

**BUSINESS PLAN OF A RURAL HOTEL IN THE COUNTY  
OF SERTÃ  
“HOTEL DO RIO”**

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*Business Plan of a Rural Hotel in the county of Sertã*

*“Travel in younger sort, is part of education, in the older a part of experience.”*

Francis Bacon



## **Abstracto**

O turismo é um fenómeno multidimensional e tornou-se num dos sectores de atividade mais importante de todo o mundo, apresentando uma relevância especial para o desenvolvimento económico de um país.

Sendo um produto turístico em pleno desenvolvimento, o turismo rural procura aspetos simples e autênticos combinando serviços com atividades enriquecedoras, sem o transformar num turismo convencional, onde as especificações de cada destino refletem os drivers potenciadores de cada região.

O objetivo deste projeto é criar um hotel rural – Hotel do Rio – através da reabilitação de um edifício já existente, a fim de superar a falta de alojamento existente no concelho da Sertã. Deste modo, este projeto baseia-se na preservação local e identidade regional, no uso sustentável dos recursos naturais e na valorização dos produtos regionais, realçando o turismo rural na região e contribuindo para o desenvolvimento sustentável do município da Sertã.

A metodologia adotada teve em vista a criação de um plano de negócios, numa linha condutora coerente que incluiu um resumo, os objetivos e a identificação dos fatores chaves de sucesso. Além disso, englobou uma boa análise do mercado e do sector e uma definição do target, produto e marketing-mix, seguida de uma completa análise financeira para avaliar e sustentar corretamente o projeto.

Os resultados obtidos revelam que o projeto de investimento é economicamente viável, apresentando um VAL positivo de 95.439,55 Euros, uma TIR de 17,62% e um payback period de 12 anos.

**Palavras-chave:** Plano de negócio, Turismo rural; Tendências de Turismo, Sustentabilidade.



## **Abstract**

Tourism is a multidimensional phenomenon and has become one of the most important business sectors all over the world, presenting a particular relevance for the economic development of a country.

As a tourist product in full development, rural tourism seeks simple and authentic experiences by combining services with enriching activities without turning it into conventional tourism, where the specifications of each destination reflect the enhancer drivers of each region.

The aim of the project is to create a rural hotel – Hotel do Rio - through the rehabilitation of an existing building in order to overcome the lack of accommodation that exists in the county of Sertã. Thus, this project is based on the local preservation and regional identity, the sustainable use of the natural resources and the valuation of its local products, enhancing the rural tourism in the region and contributing for the sustainable development of Sertã.

The adopted methodology was based on the creation of a business plan, presenting its essential line which included an executive summary, objectives and identification of the key factor for the project to be successful. Besides, it encompassed a good market and business analysis, a definition of the target and its marketing-mix, followed by a complete financial analysis to properly evaluate and sustain the project.

The results have shown that the proposed investment project is economically viable, presenting a positive VAL of 95,439.55 Euros, a TIR of 17.62% and payback period of 12 years.

**Keywords:** Business plan, Rural tourism, Tourism Trends, Sustainability.



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**List of abbreviations/glossary**

AIEST – Association Internationale d'Experts Scientifiques du Tourisme

APV – Adjusted Present Value

EBIT – Earnings Before Interest and Taxes

EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortization

ECB – European Central Bank

FC – Fundo de Coesão

FEDER – Fundo Europeu de Desenvolvimento Regional

FSE – Fundo Social Europeu

GDP – Gross Domestic Product

INE – Instituto Nacional de Estatística

IRR – Internal Rate of Return

OECD – Organization for Economic Co-operation and Development

PENT – Plano Estratégico Nacional de Turismo

PI – Profitability Index

PP – Payback Period

QREN – Quadro de Referência Estratégico Nacional

RevPar – Revenue per Room

TER – Turismo em Espaço Rural (tourism in rural areas)

TIES - International Ecotourism Society

TH – Turismo de Habitação (lodging tourism)

NPV – Net Present Value

UNWTO – World Tourism Organization

VAT – Value Added Tax

WC – Working Capital

## **1. Executive Summary**

Esta tese de mestrado surge da motivação do autor em desenvolver um projeto de investimento que possa ter uma contribuição significativa para o concelho da Sertã, e para o seu crescimento sustentável, combatendo uma das fraquezas que o município apresenta no que concerne ao turismo. Acresce à motivação do autor, o interesse pessoal por este concelho que lhe é familiar e muito querido, visto ser a terra natal dos seus familiares onde vivenciou e partilhou alguns dos momentos da sua vida.

A implementação deste projeto pretende contribuir para o aumento da oferta turística existente e, assim, superar a falta de alojamento do concelho, visando de igual modo melhorar e promover o turismo rural, ecológico e cultural da região e as suas atividades relacionadas. A consciencialização desta problemática surgiu após uma entrevista ao Sr. Presidente da Câmara Municipal da Sertã por parte de uma associação local, o *Centro Social, Recreativo e Cultural do Valongo*, que visa o desenvolvimento, apoio e promoção da região e da qual o autor é um membro ativo.

Hotel do Rio é um hotel rural, tipologia de turismo em áreas rurais, localizado na Freguesia de Palhais, Concelho da Sertã. A ideia consiste em reabilitar uma escola primária abandonada em Valongo, Palhais, que através da sua pequena e acolhedora dimensão e a proximidade aos principais recursos para a criação e desenvolvimento de atividades enriquecedoras permite uma oferta turística distintiva e valiosa.

Em relação ao projeto de investimento, foram estabelecidos os seguintes objetivos:

- Desenvolvimento do Concelho da Sertã e a sua promoção como um lugar turístico para que possa ser percecionado como uma referência nacional para o lazer e de preservação ambiental.
- Valorização das atividades naturais e dos produtos regionais.
- Promover a proximidade com a Natureza e proporcionar momentos saudáveis e tranquilos aos turistas que procuram um escape aos centros urbanos.
- Desenvolver parcerias com organizações locais e contribuir para o crescimento sustentável da região
- Ser um ponto de referência nas rotas pedestres desenvolvidas pela Câmara Municipal da Sertã, bem como contribuir para a sua promoção e divulgação.



- Contribuir para o emprego e economia locais.

Para a elaboração desta tese, e após a identificação da ideia de negócio e os seus objetivos, procedeu-se a uma contextualização teórica com base em temáticas relacionadas com a mesma: turismo, motivações, tendências e produtos turísticos.

Posto isto foi necessário desenvolver o projeto de investimento de acordo com a estrutura definida, seguido de um processo de avaliação e decisão de investimento.

Numa primeira fase, procedeu-se a uma análise do meio envolvente externo englobando os fatores económicos, políticos, legais, sociais e tecnológicos que podem influenciar o turismo em Portugal.

De seguida, efetuou-se uma caracterização do sector hoteleiro apresentando-se um maior detalhe face ao turismo em áreas rurais. Deste modo, procurou-se identificar o número de estabelecimentos hoteleiros existentes em Portugal e uma contextualização da procura e oferta existente.

Proseguiu-se à análise da envolvente interna de um estabelecimento hoteleiro e a atratividade da indústria face aos concorrentes, clientes, fornecedores e produtos substitutos.

Com base nas análises anteriores, foram identificadas os pontos fracos e fortes da empresa assim como as oportunidades e ameaças à mesma, através da elaboração de uma SWOT sistémica que assim também incluiu uma identificação dos desafios, constrangimentos, alertas e perigos para o hotel rural.

Posteriormente elaborou-se uma análise dos seus concorrentes no concelho da Sertã.

De seguida, definiu-se especificamente as características dos compradores com base em inquéritos existentes e realizados recentemente. Assim, os potenciais clientes serão indivíduos entre os 25 e 64 anos, residentes na região Norte, Centro e na área da Grande Lisboa, pertencentes à classe média e que procuram descobrir a região, novas experiências enriquecedoras e o contacto com a Natureza.

Deste modo, procedeu-se à definição da estratégia de marketing do hotel rural em que a sua identificação passa por providenciar ao cliente o maior partido da área envolvente e das ofertas de turismo rural, diferenciando-se por uma oferta de serviço *standard* a um preço competitivo. Além disso, salienta-se a importância que as atividades propostas pelo hotel rural assumem na prestação do seu serviço e na valorização do mesmo por parte do cliente. O Hotel do Rio seguirá assim estratégias de preço, comunicação e distribuição de acordo com o seu *core business*, missão, visão e objetivos.

Face a um estudo de dimensionamento e localização, o hotel rural está localizado em Valongo, na Freguesia de Palhais, Concelho da Sertã, através da reabilitação de uma escola primária abandonada e dispõe de 6 quartos: 3 duplos e 3 familiares.

Para além disso, foram analisados os aspetos técnicos e organizacionais a ter em consideração no proposto hotel rural, sendo que os seus recursos humanos assumem uma particular relevância e atenção devido ao seu contacto direto com o cliente e, por esse motivo, existirá uma aposta corrente na formação dos mesmos.

Por fim, foi realizada uma avaliação financeira segundo a qual foi obtido um VAL de 95,439.55 € e se concluiu que um investidor conseguiria receber o valor do investimento em 12 anos. Visto que a realização desta mesma avaliação se baseou em pressupostos, elaborou-se uma análise em relação à sensibilidade das variáveis mais sujeitas a variação, taxa de ocupação inicial e aumento do preço. Independentemente dos riscos observados, a decisão final foi a de investir.

Para a realização do projeto, foram realizadas entrevistas com o Dr. Vitor Farinha, responsável pelo Departamento de Turismo da Sertã, a fim de melhor compreender as lacunas existentes no município a respeito dos sectores de turismo e hotelaria, bem como o que poderia ser desenvolvido e aproveitado.

Deste modo, considera-se que este plano de negócios, e todo o trabalho desenvolvido, está totalmente relacionado com o Mestrado em questão, apresentando uma estrutura coerente e ferramentas teóricas e praticas adquiridas durante o programa.



## **2. Introduction**

This Master Thesis aim is to create a business plan for a rural hotel in the county of Sertã by keeping the identity of the region and contributing to the sustainable growth of the municipality. Thus, the thesis is divided into 3 main parts.

In the first chapter, it is presented a contextualization of the project, its objectives and how it will be structured and presented.

Thereafter, it is developed a theoretical framework based on the concepts and central themes to the proposed investment project. Initially, it focuses on the definitions of tourism and tourist, it identifies the types of tourism and gives an explanation of the behavior and motivations for the tourist consumer. Besides, the future trends at an International, European and national level are identified, leading to the emergent tourism products: ecotourism, adventure tourism and rural tourism.

After that, it is presented the business plan for the proposed hotel, which followed a coherent structure that encompassed several phases, ending on a process of evaluation and investment decision.

Thus, the business plan started with an analysis of the external and internal context through a PEST analysis, analysis of the industry and the market and the application of the Porter's 5 forces analysis. Consequently, it was developed a systemic SWOT analysis based on these previous analysis.

The author also analyzed the competitor for the rural hotel in the region as well as it studied the possible to segment and define the potential customers for the rural hotel. Besides, it was also defined its key factors and how it will look to differentiate from its competitors.

Consequently, the next step was to define the marketing-mix strategy through the 4 P's: product, price, promotion and place.

Ultimately, it was computed a financial analysis in order to evaluate the economical viability of the project and support its investment decision.

## **2.1. The county of Sertã**

Portugal presents distinctive and innovative tourist products, from north to south, including the archipelagos, though its cultural heritage, landscape and ecological, social and climatic characteristics. It has been considered one of the top tourist destinations of the world according to the World Tourism Organization: in 2011, it occupied the 26th position in the world ranking of international tourism receipts and the 14th position in the European context.

According to PENT, Portugal holds a wide variety of touristic potential, being the tourism products with highest value in the Centro region the cultural and landscape touring, health and wellness, nature tourism and gastronomy and wine tours.

The county of Sertã is located in the Centro region of Portugal, in the District of Castelo Branco, that belongs to Pinhal Interior Sul which is predominantly characterized by its rurality. Its municipality is composed of fourteen villages<sup>1</sup>: Cabeçudo, Castelo, Carvalhal, Cernache do Bonjardim, Cumeada, Ermida, Figueiredo, Marmeleiro, Nesperal, Palhais, Pedrogão Pequeno, Sertã, Troviscal e Várzea dos Cavaleiros. Besides, located in a region of great beauty, it has a natural and cultural heritage with preserved and rich ecosystems, encompassing the dams of Castelo de Bode, Bouçã and Cabril in the Zêzere River.

The county has seduced visitors for decades for its natural beauty, where they can easily enjoy pure headwaters or relaxing activities. Thus, in the region it can be found villages and stunning and precious monuments such as the Castle of Sertã, ancient and roman bridges and charges and chapels with amazing tales, legends and historical testimonies of great attractiveness.

Such wealth can be a driver for alternative types of tourism where people want to take part in the society's every day and on their culture. The main products offered for this municipally are the tourist routes of different nature, its regional products, the initiation and learning of the traditional arts and a participation in a rural every day. Thus, people can follow the traditions of agriculture, pasture, river fishing and village festivals, enjoy several river beaches and the Clube Náutico do Zêzere as well as they can taste the traditional cuisine: *bucho, maranho, peixe do rio, enchidos vários, queijos, pão caseiro, coscoréis* and *cartuchos de amêndoa*.

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<sup>1</sup> -This analysis was developed before the administrative reorganization of the villages of Sertã, where seven villages were reorganized into three: *União das Freguesias de Cernache do Bonjardim, Nesperal e Palhais; União das Freguesias de Cumeada e Marmeleiro* and *União das Freguesias de Ermida e Figueiredo*

### **3. Literature Review**

#### **3.1. Tourism definition**

Tourism is one of the largest industries in the world, an activity of global importance and significance; however, its concept cannot be defined in only one way. In fact, several authors believe that it has evolved over the years and it has been associated with several aspects such as displacement, travel, destination, stay, facilities, products and services, and with different purposes such as social, cultural, natural, religious or political phenomenon.

One of the first broadly accepted definitions of tourism was Professor Hunziker's (1942) that defined tourism as the *“sum of the phenomena and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected with any earning activity”*. This definition was later adopted in 1981 by the *Association Internationale d'Experts Scientifiques du Tourisme* (AIEST) defining this way tourism in terms of particular activities selected by choice and undertaken outside the home environment. In 1976, Tourism Society of England defined it as *“the temporary, short-term movement of people to destination outside the places where they normally live and work, and their activities during the stay at each destination. It includes movements for all purposes”*. Moreover, according to the World Tourism Organization (UNWTO), tourism is a *“social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for not more than one consecutive year for personal or business/professional purposes”*.

For tourism to happen, there has to be a displacement, this is an individual has to travel using any type of means of transportation. However, it is important to be aware that travel is not the same as tourism. In fact, travel refers to *“the activity of travellers”*, who move *“between different geographic locations for any purpose and any duration”* (United Nations, 2010: 9), which differs from tourism for the reason that the travel must occur for any purpose different from being remunerated from within the place.

Trip is also another concept related to tourism, which refers to the travel taken by a person from the time departure from his/her usual residence until he/she returns (United Nations, 2010).

Tourism also has to do with visitors and with their activities and, consequently, in order to experience tourism, people usually need at least disposable income that they can spend on non-essentials, leisure time and tourism infrastructure such as transport and accommodation (Singh, 2008). Therefore, visitor is a “*traveller taking a trip to a main destination outside his/her usual environment, for less than a consecutive year, for business, leisure or other personal purpose other than to be employed by a resident entity in the country or place visited*” (United Nations, 2010: 10).

According to the World Tourism Organization, it is also necessary to highlight that visitors can be identified as tourists or overnight visitors, if their trip includes an overnight stay, and as excursionist or same-day visitor, if that overnight stay is not included.

### **3.2. Types of Tourism**

In 1994, the United Nations statistical commission adopted the World Tourism Organization’s recommendation and defined three distinctive forms of tourism in terms of country reference: (United Nations, 2010)

- **Domestic tourism** – includes the activities of a resident visitor within the country of reference as part of a domestic tourism trip or as part of an outbound tourism trip;
- **Inbound tourism** – encompasses the activities of a non-resident visitor within the country of residence on an inbound tourism trip;
- **Outbound tourism** – comprises the activities of a resident visitor outside the country of residence as part of an outbound tourism trip or as part of a domestic tourism trip.

Furthermore, those basic forms of tourism can be combined and derive the following types of tourism:

- **Internal tourism** – comprises the activities of a resident and a non-resident visitors within the country of reference as part of domestic or international tourism trips;
- **National tourism** – encompasses the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips;

- **International tourism** – includes the activities of a resident visitor outside the country of residence, either as part of domestic or outbound tourism trips and the activities of non-resident visitors within the country of reference on inbound tourism trips.

### **3.3. Types Motivators**

Tourism has numerous tangible and intangible elements. Major tangible elements include accommodation, hospitality industry's components and transportation whereas major intangible elements are related to the travel's purpose and tourists' motivations such as rest, relaxation, the opportunity to meet new people and experience other cultures (Singh, 2008).

An understanding of the consumer decision process is essential in order to predict demand for tourism, which is influenced by several factors that may be a combination of needs and desire, time and money, or perceptions and attitudes. In fact, there are no two individuals alike and differences towards their perceptions, attitudes and motivation have a significant influence on travel decisions, which is why it is important to study tourist's consumer behaviour. Consequently, their decisions are made for several reasons and many variables influence their consumption patterns such as personality and attitude, motivation or energizers, perception, learning, family influence, reference group influence, social-economic influences and cultural influences (Cooper, et al., 2005).

McIntosh, Goeldner and Ritchie (2000) proposed a group of basic motivators that promote and increase the mobility of tourists to a particular region, state or country through their special intentions:

- Physical motivators that are related to physical relation, rest supporting activities and specific medical treatment, this is, individual bodily health and well being.
- Cultural motivators that are connected with the individual desire for travel to learn about the country and the region, their population, their heritage and culture.
- Inter personal motivators that are identified with the desire to visit relatives and friends, to escape from routine relationships with family or friends, to meet new people or even for spiritual reasons.



- Status and prestige motivators that are related to the needs of personal esteem and personal developments, this is, travelling for business, continuation of education, professional interest.

Although tourist's motivations can be stimulated and activated, the tourist's needs cannot be created, being dependent on each individual characteristics and circumstances. Once a decision to travel has been taken, the tourist ability to travel will depend on a number of interrelated factors that Cooper (2005) divided into two groups:

- Lifestyle, which includes income, employment, educational attainment, mobility and holiday entitlement.
- Life cycle, where the age and domestic situation of an individual influence both the type and amount of tourism demand.

Consequently, the identification of different types of tourism product depends on such tourist's motivations and abilities to travel as well as on a combination of several factors such as the characteristics of the destination, types of accommodation and destination's attractions.

The United Nations (2010) identified several tourism products such as city tourism, sun-and-sand tourism, culinary tourism, ecotourism, agro-tourism, health tourism, winter tourism, among others. However, there is no international recommendation for the use of such classification since these products are not sufficiently characterized in a unique accepted way.

Consequently, Portuguese tourist products were identified taking into account the resources and distinguishing factors of Portugal as well as the tourist product's potential future growth. Due to the climatic conditions and the natural and cultural resources of Portugal, the Plano Estratégico Nacional de Turismo (2007) identified ten strategic tourism products:

- Sun and sea
- Cultural and landscape touring
- City Break
- Business tourism
- Nautical tourism

- Nature tourism
- Health and wellness
- Golf
- Integrated resorts and residential tourism
- Gastronomy and wines

### **3.4. World Tourism Trends**

World tourism has been changing over the years mainly due to external factors, such as economic and financial factors or environmental issues, and changes on consumers' habits and lifestyle.

According to *ITB World Travel Trends Report 2012/2013* (IPK International, 2012), despite the financial and economic crisis that embraces the world, people still want to travel and tourism still proves its resilience to overcome the slow global economic growth and crisis through an expected solid growth around 2-3% in the international trips.

The tourism industry appears as a leading industry to overcome the world economic slowdowns and recessions and its challenges come with opportunities. In fact, one of these challenges is facing the demand side, since tourists have been changing and become more sophisticated in purchasing tourism products and choosing their destinations, which have lead to new and diversified needs and offers. (Chen, 2012)

When it comes to world tourism trends, tourists will demand more individual and authentic holiday experiences in the future and they will depend more on technology to plan them and also enjoy their trips.

The short-term influencing factors of travelling and tourism are costumers' personal financial situation, holiday prices, value for money, the image and stability of destination and technology. This last one will have a higher impact on consumers through which they will adapt their travel behaviour and access products and services before and during their trips. Furthermore, in medium term, consumers will seek for new and authentic holiday destinations

and experiences with more interaction with local communities instead of the customary tourist travels, this is, the travel and tourism future goes through “*physical experiences in authentic places*” (IPK International, 2012: 18)

### **3.5. European Tourism Trends**

When it comes to the European tourism trends, they are increasingly influenced by major global trends. The European Travel Commission (2006) analyses, in a five to ten years time line, influencing global issues in the review *Tourism Trends for Europe 2006*:

- The ageing of the population in outbound markets has been impacting on travel and tourism demand;
- The emergence of new markets, such as China, India and Russia, is resulting in new challenges and competition among the destination regions;
- The environmental and social aspects impact on tourism flows and on tourist products' trends;
- The wide-spread globalization effect leads to an increase in the importance of tourism in the world economy;
- The image of destination countries are mostly linked to security, social stability and health and impact on travel and tourism demand;
- The cultural tourism motivations are slowly shifting to a more general interest in culture combined with leisure and entertainment products.

Furthermore, as the influences in consumer behaviour also impact on tourism, the European Travel Commission identified a set of touristic trends based on the travel experience and consumer lifestyle:

- People are shifting away from external travel determinants as demography and climate to internal determinants as creative expression, self-development and deeper experiences;
- Increase in genuine life experiences rather than the staged ones;

- Increase in volunteer tourism;
- Increase in creative tourism;
- An interest for last-minute decision-making is becoming more prevalent, especially regarding short trips, in which travel is no longer perceived as a luxury.
- Increase in incoming medical tourism, due to longer waiting lists and expensive medical services on the outbound countries.
- Increase in the demand for well-being, health and fitness and stress management products, which are leading to an increase in the demand for spiritual products based on inner experiences and for health and spa products.

Ultimately, since there is not a special relevance for a single changing trend, European countries should select the opportunities that are the most appropriate to their specific market and products involved. They should also think about the future and the possible effects of these expected changes, which can impact not only the tourists but also the destination and suppliers.

### **3.6. Portugal**

Tourism impacts on country's economic development and contributes to the historic and cultural recovery of a destination. Portugal is not an exception.

The global prospects and the European trends are an opportunity for Portugal. However, it is necessary a strategy that can positively respond to the sophistication of demand and the growing number of competitive offers. Thus, it is important to define a stable path of action, with clear goals and objectives and which shows how it can impact Portugal and its tourists.

According to PENT (2007), Portugal will concentrate its value proposition in the factors that differentiate itself from the remaining competitive destinations – weather and light, history, culture and tradition, hospitality and concentrated diversity – and in the elements that qualify Portugal as one of tourist possibilities of travelling location - modern authenticity, safety and competitive quality.

In line with its value proposition, it is intended the development of structured, distinctive and innovative offers based on the potentialities of each region since, in a sustainable way, tourism also enables the revitalization of a cultural identity as well as the preservation of cultural goods, patrimonies, traditions and supports the local population.

### **3.7. Growing trends**

New tourist products have emerged as a response to the increase in urbanization and people have been looking for natural areas in order to escape from stress factors and for new experiences that allow them to appreciate and be familiar with the natural environment. Thereby, tourist products such as nature tourism, ecotourism and rural tourism can be highlighted as growing tourist trends.

#### **3.7.1. Ecotourism**

The interest to visit extreme fragile ecosystems as natural parks or something similar is not new and in the 1980s the concept of ecotourism became popularized which meant travelling to places slightly altered by the man.

Despite no universal consensus about a main definition of ecotourism, in 1983 Héctor Ceballos-Lascuráin presented one popular definition of ecotourism: *“form of environmentally responsible tourism that involves travel and visitation to relatively undisturbed natural areas with the object of enjoying, admiring, and studying the nature (the scenery, wild plants and animals), as well as any cultural aspect (both past and present) found in these areas, through a process which promotes conservation, has a low impact on the environment and on culture and favours the active and socioeconomically beneficial involvement of local communities.”*

Unfortunately, ecotourism was not merely enjoyed under protected areas and an intervention was necessary in order to prevent the environmental deterioration. As a result, in the 1990s, the concept of sustainable developed began to emerge and tourists started to require standards for environmental care and, consequently, hospitality had to take this matter into consideration (Schlüter, 2005). Thus, another definition arose by the International Ecotourism Society (TIES), defining ecotourism as *“responsible travel to natural areas that conserves the environment and improves the well-being of local people”* (1990).

According to Hetzer (1965), the ecotourism tourism is based on minimizing environmental impacts, respecting host cultures, maximizing the benefits to local people and maximizing tourist satisfaction. Furthermore, the non-profit organization TIES defends that people, communities and organizations should follow a set of principles, based on “*uniting conservation, communities and sustainable travel*”, in order to implement and participate in this tourist product:

- Minimize impact.
- Build environmental and cultural awareness and respect.
- Provide positive experiences for both visitors and hosts.
- Provide direct financial benefits for conservation.
- Provide financial benefits and empowerment for local people.
- Raise sensitivity to host countries' political, environmental, and social climate.

Consequently, Ross and Wall (1999) outlined the protection of natural areas, education, the generation of money, quality tourism and local participation as the five functions of ecotourism that were in accordance with the Buckley's foundations for this tourist product: nature based, environmentally educated, sustainably managed and conservation supporting (1994).

### **3.7.2. Adventure Tourism**

Changes in demographics, values and lifestyles are creating an increasing demand for the adventure and outdoor recreation sector, being one of the mostly fast growing factors of modern tourism. Adventure Travel Trade Association (2011: 6) defines adventure travel as a combination of three elements “*interaction with nature*”, “*interaction with culture*” and “*a physical activity*” where, besides the traditional physical sport activity, travellers also experience a new culture and the environment in a responsible and sustainable manner.

Consequently, this tourism product has been seen as a practicing of any sport or adventure activity where tourists enjoy a direct contact with nature. Characterized by both an element of thrill seeking and an element of being outdoors, some activities can be highlighted such as horseback riding, hiking, rappel, mountaineering, mountain biking, skiing, snowboarding,

rafting, scuba diving, recreational fishing, kayaking or skydiving. However, besides those “hard adventures” which are more physically demanding and involve a specialized training, “soft” adventures are also considered such as culinary pursuits, agritourism or archaeological, offering comfortable stays and pleasant experiences. (IPK International, 2012)

Research by Cunha (1997) has provided evidence that this tourist product is a good opportunity with a great interest in Portugal. In fact, through its popularity, adventure travel may increase the domestic travel and the number of the international visits as well as it easily assumes an important role in local economies complementing them by creating new local opportunities.

### **3.7.3. Rural Tourism**

For many years, the country side was seen and analyzed as opposed to the city. However, in recent years there has been an interest in the rural areas and rural society and, consequently, the interest in tourism as a tool to revitalize them has grown.

Despite the depopulation, some rural areas are experiencing an inflow of people to retire, to travel or to develop new non traditional business and, consequently, an entrepreneur lifestyle for tourism businesses is rising (Lane, 2009).

The identification of such rural areas lies in their rurality, this is, their size and population density, the utilization of the land mainly for agriculture and forestry and the traditional structure and characteristics of the population.

Although there is no reasonable definition due to its complexity and difference among different nations and regions, OCDE (1994: 8) refers rural tourism as the “*tourism which takes place in the countryside*” and it encompasses the following characteristics: rural environment, closer to nature, sustainability, serenity, small settlements and assimilation of the overall image, economy, history and tradition of the regarded rural area (Sarmiento & Matias, 2011).

Research by MacDonald and Jolliffe (2003: 308) have provided evidence that “*the concept of culture, rural, and tourism are multidimensional and interrelated*” referring that aspects as the historical patrimony, the natural beauty and cultural customs and traditions are also presented in rural and isolated areas.

However, the rural tourism development may not be suitable for all the rural regions despite its economic growth strategy for these communities, since not every rural place presents the right characteristics and specificities in order to be a candidate for tourism. (Fleischer & Felsenstein, 2000).

When it comes to the encompassed activities in rural tourism, they are mainly characterized by being distinct from people's usual lifestyle, their possibility of being carried out in a rural and natural environment and their traditional features. Some of those activities are walking, climbing, cycling, canoeing, hunting, nature study in outdoor settings, horse riding, small village touring, rural festivals (OCDE, 1994).

In fact, rural tourism varies in its attributes, some being unique to this type of tourism. Each visitor attaches different values to the different attributes and, consequently, tourists are willing to pay a higher price for an attribute that they value the most. (Fleischer & Tchetchik, 2005). Their research also shows that the infrastructure of the accommodation facility and the concentration of tourist activities in the region also impact on the tourist willing for that type of tourism product.

Moreover, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, where rural tourism has economical and social positive impact, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy lifestyle.

In order to be successful, rural development has to know how to get the most out of the resources of local communities. In an age when agriculture is declining, farmers and local small organizations can create new job positions for local people and gain additional financial sources (Sarmiento & Matias, 2011). Moreover, many specialized activities regarding rural tourism are followed by other cultural additional programmes as well as tourists may have to spread all over the region which provides good opportunities for local services.

How about its sustainability? At first glance, in tourist terms, Jenkins (1991) defined sustainability as the careful use of current tourism assets to ensure their future availability. However, due to such poor definition, Inskip (1991) pointed out that sustainable tourism development should highlight the importance of environmental and developmental components in sustainability as well as the importance of the host community in tourism



development. Consequently, when it comes to sustainable rural tourism, sustainable tourism strategies should be employed and Haan (1997: 204) refers that *“it should encourage the interaction between hosts and guests, and promote cultural development (including the choice of lifestyle and preservation of local traditions).*

Thus, sustainable tourism can offer the authentic countryside lifestyle, and a no artificial tourism scenario created for exploitation, where the realistic life and Nature can be preserved by local habitants, hosts and visitors. (Fons, et al., 2011)

However, the rural tourism enterprises often consist of small-scale businesses, located in remote areas, from a low capital base and function with low-level skills and experience, which may lead to a market failure, as such the private and public support are important.

The research by Komppula (2013) refers that rural tourism development often arises from a local government initiatives regarding the decline of traditional rural activities in the region as well as its consequent demographic changes, as they may derive from the need to present diversified tourist product from the traditional mass tourism.

More than a local government support, local associations and enterprises may have a higher contribution to rural tourism. In fact, MacDonald and Jolliffe (2003) claim the importance of partnerships in isolated areas to develop cultural rural tourism and to achieve the community’s goals as well as they *“help to ensure the ongoing development, preservation and nurturing of the culture as a resource of rural tourism and its role as a vehicle for economic benefits for a region”* (2003: 320).

#### **4. Project description**

The project to be developed consists of creating the “Hotel do Rio”, a rural hotel in the county of Sertã that aims to reach people who travel for leisure and recreation and that are also looking for new experiences and contact with nature while discovering the rural region.

Moreover, it is intended to promote rural, nature and adventure tourism in the surrounding area as well as bring benefits to the county, such as the valuation of the regional products, the appreciation of local heritage and employment.

The business concept is to provide customers a good accommodation by offering a standard service at a competitive price. This is, the rural hotel seeks to offer to its guests an essential stay at a competitive price, where the main services are a bed, a shower, the breakfast and bar, and there is a particular relevance to the proposed activities. Thus, with an essential offer, the business concept embraces a customer’s total preference to enjoy the environment and the region instead of using a permanent exquisite service at the hotel.

Nevertheless, being a rural hotel, “Hotel do Rio” will have all the typical convenience of these tourism enterprises. Guests can enjoy a comfortable and peaceful environment and a refreshing and relaxed time as well as they can experience regional products and take the most advantage of the surrounding area while experiencing the available activities and potential local experiences.

It is important to mention that, by providing the basic service of a rural hotel at competitive prices, it is not intended to create a perception of a low cost rural hotel because it typically results in a negative image associated to a low or bad quality of a service, which would not meet the focus on the quality in the hospitality as required by rural tourism. On the other hand, it aims to offer a standard rural hotel service at a minimum demanded price, that is the price should reflect the standard service required by the customer whereas the other services and activities are considered additional for which the customer will have to pay an extra amount. Through this policy, customers have the power of choice, which allows them to pay only for the services that they truly value.



## **5. Company description**

### **Vision**

Grow in a sustained way in order to be a rural hotel of reference in the market.

### **Mission**

The rural hotel intends to provide an unforgettable stay at competitive prices where customers can take full advantage of the surrounding area through activities and contact with the nature as well as it aims to contribute to the sustainable tourism development of the county of Sertã.

### **Values**

- Trust – reliance in the commitments with guests as well as it should be provided exactly what it is aimed to offer.
- Familiarity – seek to meet the customer with warmth, cordiality, friendship and honesty.
- Focus on customer - continuous improvements for the customer.
- Respect for the culture and tradition of the county - seek to disclose and maintain the cultural features of the region in a responsible and careful way.
- Social and Environmental responsibility – ensure the future of society and the region.
- Enhancement of human resources – employees with responsibilities and autonomy.

### **Critical Success Factors**

- Authenticity – the rural hotel should seek for the quality of their activities as well as the genuineness of the experiments should be recognized. The authenticity must also take in consideration the region and the surrounding area as well as it extends to the interactions that the tourists will have during their stays.
- Localization as proximity to resources – the rural hotel must be placed in an area with several points of natural and rural interest and, consequently, it will be easy to prepare tourist experiences. Moreover, it is necessary to know the area and also to identify the tourism

resources, so that the hotel can be able to create an interest by itself and by products that are offered as well as easily explain to tourists how to get to them.

- Hospitality – it regards the basic service expected in rural tourism, involving issues related to the basic elements of the typical host of rural tourism and the training and qualification of human resources. Since the tourist does not move only to sleep but to feel and enjoy the surrounding area and experiences, the “Hotel do Rio” must assume itself as the door access to these needs and expectations.
- Reduced financial and operational costs – By incurring only in operating costs required to rural hotel’s operations and to offer the standard service, the rural hotel is able to lower its prices and thus compete through this competitive advantage, practising its business concept.

### **Strategy selection**

In order to define its strategy, the rural hotel should take into consideration the target market and the competitive advantage to be pursued. As mentioned before the business concept relies on providing a good accommodation with the fundamental services at a minimum demanded price as well as the rural hotel's potential customers will seek for new experiences and a direct contact with nature, allowing a discovery of the region and its culture and traditions. Consequently, the rural hotel will adopt a Best-Cost Provider strategy, through which it is intended to satisfy the whole market and outperform the competition in terms of costs. Thus, it is necessary a rigid control of costs and the actions of competition as there is a strong initial investment and all operations and processes including distribution should be efficient and simplified in order to reduce the costs.

## **6. Framework**

As mentioned before, the present business plan will follow a coherent line for its development. Thus, the author will follow the following phases:

- Environment analysis – it encompasses a mediate and an immediate analysis. The first one consists of the political-legal, economical, social and technological context of Portugal covering the most relevant aspects for tourism, whereas the immediate analysis consists of the industry context analysis through Porter's 5 forces.
- Market analysis – which will consist in analyzing the demand and offer side of the sector and, in a more detailed analysis, the tourism in rural areas.
- Competition analysis – identifying the direct and indirect competitors for the rural hotel.
- Internal analysis – development of a Systemic SWOT analysis based on the environment analysis and considering the organization.
- Segmentation, Target and Positioning – defining the specific characteristics of the intended customers and seeking for positioning the rural hotel by taking into consideration the customers' expectations and its competition.
- Marketing-mix definition – definition of the marketing plan which encompasses the key variables product, price, promotion and distribution to be applied regarding the rural hotel
- Technical aspects – it will encompass several elements to be considered when developing a business plan: size unit, localization, technology, equipments and layout.
- Organization – identification of the organizational structure that best suits the rural hotel and, consequently, it includes the human resources identification for the organization.
- Implementation – definition of the execution program for the proposed project.
- Financial evaluation – evaluation of the proposed business plan computing principal and auxiliary financial maps.
- Decision – taking a final decision based on the viability of the project according to the theoretical and practical tools applied throughout the project.



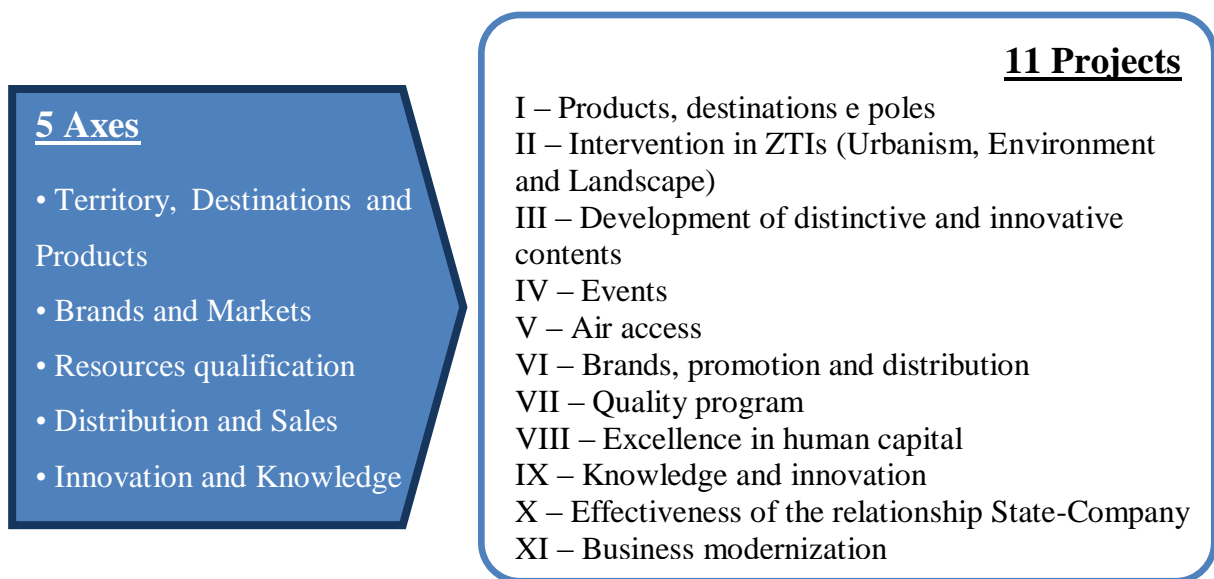
## **7. External Analysis - PESTEL Analysis**

An analysis of the general environment identifies the external constraints that have an impact on the organization, allowing the identification of opportunities and threats. Thus, such constraints and factors can be determined through a PEST analysis that encompasses political, economical, social and technological factors.

### **7.1. Political Analysis**

The analysis of political and legal factors assumes a relevant impact since it determines the allocation of power and provides the legal framework of the hospitality industry. Therefore, it has to take into account the Tourism Policy and the Hospitality Law.

According to the Decree-Law n° 191/2009 of 17 August, the National Tourism Policy is defined based on a coherent set of principles, regulations and requirements that regulate and promote tourism in Portugal. As a result, the Plano Estratégico Nacional de Turismo (PENT) appears in 2007 in order to establish objectives and define actions for the sustained growth of the Portuguese tourism and, consequently, guide the touristic activity in Portugal for the timeline of 2007-2015. In order to be achievable, it is implemented according to five strategic axes through the implementation of eleven projects at several levels and encompassing different entities (Figure 1).



**Figure 1**– Action structure of PENT

**Source:** Turismo de Portugal



Furthermore, various systems were created in order to support the national tourism such as QREN – Quadro de Referência Estratégico Nacional (2007-2013), PIT – Programa de Intervenção do Turismo, the credit line PME Crescimento and the JESSICA's initiative - Joint European Support for Sustainable Investment in City Areas.

Thereby, according to PENT it is intended an increase of 15% in GDP and in the national employment for 2015 as well as a growth in the number of tourists and an increase in the revenues. However, such goals seem to be difficult to achieve due to some conjunctural changes such as the current economic crisis as well as the ruptures occurred in the international tourism during 2008 and 2009 and the slow recovery observed in 2010 and 2011.

On the other hand, it is important to have a National Touristic Authority – *Turismo de Portugal* - responsible for the support, valorisation, growth and sustainability of the touristic activity, aiming to contribute to the economic and social development of the country. Besides, there are other entities that also contribute to the industry's development, such as the Regional Tourism Entities, the Regional Directorates of Tourism in Azores and Madeira Island, the Regional Agencies of Tourism Promotion and Tourism Teams Abroad.

Regarding the Portuguese Classification of Economic Activities (CAE – REV.3), the Decree-Law 381/2007 of 14 November defines the code I55202 for the tourism enterprises in rural areas, classification of economic activity that has to be taken at national level.

Furthermore, the municipal council of each region is responsible for the urbanization and construction legislation specified in the Decree-Law nº 39/2008 of 7 March, later republished by the Decree-Law nº 228/2009 of 14 September, which approved the legal regime of the installation, exploration and operation of tourism enterprises. According to the article 4, tourism enterprises may be developed as:

- a) Hotels;
- b) Holiday villages;
- c) Tourist apartments;
- d) Resorts;

- e) Lodging accommodation;
- f) Tourism enterprises in rural areas;
- g) Campsites and caravan sites;
- h) Nature tourism enterprises.

According to the article 18, tourism enterprises in rural areas consist of “establishments intended to provide accommodation services to tourists in rural areas that have for their operation an appropriate set of facilities, structures, equipment and complementary services, with a view to providing a complete, diverse tourism product in rural areas.” Moreover, it divides tourism enterprises in rural areas under the following typologies:

- a) Country homes
- b) Agro-tourism
- c) Rural hotels

Furthermore, there is a set of specific legislation that is applied to the installation and operation of tourism enterprise in rural areas:

- Ordinance n° 937/2008 of 20 August, that establishes the minimum requirements to be observed by tourism establishments housing and rural tourism.
- Regulatory decree n° 13/2002, of 21 March, that regulates the minimum requirements of the facilities and its operation;
- Ordinance n° 896/2008 of 18 August, that alters the Ordinance n° 1288/2005 of 15 December, approving the model, editing, price, supply and distribution of the complaints book.
- Ordinance n° 25/2000 of 26 January that approves the models, supply and distribution of classification’s boards.
- Decree-Law n° 555/99 of 16 December, later republished by the Decree-Law n° 16/2010 of 30 March, which establishes the legal framework for urban development and building.

## **7.2. Economic Analysis**

The economic analysis has an important role in the tourism context, enabling the understanding of the actual economical situation of the population and what are the threats and opportunities that they are dealing with. Consequently, it will be analyzed key indicators such as Growth Domestic Product (GDP), Gross National Income per Capita, Balance of Payments, Inflation Rate, Interest Rate, Exchange Rate, Unemployment and Social Classes in Portugal. On the other hand, as a large proportion of the guests of lodging accommodation and tourism enterprises in rural areas are foreign guests, it is important to take into account the economic context of the main countries where they are from, such as France, Germany, The Netherlands, Spain and United Kingdom (Annex 26).

### **7.2.1. GDP and GDP per capita**

The real GDP growth rate is the principal indicator of economic health.

Regarding Portugal, it can be verified that, according to *Banco de Portugal*, the Growth Domestic Product has had a positive evolution until 2007, presenting almost no growth in 2008 (around 0%), and a negative percentage of 2.9 in 2009 (Annex 2). Additionally, in 2010 there was an increase in GDP of 1.4 percentage points, whereas in 2011 it was registered a decline in 1.7 pp. In 2012, it is expected a strong contraction in the economic activity of 3%, followed by a gradual recovery during 2013 (-2%) and an economic growth in 2014 (0.8%) supported by a more dynamic domestic demand, including public consumption through an increase in the disposable income, and an acceleration in exports (Annex 1).

When it comes to the principal countries where tourists are from, there was also a substantial decrease in the real GDP growth rate in 2008 and 2009, due to the economical crisis. However, like Portugal, that rate evolved favourably in 2010, with the real GDP growth rate being 1.7% in France, 4.2% in Germany, 1.6% in Netherlands, - 0.3% in Spain and 1.8% in the United Kingdom. On the other hand, the year of 2011 was a synonym for some contractions in the real GDP growth rate, Spain being the only considered country that presented an increase, reaching a positive rate of 0.4%. Even though it is forecasted a strong contraction in the real GDP growth rate in 2012, in which Spain, Netherlands and the United Kingdom may reach negative percentage rates, Eurostat predicts a favourable improvement for all the studied countries for 2013 and 2014 (Annex 2).

On the other hand, GDP per capita translates the average wealth generated by each inhabitant of a country and is commonly used to evaluate the life quality of country taking into consideration the variation of population.

Hereupon, when analysing the year of 2011, the Portuguese GDP per capita decreased 3 points, this is, it amounted 77 points in a total of 100 (the European Union average). For the first time Spain's GDP per capita was below than the European Union average with 99 points against the verified 105 points in 2007. France and the United Kingdom also presented a decrease of 1 and 4 points, respectively, being 107 and 108 points, whereas Germany GDP per capita increased by 4 reaching the 120 points. The Netherlands is the second country from UE with the highest GDP per capita, presenting 131 points (less 2 compared to the previous year). Furthermore, according to the IMF, the previsions for the next years are that Portugal will lose its position comparatively to other countries as Czech Republic, whereas the remaining studied countries may have their GDP per capita increased until 2015 (Annex 3).

### **7.2.2. Gross National Disposable Income per Capita in PPS**

Based on a hypothesis that income is equally distributed across all elements of a population, the Gross National Disposable Income per Capita indicates the income that a person, on average, has available to use in the consumption of goods or services in order to meet his or her needs.

Regarding the studied countries, it can be observed that the Gross National Disposable Income per Capita presents a similar evolution over the years, increasing until 2007, declining until 2009 and evolving favourably since that year. Consequently, the increase in the families' purchasing power enables an increasing proportion of the income to be applied in the consumption of goods and services that are not considered as essentials, such as products or services for leisure.

Moreover, when comparing them in numerical terms, Portugal has been presenting the lowest Gross National Disposable Income per Capita reaching 19.088,9 PPS in 2011, in contrast with The Netherlands that has presented the highest values, with 32.665,5 PPS in 2011( Annex 4).

### **7.2.3. Balance of Payments**

Encompassing the Current Account, Capital Account and Financial Account, the Balance of Payments represents the commercial, financial and economic situation of a certain country as

compared with other countries. International tourism affects the balance of payments through the current account, as an international service, which includes both travel and tourism.

As we can see, it has been observed a favourable evolution in the Portuguese Current Account since 2008, reaching the negative value of 11.025 millions in 2011 (Annex 5), in which the tourist balance contributed positively with 5.172 millions, value that also corresponded to an increase of 11.3% comparatively to 2010 (Annex 6). In annex, we can also observe the evolution of those types of international transactions in the studied countries, in which German and Netherlands present current account surplus (Annex 5).

