial Investments	- €	- €	- €	- €	- €
Other Financial Investments	4 737,39 €	6 031,39 €	7 377,15 €	8 780,10 €	10 246,18 €
Current Assets	1 132 007,57 €	1 468 359,35 €	1 851 727,30 €	2 287 063,70 €	2 779 842,42 €
Inventory	- €	- €	- €	- €	- €
Accounts Receivable	58 716,03 €	63 923,02 €	69 630,92 €	75 891,18 €	82 760,83 €
Income Taxes	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Cash and Bank Deposits	1 073 291,54 €	1 404 436,33 €	1 782 096,38 €	2 211 172,52 €	2 697 081,59 €
Total Assets	1 312 071,96 €	1 638 417,07 €	2 011 330,11 €	2 436 268,80 €	2 919 212,93 €
Equity					
Total Equity	1 276 764,13 €	1 600 739,74 €	1 971 016,32 €	2 393 086,13 €	2 872 903,52 €
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Installments	24 501,29 €	27 891,38 €	31 020,46 €	34 475,09 €	38 787,38 €
Retained Earnings	745 621,01 €	1 024 082,84 €	1 344 668,36 €	1 711 815,85 €	2 130 431,04 €
Legal Reserves	- €	- €	- €	- €	- €
Net Income	278 461,83 €	320 585,52 €	367 147,49 €	418 615,19 €	475 505,10 €
Liabilities					
Non-Current Liabilities	- €	- €	- €	- €	- €
Provisions	- €	- €	- €	- €	- €
Medium and Long Term Loan	- €	- €	- €	- €	- €
Current Liabilities	35 307,83 €	37 677,33 €	40 313,80 €	43 182,67 €	46 309,42 €
Accounts Payable	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €	6 259,45 €
Income Taxes	29 435,02 €	31 711,25 €	34 252,25 €	37 023,37 €	40 049,96 €
Short Term Loan	- €	- €	- €	- €	- €
Other Payables	- €	- €	- €	- €	- €
Accruals and Deferrals	- €	- €	- €	- €	- €
Other Financial Liabilities	- €	- €	- €	- €	- €
Total Liabilities	35 307,83 €	37 677,33 €	40 313,80 €	43 182,67 €	46 309,42 €
Total Equity and Liabilities	1 312 071,96 €	1 638 417,07 €	2 011 330,11 €	2 436 268,80 €	2 919 212,93 €

Appendix I: Treasury Budget – Alternative Scenarios. Source: The Author

Pessimistic Scenario:

Treasury Budget					
Entry/Year	2024	2025	2026	2027	2028
Operational Cash Flow	- 1 045,50 €	- 1 834,99 €	20 509,96 €	31 695,89 €	44 104,68 €
Receivables	- €	106 906,50 €	273 282,31 €	298 574,58 €	326 147,81 €
Current Year					
Accounts Receivable	- €	104 424,01 €	250 507,04 €	273 684,40 €	298 595,39 €
Inventories	- €	- €	- €	- €	- €
Other Receivables	- €	1 021,99 €	2 232,85 €	2 438,33 €	3 023,26 €
Previous Year					
Accounts Receivable	- €	- €	20 542,43 €	22 451,86 €	24 529,16 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	1 460,50 €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Payments	1 045,50 €	108 741,49 €	252 772,36 €	266 878,70 €	282 043,13 €
Current Year					
Accounts Payable	1 045,50 €	32 294,83 €	61 786,48 €	63 042,23 €	64 206,88 €
Personnel Expenses	- €	46 851,00 €	94 143,00 €	96 513,06 €	99 649,73 €
Income Taxes	- €	- €	- €	- €	- €
CIT	- €	- €	- €	- €	- €
PIT	- €	3 750,00 €	9 000,00 €	9 270,00 €	9 571,28 €
VAT	- €	11 423,43 €	33 765,95 €	37 430,01 €	41 593,55 €
SSR	- €	13 031,25 €	31 275,00 €	32 213,25 €	33 260,18 €
Labor Compensation Fund	- €	375,00 €	900,00 €	927,00 €	957,13 €
Other Expenses	- €	1 015,99 €	2 220,85 €	2 426,33 €	2 647,18 €
Previous Year					
Accounts Payable	- €	- €	6 353,08 €	5 533,12 €	5 645,57 €
Personnel Expenses	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
CIT	- €	- €	753,78 €	5 908,02 €	9 957,26 €
PIT	- €	- €	1 500,00 €	1 500,00 €	1 545,00 €
VAT	- €	- €	5 711,71 €	6 753,19 €	7 486,00 €
SSR	- €	- €	5 212,50 €	5 212,50 €	5 368,88 €
Labor Compensation Fund	- €	- €	150,00 €	150,00 €	154,50 €
Other Expenses	- €	- €	- €	- €	- €
Financing Cash Flow	229 640,50 €	- 15 781,37 €	- 14 248,08 €	1 526,15 €	1 065,97 €
Receivables	229 640,50 €	154,63 €	1 687,92 €	1 526,15 €	1 065,97 €
Share Capital and Supplementary Payments	229 640,50 €	154,63 €	1 687,92 €	1 526,15 €	1 065,97 €
Short-Term Credit	- €	- €	- €	- €	- €
Payments	- €	15 936,00 €	15 936,00 €	- €	- €
Borrowings	- €	- €	- €	- €	- €
Debt Amortization	- €	15 000,00 €	15 000,00 €	- €	- €
Dividends and Interest	- €	- €	- €	- €	- €
Dividends	- €	- €	- €	- €	- €
Interest and Similar Expenses	- €	936,00 €	936,00 €	- €	- €
Investment Cash Flow	- 229 445,00 €	- €	- €	- 615,00 €	- €
Receivables	- €	- €	- €	- €	- €
Non-Refundable Subsidy	- €	- €	- €	- €	- €
Payments	229 445,00 €	- €	- €	615,00 €	- €
Fixed Assets	229 445,00 €	- €	- €	615,00 €	- €
Year-Start Balance	- €	14 150,00 €	11 533,64 €	17 795,52 €	50 402,55 €
Year-End Balance	- 850,00 €	- 3 466,36 €	17 795,52 €	50 402,55 €	95 573,20 €
Total Balance	- 850,00 €	- 17 616,36 €	6 261,87 €	32 607,04 €	45 170,65 €