#### **7.2.4. Inflation**

Since the past years there has been verified an increase in the prices in Portugal, except a punctual decrease in 2009, when the inflation rate registered a negative value of 0.9% with prices generally declining when compared to 2008, driven by the crisis that lowered the demand, encouraging low prices. In the following year the prices increased by 1.4%, followed by a rise of 3.6% in 2011, due to the increasing price of fuel and the increased taxes and rates (Annex 7). Regarding 2012, the inflation rate should decrease despite maintaining a relatively high level of 2.6%, which reflects the impact on the fiscal consolidation measures such as changes in indirect taxation and prices constrained administratively. In 2013, a decrease in the inflation rate is expected due to the dissipation of the aforementioned purposes, reaching the 1.0 percentage points that will remain fairly constant in 2014 (Annex 8).

Considering the countries under analysis, the inflation rate also declined in 2009, in which Spain also presented a negative rate (-0,2%), whereas in 2010 there was also an increase, leaving the inflation rate at 1.2% in Germany, 2% in Spain, 1.7% in France, 0.9% in the Netherlands and 3.3% in United Kingdom. In 2011, the increasing profile continued to be observed reaching the values of 2.5% in Germany, 3.1% in Spain, 2.3% in France, 2.5% in the Netherlands and 4.5% in United Kingdom (Annex 7).

#### **7.2.5. Exchange Rate**

Since the United Kingdom is the only country that does not use the Euro as its currency, it is important to evaluate the evolution of the exchange rate between GBP and EURO.

When it comes to the evolution of this exchange rate, there were observed some oscillations mainly due to the economical conjuncture. Thus, since the second semester of 2011, it has

been observed a depreciation of the GBP against the Euro, but apparently such trend has started to change since August 2012(Annex 8).

#### **7.2.6. Interest Rate**

In terms of reference interest rates by the European Central Bank, it appears that these have remained unchanged since July 2012, where the Governing Council of the ECB settled them in 0.75%. Regarding Euribor rates, from 2008 to 2010 there was a sharp increase in its value at around 4%, followed by a slight increase during 2011 and 2012, when compared to the previous homologous periods, which will bring even more losses in the population's purchasing power (Annex 10).

#### **7.2.7. Unemployment**

Evaluating the Portuguese unemployment rate over the past years regarding the working population, there was a slight decrease from 2007 (8%) to 2008 (7.6%), followed by a sharp increase until the present time. In 2009, this rate proved to be critical by reaching 9.5% which was due to the crises that was originated in the financial market and quickly spread to a global scale. Furthermore, this indicator continued to increase standing at 10.8% in 2010 and 1.7% in 2011 and estimates of Banco de Portugal point to an even sharper increase in 2012, expecting a rate of 15.5%, followed by a small expected decrease of 0.4% in 2013 (Annex 11).

Regarding the remaining studied countries, there has been also an increase in the unemployment rates since 2009, with particular relevance to Spain that held the highest variations and values as we can see on the (Annex 12).

#### **7.2.8. Social Classes**

Concerning the social classes in Portugal and according to the Markttest, they are divided into 5 categories. Based on the 2001 Census, the latest data reports to 2003 in which 5.5% of the Portuguese population were Class A (upper class), 11.9% Class B (upper-middle class), 24.9% Class C1 (middle class), 31.0% Class C2 (upper-lower class) and 26.7% Class D (lower-lower class). Nevertheless, it is expected these values have evolved over the past years, such as an increase in the population belonging to the Class A, C2 and D against a reduction in Class B and C1 due to classes' advancements and retreats. It is important to highlight that the percentage of the lowest classes, to which more than half of the Portuguese

population belongs, will tend to get worse with the economical crises and the austerity measures (Annex 13).

### **7.3. Social Analysis**

The social analysis reflects the characteristics of society as well as its values, costumes, traditions and expectation. Thus, it is important to take it into consideration when analyzing the hospitality industry since culture changes over time, what can bring positive or negative impacts on the market.

#### **7.3.1. Evolution of the Population**

When analyzing the evolution of the population, Portugal had presented positive growth rates that had been declining over the last years, reflecting the evolution of both net migratory and natural growth of population at that time. However, since 2010 the indicator has been negative and its value increased, which indicates that the Portuguese population is decreasing increasingly (Annex 14). In 2011, the Portuguese population was estimated in 10.572.157 inhabitants, corresponding to a decrease of 0.6% when compared to the previous year, noting a decline in both the migratory balance (-24.3 thousands of individuals) as in the natural balance (-6 thousands of individuals) (Annex 15).

As it can be observed from Annex 14 and Annex 15, the remaining studied countries have presented positive growth rates, except Germany that until 2010 had presented negative growth rates. France, Netherlands and United Kingdom have presented a growth almost constant whereas in Spain it has been decreasing.

#### **7.3.2. Distribution of Population**

When analyzing the population pyramid graph, Portugal shows a future trend towards an aging population. Consequently, it is predicted that the weight of the older population will keep growing as a result of the trends of the increased longevity and decreased fertility. Furthermore, when it comes to the remaining studied countries, they also present this aging population trend (Annex 16).

### **7.3.3. Final Consumption Expenditure of Households**

In terms of final consumption expenditures of households in Portugal, it proved to be growing between 2007 and 2008, followed by a decrease in 2009 due to the unfavourable economic situation. Consequently, it showed to be growing in 2010 and 2011 reaching the values of 115.193,1 millions of Euros and 115.520 millions of Euros, respectively (Annex 17).

When it comes to the remaining countries, the decrease of such indicator in 2009 is also verified, except in Germany. Thereafter, all of them presented increases in this indicator, being more noticeable in German, France and United Kingdom (Annex 17).

In a more detailed analysis, it is verified that the proportion of consumption expenditure allocated to restaurants and hotels followed the decreasing trend in the total consumption expenditure of households (Annex 18). Moreover, during the last years, the percentage of consumption expenditure regarding restaurants and hotels in the total consumption expenditure of households has been around 11% in Portugal, 6% in Germany, 17% in Spain, 10% in the United Kingdom, 7% in France and 5% in Netherlands (Annex 19).

### **7.3.4. Tourists distribution by destination**

Another factor to consider in the social analysis is the evolution of the number of tourist according to their destination; this is evaluate the main characteristics and flows of travelling in Portugal or abroad, based on the number of residents in the country.

In 2011, approximately 36.9% of the resident population in Portugal (3.9 million of residents) made at least one trip in which they slept one or more nights outside their current environment. Furthermore, this number of Portuguese tourists has been decreasing, presenting 0.5 percentage points less than in 2010 and 3.2 percentage points less than in 2009.

When it comes to the travel destination, in 2011 most of residents made domestic tourism (77.8%) whereas 9.5% of the residents have travelled for abroad destinations and 12.7% have travelled to both inside and abroad destinations. While the inside destinations have not shown the same trend throughout the three years under analysis (there was a decrease from 2009 to 2010 and an increase to 2011), the abroad destination travel verified increases: more 1.6 percentage points than in 2009 and more 0.9 percentage points than in 2010.



Nevertheless, it is important to highlight that 63.1% of the resident population in Portugal is classified as “No Tourists”, number that has been slightly increasing when compared to 2010 (62.6%) and 2009 (59.9%) (Annex 20).

### **7.3.5. Lifestyles Evolution**

In the past years, there have been important transformations in the society lifestyles with a relative impact on the tourism practices that can become even more attractive in the near future. The motivations for travelling or even for enjoying the free time are significantly associated to such changes and influence the evolution of touristic demand. Even though it depends on the cultural, economical and social environment, the satisfaction of a pleasure or a particular experience has become, increasingly, a main reason for travelling.

Among all the factors for the lifestyles changes, it can be highlighted the free-time; the increased levels of education, training and information, that helps to extend new horizons, increases the interest in certain types of activities and new territories as well as impacts on new needs and motivations; the improving accessibility, contributing gradually for faster, cheaper and more convenient movements; and the generalization of the urban lifestyle whose homogenization leads to a saturation of lifestyles and, consequently, there is a growing need to escape towards different spaces that can offer alternatives to the ones that the urban areas typically offer. Besides, a stressed population, concerned with their well being, increasingly seeks to feel, to do and to live the experiences and therefore the demand for touring, health and well-being have begun to emerge.

### **7.4. Technological analysis**

A technological analysis reflects the technical progress of society including factors such as equipments, processes, automation and maintenance, knowledge in Research and Development (R&D) and the new technologies. In fact, the technical progress makes it the variable in which is verified more rapidly changes that can impact strongly an organization.

In terms of the technology, it is required for this project a lightning system, fire safety equipment and system, a landline or mobile phone with network connection outside, a fridge, a cooker, a hob or microwave, a fumes exhaust and power outlets. All these technologies are available in the market as well as they have been subject to technological developments,

which provide better performances, enabling a company to acquire more efficient products at competitive prices.

Furthermore, the technology impacts the construction and restoration of the rural hotel as well as the environmental preservation, through the use of existent tools and improvements in processes and used materials that are essential for reducing the resources' consumption, leading to a reduction of costs and time and to the environmental sustainability.



## **8. Characterization of the Industry**

It is important to characterize the entire industry in which this present business plan is encompassed in order to easily understand its context and further identify trends that can have impact on it. As it is intended to develop a rural hotel, we can state that it is encompassed in the Hospitality industry, more specifically in the tourism enterprises in a rural areas as well as it is inherent to the tourism industry.

Firstly, considering the airport movements registered in 2011, the Portuguese airports totalized 12.2 millions of international flights, which corresponded to an increase of 8.6% compared to 2010. Consequently, Lisbon's airport was the one that registered the largest flow of tourists, presenting a total of 6.4 million of passengers (406 thousand passengers more than the previous year), followed by the Faro's Airport (2.6 million of passengers) and Porto's Airport (2.5 million of passengers) (Annex 21).

Relatively to the demand of this sector, in 2011 Portugal it was registered an increase of 7.4% in the number of guests, resulting in 14 million of guests, who were equitably distributed among residents (47%) and foreigners (53%). In fact, the number of foreigner guests registered a favourable increase of 8.8% in the total value, against the verified decrease of 1.4% in domestic guests (Annex 22). Furthermore, the majority of foreigner guests were from Spain (18.6%), United Kingdom (16.8%), Germany (10%), France (8.9%) and Brazil (6.1%) (Annex 23)

Analyzing the proportion of guests by geographical region - NUTS II – the region of Lisbon registered the largest amount of guests (28.8%), followed by Algarve (21.4%), Norte (18.9%) and Centro (15.9%), all presenting a positive evolution when compared to the previous year. On the other hand, Açores verified a decrease of 1.0%, presenting 344, 4 thousands of guests. (Annex 24)

Regarding the overnight stays in Portugal, there was a slight increase of 5.8% in the global number, comparatively to 2010 (Annex 25). Consequently, from the 39.560 thousands overnight stays registered, 66% were form the external market, whit special relevance to guests from the United Kingdom, Germany, Spain, Netherlands and France (Annex 26), which reflected a favourable evolution of 10.4% against a negative variation in the internal market of 2.1 %. (Annex 25)

Given the geographical region by NUTS II, the region of Algarve, Lisbon and Madeira registered the largest value of overnight stays as well as a positive evolution. In addition, the Centro region represented 10.3% of the overnight stays, registering 4,055.6 thousands of guests, which accounted for more 4.4% comparatively to the previous year. (Annex 27).

Taking into account the tourist accommodation, according to Annex 28 there were 3,536 tourism enterprises in 2011 being the majority classified as hotel establishments (51%) and TH and TER (34%), which reflects a global accommodation capacity of 498,526 beds. (Annex 29). On the other hand, Holiday Camps and Youth Hostels registered the lowest number of facilities and, consequently, the number of beds.

When it comes to the analysis of the Revenue per Available Room (RevPar), there was a slight increase of 0.3€ compared to the previous year, reaching in 2011 a value of 32.8€. The 5\*Hotels (59.2€) and Guesthouses (41.7€) reached the highest values as well as the higher homologous increases, 6.9% and 7.5% respectively. (Annex 30) Given the geographical region by NUTS II, the regions of Lisboa (45.40€), Algarve(37.00€) and Madeira (32.10€) achieved the highest values in the country, being the only regions, except for Alentejo, where the RepPar value did not observe a negative variation. (Annex 31) In this particular analysis, it is important to highlight the statistical data only encompasses Hotels, Aparthotels and Guesthouses.

Ultimately, the total income reached €1.9 billion in 2011, verifying an increase of €102.6 million compared to the previous year. This value is due to the lodging income, that represented €1.31 billion of the total amount, and the income from other services (€599 million). In both cases, there was an increase of 7% and 3% respectively (Annex 32). In a more detailed analysis, the regions that most contributed for such value were Algarve (30%) and Lisboa (29.4%) with over €500 million each. Moreover, all regions presented a positive evolution on its global income excepting Açores that observed a homologous negative variation of 4.2%. (Annex 33) Once again, this statistical data only encompasses Hotels, Aparthotels, Holiday Villages and Guesthouses.

## **9. Tourism Enterprise in Rural Areas Analysis**

Regarding the housing tourism and tourism in rural areas, there were 1,188 available facilities in 2011. In fact, there has been a favourable increase in the number of available facilities since 2007 (+165 facilities), even though the total number had not changed from 2009 to 2010 (Annex 34). In terms of the touristic typology verified in 2011, 43% of the total number was related to Tourism in Rural Areas with the remaining 57% distributed among the Lodging Tourism and Others<sup>2</sup> (typologies that were not reconverted yet at that date). Moreover, a more detailed analysis of the Tourism in Rural Areas shows that Country Houses have the highest number but verified a decrease of 5 units when compared to the previous year whereas both Agro-tourism and Rural Hotels remained with the same number of units, in which the last one has fewer facilities (42 rural hotels).

When it comes to the accommodation capacity, in 2011 there were 13,293 beds available, which resulted in a decrease of 51 beds when compared to 2010. In fact, Tourism in Rural Areas verified a decrease in the number of beds for all the typologies whereas the remaining ones verified an increase (Annex 35).

Analyzing the tourist accommodation according to the typology and the geographical area by NUTS II, we can have a clearer perception about the regions of greater implementation. Thus, Norte, Centro and Alentejo had the largest number of facilities in 2011, representing respectively 41.8%, 22.1% and 17.2 % of the total and they also registered the largest numbers of available beds. On the other hand, Açores and Madeira showed a negative variation of the number of facilities and the number of beds, respectively (Annex 36 and Annex 37).

When it comes to the demand of the lodging tourism and tourism in rural areas accommodation, there has been a considerable increase in the number of overnight stays despite the unfavourable evolution observed from 2007 to 2008. In fact, in 2011 were estimated 948,7 thousands of overnight stays, being Norte (30.7%), Alentejo (22.8%) and Centro (15.2%) the regions that registered the highest estimated overnight stays that year. Moreover, Norte, Lisboa and Algarve registered favourable evolutions of 15.6%, 66.3% and

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<sup>2</sup> - It encompasses both village tourism and homes owned by rural tourism typologies, which were not reconverted yet at that date to the actual typologies.

10.3%, respectively, when compared with 2010, whereas Centro and Alentejo noted a decrease of 3.1% and 7.8% (Annex 38).

When it comes to a detailed analysis on the proportion of estimated overnight stays by country of residence, in 2008 55,9% of the total were accounted by domestic guests, percentage that almost didn't change from 2007, despite the verified higher number of overnight stays that year (Annex 39). Furthermore, in 2008 the majority of foreigner guests regarding the overnight stays were from Germany (25%), Netherlands (12%), Spain (14%), United Kingdom (12%) and France (9%), the exactly same countries which verified the largest number of guests in Portugal (Annex 40).

Given the typology of tourism enterprise, besides Others (32.3%), Country Houses and Rural Hotels verified the highest numbers of overnight stays, representing 22.2% and 19.4% respectively, as well as the most favourable evolution. On the other hand, Agro-tourism and Lodging Tourism registered the lowest number of overnight stays, in which this latter was the only typology that verified a negative variation representing less 0,2 thousands of overnight stays when compared with the previous year (Annex 41).

When it comes to evaluating to what extent the touristic offer fits the demand, the average occupation rate by bed in 2011 was 17.1%, in which Rural Hotels (31.4%), Agro-tourism (16.5%) and Country Homes (15.6%) registered the highest values. Apart from 2008, in which the average occupation rate by bed was substantially lower (14.8%), it has been observed a slight increase on its value, remarking that from 2009 to 2010 there was no change remaining at 17.6% (Annex 42). Analyzing it geographically that year, Algarve, Lisboa and Alentejo were the regions with the highest values average occupation rate by bed in 2011 presenting 41.8%, 25.9% and 22.2% respectively even if Açores and Madeira have not had defined values (Annex 43).

Furthermore, in a more detailed analysis regarding the Centro region, in 2010 the highest positive variation observed (around 31,7%) as well as the highest presented value were in Rural Hotels, with an average occupation rate by bed of 29.9%, while Agro-Tourism reported a sharp decline around 62,2% and also the lowest rate: 3.4%. Despite its rate's negative variation to 2011, Rural Hotel still verified the highest average occupation rate, presenting 24.4% (Annex 44).

## **10. Porter's Five Forces Analysis**

Porter's Five Forces Model developed by Michael Porter is a framework that analyses the attractiveness of an industry through the joint action of five forces: threat of new competition, threat of substitutes, bargaining power of supplies, bargaining power of buyer and competition rivalry.

### **10.1. Threat of New Competition**

New competitors may imply a loss of profitability through the achievement of market share or by introducing features that change the competitive dynamics of the sector, thus constituting a threat for companies that are operating there. Consequently, the threat of new competition depends on the barriers to entry and the expected retaliation from the established competitors.

One of the entrance barriers, which discourage new competitors to enter the business, is the high initial investment cost. It is necessary to have a good location at a reasonable price as well as the construction or restoration requires a significant capital investment.

However, there are incentive programs for the entry of new competitors in the market as the partnership protocol *Turismo 2015*, which enables financial support mechanisms through incentive systems aiming the development of tourism sector. The support lines also provided by Turismo de Portugal are also a stimulus for the investment since it facilitates to obtain the necessary financial support.

The access to distribution is crucial in this sector being important to have a good distribution network. Since usually the bookings are made by the official website, travel agencies or operators, phone, fax, e-mail or *bookings*, the easy access to the distribution channels is a facility to the entry of new competitors. It is noteworthy that both booking and travel agencies are more costly due to commissions and can cause some difficulties since usually they already have their packages settled and available and only with an attractive offer they will include new products.

Competitive prices, or even its reduction, are also an entrance barrier to the new competition. In order to avoid the new competition in this industry, there is a trend to decrease the price or make major promotions which leads to a higher difficulty for the new player to compete and remain in the market due to its uncertain revenues and the large expenses incurred in the initial stage.



Another facility is related to the services offered that are poorly differentiated which facilitates the imitation benefiting the new entrants. Furthermore, the clients' switching costs are reduced since it is easy to switch from one competitor to another without incurring additional costs.

## **10.2. Bargaining Power of Suppliers**

The bargaining power of suppliers measures the ability of suppliers to influence the terms under which the goods or services are sold to the industry. Consequently, the higher their bargaining power, more they can influence the business and impose a policy of selling prices, billing, delivery and quality of products.

In terms of exploration products or consumables, which are associated to the maintenance and operation of rooms, breakfast, bar exploration, cleaning, among others, the offer is widened being important to guarantee the delivery on time and the desired quality. Although there is a big dependence of these products, they are poorly differentiated which, combined with the offer available in the market, leads to low switching costs. Consequently, the bargaining power of these suppliers is low.

When it comes to water, energy and gas, the suppliers present a high bargaining power since they hold the monopoly of these relevant products.

On the other hand, the analysis should also focus on construction and housing suppliers because they are needed in order to start the project as well as they will be required due to wear or material destruction. Therefore, since there is also a wide variety of such suppliers and information available, their bargaining power is low.

## **10.3. Threat of Substitutes**

Substitutes are alternative assets that meet the same needs of the industry's consumers and therefore the higher the pressure of substitutes, the lower the profitability of the business.

Since consumers seek for accommodation, there are a few substitutes to be considered as an alternative of choosing a hotel such as resorting to a free private accommodation – host of relatives or friends – or inclusive rent rooms or apartments. Consequently, the customer is always inclined to choose the alternative that will bring more added value. Besides, it is

important to take into consideration that generally the client does not incur switching costs unless it is a pre-booking, being in these cases necessary to pay a security deposit.

In terms of residents, in 2011, the free private accommodation was the most commonly used type of accommodation (ANNEX 45). When travelling in the country, resident tourists in Portugal seek particularly for overnight stays where they don't have to pay for the night through the accommodation of relatives or friends. Although customers can often opt for this alternative, it may not be the most reasonable because many times the customer feels that he/she is occupying a space where he/she does not belong as well as the customer is always aware of the expenses with electricity, water and food. Consequently, even if it involves trust and commodities, they may prefer to resort to a tourism enterprise.

In terms of renting rooms or apartments, generally it is only worth it when it comes to stays for long periods as well as for groups with a certain number of individuals. Furthermore, a hotel seems to be the most appropriate choice regarding business travels, since those clients require a quiet and relaxed place to rest after a working day as well as they request for some specific services.

#### **10.4. Bargaining Power of Buyers**

Clients may influence the terms under which the products are purchased, affecting the attractiveness of the industry through their purchase price and payment policies as well as their demands for quality and service. As a result, the profitability of the business will be lower the higher their bargaining power, which in turn depends on the type of clients that can be divided into individual clients tourist groups and companies.

Regarding the individual clients, their bargaining power is essentially characterized by the choice of a hotel over another, since there are many alternatives in this sector. Nowadays, it is easier to compare prices and quality before choosing a service through the easy access to information and sharing of opinions on the internet.

On the other hand, tourist groups represent a high margin on sales, presenting a high bargaining power. Therefore, it is crucial to seek to satisfy their needs and demands, otherwise the tourism enterprise may incur in a large loss of customers. Moreover, they can opt for other alternatives such as renting an apartment.

Companies also present a high bargaining power since they request specific tourism enterprises and ask for particular characteristics for their businesses or meetings. Consequently, if their demands are not satisfied, there is a risk of losing a high proportion of customers.

When it comes to the bargaining power in this sector, it is also important to mention the travel agencies since they benefit from a wide range of information and are aware of the prices charged by the tourism enterprises. As the travel agencies have to reserve and pay for an accommodation in order to include it in their tourist packages, they can be seen as customers, being also important to take them into consideration.

Regardless of the type of customer, each individual has the power to influence others through the easy access of information about this sector, particularly on the Internet. In addition, there has been an increase in the price sensitivity since the services are poorly differentiated, being the price the basis for several decisions making.

#### **10.5. Rivalry among existing firms**

The analysis of the rivalry among existing firms reflects the competitive intensity between the companies operating in the industry allowing a better understanding on how influential the competitors are and how they operate in this market. Consequently, the greater the rivalry among existing competitors, the lower is the structural profitability of the business.

When analyzing the number and dimension of the hospitality industry, it is concluded that this is a fragmented industry, where there are a large number of tourism enterprises with very small market shares. Consequently, none of them has the capacity to influence the industry's evolution.

Furthermore, even though the industry is in a mature state presenting a high number of competitors, the tourism enterprise in rural areas is in a growth stage in Portugal so the number of competitors is still small and, in truth, the majority of them in rural tourism have a small dimension.

Typically, each tourism enterprise provides the basic and essential services to the stay of the customer, adding some extras in order to adapt its services to the customer's needs. Moreover, when it comes to rural tourism, enriching activities and experiences assume a significant relevance for the customer who seeks for an escape from an urban environment and for own

valences. Consequently, differentiation and innovation are key factors in this sector and each competitor seeks to offer something distinctive and unique to the customers. Even though the specialization might facilitate an increase of the profitability of the business, the fact of being a fragmented industry with services poorly differentiated, where imitation is easily achieved by competitors, contributes to the increase of rivalry among existing firms.

Moreover, due to the low differentiation of the services, the switching costs incurred by customers are low, being easier for them to change tourism enterprises, and thus contributing for a higher competitor rivalry.

When it comes to the exit barriers in this industry, assets held by the tourism enterprises are non-specialized, and therefore they are not difficult to be sold, as well as they are durable and can present a high residual value, so that in case of alienation the gains will be higher. Besides, there are costs of labour agreements and strategic interrelationships to take into consideration. In case of a fall in the industry, there is a tendency for those tourism enterprises to avoid creating synergies, preferring to abandon the market, mainly due to the verified lowest diversification among companies.

To sum up, regarding all the aforementioned factors, the rivalry among competitors is high which leads to a lower attractiveness of the business.

## **10.6. Conclusion**

To sum up, the following table presents the conclusions of the aforementioned five forces that affect the competitiveness and their attractiveness for the industry

<b>Porter's Five Forces</b>	<b>Conclusion</b>	<b>Attractiveness</b>
Threat of new competition	Moderate potential for new competitors	Medium
Threat of substitutes	Lower bargaining power	High
Bargaining power of supplies	Lower bargaining power	High
Bargaining power of buyers	High bargaining power	Low
Rivalry among existing firms	High competition in the sector	Low

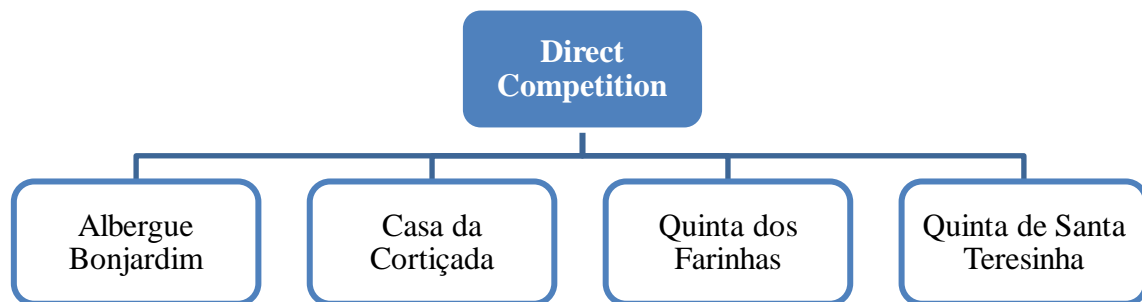


## 11. Competition

Considering the different levels of competition, it is important to identify the competitors which presented the same characteristics as the proposed rural hotel. For that, three variables are considerable: Location, classification and services.

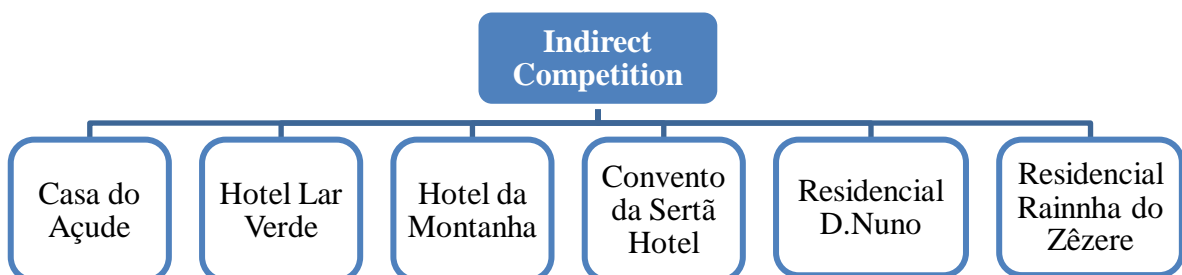
When it comes to location, the author identified all the tourism enterprises in the municipality of Sertã and their respective specific locale in order to better analyse the competition of the proposed rural hotel (Annex 46). Besides, it was also analysed their typology and available rooms (Annex 47), their facilities, room services, extra services and activities (Annex 48) and their main standard services of the tourism enterprises(Annex 49).

Thus, the tourism enterprises that resemble the proposed project are located in the area where our target market lies: the council of Sertã, and present a classification of “Rural Tourism”, since there are few differentiating factors among them, and they provide a similar offer in terms of accommodation and service related to nature and rural tourism (Figure 2).



**Figure 2** – Direct competitors

On the other hand, due to the shortage of tourism enterprises classified as “Rural tourism” and since they have a limited capacity in terms of number of rooms, the indirect competitors are all the forms of enterprise tourism that are characterized by offering a similar level of accommodation (Figure 3)



**Figure 3** – Indirect competitors

There is another tourism enterprise in the county of Sertã, Juicy Oasis. However, its target and core business is totally different from the aforementioned ones. It is a boutique health retreat and spa, where its customers take on a very unique seven day journey through yoga and fitness retreat. For these reasons, it was not considered as a competitor for the proposed rural hotel.

Besides, the tourism enterprises from the surrounding counties were also identified since these counties may be a threat to tourism in Sertã (Annex 51). This is, the author considered that one tourist that visits the municipally of Sertã would not stay overnight at a tourism enterprise in another country due to the long distance among counties and, consequently, they were not considered as direct competitors of the proposed rural hotel. However, they may be considered as a potential threat for the rural hotel since the counties were they are located may be a threat for the tourism in Sertã.

**12. SWOT analysis**

SWOT analysis is an important strategic tool that allows a company to identify the main factors that characterize its overall strategic position and which ones are favourable or unfavourable to achieve its objectives. Thus, it is important to take into consideration internal factors in order to identify the strengths and weaknesses of the organization as well as analyse the information from an external environment to the organization so that its opportunities and threats can be presented. Consequently, the Systemic Swot analysis shown below enables a deeper framework of the organization by establishing the challenges, alerts, risks and constraints for the enterprise tourism taking into consideration its structure and the surrounding market.

Systemic SWOT Analysis		Strengths			Weaknesses		
		Low Price	Proximity to the Nautical Centre of Zêzere	Localization easily accessible from all regions	Distance to the centre of the county	Lack of notoriety	Shortage of public transport
Opportunities	Incentives for the creation of new touristic investments	<ul style="list-style-type: none"> <li>• State incentives for new tourism developments are a valuable asset in order to achieve the business concept incurring the lower possible cost.</li> <li>• Increase in demand of these touristic products and activities can be leveraged through an accessible location and the proximity to the Nautical Centre of Zêzere.</li> </ul>			<ul style="list-style-type: none"> <li>• The distance to the county centre, the shortage of public transport and its lack of notoriety may lead customers to prefer other enterprise tourism which are originated from the growing demand and the emergent tourist routes.</li> </ul>		
	Growing demand for nature tourism, health and well-being tourism and rural tourism						
	Emergence of tourist routes						



Systemic SWOT Analysis		Strengths			Weaknesses		
		Low Price	Proximity to the Nautical Centre of Zêzere	Localization easily accessible from all regions	Distance to the centre of the county	Lack of notoriety	Shortage of public transport
Threats	More informed and demanding customers	<ul style="list-style-type: none"> <li>• The increasing access to information leads customers to be more aware when making a decision, making it important for the hotel to give customers what they really seek for their accommodation.</li> <li>• Practising a low price helps to counter the loss of purchasing power.</li> <li>• Having a low price may create a curiosity in the customers leading them to want to increase their knowledge of this tourist activity.</li> </ul>			<ul style="list-style-type: none"> <li>• The more informed and demanding customers can choose other similar enterprises which lack these weaknesses.</li> <li>• The lack knowledge about this tourist activity allied to the lack of notoriety decreases the changes of new customers.</li> <li>• The distance to the centre of the county plus the lack of public transportation may be difficult to overcome due to the loss of purchasing power.</li> </ul>		
	Lack of knowledge about this tourist activity						
	Loss of purchasing power						

### **13. STP – Segmentation, Target and Positioning**

#### **13.1. Segmentation**

The marketplace is diverse and changing. Consequently, it is necessary to divide the market into different groups which have common characteristics, needs and wants and that will react in a similar way to a marketing appeal. To this end, different segmentation variables should be used in segmenting the consumer market, considering the criteria that are more relevant to the business model:

##### **Demographic criteria:**

- Gender : male and female
- Age: under 14, 15-24, 25-44, 45- 64 and 65+

##### **Geographic criteria:**

Norte, Centro, Lisboa, Alentejo, Algarve, R.A.Madeira and R.A. Açores (based on NUTS II)

##### **Social and Economic criteria:**

- Education
- Income that's related to the social class

##### **Psychographic criteria:** Personality and lifestyle

##### **Behavioural criteria:** Occasions, benefits and attitude toward product

A survey on guests of Tourism in Rural Areas is an additional tool to characterize its demand and to better understand what the consumer profile is and the motivations and reasons for choosing rural tourism. For that reason, two surveys previously conducted were considered (Annex 52). A survey to 3,000 guests for the Characterization of Rural Tourism and Nature Tourism in Portugal, collected by IESE in 2008 and a survey collected from 150 residents in the district of Leiria and in the region of Grande Lisboa that have already done tourism in rural areas with a minimum duration of one day.

When analyzing and comparing the results of both surveys, the typical customer of Tourism in Rural Areas that resides in Portugal is in an age group between 25 and 44 years old and employed, with higher education qualifications.

When it comes to the pattern of motivations for travel, there is a preference for the discovery of the region, followed by the contact of nature and health and well-being. On the other hand, the main reasons for the choice of enterprise tourism in rural areas are the location of the facility and the surrounding area as well as the price has been becoming a more important factor mainly due to the crisis.

The typical customer is also characterized by making your own booking, choosing the destination via Internet and contacting the enterprise tourism by email or phone.

### **13.2. Target**

Marketing segmentation discloses the rural hotel's market-segment opportunity and a decision must be taken regarding the targeting strategy and which and how many segments should be targeted. Consequently, based on the conducted surveys, the proposed rural hotel will focus on:

#### **Demographic criteria:**

- Age: 25 to 64 years old

**Geographic criteria:** Residents in the North region, centre region and in the area of Grande Lisboa, and Spanish living within 150km of distance.

**Social and Economic:** Population belonging to middle class and upper-middle class.

**Psychographic:** People that travel for leisure, recreation and holidays, or are visiting relatives and friends as well as people that are looking for discovering the region, new experiences and contact with nature or that are motivated by health and well-being.

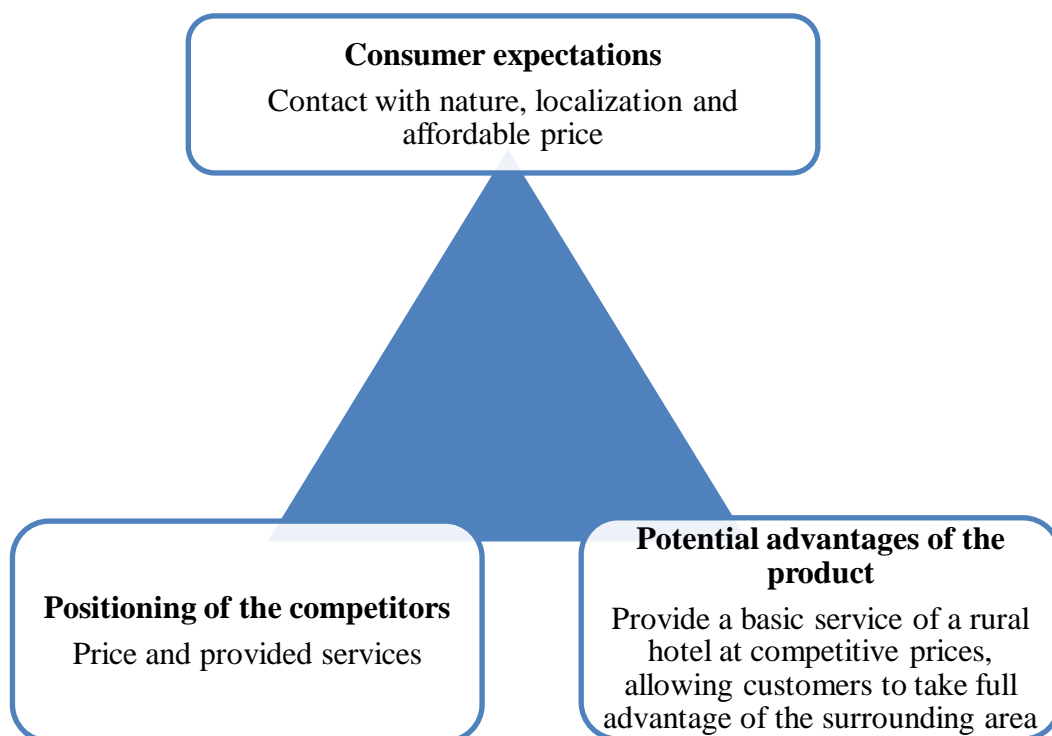
**Behavioural:** People that prefer to make reservations online, by phone or using packages of experiences.

### **13.3. Positioning**

Positioning is the way that the rural hotel is defined by consumers on important attributes, this is, the act of designing the rural hotel's image and value offering so that the segment's customers understand and appreciate what the proposed hotel stands for in relation to its competitors. It encompasses two perspectives:

- **Identification** – A rural hotel where customers can take full advantage of the surrounding area, rural tourism and enriching activities and experiences.
- **Differentiation** – Offer the standard service at a competitive price.

#### **13.3.1. The golden Triangle of Positioning**



**Figure 4** – The golden triangle of positioning



## **14. Marketing-Mix**

### **14.1. Product**

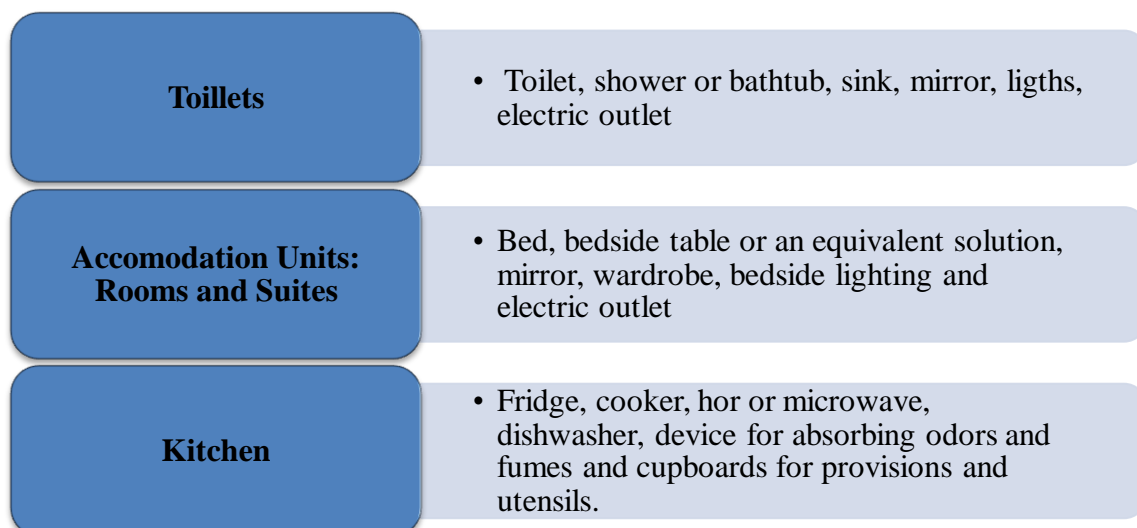
#### **14.1.1. Core product**

A rural hotel is presented as a service with a strong material component, since the customer acquires the right to share a physical installation in which the conditions of facility and equipments have a large significance, this is, both goods and services are inextricably mixed. Consequently, its core benefit is a night's lodging and host, providing the customer a comfortable place for entertainment, leisure, resting and relaxation as well as an unforgettable stay.

#### **14.1.2. Augmented Product – 1st Level**

The rural hotel seeks to offer a comfortable bed, a good and healthy breakfast with typical and homemade products from the region, a bar/lounge and terrace and garden with olives trees and fruit trees, where guests can enjoy a stay fully in harmony with the surroundings.

According to the Ordinance nº 937/2008, of 20 August, the rural hotel must present the following specific requirements:



**Figure 5** – Requirements for a rural hotel

Quality is about meeting customers' needs and may play a major role in creating satisfaction, being what the customer says it is and what the customer perceives it to be, this is the emphasis is on the customer and on perceived quality.

For that reason, when it comes to the quality provided to the customer, the rural hotel seeks to offer a quality of excellence according to what it wants to offer to its customers. For that, the rural hotel will focus on its reliability, competence, courtesy, credibility, security, communication, appearance and knowledge of the customer, which will not lead necessarily to an increase in the costs. Thus, the "Hotel do Rio" will focus on the art of hospitality that characterizes the region and on the customer's total preference to enjoy the environment and the region, not seeking to offer a permanent exquisite service.

### **Brand**

A brand is intended to identify a good or service and differentiate them from the competitors, whereby it is seen as a synonym of competition and permanency in the market. Moreover, it should suggest about the product's benefits and qualities.

The rural hotel will be identified as *Hotel do Rio* which is easily associated with the accommodation services as well as it is related to the place where the rural hotel will be implemented: relatively close to the Zêzere River. The brand is also associated with the natural wealth of the region and all the surrounding landscape, leading us to rural environment where people can have a relaxed lifestyle and contact with nature.

Furthermore, when searching for a hotel next to a river or when looking for river beaches as alternatives to sea beaches, research on internet will easily select the *Hotel do Rio* through these words as well as its identification as *Hotel Rural* can have the same effect when searching for rural hotels.



**Figure 6** – Rural hotel Logo

## **Colour Scheme**

The colour scheme is an important aspect regarding brand and enterprise tourism recognition and is associated with certain emotions that the rural hotel intends to convey to its potential customers. Thus:

- Green – It represents life, nature, fresh, hope and renewal and it is meant to symbolize rest and relaxing, health, tranquillity, safety and satisfaction, which embraces the main motivations of the main target.
- Blue – It symbolizes seriousness, confidence as well as calm and tranquillity being meant to transmit trust to our customers. Besides, it is a colour associated to freshness, cleanliness and hygiene.
- Brown – Related to nature, woodiness, earth and calmness, it is intend to mean warmth, neutrality and simplicity.

## **Logo**

Logo should point out the concept and values of the rural hotel as well as it must be related and easily give an understanding of the main target. Consequently, logo design is simple and objective, presenting the same colours as the proposed for the hotel in order to communicate the same message when staying in the Hotel do Rio.

The tree represents the flora and fauna of the region referring the rural environment and the existing contact with the nature. The blue circle and waves are allusive to the Zêzere River and intend to represent the proximity to an aquatic environment and, consequently, the nautical activities which may ensue. Thus, the logo easily identifies enterprise tourism with a genuine proximity to nature and local traditions.



### **14.1.3. Augmented product – 2nd Level**

The rural hotel will offer the following services:

- Free public parking
- Reception service – 24 hours per day and bilingual (Portuguese and English). Check in is from 14 pm and the check out is at 11 pm, during which period will be done the cleanings. Reception will offer luggage storage facilities so that guests may arrive earlier and leave their luggage there as well as after the time of checking out they may make use of the luggage storage facilities free of charge.
- Breakfast Included – there is a typical breakfast from 7.30 a.m. to 10.30 a.m.
- Bar – the rural hotel will provide a bar with a pleasant terrace where customers may enjoy their coffee or snack or even simply read or browse on the internet for free.
- Meal service – there is a meal service available on request. Besides, the objective is the existence of some partnerships with local restaurants so that customer can take greater advantage of the region and its typical products.
- Reservation service

Furthermore, since activities and enriching experiences assume an important relevance on rural tourism, the customers will have the following activities available so that they can appreciate and valorise the cultural and natural patrimony of the region and its authenticity:

- Mountain biking and bike rides, through which people can feel the adventure while discovering the beautiful landscapes of the region.
- Hiking
- Hunting – including a battue to the wild boar and the fox.
- Nautical activities such as canoeing in the Zêzere River and water sports in collaboration with Centro Náutico do Zêzere

- Picnics on the river – It may include traditional and regional products.
- Adventure activities – the hotel can organize several adventure activities, as slide, target shooting and archery, in partnership with local specialized companies, which will ensure the safety necessary to these activities. This activity will be under reservation. Prices depend on the activities chosen.
- BBQ – people can use a BBQ service for own consumption.
- Equestrian Tours
- Boat tours – Tourists can enjoy a unique, quiet and wonderful trip through the landscape of the Zêzere River. Opting for exclusive travels, they will have access to different areas of the Zêzere River, where they can spend their day enjoying the natural scenery of the surrounding regions, photographing, doing picnics or even diving in the river.
- Recreational activities:
  - Regional and artisanal products tasting, as wine, oil, cheese, sausages, bread and honey, promoted by the rural hotel in collaboration with local producers; This activity will be under reservation since it is subject to the presence of a specialized trainer.
  - Grape harvest for tourists, where tourists can enjoy the traditional process of producing artisanal wine, from cutting the grapes to trampling them on traditional presses. Various programs are offered to the tourist such as a lunch at the grapes harvest, with traditional food of the region, or the day of harvest, in which anyone can wear the character of a harvest worker, grab the scissors and buckets, cut the grapes, tread the grapes in presses and, at the end, drink a glass of traditional wine of the region.
  - Olive harvest for tourists, passing through several steps that range from olive harvest to testing the final product.
  - Oil mill tours – people can visit the local mill and see the transformation of the olives in olive oil.
  - Guide tours through the vineyards and the wine cellar.

- Potato harvest, where people can participate in a potato harvest and enjoy a typical lunch with regional products.
- Harvest of other agricultural products such as corn and wheat.
- Honey harvest– people can attend the honey harvest, a program organized in partnership with local beekeepers and with appropriate security measures. This activity will be under reservation.
- Artisanal fishing, which is subject to a prior obtainment of a license.

As a matter of time framing and subsequent implantation, the following table shows the timetable throughout the year for the main considered recreational activities:

Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Set	Oct	Nov	Dec
Grape harvest												
Olive harvest												
Potatoes harvest												
Corn harvest												
Pruning of the vineyard												
Pruning of the olive trees												
Collect of the honey												

**Table 1** – Timetable of recreational activities

#### **14.1.4. Product Lifecycle**

Regarding the marketing-mix for the proposed rural hotel, it is important to be aware that the market is at a maturity stage, even though when it comes to rural tourism it has been growing and it is estimated a higher growth in the future. Consequently, when introduced in the market, the rural hotel will present low sales volumes and high expenses which will lead to negative or lower profits. Thus, it is important to invest on partnerships and on promotion, informing customers and capturing their interest as well as encourage them to experience the rural hotel so that sales can be increased.

## **14.2. Price**

Pricing the product at the time of its release is a highly strategic decision for the rural hotel since it identifies the positioning and the image of the rural hotel and also converts its value into profit, defining its economical future.

The price strategy should be determined taking into account a set of factors that can be grouped into three factors: costs, demand and competition. Companies usually fix the price that covers its costs for producing, distributing and promoting, however it is necessary to take into consideration the target and know the psychological price, this is, the price at which the consumer is willing to buy and in which respective amounts. Moreover, the rural hotel should be aware of both prices and offers of its competitors and their possible reactions to its own pricing moves. Consequently, the price that should be charged must consider the direct competitor's prices, which have an average price between 61.25€ (low season) and 70€ (high season) for the double/twin rooms.

Upon the entry in the market, the rural hotel will adopt a penetration price through which it will demand a lower price than the average price charged by the competition. Thus, the price policy will be based on the price competition where, by setting the price below the competition, it is expected a customer to be more likely to buy it as well as it may be a very effective way to enter the market.

Like its competitors, the charged prices for the rural hotel will be defined according to its typology and the season demanded by customers (Table 2)

Price	High Season	Low Season
Double/twin-rooms	60,00 €	50,00 €
Multiple rooms	30,00 €	25,00 €

**Table 2** – Charged prices for rooms

### **Bar and meals**

The prices to be charged at the bar of the rural hotel will take into consideration the acquisition price charged by the suppliers as well as it will be applied a margin of sales considering the prices observed in the market. Furthermore, since the possible meals are taken under request, their price will include their possible cost and a margin of sales as well as it will take into consideration the market selling price.

## **Activities**

In order to define the prices charged for each activity, it was analysed the possible charged prices from the direct competitors of the rural hotel as well as the prices charged from the existing local companies of leisure activities. It is important to mention that the prices for the rural hotel are defined based on possible partnerships with these local companies and, for that reason, the applied price values are not so distinct from the ones verified in the market and, consequently, the profit margin is divided between the two partners.

<b>Activity</b>	<b>Price</b>
Mountain Biking	7.50 €/equipment
Bike ride	7.50 €/equipment
Adventure activities	
Equestrian tours	10.00 €/tour
Boat tours	
Picnics	10.00 €/person
<b>Recreational activities</b>	
Artisanal products tasting	20.00 €/session
Grape harvest for tourists	15.00 €/person (includes a meal)
Olive harvest for tourists	15.00 €/person (includes a meal)
Potato harvest for tourists	15.00 €/person (includes a meal)
Other products harvest	15.00 €/person (includes a meal)
Oil mil tours	15.00 €/person (includes a meal)
Vineyards and wine cellar tours	15.00 €/person (includes a meal)
Honey harvest for tourists	15.00 €/person (includes a meal)
Artisanal fishing	5.00 € for equipment rental

**Table 3** – Charged prices for the activities

### **14.3. Promotion**

Promotion aims to communicate customer value and build customer relationship persuasively. Consequently, concerning the rural hotel, promotion main goals are to present and value the rural hotel and arouse interest for its experimentation as well as gain some notoriety in the market.

Due to the large initial investment and the lack of availability of capitals as well as due to the possibility of incurring unnecessary costs that later, the company may be unable to support, it

is intended to invest firstly in the most meaningful and necessary means of communication. However, later this promotion strategy can be reconsidered and adapted to potential needs.

Consequently, there will be defined actions of communication both *above the line (media)* and *below the line*.

Regarding the actions above the line, the advertising investment will be done through press and internet:

- **Print Media – Magazines**

Awareness of the rural hotel through a specialized magazine in tourism and travel “Rotas e Destinos” since it is commonly used for choosing a tourism enterprise, as well as it offers a geographic and demographic targeting and credibility among potential customers.

- **Own website:**

A simple and appealing web page where customers can get information with the greatest detail and with periodic updates as possible as well as they can easily and safely make their reservation.

- **Internet:**

Online advertising will be one of the highly communicational tools used due to its immediacy, personalization, accessibility and simplicity as well as consumers spend more and more time on the Internet. Consequently, it is important to disclose the rural hotel in rural tourism websites as *turismorural.pt*, *visitcentro.com*, *turismodocentro.pt*, *portugal-rural.com*.

- **Central Booking**

The international Booking website allows the customer to list and compare similar tourism enterprises and, consequently, take a decision based on the information available as well as, though this wide online platform, customers can easily opt for the proposed rural hotel and make their reservation.

- **Social Media Marketing**

The Internet popularity has resulted in a rash of online social networks and web communities that most of people visit daily. Consequently, the rural hotel is intended to create its own page on social networks as Facebook, Twitter and LinkedIn so that it can have a similar affect to a spread of word-of-mouth since we can get fellow users, who have chosen to associate themselves with rural hotel profile, and potential clients through friends or relatives advice.

Concerning the actions *below the line*, they will be done mainly at a *Public Relations* level:

- **Press Release**

Press releases are a way to get business promotion and they have to contain information that is newsworthy and engage enough to get people's interest. Consequently, it will be disclosed information to the *media* – newspapers and Internet – about the opening of the rural hotel. Subsequently, other information can capitalize on press releases in order to promote the presented rural hotel such as winning an award, sponsoring charity event or, eventually, launching a new service.

- **Business Card**

Written in Portuguese and English, this card will contain the identification as its brand and logo and the contact of the rural hotel. It should easily impart the concept of the hotel as its positive values and credibility.

- **Fairs**

The presence in fairs as BTL though a partnership with the City Hall of Sertã is intended in order to attract potential customers to both the rural hotel and region, and increase awareness of the rural hotel as well as create business opportunities.

Furthermore, it will be used actions of communication through Direct Marketing and Relationship Marketing.

- **Direct Marketing**

It is intended to communicate directly to the customer through personalized e-mails or newsletters, presenting a set of contents that are related to customers' preferences. It is sent to customers following a database analysis that consider the most likely customers to respond positively based on criteria such as buying pattern and interests.

- **Relationship Marketing**

In order to create customer loyalty, interaction and a long-term relationship with customers, it will be created a database and conducted surveys to our customers. Thus, the rural hotel ensures to understand the present needs and challenges of the market while striving to incorporate customer feedback in order to improve its products and services.

Besides the aforementioned ways of promotion, it is also intended to have marketing partners to promote the rural hotel. This way, *Hotel do Rio* may also carry out its promotion with complementary businesses, as Centro Náutico do Zêzere, and, consequently, reach new potential customers. Thus, it is intended to use shared advertising, include in both businesses a leaflet or business card of the complementary business, supporting or organizing activities together, among others.

The costs considered with the promotion of the rural hotel are identified on the Annex 53.

#### **14.4. Distribution**

Regarding the rural hotel, distribution is related to its reservation system and its steady flow of customers, this is, the hotel has to be in place to make it as easy as possible for the customer to choose it. Besides, tourism market is highly competitive so that it is important to have a meaningful brand name, a strong local reputation and also be well represented in the appropriate markets.

In order to make the rural hotel effectively available to the customer, the following customer marketing channels will be used:



### **Direct and short distribution channel**

There is no intermediary level, so the rural hotel sells directly to the customer through its own website. Thus, customers can avoid a set of bureaucracies as well as the rural hotel can control the final price that should be lower than the one practised by the remaining channels and consequently decrease its dependency on the tourist operators and travel agencies.

### **Indirect and short distribution channel**

The distribution is carried out through the following intermediaries:

- **Central booking:**

Booking has a list of hotels that enables the customer to search according to the pretended requirements and compare similar hotels as well as easily make a reservation through this online platform.

- **Travel agencies:**

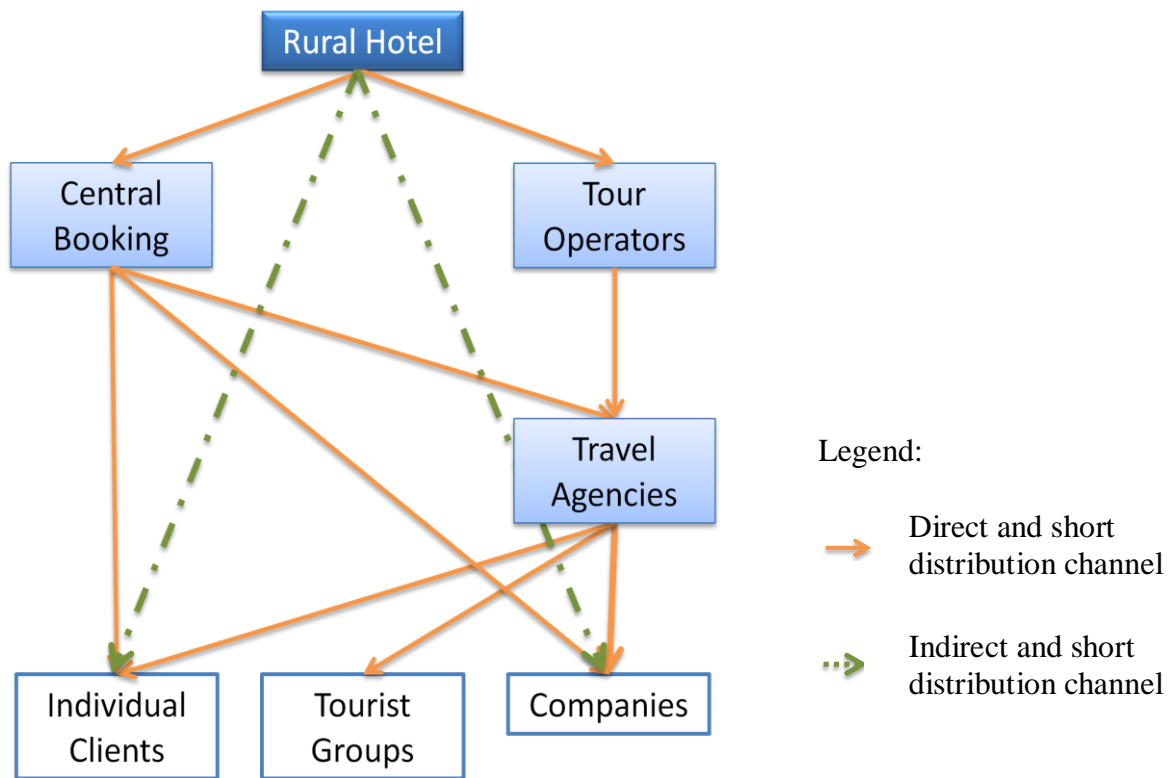
Travel agents represent a board of hotels and not any hotel in particular and they seek to entrust the hotel with their customers.

- **Tour operators:**

Tour operators assemble travel packages that commonly include transportation and accommodation and sell them to travel agents. Therefore, they contract with hotels for a specified number of rooms and receive a quantity discount whereas travel agencies get a commission from tour operators.

One effect of the power of travel agencies and tour operators is the existence of considerable discounts to them regardless of seasonal demand, which affects the ability of the rural hotel to control the pricing, being necessary to develop a good price management, as well as it affects the cash liquidity since most hotels have to wait several days after guest arrival for payment from tour operators.

Moreover, despite the ease in finding competitive information through these intermediaries, the reverse is also observed as well as travel agencies and tour operator can obtain valuable information on prices negotiating more effectively their percentage of profit.



**Figure 7** – Marketing channels of the rural hotel

**Source:** own research based on *Mercator* (2009)

### 14.5. Marketing Strategy

A marketing strategy is intended to specify which position the rural hotel fits and should occupy in its market, so that the competitive advantages derived by the competitors can be evaluated and therefore a strategy based on this information can be developed. Hereupon, four marketing strategies should be considered: *Market – Leader*, *Market – Challenger*, *Market – Follower* and *Market – Nicher*.

When analysing a Market – Leader position, it has a market share comparatively higher than its competitors and seeks to increase it through a constant innovation and promotion of its products and services. Consequently, the market leader’s strategy is fundamentally defensive and its goal is to retain its share, so it is not intended to follow this competitive position since

it would lead to larger costs that do not meet the rural hotel's strategy. Besides, the leader also seeks for limiting the actions of competitions, so adopting a Market – Challenger strategy would lead to a higher risk since when entering the market the proposed rural hotel will not have the ability and resources to challenge the leader. Moreover, a Market – Nicher translates a small independent hotel that serves a local market that is too small to attract a second competitor, unless the first one is not doing a good job, which also does not fit on the marketing strategy of the purposed rural hotel.

On the other hand, a Market – Follower strategy implies an observation of the leader without changeling it and learning with its vast experience in the sector. Given the small market share and the aforementioned factors, and being a smaller and more flexible organization, the rural hotel can adapt its behaviour and align the leader decisions as well as pursue the created opportunities. Taking this marketing strategy, the rural hotel can and must follow the best practises in this sector and take advantage of the marketing conditions.

## **15. Sizing Unit**

The sizing of the rural hotel is an important decision that defines the installation capability through market studies, impacting on the long term of the facility.

After a meeting with Dr. Vitor Farinha (Tourism Department, Câmara Municipal da Sertã) it was observed that the county of Sertã aims to wage strongly on tourism. However, there is a limitation concerning the lack of accommodation capacity due to the extent of the county and, consequently, one of the complementary projects is to encourage the installation of more accommodation units in the region as well as encourage the recovery of old buildings with high historical and patrimonial value in order to invest, for example, in Rural Tourism. Thus, it is intended to seek for a space that enables to build a rural hotel in order to fill this need as well as keeping the traditional and historical heritage of the county.

When analysing the rural tourism in the surrounding area, most of these tourism enterprises offer, on average, 5 rooms and no major discrepancy among them. Thus, the proposed rural hotel will have 6 available rooms, which will be divided into 3 *doubles* rooms and 3 *multiplés* rooms. *Doubles* rooms can easily become *triple* through an extra bed and *multiplés* rooms are easily adopted as family rooms, as well as only one guest can stay hosted in any of these rooms. Besides, these rooms will have a private bathroom.

According to Portaria 937/2008, 20 August, the tourism enterprises in rural areas must have a reception area, a kitchen and toilet. Besides, there will be an area for the employees composed by clothing and toilet as well as areas to storage the cleaning materials, room laundry and food products.

A bar will also be included with a small capacity, where customers can enjoy a pleasant and peaceful environment. Attached to the bar, there is a terrace with a small esplanade where the customer can enjoy a relaxed time and a view for a delightful garden.

Regarding the parking, there is a free public parking lot next to the hotel entrance where customers can park their vehicle without worries.

The Decree-Law nº 163/2006 of 8 August, that defines the accessibility conditions to satisfy in the design and construction of public space and community and public facilities, establishes the proposed rural hotel must be able to receive people with psycho-motor disabilities.

Moreover, according to the Decree-Law nº 937/2008 of 20 August, one double room of the hotel will be able to receive disabled guests.

## **16. Localization**

The aim is to develop a tourism enterprise in the county of Sertã and, consequently, combat the lack of accommodation by taking into account the dimension of the county and its necessity. Thus, the fourteen<sup>3</sup> villages of the county were under comparison considering two main factors, transportation and county attractions (Annex 54).

Transportation is an important factor since it allows the customer to have greater access to the main areas of interest and to the rural hotel. However, there is a lack of public transportation regarding all the regions of the county, this being a weakness common to all of them and not a differentiation factor.

Furthermore, sights and tourist attractions must be considered since the number of local interests in a particular region influences the inflow of tourists and therefore the more places of interest, the greater the number of people coming from other regions.

Moreover, given competitors' location, we can verify that most of them are located in the main attractive centres of the county; this is, in the villages that present the highest number of tourist attractions, such as Sertã, Cernache do Bonjardim and Pedrogão Pequeno.

However, Palhais also presents a substantial number of tourist attractions and stands out due to the Centro Náutico do Zezere, which has a particular relevance in the county by bringing many tourists to the area and presenting a relaxed space and several leisure activities. Besides, there are no tourism enterprises in this village.

Therefore, in order to meet such lack of accommodation and the potential demand, Palhais is the chosen location for the proposed rural hotel.

After taking such decision, it is necessary to specify the location for the rural hotel taking into consideration that rural hotels are hotels located in rural areas that, for their architectural design and building materials, keep the dominant characteristics of the region. Thus, in order to seek for the historical and patrimonial value of the building and, consequently, the region, some traditional buildings were considered such as old private buildings and abandoned schools. Therefore, the use of the primary school of Valongo in Palhais is the best alternative

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<sup>3</sup> - This analysis was developed before the administrative reorganization of the villages of Sertã, where seven villages were reorganized into three: *União das Freguesias de Cernache do Bonjardim, Nesperal e Palhais; União das Freguesias de Cumeada e Marmeleiro* and *União das Freguesias de Ermida e Figueiredo*.

since it is an opportunity to appropriate a valuable building with high historical and patrimonial value as well as it is located in one of the most populated areas of this village, near to coffees and a small market (Annex 55).

## **17. Technical Aspects**

This point encompasses all the techniques and methods of construction as well as all the equipments and technologies to be included in the rural hotel.

### **17.1. Building and structures**

When analyzing the ground/land and the building, there are no limitations concerning the surrounding area and the viability of the construction. For that reason and since it is a rural hotel where it is intended to keep the architectural design and materials as well as the rural style of the region, it is intended to take advantage of the facade, proceeding to alterations inside the building in order to adapt it to the needs of a rural hotel.

### **17.2. Equipment**

The necessary equipment to the exploration is presented on Annex 56 with the respective quantities, prices and suppliers. It is important to underline that the suppliers were selected based on their price, quality and credibility.

### **17.3. Layout**

Layout corresponds to an outline and description of the space and seeks the best arrangement between the building and equipments for an optimized service.

Thus, the proposed rural hotel will have only one floor consisting of common areas, as lobby and bar, and guest rooms. Besides, it will have the necessary access to disabled guest as well as a particular and suited room for them. Furthermore, the surrounding area around the building will be harnessed to a garden and the terrace, enabling the rural hotel to take advantage of all the resources as well as it becomes more enjoyable and pleasant (Annex 57).



#### **17.4. Technology**

Since it is intended to convey as much of the rural life, the technology to be used will be reduced and not at a high level, being used only the necessary to keep the rural hotel active and updated and ensure the proper operation and optimization of its service.

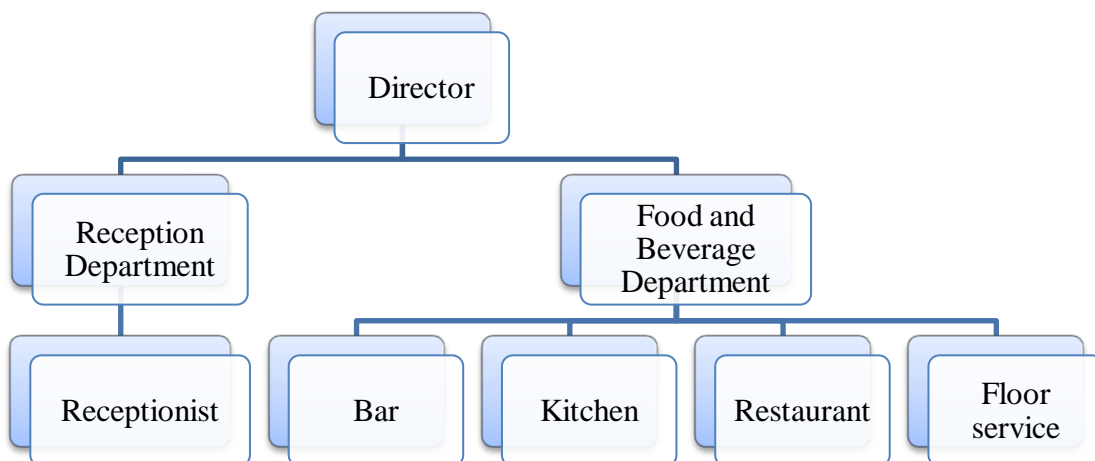
Thus, the rural hotel will use the *Lodgit Desk* management software since it is a reservation system's user-friendliness that allows booking reservation for accommodations, management of guest profiles, simple billing, variable price management, optional online systems, among others.

When it comes to the *hardware*, there will be a computer and multifunction printer.

## 18. Organization

It is necessary to define the organizational structure that best suits the goals of the company and coordinates and integrates the activities. Consequently, the rural hotel will work according to a functional structure in order to enable a fast response to customers' needs as well as ensures a compliance of the essential functions to the operation of the hotel, a strong control of strategy decisions and over the different functions and an efficient communication among the entire organization.

The organizational structure of the tourism enterprise also depends on its dimension. Consequently, considering the dimension of the proposed rural hotel, the following organizational structure was defined:



**Figure 8** – Organizational structure of the rural hotel

### Director

It is the responsible for the hotel and its manager who directs, guides and supervises the operation of the several sections and services of the rural hotel. He/she is responsible for auxiliary departments, such as administration and commercial departments, and for informing the administration about the investments and the financial, economic and commercial policy as well as may represent the administration within certain powers that are conferred by it. Besides, the hotel manager is also responsible for staff management as recruitment, selection, remunerations, compensations or promotions as set in his/her contract of employment. Due to the small sizing unit of the rural hotel, the hotel manager will also have receptionist functions when necessary.

## **Receptionist**

It is the worker who is in charge of the reception services including the supervision, coordination, guidance and organization of its services, as well as may also collaborate in the concierge services. The head of reception establishes the conditions for accommodation and provides all the information and reports regarding the reception service and guests and potential suggestions about pricing and promotion.

Reception functions include making the reservations, guests' registration in the rural hotel system, guests' reception and ensure their accommodation, control the delivery of keys of rooms, notify the remaining section about the arrivals and departures of guests and control the reception of luggage and correspondence. The worker is also responsible for meeting the wishes and the complaints from guests, proceeding release of consumptions and expenses, preparing and providing the respective accounts and corresponding files and as well as operate with the informatics systems. Eventually, he/she may replace the director if the director is unable to attend for any particular reason.

## **Department of Food and Beverage**

Bar service is intended to provide several tasks at the bar such as prepare and serve simple hot or cold drinks as coffee, tea, milk, juice, among other beverages, and also toast, sandwiches and light cuisine confections. It is also in charge of preparing and supplying the meals for breakfast as well as it is responsible for the restaurant service if previously requested by customers. Regarding the kitchen, it ensures the cleaning of tools as dishes, glasses and other equipment of this section and used in the meal and bar service. Besides, the inventory control is also its responsibility. Due to the small sizing unit of the rural hotel, this department is also in charge of a floor service that encompasses the cleaning of the rural hotel and the laundry service.

When it comes to the types of contracts and recruitment, the rural hotel will have to adopt two types: permanent contract and part-time, where this last one will be requested for the high season period.

## **19. Environmental Impact**

A preoccupation with environmental issues is rising and hotels are aware of the importance in moving towards an environmentally responsible attitude regarding their products and services as well as this positive attitude has also been noted in customers, justifying an investment in an environmental program. Moreover, this consciousness allows hotels to reduce their costs while creating a good image to customers and establishing a competitive advantage against the competition.

The Decree-Law nº11/86 of 7 April defines the basis of environmental policy and the environmental impact assessment is recognized accordingly to the 30<sup>th</sup> and 31<sup>st</sup> Article of the presented Decree-Law and also accordingly to the Decree-Law nº69/2000 of 3 May.

Furthermore, it is intended to adopt a system of environmental management (*SGA*) through the ISO 14001:2004 certification in order to establish the commitment of the rural hotel as well as ensure it is in accordance with the protection of the environment. This certification improves the image, prestige and confidence for employees, customers and Administration and increases the competitiveness and continuous improvement of the rural hotel as well as it is an opportunity to reduce unnecessary costs, prevent and minimize environmental aspects and incidents and eliminate potential risks associated with environmental lawsuits and penalties.

Another certification that the rural hotel may cohere is Eco-Hotel certification. Specifically directed to the sector, it will allow the reduction of energy and water consumption and related costs and the compliance with environmental legislation applicable to the activity even as customers will appreciate rural hotel's commitment and it will motivate employees for the environmental protection through awareness actions and a continuous training.

Moreover, some measures should be taken into consideration:

- The rural hotel must be designed and rebuilt according to the characteristics of the region and weather in order to promote a balance among landscape and the well-being of its potential customers, taking advantage of the visual and acoustic dimensions of the building;
- Equipments that minimize water and energy consumption as the use of energy-saving lamps in the most used divisions of the rural hotel;
- Training of employees and guests' awareness to the environmental issues.



## 20. Project Implementation

Activ.	Months																		
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
A	█	█	█	█															
B				█	█														
C				█	█														
D					█	█	█												
E					█	█													
F							█	█											
G								█	█										
H									█	█	█	█							
I									█	█									
J									█	█									
K										█	█	█	█	█	█	█			
L										█	█								
M																█	█		
N																	█		
O																	█	█	
P																			█

Table 4 – Project implement diagram

### Legend:

- |   |  |   |
|---|--|---|
| A. Business Plan preparation              | G. Municipal License                     | M. Reception and equipment assembly       |
| B. Meeting with the City Hall             | H. Architecture – Project Execution      | N. Recruitment process of staff           |
| C. Incorporation of the company           | I. Research and contract of homebuilders | O. Final inspection and business license  |
| D. Negotiation of the funding             | J. Contract of homebuilders              | P. Development of communication campaigns |
| E. Lease for the exercise of the activity | K. Execution of civil works              |   |
| F. Architecture - Preliminary Study       | L. Research of equipment suppliers       |   |

In Annex 58 there is a description of the mentioned activities and what is necessary to take into consideration for each of them.



## **21. Financing**

### **21.1. Subsidies and Incentives**

Turismo de Portugal presents several programmes in order to support the investment of a business and infrastructures.

Quadro de Referência Estratégico Nacional (QREN) is a system of incentives for a company's investment that aims to increase the productivity and competitiveness and improve the specialization in Portugal by promoting innovation and regional development through the Operational Programme for Competitiveness Factors and the Regional Operational Programmes. Consequently, there are three types of incentives: Incentive System for Research and Technological Development at Companies, Incentive System for Innovation and Incentive System for Qualification and Internalization of PMEs, which are granted according to the structural funds: European Regional Development Fund (FEDER), European Social Fund (FSE) and Cohesion Fund (FC). In accordance with the requirements, the project's application can be accepted and for this reason, the author considers a governmental subsidy, non-refundable, for the support of 50% of the investment. However, there is a possibility that it may not be achieved due to the approval of a new strategic order and regulations for the allocation of QREN's incentives from 2014 to 2020.

Furthermore, Turismo de Portugal, in partnership with financial institutions, created a helpline to treasury, a helpline for the lack of reimbursement and a support line to the qualification of the offer, which aim to overcome the financial difficulties of the companies in this sector and contribute to the development of tourism. Since the project aims for the creation of a rural hotel which demonstrates a potential tourist demand, faces the lack of supply and differs from the existing competitors of the region, the author considered the support line to the qualification of the offer for the financing.

### **21.2. Capital Structure**

According to Damodaran, the ratio of financial autonomy for hotels and gaming sector is 44,75%. However, the gaming factor has a higher risk than hotels and its ratio of financial autonomy is lower than the one verified in the hospitality sector. Thus, the author considered that ratio of financial autonomy for the hospitality sector should be around 55%.



The necessary capital for the investment of the proposed rural hotel is distributed according to the following table (table 5), which resulted into a ratio of financial autonomy of 53.6%.

Share capital	32.026,99 €
Subsidy	59.461,51 €
Long-term financing	49.000,00 €
<b>Equity</b>	<b>140.488,49 €</b>

**Table 5** – Necessary capital for the investment

It is important to highlight that from these 32,026.99 €, 10,956.81 € will be realized in 2013 in the incorporation of the company, being the remaining capital realized in 2014, in order to finance both the investment and the needs in working capital.

### **21.3. Long-term Loan**

The amount of medium and long term loan will be granted by the financial institution Millennium BCP through the support line of Turismo de Protugal, previously mentioned, and it will aim the reconstruction of the building and the funding of the interim interest. This amount will be divided in two parts: around 30% will be received in 2013 and the remaining 70% in 2014.

Since it is a project for creating new tourism enterprises as rural hotels, it will be financed through 40% by Turismo de Portugal, presenting a nominal annual interest rate indexed to Euribor 6 months with a spread of 2.0%, and 60% by Millennium BCP, which component will have a nominal annual interest rate indexed to Euribor 6 month with a spread of 6.5%. Moreover, this long-term loan will be for 12 years with a grace period of 2 years and it will have constant monthly instalments.

## 22. Project Evaluation

The assumptions are described in Annex 59 and the auxiliary maps are from Annex 60 to 69.

### 22.1. Investment Map<sup>4</sup>

Investment Map	Acq. Costs in 2013	2013	2014	2015	2016	2017	2018
		-2	-1	0	1	2	3
<b>Tangible Fixed Assets</b>							
<b>Buildings and constructions</b>							
Building and constructions	92.400,00 €	46.200,00 €	46.200,00 €	-	-	-	-
Architecture	3.763,45 €	564,52 €	3.198,93 €	-	-	-	-
<b>Basic Equipment</b>							
Furniture	6.013,71 €	-	6.560,46 €				
Interior design	515,93 €	-	549,18 €				
Mattresses, bed linen and blankets	1.281,82 €	-	1.376,91 €				
White clothes and towels	1.278,68 €	-	1.373,50 €		1.415,12 €		
Dinnerware and glassware	527,51 €	-	561,63 €				584,43 €
Cutlery and kitchenware	713,78 €	-	762,25 €				
Machinery and appliances	4.273,14 €	-	4.645,74 €				
Television	488,27 €	-	519,46 €				
<b>Office Equipment</b>							
Office material	80,00 €	-	83,58 €				
Computer	812,70 €	-	869,01 €				904,30 €
<b>Total Tangible Fixed Assets</b>	<b>112.148,99 €</b>	<b>46.764,52 €</b>	<b>66.700,66 €</b>				
<b>Intangible Fixed Assets</b>							
<b>Computer Programs</b>							
Computer Software (3 years)	475,00 €		505,20 €				525,71 €
<b>Industrial Property</b>							
Website	250,00 €		264,19 €				
<b>Installation Expenses</b>							
License, charter and writing	1.251,92 €		1.344,47 €				
<b>Financial Charges</b>							
Interim Interest	3.343,97 €	783,74 €	2.560,23 €				
<b>Unforeseen</b>							
Unforeseen in Fixed Assets <sup>1</sup>	6.104,14 €			6.104,14 €			
<b>Total Intangible Fixed Assets</b>	<b>11.425,04 €</b>	<b>783,74 €</b>	<b>4.674,09 €</b>	<b>6.104,14 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>525,71 €</b>
<b>Others</b>							
Training	400,00 €		424,70 €				
Company Incorporation	360,00 €	360,00 €					
Communication expenses	3.113,00 €		3.175,57 €				
Recruitment	1.500,00 €		1.530,15 €				
<b>Total CAPEX investment</b>	<b>123.574,02 €</b>	<b>47.548,26 €</b>	<b>71.374,75 €</b>	<b>6.104,14 €</b>	<b>0,00 €</b>	<b>1.415,12 €</b>	<b>2.014,44 €</b>
<b>Total Investment</b>	<b>128.947,02 €</b>	<b>47.908,26 €</b>	<b>76.505,17 €</b>	<b>6.104,14 €</b>	<b>0,00 €</b>	<b>1.415,12 €</b>	<b>2.014,44 €</b>

<sup>4</sup> These costs also include the transportation costs charged by IKEA, Worten and AKI.

*Business Plan of a Rural Hotel in the county of Sertã*

Investment Map	2019	2020	2021	2022	2023	2024	2025
	4	5	6	7	8	9	10
<b>Tangible Fixed Assets</b>							
<b>Buildings and constructions</b>							
Building and constructions	-	-	-	-	-	-	
Architecture	-	-	-	-	-	-	
<b>Basic Equipment</b>							
Furniture					7.175,08 €		
Interior design	577,20 €				600,64 €		
Mattresses, bed linen and blankets		1.461,61 €					1.536,17 €
White clothes and towels	1.443,56 €		1.472,58 €		1.502,17 €		1.532,37 €
Dinnerware and glassware			602,14 €			620,39 €	
Cutlery and kitchenware	801,14 €				833,67 €		
Machinery and appliances				5.030,67 €			
Television				562,50 €			
<b>Office Equipment</b>							
Office material		88,73 €					93,25 €
Computer			931,70 €			950,43 €	
<b>Total Tangible Fixed Assets</b>	<b>2.821,89 €</b>	<b>1.550,34 €</b>	<b>3.006,42 €</b>	<b>5.593,17 €</b>	<b>10.111,55 €</b>	<b>1.570,82 €</b>	<b>3.161,79 €</b>
<b>Intangible Fixed Assets</b>							
<b>Computer Programs</b>							
Computer Software (3 years)			541,64 €			558,05 €	
<b>Industrial Property</b>							
Website							
<b>Installation Expenses</b>							
License, charter and writing							
<b>Financial Charges</b>							
Interim Interest							
<b>Unforeseen</b>							
Unforeseen in Fixed Assets <sup>1</sup>							
<b>Total Intangible Fixed Assets</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>541,64 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>558,05 €</b>	<b>0,00 €</b>
<b>Others</b>							
Training							
Company Incorporation							
Communication expenses							
Recruitment							
<b>Total CAPEX investment</b>	<b>2.821,89 €</b>	<b>1.550,34 €</b>	<b>3.548,06 €</b>	<b>5.593,17 €</b>	<b>10.111,55 €</b>	<b>2.128,87 €</b>	<b>3.161,79 €</b>
<b>Total Investment</b>	<b>2.821,89 €</b>	<b>1.550,34 €</b>	<b>3.548,06 €</b>	<b>5.593,17 €</b>	<b>10.111,55 €</b>	<b>2.128,87 €</b>	<b>3.161,79 €</b>

*Business Plan of a Rural Hotel in the county of Sertão*

Investment Map	2026	2027	2028	2029	2030	2031	2032	2033	2034
	11	12	13	14	15	16	17	18	19
<b>Tangible Fixed Assets</b>									
<b>Buildings and constructions</b>									
Building and constructions									
Architecture									
<b>Basic Equipment</b>									
Furniture						7.692,65 €			
Interior design		625,02 €				650,40 €			
Mattresses, bed linen and blankets					1.598,55 €				
White clothes and towels		1.563,17 €		1.594,59 €		1.610,53 €		1.642,91 €	
Dinnerware and glassware		632,86 €			652,03 €			671,79 €	
Cutlery and kitchenware		858,93 €				893,80 €			
Machinery and appliances				5.393,56 €					
Television				603,07 €					
<b>Office Equipment</b>									
Office material					96,08 €				
Computer		979,23 €			1.008,90 €			1.039,47 €	
<b>Total Tangible Fixed Assets</b>	<b>0,00 €</b>	<b>4.659,20 €</b>	<b>0,00 €</b>	<b>7.591,22 €</b>	<b>3.355,55 €</b>	<b>10.847,39 €</b>	<b>0,00 €</b>	<b>3.354,16 €</b>	<b>0,00 €</b>
<b>Intangible Fixed Assets</b>									
<b>Computer Programs</b>									
Computer Software (3 years)		569,27 €			586,52 €			604,29 €	
<b>Industrial Property</b>									
Website									
<b>Installation Expenses</b>									
License, charter and writing									
<b>Financial Charges</b>									
Interim Interest									
<b>Unforeseen</b>									
Unforeseen in Fixed Assets <sup>5</sup>									
<b>Total Intangible Fixed Assets</b>	<b>0,00 €</b>	<b>569,27 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>586,52 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>604,29 €</b>	<b>0,00 €</b>
<b>Others</b>									
Training									
Company Incorporation									
Communication expenses									
Recruitment									
<b>Total CAPEX investment</b>	<b>0,00 €</b>	<b>5.228,47 €</b>	<b>0,00 €</b>	<b>7.591,22 €</b>	<b>3.942,07 €</b>	<b>10.847,39 €</b>	<b>0,00 €</b>	<b>3.958,45 €</b>	<b>0,00 €</b>
<b>Total Investment</b>	<b>0,00 €</b>	<b>5.228,47 €</b>	<b>0,00 €</b>	<b>7.591,22 €</b>	<b>3.942,07 €</b>	<b>10.847,39 €</b>	<b>0,00 €</b>	<b>3.958,45 €</b>	<b>0,00 €</b>

<sup>5</sup> 5% of the fixed assets.

## 22.2. Cash Flow map

	2013	2014	2015	2016	2017	2018	2019	
<b>Financial Resources</b>								
Operational Cash Flow	-269,10 €	-3.834,99 €	-3.757,71 €	8.567,52 €	14.845,33 €	19.960,90 €	28.368,50 €	
Disinvestment in WC	0,00 €	0,00 €	0,00 €	203,79 €	0,00 €	0,00 €	0,00 €	
Residual value WC								
Capex Residual Value								
<b>Total</b>	-269,10 €	-3.834,99 €	-3.757,71 €	8.771,31 €	14.845,33 €	19.960,90 €	28.368,50 €	
<b>Financial Needs</b>								
Investment in Capex	47.908,26 €	76.505,17 €	6.104,14 €	0,00 €	1.415,12 €	2.014,44 €	2.821,89 €	
Investment in WC	1.822,68 €	1.110,01 €	2.530,06 €	0,00 €	82,44 €	37,13 €	59,40 €	
<b>Total</b>	49.730,95 €	77.615,18 €	8.634,20 €	0,00 €	1.497,56 €	2.051,58 €	2.881,30 €	
<b>Cash Flow</b>	<b>-50.000,05 €</b>	<b>-81.450,17 €</b>	<b>-12.391,91 €</b>	<b>8.771,31 €</b>	<b>13.347,77 €</b>	<b>17.909,32 €</b>	<b>25.487,20 €</b>	
<b>Accumulated Cash Flow</b>	<b>-50.000,05 €</b>	<b>-131.450,22 €</b>	<b>-143.842,13 €</b>	<b>-135.070,83 €</b>	<b>-121.723,06 €</b>	<b>-103.813,74 €</b>	<b>-78.326,53 €</b>	
	2020	2021	2022	2023	2024	2025	2026	2027
<b>Financial Resources</b>								
Operational Cash Flow	39.882,23 €	50.924,14 €	51.127,74 €	51.316,50 €	51.794,27 €	52.280,09 €	52.762,88 €	51.127,74 €
Disinvestment in WC	0,00 €	0,00 €	0,00 €	0,00 €	250,77 €	0,00 €	64,86 €	0,00 €
Residual value WC								
Capex Residual Value								
<b>Total</b>	39.882,23 €	50.924,14 €	51.127,74 €	51.316,50 €	52.045,05 €	52.280,09 €	52.827,74 €	51.127,74 €
<b>Financial Needs</b>								
Investment in Capex	1.550,34 €	3.548,06 €	5.593,17 €	10.111,55 €	2.128,87 €	3.161,79 €	0,00 €	5.593,17 €
Investment in WC	6,13 €	102,83 €	135,76 €	227,89 €	0,00 €	95,38 €	0,00 €	135,76 €
<b>Total</b>	1.556,47 €	3.650,88 €	5.728,93 €	10.339,44 €	2.128,87 €	3.257,17 €	0,00 €	5.728,93 €
<b>Cash Flow</b>	<b>38.325,76 €</b>	<b>47.273,25 €</b>	<b>45.398,81 €</b>	<b>40.977,06 €</b>	<b>49.916,18 €</b>	<b>49.022,92 €</b>	<b>52.827,74 €</b>	<b>45.398,81 €</b>
<b>Accumulated Cash Flow</b>	<b>-40.000,77 €</b>	<b>7.272,48 €</b>	<b>52.671,29 €</b>	<b>93.648,35 €</b>	<b>143.564,53 €</b>	<b>192.587,45 €</b>	<b>245.415,19 €</b>	<b>52.671,29 €</b>

	2027	2028	2029	2030	2031	2032	2033	2034
<b>Financial Resources</b>								
Operational Cash Flow	53.261,93 €	53.754,43 €	54.270,36 €	54.781,61 €	55.311,18 €	55.823,67 €	56.351,10 €	56.873,89 €
Disinvestment in WC	0,00 €	142,95 €	0,00 €	81,26 €	0,00 €	356,01 €	0,00 €	90,73 €
Residual value WC								6.161,79 €
Capex Residual Value								5.689,57 €
<b>Total</b>	<b>53.261,93 €</b>	<b>53.897,38 €</b>	<b>54.270,36 €</b>	<b>54.862,87 €</b>	<b>55.311,18 €</b>	<b>56.179,68 €</b>	<b>56.351,10 €</b>	<b>68.815,99 €</b>
<b>Financial Needs</b>								
Investment in Capex	5.228,47 €	0,00 €	7.591,22 €	3.942,07 €	10.847,39 €	0,00 €	3.958,45 €	0,00 €
Investment in WC	257,33 €	0,00 €	349,04 €	0,00 €	323,92 €	0,00 €	212,14 €	0,00 €
<b>Total</b>	<b>5.485,80 €</b>	<b>0,00 €</b>	<b>7.940,26 €</b>	<b>3.942,07 €</b>	<b>11.171,31 €</b>	<b>0,00 €</b>	<b>4.170,60 €</b>	<b>0,00 €</b>
<b>Cash Flow</b>	<b>47.776,13 €</b>	<b>53.897,38 €</b>	<b>46.330,10 €</b>	<b>50.920,80 €</b>	<b>44.139,87 €</b>	<b>56.179,68 €</b>	<b>52.180,50 €</b>	<b>68.815,99 €</b>
<b>Accumulated Cash Flow</b>	<b>293.191,32 €</b>	<b>347.088,70 €</b>	<b>393.418,80 €</b>	<b>444.339,60 €</b>	<b>488.479,47 €</b>	<b>544.659,15 €</b>	<b>596.839,65 €</b>	<b>665.655,64 €</b>

The proposed project has two years of initial investment, with the remaining years being for exploration, and consequently those first Cash Flows are negative. Despite the Cash flow of the first year of exploration being negative, the following exploration Cash Flows are positive and increasing due to the increase of the occupancy rate throughout the years. However, it can be seen some declines in the value of cash flows arising from the existent investment and disinvestment in working capital on that years.

### 22.3. Financial plan

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Origins of Funds</b>											
Operational Result	-360,00 €	-5.130,42 €	-14.014,45 €	2.474,15 €	11.208,90 €	20.362,89 €	31.764,00 €	47.306,96 €	62.066,96 €	62.687,63 €	63.314,51 €
Social capital	10.956,81 €	21.070,17 €									
Other equity instruments	23.774,13 €	35.687,38 €									
Long-term Loans	15.000,00 €	34.000,00 €									
Short-term Loan <sup>6</sup>			14.872,36 €	18.562,12 €	15.458,79 €	4.330,73 €					
Desinvest. in Capex											
Desinvest. in WC	0,00 €	0,00 €	0,00 €	203,79 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Financial Income	0,00 €	0,00 €	175,06 €	0,00 €	0,00 €	0,00 €	0,00 €	132,09 €	578,18 €	728,68 €	720,96 €
<b>Total of Origins</b>	<b>49.370,95 €</b>	<b>85.627,13 €</b>	<b>1.032,96 €</b>	<b>21.240,05 €</b>	<b>26.667,69 €</b>	<b>24.693,61 €</b>	<b>31.764,00 €</b>	<b>47.439,04 €</b>	<b>62.645,14 €</b>	<b>63.416,31 €</b>	<b>64.035,47 €</b>
<b>Application of Funds</b>											
Invest. in Capex	47.548,26 €	71.374,75 €	6.104,14 €	0,00 €	1.415,12 €	2.014,44 €	2.821,89 €	1.550,34 €	3.548,06 €	5.593,17 €	10.111,55 €
Invest. in Wc	1.822,68 €	1.110,01 €	2.530,06 €	0,00 €	82,44 €	37,13 €	59,40 €	6,13 €	102,83 €	135,76 €	227,89 €
Income tax for the period			0,00 €	0,00 €	40,30 €	796,26 €	1.554,96 €	6.812,72 €	14.131,72 €	14.273,53 €	14.358,22 €
Payment of Dividends				0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	27.991,52 €	38.428,52 €	39.779,00 €
Financial costs with short-term debt				15.705,21 €	19.601,59 €	16.324,49 €	4.573,25 €	0,00 €	0,00 €	0,00 €	0,00 €
Reimbursement of Loans	0,00 €	0,00 €	3.053,35 €	3.210,33 €	3.375,39 €	3.548,92 €	3.731,39 €	3.923,23 €	4.124,93 €	4.337,01 €	4.559,99 €
Financial Expenses			2.487,77 €	2.324,51 €	2.152,85 €	1.972,37 €	1.782,61 €	1.583,10 €	1.373,32 €	1.152,77 €	920,87 €
<b>Total of Applications</b>	<b>49.370,95 €</b>	<b>72.484,76 €</b>	<b>14.175,33 €</b>	<b>21.240,05 €</b>	<b>26.667,69 €</b>	<b>24.693,61 €</b>	<b>14.523,51 €</b>	<b>13.875,52 €</b>	<b>51.272,38 €</b>	<b>63.920,76 €</b>	<b>69.957,51 €</b>
<b>Annual treasury balance</b>	<b>0,00 €</b>	<b>13.142,36 €</b>	<b>-13.142,36 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>17.240,49 €</b>	<b>33.563,52 €</b>	<b>11.372,76 €</b>	<b>-504,45 €</b>	<b>-5.922,04 €</b>
<b>Accumulated treasury balance</b>	<b>0,00 €</b>	<b>13.142,36 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>17.240,49 €</b>	<b>50.804,01 €</b>	<b>62.176,77 €</b>	<b>61.672,33 €</b>	<b>55.750,28 €</b>
<b>Applications</b>	<b>0,00 €</b>	<b>13.142,36 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>9.916,49 €</b>	<b>43.406,77 €</b>	<b>54.705,56 €</b>	<b>54.126,40 €</b>	<b>48.128,90 €</b>

<sup>6</sup> It was considered a 5.60% rate for the short-term debt.