Treasury Budget					
Entry/Year	2029	2030	2031	2032	2033
Operational Cash Flow	39 362,18 €	53 011,47 €	69 460,27 €	87 896,68 €	108 592,51 €
Receivables	356 605,19 €	389 561,34 €	426 093,89 €	466 584,89 €	511 453,04 €
Current Year					
Accounts Receivable	325 004,96 €	353 959,70 €	385 720,97 €	420 579,12 €	458 855,97 €
Inventories	- €	- €	- €	- €	- €
Other Receivables	4 838,37 €	6 472,75 €	8 648,96 €	11 435,19 €	14 902,31 €
Previous Year					
Accounts Receivable	26 761,85 €	29 128,89 €	31 723,97 €	34 570,59 €	37 694,76 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Payments	317 243,01 €	336 549,87 €	356 633,62 €	378 688,21 €	402 860,53 €
Current Year					
Accounts Payable	65 579,72 €	66 621,25 €	67 687,23 €	68 778,80 €	69 897,22 €
Personnel Expenses	120 327,05 €	124 839,32 €	129 832,89 €	135 350,79 €	141 441,58 €
Income Taxes	- €	- €	- €	- €	- €
CIT	- €	- €	- €	- €	- €
PIT	11 557,31 €	11 990,71 €	12 470,34 €	13 000,33 €	13 585,35 €
VAT	45 894,44 €	50 571,63 €	55 914,10 €	61 683,54 €	67 934,48 €
SSR	40 161,67 €	41 667,73 €	43 334,44 €	45 176,15 €	47 209,08 €
Labor Compensation Fund	1 155,73 €	1 199,07 €	1 247,03 €	1 300,03 €	1 358,53 €
Other Expenses	2 881,31 €	3 138,01 €	3 419,58 €	3 728,61 €	4 067,95 €
Previous Year					
Accounts Payable	5 749,87 €	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €
Personnel Expenses	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
CIT	8 319,09 €	12 657,99 €	17 504,66 €	22 916,94 €	28 957,58 €
PIT	1 595,21 €	1 926,22 €	1 998,45 €	2 078,39 €	2 166,72 €
VAT	8 318,71 €	9 178,89 €	10 114,33 €	11 182,82 €	12 336,71 €
SSR	5 543,36 €	6 693,61 €	6 944,62 €	7 222,41 €	7 529,36 €
Labor Compensation Fund	159,52 €	192,62 €	199,85 €	207,84 €	216,67 €
Other Expenses	- €	- €	- €	- €	- €
Financing Cash Flow	- €	1 735,90 €	1 316,94 €	1 468,42 €	2 134,16 €
Receivables	- €	1 735,90 €	1 316,94 €	1 468,42 €	2 134,16 €
Share Capital and Supplementary Payments	- €	1 735,90 €	1 316,94 €	1 468,42 €	2 134,16 €
Short-Term Credit	- €	- €	- €	- €	- €
Payments	- €	- €	- €	- €	- €
Borrowings	- €	- €	- €	- €	- €
Debt Amortization	- €	- €	- €	- €	- €
Dividends and Interest	- €	- €	- €	- €	- €
Dividends	- €	- €	- €	- €	- €
Interest and Similar Expenses	- €	- €	- €	- €	- €
Investment Cash Flow	- €	- 615,00 €	- €	- €	- 615,00 €
Receivables	- €	- €	- €	- €	- €
Non-Refundable Subsidy	- €	- €	- €	- €	- €
Payments	- €	615,00 €	- €	- €	615,00 €
Fixed Assets	- €	615,00 €	- €	- €	615,00 €
Year-Start Balance	95 573,20 €	134 935,38 €	189 067,76 €	259 844,98 €	349 210,07 €
Year-End Balance	134 935,38 €	189 067,76 €	259 844,98 €	349 210,07 €	459 321,74 €
Total Balance	39 362,18 €	54 132,38 €	70 777,22 €	89 365,10 €	110 111,67 €

Optimistic Scenario:

Treasury Budget					
Entry/Year	2024	2025	2026	2027	2028
Operational Cash Flow	- 1 045,50 €	68 787,12 €	196 913,37 €	231 502,81 €	267 765,53 €
Receivables	- €	216 411,32 €	558 370,43 €	616 738,69 €	680 148,63 €
Current Year					
Accounts Receivable	- €	212 873,68 €	510 541,46 €	557 617,64 €	608 179,05 €
Inventories	- €	- €	- €	- €	- €
Other Receivables	- €	2 077,14 €	5 952,18 €	13 363,42 €	21 992,70 €
Previous Year					
Accounts Receivable	- €	- €	41 876,79 €	45 757,63 €	49 976,89 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	1 460,50 €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Payments	1 045,50 €	147 624,20 €	361 457,05 €	385 235,88 €	412 383,11 €
Current Year					
Accounts Payable	1 045,50 €	32 294,83 €	61 786,48 €	63 042,23 €	64 206,88 €
Personnel Expenses	- €	46 851,00 €	94 143,00 €	96 513,06 €	99 649,73 €
Income Taxes	- €	- €	- €	- €	- €
CIT	- €	- €	- €	- €	- €
PIT	- €	3 750,00 €	9 000,00 €	9 270,00 €	9 571,28 €
VAT	- €	27 602,46 €	77 951,12 €	85 676,10 €	94 198,23 €
SSR	- €	13 031,25 €	31 275,00 €	32 213,25 €	33 260,18 €
Labor Compensation Fund	- €	375,00 €	900,00 €	927,00 €	957,13 €
Other Expenses	- €	2 071,14 €	4 526,16 €	4 943,51 €	5 391,77 €
Previous Year					
Accounts Payable	- €	- €	6 353,08 €	5 533,12 €	5 645,57 €
Personnel Expenses	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
CIT	- €	21 648,52 €	54 858,47 €	64 664,88 €	75 298,74 €
PIT	- €	- €	1 500,00 €	1 500,00 €	1 545,00 €
VAT	- €	- €	13 801,23 €	15 590,22 €	17 135,22 €
SSR	- €	- €	5 212,50 €	5 212,50 €	5 368,88 €
Labor Compensation Fund	- €	- €	150,00 €	150,00 €	154,50 €
Other Expenses	- €	- €	- €	- €	- €
Financing Cash Flow	229 640,50 €	- 2 536,52 €	2 911,81 €	2 855,93 €	2 493,22 €
Receivables	229 640,50 €	13 399,48 €	2 911,81 €	2 855,93 €	2 493,22 €
Share Capital and Supplementary Payments	229 640,50 €	13 399,48 €	2 911,81 €	2 855,93 €	2 493,22 €
Short-Term Credit	- €	- €	- €	- €	- €
Payments	- €	15 936,00 €	- €	- €	- €
Borrowings	- €	- €	- €	- €	- €
Debt Amortization	- €	15 000,00 €	- €	- €	- €
Dividends and Interest	- €	- €	- €	- €	- €
Dividends	- €	- €	- €	- €	- €
Interest and Similar Expenses	- €	936,00 €	- €	- €	- €
Investment Cash Flow	- 229 445,00 €	- €	- €	- 615,00 €	- €
Receivables	- €	- €	- €	- €	- €
Non-Refundable Subsidy	- €	- €	- €	- €	- €
Payments					
Fixed Assets	229 445,00 €	- €	- €	615,00 €	- €
Year-Start Balance	- €	14 150,00 €	80 400,59 €	280 225,78 €	513 969,52 €
Year-End Balance	- 850,00 €	80 400,59 €	280 225,78 €	513 969,52 €	784 228,27 €
Total Balance	- 850,00 €	66 250,59 €	199 825,19 €	233 743,74 €	270 258,75 €