*Business Plan of a Rural Hotel in the county of Sertã*

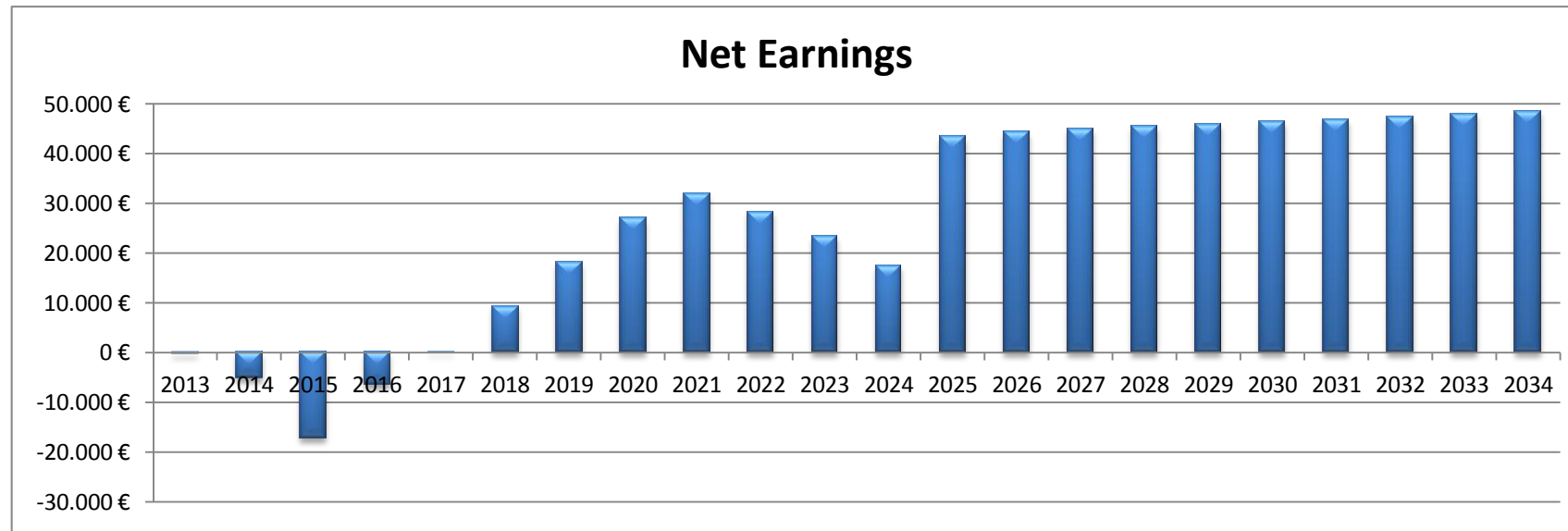
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Origins of Funds</b>											
Operational Result	63.947,66 €	64.587,13 €	65.233,00 €	65.885,33 €	66.544,19 €	67.209,63 €	67.881,73 €	68.560,54 €	69.246,15 €	69.938,61 €	70.638,00 €
Social capital											
Other equity instruments											
Long-term Loans											
Short-term Loan											
Desinvest. in Capex											
Desinvest. in WC	250,77 €	0,00 €	64,86 €	0,00 €	142,95 €	0,00 €	81,26 €	0,00 €	356,01 €	0,00 €	90,73 €
Financial Income	641,08 €	648,40 €	630,81 €	653,89 €	673,05 €	766,04 €	752,27 €	792,68 €	736,90 €	834,63 €	873,78 €
<b>Origins Total</b>	<b>64.839,51 €</b>	<b>65.235,54 €</b>	<b>65.928,67 €</b>	<b>66.539,22 €</b>	<b>67.360,19 €</b>	<b>67.975,66 €</b>	<b>68.715,25 €</b>	<b>69.353,23 €</b>	<b>70.339,06 €</b>	<b>70.773,24 €</b>	<b>71.602,51 €</b>
<b>Application of Funds</b>											
Invest. in Capex	2.128,87 €	3.161,79 €	0,00 €	5.228,47 €	0,00 €	7.591,22 €	3.942,07 €	10.847,39 €	0,00 €	3.958,45 €	0,00 €
Invest. in Wc	0,00 €	95,38 €	0,00 €	257,33 €	0,00 €	349,04 €	0,00 €	323,92 €	0,00 €	212,14 €	0,00 €
Income tax for the period	14.554,99 €	14.775,23 €	15.001,93 €	15.199,20 €	15.370,40 €	15.543,38 €	15.700,75 €	15.860,21 €	16.019,24 €	16.208,94 €	16.395,42 €
Payment of Dividends	42.057,89 €	42.985,48 €	43.665,04 €	44.337,00 €	44.929,78 €	45.445,20 €	45.957,63 €	46.428,17 €	46.900,06 €	47.370,96 €	47.923,49 €
Financial costs with short-term debt	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Reimbursement of Loans	4.794,43 €	5.040,93 €	5.300,10 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Financial Expenses	677,05 €	420,69 €	151,15 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
<b>Total of Applications</b>	<b>64.213,23 €</b>	<b>66.479,50 €</b>	<b>64.118,22 €</b>	<b>65.022,00 €</b>	<b>60.300,18 €</b>	<b>68.928,84 €</b>	<b>65.600,45 €</b>	<b>73.459,68 €</b>	<b>62.919,29 €</b>	<b>67.750,50 €</b>	<b>64.318,91 €</b>
<b>Annual treasury balance</b>	<b>626,28 €</b>	<b>-1.243,96 €</b>	<b>1.810,45 €</b>	<b>1.517,23 €</b>	<b>7.060,01 €</b>	<b>-953,18 €</b>	<b>3.114,80 €</b>	<b>-4.106,46 €</b>	<b>7.419,76 €</b>	<b>3.022,74 €</b>	<b>7.283,60 €</b>
<b>Accumulated treasury balance</b>	<b>56.376,57 €</b>	<b>55.132,60 €</b>	<b>56.943,06 €</b>	<b>58.460,28 €</b>	<b>65.520,29 €</b>	<b>64.567,12 €</b>	<b>67.681,92 €</b>	<b>63.575,46 €</b>	<b>70.995,22 €</b>	<b>74.017,96 €</b>	<b>81.301,56 €</b>
<b>Applications</b>	<b>48.678,97 €</b>	<b>47.358,03 €</b>	<b>49.090,74 €</b>	<b>50.529,44 €</b>	<b>57.510,14 €</b>	<b>56.476,86 €</b>	<b>59.510,76 €</b>	<b>55.322,59 €</b>	<b>62.659,83 €</b>	<b>65.599,21 €</b>	<b>72.798,62 €</b>



## 22.4. Income Statement

Income Statement	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sales revenue	0,00 €	0,00 €	46.326,17 €	64.293,37 €	74.104,73 €	84.363,57 €	96.994,02 €	113.990,62 €	130.169,41 €	131.471,10 €	132.785,81 €	134.113,67 €
Cost of Sales	0,00 €	0,00 €	2.316,31 €	3.214,67 €	3.705,24 €	4.218,18 €	4.849,70 €	5.699,53 €	6.508,47 €	6.573,56 €	6.639,29 €	6.705,68 €
<b>Gross Margin</b>	0,00 €	0,00 €	44.009,86 €	61.078,70 €	70.399,50 €	80.145,39 €	92.144,32 €	108.291,09 €	123.660,94 €	124.897,55 €	126.146,52 €	127.407,99 €
FSE	0,00 €	0,00 €	8.756,77 €	8.844,34 €	8.932,78 €	9.022,11 €	9.112,33 €	9.203,45 €	9.295,49 €	9.388,44 €	9.482,33 €	9.577,15 €
Payroll Costs	0,00 €	0,00 €	49.267,54 €	49.760,21 €	50.257,82 €	50.760,39 €	51.268,00 €	51.780,68 €	52.298,48 €	52.821,47 €	53.349,68 €	53.883,18 €
Outros ganhos e perdas	-360,00 €	-5.130,42 €	4.947,06 €	4.947,06 €	4.603,69 €	3.499,64 €	3.335,71 €	3.189,66 €	3.189,66 €	2.820,72 €	2.410,69 €	2.410,69 €
<b>EBITDA</b>	-360,00 €	-5.130,42 €	-9.067,39 €	7.421,21 €	15.812,59 €	23.862,53 €	35.099,71 €	50.496,62 €	65.256,63 €	65.508,35 €	65.725,20 €	66.358,35 €
Depreciations			11.961,04 €	11.961,04 €	11.981,85 €	8.410,52 €	8.441,47 €	8.459,44 €	8.494,29 €	8.555,43 €	8.661,05 €	8.678,84 €
<b>EBIT</b>	-360,00 €	-5.130,42 €	-21.028,43 €	-4.539,83 €	3.830,74 €	15.452,01 €	26.658,24 €	42.037,18 €	56.762,33 €	56.952,92 €	57.064,15 €	57.679,50 €
Interest and expenses received	0,00 €	0,00 €	175,06 €	0,00 €	0,00 €	0,00 €	0,00 €	132,09 €	578,18 €	728,68 €	720,96 €	641,08 €
Interest and expenses incurred	0,00 €	0,00 €	2.487,77 €	3.157,36 €	3.192,33 €	2.838,07 €	2.025,13 €	1.583,10 €	1.373,32 €	1.152,77 €	920,87 €	677,05 €
<b>Earnings before tax</b>	-360,00 €	-5.130,42 €	-23.341,15 €	-7.697,19 €	638,41 €	12.613,94 €	24.633,10 €	40.586,17 €	55.967,19 €	56.528,84 €	56.864,25 €	57.643,53 €
Income tax for the period	0,00 €	0,00 €	0,00 €	0,00 €	40,30 €	796,26 €	1.554,96 €	6.812,72 €	14.131,72 €	14.273,53 €	14.358,22 €	14.554,99 €
<b>Net Earnings</b>	<b>-360,00 €</b>	<b>-5.130,42 €</b>	<b>-23.341,15 €</b>	<b>-7.697,19 €</b>	<b>598,11 €</b>	<b>11.817,69 €</b>	<b>23.078,14 €</b>	<b>33.773,45 €</b>	<b>41.835,47 €</b>	<b>42.255,30 €</b>	<b>42.506,03 €</b>	<b>43.088,54 €</b>

Income Statement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Sales revenue	135.454,81 €	136.809,35 €	138.177,45 €	139.559,22 €	140.954,81 €	142.364,36 €	143.788,01 €	145.225,89 €	146.678,15 €	148.144,93 €
Cost of Sales	6.772,74 €	6.840,47 €	6.908,87 €	6.977,96 €	7.047,74 €	7.118,22 €	7.189,40 €	7.261,29 €	7.333,91 €	7.407,25 €
<b>Gross Margin</b>	128.682,07 €	129.968,89 €	131.268,58 €	132.581,26 €	133.907,07 €	135.246,14 €	136.598,61 €	137.964,59 €	139.344,24 €	140.737,68 €
FSE	9.672,92 €	9.769,65 €	9.867,35 €	9.966,02 €	10.065,68 €	10.166,34 €	10.268,00 €	10.370,68 €	10.474,39 €	10.579,13 €
Payroll Costs	54.422,01 €	54.966,23 €	55.515,89 €	56.071,05 €	56.631,76 €	57.198,08 €	57.770,06 €	58.347,76 €	58.931,24 €	59.520,55 €
Outros ganhos e perdas	2.410,69 €	2.410,69 €	2.410,69 €	2.410,69 €	2.410,69 €	2.410,69 €	2.410,69 €	2.410,69 €	2.410,69 €	2.410,69 €
<b>EBITDA</b>	66.997,82 €	67.643,69 €	68.296,02 €	68.954,88 €	69.620,32 €	70.292,42 €	70.971,23 €	71.656,84 €	72.349,30 €	73.048,69 €
Depreciations	8.709,76 €	8.709,76 €	8.755,07 €	8.755,07 €	8.828,41 €	8.863,49 €	8.951,22 €	8.951,22 €	8.990,11 €	8.990,11 €
<b>EBIT</b>	58.288,07 €	58.933,94 €	59.540,96 €	60.199,81 €	60.791,91 €	61.428,93 €	62.020,01 €	62.705,62 €	63.359,20 €	64.058,58 €
Interest and expenses received	648,40 €	630,81 €	653,89 €	673,05 €	766,04 €	752,27 €	792,68 €	736,90 €	834,63 €	873,78 €
Interest and expenses incurred	420,69 €	151,15 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
<b>Earnings before tax</b>	58.515,78 €	59.413,59 €	60.194,85 €	60.872,86 €	61.557,94 €	62.181,20 €	62.812,70 €	63.442,52 €	64.193,82 €	64.932,36 €
Income tax for the period	14.775,23 €	15.001,93 €	15.199,20 €	15.370,40 €	15.543,38 €	15.700,75 €	15.860,21 €	16.019,24 €	16.208,94 €	16.395,42 €
<b>Net Earnings</b>	<b>43.740,55 €</b>	<b>44.411,66 €</b>	<b>44.995,65 €</b>	<b>45.502,47 €</b>	<b>46.014,56 €</b>	<b>46.480,45 €</b>	<b>46.952,49 €</b>	<b>47.423,28 €</b>	<b>47.984,88 €</b>	<b>48.536,94 €</b>



**Graph 1** –Net earnings evolution from 2013 to 2034

Analysing the income statement, the net earnings are negative in the first four years of the project and it should be noted that the first two years correspond to the expenditure of intangible assets that must be recognized as an expense when incurred (2013 and 2014). From 2015, the net earnings are increasing over the years of the project, becoming positive in 2017. In fact, the first years of activity have significant increases in their values due to the substantial increase in the sales volume whereas, from the cruising year, those increases are not so expressive since the occupation rate is stable.

## 22.5. Balance Sheet

Rubrics	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>ASSETS</b>											
<b>Non-Current Assets</b>											
Tangible Assets	46.764,52 €	113.465,18 €	105.283,27 €	97.101,37 €	90.313,77 €	83.580,43 €	78.149,30 €	71.428,65 €	66.134,53 €	63.366,02 €	65.010,28 €
Intangible assets	783,74 €	5.457,84 €	7.782,84 €	4.003,70 €	224,56 €	561,83 €	373,38 €	184,93 €	532,82 €	339,06 €	145,31 €
	<b>47.548,26 €</b>	<b>118.923,01 €</b>	<b>113.066,11 €</b>	<b>101.105,07 €</b>	<b>90.538,33 €</b>	<b>84.142,25 €</b>	<b>78.522,68 €</b>	<b>71.613,58 €</b>	<b>66.667,35 €</b>	<b>63.705,08 €</b>	<b>65.155,58 €</b>
<b>Current Assets</b>											
Inventories			131,68 €	182,75 €	210,64 €	239,80 €	275,70 €	324,01 €	370,00 €	373,70 €	377,44 €
Clients			1.106,58 €	1.536,52 €	1.764,07 €	1.994,70 €	2.293,53 €	2.718,07 €	3.102,93 €	3.133,96 €	3.165,30 €
SOPE (VAT receivable)	1.822,68 €	2.932,70 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Cash and cash equivalents	0,00 €	13.142,36 €	7.038,22 €	7.108,60 €	7.179,69 €	7.251,48 €	24.564,49 €	58.201,25 €	69.647,98 €	69.218,25 €	63.371,67 €
	<b>1.822,68 €</b>	<b>16.075,06 €</b>	<b>8.276,48 €</b>	<b>8.827,87 €</b>	<b>9.154,40 €</b>	<b>9.485,99 €</b>	<b>27.133,72 €</b>	<b>61.243,33 €</b>	<b>73.120,92 €</b>	<b>72.725,91 €</b>	<b>66.914,41 €</b>
<b>TOTAL ASSETS</b>	<b>49.370,95 €</b>	<b>134.998,07 €</b>	<b>121.342,59 €</b>	<b>109.932,94 €</b>	<b>99.692,73 €</b>	<b>93.628,24 €</b>	<b>105.656,40 €</b>	<b>132.856,92 €</b>	<b>139.788,26 €</b>	<b>136.430,99 €</b>	<b>132.069,99 €</b>
<b>EQUITY</b>											
Realized Capital	10.596,81 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €
Reserves		0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	1.636,93 €	3.884,21 €	6.210,47 €
Retained Earnings		-360,00 €	-5.490,42 €	-27.775,56 €	-36.528,76 €	-35.930,65 €	-24.112,96 €	-1.034,82 €	3.110,17 €	4.269,84 €	4.419,89 €
Other variations in equity	23.774,13 €	59.461,51 €	54.514,44 €	49.567,38 €	44.963,69 €	41.464,05 €	38.128,34 €	34.938,68 €	31.749,01 €	28.928,29 €	26.517,60 €
Net Earnings	-360,00 €	-5.130,42 €	-22.285,15 €	-6.054,64 €	598,11 €	11.817,69 €	23.078,14 €	33.773,45 €	41.835,47 €	42.255,30 €	42.506,03 €
<b>TOTAL EQUITY</b>	<b>34.010,95 €</b>	<b>85.998,07 €</b>	<b>58.765,87 €</b>	<b>47.764,16 €</b>	<b>41.060,03 €</b>	<b>49.378,07 €</b>	<b>69.120,50 €</b>	<b>99.704,29 €</b>	<b>110.358,57 €</b>	<b>111.364,63 €</b>	<b>111.680,97 €</b>
<b>LIABILITIES</b>											
<b>Non-current Liabilities</b>											
Loans	15.000,00 €	45.946,65 €	42.736,32 €	39.360,93 €	35.812,01 €	32.080,62 €	28.157,39 €	24.032,46 €	19.695,45 €	15.135,46 €	10.341,03 €
Other accounts payable			13.884,12 €	15.932,00 €	15.458,79 €	4.330,73 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
	<b>15.000,00 €</b>	<b>45.946,65 €</b>	<b>56.620,43 €</b>	<b>55.292,93 €</b>	<b>51.270,80 €</b>	<b>36.411,35 €</b>	<b>28.157,39 €</b>	<b>24.032,46 €</b>	<b>19.695,45 €</b>	<b>15.135,46 €</b>	<b>10.341,03 €</b>
<b>Current Liabilities</b>											
Suppliers	0,00 €	0,00 €	755,14 €	835,25 €	993,77 €	1.047,28 €	1.112,19 €	1.197,62 €	1.278,05 €	1.286,97 €	1.299,84 €
SOPE	0,00 €	0,00 €	1.990,82 €	2.665,21 €	2.819,21 €	3.060,15 €	3.343,09 €	3.797,62 €	4.119,18 €	4.083,94 €	3.953,72 €
Loans	360,00 €	3.053,35 €	3.210,33 €	3.375,39 €	3.548,92 €	3.731,39 €	3.923,23 €	4.124,93 €	4.337,01 €	4.559,99 €	4.794,43 €
	360,00 €	3.053,35 €	5.956,29 €	6.875,85 €	7.361,90 €	7.838,82 €	8.378,51 €	9.120,17 €	9.734,24 €	9.930,89 €	10.047,99 €
<b>TOTAL LIABILITIES</b>	<b>15.360,00 €</b>	<b>49.000,00 €</b>	<b>62.576,73 €</b>	<b>62.168,78 €</b>	<b>58.632,70 €</b>	<b>44.250,17 €</b>	<b>36.535,90 €</b>	<b>33.152,63 €</b>	<b>29.429,69 €</b>	<b>25.066,36 €</b>	<b>20.389,01 €</b>
<b>LIABILITIES + EQUITY</b>	<b>49.370,95 €</b>	<b>134.998,07 €</b>	<b>121.342,59 €</b>	<b>109.932,94 €</b>	<b>99.692,73 €</b>	<b>93.628,24 €</b>	<b>105.656,40 €</b>	<b>132.856,92 €</b>	<b>139.788,26 €</b>	<b>136.430,99 €</b>	<b>132.069,99 €</b>

Rubrics	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>ASSETS</b>											
<b>Non-Current Assets</b>											
Tangible Assets	58.101,48 €	52.752,74 €	44.242,20 €	40.349,31 €	31.797,21 €	30.762,98 €	25.463,76 €	27.568,65 €	18.826,15 €	13.404,85 €	4.629,38 €
Intangible assets	504,13 €	304,90 €	105,68 €	471,98 €	269,01 €	66,05 €	443,85 €	235,13 €	26,42 €	416,07 €	201,43 €
	<b>58.605,61 €</b>	<b>53.057,64 €</b>	<b>44.347,88 €</b>	<b>40.821,29 €</b>	<b>32.066,22 €</b>	<b>30.829,03 €</b>	<b>25.907,61 €</b>	<b>27.803,79 €</b>	<b>18.852,57 €</b>	<b>13.820,92 €</b>	<b>4.830,81 €</b>
<b>Current Assets</b>											
Inventories	381,21 €	385,03 €	388,88 €	392,76 €	396,69 €	400,66 €	404,67 €	408,71 €	412,80 €	416,93 €	421,10 €
Clients	3.196,95 €	3.228,92 €	3.261,21 €	3.293,82 €	3.326,76 €	3.360,03 €	3.393,63 €	3.427,56 €	3.461,84 €	3.496,46 €	3.531,42 €
SOPE (VAT receivable)	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Cash and cash equivalents	64.074,16 €	62.907,18 €	64.795,38 €	66.391,12 €	73.530,44 €	72.657,37 €	75.853,07 €	71.828,33 €	79.330,62 €	82.436,71 €	89.804,49 €
	<b>67.652,33 €</b>	<b>66.521,12 €</b>	<b>68.445,46 €</b>	<b>70.077,71 €</b>	<b>77.253,89 €</b>	<b>76.418,05 €</b>	<b>79.651,37 €</b>	<b>75.664,60 €</b>	<b>83.205,26 €</b>	<b>86.350,10 €</b>	<b>93.757,01 €</b>
<b>TOTAL ASSETS</b>	<b>126.257,93 €</b>	<b>119.578,76 €</b>	<b>112.793,34 €</b>	<b>110.899,00 €</b>	<b>109.320,11 €</b>	<b>107.247,08 €</b>	<b>105.558,98 €</b>	<b>103.468,39 €</b>	<b>102.057,82 €</b>	<b>100.171,01 €</b>	<b>98.587,82 €</b>
<b>EQUITY</b>											
Realized Capital	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €	32.026,99 €
Reserves	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €
Retained Earnings	4.673,10 €	4.776,16 €	4.851,67 €	4.926,33 €	4.992,20 €	5.049,47 €	5.106,40 €	5.158,69 €	5.211,12 €	5.263,44 €	5.324,83 €
Other variations in equity	24.106,91 €	21.696,22 €	19.285,53 €	16.874,84 €	14.464,15 €	12.053,46 €	9.642,76 €	7.232,07 €	4.821,38 €	2.410,69 €	0,00 €
Net Earnings	43.088,54 €	43.740,55 €	44.411,66 €	44.995,65 €	45.502,47 €	46.014,56 €	46.480,45 €	46.952,49 €	47.423,28 €	47.984,88 €	48.536,94 €
<b>TOTAL EQUITY</b>	<b>110.300,94 €</b>	<b>108.645,31 €</b>	<b>106.981,25 €</b>	<b>105.229,20 €</b>	<b>103.391,20 €</b>	<b>101.549,87 €</b>	<b>99.662,00 €</b>	<b>97.775,63 €</b>	<b>95.888,17 €</b>	<b>94.091,40 €</b>	<b>92.294,16 €</b>
<b>LIABILITIES</b>											
<b>Non-current Liabilities</b>											
Loans	5.300,10 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Other accounts payable	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
	<b>5.300,10 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>	<b>0,00 €</b>
<b>Current Liabilities</b>											
Suppliers	1.312,83 €	1.325,96 €	1.339,22 €	1.352,61 €	1.366,14 €	1.379,80 €	1.393,60 €	1.407,54 €	1.421,61 €	1.435,83 €	1.450,19 €
SOPE	4.303,13 €	4.307,39 €	4.472,87 €	4.317,18 €	4.562,78 €	4.317,41 €	4.503,38 €	4.285,22 €	4.748,05 €	4.643,79 €	4.843,48 €
Loans	5.040,93 €	5.300,10 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
	<b>10.656,90 €</b>	<b>10.933,45 €</b>	<b>5.812,10 €</b>	<b>5.669,79 €</b>	<b>5.928,92 €</b>	<b>5.697,21 €</b>	<b>5.896,98 €</b>	<b>5.692,75 €</b>	<b>6.169,66 €</b>	<b>6.079,61 €</b>	<b>6.293,67 €</b>
<b>TOTAL LIABILITIES</b>	<b>15.957,00 €</b>	<b>10.933,45 €</b>	<b>5.812,10 €</b>	<b>5.669,79 €</b>	<b>5.928,92 €</b>	<b>5.697,21 €</b>	<b>5.896,98 €</b>	<b>5.692,75 €</b>	<b>6.169,66 €</b>	<b>6.079,61 €</b>	<b>6.293,67 €</b>
<b>LIABILITIES + EQUITY</b>	<b>126.257,93 €</b>	<b>119.578,76 €</b>	<b>112.793,34 €</b>	<b>110.899,00 €</b>	<b>109.320,11 €</b>	<b>107.247,08 €</b>	<b>105.558,98 €</b>	<b>103.468,39 €</b>	<b>102.057,82 €</b>	<b>100.171,01 €</b>	<b>98.587,82 €</b>

Regarding the assets, the first two years are essentially influenced by the value of investments made before of the beginning of the activity and, from 2015, the value of non-current assets is declining due to the depreciation and amortization of the assets and the consequent lower investment in fixed assets. Moreover, either in 2014 or from 2018 to 2021, the current assets have presented significant increases arising from financial applications made at that time.

Equity is mainly influenced by the net earnings and other variations in equity (subsidy) and hence presents positive and negative variations throughout the early years. Although from 2017 to 2023 it is observed increases in the equity's value due to significant increases in the net earnings, from 2024 its value decreases mainly influenced by the decrease in the value of other variations in equity which reflects the allocation of the subsidy to the income according to the measure of amortization and depreciation of assets.

The liabilities have shown to be growing in the earlier years of the project due to long-term loans obtained in 2013 and 2014 and to short-term loans obtained for the needs of capital (from 2015 to 2017). Consequently, from 2017 the liabilities' value decreases, since there is the repayment of capital, remaining it relatively constant when the period for the loan ends.

## **22.6. Evaluation of the Investment Project**

The analysis of the economic viability of an investment project is done through the discounting cash flows to the same moment, thereby applying a constant discount rate in all years.

Thus, the discount rate to be applied in the evaluation of the project can be obtained based on the CAPM, allowing the determination of the risk premium of the project in terms of its level of economic risk, given by its unlevered beta since, in order to effect the economic decision, it is considered that the project is entirely financed by equity. Consequently, the CAPM's equation to be considered in the project is:

$$r = r_f + \beta_U [E(r_m) - r_f] \quad (1)$$

The rate of risk-free was determined based on an average value between the actual value and historic values of the rate of return on Portuguese treasury bonds at a fixed rate per residual maturity of 10 years. Firstly, the author considered an average of the monthly values of treasury bonds presented by Banco de Portugal, issued in the period from 2000 to 2008 since it does not reflect the current unfavourable economic and financial situation of the country: 4.49%. On the other hand, the current average risk-free rate for the year 2013 is 6.27% (average of the monthly values). Thus, the author computed a final average rate of risk-free of 5.38%.

Furthermore, for the calculation of the discounted rate, the author considered a market premium of 6% since it is the most commonly used value.

Since it is a new project, the unlevered beta should be the beta of the average equity of the business sector in which the project is included. Thus, the average beta of the equity of the project considers the value of the market beta which is around 1, since the market is considerably stable and a hotel is a product in the maturity stage.

To sum up, the computed discount rate is 11.38%.

When it comes to the evaluation criteria of the investment, the following results were obtained:

Criteria	Value
<b>NPV</b>	95,439.55 €
<b>IRR</b>	17.62%
<b>PP</b>	12 years
<b>PI</b>	1.634 €
<b>PV (Interest Tax Shield)</b>	3,655.98 €
<b>APV</b>	99,095.53 €

**Table 6** – Evolution criteria of the business project

The project presents a positive net present value (NPV) which means that it allows the recovery of the investment as well as it remunerates the invested capital and even generates a surplus, and therefore the decision according to this criterion is to accept the project.

The minimum rate that the investor can remunerate the invested capital (IRR) is higher than the considered discount rate (11.38%) and thus the project is economically viable. Besides, the Payback Period (PP) is 12 years which means that initial investment is recovered before the useful life of the project, justifying also the decision of accepting the project.

Furthermore, the obtained profitability index (PI) means that there is a return of 1.634 € per each unit of capital invested. Since it is greater than 1, it also indicates an acceptable project, and it is consistent with a NPV greater than 0.

It is important to highlight that the NPV was calculated assuming that the project would be financed entirely by equity. However, in reality the effects of debt on the value of the project must be included, existing thus two methodologies to be used: *Adjusted Present Value (APV)* that consists of adding to the NPV the net present value of the financing decision (PV) or *Weight Average Cost of Capital (WACC)* that consists of incorporating the effects of the financing decision by adjusting the discount rate used to discount the unlevered cash flows.

Thus, the author decided to use the APV method because the unlevered beta value of the project can be easily evaluated separately from the financing decision, which allows identifying both the financial risk and the economic risk of the project.

Trough the financing map the author computed the PV value of 3,655.98 €, which corresponds to a tax benefit and adds value to the project, and ultimately an APV of 99,095.53 € was obtained.

## **22.7. Key Indicators**

The analysis of the indicators of performance of a company is fundamental to ensure the success of the organization, allowing it to evaluate its financial and economical results as well as its performance during a period of time. Consequently, the indicators are divided into seven main categories: economic indicators, economic-financial indicators, financial indicators, liquidity indicators, indicators of financial equilibrium, indicators of business risk and non-financial indicators (Annex 70).

### **22.7.1. Economic indicators**

Analysing the operational efficiency of the project, it shows that the sales volume is sufficient to meet the operational costs as well as its percentage value is increasing over time due to the increase of the occupancy rate and the increase in price from 2020.

When it comes to the attractiveness of the business, the sales operating margin has an increase from 5% to 43%. In 2017, it has a negative margin since the sales revenue is not enough to meet the earnings before interest and taxes that year. Furthermore, it can be seen that the sales revenues are positively contributing for a favourable evolution of the profit, since the gross profit margin is increasing over time.

### **22.7.2. Economic-financial indicators**

Regarding the return on investment, the return on assets and also the return on equity, it can be verified that they are always positive and increasing over the years, presenting values of 49%, 65% and 53%, respectively, in the last year.

### **22.7.3. Financial indicators**

The equity ratio is used to ascertain the overall financial stability of a company and the greater its value, greater is the financial stability. In the project's evolution, this ratio is increasing which means it shows a better financial stability over the years.

Regarding the company's ability to meet its financial obligations, a high debt-to-equity ratio means that the company has been aggressive in financing its growth with debt. As it can be seen, this ration tends to decrease over the time, with greater intensity in the first years.



#### **22.7.4. Liquidity indicators**

The current ratio is always greater than 100% which means that current assets are always sufficient to meet the short-term debt in each year.

#### **22.7.5. Indicators of financial equilibrium**

When it comes to the net working capital, its values are positive throughout the period under analysis which means the employed capital is sufficient to meet the investment on fixed assets. On the other hand, the working capital requirements are always negative over the years, which is a favourable situation since it means that the resources exceed the requirement.

Net treasury is positive and is significantly increasing through the years, which indicates the quality of the current financial balance of the rural hotel and how the activity has been conducted in an efficiently and balanced way.

#### **22.7.6. Indicators of business risk**

The break-even-point defines when the costs are equal to the revenues, this is, it indicates the minimum sales volume that the company needs to generate to become self-sustainable, and as it can be observed, the value of the minimum sales volume tends to increase throughout the years under analysis.

Consequently, the safety margin is related to the breakeven-point giving the percentage of the activity volume practiced apart from that critical point. The lower the percentage, the higher the business risk since the company will be working very close to the critical point and may enter at any time at a zone of losses. Regarding the project, the margin of safety tends to be around 80%, however in the first years the percentage is considerably lower, which also means the business risk tends to decrease after those initial years.

#### **22.7.7. Non-financial indicators**

Simultaneously, it must be considered non-financial indicators regarding the reality of the rural hotel and its service, which enables to focus the actions in a long-term perspective. Consequently, regarding the hospitality industry the author identified the following indicators and their means of monitoring:

Non-financial indicators	Mean of monitoring
Average occupancy rate	Internal database
Quality of service	Satisfaction's surveys
Evolution of the number of customers	Internal database
Customer Loyalty	Internal database
Number of complaints	Complaints book
Hotel evaluation	Booking websites

**Table 7** – Non financial indicators of the rural hotel

These indicators will allow comparing the real situation of the rural hotel with the expected in the viability study and perceiving the gaps in the service in order to improve its quality and customer satisfaction.

## 22.8. Sensitivity Analysis

The sensitivity analysis is also a viability study, which determines the degree of variation of the results and indicators' viability according to the changes in the most relevant variables to the determination of viability.

The critical variables that have a higher probability of change in the project are associated with the revenues since they were based on a set of assumptions and estimates. In this case, despite its higher value, the investment was not considered in this study since it was based on values currently practiced in the market.

Thus, the author considered the occupancy rate and the increase rate on price from 2020, respectively, as the parameters to range.

Occupancy rate	NPV	IRR	PP
<b>15%</b>	-126,872.82 €	0.23%	n.d
<b>20%</b>	-16,046.09 €	10.21%	n.d
<b>25%</b>	95,439.55 €	17.62%	12
<b>30%</b>	202,143.44 €	23.76%	9
<b>40%</b>	298,484.41 €	31.79%	6

**Table 8** – Sensitivity analysis for the occupancy rate

The considered initial occupancy rates lower than 25% present projects economically unviable, since their NPV became negative, IRR is lower and their PP are higher than the life cycle of the project. On the other hand, the higher the initial occupancy rates considered, the greater is the value of the project: higher NPV and IRR and lower payback period.

Price	NPV	IRR	PP
0%	90,585.08 €	17.37%	12
1%	93,012.31 €	17.49%	12
2%	95,439.55 €	17.62%	12
5%	102,721.25 €	17.99%	12
10%	114,857.43 €	18.59 %	11

**Table 9** – Sensitivity analysis for the price

All the different growth rates on price from 2020 show economically viable projects. However, unlike the initial occupancy rates situation, there are no significant differences and, for example, the PP remains always the same except for a 10% rate where it decreases 1 year.

Moreover, a scenarios analysis enables to outline various scenarios in the viability analysis of the project and verify to what extent the project’s viability remains, considering different levels of changing in the considered variables

NPV		Price				
		0%	1%	2%	5%	10%
Occupancy rate	15%	-129,881.80 €	-128,377.31 €	-126,872.82 €	-122,359.34 €	-114,836.88 €
	20%	-19,946.65 €	-17,996.37 €	-16,046.09 €	-10,195.25 €	-443.84 €
	25%	90,585.08 €	93,012.31 €	95,439.55 €	102,721.25 €	114,857.43 €
	30%	196,401.92 €	199,272.68 €	202,143.44 €	210,755.72 €	225,109.51 €
	40%	292,424.39 €	295,454.40 €	298,484.41 €	307,574.44 €	322,724.49 €

**Table 10**– Scenario analysis

Thus, the most optimistic scenario has an initial average occupancy rate of 40% and an increase rate in prices of 10% from 2020, being the NPV 322,724.49 €.

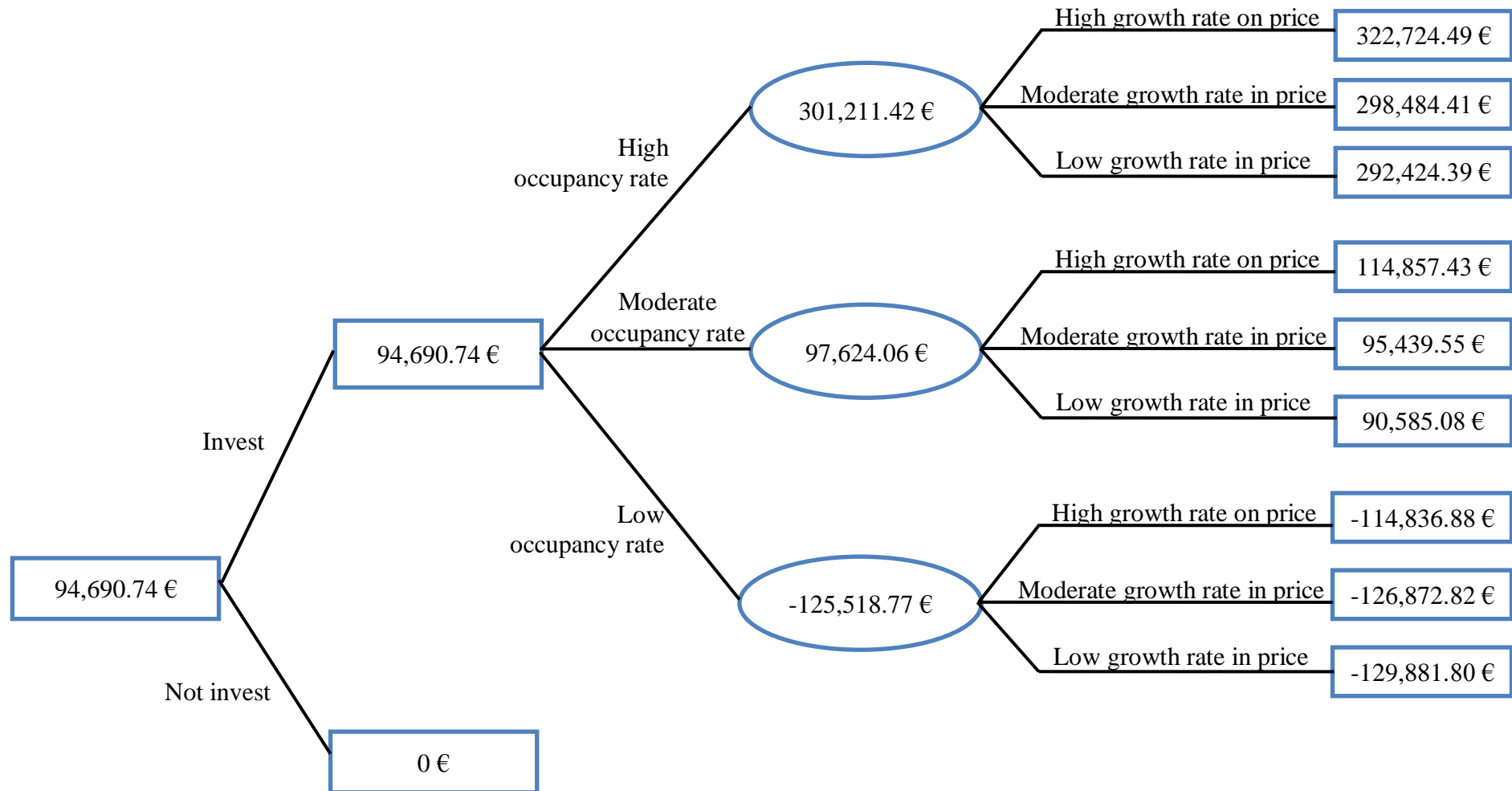
On the other hand, the worst case scenario has a negative NPV of 129,881.80 €, in which the initial average occupancy rate is 15% and there is no increase in prices from 2020 (0%).

Moreover, it can be seen that, with an initial average occupancy rate lower than 20% and independently of the value considered to increase in the price among those defined, the project is not viable since the NPV value is always negative.

When it comes to the expected initial average occupancy rate of 25%, the project is always viable, no matter what is the considered increase rate on prices from 2020. In fact, the project is always economically viable for initial average occupancy rate over 25% independently of the increase rate on price from 2020.

### 22.9. Decision Tree

The decision tree is a fundamental tool for the risk analysis of the project. Thus, considering the initial average occupancy rates and the increase rate on price from 2020 as the changing variables, the following decision tree was obtained:



In order to compute the decision tree it is necessary to assign probabilities to the events. Thus, regarding the price, the author considered it is highly unlikely to have high growth rate on price from 2020 and, thus, it was defined a probability of 10% for that happening. On the other hand, for the low and moderate growth rate on price cases, it is considered a probability of 40% and 50%, respectively, since they are more likely to happen.

The decision consists of investing or not investing in the project, being the best strategy the one which has higher expected value. As it can be seen, the decision of investing on the proposed project will have an expected NPV of 94,690.74 €, whereas a decision of not investing will not have any cost or gain.

### **23. Conclusions**

Tourism has become one of the major industries in the world and provides a major opportunity for countries to grow. Increasingly stimulated by consumer's habits and lifestyles, tourism has presented different modalities as well as new tourist products have become increasingly recognized. Thus, rural tourism began to emerge with impact and significance on local cooperation and community involvement, contributing towards a sustainable growth of both industry and region.

The development of this type of tourism must provide an authentic experience to tourists where is necessary to combine services with activities by keeping their rural nature. Thus, it is important to focus on the authenticity of the activities and the proximity to the resources since they are viewed as important components of the rural products that most tourists are looking for.

Furthermore, the defined marketing strategy is considered highly relevant to the development and viability of the project in a sustainable way as well as a good understanding and practice of it should be pursued. The rural hotel must seek the customer proximity as well as it is important to develop a network for promotion through partnerships with local entities, City Hall, associations of tourism and private entities that are responsible for providing tourist services.

Human resources in rural areas assume an important role and since there is a low levels of education in these areas, they must have a proper and complete training in order to be capable of developing efficiently their tasks and to meet the needs and requests of the customers.

Besides the host service, the complementary activities have shown to provide economic profits for the proposed rural hotel as well as they also seek for social benefits to the local population. In a global world, where most urban cities offer similar products and services, the authentic atmosphere and enriching activities of rural areas are a differentiation opportunity to be exploited and developed by Hotel do Rio. In this particular project, they are extremely relevant for its profitability, while the tourists are looking for unique experiences, and consequently, they contribute positively for the economical viability of the project.

Through the financial analysis, the author concludes that the project is economically viable. The net present value is positive, which means that all the investment is recovered, the

shareholders are remunerated at a rate of 11.38% and it even generates a surplus of 95,439.55 €. Moreover, its internal rate of return of 17.62% is greater than the minimum rate required by shareholders and the value of all investment is recovered before the ending of the life cycle of the project: regarding the 22 years of analysis, the investment it is recovered at the end of the 12th year which corresponds to the 10th year of exploration.

Including the financing option by the Adjusted Present Value, the project is still viable and presents a value of 99,095.53€ which means there is a tax benefit of interest that adds value to the project.

Furthermore, the analysis of financial and economical indicators of performance is also favourable, ensuring the success of the rural hotel and supporting the decision of investing in the project.

However, the project development has some limitations.

Despite the growing investment in tourism in rural areas, there is still a lack of information regarding its statistical data in Portugal. Unlike the hotels establishments, information about tourism in rural areas is rarely available or even totally unknown, such as revenue per available room and global income, as well as sometimes it is provided with few details: data encompasses essentially global values and there is no comparative analysis between foreigner guests and resident guests.

Moreover, in some cases, there was no consensus between statistical tables from the same source information, which may have lead to an incorrect evaluation of the evolution of the data throughout the years under analysis.

Due to these lacks of information, the social and economic analysis of tourism presented some difficulties which are mostly reflected on the sector analysis regarding, for example, its demand and supply which eventually influenced some data later used and may have resulted in the use of wrong or discrepant assumptions.

It is important to highlight the use of complex and ineffective instruments in order to obtain adequate statistical data and the fact that this activity has no precise outlines and integrates diverse sectors and multiple economic relations may have contributed for this limitation.

Nevertheless, there are also some risks and threats associated to the project that must be considered. Firstly, as previously mentioned, the preferences and lifestyles of the tourist are changing over the time, which may have a future influence on rural tourism and thus impact negatively on the future profitability of the project and, consequently, its viability.

On the other hand, through the sensitivity analysis, it could be observed that some alterations in the most relevant variables in the present business plan impact on its economical viability. Thus, a lower initial average occupancy rate and low increase rate on price from 2020, lead to an economical unviable project which would justify the decision not to invest in Hotel do Rio.

When it comes to opportunities, it is important to mention that it is possible to consider in the future new investments such as other equipments as swimming pool and other ancillary facilities such as a wine cellar. Besides, new leisure activities and experiences may appear, enriching the variety of existent offer.