Treasury Budget					
Entry/Year	2029	2030	2031	2032	2033
Operational Cash Flow	287 682,92 €	328 369,70 €	374 530,97 €	425 621,51 €	482 211,79 €
Receivables	748 175,23 €	822 297,34 €	904 046,71 €	994 210,63 €	1 093 660,82 €
Current Year					
Accounts Receivable	661 740,07 €	720 424,14 €	784 753,55 €	855 308,32 €	932 730,96 €
Inventories	- €	- €	- €	- €	- €
Other Receivables	31 926,61 €	42 564,08 €	54 724,45 €	68 568,05 €	84 272,10 €
Previous Year					
Accounts Receivable	54 508,55 €	59 309,12 €	64 568,71 €	70 334,26 €	76 657,76 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Payments	460 492,31 €	493 927,64 €	529 515,74 €	568 589,12 €	611 449,04 €
Current Year					
Accounts Payable	65 579,72 €	66 621,25 €	67 687,23 €	68 778,80 €	69 897,22 €
Personnel Expenses	120 327,05 €	124 839,32 €	129 832,89 €	135 350,79 €	141 441,58 €
Income Taxes	- €	- €	- €	- €	- €
CIT	- €	- €	- €	- €	- €
PIT	11 557,31 €	11 990,71 €	12 470,34 €	13 000,33 €	13 585,35 €
VAT	103 112,83 €	112 841,64 €	123 718,09 €	135 553,10 €	148 455,69 €
SSR	40 161,67 €	41 667,73 €	43 334,44 €	45 176,15 €	47 209,08 €
Labor Compensation Fund	1 155,73 €	1 199,07 €	1 247,03 €	1 300,03 €	1 358,53 €
Other Expenses	5 866,62 €	6 386,88 €	6 957,18 €	7 582,68 €	8 269,06 €
Previous Year					
Accounts Payable	5 749,87 €	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €
Personnel Expenses	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
CIT	80 843,76 €	93 073,22 €	106 591,21 €	121 533,44 €	138 049,87 €
PIT	1 595,21 €	1 926,22 €	1 998,45 €	2 078,39 €	2 166,72 €
VAT	18 839,65 €	20 622,57 €	22 568,33 €	24 743,62 €	27 110,62 €
SSR	5 543,36 €	6 693,61 €	6 944,62 €	7 222,41 €	7 529,36 €
Labor Compensation Fund	159,52 €	192,62 €	199,85 €	207,84 €	216,67 €
Other Expenses	- €	- €	- €	- €	- €
Financing Cash Flow	1 380,35 €	3 390,09 €	3 129,08 €	3 454,63 €	4 312,29 €
Receivables	1 380,35 €	3 390,09 €	3 129,08 €	3 454,63 €	4 312,29 €
Share Capital and Supplementary Payments	1 380,35 €	3 390,09 €	3 129,08 €	3 454,63 €	4 312,29 €
Short-Term Credit	- €	- €	- €	- €	- €
Payments	- €	- €	- €	- €	- €
Borrowings	- €	- €	- €	- €	- €
Debt Amortization	- €	- €	- €	- €	- €
Dividends and Interest	- €	- €	- €	- €	- €
Dividends	- €	- €	- €	- €	- €
Interest and Similar Expenses	- €	- €	- €	- €	- €
Investment Cash Flow	- €	- 615,00 €	- €	- €	- 615,00 €
Receivables	- €	- €	- €	- €	- €
Non-Refundable Subsidy	- €	- €	- €	- €	- €
Payments					
Fixed Assets	- €	615,00 €	- €	- €	615,00 €
Year-Start Balance	784 228,27 €	1 073 291,54 €	1 404 436,33 €	1 782 096,38 €	2 211 172,52 €
Year-End Balance	1 073 291,54 €	1 404 436,33 €	1 782 096,38 €	2 211 172,52 €	2 697 081,59 €
Total Balance	289 063,28 €	331 144,79 €	377 660,05 €	429 076,14 €	485 909,07 €

Appendix J: Working Capital Fund – Alternative Scenarios. Source: The Author

Pessimistic Scenario:

Working Capital Fund					
Entry/Year	2024	2025	2026	2027	2028
Working Capital Needs	1 460,50 €	20 542,43 €	22 451,86 €	24 529,16 €	26 761,85 €
Accounts Receivable	- €	20 542,43 €	22 451,86 €	24 529,16 €	26 761,85 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	1 460,50 €	- €	- €	- €	- €
VAT	1 460,50 €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Working Capital Resources	- €	18 927,29 €	19 148,81 €	20 199,95 €	21 366,68 €
Accounts Payable	- €	6 353,08 €	5 533,12 €	5 645,57 €	5 749,87 €
Income Taxes	- €	12 574,21 €	13 615,69 €	14 554,38 €	15 616,81 €
PIT	- €	1 500,00 €	1 500,00 €	1 545,00 €	1 595,21 €
VAT	- €	5 711,71 €	6 753,19 €	7 486,00 €	8 318,71 €
SSR	- €	5 212,50 €	5 212,50 €	5 368,88 €	5 543,36 €
Labor Compensation Fund	- €	150,00 €	150,00 €	154,50 €	159,52 €
Other Payables	- €	- €	- €	- €	- €
Working Capital	1 460,50 €	1 615,13 €	3 303,05 €	4 329,21 €	5 395,17 €
Change in Working Capital	1 460,50 €	154,63 €	1 687,92 €	1 026,15 €	1 065,97 €

Working Capital Fund					
Entry/Year	2029	2030	2031	2032	2033
Working Capital Needs	29 128,89 €	31 723,97 €	34 570,59 €	37 694,76 €	41 125,34 €
Accounts Receivable	29 128,89 €	31 723,97 €	34 570,59 €	37 694,76 €	41 125,34 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
VAT	- €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Working Capital Resources	23 864,15 €	25 223,33 €	26 753,00 €	28 408,76 €	30 205,18 €
Accounts Payable	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €	6 259,45 €
Income Taxes	17 991,34 €	19 257,25 €	20 691,46 €	22 249,46 €	23 945,72 €
PIT	1 926,22 €	1 998,45 €	2 078,39 €	2 166,72 €	2 264,22 €
VAT	9 178,89 €	10 114,33 €	11 182,82 €	12 336,71 €	13 586,90 €
SSR	6 693,61 €	6 944,62 €	7 222,41 €	7 529,36 €	7 868,18 €
Labor Compensation Fund	192,62 €	199,85 €	207,84 €	216,67 €	226,42 €
Other Payables	- €	- €	- €	- €	- €
Working Capital	5 264,74 €	6 500,64 €	7 817,59 €	9 286,00 €	10 920,16 €
Change in Working Capital	- 130,44 €	1 235,90 €	1 316,94 €	1 468,42 €	1 634,16 €