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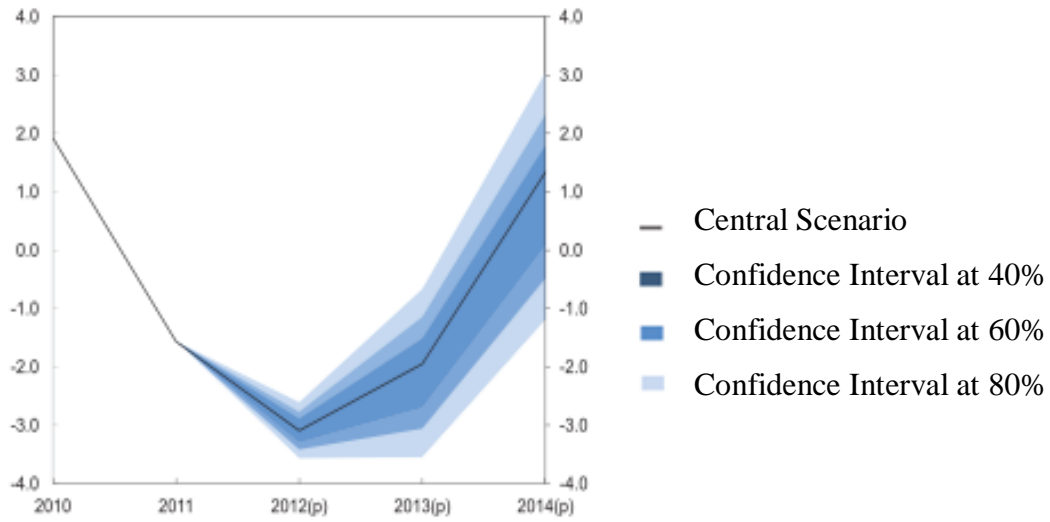
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- <http://www.turismodeportugal.pt/>
- <http://www.turismodocentro.pt/pt/>
- <http://turismo.cm-serta.pt/>
- <http://unstats.un.org/>
- <http://visitcentro.com/en/>
- <http://www.worten.pt/store/>



**25. Annexes**

**Annex 1 – Portuguese Growth Domestic Product**

**Evolution of the Growth Domestic Product in Portugal (variation rate, in percentage)**



**Source:** *INE and Banco de Portugal*

**Annex 2 – Growth Domestic Product in other countries**

**Growth Domestic Product – volume (percentage change on previous year)**

	2008	2009	2010	2011	2012	2013	2014
<b>Germany</b>	1,1	-5,1	4,2	3	0,8 <sup>f</sup>	0,8 <sup>f</sup>	2 <sup>f</sup>
<b>Spain</b>	0,9	-3,7	-0,3	0,4	-1,4 <sup>f</sup>	-1,4 <sup>f</sup>	0,8 <sup>f</sup>
<b>France</b>	-0,1	-3,1	1,7	1,7	0,2 <sup>f</sup>	0,4 <sup>f</sup>	1,2 <sup>f</sup>
<b>Netherlands</b>	1,8	-3,7	1,6	1	-0,3 <sup>f</sup>	0,3 <sup>f</sup>	1,4 <sup>f</sup>
<b>Portugal</b>	0	-2,9	1,4	-1,7	-3 <sup>f</sup>	-2 <sup>f</sup>	0,8 <sup>f</sup>
<b>United Kingdom</b>	-1	-4	1,8	0,9	-0,3 <sup>f</sup>	0,9 <sup>f</sup>	2 <sup>f</sup>

<sup>f</sup> = forecast

**Source:** Eurostat

**Annex 3 – Growth Domestic Product per Capita**

**Growth Domestic Product per Capita in PPS**

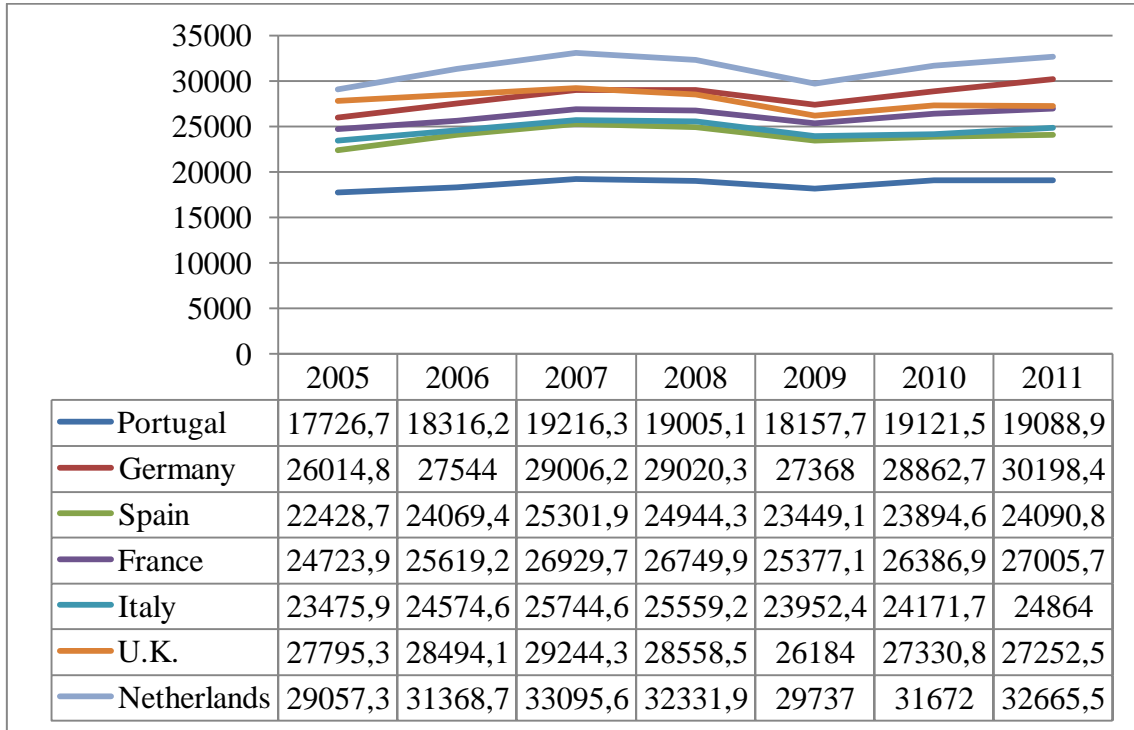
	2008	2009	2010	2011
<b>Germany</b>	116	116	118	120
<b>Spain</b>	104	103	100	99
<b>France</b>	107	108	108	107
<b>Netherlands</b>	134	132	133	131
<b>Portugal</b>	78	80	80	77
<b>United Kingdom</b>	112	111	112	108

(Index: EU-27 = 100)

**Source:** Eurostat

**Annex 4 – Gross National Disposable Income per Capita**

**Gross National Disposable Income per Capita in PPS**



**Source: PORDATA**



**Annex 5 – Balance of Payments**

**Portuguese Balance of Payments (in thousands Euros)**

Portugal	Current Account	Balance of capital	Financial Account	Errors and Omissions
2005	-15.924.395	1.720.705	14.003.637	200.052
2006	-17.186.918	1.233.640	15.300.487	652.790
2007	-17.074.482	2.096.851	14.423.608	554.023
2008	-21.699.405	2.649.568	19.120.235	-70.399
2009	-18.362.187	1.393.192	17.450.694	-481.699
2010	-17.060.220	1.941.102	15.721.845	-602.727
2011	-11.024.865	2.123.549	9.365.096	-463.781

**French Balance of Payments (in thousands Euros)**

France	Current Account	Balance of capital	Financial Account	Errors and Omissions
2005	-8.327	507	-1.589	9.407
2006	-10.345	-198	25.958	-15.415
2007	-18.924	1.856	30.296	-13.232
2008	-33.725	669	18.251	14.809
2009	-25.143	335	22.039	2.770
2010	-30.172	11	27.501	2.661
2011	-38.934	-93	58.150	-19.125

**German Balance of Payments (in thousands Euros)**

Germany	Current Account	Balance of capital	Financial Account	Errors and Omissions
2005	112.591	-1.368	-129.634	18.413
2006	144.739	-258	-175.473	30.992
2007	180.912	104	-210.150	29.134
2008	153.634	-210	-173.911	20.487
2009	140.559	30	-155.440	14.853
2010	150.668	-586	-147.439	-2.642
2011	147.652	642	-161.937	13.644

**Spanish Balance of Payments (in thousands Euros)**

Spain	Current Account	Balance of capital	Financial Account	Errors and Omissions
2005	-66.861	8.179	60.817	-2.139
2006	-88.313	6.195	85.625	-3.505
2007	-105.265	4.577	101.005	-315

2008	-104.676	5.474	100.221	-1.020
2009	-50.539	4.224	51.982	-5.668
2010	-47.427	6.289	43.173	-2.035
2011	-37.497	5.487	35.762	-3.751

**British Balance of Payments (in thousands Euros)**

United Kingdom	Current Account	Balance of capital	Financial Account	Errors and Omissions
2005	-47.697	2.189	42.776	3.051
2006	-66.800	1.445	55.972	6.933
2007	-51.573	3.718	46.301	5.256
2008	-25.081	4.089	18.372	4.758
2009	-23.095	4.086	34.653	-11.397
2010	-56.749	4.302	47.911	4.537
2011	-33.473	3.960	18.384	11.130

**Dutch Balance of Payments (in thousands Euros)**

Netherlands	Current Account	Balance of capital	Financial Account	Errors and Omissions
2005	37.995	-1.414	-30.307	-6.274
2006	50.438	-2.120	-53.470	5.152
2007	38.425	-1.540	-25.110	-11.775
2008	25.494	-3.045	-21.953	-496
2009	29.671	-199	-41.546	12.074
2010	45.150	-968	-21.033	-23.149
2011	58.639	-113	-52.331	-6.195

**Source:** Eurostat

**Annex 6 – Portuguese Tourist Balance**

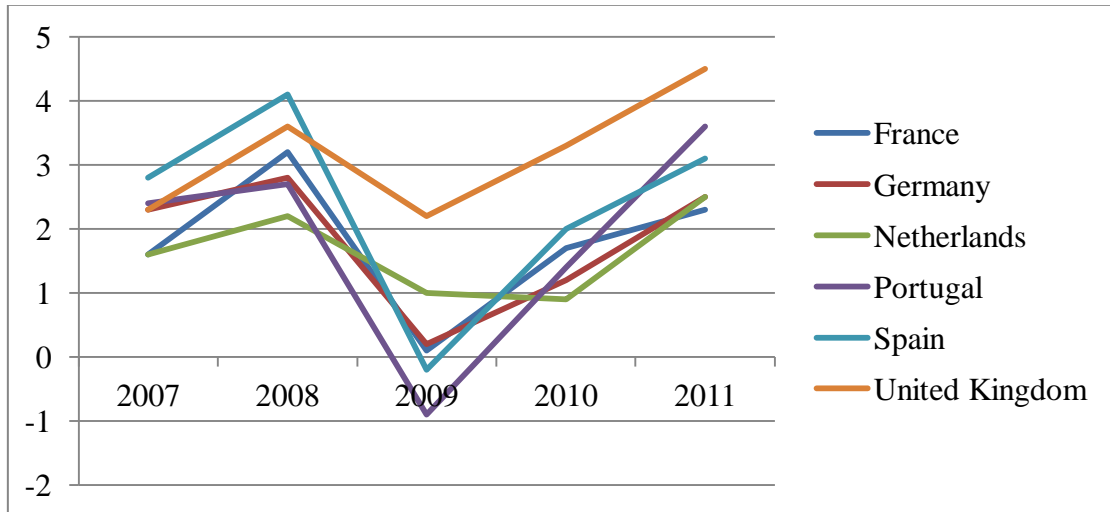
**Portuguese Tourist Balance (10<sup>6</sup> Euros)**

	2011	Δ % 11/10	Δ Abs. 11/10
<b>Recipes</b>	8.145,60	7,2	544,3
<b>Expenses</b>	2.973,60	0,7	20,7
<b>Balance</b>	5.172,00	11,3	523,5

**Source:** BdP – Banco de Portugal (estimated values)

**Annex 7 – Inflation Rate**

**Harmonised Index of Consumer Prices – Inflation Rate – Annual average rate of change**  
(in percentage)

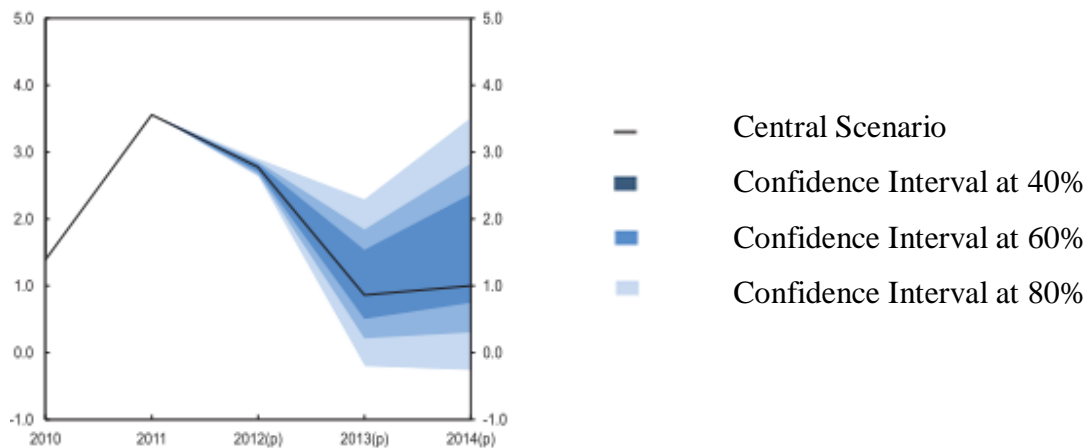


	2007	2008	2009	2010	2011
<b>France</b>	1,6	3,2	0,1	1,7	2,3
<b>Germany</b>	2,3	2,8	0,2	1,2	2,5
<b>The Netherlands</b>	1,6	2,2	1	0,9	2,5
<b>Portugal</b>	2,4	2,7	-0,9	1,4	3,6
<b>Spain</b>	2,8	4,1	-0,2	2	3,1
<b>United Kingdom</b>	2,3	3,6	2,2	3,3	4,5

Source: Eurostat

**Annex 8 – Portuguese Inflation Rate**

**Portuguese inflation rate – HICP – (variation rate, in percentage)**



Source: INE and Banco de Portugal

**Annex 9 – Exchange Rate EUR/GDP**

**Evolution of the exchange rate EUR/GBP – at 5/10/2012**



**Source:** *Yahoo Finance*

**Annex 10 – Euribor interest rates**

	02-01-2012	03-01-2011	04-01-2010	02-01-2009	02-01-2008
<a href="#">Euribor - 1 semana</a>	0,652%	0,590%	0,369%	2,357%	4,124%
<a href="#">Euribor - 2 semanas</a>	0,738%	0,641%	0,393%	2,429%	4,158%
<a href="#">Euribor - 3 semanas</a>	0,845%	0,699%	0,413%	2,481%	4,191%
<a href="#">Euribor - 1 mês</a>	1,005%	0,774%	0,453%	2,570%	4,239%
<a href="#">Euribor - 2 meses</a>	1,165%	0,876%	0,553%	2,754%	4,471%
<a href="#">Euribor - 3 meses</a>	1,343%	1,001%	0,700%	2,859%	4,665%
<a href="#">Euribor - 4 meses</a>	1,425%	1,057%	0,793%	2,893%	4,682%
<a href="#">Euribor - 5 meses</a>	1,507%	1,137%	0,886%	2,908%	4,695%
<a href="#">Euribor - 6 meses</a>	1,606%	1,224%	0,996%	2,945%	4,703%
<a href="#">Euribor - 7 meses</a>	1,667%	1,274%	1,036%	2,962%	4,709%
<a href="#">Euribor - 8 meses</a>	1,727%	1,320%	1,079%	2,976%	4,712%
<a href="#">Euribor - 9 meses</a>	1,782%	1,369%	1,129%	2,991%	4,719%
<a href="#">Euribor - 10 meses</a>	1,833%	1,413%	1,170%	3,002%	4,723%
<a href="#">Euribor - 11 meses</a>	1,885%	1,458%	1,209%	3,013%	4,728%
<a href="#">Euribor - 12 meses</a>	1,937%	1,504%	1,251%	3,025%	4,733%

**Source:** *Euribor-rates.eu*

**Annex 11 – Portuguese Unemployment Rate**

**Portuguese unemployment rate (in percentage)**

Portugal	2007	2008	2009	2010	2011	2012	2013
Unemployment	8	7,6	9,5	10,8	12,7	15,5	15,1

**Source:** *BdP – Banco de Portugal*

**Annex 12 – Unemployment Rate in other countries**

**Unemployment rate (in percentage)**

	2007	2008	2009	2010	2011
<b>Germany</b>	8,7	7,5	7,8	7,1	5,9
<b>Spain</b>	8,3	11,3	18	20,1	21,7
<b>France</b>	8,4	7,8	9,5	9,7	9,6
<b>Netherlands</b>	3,6	3,1	3,7	4,5	4,4
<b>United Kingdom</b>	5,3	5,6	7,6	7,8	8

**Source:** *Eurostat*

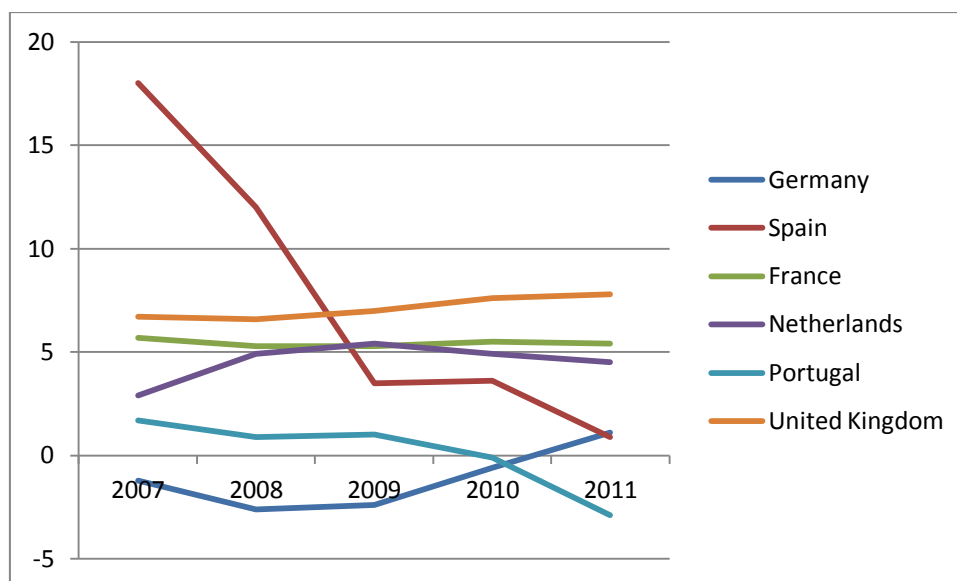
**Annex 13 – Social Classes Dimension**

Social Class	Dimension		
	1992	1998	2003
<b>A</b>	4.5%	4.9%	5.5%
<b>B</b>	10.7%	10.5%	11.9%
<b>C1</b>	25.3%	27.5%	24.9%
<b>C2</b>	27.6%	29.8%	31.0%
<b>D</b>	31.9%	27.3%	26.7%

**Source:** *Markttest*

**Annex 14 – Crude Rate of Population Change**

**Crude rate of population change (per 1000 inhabitants)**



Source: Eurostat

**Annex 15 – Population**

**Number of Inhabitants on 1<sup>st</sup> January (persons)**

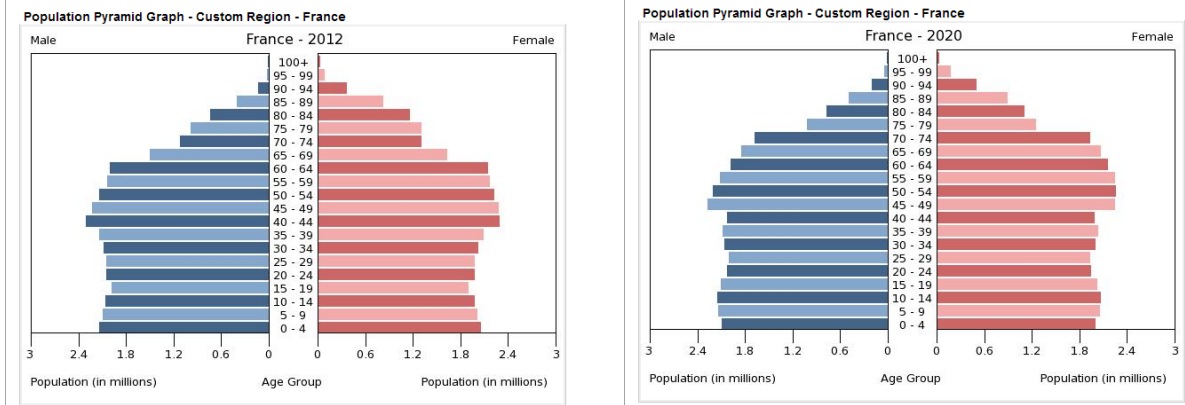
	2007	2008	2009	2010	2011	2012
<b>Germany</b>	82314906	82217837	82002356	81802257	81751602	81843743 <sup>P</sup>
<b>Spain</b>	44474631	45283259	45828172	45989016	46152926	46196276 <sup>P</sup>
<b>France</b>	63645065	64007193	64350226 <sup>P</sup>	64694497 <sup>P</sup>	65048412 <sup>P</sup>	65397912 <sup>P</sup>
<b>Netherlands</b>	16357992	16405399	16485787	16574989	16655799	16730348 <sup>P</sup>
<b>Portugal</b>	10599095	10617575	10627250	10637713	10572157 <sup>P</sup>	10541840 <sup>P</sup>
<b>United Kingdom</b>	60781346	61191951	61595091	62026962	62498612 <sup>P</sup>	62989550 <sup>P</sup>

<sup>P</sup> – Provisional

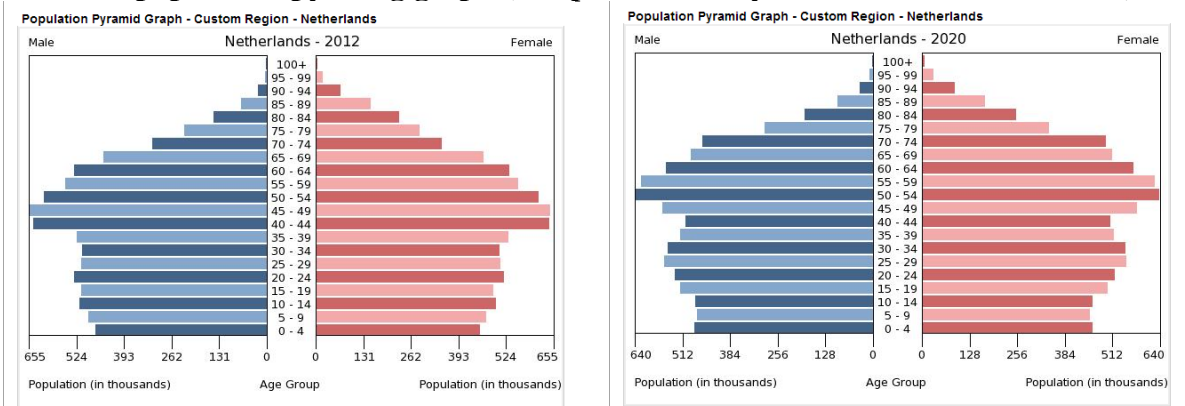
Source: Eurostat

**Annex 16 – Population Pyramid Graph**

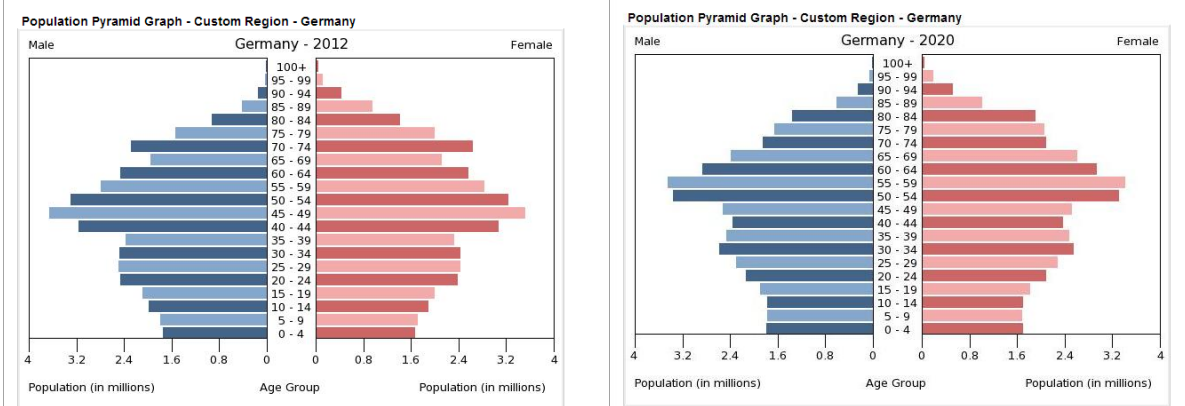
**French population pyramig graph (comparative analysis between 2012 and 2020)**



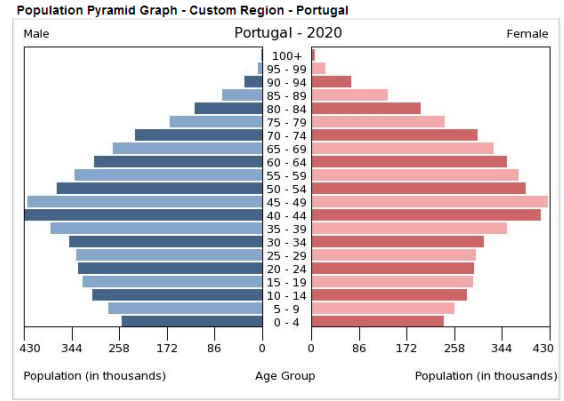
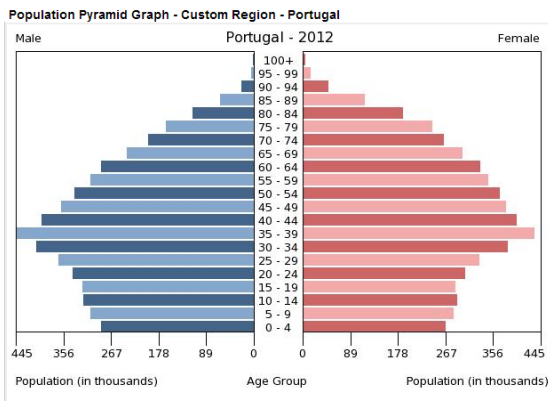
**Dutch population pyramig graph (comparative analysis between 2012 and 2020)**



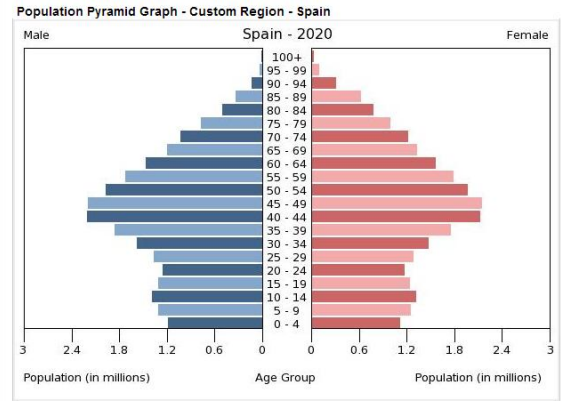
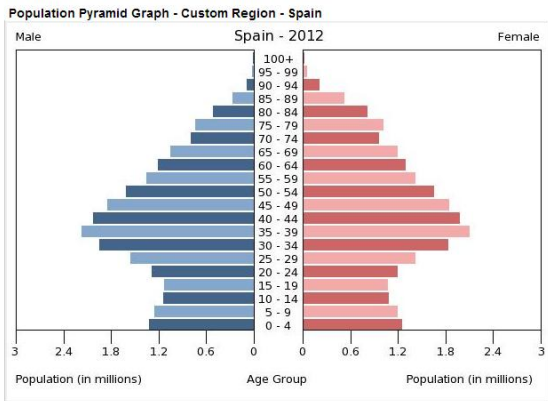
**German population pyramig graph (comparative analysis between 2012 and 2020)**



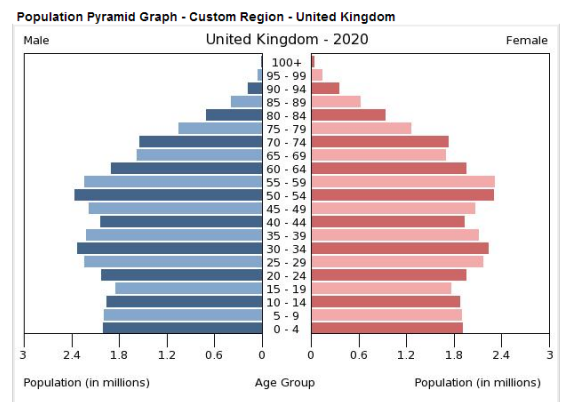
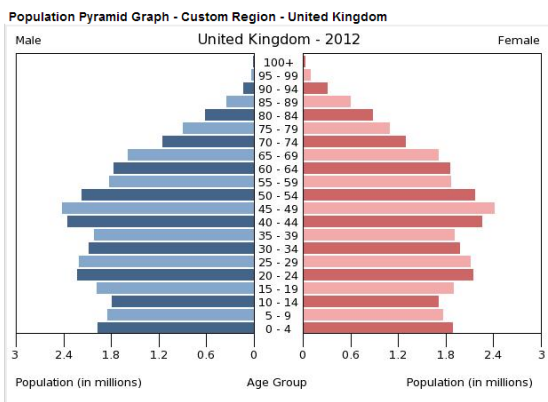
**Portuguese population pyramig graph (comparative analysis between 2012 and 2020)**



**Spanish population pyramig graph (comparative analysis between 2012 and 2020)**



**British population pyramig graph (comparative analysis between 2012 and 2020)**

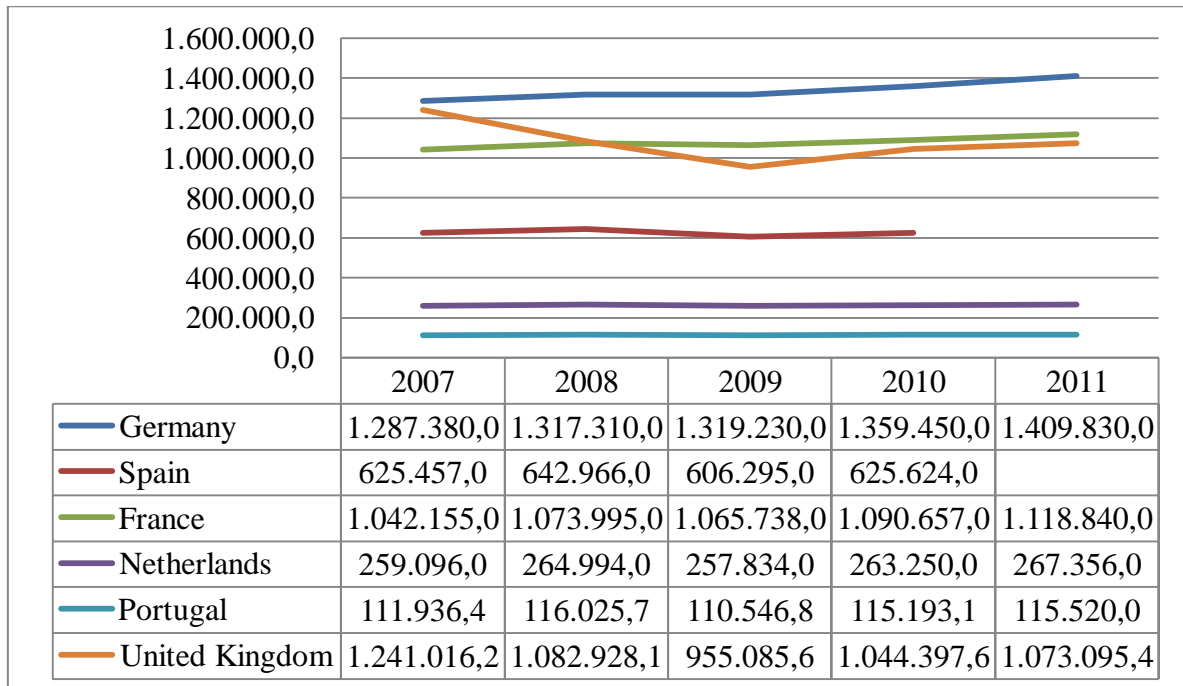


**Source:** *United States Census Bureau*



**Annex 17 – Final Consumption Expenditure of Households**

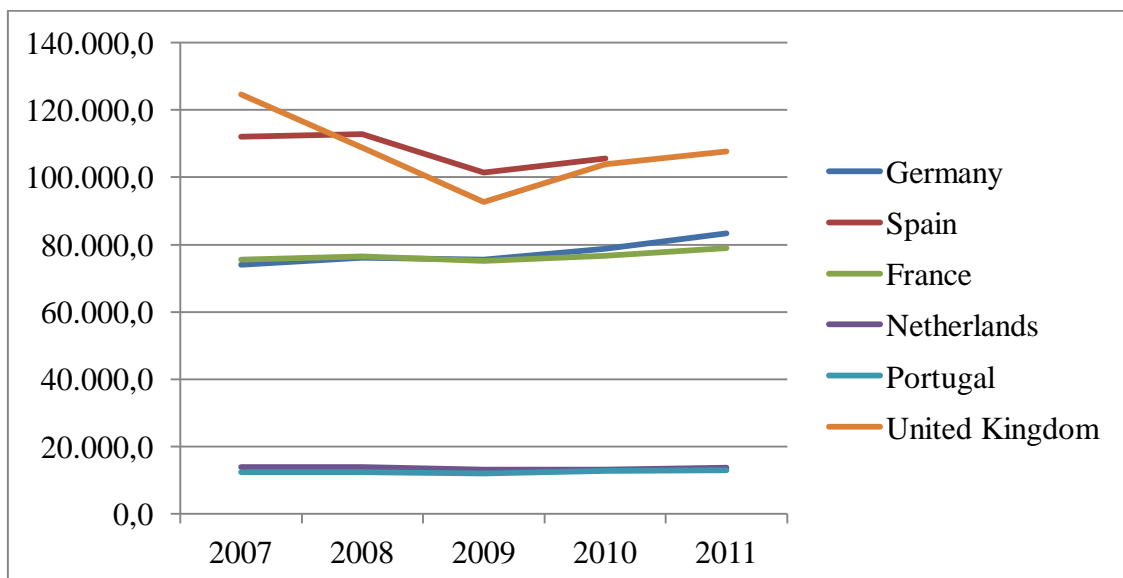
**Final Consumption Expenditure of Households (in millions of Euros)**



Source: Eurostat

**Annex 18 – Consumption Expenditure of Households – Restaurants and Hotels**

**Consumption expenditure of households regarding restaurants and hotels (in millions of Euros)**



Source: Eurostat

**Annex 19 – Restaurant and Hotels in the Total Consumption**

**Percentage of Restaurant and Hotels in the Total Consumption**

	2007	2008	2009	2010	2011
<b>Germany</b>	5,7%	5,8%	5,7%	5,8%	5,9%
<b>Spain</b>	17,9%	17,5%	16,7%	16,9%	-
<b>France</b>	7,3%	7,1%	7,0%	7,0%	7,1%
<b>Netherlands</b>	5,3%	5,2%	5,1%	5,0%	5,1%
<b>Portugal</b>	11,0%	10,6%	11,0%	11,1%	11,2%
<b>United Kingdom</b>	10,0%	10,1%	9,7%	9,9%	10,0%

Source: Eurostat

**Annex 20 – Displacement of Portuguese Residents**

**Touristic displacement of Portuguese residents (from 2009 to 2011)**

Year	Total of Residents	Total of Tourists				No Tourists
		Total	Portugal	Abroad	Both	
<b>2011</b>	10.646,7	3.933,7	3.060,3	372,0	501,3	6.713,0
<b>2010</b>	10.635,8	3.977,6	3.044,1	341,6	591,8	6.658,3
<b>2009</b>	10.638,6	4.268,5	3.348,1	335,9	584,4	6.369,9

Source: INE – Instituto Nacional de Estatística – Survey on residents' travels

**Annex 21 – Disembarked Passengers in Portugal**

**Disembarked passengers from international flights by airport in 2011 (thousands)**

National Airport	2011	Δ 11/10		Share
		%	Abs.	
<b>Porto</b>	2540	16,2%	355	20,8%
<b>Lisboa</b>	6363,1	6,8%	406	52,0%
<b>Faro</b>	2635,3	4,9%	123	21,5%
<b>Funchal</b>	611	14,1%	76	5,0%
<b>Ponta Delgada</b>	95,6	9,2%	9	0,7%
<b>Portugal</b>	12245	8,6%	969	100,0%

Source: INE – Instituto Nacional de Estatística

**Annex 22 – Number of Guests in Portugal**

**Number of guests in Portugal in 2011 (thousands)**

Country of Residence	Year			
	2011	Δ 11/10		Share %
		%	Abs.	
<b>Portugal</b>	6.613,00	-1,4	-92,5	47,1
<b>Foreign</b>	7.432,50	8,8	600,9	52,9
<b>Total</b>	14.045,50	3,8	508,40	100,00

Source: INE – Instituto Nacional de Estatística

**Annex 23 – Number of Foreign Guests in Portugal**

**Number of foreigner guests in Portugal in 2010 and 2011 (thousands)**

Country of Residence	2010	2011	Δ% 10/11	Share %
<b>Brazil</b>	373,8	458,2	22,6%	6,2%
<b>France</b>	574,8	665,1	15,7%	8,9%
<b>Germany</b>	728,8	740,2	1,6%	10,0%
<b>Spain</b>	1.375,8	1.387,2	0,8%	18,7%
<b>United Kingdom</b>	1.111,2	1.240,7	11,7%	16,7%
<b>Others</b>	2.667,2	2.941,1	10,3%	39,6%
<b>Total Foreigners</b>	6.832	7.432,5	63%	100%

Source: INE – Instituto Nacional de Estatística

**Annex 24 – Number of Guests by Geographical Region**

**Number of guests by geographical region - NUTS II - in 2011 (thousands)**

Geographical Region	Number of Guests	Δ% 10/11
<b>Norte</b>	2.659,20	4,4%
<b>Centro</b>	2.228,30	3,4%
<b>Alentejo</b>	715,4	2,6%
<b>Lisboa</b>	4.038,70	2,5%
<b>Algarve</b>	3.010,90	4,8%
<b>Madeira</b>	1.048,50	7,4%
<b>Açores</b>	344,60	-1,0%
<b>Total</b>	14.045,60	-

Source: INE – Instituto Nacional de Estatística

**Annex 25 – Number of Overnight Stays in Portugal**

**Number of overnight stays in Portugal in 2011 (thousands)**

Country of Residence	Year			
	2011	Δ 11/10		Share %
		%	Abs.	
<b>Portugal</b>	13.498,80	-2,1	-284,2	34,1
<b>Foreign</b>	26.061,30	10,4	2453,1	52,9
<b>Total</b>	39.560,10	8,30	2.168,90	65,90

Source: *INE – Instituto Nacional de Estatística*

**Annex 26 – Number of Overnight Stays regarding foreigner guests**

**Number of overnight stays in Portugal regarding foreigner guests in 2011 (thousands)**

Country of Residence	2010	2011	Δ% 10/11	Share %
<b>France</b>	1.619,40	1.929,30	14,1	7,4%
<b>Germany</b>	3.279,00	3.388,30	5,9	13,0%
<b>The Netherlands</b>	1.843,40	2.003,30	3,3	7,7%
<b>Spain</b>	3.277,80	3.470,30	8,7	13,3%
<b>United Kingdom</b>	5.495,00	6.267,60	19,1	24,0%
<b>Others</b>	8.093,70	9.003,90	11,2	34,5%
<b>Total</b>	23.608,30	26.062,70		100,0%

Source: *INE – Instituto Nacional de Estatística*

**Annex 27 – Number of Overnight Stays by Geographical Region NUTS II in 2011**

**Number of overnight stays in Portugal by geographical region – NUTS II - in 2011 (thousands)**

Geographical Region	Number of Guests	Δ% 10/11
<b>North</b>	4.578,50	3,2%
<b>Center</b>	4.055,60	4,4%
<b>Alentejo</b>	1239,00	5,7%
<b>Lisbon</b>	9.044,50	4,9%
<b>Algarve</b>	14.043,10	6,0%
<b>Madeira</b>	5.565,90	11,5%
<b>Açores</b>	1.033,50	-0,1%
<b>Total</b>	39.560,10	

Source: *INE – Instituto Nacional de Estatística*

**Annex 28 – Number of Facilities in Portugal**

Typologies	Years				
	2007	2008	2009	2010	2011
<b>Hotels</b>	1806	1802	1771	1790	1795
<b>Holliday villages and tourist apartments</b>	226	239	217	221	224
<b>Campsites</b>	228	229	225	227	240
<b>Holiday Camps and Youth Hostels</b>	80	84	86	86	89
<b>Lodging Tourism and Tourism in Rural Areas</b>	1023	1047	1193	1185	1188
<b>Total</b>	3363	3401	3492	3509	3536

**Note:** TH and TER – lodging tourism and tourism in rural areas

**Source:** *INE – Instituto Nacional de Estatística*

**Annex 29 – Number of beds**

Typologies	Years				
	2007	2008	2009	2010	2011
<b>Hotels</b>	217455	223523	225651	231401	240752
<b>Holliday villages and tourist apartments</b>	47292	50452	48153	48105	48355
<b>Campsites</b>	181212	183202	180584	181954	187275
<b>Holiday Camps and Youth Hostels</b>	10530	10530	10799	9525	8851
<b>Lodging Tourism and Tourism in Rural Areas</b>	11327	11692	13211	13267	13293
<b>Total</b>	467816	479399	478398	484252	498526

**Source:** *INE – Instituto Nacional de Estatística*

**Annex 30 – RevPar**

**RevPar in Portugal in 2011 by typology (in Euros)**

Typologies	Year		
	2011	Δ 11/10	
		%	Abs.
<b>Hotels</b>	33,5	0,9	0,3
<b>5* Hotels</b>	59,2	6,9	3,8
<b>4* Hotels</b>	33,2	-0,3	-0,1
<b>3* Hotels</b>	24,1	-2,8	-0,7
<b>Aparthotels</b>	30,1	1,3	0,4
<b>Pousadas</b>	41,7	7,5	2,9
<b>Total</b>	32,8	0,9	0,3

**Source:** *INE – Instituto Nacional de Estatística*

**Annex 31 – RevPar by geographical region**

**RevPar in 2011 by geographical region – NUTS II (in Euros)**

Geographical Region	RevPar (€)	Δ% 10/11
<b>Norte</b>	25,90	-1,5%
<b>Centro</b>	19,00	-1,0%
<b>Alentejo</b>	24,30	0,2%
<b>Lisboa</b>	45,40	1,6%
<b>Algarve</b>	37,00	0,2%
<b>Madeira</b>	32,10	3,5%
<b>Açores</b>	23,60	-2,2%

Source: INE – Instituto Nacional de Estatística

**Annex 32 – Tourism Global Income**

**Tourism global income in Portugal in 2011 (10<sup>6</sup> Euros)**

Income (10 <sup>6</sup> €)	Year			
	2011	Δ 11/10		Share
		%	Abs.	
<b>Lodging income</b>	1.310,80	7	85,3	68,6
<b>Other</b>	599,3	3	17,3	31,4
<b>Total</b>	1.910,10	5,7	102,6	100

Source: INE – Instituto Nacional de Estatística

**Annex 33 – Income by Geographical Region**

**Income by geographical region NUTS II in 2011 (10<sup>6</sup> Euros)**

Geographical Region	Number of Guests	Δ% 10/11	Share
<b>North</b>	224,80	3,0%	11,8
<b>Center</b>	187,80	1,0%	9,8
<b>Alentejo</b>	63,20	6,3%	3,3
<b>Lisbon</b>	561,00	6,8%	29,4
<b>Algarve</b>	573,80	6,0%	30
<b>Madeira</b>	252,60	11,4%	13,2
<b>Açores</b>	46,90	-4,2%	2,5
<b>Total</b>	1.910,10		100,00

Source: INE – Instituto Nacional de Estatística

**Annex 34** – Number of facilities in Lodging Tourism and Tourism in Rural Areas

Typology	2007	2008	2009	2010	2011
<b>Tourism in Rural Areas</b>	394	416	510	516	511
<b>Agro-tourism</b>	136	140	144	147	147
<b>Country Houses</b>	234	246	324	327	322
<b>Rural hotels</b>	24	30	42	42	42
<b>Lodging Tourism</b>	232	233	243	241	243
<b>Others</b>	397	398	433	429	434
<b>Total</b>	1023	1047	1186	1186	1188

Others – include homes owned by Rural Tourism and Village Tourism, which have not been reconverted yet according to the Decree-Law n° 228/2009 of 14 September.

**Source:** *INE – Instituto Nacional de Estatística*

**Annex 35** –Accommodation capacity in Lodging Tourism and Tourism in Rural Areas

Typology	2007	2008	2009	2010	2011
<b>Tourism in Rural Areas</b>	2719	4785	5745	5875	5755
<b>Agro-tourism</b>	1739	1781	1834	1907	1897
<b>Country Houses</b>	1793	1893	2402	2460	2352
<b>Rural hotels</b>	934	1111	1509	1508	1506
<b>Lodging Tourism</b>	2719	2733	2875	2869	2882
<b>Others</b>	4142	4174	4621	4600	4656
<b>Total</b>	11327	11692	13241	13344	13293

**Source:** *TP – Turismo de Portugal*

**Annex 36** – Number of Facilities by typology and by geographical region

**Number of Facilities by typology and by geographical region – NUTS II – in 2011**

Geographical Region by NUTS II	Typology						General Total
	Lodging tourism	Agro-tourism	Country Homes	Rural Hotels	Others		
					Village Tourism	Tourism in Rural Areas	
<b>North</b>	<b>123</b>	<b>56</b>	<b>96</b>	<b>14</b>	<b>3</b>	<b>205</b>	<b>497</b>
Var. Abs 11/10	<b>123</b>	<b>55</b>	<b>96</b>	<b>14</b>	<b>3</b>	<b>205</b>	496
Var. % 11/10	0,0%	1,8%	0,0%	0,0%	0,0%	0,0%	0,2%
<b>Centro</b>	<b>58</b>	<b>33</b>	<b>67</b>	<b>12</b>	<b>3</b>	<b>89</b>	<b>262</b>
Var. Abs 11/10	<b>58</b>	<b>33</b>	<b>67</b>	<b>12</b>	<b>3</b>	<b>89</b>	262
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Lisboa</b>	<b>12</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>11</b>	<b>26</b>

Var. Abs 11/10	<b>12</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>11</b>	26
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Alentejo</b>	<b>23</b>	<b>47</b>	<b>50</b>	<b>11</b>	<b>2</b>	<b>71</b>	<b>204</b>
Var. Abs 11/10	<b>23</b>	<b>47</b>	<b>50</b>	<b>11</b>	<b>2</b>	<b>69</b>	202
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	2,9%	1,0%
<b>Algarve</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>20</b>	<b>37</b>
Var. Abs 11/10	<b>4</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>20</b>	37
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Açores</b>	<b>13</b>	<b>3</b>	<b>69</b>	<b>0</b>	<b>1</b>	<b>22</b>	<b>108</b>
Var. Abs 11/10	<b>13</b>	<b>3</b>	<b>73</b>	<b>0</b>	<b>1</b>	<b>22</b>	112
Var. % 11/10	0,0%	0,0%	-5,5%	0,0%	0,0%	0,0%	-3,6%
<b>Madeira</b>	<b>10</b>	<b>2</b>	<b>34</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>54</b>
Var. Abs 11/10	<b>8</b>	<b>2</b>	<b>36</b>	<b>1</b>	<b>0</b>	<b>3</b>	4
Var. % 11/10	25,0%	0,0%	-5,6%	0,0%	0,0%	133,3%	8,0%
<b>Portugal</b>	<b>243</b>	<b>147</b>	<b>322</b>	<b>42</b>	<b>9</b>	<b>425</b>	<b>1188</b>
Var. Abs 11/10	<b>241</b>	<b>146</b>	<b>328</b>	<b>42</b>	<b>9</b>	<b>419</b>	1185
Var. % 11/10	0,8%	0,7%	-1,8%	0,0%	0,0%	1,4%	0,2%

Source: TP – Turismo de Portugal – Inquérito ao Turismo de Habitação e ao Turismo no

Espaço Rural 2011; 2010

### Annex 37 – Accommodation Capacity by Typology and by Geographical Regions

#### Accommodation capacity by typology and by geographical region – NUTS II – in 2011

Geographical Region by NUTS II	Typology						General Total
	Lodging tourism	Agro-tourism	Country Homes	Rural Hotel	Others		
					Village Tourism	Tourism in Rural Areas	
<b>Norte</b>	<b>1430</b>	<b>713</b>	<b>678</b>	<b>424</b>	<b>68</b>	<b>2050</b>	<b>5363</b>
Var. Abs 11/10	<b>1430</b>	<b>697</b>	<b>678</b>	<b>424</b>	<b>68</b>	<b>2050</b>	5347
Var. % 11/10	0,0%	2,3%	0,0%	0,0%	0,0%	0,0%	0,3%
<b>Centro</b>	<b>717</b>	<b>455</b>	<b>403</b>	<b>378</b>	<b>139</b>	<b>899</b>	<b>2991</b>
Var. Abs 11/10	<b>717</b>	<b>455</b>	<b>403</b>	<b>378</b>	<b>139</b>	<b>899</b>	2991
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Lisboa</b>	<b>136</b>	<b>12</b>	<b>0</b>	<b>74</b>	<b>0</b>	<b>98</b>	<b>320</b>
Var. Abs 11/10	<b>136</b>	<b>12</b>	<b>0</b>	<b>74</b>	<b>0</b>	<b>98</b>	320
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Alentejo</b>	<b>291</b>	<b>580</b>	<b>496</b>	<b>500</b>	<b>49</b>	<b>785</b>	<b>2701</b>
Var. Abs 11/10	<b>291</b>	<b>580</b>	<b>496</b>	<b>500</b>	<b>49</b>	<b>759</b>	2675
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	3,4%	1,0%
<b>Algarve</b>	<b>59</b>	<b>83</b>	<b>59</b>	<b>102</b>	<b>0</b>	<b>208</b>	<b>511</b>



Var. Abs 11/10	<b>59</b>	<b>83</b>	<b>59</b>	<b>102</b>	<b>0</b>	<b>208</b>	511
Var. % 11/10	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Açores</b>	<b>149</b>	<b>48</b>	<b>375</b>	<b>0</b>	<b>28</b>	<b>262</b>	<b>862</b>
Var. Abs 11/10	<b>141</b>	<b>48</b>	<b>384</b>	<b>0</b>	<b>28</b>	<b>240</b>	841
Var. % 11/10	5,7%	0,0%	-2,3%	0,0%	0,0%	9,2%	2,5%
<b>Madeira</b>	<b>100</b>	<b>6</b>	<b>341</b>	<b>28</b>	<b>0</b>	<b>70</b>	<b>545</b>
Var. Abs 11/10	<b>82</b>	<b>16</b>	<b>434</b>	<b>30</b>	<b>0</b>	<b>20</b>	582
Var. % 11/10	22,0%	-62,5%	-21,4%	-6,7%	0,0%	250,0%	-6,4%
<b>Portugal</b>	<b>2882</b>	<b>1897</b>	<b>2352</b>	<b>1506</b>	<b>284</b>	<b>4372</b>	<b>13293</b>
Var. Abs 11/10	<b>2856</b>	<b>1891</b>	<b>2454</b>	<b>1508</b>	<b>284</b>	<b>4274</b>	13267
Var. % 11/10	0,9%	0,3%	-4,2%	-0,1%	0,0%	2,3%	0,2%

**Source:** TP – Turismo de Portugal – Inquérito ao Turismo de Habitação e ao Turismo no

*Espaço Rural 2011; 2010*

### Annex 38 – Overnight Stays by Geographical Region

#### Evolution of the estimated overnight stays by geographical region - NUTS II -

(thousands)

Typology	2007	2008	2009	2010	2011
<b>North</b>	170,8	159,1	248,1	252,0	291,4
<b>Center</b>	122,5	108,1	162,6	149,2	144,6
<b>Lisbon</b>	38,9	26,5	16	19,9	33,1
<b>Alentejo</b>	190,4	124,6	222,1	234,4	216
<b>Algarve</b>	44,6	27,6	77,4	63,1	69,6
<b>Açores</b>	45,3	29,0	39,8	37,4	n.d
<b>Madeira</b>	51,8	48,5	61,1	72,1	n.d
<b>Total</b>	664,3	523,4	827,1	828,1	948,7

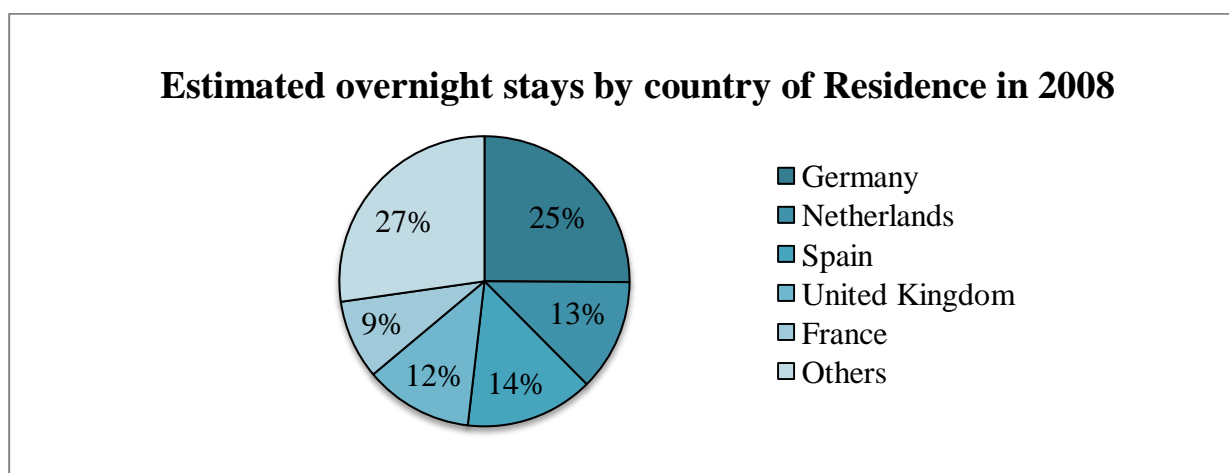
**Source:** TP – Turismo de Portugal

**Annex 39 – Overnight stays in Portugal**

**Proportion of estimated overnight stays in 2007 and 2008 (thousands)**

Country of Residence	Year			
	2007		2008	
	Value	%	Value	%
<b>Portugal</b>	367,30	55,3%	292,40	55,9%
<b>Foreigner</b>	297,20	44,7%	231,10	44,1%
<b>Total</b>	664,50	100%	523,50	100%

**Annex 40 – Overnight Stays by Country of Residence**



**Annex 41 – Overnight Stays by Typology**

**Evolution of the estimated overnight stays by typology (thousands)**

Typology	2007	2008	2009	2010	2011
<b>Tourism in Rural Areas</b>	337,7	264,4	476,6	461,5	518,4
<b>Agro-tourism</b>	91,6	64,1	116	100,1	123,5
<b>Country Houses</b>	130,2	101,4	172,5	183,3	210,8
<b>Rural hotels</b>	115,9	98,9	188,1	178,1	184,1
<b>Lodging Tourism</b>	138,1	103,4	114,7	123,6	123,4
<b>Others</b>	188,7	155,7	235,8	242,9	306,9
<b>Total</b>	664,5	523,5	827,1	828,0	948,7

Source: TP – Turismo de Portugal

**Annex 42 – Occupancy Rate – Bed by Typology**

**Occupancy rate - bed by typology**

Typology	2007	2008	2009	2010	2011
<b>Tourism in Rural Areas</b>					
<b>Agro-tourism</b>	15,8	11,1	21,7	19,1	16,5
<b>Country Houses</b>	22,2	18,5	17,7	18,8	15,6
<b>Rural hotels</b>	33,3	25,5	28,9	32,4	31,4
<b>Lodging Tourism</b>	11	9,7	11,3	11,2	10,6
<b>Others</b>	n.d	n.d	13,3	13,7	14,4
<b>Total</b>	17,8	14,8	17,6	17,6	17,1

Source: TP – Turismo de Portugal

**Annex 43 – Occupancy Rate – Bed by Geographical Area**

**Occupancy rate - bed by geographical region – NUTS II**

Typology	2007	2008	2009	2010	2011
<b>Norte</b>	9,7	9,7	11,9	13,3	14,3
<b>Centro</b>	11	9,6	14	14,4	14,2
<b>Lisboa</b>	29,2	22	12,6	16,5	25,9
<b>Alentejo</b>	31,7	19,7	27,8	29,1	22,2
<b>Algarve</b>	36,7	21,1	46,6	39,3	41,8
<b>Açores</b>	18,7	10,3	13,6	12,8	n.d
<b>Madeira</b>	24	23,7	20	18	n.d
<b>Total</b>	17,8	14,8	17,6	17,6	17,1

Source: TP – Turismo de Portugal

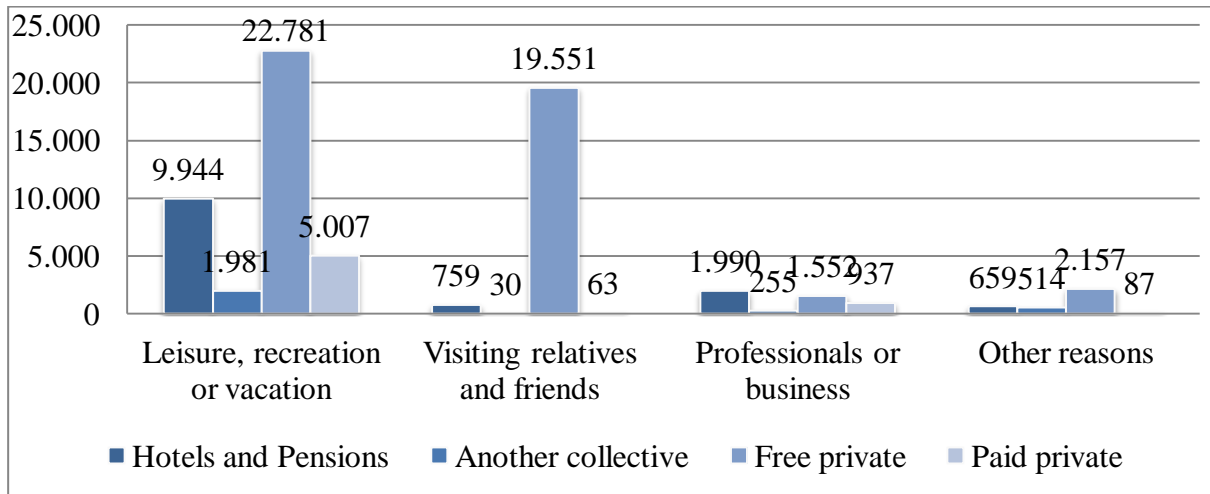
**Annex 44 – Occupancy rate – bed in the Centro region by typology**

Typology	2009	2010	2011
<b>Tourism in Rural Areas</b>			
<b>Agro-tourism</b>	9	3,4	5,9
<b>Country Houses</b>	12,5	12,6	13,9
<b>Rural hotels</b>	22,7	29,9	24,4
<b>Lodging Tourism</b>	9,7	11,3	11,7
<b>Others</b>	15,1	14,8	13,4
<b>Total</b>	14	14,4	14,2

Source: TP – Turismo de Portugal

**Annex 45 – Overnight Stays by Type of Accommodation and Motive**

**Overnight Stays by type of accommodation according to tourists' motive in 2011 (10<sup>3</sup>)**



**Source:** *INE – Instituto Nacional de Estatística*

Annex 46 – Tourism enterprises in the county of Sertã



**Annex 47** – Information about typology and number of rooms

Facilities	Classification	Rooms	Suites	Extra Beds
<b>Albergue Bonjardim</b>	Rural Tourism	<ul style="list-style-type: none"> <li>• 7 Rooms</li> <li>• 1 apartment</li> </ul>	-	<ul style="list-style-type: none"> <li>• 1 crib available</li> <li>• 2 extra beds per room allowed</li> </ul>
<b>Casa da Cortiçada</b>	Rural Tourism	<ul style="list-style-type: none"> <li>• 5 Rooms</li> <li>• 1 Suite</li> </ul>	<ul style="list-style-type: none"> <li>• Double</li> <li>• Double rooms with extra bed</li> <li>• Double rooms for individual use</li> </ul>	-
<b>Casa do Açude</b>	Local Accommodation (AL)	<ul style="list-style-type: none"> <li>• 2 Rooms</li> </ul>	-	-
<b>Hotel Lar Verde</b>	Hotel 3*	<ul style="list-style-type: none"> <li>• 25 rooms (52 beds)</li> </ul>	<ul style="list-style-type: none"> <li>• Single</li> <li>• Double</li> </ul>	<ul style="list-style-type: none"> <li>• Only 1 extra bed per room allowed costing €10 per person per night</li> <li>• Cribs/child's cot for free (if child under 2 years)**</li> </ul>
<b>Hotel Montanha</b>	Hotel 4*	<ul style="list-style-type: none"> <li>• 73 rooms</li> </ul>	<ul style="list-style-type: none"> <li>• Standard room (2 persons)</li> <li>• Panoramic room (2 persons)</li> <li>• Triple</li> <li>• Suite junior</li> </ul>	<ul style="list-style-type: none"> <li>• Only 1 crib/bed allowed per room: 20€</li> <li>• Cribs/child's cot for free (if child under 2 years)**</li> </ul>
<b>Quinta de Santa Teresinha</b>	Rural Tourism	<ul style="list-style-type: none"> <li>• 6 rooms</li> </ul>	<ul style="list-style-type: none"> <li>• Single</li> <li>• Double</li> <li>• Twin</li> </ul>	<ul style="list-style-type: none"> <li>• 2 cribs available for free</li> <li>• Extra beds for 15€/night with a discount in the second one.</li> </ul>
<b>Quinta dos Farinhas</b>	Rural Tourism	<ul style="list-style-type: none"> <li>• 8 Rooms</li> <li>• 5 Suites</li> </ul>	<ul style="list-style-type: none"> <li>• Individual</li> <li>• Double</li> </ul>	-
<b>Residencial D.Nuno</b>	Local Accommodation (AL)	<ul style="list-style-type: none"> <li>• 12 rooms (23 beds)</li> </ul>	<ul style="list-style-type: none"> <li>• Single</li> <li>• Double</li> </ul>	-
<b>Residencial Rainha do Zêzere</b>	Local Accommodation (AL)	<ul style="list-style-type: none"> <li>• 16 rooms</li> </ul>	-	-
<b>Convento da Sertã Hotel</b>	Hotel 4*	<ul style="list-style-type: none"> <li>• 25 rooms</li> </ul>		

\*\* Free! One child under 3 years stays free of charge when using existing beds. Free! One child under 2 years stays free of charge in a child's cot/crib. One older child or adult is charged EUR 10 per person per night in an extra bed. The maximum number of extra beds/children's cots permitted in a room is 1. Any type of extra bed or child's cot/crib is upon request and needs to be confirmed by management. Supplements are not calculated automatically in the total costs and will have to be paid for separately when checking out.

**Annex 48** – Information about the services

Facilities	Room standard services	Services	Facilities	Proposed Activities	Disable Guests
<b>Albergue Bonjardim</b>	<ul style="list-style-type: none"> <li>• Private bathroom</li> <li>• Air Conditioning</li> </ul>	<ul style="list-style-type: none"> <li>• Health care centre</li> <li>• Fax/Photocopying</li> <li>• Nuptial packs</li> <li>• Lunch and Dinner available</li> <li>• 24h Room Service</li> <li>• Babysitting</li> <li>• Dry cleaning</li> <li>• Ironing</li> <li>• Bicycle renting</li> <li>• Car rental</li> </ul>	<ul style="list-style-type: none"> <li>• Conference and meeting room</li> <li>• Souvenir shop</li> <li>• BBQ facilities</li> <li>• Playground</li> <li>• Library</li> </ul>	<ul style="list-style-type: none"> <li>• Sauna</li> <li>• Turkish Bath</li> <li>• Guided tours through the vineyards and the wine cellar</li> <li>• Wine tasting</li> <li>• Wine courses</li> <li>• Hiking</li> <li>• Horses/pony riding</li> <li>• Survival course</li> <li>• Picnics</li> <li>• Oil mill tours</li> <li>• Tiles in seminaries</li> </ul>	1 room for disable guests (Garden's Room)
<b>Casa da Cortiçada</b>	<ul style="list-style-type: none"> <li>• Private bathroom</li> <li>• Air Conditioning</li> <li>• Iron and iron board</li> <li>• TV</li> <li>• Telephone</li> </ul>	-	<ul style="list-style-type: none"> <li>• Wine cellar</li> </ul>	<ul style="list-style-type: none"> <li>• Hunting</li> <li>• Hiking</li> <li>• Cycling</li> <li>• Fluvial activities</li> </ul>	Access for disable guests
<b>Casa do</b>	-	-	-	<ul style="list-style-type: none"> <li>• Paintball</li> </ul>	-

<b>Açude</b>				<ul style="list-style-type: none"> <li>• Slide</li> <li>• Hiking</li> <li>• Canoeing</li> </ul>	
<b>Hotel Lar Verde</b>	<ul style="list-style-type: none"> <li>• Private bathroom</li> <li>• Air Conditioning</li> <li>• Direct telephone</li> <li>• TV with sport TV channel</li> </ul>		<ul style="list-style-type: none"> <li>• Playroom</li> </ul>	-	Access for disabled guests
<b>Hotel Montanha</b>	<ul style="list-style-type: none"> <li>• Private bathroom</li> <li>• Air Conditioning</li> <li>• TV LCD with radio</li> <li>• Hairdryer</li> <li>• Direct telephone</li> <li>• Iron and Iron board</li> <li>• Safe</li> <li>• Telephone</li> </ul>	<ul style="list-style-type: none"> <li>• 24h Room Service</li> <li>• Babysitting</li> <li>• Communication and postal services</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-uses camp</li> <li>• Court Tennis, football, basketball</li> <li>• Regional products shop</li> <li>• Playground</li> <li>• Playroom</li> <li>• GYM</li> <li>• BBQ facilities</li> </ul>	<ul style="list-style-type: none"> <li>• SPA</li> <li>• Natural solarium</li> <li>• Sauna</li> <li>• Turkish bath</li> <li>• Panoramic Jacuzzi</li> <li>• Fishing</li> <li>• Canoeing</li> <li>• BBQ</li> <li>• Hiking</li> <li>• Cycling</li> </ul>	-
<b>Quinta de Santa Teresinha</b>	<ul style="list-style-type: none"> <li>• Private bathroom</li> <li>• Air Conditioning</li> <li>• Central Heating</li> <li>• TV</li> <li>• Hairdryer</li> </ul>	<ul style="list-style-type: none"> <li>• 24h Room service</li> <li>• Babysitting/ child services</li> <li>• Bicycle renting</li> <li>• Car rental</li> <li>• Fax/Photocopying</li> </ul>	<ul style="list-style-type: none"> <li>• Garden</li> <li>• Court Tennis;</li> <li>• Court Mini Golf</li> <li>• Library</li> <li>• BBQ facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Tennis court</li> <li>• Fishing</li> <li>• Canoeing</li> <li>• Hiking</li> <li>• Barbeque</li> <li>• Cycling</li> </ul>	Rooms and facilities for disabled guests
<b>Quinta dos Farinhas</b>	<ul style="list-style-type: none"> <li>• Private bathroom</li> <li>• Air conditioning</li> <li>• Central heating</li> <li>• Tv</li> <li>• Hairdryer</li> <li>• Frigobar (only for suites)</li> </ul>	<ul style="list-style-type: none"> <li>• 24h Room service</li> </ul>	<ul style="list-style-type: none"> <li>• Garden</li> <li>• Court Mini Golf</li> <li>• Playground</li> <li>• Wine cellar</li> <li>• Library</li> <li>• Playroom</li> </ul>	<ul style="list-style-type: none"> <li>• Sauna</li> <li>• Turkish bath</li> <li>• Fluvial activities (water sports, boating)</li> </ul>	Access for disabled guests
<b>Residencial</b>	<ul style="list-style-type: none"> <li>• Telephone</li> </ul>	-	-	-	No access for



<b>D.Nuno</b>	<ul style="list-style-type: none"> <li>• Central heating</li> </ul>				disabled guests
<b>Residencial Rainha do Zêzere</b>	-	-	-	-	-
<b>Convento da Sertã Hotel</b>	<ul style="list-style-type: none"> <li>• Private bathroom</li> <li>• Air conditioning</li> <li>• Central heating</li> <li>• HD Tv</li> <li>• Safe</li> <li>• Telephone</li> </ul>	<ul style="list-style-type: none"> <li>• 24h Room service</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting room</li> <li>• Playground</li> <li>• Health Club</li> </ul>	<ul style="list-style-type: none"> <li>• Fluvial activities (water sports, boating)</li> <li>• BTT</li> <li>• Canoeing</li> <li>• Hiking</li> </ul>	Access for disabled guests

**Annex 49** – Information about the services

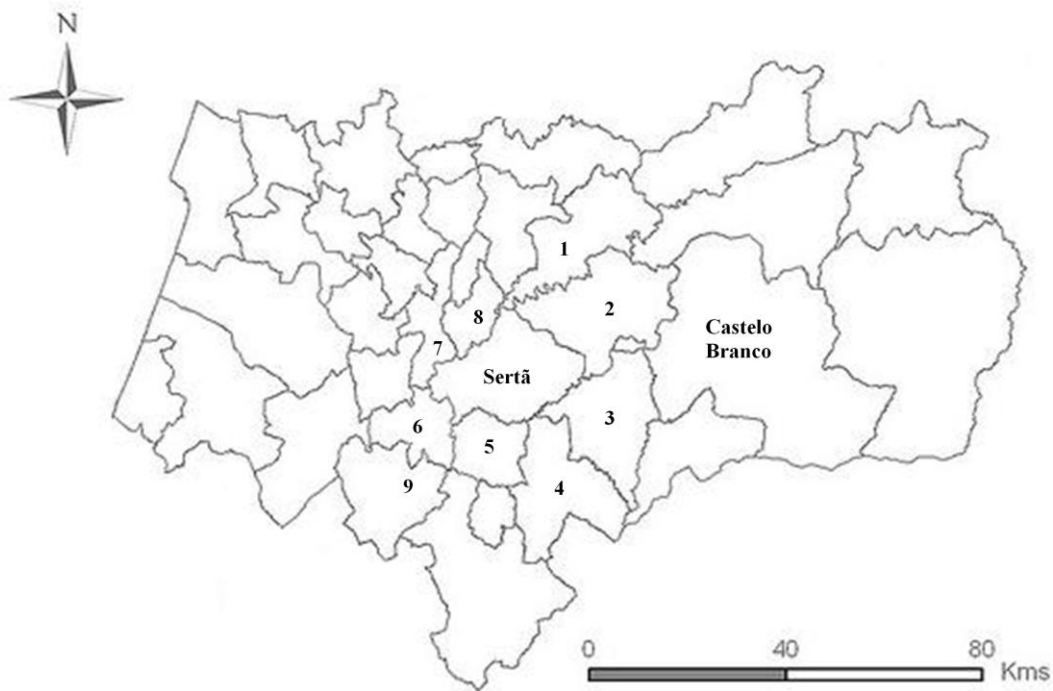
Facilities	Parking	Bar	Restaurant	Breakfast	Meeting Rooms	Internet	Swimming Pool	Laundry Service	Pets
<b>Quinta de Santa Teresinha</b>	✓ Private and free	-	-	✓	✓	✓ Free	✓ Outdoor swimming pool of salt water (seasonal)	✓	Allowed, depending on pets' size
<b>Quinta dos Farinhas</b>	✓	✓	✗	✓ included	✗	✓	✓ Includes a padding pool	✓ not included	-
<b>Residencial D.Nuno</b>	-	-	✗	Not included	-		-	-	-
<b>Casa da Cortiçada</b>	✓	✓	-	✓ included	-	✓	✓ exterior	✓	Not allowed
<b>Casa do Açude</b>	-	-	-	-	-	-	-	-	-
<b>Albergue</b>	✓	✓	✗	✓	✗	✓	✓	✓	-

<b>Bonjardim</b>	free			included			Interior		
<b>Hotel Montanha</b>	✓ Public and free	✓	✓	-	✓	✓ 3€/24h	✓ exterior and interior	✓	Allowed by request – may incur in additional costs
<b>Residencial Rainha do Zêzere</b>	-	-	✓	Not included	-	-	-	-	-
<b>Hotel Lar Verde</b>	✓ Private (indoor, outdoor)	✓	✓	✓	✓	✓ Free	✓ Exterior, Including a padding pool	✓	-
<b>Convento da Sertã Hotel</b>	✓	✓	✘	✓	✓	✓	✓	-	-

**Annex 50** – Information about the prices

Facilities	Double		Individual/ Twin		Suite	
	High Season	Low Season	High Season	Low Season	High Season	Low Season
<b>Quinta de Santa Teresinha</b>	70 €	75 €	-	-	-	-
<b>Juicy Oasis</b>	Seven day journey from £1990 to £2490					
<b>Quinta dos Farinhas</b>	65	55	55	45	75	65
<b>Residencial D.Nuno</b>	30	25	17,50	12,5	-	-
<b>Casa da Cortiçada</b>	70	60	40	35	-	-
<b>Casa do Açude</b>	Daily price of 75 €					
<b>Albergue Bonjardim</b>	75	60	-	-	-	-
<b>Hotel Montanha</b>	124	99	-	-	-	-
<b>Residencial Rainha do Zêzere</b>	30	25	20	15		
<b>Hotel Lar Verde</b>	45	45	35	35	-	-
<b>Convento da Sertã Hotel</b>	70	70	80	80	120	120

**Annex 51** – Tourism enterprises in the surrounding counties



**Counties:**

- |                         |                     |                        |
|-------------------------|---------------------|------------------------|
| 1 – Castanheira de Pera | 2 – Oleiros         | 3 – Proença-a-Nova     |
| 4 – Mação               | 5 – Vila de Rei     | 6 – Ferreira do Zêzere |
| 7 – Figueiró dos Vinhos | 8 – Pedrógão Grande | 9 – Tomar              |

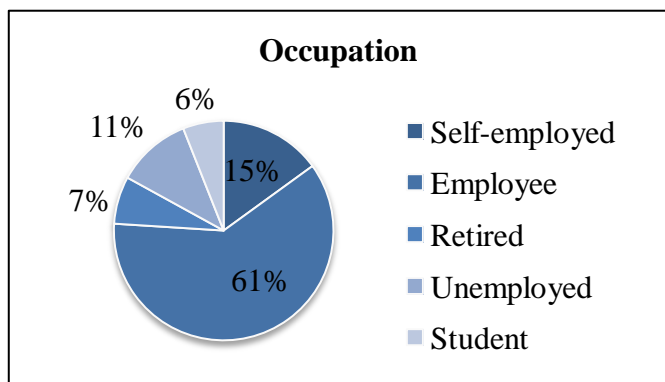
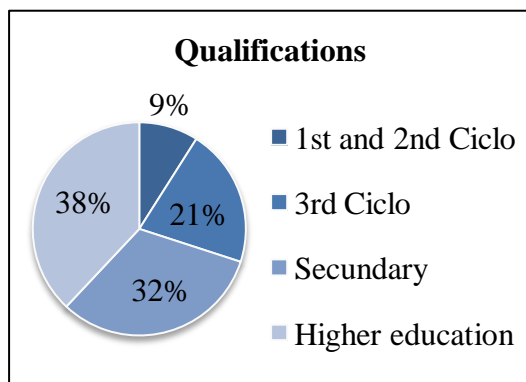
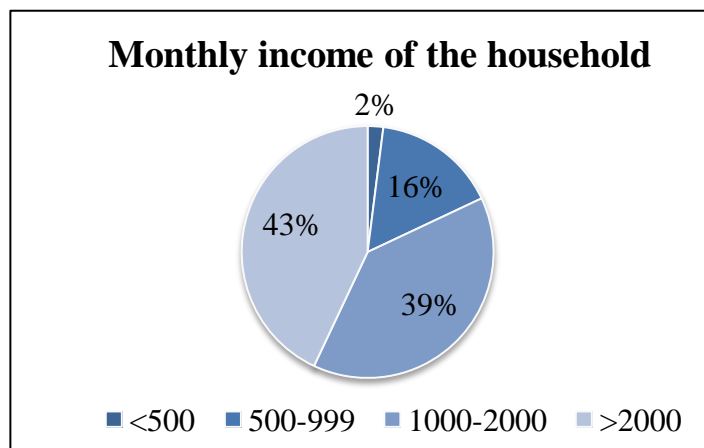
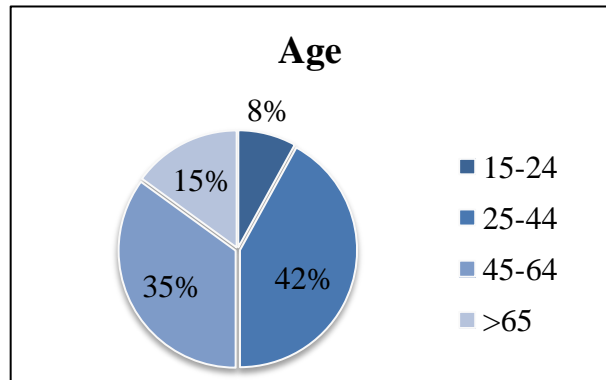
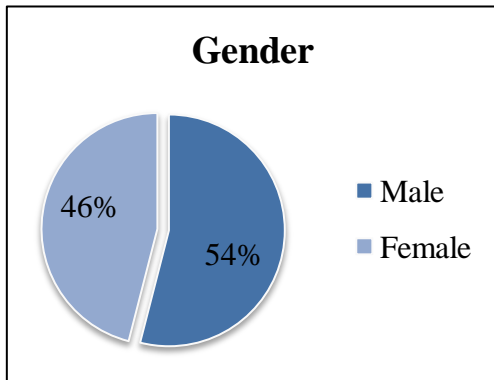
<b>Oleiros</b>	<b>Distance to Sertã: 28,9 Km – Expected time: 29 minutes</b>	
Hotel Santa Margarida	CampingOleiros	Casa da Ladeira
S. Torcato Moradal	Carteiro	Casa do Dão
Vilar dos Condes	Casa dos Hospitalários	Vale das Moses
<b>Vila de Rei</b>	<b>Distance to Sertã: 21,4 Km – Expected time: 21 minutes</b>	
Albergaria D. Dinis	O Abrigo	Quinta do Ego
A Velha Casa	“O Cobra”	Parque de Campismo Rural do Bostelim
Casa da Ribeira		
<b>Proença-a-Nova</b>	<b>Distance to Sertã: 19,2 Km – Expected time: 15 minutes</b>	
Casa da Adega	Casa da Avó	Casa da Cancela
Casa da Lena	Casa da Pífara	Casa da Queda de Água
Casa da Travessa	Casa do Ferro	Casa do Forno
Casa do Pátio	Casa do Salão	Casa Ti’ Augusta
Casas de Pedra	Hotel das Amoras	Parque de Campismo de Aldeia Ruiva
Manuel Dias Cardoso	Quinta da Eira	

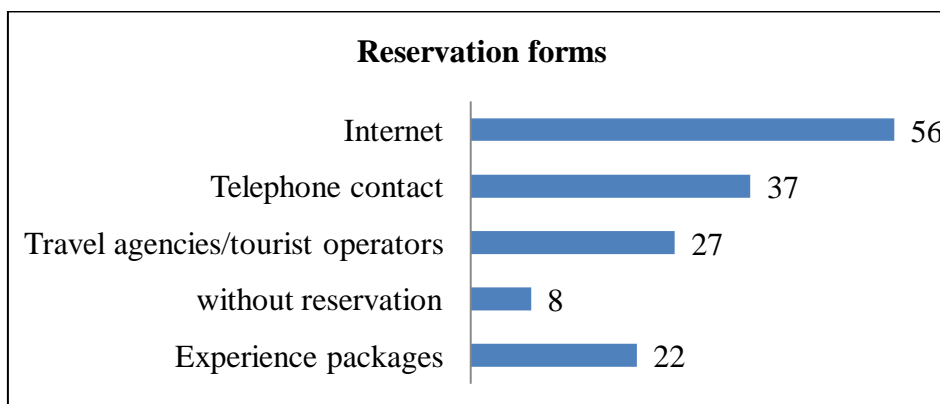
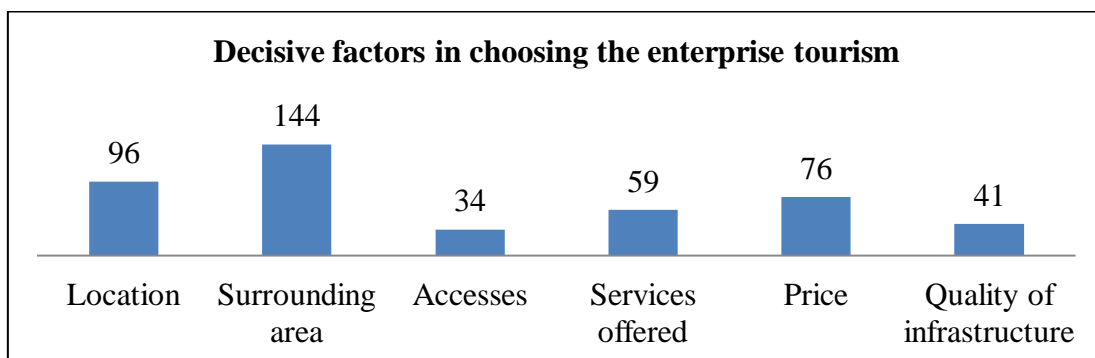
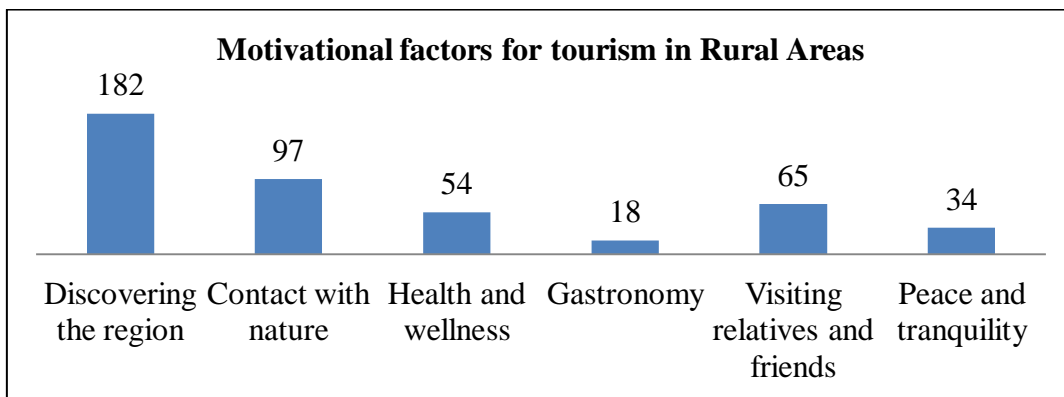
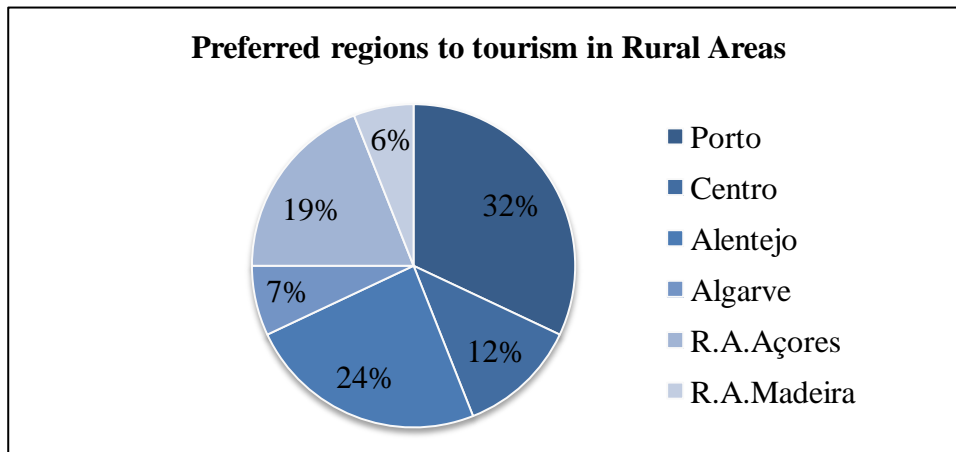
<b>Ferreira do Zezere</b>	<b><i>Distance to Sertã: 35,5 Km – Expected time: 36 minutes</i></b>	
Casa da Inveja	Apartamentos do Lago	Hospedaria N. Sr <sup>a</sup> . Do Pranto
Quinta da Cerejeira	Casa Raiz	Residencial Flor do Zezere
Quinta da Pinheira	Estalagem Lago Azul	Rio Azul – Casa de Hóspedes
<b>Mação</b>	<b><i>Distance to Sertã: 44,9 Km – Expected time: 45 minutes</i></b>	
	There are no tourism enterprises	
<b>Tomar</b>	<b><i>Distance to Sertã: 49,0 Km – Expected time: 50 minutes</i></b>	
Hotel dos Templários	Quinta do Vale	Pensão Restaurante Luanda
Hotel Bonjardim	Quinta do Troviscal	Pensão “Ninho do Falcão”
Hotel Kamanga	Casa de São Miguel	Pensão Residencial Santa Cita
Hotel Santa Iria	Residencial União	Quinta de São José dos Montes
Hotel Sinagoga	Residencial Santa Marta	Quinta da Anunciada Velha
Hotel Trovador	Pensão Residencial Luz	Hotel Cavaleiros de Cristo
Casa da Avó Genoveia		
<b>Figueiró dos Vinhos</b>	<b><i>Distance to Sertã: 32,2 Km – Expected time: 25 minutes</i></b>	
Casa A Lura	Quinta da Fonte	Hotel Rural Solar das Freiras
Casa Amarela	“Quinta do Sobral – Casa Brigitte”	Paris – Alojamento Local Registado
Solar do Zezere	“Quinta do Sobral – O solar”	Casa do Moinho de Aveia
Hotel Rota Malhoa	“Quinta do Sobral – Casa Ouro”	Parque de Campismo e Caravanismo de Foz de Alge
<b>Pedrógão Grande</b>	<b><i>Distance to Sertã: 18,6 Km – Expected time: 17 minutes</i></b>	
Casas dos Termo	Residencial Turiscabril	Quinta do Ribeiro Joaninho
Villa Isaura		
<b>Castanheira de Pera</b>	<b><i>–Distance to Sertã: 38,4 Km – Expected time: 32 minutes</i></b>	
Villa Praia	Quinta dos Esconhais	Casa da Ribeira da Pera
Hotel Lagar da Pera	Visconde Nova Granada	Casa de Hóspedes D. Delfina

**Annex 52 – Surveys**

**Survey 1 – 2011**

The above results of the following survey were collected from a sample of 150 residents in the district of Leiria and in the region of Grande Lisboa that have already done tourism in rural areas with a minimum duration of one day:





**Source:** Nunes, F. A. R. 2011. *Turismo Rural: Aldeia de Monfreia*, ISCTE – Business School, Lisboa. (Nunes, 2011)

## Survey 2 – 2008

The following survey was collected from a sample of 3.000 guests of TER/TN, originating from more than all of the 1,231 surveyed establishments, in Portugal. The distribution of guests of TER/TN presented the following results:

1. Distribution of guests of TER/TN, by age group:

Age group:	%
<b>0-14 years</b>	0,6
<b>15 - 24 years</b>	4,9
<b>25 - 44 years</b>	52,3
<b>45 - 64 years</b>	33,4
<b>+ 65 years</b>	7,8
<b>N.e.</b>	1,0
<b>Total</b>	100,0

2. Distribution of guests of TER/TN, regarding the employment situation:

Employment situation	%
<b>Student</b>	4,6
<b>Employed</b>	76,9
<b>Unemployed</b>	1,6
<b>Retired</b>	12,4
<b>Domestic</b>	2,0
<b>N.e.</b>	2,4
<b>Total</b>	100,0

3. Distribution of guests of TER/TN, according to academic qualifications:

Qualifications	%
<b>1<sup>st</sup> and 2<sup>nd</sup> Ciclo</b>	4,4
<b>3<sup>rd</sup> Ciclo</b>	8,2
<b>Secondary</b>	25,0
<b>Higher education</b>	59,2
<b>N.e.</b>	3,2
<b>Total</b>	100,0

4. Motivations of demand for guests in TER / TN (multiple answers)

Motivational factors for tourism in Rural Areas	%
<b>Discovering the region</b>	53,6
<b>Contact with Nature</b>	41,0
<b>Health and wellness</b>	30,0
<b>Gastronomy and wine</b>	16,3
<b>Beaches</b>	12,4

<b>Visiting relatives and friends</b>	7,7
<b>Events and festivities</b>	7,1
<b>Sport and adventure</b>	5,2
<b>Businesses</b>	3,5
<b>Rest and holidays</b>	1,6
<b>Socializing with relatives or friends</b>	0,6
<b>Haunting</b>	0,3

5. Reasons for choosing the TER / TN establishment (multiple answers):

<b>Decisive factors in choosing the enterprise tourism</b>	<b>%</b>
<b>Location</b>	57,6
<b>Contact with Nature</b>	46,5
<b>Type of facility</b>	41,0
<b>Price</b>	18,7
<b>Accesses</b>	9,4
<b>Infrastructures and equipments</b>	9,1
<b>Gastronomy</b>	5,1
<b>Services e activities provided</b>	4,5
<b>Accessibility for disable guests</b>	0,4
<b>Others</b>	3,0

6. Ways of organizing the travel used by guests in the TER / TN:

<b>Way of organizing the travel</b>	<b>%</b>
<b>Individual</b>	84,6
<b>Travel agency/ tour operador</b>	9,9
<b>Package</b>	2,9
<b>Smartbox</b>	0,2
<b>N.e.</b>	2,4
<b>Total</b>	100,0

7. Reservation forms used by guests of TER / TN:

<b>Reservation forms</b>	<b>%</b>
<b>Advice from others</b>	16,0
<b>Travel agency/ tour operador</b>	10,1
<b>Tour guides</b>	7,3
<b>Internet</b>	49,2
<b>Without prior knowledge</b>	3,9
<b>Previous visit</b>	11,0
<b>Other</b>	1,2
<b>N.e.</b>	1,4
<b>Total</b>	100,0



The following regularities were also highlighted:

- Duration of the overnight stay up to 3 days (57.8% of the total), which increases for a duration from 7 to 14 days regarding the customers of establishments located in Algarve and Madeira.
- The standard average duration of overnight stays – 2 or 3 days – is homogeneous, for the TER.
- About two out of three surveyed guests had visited the region one or more times (9% five or more times), being the loyalty greater in the North and Centre.
- Regarding the surveyed guests, 56.7% had already been in TER establishments and 57.7% had already been hosted at the establishment where had submitted the survey.

**Source:** *Survey to guests for the Characterization's Study of Rural Tourism and Nature Tourism in Portugal, IESE, 2008*

### **Annex 53 – Promotion Costs**

Regarding the proposed promotion actions, there were considered the following costs:

<b>Promotion Actions</b>	<b>Costs</b>
Magazines	500.00 €
Press Release	97.00 €
Websites	498.00 €
Fairs	30.00 €
Festa Inauguração	2.000 €

## **Annex 54 – Localization**

### **Sertã**

Concerning the localization factor, the county of Sertã belongs to the central region, Pinhal Interior Sul, and to the district of Castelo Branco. Sertã is located 191 km from the Portuguese capital Lisbon and 198 km from Porto. The nearby cities such as Tomar (50 km), Castelo Branco (75 km), Coimbra (88 km), Leiria (107 km) and Fátima (114 km) may be seen as an opportunity for the touristic market as an incoming point of tourists and visitors. Moreover, it being at 114 km away from the Portuguese coast can also be seen as a market opportunity since it is a crossing point for those who are going to the coastline places. It is also important to highlight that Pedrogão Pequeno belongs to the network of “Aldeias de Xisto”, the famous rustic villages.

Regarding the external market, the county is located 183 km from the Spanish border, which is relatively the same distance to the Portuguese capital.

### **Transport Network**

The entire county has public transportation available through public buses, which ensure the route to all villages, and taxis. However, there is not an urban transport network.

Moreover, Rede Nacional de Expressos and Rodoviária da Beira Interior assure the public transportation to the neighboring counties and even to the entire country, providing direct connections to Lisboa, Coimbra, Castelo Branco, Tomar, Abrantes or Fundão.

However, the main means of transportation is still the own vehicle, which leads to an increasingly less use of the public transportation.

### **Tourist Attractions**

In addition, we can consider and evaluate the offer of historical, architectural and cultural heritage of each village as well as their natural resources.