Optimistic Scenario:

Working Capital Fund					
Entry/Year	2024	2025	2026	2027	2028
Working Capital Needs	1 460,50 €	41 876,79 €	45 757,63 €	49 976,89 €	54 508,55 €
Accounts Receivable	- €	41 876,79 €	45 757,63 €	49 976,89 €	54 508,55 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	1 460,50 €	- €	- €	- €	- €
VAT	1 460,50 €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Working Capital Resources	- €	27 016,81 €	27 985,84 €	29 849,17 €	31 887,61 €
Accounts Payable	- €	6 353,08 €	5 533,12 €	5 645,57 €	5 749,87 €
Income Taxes	- €	20 663,73 €	22 452,72 €	24 203,59 €	26 137,74 €
PIT	- €	1 500,00 €	1 500,00 €	1 545,00 €	1 595,21 €
VAT	- €	13 801,23 €	15 590,22 €	17 135,22 €	18 839,65 €
SSR	- €	5 212,50 €	5 212,50 €	5 368,88 €	5 543,36 €
Labor Compensation Fund	- €	150,00 €	150,00 €	154,50 €	159,52 €
Other Payables	- €	- €	- €	- €	- €
Working Capital	1 460,50 €	14 859,98 €	17 771,79 €	20 127,72 €	22 620,94 €
Change in Working Capital	1 460,50 €	13 399,48 €	2 911,81 €	2 355,93 €	2 493,22 €

Working Capital Fund					
Entry/Year	2029	2030	2031	2032	2033
Working Capital Needs	59 309,12 €	64 568,71 €	70 334,26 €	76 657,76 €	83 596,79 €
Accounts Receivable	59 309,12 €	64 568,71 €	70 334,26 €	76 657,76 €	83 596,79 €
Inventory	- €	- €	- €	- €	- €
Income Taxes	- €	- €	- €	- €	- €
VAT	- €	- €	- €	- €	- €
Other Receivables	- €	- €	- €	- €	- €
Working Capital Resources	35 307,83 €	37 677,33 €	40 313,80 €	43 182,67 €	46 309,42 €
Accounts Payable	5 872,81 €	5 966,08 €	6 061,54 €	6 159,30 €	6 259,45 €
Income Taxes	29 435,02 €	31 711,25 €	34 252,25 €	37 023,37 €	40 049,96 €
PIT	1 926,22 €	1 998,45 €	2 078,39 €	2 166,72 €	2 264,22 €
VAT	20 622,57 €	22 568,33 €	24 743,62 €	27 110,62 €	29 691,14 €
SSR	6 693,61 €	6 944,62 €	7 222,41 €	7 529,36 €	7 868,18 €
Labor Compensation Fund	192,62 €	199,85 €	207,84 €	216,67 €	226,42 €
Other Payables	- €	- €	- €	- €	- €
Working Capital	24 001,29 €	26 891,38 €	30 020,46 €	33 475,09 €	37 287,38 €
Change in Working Capital	1 380,35 €	2 890,09 €	3 129,08 €	3 454,63 €	3 812,29 €

Appendix K: Statement of Changes in Equity – Alternative Scenarios. Source: The Author

Pessimistic Scenario:

Statement of Changes in Equity					
Entry/Year	2024	2025	2026	2027	2028
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Contributions	1 460,50 €	1 615,13 €	3 303,05 €	4 829,21 €	5 895,17 €
Net Income	- 850,00 €	- 8 236,49 €	10 413,36 €	21 619,32 €	34 297,22 €
Retained Earnings		- 850,00 €	- 9 086,49 €	1 326,87 €	22 946,19 €
Dividends	- €	- €	- €	- €	- €
Legal Reserves	- €	- €	- €	- €	- €
Other Changes in Equity	- €	- €	- €	- €	- €
Total Shareholders' Equity	228 790,50 €	220 708,64 €	232 809,93 €	255 955,40 €	291 318,59 €
Changes in Equity	228 790,50 €	- 8 081,86 €	12 101,28 €	23 145,47 €	35 363,19 €

Statement of Changes in Equity					
Entry/Year	2029	2030	2031	2032	2033
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Contributions	5 895,17 €	7 631,08 €	8 948,02 €	10 416,44 €	12 550,60 €
Net Income	28 654,64 €	43 599,76 €	60 293,84 €	78 936,14 €	99 742,78 €
Retained Earnings	57 243,41 €	85 898,05 €	129 497,80 €	189 791,65 €	268 727,79 €
Dividends	- €	- €	- €	- €	- €
Legal Reserves	- €	- €	- €	- €	- €
Other Changes in Equity	- €	- €	- €	- €	- €
Total Shareholders' Equity	319 973,22 €	365 308,88 €	426 919,67 €	507 324,23 €	609 201,16 €
Changes in Equity	28 654,64 €	45 335,66 €	61 610,79 €	80 404,56 €	101 876,94 €

Optimistic Scenario:

Statement of Changes in Equity					
Entry/Year	2024	2025	2026	2027	2028
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Contributions	1 460,50 €	14 859,98 €	17 771,79 €	20 627,72 €	23 120,94 €
Net Income	- 850,00 €	75 417,12 €	188 956,96 €	222 734,60 €	259 362,33 €
Retained Earnings		- 850,00 €	74 567,12 €	263 524,08 €	486 258,68 €
Dividends	- €	- €	- €	- €	- €
Legal Reserves	- €	- €	- €	- €	- €
Other Changes in Equity	- €	- €	- €	- €	- €
Total Shareholders' Equity	228 790,50 €	317 607,09 €	509 475,87 €	735 066,40 €	996 921,95 €
Changes in Equity	228 790,50 €	88 816,59 €	191 868,78 €	225 590,53 €	261 855,55 €

Statement of Changes in Equity					
Entry/Year	2029	2030	2031	2032	2033
Share Capital	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €	228 180,00 €
Supplementary Contributions	24 501,29 €	27 891,38 €	31 020,46 €	34 475,09 €	38 787,38 €
Net Income	278 461,83 €	320 585,52 €	367 147,49 €	418 615,19 €	475 505,10 €
Retained Earnings	745 621,01 €	1 024 082,84 €	1 344 668,36 €	1 711 815,85 €	2 130 431,04 €
Dividends	- €	- €	- €	- €	- €
Legal Reserves	- €	- €	- €	- €	- €
Other Changes in Equity	- €	- €	- €	- €	- €
Total Shareholders' Equity	1 276 764,13 €	1 600 739,74 €	1 971 016,32 €	2 393 086,13 €	2 872 903,52 €
Changes in Equity	279 842,18 €	323 975,61 €	370 276,57 €	422 069,82 €	479 817,39 €

Appendix L: Financial Ratios – Alternative Scenarios. Source: The Author

Pessimistic Scenario:

Financial Ratios					
Entry/Year	2024	2025	2026	2027	2028
ROI - Return on Investment			5%	8%	11%
ROE - Return on Equity			4%	8%	12%
ROA- Return on Assets			4%	8%	11%
Operational Margin			11%	16%	21%
Net Profit Margin			5%	9%	13%
Financial Autonomy	94%	87%	92%	93%	93%
Solvency	1625%	751%	1316%	1367%	1463%
Asset Turnover	0%	40%	88%	88%	85%
Current Liquidity	52%	65%	209%	370%	571%
Indebtedness	6%	13%	8%	7%	7%

Financial Ratios					
Entry/Year	2029	2030	2031	2032	2033
ROI - Return on Investment	8%	11%	13%	15%	16%
ROE - Return on Equity	9%	12%	14%	16%	16%
ROA- Return on Assets	8%	11%	13%	15%	16%
Operational Margin	17%	22%	26%	30%	35%
Net Profit Margin	10%	14%	18%	21%	25%
Financial Autonomy	93%	94%	94%	95%	95%
Solvency	1441%	1548%	1696%	1886%	2117%
Asset Turnover	84%	80%	75%	70%	64%
Current Liquidity	686%	874%	1099%	1361%	1655%
Indebtedness	7%	6%	6%	5%	5%

Optimistic Scenario:

Financial Ratios					
Entry/Year	2024	2025	2026	2027	2028
ROI - Return on Investment		22%	35%	29%	25%
ROE - Return on Equity		24%	37%	30%	26%
ROA- Return on Assets		22%	35%	29%	25%
Operational Margin		50%	56%	61%	64%
Net Profit Margin		36%	42%	45%	48%
Financial Autonomy	94%	92%	95%	96%	97%
Solvency	1625%	1276%	1920%	2563%	3226%
Asset Turnover	0%	60%	84%	65%	52%
Current Liquidity	52%	451%	1163%	1888%	2629%
Indebtedness	6%	8%	5%	4%	3%

Financial Ratios					
Entry/Year	2029	2030	2031	2032	2033
ROI - Return on Investment	21%	20%	18%	17%	16%
ROE - Return on Equity	22%	20%	19%	17%	17%
ROA- Return on Assets	21%	20%	18%	17%	16%
Operational Margin	63%	67%	70%	73%	76%
Net Profit Margin	47%	50%	53%	55%	58%
Financial Autonomy	97%	98%	98%	98%	98%
Solvency	3716%	4349%	4989%	5642%	6304%
Asset Turnover	45%	39%	35%	31%	28%
Current Liquidity	3206%	3897%	4593%	5296%	6003%
Indebtedness	3%	2%	2%	2%	2%

Appendix M: Break- Even and Safety Margin– Alternative Scenarios. Source: The Author

Pessimistic Scenario:

Break- Even and Safety Margin					
Entry/Year	2024	2025	2026	2027	2028
Fixed Costs	850,00 €	98 180,59 €	188 600,14 €	193 318,71 €	198 883,97 €
Variable Costs	- €	4 618,88 €	9 368,35 €	9 585,90 €	9 803,53 €
Annual Sales	- €	101 598,73 €	222 084,82 €	242 632,58 €	264 717,51 €
Break- Even Sales Point	- €	102 856,65 €	196 906,37 €	201 270,49 €	206 532,69 €
Safety Margin	- €	- 1 257,92 €	25 178,45 €	41 362,09 €	58 184,82 €