County Villages	Historical, Architectural and Archaeological Heritage	Natural Resources of the County
<b>Cabeçudo</b>	<ul style="list-style-type: none"> <li>• Fountain</li> <li>• Parish church</li> </ul>	<ul style="list-style-type: none"> <li>• Várzea Carreira bridge</li> </ul>
<b>Carvalhal</b>	<ul style="list-style-type: none"> <li>• Parish church</li> </ul>	-
<b>Castelo</b>	-	-
<b>Cernache do Bonjardim</b>	<ul style="list-style-type: none"> <li>• Túllio Victorino's atelier</li> <li>• Sta. Maria Madalena and S. Macário chapel</li> <li>• N<sup>a</sup> Sr<sup>a</sup> da Conceição chapel</li> <li>• N<sup>a</sup> Sr<sup>a</sup> de Lourdes chapel</li> <li>• N<sup>a</sup> Sr<sup>a</sup> do Desterro chapel</li> <li>• Bom Jesus chapel</li> <li>• House of Rua Torta</li> <li>• Bonjardim club</li> <li>• S.Nuno Álvares Pereira statue</li> <li>• Parish church</li> <li>• Nightlife venues</li> <li>• Paços do Bonjardim</li> <li>• Quinta das Águias</li> <li>• Seminário das Missões</li> </ul>	<ul style="list-style-type: none"> <li>• Dam of Bouçã</li> <li>• Mount of S. Macário (viewpoint)</li> </ul>
<b>Cumeada</b>	<ul style="list-style-type: none"> <li>• Parish church</li> <li>• Várzea Carreira bridge</li> <li>• Roman bridge of Cova do Moinho</li> </ul>	-
<b>Ermida</b>	<ul style="list-style-type: none"> <li>• N.Sr<sup>a</sup>. da Guia chapel</li> <li>• S.Marcos chapel</li> <li>• Rupestrian art station of Lageira</li> <li>• Parish church</li> </ul>	<ul style="list-style-type: none"> <li>• Serra do Cabeço do Rainho</li> </ul>
<b>Figueiredo</b>	<ul style="list-style-type: none"> <li>• Rupestrian art station of Fechadura</li> </ul>	-
<b>Marmeleiro</b>	<ul style="list-style-type: none"> <li>• Três Concelhos bridge</li> </ul>	<ul style="list-style-type: none"> <li>• Fluvial beach</li> </ul>
<b>Nesperial</b>	<ul style="list-style-type: none"> <li>• Parish church</li> </ul>	
<b>Palhais</b>	<ul style="list-style-type: none"> <li>• Ermida de Nossa Senhora de Nazaré</li> <li>• S. Pedro church</li> <li>• Parish church</li> <li>• Atalaia bridge</li> </ul>	<ul style="list-style-type: none"> <li>• Albufeira do Castelo do Bode</li> <li>• Nautical Centre of Zêzere</li> <li>• Atalaia bridge</li> <li>• Trízio Fluvial beach</li> </ul>
<b>Pedrogão Pequeno</b>	<ul style="list-style-type: none"> <li>• Calçada Romana</li> <li>• Misericórdia chapel</li> <li>• N<sup>a</sup> Sr<sup>a</sup> da Confiança chapel</li> <li>• S. António chapel</li> <li>• Santa Maria Madalena chapel</li> </ul>	<ul style="list-style-type: none"> <li>• Dam of Cabril</li> <li>• Mill of nuns</li> <li>• Valley of Cabril</li> </ul>

	<ul style="list-style-type: none"> <li>• São Rafael chapel</li> <li>• São Sebastião chapel</li> <li>• Fountain Filipina do Cabril</li> <li>• Parish church</li> <li>• Pelourinho</li> <li>• Bridge Filipina do Cabril</li> </ul>	
<b>Sertã</b>	<ul style="list-style-type: none"> <li>• Alameda da Carvalha – Lagar de Vara</li> <li>• N<sup>a</sup> Sr<sup>a</sup> dos Remédios chapel</li> <li>• N<sup>a</sup> Sr<sup>a</sup> da Conceição chapel</li> <li>• S. João Baptista chapel</li> <li>• S. Sebastião chapel</li> <li>• Santo Amaro chapel</li> <li>• Santo António chapel</li> <li>• House of Culture</li> <li>• Castel of Sertã</li> <li>• Sertã’s Club</li> <li>• Santo António convent</li> <li>• Edifício dos Paços do Concelho</li> <li>• Boneca fountain</li> <li>• Misericórdia church</li> <li>• Parish church de S.Pedro</li> <li>• Pelourinho</li> <li>• Bridge da Carvalha</li> <li>• Bridge Filipina</li> </ul>	<ul style="list-style-type: none"> <li>• Fluvial beach of Ribeira Grande</li> <li>• Viewpoint of Bela Vista</li> <li>• Nightlife venues</li> <li>• Leisure area in Carvalha</li> </ul>
<b>Troviscal</b>	-	<ul style="list-style-type: none"> <li>• Troviscal Fluvial beach</li> <li>• Serra dos Alvéolos</li> </ul>
<b>Várzea dos Cavaleiros</b>	<ul style="list-style-type: none"> <li>• Santiago chapel</li> <li>• Parish church</li> </ul>	

**Source:** Plano de desenvolvimento turístico do Concelho da Sertã

**Annex 55 – Facilities**



Valongo primary school – front side pictures



Valongo primary school – right side picture



Valongo primary school – back side picture

Annex 56 – Equipments Costs

Classification	Tangible Assets	Unit Cost	Unit Cost without VAT	Quantity	Total Cost	Supplier	Hotel Section
<b>Furniture</b>	Double beds	169,00 €	137,40 €	3	412,20 €	IKEA	Rooms
	Slatted bed base	14,99 €	12,19 €	6	73,12 €	IKEA	Rooms
	Bed side table	44,99 €	36,58 €	6	219,46 €	IKEA	Rooms
	Single Beds	99,99 €	81,29 €	12	975,51 €	IKEA	Rooms
	Slatted bed base	15,99 €	13,00 €	12	156,00 €	IKEA	Rooms
	Guest bed	54,99 €	44,71 €	5	223,54 €	IKEA	Rooms
	Wardrobe	169,00 €	137,40 €	6	824,39 €	IKEA	Rooms
	Table	159,99 €	130,07 €	3	390,22 €	IKEA	Meal room
	Chairs	19,90 €	16,18 €	24	388,29 €	IKEA	Meal room
	Reception desk	299,00 €	243,09 €	1	243,09 €	Staples	Reception
	Chair	42,99 €	34,95 €	1	34,95 €	IKEA	Reception
	Bookcase	26,99 €	21,94 €	1	21,94 €	IKEA	Reception
	Files' cabinet	99,00 €	80,49 €	1	80,49 €	IKEA	Reception
	Sofa	99,99 €	81,29 €	1	81,29 €	IKEA	Reception
	Armchair	79,00 €	64,23 €	1	64,23 €	IKEA	Reception
	Garden table	79,90 €	64,96 €	4	259,84 €	Aki	Garden/terrace
	Garden chairs	29,90 €	24,31 €	16	388,94 €	Aki	Garden/terrace
	Deckchairs	119,00 €	96,75 €	4	386,99 €	Aki	Garden/terrace
	Garden bench	39,99 €	32,51 €	2	65,02 €	Aki	Garden/terrace
	Table plus chair set	99,99 €	81,29 €	2	162,59 €	Aki	Garden/terrace
Cleaning cupboard (big and small unit)	139,50 €	113,41 €	1	113,41 €	Manutan	Storage space	
<b>Decoration</b>	Wall lamp	9,99 €	8,12 €	15	121,83 €	IKEA	All areas
	Pendant lamp	6,99 €	5,68 €	6	34,10 €	IKEA	Rooms
	Ceiling lamp	2,99 €	2,43 €	6	14,59 €	IKEA	Bathroom

	Desk lamp	9,99 €	8,12 €	1	8,12 €	IKEA	Reception
	Mirror	9,99 €	8,12 €	6	48,73 €	IKEA	Rooms
	Curtains	29,99 €	24,38 €	6	146,29 €	IKEA	Rooms
	Carpet	19,99 €	16,25 €	6	97,51 €	IKEA	Rooms
<b>Mattresses, bed linen and Blankets</b>	Mattress	159,99 €	130,07 €	3	390,22 €	IKEA	Rooms
	Mattress	79,99 €	65,03 €	12	780,39 €	IKEA	Rooms
<b>White clothes and towels</b>	Individual sheets	9,99 €	8,12 €	24	194,93 €	IKEA	Rooms
	Double sheets	14,99 €	12,19 €	6	73,12 €	IKEA	Rooms
	Individual bed clothe	3,99 €	3,24 €	13	42,17 €	IKEA	Rooms
	Double bed clothe	8,99 €	7,31 €	4	29,24 €	IKEA	Rooms
	Pillow	6,99 €	5,68 €	25	142,07 €	IKEA	Rooms
	Individual quilt	24,99 €	20,32 €	13	264,12 €	IKEA	Rooms
	Double quilt	39,99 €	32,51 €	4	130,05 €	IKEA	Rooms
	Bath towel	5,99 €	4,87 €	25	121,75 €	IKEA	Bathroom
	Face towel	3,99 €	3,24 €	25	81,10 €	IKEA	Bathroom
	Bidet towel	1,99 €	1,62 €	25	40,45 €	IKEA	Bathroom
	Table cloth	14,99 €	12,19 €	4	48,75 €	IKEA	Meal room
<b>Dinnerware and glassware</b>	Soup plate	1,10 €	0,89 €	30	26,83 €	IKEA	Kitchen
	Dinner plate	1,10 €	0,89 €	30	26,83 €	IKEA	Kitchen
	Desert plate	0,97 €	0,79 €	30	23,66 €	IKEA	Kitchen
	Glasses (6un)	2,99 €	2,43 €	5	12,15 €	IKEA	Kitchen
	Soft drink glass	1,25 €	1,02 €	20	20,33 €	IKEA	Kitchen
	Wineglass (6uni)	2,99 €	2,43 €	20	48,62 €	IKEA	Kitchen
	Glasses for Snaps (6uni)	1,50 €	1,22 €	4	4,88 €	IKEA	Kitchen
	Glass of Brandy	1,50 €	1,22 €	15	18,29 €	IKEA	Kitchen
	Whiskey glass	1,50 €	1,22 €	15	18,29 €	IKEA	Kitchen
	Cup of coffee	1,99 €	1,62 €	30	48,54 €	IKEA	Kitchen

	Cup of tea	2,50 €	2,03 €	30	60,98 €	IKEA	Kitchen
	Cup/mug of milk	0,60 €	0,49 €	30	14,63 €	IKEA	Kitchen
	Jug	1,99 €	1,62 €	6	9,71 €	IKEA	Kitchen
	Table bottle	1,50 €	1,22 €	6	7,32 €	IKEA	Kitchen
	Milk jug	4,99 €	4,06 €	2	8,11 €	IKEA	Kitchen
	Teapot	29,99 €	24,38 €	1	24,38 €	IKEA	Kitchen
	Smalls bowls (4un)	1,99 €	1,62 €	30	48,54 €	IKEA	Kitchen
	Serving bowl	1,50 €	1,22 €	3	3,66 €	IKEA	Kitchen
	Bowl	0,50 €	0,41 €	30	12,20 €	IKEA	Kitchen
	Tray	7,99 €	6,50 €	3	19,49 €	IKEA	Kitchen
	Dish	1,99 €	1,62 €	6	9,71 €	IKEA	Kitchen
	Thermo bottle	5,99 €	4,87 €	3	14,61 €	IKEA	Kitchen
<b>Cutlery and kitchenware</b>	Cutlery (12 units of each)	39,99 €	32,51 €	3	97,54 €	IKEA	Kitchen
	Coffee spoons (6 units)	4,99 €	4,06 €	30	121,71 €	IKEA	Kitchen
	Serving cutlery	9,99 €	8,12 €	6	48,73 €	IKEA	Kitchen
	Salad cutlery	9,99 €	8,12 €	6	48,73 €	IKEA	Kitchen
	Spaghetti spoon	2,99 €	2,43 €	1	2,43 €	IKEA	Kitchen
	Kitchen knife	9,90 €	8,05 €	2	16,10 €	IKEA	Kitchen
	Cutting board	5,99 €	4,87 €	2	9,74 €	IKEA	Kitchen
	Spatula for cakes	4,99 €	4,06 €	1	4,06 €	IKEA	Kitchen
	Desert knife	4,99 €	4,06 €	30	121,71 €	IKEA	Kitchen
	Spatula	2,99 €	2,43 €	2	4,86 €	IKEA	Kitchen
	Set of accessories for the bar	19,99 €	16,25 €	1	16,25 €	IKEA	Kitchen
	Saucepan	15,99 €	13,00 €	2	26,00 €	IKEA	Kitchen
	Casserole	17,99 €	14,63 €	2	29,25 €	IKEA	Kitchen
	Beater	2,99 €	2,43 €	1	2,43 €	IKEA	Kitchen
Pot	24,99 €	20,32 €	2	40,63 €	IKEA	Kitchen	



	Pan	12,99 €	10,56 €	2	21,12 €	IKEA	Kitchen
	Broiler	8,99 €	7,31 €	1	7,31 €	IKEA	Kitchen
	Trivet for pan	1,99 €	1,62 €	4	6,47 €	IKEA	Kitchen
	Pie plate	2,99 €	2,43 €	2	4,86 €	IKEA	Kitchen
	Serving dish	7,99 €	6,50 €	2	12,99 €	IKEA	Kitchen
	Spices jars	3,99 €	3,24 €	1	3,24 €	IKEA	Kitchen
	Garbage can	6,99 €	5,68 €	1	5,68 €	IKEA	Kitchen
<b>Machinery, equipments and appliances</b>	Clothes hangers (8 units)	4,99 €	4,06 €	4	16,23 €	IKEA	Rooms
	Waste-basket	1,50 €	1,22 €	1	1,22 €	IKEA	Rooms
	Hair dryer	22,99 €	18,69 €	1	18,69 €	Worten	Bathroom
	Bathroom garbage can	4,50 €	3,66 €	1	3,66 €	IKEA	Bathroom
	Stove	599,99 €	487,80 €	1	487,80 €	Worten	Kitchen
	Fridge	649,99 €	528,45 €	1	528,45 €	Worten	Kitchen
	Freezer	279,00 €	226,83 €	1	226,83 €	Worten	Kitchen
	Laundry machine	799,00 €	649,59 €	1	649,59 €	Worten	Kitchen
	Dryer machine	499,00 €	405,69 €	1	405,69 €	Worten	Kitchen
	Dishwasher machine	519,00 €	421,95 €	1	421,95 €	Worten	Kitchen
	Microwave	84,90 €	69,02 €	1	69,02 €	Worten	Kitchen
	Sandwich maker	24,99 €	20,32 €	1	20,32 €	Worten	Kitchen
	Toaster	29,99 €	24,38 €	1	24,38 €	Worten	Kitchen
	Electric jug	29,90 €	24,31 €	1	24,31 €	Worten	Kitchen
	Coffee machine	129,90 €	105,61 €	1	105,61 €	Worten	Kitchen
	Water heater	99,00 €	80,49 €	1	80,49 €	Worten	Others
	Industrial vacuum cleaner	329,00 €	267,48 €	1	267,48 €	Manutan	Others
Laundry car	142,00 €	115,45 €	1	115,45 €	Manutan	Others	
Cleaning cart	136,00 €	110,57 €	1	110,57 €	Manutan	Others	
First aid kit (4 to 8 people)	28,50 €	23,17 €	1	23,17 €	Manutan	Others	

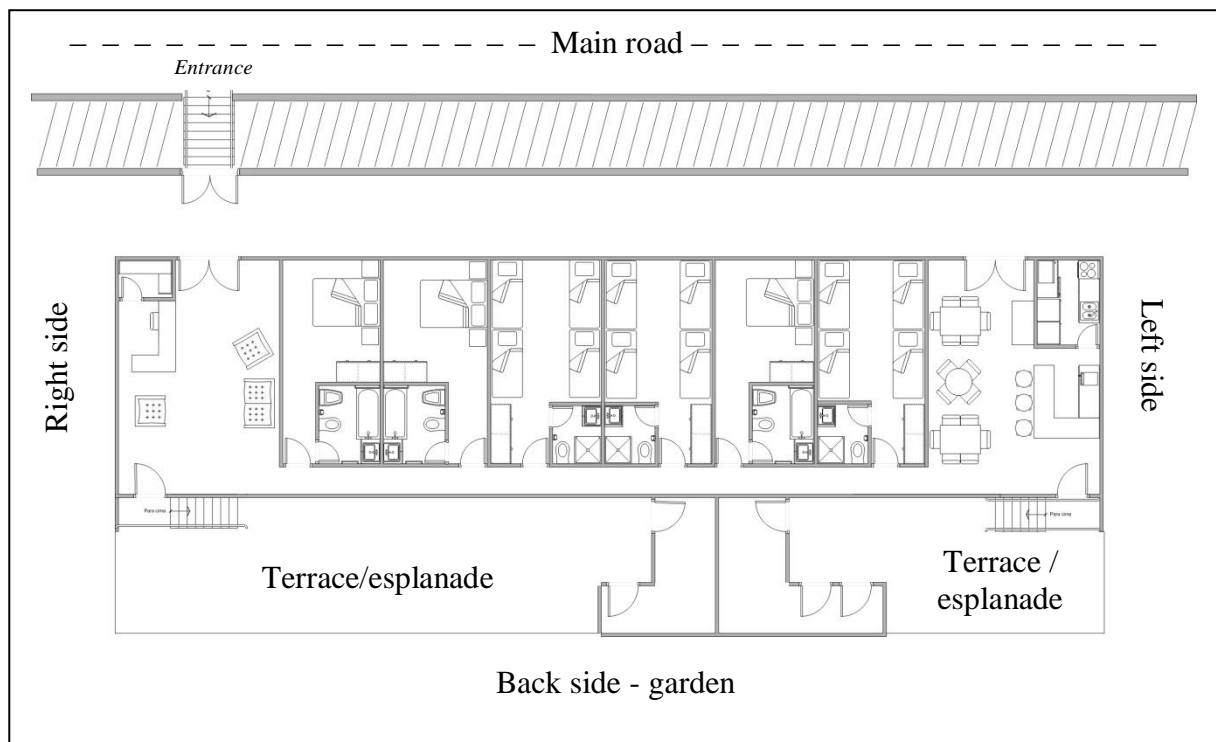
	Safe	225,00 €	182,93 €	1	182,93 €	Manutan	Reception
	Cash register	199,00 €	161,79 €	1	161,79 €	Manutan	Reception
	Multi functions printer	79,90 €	64,96 €	1	64,96 €	Worten	Reception
	Sun umbrella	19,99 €	16,25 €	5	81,26 €	Aki	Garden/terrace
	Sun umbrella support	8,00 €	6,50 €	5	32,52 €	Aki	Garden/terrace
	Barbecue	149,00 €	121,14 €	1	121,14 €	Aki	Garden/terrace
<b>Computer</b>	Computer	999,00 €	812,20 €	1	812,20 €	Worten	Reception
<b>Office Equipment</b>	Office material	80,00 €	65,04 €	1	65,04 €	Stapples	Reception
<b>Television</b>	Television	149,99 €	121,94 €	4	487,77 €	Worten	Rooms

**Annex 57 – Layout**

Taking into account the distribution of the building space, the hotel entrance consists of a reception, back office and sitting room. The reception is attached to a small back office, which will serve to archive files related to the rural hotel as well as it will store the luggage of customers if required. The sitting room is at the back of the hotel's entrance allowing the access to both the guest rooms and the terrace or garden.

Consequently, the access to the guest rooms will also give the access to the restaurant area, located on the right side of the rural hotel. Furthermore, the restaurant area will have a central place where breakfast, or lunch and dinner upon request, will be provided as well as it will include a bar, a small kitchen and small storage area for food and drinks. This space arrangement intends to create a minimum distance for the distribution of food products, thus attempting a direct access between the storage, kitchen, bar and the catering area.

The restaurant area will also have a direct access to the terrace and garden, both located in the back of the rural hotel. Besides, in the back of the hotel there will be an area for the employees such as their clothing space and toilet, a room to deposit the rural hotel solid waste as well as an area for the laundry and cleaning service as storage of cleaning products.



## **Annex 58 – Project Implementation**

### **Activities description**

#### **A. Business Plan preparation and decision making**

Once chosen an idea of business, it is necessary to develop its business plan. Firstly, information about the environment, industry, competition, demand and supply must be obtained and analyzed. Thus, there must be a well-definition of the product or service, the location, the dimension and lay-out and the required resources, followed by a financial analysis and evaluation for a subsequent decision making.

#### **B. Meeting with the City Hall of Sertã**

First step must be a meeting with the City Hall of Sertã in order to explain the proposed project and evaluate the potential possibilities for the region. For example, the localization is a crucial factor to a business plan, requiring an analysis of possible areas and available lands or buildings by taking into consideration several aspects as the acquisition conditions and accessibility.

#### **C. Incorporation of the company**

The company can be set up at *Empresa na Hora*, through the following process of incorporation:

- 1- Choose a pre-approved name and one of the pre-approved standard memorandum and articles of association packs.
- 2- Go to an *Empresa na Hora* desk in order to start the incorporation process.
- 3- Indicate an Accountant or choose one from the available *Bolsa de TOCs* to deliver a Statement of Star-up of Activity at help desk, for tax purposes. If not, the Statement of Star-up of Activity must be also delivered in a Finance service, duly completed and signed by the Accountant, within 15 days of the incorporation.
- 4- Deposit the amount of the share capital in any bank, in the name of the company, within no more than 5 working days of incorporation or deliver it in the vaults of the company until the end of the first financial year.

This service will cost 360.00€, which is payable at the time of incorporation, in cash or by cheque.

#### **D. Financing negotiation**

A financing has a realistic potential to address the financial need by providing funds for the business activity. Consequently, it is necessary to present the business plan to the financial institutions and banks and analyze their proposals in order to negotiate and choose the best financing conditions.

#### **E. Lease for the exercise of the tourist activity**

Additionally, before proceeding with any formality, it is necessary to confirm if the potential property for renting fulfills the requirements to be explored. Consequently, it must be requested the permanent certificate of property registration.

Moreover, at the City Hall of Sertã, it is important to know if the license to use non-residential rental property was issued or applied.

After, next step involves the gathering of the necessary documents for the contract such as the permanent certificate of business registration and the permanent certificate of property registration as well as the license to use non-residential rental property or evidence that the same was required. Thereafter, the contract is drawn up and signed.

#### **F. Architecture - Preliminary Study**

An architecture process is divided into several stages: preliminary study, base program, previous study, project execution and technical assistance. However, for simplicity, some stages were added together considering then two main phases: preliminary study and project execution.

In the preliminary study, the legal requirements are analyzed and it is defined what will be projected such as the number of bedrooms, rooms. Consequently, the preliminary concept of the project is developed through some draws in different scales. Those projects are presented to the City Hall in order to be approved and get the respective municipal license.

According to the Portaria de 7 de Fevereiro de 1972, “Instruções para o Cálculo dos Honorários referentes aos Projectos de Obras Públicas”, the costs of an architectural project

are calculated based on an percentage of the construction costs. They are generally staged payments and a percentage of the total cost is affected to each phase. Thus, the architecture costs will be 4.073% of the construction costs, which are divided between 15% for the preliminary study and 85% for the project execution.

#### **G. Municipal License**

In order to carry out the necessary construction works, the City Hall has to approve the project and give the building license for the construction.

#### **H. Architecture - Project Execution**

After the approval of the City Hall, the project execution is developed where it has a detailed plan and layout and specifies the necessary future work, the materials to be used and respective quantities.

#### **I. Research and analysis of potential homebuilders**

#### **J. Decision making and contract with construction company**

When analyzed the conditions offered such as the construction time and budget, the most advantageous construction company is hired.

#### **K. Execution of civil works**

According to the market prices in the region, the construction costs are, in average, 500€/m<sup>2</sup>.

#### **L. Research and study of the potential equipment suppliers**

#### **M. Contract of the equipment suppliers**

Consequently, the best proposal must be selected through a detailed analysis of potential equipment suppliers taking into consideration some factors such as its budget, delivery time or payment conditions, quality and credibility. The respective costs are in Annex 56.

#### **N. Reception and equipment assembly**

Reception, assembly and installation of furniture and equipments.

#### **O. Recruitment, selection and admission of staff**

The rural hotel needs to hire a receptionist and also two employees to perform the bar and meal service as well as the cleaning and laundry services.

The general Director will be also responsible for the recruitment process and selection of the remaining employees.

After their admission, employees will need a personal training regarding the contact with the customers and the satisfaction of their needs as well as for a good accomplishment of their tasks. The training will be provided by the director and, in some cases, by the equipment suppliers when necessary.

#### **P. Final inspection and business license**

Completed the works and assembly of equipments, the City Hall will carry out an inspection in order to verify if the rural hotel is in accordance with the presented project. If it does, the business has the right conditions to start and an authorization for tourism purposes must be required. The deadline for the decision on the granting of authorization for tourism purposes and the issuance of the respective license is around 20 days from the date of submission of the request.

#### **Q. Development of communication campaigns**

It is important to develop communication campaigns even before starting the business activity. This way, customers will be aware of rural hotel existence. At this stage, promotion will be done mainly through the institutional website, social networks, newspaper and its business partners and also by carrying out the inauguration of the rural hotel.

#### **R. Beginning of activity**

Completed the previous activities, the rural hotel is able to open to customers and the inauguration event will be carried out. Moreover, it is important to register the rural hotel on the Registo Nacional de Empreendimentos Turísticos (RNET) from which results a registration number that must be included in its rating identification plate.

Annex 59 – General Assumptions

General Assumptions					
<b>Monetary Unit</b>	Euro	<b>Average Term</b>		<b>VAT rates</b>	
		<b>Average term of receipt (months)</b>		Rooms	6%
<b>1st Year of Activity</b>	2015	Customers	2	Bar	23%
<b>Project Useful Life (years)</b>	20	<b>Average term of payment (months)</b>		Extra services	23%
		Drinks	1	Activities	23%
<b>Inflation Rate</b>	1.0%	Food	1	Drinks	6%
<b>IRC rate</b>	25.0%	Amenities	1	Food	13%
<b>Derrama rate</b>	0.25%	Electricity	1	Amenities	23%
<b>Social Security rate (employer)</b>	23.75%	Water	1	Electricity	6%
<b>Social Security rate (employee)</b>	11.0%	Gas	1	Water	6%
		Accounting	1	Gas	6%
<b>Interest rate for short-term applications</b>	1.85%	Cleaning and laundry	1	Accounting	23%
<b>Interest rate for short-term loans</b>	5.60 %	Maintenance	1	Cleaning and laundry	23%
<b>Interest rate for long-term loans</b>	5.024%	Marketing Promotion	1	Marketing promotion	23%
<b>Euribor 1M</b>	0.324%	VAT	2	Fixed assets	23%
		Social Security	1		
<b>Risk-free rate – Rf</b>	5.38%	IRS	1		
<b>Market premium – (Rm-Rf)</b>	6.00%	<b>Average period of stock (months)</b>			
<b>Beta of equivalent business</b>	1.00	Drinks	1		
		Food	0.167		
<b>Growth rate of cash flows in perpetuity</b>	0.00%	Amenities	2		



Furthermore, the following assumptions were also considered:

### **Life cycle**

The life cycle of a project depends on the business area and the respective duration of the life cycle of the business. Regarding tourism enterprises as hotels, its life cycle is around 20 years since this is the period of time in which the assumptions are assumed to be valid for this industry. That is, it is forecasted that the consumption pattern is maintained as well as the actions of competition and the technological evolutions do not compromise the viability of the project. Therefore, the proposed rural hotel starts its activity in January 2015 being evaluated till 2034. From this date, a new evaluation will be necessary.

### **Inflation rate**

For the project, the author considered an inflation rate of 1%, which is the presented rate for 2013 and 2014 by Banco de Portugal.

### **Tax rate on earnings**

According to the IRC Code, article 87º, number 1, the taxation rate is 25%. However, the tax rate on earnings includes a reduced “derrama” rate for the municipality of Sertã, which is 0.25% since the turnover of the rural hotel is lower than 150,000 € as defined in the Law 2/2007 of 15th January, article 14º.

Thus, the tax rate on earnings to be applied is 25.25%.

### **Salaries**

The assumed remunerative values consist of a minimum monthly base salary, presented in the Convention Collective Work (CTT) in the salary table in Annex II, for the period from 1st October 2011 until 31st December 2012. Moreover, for the annual payroll costs there were 12 months of work considered plus 2 months of subsidy referring to Christmas and holidays.

Concerning the feeding allowance, it has a monthly value of 62 € as defined in the 40th Clause of the Convention Collective Work.

### **IRS retention rate**

Regarding the IRS retention of the remuneration and both Christmas and holidays subsidies, the author took in consideration the Retenção na Fonte para o Continente, table III, dependent work, married, two holders and one child and used the 2013 retention rates for each considered value.

When it comes to the meal subsidy retention, the author applied the legal limit of 4.27€ for the daily meal subsidy paid in cash.

### **Social security tax on the employer**

The author used the 23.75% contribution rate as established in Código dos Regimes Contributivos do Sistema Previdencial de Segurança Social: workers on behalf of others – general workers. On the other way, the social security tax on employee is 11% as defined on that code.

### **Workers insurance and labour medicine**

The total value of payroll costs includes a monthly value of 12.5€ per employee regarding work insurance and labour medicine expenses.

Annex 60 – Sales map<sup>7</sup>

Sales Volume Prediction	2015												
	1st Trim.			2st Trim.			3st Trim.			4st Trim.			
	Q	P	Volume	Q	P	Volume	Q	P	Volume	Q	P	Volume	
<b>Rooms</b>													
Double-rooms	35%	15	42,86 €	642,95 €	32	48,49 €	1.551,64 €	39	51,44 €	2.005,99 €	15	42,86 €	642,95 €
Multiple rooms	65%	106	21,43 €	2.271,74 €	226	24,49 €	5.533,61 €	288	25,72 €	7.406,73 €	108	21,43 €	2.314,60 €
<b>Total</b>		<b>121</b>		<b>2.914,68 €</b>	<b>258</b>		<b>7.085,25 €</b>	<b>327</b>		<b>9.412,72 €</b>	<b>123</b>		<b>2.957,55 €</b>
<b>Bar</b>	<b>30%</b>			<b>874,41 €</b>			<b>2.125,58 €</b>			<b>2.823,81 €</b>			<b>887,26 €</b>
<b>Extra services</b>	<b>2%</b>			<b>58,29 €</b>			<b>141,71 €</b>			<b>188,25 €</b>			<b>59,15 €</b>
<b>Activities</b>													
Mountain Biking	20%	27	3,75 €	101,25 €	57	3,75 €	213,75 €	72	3,75 €	270,00 €	27	3,75 €	101,25 €
Bike ride	30%	40	3,75 €	150,00 €	86	3,75 €	322,50 €	108	3,75 €	405,00 €	41	3,75 €	153,75 €
Picnics	40%	54	5,00 €	270,00 €	114	5,00 €	570,00 €	144	5,00 €	720,00 €	54	5,00 €	270,00 €
Adventure activities	15%	20	30,00 €	600,00 €	43	30,00 €	1.290,00 €	54	30,00 €	1.620,00 €	21	30,00 €	630,00 €
Equestrian tours	30%	40	5,00 €	200,00 €	86	5,00 €	430,00 €	108	5,00 €	540,00 €	41	5,00 €	205,00 €
Boat Tours	40%	54	5,00 €	270,00 €	114	5,00 €	570,00 €	144	5,00 €	720,00 €	54	5,00 €	270,00 €
Recreational activities													
Artisanal Products tasting	20%	27	10,00 €	270,00 €	57	10,00 €	570,00 €	72	10,00 €	720,00 €	27	10,00 €	270,00 €
Grape harvest for tourists	25%		7,50 €	0,00 €		7,50 €	0,00 €	90	7,50 €	675,00 €		7,50 €	0,00 €
Olive harvest for tourists	20%		7,50 €	0,00 €		7,50 €	0,00 €		7,50 €	0,00 €	27	7,50 €	202,50 €
Potato harvest	10%		7,50 €	0,00 €		7,50 €	0,00 €	36	7,50 €	270,00 €		7,50 €	0,00 €
Other products harvest	10%		7,50 €	0,00 €		7,50 €	0,00 €	36	7,50 €	270,00 €		7,50 €	0,00 €
Oil mill tours	20%		7,50 €	0,00 €		7,50 €	0,00 €		7,50 €	0,00 €	27	7,50 €	202,50 €
Vineyards and wine cellar tours	20%		7,50 €	0,00 €		7,50 €	0,00 €	72	7,50 €	540,00 €		7,50 €	0,00 €
Honey collection	20%		7,50 €	0,00 €		7,50 €	0,00 €	72	7,50 €	540,00 €		7,50 €	0,00 €
Artisanal fishing	30%	40	5,00 €	200,00 €	86	5,00 €	430,00 €	108	5,00 €	540,00 €	41	5,00 €	205,00 €
<b>Total</b>				<b>2.061,25 €</b>			<b>4.396,25 €</b>			<b>7.830,00 €</b>			<b>2.510,00 €</b>
<b>Quarterly Sales Volume</b>				<b>5.908,63 €</b>			<b>13.748,79 €</b>			<b>20.254,78 €</b>			<b>6.413,96 €</b>
<b>Annual Sales Volume</b>													<b>46.326,17 €</b>
<b>Occupancy Rate</b>		15%			32%			40%			15%		

<sup>7</sup> Due to the extent of the tables of sales map as they are computed on a quarterly basis, it is only enclosed the tables regarding the first years, 2015 and 2016, and the last year, 2034. The remaining ones were exactly computed on the same basis and assumptions. From 2020, it was also considered a growth rate on price of 2%, which assumes the same percentage as the expected inflation value for the future years determined by the European Central Bank.

Sales Volume Prediction	2016											
	1st Trim.			2st Trim.			3st Trim.			4st Trim.		
	Q	P	Volume	Q	P	Volume	Q	P	Volume	Q	P	Volume
<b>Rooms</b>												
Double-rooms	24	43,29 €	1.039,00 €	41	48,99 €	2.008,73 €	49	51,95 €	2.545,55 €	25	43,29 €	1.082,29 €
Multiple rooms	176	21,65 €	3.809,66 €	297	24,77 €	7.355,25 €	359	25,97 €	9.325,02 €	180	21,65 €	3.896,25 €
<b>Total</b>	<b>270</b>		<b>4.848,66 €</b>	<b>460</b>		<b>9.363,98 €</b>	<b>552</b>		<b>11.870,57 €</b>	<b>276</b>		<b>4.978,54 €</b>
<b>Bar</b>			<b>1.454,60 €</b>			<b>2.809,19 €</b>			<b>3.561,17 €</b>			<b>1.493,56 €</b>
<b>Extra services</b>			<b>96,97 €</b>			<b>187,28 €</b>			<b>237,41 €</b>			<b>99,57 €</b>
<b>Activities</b>												
Mountain Biking	44	3,79 €	166,65 €	75	3,79 €	284,06 €	90	3,79 €	340,88 €	45	3,79 €	170,44 €
Bike ride	66	3,79 €	249,98 €	112	3,79 €	424,20 €	135	3,79 €	511,31 €	68	3,79 €	257,55 €
Picnics	88	5,05 €	444,40 €	149	5,05 €	752,45 €	179	5,05 €	903,95 €	90	5,05 €	454,50 €
Adventure activities	33	30,30 €	999,90 €	56	30,30 €	1.696,80 €	68	30,30 €	2.060,40 €	34	30,30 €	1.030,20 €
Equestrian tours	66	5,05 €	333,30 €	112	5,05 €	565,60 €	135	5,05 €	681,75 €	68	5,05 €	343,40 €
Boat Tours	88	5,05 €	444,40 €	149	5,05 €	752,45 €	179	5,05 €	903,95 €	90	5,05 €	454,50 €
Recreational activities												
Artisanal Products tasting	44	10,10 €	444,40 €	75	10,10 €	757,50 €	90	10,10 €	909,00 €	45	10,10 €	454,50 €
Grape harvest for tourists		7,58 €	0,00 €		7,58 €	0,00 €	112	7,58 €	848,40 €		7,58 €	0,00 €
Olive harvest for tourists		7,58 €	0,00 €		7,58 €	0,00 €		7,58 €	0,00 €	45	7,58 €	340,88 €
Potato harvest		7,58 €	0,00 €		7,58 €	0,00 €	45	7,58 €	340,88 €		7,58 €	0,00 €
Other products harvest		7,58 €	0,00 €		7,58 €	0,00 €	45	7,58 €	340,88 €		7,58 €	0,00 €
Oil mill tours		7,58 €	0,00 €		7,58 €	0,00 €		7,58 €	0,00 €	45	7,58 €	340,88 €
Vineyards and wine cellar tours		7,58 €	0,00 €		7,58 €	0,00 €	90	7,58 €	681,75 €		7,58 €	0,00 €
Honey collection		7,58 €	0,00 €		7,58 €	0,00 €	90	7,58 €	681,75 €		7,58 €	0,00 €
Artisanal fishing	66	5,05 €	333,30 €	112	5,05 €	565,60 €	135	5,05 €	681,75 €	68	5,05 €	343,40 €
<b>Total</b>			<b>3.416,33 €</b>			<b>5.798,66 €</b>			<b>9.886,64 €</b>			<b>4.190,24 €</b>
<b>Quarterly Sales Volume</b>			<b>9.816,56 €</b>			<b>18.159,12 €</b>			<b>25.555,78 €</b>			<b>10.761,91 €</b>
<b>Annual Sales Volume</b>												<b>64.293,37 €</b>
<b>Occupancy Rate</b>	25%			42%			50%			25%		

Sales Volume Prediction	2034											
	1st Trim.			2st Trim.			3st Trim.			4st Trim.		
	Q	P	Volume	Q	P	Volume	Q	P	Volume	Q	P	Volume
<b>Rooms</b>												
Double-rooms	52	52,82 €	2.746,58 €	74	59,81 €	4.426,22 €	83	63,38 €	5.260,76 €	54	52,82 €	2.852,22 €
Multiple rooms	387	26,41 €	10.220,45 €	533	30,24 €	16.120,31 €	610	31,69 €	19.331,70 €	395	26,41 €	10.431,72 €
<b>Total</b>	<b>594</b>		<b>12.967,03 €</b>	<b>828</b>		<b>20.546,53 €</b>	<b>939</b>		<b>24.592,45 €</b>	<b>608</b>		<b>13.283,94 €</b>
<b>Bar</b>			<b>3.890,11 €</b>			<b>6.163,96 €</b>			<b>7.377,74 €</b>			<b>3.985,18 €</b>
<b>Extra services</b>			<b>259,34 €</b>			<b>410,93 €</b>			<b>491,85 €</b>			<b>265,68 €</b>
<b>Activities</b>												
Mountain Biking	97	4,67 €	452,77 €	134	4,67 €	625,47 €	152	4,67 €	709,49 €	99	4,67 €	462,10 €
Bike ride	145	4,67 €	676,81 €	200	4,67 €	933,54 €	228	4,67 €	1.064,23 €	148	4,67 €	690,82 €
Picnics	193	6,22 €	1.201,15 €	267	6,22 €	1.661,70 €	304	6,22 €	1.891,97 €	197	6,22 €	1.226,05 €
Adventure activities	73	37,34 €	2.725,93 €	100	37,34 €	3.734,15 €	114	37,34 €	4.256,93 €	74	37,34 €	2.763,27 €
Equestrian tours	145	6,22 €	902,42 €	200	6,22 €	1.244,72 €	228	6,22 €	1.418,98 €	148	6,22 €	921,09 €
Boat Tours	193	6,22 €	1.201,15 €	267	6,22 €	1.661,70 €	304	6,22 €	1.891,97 €	197	6,22 €	1.226,05 €
Recreational activities												
Artisanal Products tasting	97	12,45 €	1.207,37 €	134	12,45 €	1.667,92 €	152	12,45 €	1.891,97 €	99	12,45 €	1.232,27 €
Grape harvest for tourists		9,34 €	- €		9,34 €	- €	190	9,34 €	1.773,72 €		9,34 €	- €
Olive harvest for tourists		9,34 €	- €		9,34 €	- €		9,34 €	- €	99	9,34 €	924,20 €
Potato harvest		9,34 €	- €		9,34 €	- €	76	9,34 €	709,49 €		9,34 €	- €
Other products harvest		9,34 €	- €		9,34 €	- €	76	9,34 €	709,49 €		9,34 €	- €
Oil mill tours		9,34 €	- €		9,34 €	- €		9,34 €	- €	99	9,34 €	924,20 €
Vineyards and wine cellar tours		9,34 €	- €		9,34 €	- €	152	9,34 €	1.418,98 €		9,34 €	- €
Honey collection		9,34 €	- €		9,34 €	- €	152	9,34 €	1.418,98 €		9,34 €	- €
Artisanal fishing	145	6,22 €	902,42 €	200	6,22 €	1.244,72 €	228	6,22 €	1.418,98 €	148	6,22 €	921,09 €
<b>Total</b>			<b>9.270,02 €</b>			<b>12.773,90 €</b>			<b>20.575,15 €</b>			<b>11.291,13 €</b>
<b>Sales Volume</b>			<b>26.386,49 €</b>			<b>39.895,31 €</b>			<b>53.037,19 €</b>			<b>28.825,93 €</b>
<b>Annual Sales Volume</b>												<b>148.144,93 €</b>
Occupancy Rate	55%			75%			85%			55%		

Due to the seasonality of the hospitality sector, the volume of sales was computed on a quarterly occupancy rates base and two seasons were considered: high season, from April to September, and low season from October to March. Thus, the use of an annual average occupancy rate and an average price is avoided which would underestimate the sales map since the charged price will depend on the seasonality of the sector.

Furthermore, the author considers different prices for each sales channel (direct channel and indirect channel). The bargaining power of buyers influences the rural hotel's price policy and consequently intermediaries, as tourist operators, charge a commission since they are contributing for an increasing in the occupancy rate of a hotel. For that reason it is assumed that intermediaries will practice a margin of around 15%.

When it comes to provided services, the author assumed that the sales of the bar service would be 30% of the sales with rooms as well as extra services would be 2% of those sales with rooms. These extra services encompass, for example, the sales of amenities and request for a safe.

On the other hand, activities have their own percentage of occurrence regarding the total number of guests and they are based on a multiple choice by guests; this is, a guest is willing to request more than one available activity during the stay at Hotel do Rio. Consequently, its sales are computed considering a margin of 50% of the charged price of each activity since, as previously mentioned, the profit margin from activities is divided between two parts: the hotel and its partners.

**Annex 61 – Payroll costs map**

Staff	2015	2016	2017	2018	2019	2020	2021	2022	2023
Hotel manager	11.020,36 €	11.130,57 €	11.241,87 €	11.354,29 €	11.467,83 €	11.582,51 €	11.698,34 €	11.815,32 €	11.933,47 €
Receptionist	9.301,82 €	9.394,84 €	9.488,78 €	9.583,67 €	9.679,51 €	9.776,30 €	9.874,07 €	9.972,81 €	10.072,54 €
B&F department	7.330,36 €	7.403,67 €	7.477,70 €	7.552,48 €	7.628,01 €	7.704,29 €	7.781,33 €	7.859,14 €	7.937,73 €
Part-time B&F department	3.078,18 €	3.108,96 €	3.140,05 €	3.171,45 €	3.203,17 €	3.235,20 €	3.267,55 €	3.300,23 €	3.333,23 €
Part-time Receptionist	4.500,14 €	4.545,14 €	4.590,59 €	4.636,49 €	4.682,86 €	4.729,69 €	4.776,99 €	4.824,76 €	4.873,00 €
Part-time B&F department	4.066,14 €	4.106,80 €	4.147,87 €	4.189,34 €	4.231,24 €	4.273,55 €	4.316,29 €	4.359,45 €	4.403,04 €
<b>Total Remuneration</b>	<b>39.297,00 €</b>	<b>39.689,97 €</b>	<b>40.086,87 €</b>	<b>40.487,74 €</b>	<b>40.892,62 €</b>	<b>41.301,54 €</b>	<b>41.714,56 €</b>	<b>42.131,70 €</b>	<b>42.553,02 €</b>
<b>Contributions to social security</b>	9.333,04 €	9.426,37 €	9.520,63 €	9.615,84 €	9.712,00 €	9.809,12 €	9.907,21 €	10.006,28 €	10.106,34 €
<b>Insurance of workers and Labor Medicine</b>	637,50 €	643,88 €	650,31 €	656,82 €	663,39 €	670,02 €	676,72 €	683,49 €	690,32 €
<b>Total Expenditure</b>	<b>49.267,54 €</b>	<b>49.760,21 €</b>	<b>50.257,82 €</b>	<b>50.760,39 €</b>	<b>51.268,00 €</b>	<b>51.780,68 €</b>	<b>52.298,48 €</b>	<b>52.821,47 €</b>	<b>53.349,68 €</b>

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
12.052,81 €	12.173,34 €	12.295,07 €	12.418,02 €	12.542,20 €	12.667,62 €	12.794,30 €	12.922,24 €	13.051,47 €	13.181,98 €	13.313,80 €
10.173,26 €	10.274,99 €	10.377,74 €	10.481,52 €	10.586,34 €	10.692,20 €	10.799,12 €	10.907,11 €	11.016,18 €	11.126,35 €	11.237,61 €
8.017,11 €	8.097,28 €	8.178,25 €	8.260,04 €	8.342,64 €	8.426,06 €	8.510,32 €	8.595,43 €	8.681,38 €	8.768,20 €	8.855,88 €
3.366,56 €	3.400,23 €	3.434,23 €	3.468,57 €	3.503,26 €	3.538,29 €	3.573,67 €	3.609,41 €	3.645,50 €	3.681,96 €	3.718,78 €
4.921,73 €	4.970,95 €	5.020,66 €	5.070,87 €	5.121,57 €	5.172,79 €	5.224,52 €	5.276,76 €	5.329,53 €	5.382,83 €	5.436,66 €
4.447,07 €	4.491,54 €	4.536,46 €	4.581,82 €	4.627,64 €	4.673,92 €	4.720,66 €	4.767,86 €	4.815,54 €	4.863,70 €	4.912,34 €
<b>42.978,55 €</b>	<b>43.408,34 €</b>	<b>43.842,42 €</b>	<b>44.280,84 €</b>	<b>44.723,65 €</b>	<b>45.170,89 €</b>	<b>45.622,60 €</b>	<b>46.078,82 €</b>	<b>46.539,61 €</b>	<b>47.005,01 €</b>	<b>47.475,06 €</b>
10.207,41 €	10.309,48 €	10.412,57 €	10.516,70 €	10.621,87 €	10.728,09 €	10.835,37 €	10.943,72 €	11.053,16 €	11.163,69 €	11.275,33 €
697,22 €	704,20 €	711,24 €	718,35 €	725,53 €	732,79 €	740,12 €	747,52 €	754,99 €	762,54 €	770,17 €
<b>53.883,18 €</b>	<b>54.422,01 €</b>	<b>54.966,23 €</b>	<b>55.515,89 €</b>	<b>56.071,05 €</b>	<b>56.631,76 €</b>	<b>57.198,08 €</b>	<b>57.770,06 €</b>	<b>58.347,76 €</b>	<b>58.931,24 €</b>	<b>59.520,55 €</b>

**Annex 62 – Retentions**

Staff	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hotel manager	655,53 €	662,08 €	668,70 €	675,39 €	682,14 €	688,97 €	695,86 €	702,81 €	709,84 €	716,94 €
Receptionist	309,27 €	312,37 €	315,49 €	318,64 €	321,83 €	325,05 €	328,30 €	331,58 €	334,90 €	338,25 €
B&F department	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time B&F department	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time Receptionist	125,86 €	127,12 €	128,39 €	129,67 €	130,97 €	132,28 €	133,60 €	134,94 €	136,28 €	137,65 €
Part-time B&F department	125,86 €	127,12 €	128,39 €	129,67 €	130,97 €	132,28 €	133,60 €	134,94 €	136,28 €	137,65 €
<b>Total</b>	<b>1.216,51 €</b>	<b>1.228,68 €</b>	<b>1.240,97 €</b>	<b>1.253,38 €</b>	<b>1.265,91 €</b>	<b>1.278,57 €</b>	<b>1.291,35 €</b>	<b>1.304,27 €</b>	<b>1.317,31 €</b>	<b>1.330,48 €</b>

Staff	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Hotel manager	724,11 €	731,35 €	738,66 €	746,05 €	753,51 €	761,05 €	768,66 €	776,34 €	784,11 €	791,95 €
Receptionist	341,63 €	345,05 €	348,50 €	351,98 €	355,50 €	359,06 €	362,65 €	366,27 €	369,94 €	373,64 €
B&F department	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time B&F department	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time Receptionist	139,02 €	140,41 €	141,82 €	143,24 €	144,67 €	146,12 €	147,58 €	149,05 €	150,54 €	152,05 €
Part-time B&F department	139,02 €	140,41 €	141,82 €	143,24 €	144,67 €	146,12 €	147,58 €	149,05 €	150,54 €	152,05 €
<b>Total</b>	<b>1.343,79 €</b>	<b>1.357,23 €</b>	<b>1.370,80 €</b>	<b>1.384,51 €</b>	<b>1.398,35 €</b>	<b>1.412,33 €</b>	<b>1.426,46 €</b>	<b>1.440,72 €</b>	<b>1.455,13 €</b>	<b>1.469,68 €</b>

The retentions total values take into consideration the retentions with the monthly remuneration value, meal subsidy and Christmas and Holidays subsidy, according to the respective IRS retention assumptions previously mentioned.



**Annex 63 – FSE map**

Expenses	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Electricity	1.200,00 €	1.212,00 €	1.224,12 €	1.236,36 €	1.248,72 €	1.261,21 €	1.273,82 €	1.286,56 €	1.299,43 €	1.312,42 €
Water	1.200,00 €	1.212,00 €	1.224,12 €	1.236,36 €	1.248,72 €	1.261,21 €	1.273,82 €	1.286,56 €	1.299,43 €	1.312,42 €
Gas	600,00 €	606,00 €	612,06 €	618,18 €	624,36 €	630,61 €	636,91 €	643,28 €	649,71 €	656,21 €
Rent	2.100,00 €	2.121,00 €	2.142,21 €	2.163,63 €	2.185,27 €	2.207,12 €	2.229,19 €	2.251,48 €	2.274,00 €	2.296,74 €
Accounting	2.640 €	2.666 €	2.693 €	2.720 €	2.747 €	2.775 €	2.802 €	2.830 €	2.859 €	2.887 €
Cleaning and laundry	660 €	667 €	673 €	680 €	687 €	694 €	701 €	708 €	715 €	722 €
Maintenance (software)	320,00 €	323,20 €	326,43 €	329,70 €	332,99 €	336,32 €	339,69 €	343,08 €	346,51 €	349,98 €
Marketing Promotion	36,77 €	37,14 €	37,51 €	37,88 €	38,26 €	38,65 €	39,03 €	39,42 €	39,82 €	40,21 €
<b>Total</b>	<b>2.640,00 €</b>	<b>7.580,01 €</b>	<b>9.361,08 €</b>	<b>11.585,07 €</b>	<b>14.368,04 €</b>	<b>17.857,93 €</b>	<b>22.243,80 €</b>	<b>27.767,75 €</b>	<b>34.740,48 €</b>	<b>43.561,59 €</b>

Expenses	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Electricity	1.325,55 €	1.338,80 €	1.352,19 €	1.365,71 €	1.379,37 €	1.393,16 €	1.407,09 €	1.421,17 €	1.435,38 €	1.449,73 €
Water	1.325,55 €	1.338,80 €	1.352,19 €	1.365,71 €	1.379,37 €	1.393,16 €	1.407,09 €	1.421,17 €	1.435,38 €	1.449,73 €
Gas	662,77 €	669,40 €	676,10 €	682,86 €	689,68 €	696,58 €	703,55 €	710,58 €	717,69 €	724,87 €
Rent	2.319,71 €	2.342,90 €	2.366,33 €	2.390,00 €	2.413,90 €	2.438,03 €	2.462,42 €	2.487,04 €	2.511,91 €	2.537,03 €
Accounting	2.916 €	2.945 €	2.975 €	3.005 €	3.035 €	3.065 €	3.096 €	3.127 €	3.158 €	3.189 €
Cleaning and laundry	729 €	736 €	744 €	751 €	759 €	766 €	774 €	782 €	789 €	797 €
Maintenance (software)	353,48 €	357,01 €	360,58 €	364,19 €	367,83 €	371,51 €	375,23 €	378,98 €	382,77 €	386,59 €
Marketing Promotion	40,62 €	41,02 €	41,43 €	41,85 €	42,27 €	42,69 €	43,12 €	43,55 €	43,98 €	44,42 €
<b>Total</b>	<b>9.672,92 €</b>	<b>9.769,65 €</b>	<b>9.867,35 €</b>	<b>9.966,02 €</b>	<b>10.065,68 €</b>	<b>10.166,34 €</b>	<b>10.268,00 €</b>	<b>10.370,68 €</b>	<b>10.474,39 €</b>	<b>10.579,13 €</b>

## **Accounting**

When it comes to the accounting service for the rural hotel, there are two possible alternatives: own accounting department or total outsourcing.

In order to have its own accounting department, the rural hotel must have a an employee intended exclusively for accounting functions as well as it must ensure a monthly review by a official accounts technician (TOC). Despite the total availability for the rural hotel accounting, this solution is quite costly since it is necessary a full time employee and also hire a TOC as well as there is reduced flexibility resulting from employment status.