Break- Even and Safety Margin					
Entry/Year	2029	2030	2031	2032	2033
Fixed Costs	230 454,08 €	237 945,53 €	246 165,76 €	255 179,05 €	265 057,93 €
Variable Costs	10 568,58 €	10 814,33 €	11 077,10 €	11 358,28 €	11 659,47 €
Annual Sales	288 131,27 €	313 800,78 €	341 958,37 €	372 861,45 €	406 795,33 €
Break- Even Sales Point	239 228,93 €	246 438,39 €	254 406,79 €	263 196,67 €	272 879,13 €
Safety Margin	48 902,34 €	67 362,39 €	87 551,58 €	109 664,78 €	133 916,20 €

Optimistic Scenario:

Break- Even and Safety Margin					
Entry/Year	2024	2025	2026	2027	2028
Fixed Costs	850,00 €	98 180,59 €	188 600,14 €	193 318,71 €	198 883,97 €
Variable Costs	- €	4 618,88 €	9 368,35 €	9 585,90 €	9 803,53 €
Annual Sales	- €	207 114,20 €	452 616,14 €	494 351,30 €	539 176,72 €
Break- Even Sales Point	- €	100 420,07 €	192 586,33 €	197 141,46 €	202 567,13 €
Safety Margin	- €	106 694,13 €	260 029,81 €	297 209,84 €	336 609,60 €

Break- Even and Safety Margin					
Entry/Year	2029	2030	2031	2032	2033
Fixed Costs	230 454,08 €	237 945,53 €	246 165,76 €	255 179,05 €	265 057,93 €
Variable Costs	10 568,58 €	10 814,33 €	11 077,10 €	11 358,28 €	11 659,47 €
Annual Sales	586 662,01 €	638 687,76 €	695 718,29 €	758 267,82 €	826 905,96 €
Break- Even Sales Point	234 681,81 €	242 043,84 €	250 148,58 €	259 059,56 €	268 848,73 €
Safety Margin	351 980,20 €	396 643,91 €	445 569,71 €	499 208,26 €	558 057,23 €

Appendix N: Cash-Flow Map – Alternative Scenarios. Source: The Author

Realistic Scenario:

Cash-Flow Map					
Entry/Year	2024	2025	2026	2027	2028
EBIT	- 850,00 €	34 189,51 €	102 777,16 €	129 309,07 €	158 423,05 €
Taxes	- €	- 7 501,39 €	- 23 124,86 €	- 29 094,54 €	- 35 645,19 €
Depreciations and Amortizations	- €	5 900,33 €	11 800,67 €	11 967,33 €	11 884,00 €
Working Capital Fund Variation	- 1 460,50 €	- 5 373,22 €	- 2 166,02 €	- 1 545,18 €	- 1 622,52 €
CAPEX	- 228 180,00 €	- €	- €	- 500,00 €	- €
Operational Cash-Flow	- 230 490,50 €	27 215,23 €	89 286,95 €	110 136,68 €	133 039,35 €
Residual Value (RV)	- €	- €	- €	- €	- €
FCFE with RV	- 230 490,50 €	27 215,23 €	89 286,95 €	110 136,68 €	133 039,35 €
Update Factor - CAPM	1,00	0,93	0,87	0,82	0,76
FCFE deducted RV	- 230 490,50 €	25 438,87 €	78 011,66 €	89 947,55 €	101 560,13 €
FCFE acumulated deducted	- 230 490,50 €	- 205 051,63 €	- 127 039,97 €	- 37 092,42 €	64 467,71 €

Cash-Flow Map					
Entry/Year	2029	2030	2031	2032	2033
EBIT	163 606,68 €	196 570,14 €	233 136,37 €	273 692,76 €	318 667,09 €
Taxes	- 36 811,50 €	- 44 228,28 €	- 52 455,68 €	- 61 580,87 €	- 71 700,10 €
Depreciations and Amortizations	11 800,67 €	11 800,67 €	11 800,67 €	11 800,67 €	11 800,67 €
Working Capital Fund Variation	- 458,07 €	- 1 879,79 €	- 2 021,80 €	- 2 240,42 €	- 2 480,14 €
CAPEX	- €	- 500,00 €	- €	- €	- 500,00 €
Operational Cash-Flow	138 137,78 €	161 762,73 €	190 459,56 €	221 672,14 €	255 787,52 €
Residual Value (RV)	- €	- €	- €	- €	150 371,99 €
FCFE with RV	138 137,78 €	161 762,73 €	190 459,56 €	221 672,14 €	6 870 657,13 €
Update Factor - CAPM	0,71	0,67	0,62	0,58	0,54
FCFE deducted RV	98 569,24 €	107 892,98 €	118 741,70 €	129 180,63 €	221 242,58 €
FCFE acumulated deducted	163 036,95 €	270 929,93 €	389 671,63 €	518 852,27 €	740 094,85 €

Pessimistic Scenario:

Cash-Flow Map					
Entry/Year	2024	2025	2026	2027	2028
EBIT	- 850,00 €	- 7 300,49 €	12 103,15 €	27 527,34 €	44 254,48 €
Taxes	- €	- 210,60 €	- 964,38 €	- 5 908,02 €	- 9 957,26 €
Depreciations and Amortizations	- €	5 900,33 €	11 800,67 €	11 967,33 €	11 884,00 €
Working Capital Fund Variation	- 1 460,50 €	- 154,63 €	- 1 687,92 €	- 1 026,15 €	- 1 065,97 €
CAPEX	- 228 180,00 €	- €	- €	- 500,00 €	- €
Operational Cash-Flow	- 230 490,50 €	- 1 765,39 €	21 251,51 €	32 060,50 €	45 115,25 €
Residual Value (RV)	- €	- €	- €	- €	- €
FCFE with RV	- 230 490,50 €	- 1 765,39 €	21 251,51 €	32 060,50 €	45 115,25 €
Update Factor - CAPM	1,00	0,93	0,87	0,82	0,76
FCFE deducted RV	- 230 490,50 €	- 1 650,16 €	18 567,84 €	26 183,50 €	34 440,27 €
FCFE acumulated deducted RV	- 230 490,50 €	- 232 140,66 €	- 213 572,82 €	- 187 389,33 €	- 152 949,06 €

Cash-Flow Map					
Entry/Year	2029	2030	2031	2032	2033
EBIT	36 973,72 €	56 257,75 €	77 798,51 €	101 853,08 €	128 700,36 €
Taxes	- 8 319,09 €	- 12 657,99 €	- 17 504,66 €	- 22 916,94 €	- 28 957,58 €
Depreciations and Amortizations	11 800,67 €	11 800,67 €	11 800,67 €	11 800,67 €	11 800,67 €
Working Capital Fund Variation	130,44 €	- 1 235,90 €	- 1 316,94 €	- 1 468,42 €	- 1 634,16 €
CAPEX	- €	- 500,00 €	- €	- €	- 500,00 €
Operational Cash-Flow	40 585,74 €	53 664,52 €	70 777,57 €	89 268,39 €	109 409,29 €
Residual Value (RV)					140 044,49 €
FCFE with RV	40 585,74 €	53 664,52 €	70 777,57 €	89 268,39 €	249 453,78 €
Update Factor - CAPM	0,71	0,67	0,62	0,58	0,54
FCFE deducted RV	28 960,26 €	35 793,32 €	44 126,16 €	52 021,63 €	135 882,08 €
FCFE acumulated deducted RV	- 123 988,80 €	- 88 195,48 €	- 44 069,32 €	7 952,31 €	143 834,39 €

Optimistic Scenario:

Cash-Flow Map					
Entry/Year	2024	2025	2026	2027	2028
EBIT	- 850,00 €	98 001,63 €	243 815,44 €	287 399,49 €	334 661,07 €
Taxes	- €	- 21 859,12 €	- 54 858,47 €	- 64 664,88 €	- 75 298,74 €
Depreciations and Amortizations	- €	5 900,33 €	11 800,67 €	11 967,33 €	11 884,00 €
Working Capital Fund Variation	- 1 460,50 €	- 13 399,48 €	- 2 911,81 €	- 2 355,93 €	- 2 493,22 €
CAPEX	- 228 180,00 €	- €	- €	- 500,00 €	- €
Operational Cash-Flow	- 230 490,50 €	68 643,37 €	197 845,82 €	231 846,01 €	268 753,11 €
Residual Value (RV)					
FCFE with RV	- 230 490,50 €	68 643,37 €	197 845,82 €	231 846,01 €	268 753,11 €
Update Factor - CAPM	1,00	0,93	0,87	0,82	0,76
FCFE deducted RV	- 230 490,50 €	64 162,96 €	172 861,57 €	189 346,37 €	205 161,87 €
FCFE acumulated deducted RV	- 230 490,50 €	- 166 327,54 €	6 534,03 €	195 880,40 €	401 042,27 €

Cash-Flow Map					
Entry/Year	2029	2030	2031	2032	2033
EBIT	359 305,59 €	413 658,74 €	473 738,69 €	540 148,63 €	613 554,97 €
Taxes	- 80 843,76 €	- 93 073,22 €	- 106 591,21 €	- 121 533,44 €	- 138 049,87 €
Depreciations and Amortizations	11 800,67 €	11 800,67 €	11 800,67 €	11 800,67 €	11 800,67 €
Working Capital Fund Variation	- 1 380,35 €	- 2 890,09 €	- 3 129,08 €	- 3 454,63 €	- 3 812,29 €
CAPEX	- €	- 500,00 €	- €	- €	- 500,00 €
Operational Cash-Flow	288 882,14 €	328 996,10 €	375 819,07 €	426 961,22 €	482 993,48 €
Residual Value (RV)					166 411,71 €
FCFE with RV	288 882,14 €	328 996,10 €	375 819,07 €	426 961,22 €	649 405,19 €
Update Factor - CAPM	0,71	0,67	0,62	0,58	0,54
FCFE deducted RV	206 134,00 €	219 434,78 €	234 303,79 €	248 813,95 €	353 742,99 €
FCFE acumulated deducted RV	607 176,27 €	826 611,05 €	1 060 914,84 €	1 309 728,80 €	1 663 471,78 €