Thus, hiring external accounting services aims to reduce costs and allows higher returns by taking advantage of the *know-how* and expertise from such companies while having a qualified professional at a more attractive price. Besides, outsourcing accounting has less risk for the company, including labour risk, by transferring these risks to the accounting company. The accounting company is responsible for all the accounting activities: processing and managing the information and, the cost of such service typically depends on the turnover of the company which, in this case, according to *A.Patricio, consultores associados*, would be a monthly cost of 220 €.

To sum up, the most advantageous options is to opt for total outsourcing since it has a lower cost as well as it provides a good knowledge and capacity regarding all the accounting functions.

## **Cleaning**

In order to determine the best alternative for the cleaning service, two alternatives were under evaluation: internal service or an outsourcing company.

By contracting an outsourcing company in the market, it will be responsible for all the cleanliness of the rural hotel and needed material, adjusting their planning to hotel occupancy. On average, its service would have a cost of 3€ per labour hour plus a cost of travel since the hotel is on the outskirts of the village.

In making this service internally, the rural hotel can easily maintain its identity and quality of provided service as well as there will not be a decrease in the liability of servants regarding their possible tasks, being them also responsible for this one. In terms of annual costs, the rural hotel will have to invest in required equipment as well as it has to purchase cleaning products and detergents. Besides, the small size and capacity of the rural hotel do not justify hiring the outsourcing firm. As a result, the best economical decision is to take the cleaning service internally.

### **Laundry service**

The laundry service was also evaluated by considering it internally or through an outsourcing company.

To provide this service internally it involves an investment of equipment and possible maintenance as well as other necessary costs to take into account, such as cleaning products, water and light. Besides, it allows the rural hotel to have a higher control of the quality of this service.

On the other hand, an outsourcing company does not demand such equipment investment and it ensures the collection and delivery of clothes in a maximum period of 24 hours. However, due to the small occupation and capacity of the rural hotel, which reflects a small weekly volume of items, the cost of service is higher than when it comes to large industrial quantities. Thus, it would cost around €2.5 per Kg. for the rural hotel plus an additional margin regarding the cost of travel.

For these reasons, and evaluating the most economic alternative, the laundry service must be done internally, as well as it is considered that rural hotel presents the required conditions to carry out the service internally.

**Annex 64 – CMVMC map**

Consumables	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Drinks</b>										
Initial stocks	- €	104,71 €	145,32 €	167,50 €	190,68 €	219,23 €	257,65 €	294,22 €	297,16 €	300,13 €
Purchasing	1.378,68 €	1.808,68 €	2.060,06 €	2.343,19 €	2.695,88 €	3.173,16 €	3.616,23 €	3.618,40 €	3.654,58 €	3.691,13 €
Consumption	1.273,97 €	1.768,07 €	2.037,88 €	2.320,00 €	2.667,34 €	3.134,74 €	3.579,66 €	3.615,46 €	3.651,61 €	3.688,13 €
Final Stocks	104,71 €	145,32 €	167,50 €	190,68 €	219,23 €	257,65 €	294,22 €	297,16 €	300,13 €	303,13 €
<b>Food</b>										
Initial stocks	- €	12,69 €	17,61 €	20,30 €	23,11 €	26,57 €	31,23 €	35,66 €	36,02 €	36,38 €
Purchasing	939,22 €	1.290,79 €	1.484,78 €	1.690,08 €	1.943,34 €	2.284,47 €	2.607,82 €	2.629,78 €	2.656,08 €	2.682,64 €
Consumption	926,52 €	1.285,87 €	1.482,09 €	1.687,27 €	1.939,88 €	2.279,81 €	2.603,39 €	2.629,42 €	2.655,72 €	2.682,27 €
Final Stocks	12,69 €	17,61 €	20,30 €	23,11 €	26,57 €	31,23 €	35,66 €	36,02 €	36,38 €	36,74 €
<b>Amenities</b>										
Initial stocks	- €	14,28 €	19,82 €	22,84 €	26,00 €	29,90 €	35,13 €	40,12 €	40,52 €	40,93 €
Purchasing	130,09 €	166,27 €	188,29 €	214,07 €	246,38 €	290,22 €	330,41 €	329,08 €	332,37 €	335,69 €
Consumption	115,82 €	160,73 €	185,26 €	210,91 €	242,49 €	284,98 €	325,42 €	328,68 €	331,96 €	335,28 €
Final Stocks	14,28 €	19,82 €	22,84 €	26,00 €	29,90 €	35,13 €	40,12 €	40,52 €	40,93 €	41,34 €
<b>Total</b>	<b>2.316,31 €</b>	<b>3.214,67 €</b>	<b>3.705,24 €</b>	<b>4.218,18 €</b>	<b>4.849,70 €</b>	<b>5.699,53 €</b>	<b>6.508,47 €</b>	<b>6.573,56 €</b>	<b>6.639,29 €</b>	<b>6.705,68 €</b>

Consumables	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Drinks</b>										
Initial stocks	303,13 €	306,16 €	309,23 €	312,32 €	315,44 €	318,60 €	321,78 €	325,00 €	328,25 €	331,53 €
Purchasing	3.728,04 €	3.765,32 €	3.802,97 €	3.841,00 €	3.879,41 €	3.918,21 €	3.957,39 €	3.996,96 €	4.036,93 €	4.077,30 €
Consumption	3.725,01 €	3.762,26 €	3.799,88 €	3.837,88 €	3.876,26 €	3.915,02 €	3.954,17 €	3.993,71 €	4.033,65 €	4.073,99 €
Final Stocks	306,16 €	309,23 €	312,32 €	315,44 €	318,60 €	321,78 €	325,00 €	328,25 €	331,53 €	334,85 €
<b>Food</b>										
Initial stocks	36,74 €	37,11 €	37,48 €	37,86 €	38,24 €	38,62 €	39,00 €	39,39 €	39,79 €	40,19 €
Purchasing	2.709,46 €	2.736,56 €	2.763,92 €	2.791,56 €	2.819,48 €	2.847,67 €	2.876,15 €	2.904,91 €	2.933,96 €	2.963,30 €
Consumption	2.709,10 €	2.736,19 €	2.763,55 €	2.791,18 €	2.819,10 €	2.847,29 €	2.875,76 €	2.904,52 €	2.933,56 €	2.962,90 €
Final Stocks	37,11 €	37,48 €	37,86 €	38,24 €	38,62 €	39,00 €	39,39 €	39,79 €	40,19 €	40,59 €
<b>Amenities</b>										
Initial stocks	41,34 €	41,75 €	42,17 €	42,59 €	43,01 €	43,44 €	43,88 €	44,32 €	44,76 €	45,21 €
Purchasing	339,05 €	342,44 €	345,87 €	349,32 €	352,82 €	356,35 €	359,91 €	363,51 €	367,14 €	370,81 €
Consumption	338,64 €	342,02 €	345,44 €	348,90 €	352,39 €	355,91 €	359,47 €	363,06 €	366,70 €	370,36 €
Final Stocks	41,75 €	42,17 €	42,59 €	43,01 €	43,44 €	43,88 €	44,32 €	44,76 €	45,21 €	45,66 €
<b>Total</b>	<b>6.772,74 €</b>	<b>6.840,47 €</b>	<b>6.908,87 €</b>	<b>6.977,96 €</b>	<b>7.047,74 €</b>	<b>7.118,22 €</b>	<b>7.189,40 €</b>	<b>7.261,29 €</b>	<b>7.333,91 €</b>	<b>7.407,25 €</b>

The products essentially consumed at a rural hotel occur at the bar and breakfast level and, therefore, they are mainly food, as bread and delicatessen products, and drinks such as water, juices, sodas, wines, dairy products and coffee. On the other hand, customers also have at their disposal amenities, so these products are considered as well.

However, the consumption of such products is difficult to quantify and, in order to compute the cost of merchandise sold and materials consumed, the author decided to define it by assuming an average margin of sales of 95% as well as it was considered consumption's percentages for each product: 45% for food, 55% for drinks and 5% for amenities. Thus, it was possible to quantify the initial and final existences of each product as well as their value of purchases.

Annex 65 – SOPE map

SOPE	Fee	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>VAT</b>										
<b>Sales</b>										
Bedrooms	6%	- €	- €	1.342,21 €	1.863,70 €	2.139,70 €	2.419,45 €	2.781,91 €	3.296,85 €	3.763,66 €
Bar	23%	- €	- €	1.543,54 €	2.143,26 €	2.460,66 €	2.782,37 €	3.199,20 €	3.791,38 €	4.328,21 €
Extra services	23%			102,90 €	142,88 €	164,04 €	185,49 €	213,28 €	252,76 €	288,55 €
Activities	23%	- €	- €	3.863,43 €	5.357,13 €	6.217,18 €	7.161,21 €	8.232,14 €	9.535,77 €	10.894,84 €
<b>Total liquidated VAT</b>		<b>- €</b>	<b>- €</b>	<b>6.852,08 €</b>	<b>9.506,98 €</b>	<b>10.981,59 €</b>	<b>12.548,52 €</b>	<b>14.426,53 €</b>	<b>16.876,76 €</b>	<b>19.275,26 €</b>
<b>Purchases</b>										
Drinks	6%	- €	- €	82,72 €	108,52 €	123,60 €	140,59 €	161,75 €	190,39 €	216,97 €
Food	13%	- €	- €	122,10 €	167,80 €	193,02 €	219,71 €	252,63 €	296,98 €	339,02 €
Amenities	23%	- €	- €	29,92 €	38,24 €	43,31 €	49,24 €	56,67 €	66,75 €	75,99 €
Electricity	6%	- €	- €	72,00 €	72,72 €	73,45 €	74,18 €	74,92 €	75,67 €	76,43 €
Water	6%	- €	- €	72,00 €	72,72 €	73,45 €	74,18 €	74,92 €	75,67 €	76,43 €
Gas	6%	- €	- €	36,00 €	36,36 €	36,72 €	37,09 €	37,46 €	37,84 €	38,21 €
Accounting	23%	- €	- €	607,20 €	613,27 €	619,40 €	625,60 €	631,85 €	638,17 €	644,56 €
Cleaning and laundry	23%	- €	- €	151,80 €	153,32 €	154,85 €	156,40 €	157,96 €	159,54 €	161,14 €
Marketing Promotion	23%	- €	- €	8,46 €	8,54 €	8,63 €	8,71 €	8,80 €	8,89 €	8,98 €
Fixed assets	23%	10.936,10 €	17.596,19 €	1.403,95 €	- €	325,48 €	463,32 €	649,04 €	356,58 €	816,05 €
<b>Total deductible VAT</b>		<b>10.936,10 €</b>	<b>17.596,19 €</b>	2.586,15 €	1.271,50 €	1.651,91 €	1.849,03 €	2.106,02 €	1.906,49 €	2.453,78 €
<b>VAT payable (receivable)</b>		<b>- 10.936,10 €</b>	<b>- 17.596,19 €</b>	<b>4.265,93 €</b>	<b>8.235,48 €</b>	<b>9.329,68 €</b>	<b>10.699,49 €</b>	<b>12.320,52 €</b>	<b>14.970,28 €</b>	<b>16.821,48 €</b>
<b>Social Security</b>										
SS (Employer)	23,75%	- €	- €	9.333,04 €	9.426,37 €	9.520,63 €	9.615,84 €	9.712,00 €	9.809,12 €	9.907,21 €
SS (Employee)	11%	- €	- €	4.322,67 €	4.365,90 €	4.409,56 €	4.453,65 €	4.498,19 €	4.543,17 €	4.588,60 €
<b>Total</b>		<b>- €</b>	<b>- €</b>	<b>13.655,71 €</b>	<b>13.792,26 €</b>	<b>13.930,19 €</b>	<b>14.069,49 €</b>	<b>14.210,18 €</b>	<b>14.352,29 €</b>	<b>14.495,81 €</b>
<b>IRS Retention</b>										
Hotel manager		- €	- €	655,53 €	662,08 €	668,70 €	675,39 €	682,14 €	688,97 €	695,86 €
Receptionist		- €	- €	309,27 €	312,37 €	315,49 €	318,64 €	321,83 €	325,05 €	328,30 €
B&F department		- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time B&F department		- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time Receptionist		- €	- €	125,86 €	127,12 €	128,39 €	129,67 €	130,97 €	132,28 €	133,60 €
Part-time B&F department		- €	- €	125,86 €	127,12 €	128,39 €	129,67 €	130,97 €	132,28 €	133,60 €
<b>Total</b>		<b>- €</b>	<b>- €</b>	<b>1.216,51 €</b>	<b>1.228,68 €</b>	<b>1.240,97 €</b>	<b>1.253,38 €</b>	<b>1.265,91 €</b>	<b>1.278,57 €</b>	<b>1.291,35 €</b>

*Business Plan of a Rural Hotel in the county of Sertã*

SOPE	2022	2023	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>VAT</b>												
<b>Sales</b>												
Bedrooms	3.801,30 €	3.839,31 €	3.916,48 €	3.955,64 €	3.995,20 €	4.035,15 €	4.075,50 €	4.116,26 €	4.157,42 €	4.199,00 €	4.240,99 €	4.283,40 €
Bar	4.371,49 €	4.415,21 €	4.503,95 €	4.548,99 €	4.594,48 €	4.640,43 €	4.686,83 €	4.733,70 €	4.781,04 €	4.828,85 €	4.877,13 €	4.925,91 €
Extra services	291,43 €	294,35 €	300,26 €	303,27 €	306,30 €	309,36 €	312,46 €	315,58 €	318,74 €	321,92 €	325,14 €	328,39 €
Activities	11.003,79 €	11.113,83 €	11.337,22 €	11.450,59 €	11.565,09 €	11.680,74 €	11.797,55 €	11.915,53 €	12.034,68 €	12.155,03 €	12.276,58 €	12.399,35 €
<b>Total liquidated VAT</b>	<b>19.468,01 €</b>	<b>19.662,69 €</b>	<b>20.057,91 €</b>	<b>20.258,49 €</b>	<b>20.461,08 €</b>	<b>20.665,69 €</b>	<b>20.872,34 €</b>	<b>21.081,07 €</b>	<b>21.291,88 €</b>	<b>21.504,80 €</b>	<b>21.719,84 €</b>	<b>21.937,04 €</b>
<b>Purchase</b>												
Drinks	217,10 €	219,27 €	221,47 €	223,68 €	225,92 €	228,18 €	230,46 €	232,76 €	235,09 €	237,44 €	239,82 €	242,22 €
Food	341,87 €	345,29 €	348,74 €	352,23 €	355,75 €	359,31 €	362,90 €	366,53 €	370,20 €	373,90 €	377,64 €	381,41 €
Amenities	75,69 €	76,45 €	77,21 €	77,98 €	78,76 €	79,55 €	80,34 €	81,15 €	81,96 €	82,78 €	83,61 €	84,44 €
Electricity	77,19 €	77,97 €	78,75 €	79,53 €	80,33 €	81,13 €	81,94 €	82,76 €	83,59 €	84,43 €	85,27 €	86,12 €
Water	77,19 €	77,97 €	78,75 €	79,53 €	80,33 €	81,13 €	81,94 €	82,76 €	83,59 €	84,43 €	85,27 €	86,12 €
Gas	38,60 €	38,98 €	39,37 €	39,77 €	40,16 €	40,57 €	40,97 €	41,38 €	41,79 €	42,21 €	42,63 €	43,06 €
Accounting	651,00 €	657,51 €	664,09 €	670,73 €	677,43 €	684,21 €	691,05 €	697,96 €	704,94 €	711,99 €	719,11 €	726,30 €
Cleaning and laundry	162,75 €	164,38 €	166,02 €	167,68 €	169,36 €	171,05 €	172,76 €	174,49 €	176,24 €	178,00 €	179,78 €	181,58 €
Marketing Promotion	9,07 €	9,16 €	9,25 €	9,34 €	9,44 €	9,53 €	9,62 €	9,72 €	9,82 €	9,92 €	10,02 €	10,12 €
Fixed assets	1.286,43 €	2.325,66 €	489,64 €	727,21 €	0,00 €	1.202,55 €	0,00 €	1.745,98 €	906,68 €	2.494,90 €	0,00 €	910,44 €
<b>Total deductible VAT</b>	<b>2.936,89 €</b>	<b>3.992,63 €</b>	<b>2.173,28 €</b>	<b>2.427,69 €</b>	<b>1.717,48 €</b>	<b>2.937,20 €</b>	<b>1.752,00 €</b>	<b>3.515,50 €</b>	<b>2.693,89 €</b>	<b>4.299,99 €</b>	<b>1.823,14 €</b>	<b>2.751,82 €</b>
<b>VAT payable (receivable)</b>	<b>16.531,12 €</b>	<b>15.670,06 €</b>	<b>17.686,04 €</b>	<b>17.630,22 €</b>	<b>18.541,01 €</b>	<b>17.523,87 €</b>	<b>18.913,68 €</b>	<b>17.356,84 €</b>	<b>18.387,17 €</b>	<b>16.991,89 €</b>	<b>19.681,66 €</b>	<b>18.968,03 €</b>
<b>Social Security</b>												
SS (Employer)	10.006,28 €	10.106,34 €	10.309,48 €	10.412,57 €	10.516,70 €	10.621,87 €	10.728,09 €	10.835,37 €	10.943,72 €	11.053,16 €	11.163,69 €	11.275,33 €
SS (Employee)	4.634,49 €	4.680,83 €	4.774,92 €	4.822,67 €	4.870,89 €	4.919,60 €	4.968,80 €	5.018,49 €	5.068,67 €	5.119,36 €	5.170,55 €	5.222,26 €
<b>Total</b>	<b>14.640,77 €</b>	<b>14.787,17 €</b>	<b>15.084,40 €</b>	<b>15.235,24 €</b>	<b>15.387,59 €</b>	<b>15.541,47 €</b>	<b>15.696,88 €</b>	<b>15.853,85 €</b>	<b>16.012,39 €</b>	<b>16.172,51 €</b>	<b>16.334,24 €</b>	<b>16.497,58 €</b>
<b>IRS Retention</b>												
Hotel manager	702,81 €	709,84 €	724,11 €	731,35 €	738,66 €	746,05 €	753,51 €	761,05 €	768,66 €	776,34 €	784,11 €	791,95 €
Receptionist	331,58 €	334,90 €	341,63 €	345,05 €	348,50 €	351,98 €	355,50 €	359,06 €	362,65 €	366,27 €	369,94 €	373,64 €
B&F department	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time B&F department	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
Part-time Receptionist	134,94 €	136,28 €	139,02 €	140,41 €	141,82 €	143,24 €	144,67 €	146,12 €	147,58 €	149,05 €	150,54 €	152,05 €
Part-time B&F department	134,94 €	136,28 €	139,02 €	140,41 €	141,82 €	143,24 €	144,67 €	146,12 €	147,58 €	149,05 €	150,54 €	152,05 €
<b>Total</b>	<b>1.304,27 €</b>	<b>1.317,31 €</b>	<b>1.343,79 €</b>	<b>1.357,23 €</b>	<b>1.370,80 €</b>	<b>1.384,51 €</b>	<b>1.398,35 €</b>	<b>1.412,33 €</b>	<b>1.426,46 €</b>	<b>1.440,72 €</b>	<b>1.455,13 €</b>	<b>1.469,68 €</b>

Annex 66 – Depreciations and Amortizations map

Depreciations	Acquis. Cost	Tax	Life Cycle	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Tangible Fixed Assets</b>												
<b>Buildings and constructions</b>												
Building and constructions	92.400,00 €	5,00%	20	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €
Architecture	4.407,48 €	5,00%	20	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €
<b>Basic Equipment</b>												
Furniture	6.560,46 €	12,50%	8	820,06 €	820,06 €	820,06 €	820,06 €	820,06 €	820,06 €	820,06 €	820,06 €	896,88 €
Interior design	549,18 €	25,00%	4	137,30 €	137,30 €	137,30 €	137,30 €	144,30 €	144,30 €	144,30 €	144,30 €	150,16 €
Mattresses, bed linen and blankets	1.376,91 €	20,00%	5	275,38 €	275,38 €	275,38 €	275,38 €	275,38 €	292,32 €	292,32 €	292,32 €	292,32 €
White clothes and towels	1.373,50 €	50,00%	2	686,75 €	686,75 €	707,56 €	707,56 €	721,78 €	721,78 €	736,29 €	736,29 €	751,09 €
Dinnerware and glassware	561,63 €	33,33%	3	187,21 €	187,21 €	187,21 €	194,81 €	194,81 €	194,81 €	200,71 €	200,71 €	200,71 €
Cutlery and kitchenware	762,25 €	25,00%	4	190,56 €	190,56 €	190,56 €	190,56 €	200,28 €	200,28 €	200,28 €	200,28 €	208,42 €
Machinery and appliances	4.645,74 €	14,28%	7	663,68 €	663,68 €	663,68 €	663,68 €	663,68 €	663,68 €	663,68 €	718,67 €	718,67 €
Television	519,46 €	14,28%	7	74,21 €	74,21 €	74,21 €	74,21 €	74,21 €	74,21 €	74,21 €	80,36 €	80,36 €
<b>Office Equipment</b>												
Office material	83,58 €	20,00%	5	16,72 €	16,72 €	16,72 €	16,72 €	16,72 €	17,75 €	17,75 €	17,75 €	17,75 €
Computer	869,01 €	33,33%	3	289,67 €	289,67 €	289,67 €	301,43 €	301,43 €	301,43 €	310,57 €	310,57 €	310,57 €
<b>Total Tangible Fixed Assets</b>	<b>114.109,20 €</b>			<b>8.181,90 €</b>	<b>8.181,90 €</b>	<b>8.202,71 €</b>	<b>8.222,08 €</b>	<b>8.253,02 €</b>	<b>8.270,99 €</b>	<b>8.300,54 €</b>	<b>8.361,68 €</b>	<b>8.467,29 €</b>
<b>Intangible Fixed Assets</b>												
<b>Computer Programs</b>												
Computer Software (5 years)	505,20 €	33,33%	3	168,40 €	168,40 €	168,40 €	175,24 €	175,24 €	175,24 €	180,55 €	180,55 €	180,55 €
<b>Industrial Property</b>												
Website	264,19 €	5,00%	20	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €
<b>Installation Expenses</b>												
License, charter and writing	1.344,47 €	33,33%	3	448,16 €	448,16 €	448,16 €	-	-	-	-	-	-
<b>Financial Charges</b>												
Interim Interest	3.343,97 €	33,33%	3	1.114,66 €	1.114,66 €	1.114,66 €	-	-	-	-	-	-
<b>Unforeseen</b>												
Unforeseen in Fixed Assets (5%)	6.104,14 €	33,33%	3	2.034,71 €	2.034,71 €	2.034,71 €	-	-	-	-	-	-
<b>Total Intangible Fixed Assets</b>	<b>11.561,98 €</b>	<b>-</b>	<b>-</b>	<b>3.779,14 €</b>	<b>3.779,14 €</b>	<b>3.779,14 €</b>	<b>188,45 €</b>	<b>188,45 €</b>	<b>188,45 €</b>	<b>193,76 €</b>	<b>193,76 €</b>	<b>193,76 €</b>
<b>Total Depreciations</b>				<b>11.961,04 €</b>	<b>11.961,04 €</b>	<b>11.981,85 €</b>	<b>8.410,52 €</b>	<b>8.441,47 €</b>	<b>8.459,44 €</b>	<b>8.494,29 €</b>	<b>8.555,43 €</b>	<b>8.661,05 €</b>



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Depreciations	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Residual Value
<b>Tangible Fixed Assets</b>												
<b>Buildings and constructions</b>												
Building and constructions	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	4.620,00 €	- €
Architecture	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	220,37 €	- €
<b>Basic Equipment</b>												
Furniture	896,88 €	896,88 €	896,88 €	896,88 €	896,88 €	896,88 €	896,88 €	961,58 €	961,58 €	961,58 €	961,58 €	3.846,33 €
Interior design	150,16 €	150,16 €	150,16 €	156,26 €	156,26 €	156,26 €	156,26 €	162,60 €	162,60 €	162,60 €	162,60 €	- €
Mattresses, bed linen and blankets	292,32 €	307,23 €	307,23 €	307,23 €	307,23 €	307,23 €	319,71 €	319,71 €	319,71 €	319,71 €	319,71 €	- €
White clothes and towels	751,09 €	766,18 €	766,18 €	781,58 €	781,58 €	797,29 €	797,29 €	805,27 €	805,27 €	821,45 €	821,45 €	- €
Dinnerware and glassware	206,80 €	206,80 €	206,80 €	210,95 €	210,95 €	210,95 €	217,34 €	217,34 €	217,34 €	223,93 €	223,93 €	223,93 €
Cutlery and kitchenware	208,42 €	208,42 €	208,42 €	214,73 €	214,73 €	214,73 €	214,73 €	223,45 €	223,45 €	223,45 €	223,45 €	214,73 €
Machinery and appliances	718,67 €	718,67 €	718,67 €	718,67 €	718,67 €	770,51 €	770,51 €	770,51 €	770,51 €	770,51 €	770,51 €	770,51 €
Television	80,36 €	80,36 €	80,36 €	80,36 €	80,36 €	86,15 €	86,15 €	86,15 €	86,15 €	86,15 €	86,15 €	86,15 €
<b>Office Equipment</b>												
Office material	17,75 €	18,65 €	18,65 €	18,65 €	18,65 €	18,65 €	19,22 €	19,22 €	19,22 €	19,22 €	19,22 €	- €
Computer	316,81 €	316,81 €	316,81 €	326,41 €	326,41 €	326,41 €	336,30 €	336,30 €	336,30 €	346,49 €	346,49 €	346,49 €
<b>Total Tangible Fixed Assets</b>	8.479,62 €	8.510,53 €	8.510,53 €	8.552,10 €	8.552,10 €	8.625,45 €	8.654,77 €	8.742,50 €	8.742,50 €	8.775,47 €	8.775,47 €	
<b>Intangible Fixed Assets</b>												
<b>Computer Programs</b>												
Computer Software (5 years)	186,02 €	186,02 €	186,02 €	189,76 €	189,76 €	189,76 €	195,51 €	195,51 €	195,51 €	201,43 €	201,43 €	201,43 €
<b>Industrial Property</b>												
Website	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	13,21 €	- €
<b>Installation Expenses</b>												
License, charter and writing	-											- €
<b>Financial Charges</b>												
Interim Interest	-											- €
<b>Unforeseen</b>												
Unforeseen in Fixed Assets (5%)	-											- €
<b>Total Intangible Fixed Assets</b>	199,23 €	199,23 €	199,23 €	202,97 €	202,97 €	202,97 €	208,72 €	208,72 €	208,72 €	214,64 €	214,64 €	
<b>Total Depreciations</b>	8.678,84 €	8.709,76 €	8.709,76 €	8.755,07 €	8.755,07 €	8.828,41 €	8.863,49 €	8.951,22 €	8.951,22 €	8.990,11 €	8.990,11 €	5.689,57 €

In order to compute the depreciations and amortizations of the assets, the author considered the straight line method by applying the maximum specific rates set out in the DR n°25/2009, of 14th September. Furthermore, according to that Regulatory Decree, depreciations are only considered after the entry into operation and utilization of the fixed assets as well as amortizations consider the beginning of activity. Thus, the assets will be depreciated starting 2015.

When reaching the lifetime of the project it is assumed the liquidation of the company or its continuity, this is, it should be considered the residual value of the assets (sales value of the assets) or their continuity value. Since the author will not assume the continuity of the project, the residual value is computed. However, due to the difficulty in accurately determining the market value of the assets by being a large period of time, the author also assumed that the residual value would be equal to the net book value (acquisition cost less accumulated depreciation and amortizations).

Annex 67 - Working Capital

Working Capital	VAT	Average term (months)	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Needs for Exploration</b>			<b>1.822,68 €</b>	<b>2.932,70 €</b>	<b>8.276,48 €</b>	<b>8.827,87 €</b>	<b>9.154,40 €</b>	<b>9.485,99 €</b>	<b>9.893,24 €</b>	<b>10.439,33 €</b>	<b>10.944,14 €</b>
<b>Customers</b>	6%	2	- €	- €	1.106,58 €	1.536,52 €	1.764,07 €	1.994,70 €	2.293,53 €	2.718,07 €	3.102,93 €
<b>SOPE</b>											
- VAT	-	2	1.822,68 €	2.932,70 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
- Treasury Security reserve	-	-	- €	- €	7.038,22 €	7.108,60 €	7.179,69 €	7.251,48 €	7.324,00 €	7.397,24 €	7.471,21 €
<b>Inventories</b>											
- Drinks	6%	1	- €	- €	104,71 €	145,32 €	167,50 €	190,68 €	219,23 €	257,65 €	294,22 €
- Food	13%	0,167	- €	- €	12,69 €	17,61 €	20,30 €	23,11 €	26,57 €	31,23 €	35,66 €
- Amenities	23%	2	- €	- €	14,28 €	19,82 €	22,84 €	26,00 €	29,90 €	35,13 €	40,12 €
<b>Resources for Exploration</b>			<b>- €</b>	<b>- €</b>	<b>2.813,72 €</b>	<b>3.568,90 €</b>	<b>3.812,98 €</b>	<b>4.107,43 €</b>	<b>4.455,28 €</b>	<b>4.995,24 €</b>	<b>5.397,23 €</b>
<b>Suppliers (Purchasing)</b>											
- Drinks	6%	1	- €	- €	121,78 €	159,77 €	181,97 €	206,98 €	238,14 €	280,30 €	319,43 €
- Food	13%	1	- €	- €	88,44 €	121,55 €	139,82 €	159,15 €	183,00 €	215,12 €	245,57 €
- Amenities	23%	1	- €	- €	13,33 €	17,04 €	19,30 €	21,94 €	25,25 €	29,75 €	33,87 €
<b>Suppliers (FSE)</b>											
- Electricity	6%	1	- €	- €	106,00 €	107,06 €	108,13 €	109,21 €	110,30 €	111,41 €	112,52 €
- Water	6%	1	- €	- €	106,00 €	107,06 €	108,13 €	109,21 €	110,30 €	111,41 €	112,52 €
- Gas	6%	1	- €	- €	53,00 €	53,53 €	54,07 €	54,61 €	55,15 €	55,70 €	56,26 €
- Accounting	23%	1	- €	- €	270,60 €	273,31 €	276,04 €	278,80 €	281,59 €	284,40 €	287,25 €
- Cleaning and Laundry	23%	1	- €	- €	67,65 €	68,33 €	69,01 €	69,70 €	70,40 €	71,10 €	71,81 €
- Maintenance	23%	1	- €	- €	32,80 €	33,13 €	33,46 €	33,79 €	34,13 €	34,47 €	34,82 €
- Marketing Promotion	23%	1	- €	- €	3,77 €	3,81 €	3,84 €	3,88 €	3,92 €	3,96 €	4,00 €
<b>SOPE</b>											
- VAT	-	2	- €	- €							
- Social Security	-	1	- €	- €	710,99 €	1.372,58 €	1.554,95 €	1.783,25 €	2.053,42 €	2.495,05 €	2.803,58 €
- IRS	-	1	- €	- €	1.137,98 €	1.149,36 €	1.160,85 €	1.172,46 €	1.184,18 €	1.196,02 €	1.207,98 €
					101,38 €	102,39 €	103,41 €	104,45 €	105,49 €	106,55 €	107,61 €
<b>WC</b>			<b>1.822,68 €</b>	<b>2.932,70 €</b>	<b>5.462,76 €</b>	<b>5.258,97 €</b>	<b>5.341,42 €</b>	<b>5.378,55 €</b>	<b>5.437,96 €</b>	<b>5.444,09 €</b>	<b>5.546,92 €</b>
<b>WC Investment</b>			<b>1.822,68 €</b>	<b>1.110,01 €</b>	<b>2.530,06 €</b>	<b>-203,79 €</b>	<b>82,44 €</b>	<b>37,13 €</b>	<b>59,40 €</b>	<b>6,13 €</b>	<b>102,83 €</b>

*Business Plan of a Rural Hotel in the county of Sertã*

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>11.053,58 €</b>	<b>11.164,12 €</b>	<b>11.275,76 €</b>	<b>11.388,52 €</b>	<b>11.502,40 €</b>	<b>11.617,43 €</b>	<b>11.733,60 €</b>	<b>11.850,94 €</b>	<b>11.969,45 €</b>	<b>12.089,14 €</b>	<b>12.210,03 €</b>	<b>12.332,13 €</b>	<b>12.455,46 €</b>
3.133,96 €	3.165,30 €	3.196,95 €	3.228,92 €	3.261,21 €	3.293,82 €	3.326,76 €	3.360,03 €	3.393,63 €	3.427,56 €	3.461,84 €	3.496,46 €	3.531,42 €
0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
7.545,92 €	7.621,38 €	7.697,60 €	7.774,57 €	7.852,32 €	7.930,84 €	8.010,15 €	8.090,25 €	8.171,15 €	8.252,87 €	8.335,39 €	8.418,75 €	8.502,94 €
297,16 €	300,13 €	303,13 €	306,16 €	309,23 €	312,32 €	315,44 €	318,60 €	321,78 €	325,00 €	328,25 €	331,53 €	334,85 €
36,02 €	36,38 €	36,74 €	37,11 €	37,48 €	37,86 €	38,24 €	38,62 €	39,00 €	39,39 €	39,79 €	40,19 €	40,59 €
40,52 €	40,93 €	41,34 €	41,75 €	42,17 €	42,59 €	43,01 €	43,44 €	43,88 €	44,32 €	44,76 €	45,21 €	45,66 €
<b>5.370,90 €</b>	<b>5.253,55 €</b>	<b>5.615,97 €</b>	<b>5.633,35 €</b>	<b>5.812,10 €</b>	<b>5.669,79 €</b>	<b>5.928,92 €</b>	<b>5.697,21 €</b>	<b>5.896,98 €</b>	<b>5.692,75 €</b>	<b>6.169,66 €</b>	<b>6.079,61 €</b>	<b>6.293,67 €</b>
319,63 €	322,82 €	326,05 €	329,31 €	332,60 €	335,93 €	339,29 €	342,68 €	346,11 €	349,57 €	353,06 €	356,60 €	360,16 €
247,64 €	250,11 €	252,62 €	255,14 €	257,69 €	260,27 €	262,87 €	265,50 €	268,16 €	270,84 €	273,55 €	276,28 €	279,04 €
33,73 €	34,07 €	34,41 €	34,75 €	35,10 €	35,45 €	35,81 €	36,16 €	36,53 €	36,89 €	37,26 €	37,63 €	38,01 €
113,65 €	114,78 €	115,93 €	117,09 €	118,26 €	119,44 €	120,64 €	121,84 €	123,06 €	124,29 €	125,54 €	126,79 €	128,06 €
113,65 €	114,78 €	115,93 €	117,09 €	118,26 €	119,44 €	120,64 €	121,84 €	123,06 €	124,29 €	125,54 €	126,79 €	128,06 €
56,82 €	57,39 €	57,97 €	58,54 €	59,13 €	59,72 €	60,32 €	60,92 €	61,53 €	62,15 €	62,77 €	63,40 €	64,03 €
290,12 €	293,02 €	295,95 €	298,91 €	301,90 €	304,92 €	307,97 €	311,05 €	314,16 €	317,30 €	320,47 €	323,68 €	326,91 €
72,53 €	73,26 €	73,99 €	74,73 €	75,47 €	76,23 €	76,99 €	77,76 €	78,54 €	79,32 €	80,12 €	80,92 €	81,73 €
35,17 €	35,52 €	35,87 €	36,23 €	36,59 €	36,96 €	37,33 €	37,70 €	38,08 €	38,46 €	38,85 €	39,23 €	39,63 €
4,04 €	4,08 €	4,12 €	4,16 €	4,20 €	4,25 €	4,29 €	4,33 €	4,38 €	4,42 €	4,46 €	4,51 €	4,55 €
2.755,19 €	2.611,68 €	2.947,67 €	2.938,37 €	3.090,17 €	2.920,65 €	3.152,28 €	2.892,81 €	3.064,53 €	2.831,98 €	3.280,28 €	3.161,34 €	3.346,21 €
1.220,06 €	1.232,26 €	1.244,59 €	1.257,03 €	1.269,60 €	1.282,30 €	1.295,12 €	1.308,07 €	1.321,15 €	1.334,37 €	1.347,71 €	1.361,19 €	1.374,80 €
108,69 €	109,78 €	110,87 €	111,98 €	113,10 €	114,23 €	115,38 €	116,53 €	117,69 €	118,87 €	120,06 €	121,26 €	122,47 €
<b>5.682,68 €</b>	<b>5.910,57 €</b>	<b>5.659,79 €</b>	<b>5.755,17 €</b>	<b>5.690,31 €</b>	<b>5.947,64 €</b>	<b>5.804,68 €</b>	<b>6.153,73 €</b>	<b>6.072,47 €</b>	<b>6.396,39 €</b>	<b>6.040,38 €</b>	<b>6.252,52 €</b>	<b>6.161,79 €</b>
<b>135,76 €</b>	<b>227,89 €</b>	<b>-250,77 €</b>	<b>95,38 €</b>	<b>-64,86 €</b>	<b>257,33 €</b>	<b>-142,95 €</b>	<b>349,04 €</b>	<b>-81,26 €</b>	<b>323,92 €</b>	<b>-356,01 €</b>	<b>212,14 €</b>	<b>-90,73 €</b>

**Annex 68 – Financing map**

<b>Bank Loan</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Initial dept value	15.000,00 €	49.000,00 €	49.000,00 €	45.946,65 €	42.736,32 €	39.360,93 €	35.812,01 €	32.080,62 €
Reimbursement	0,00 €	0,00 €	3.053,35 €	3.210,33 €	3.375,39 €	3.548,92 €	3.731,39 €	3.923,23 €
Interest	753,60 €	2.461,76 €	2.392,09 €	2.235,11 €	2.070,05 €	1.896,51 €	1.714,05 €	1.522,21 €
Instalment	0,00 €	0,00 €	5.445,44 €	5.445,44 €	5.445,44 €	5.445,44 €	5.445,44 €	5.445,44 €
Final dept value	15.000,00 €	49.000,00 €	45.946,65 €	42.736,32 €	39.360,93 €	35.812,01 €	32.080,62 €	28.157,39 €
Tax effect of Interest	190,28 €	621,59 €	604,00 €	564,36 €	522,69 €	478,87 €	432,80 €	384,36 €
Stamp tax over interest	30,14 €	98,47 €	95,68 €	89,40 €	82,80 €	75,86 €	68,56 €	60,89 €
Tax effect of stamp tax over interest	7,61 €	24,86 €	24,16 €	22,57 €	20,91 €	19,15 €	17,31 €	15,37 €
Tax effect of credit opening	24,50 €	24,50 €	24,50 €	24,50 €	24,50 €	24,50 €	24,50 €	24,50 €
<b>Out Flow</b>	<b>561,35 €</b>	<b>1.889,27 €</b>	<b>4.888,46 €</b>	<b>4.923,40 €</b>	<b>4.960,14 €</b>	<b>4.998,77 €</b>	<b>5.039,39 €</b>	<b>5.082,09 €</b>
Discount factor	<b>1,01</b>	<b>1,00</b>	<b>0,95</b>	<b>0,91</b>	<b>0,86</b>	<b>0,82</b>	<b>0,78</b>	<b>0,75</b>
<b>Discounted Out Flow</b>	<b>566,96 €</b>	<b>1.889,27 €</b>	<b>4.654,61 €</b>	<b>4.463,63 €</b>	<b>4.281,82 €</b>	<b>4.108,75 €</b>	<b>3.943,98 €</b>	<b>3.787,14 €</b>
Discounted Tax Effect	224,62 €	670,96 €	621,44 €	554,34 €	490,41 €	429,49 €	371,44 €	316,13 €

<b>Bank Loan</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Initial dept value	28.157,39 €	24.032,46 €	19.695,45 €	15.135,46 €	10.341,03 €	5.300,10 €
Reimbursement	4.124,93 €	4.337,01 €	4.559,99 €	4.794,43 €	5.040,93 €	5.300,10 €
Interest	1.320,50 €	1.108,43 €	885,45 €	651,01 €	404,51 €	145,34 €
Instalment	5.445,44 €	5.445,44 €	5.445,44 €	5.445,44 €	5.445,44 €	5.445,44 €
Final dept value	24.032,46 €	19.695,45 €	15.135,46 €	10.341,03 €	5.300,10 €	0,00 €
Tax effect of Interest	333,43 €	279,88 €	223,58 €	164,38 €	102,14 €	36,70 €
Stamp tax over interest	52,82 €	44,34 €	35,42 €	26,04 €	16,18 €	5,81 €
Tax effect of stamp tax over interest	13,34 €	11,20 €	8,94 €	6,58 €	4,09 €	1,47 €
Tax effect of credit opening	24,50 €	24,50 €	24,50 €	24,50 €	24,50 €	24,50 €
<b>Out Flow</b>	<b>5.126,99 €</b>	<b>5.174,20 €</b>	<b>5.223,84 €</b>	<b>5.276,02 €</b>	<b>5.330,89 €</b>	<b>5.388,59 €</b>
Discount factor	0,71	0,68	0,64	0,61	0,58	0,56
<b>Discounted Out Flow</b>	<b>3.637,83 €</b>	<b>3.495,71 €</b>	<b>3.360,41 €</b>	<b>3.231,63 €</b>	<b>3.109,04 €</b>	<b>2.992,35 €</b>
Discounted tax effect	263,43 €	213,20 €	165,34 €	119,72 €	76,24 €	34,80 €

<b>PV</b>
<b>3.655,98 €</b>

It is also important to mention the Interim Interests for the project which are inherent to the construction phase prior to the beginning of activity and, consequently, they are costs charged to the investment project. Thus, the interim interests encompass the interest and the stamp tax over interest charged for the years 2013 and 2014:

<b>Interim Interest</b>	<b>2013</b>	<b>2014</b>
<b>Annual Interim Interest</b>	783,74 €	2.560,23 €
<b>Total</b>	<b>3.343,97 €</b>	

**Annex 69 - Dividend Policy**

Auxiliary map	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Retained earnings</b>		-360,00 €	-5.490,42 €	-22.714,79 €	-29.147,66 €	-28.947,41 €	-19.530,90 €	-1.376,70 €	2.434,04 €	3.279,38 €	3.010,44 €
<b>Net earnings</b>	-360,00 €	-5.130,42 €	-17.224,38 €	-6.432,86 €	200,25 €	9.416,51 €	18.154,20 €	26.998,18 €	32.085,75 €	28.409,42 €	23.469,11 €
<b>Accumulated retained earnings</b>	-360,00 €	-5.490,42 €	-22.714,79 €	-29.147,66 €	-28.947,41 €	-19.530,90 €	-1.376,70 €	25.621,48 €	34.519,79 €	31.688,80 €	26.479,54 €
<b>Legal reserves</b>		0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	1.281,07 €	3.007,06 €	4.591,50 €	5.915,48 €
<b>Dividends</b>		0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	21.906,36 €	29.514,42 €	27.093,92 €	22.640,01 €

Auxiliary map	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Retained earnings</b>	2.515,56 €	1.949,11 €	4.540,82 €	4.892,15 €	4.988,44 €	5.049,05 €	5.106,36 €	5.158,68 €	5.211,12 €	5.263,44 €	5.324,83 €
<b>Net earnings</b>	17.465,47 €	43.459,06 €	44.380,71 €	44.992,25 €	45.502,09 €	46.014,52 €	46.480,44 €	46.952,49 €	47.423,28 €	47.984,88 €	48.536,94 €
<b>Accumulated retained earnings</b>	19.981,03 €	45.408,18 €	48.921,53 €	49.884,40 €	50.490,53 €	51.063,57 €	51.586,80 €	52.111,17 €	52.634,40 €	53.248,32 €	53.861,77 €
<b>Legal reserves</b>	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €	6.405,40 €
<b>Dividends</b>	17.542,00 €	40.867,36 €	44.029,38 €	44.895,96 €	45.441,48 €	45.957,22 €	46.428,12 €	46.900,05 €	47.370,96 €	47.923,49 €	48.475,60 €

The retained earnings are calculated by deducting the value of legal reserves and dividends to the accumulated retained net earnings, which, consequently, are the retained earnings plus the net earnings from that year.

Legal reserves are required by law and consist of 5% of the positive accumulated retained earnings until it reaches 20% of the company's share capital as defined in Código das Sociedades Comerciais, article 295º – Reserva Legal. In addition, the minimum legal reserve will never be less than 2,500€ (article 298º – Sociedade por Quotas – Código das Sociedades Comerciais).

Furthermore, the results generated by the rural hotel can be reinvested or distributed for the shareholders as dividends. In hospitality it is very important to keep the interest of shareholders to invest in the business and make them to feel rewarded. For this reason, the dividend policy to be applied should contemplate a significant margin of results to be distributed. Thus, despite the 5% of the positive results that will constitute legal reserves in order to meet possible needs regarding the cash requirements, liquidity and changes in the cash flow evolution, 95% of value of accumulated retained earnings minus legal reserves will be distributed to shareholders.

**Annex 70 - Indicators**

Indicators	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Economic Indicators</b>										
Growth Rate		39%	15%	14%	15%	18%	14%	1%	1%	1%
Operational Efficiency		6%	17%	27%	38%	51%	61%	51%	40%	29%
Sales Operating Margin		-5%	5%	15%	22%	29%	34%	29%	24%	18%
Gross Profit Margin		-10%	0%	11%	19%	24%	25%	22%	18%	13%
<b>Economic-Financial Indicators</b>										
Return On Investment (ROI)		-5%	0%	10%	17%	21%	25%	24%	21%	18%
Return on Asset (Gross ROA)		-3%	3%	13%	20%	27%	34%	32%	29%	24%
Asset Turnover		55%	69%	86%	92%	91%	101%	109%	121%	137%
Fixed-Asset Turnover		64%	82%	100%	124%	159%	195%	206%	204%	229%
Return on Equity (ROE)		-12%	0%	17%	26%	29%	32%	30%	26%	21%
<b>Financial Indicators</b>										
Equity Ratio		45%	45%	55%	65%	74%	77%	79%	81%	84%
Debt-to-Equity ratio		124%	122%	82%	53%	36%	30%	26%	23%	19%
Debt ratio		55%	55%	45%	35%	26%	23%	21%	19%	16%
Long-Term debt to Equity		49%	48%	37%	27%	19%	15%	13%	9%	5%
<b>Liquidity Indicators</b>										
Current ratio		233%	219%	179%	320%	593%	640%	574%	446%	370%
Acid Test Ratio		231%	216%	176%	316%	590%	637%	570%	443%	366%
<b>Financial Equilibrium Indicators</b>										
Capital Employed		110.369,76 €	99.314,07 €	90.371,48 €	96.936,02 €	116.619,60 €	119.272,31 €	110.786,61 €	99.956,66 €	87.330,51 €
Fixed Assets		101.105,07 €	90.538,33 €	84.142,25 €	78.522,68 €	71.613,58 €	66.667,35 €	63.705,08 €	65.155,58 €	58.605,61 €
<b>Net Working Capital</b>		9.264,69 €	8.775,73 €	6.229,23 €	18.413,34 €	45.006,02 €	52.604,97 €	47.081,53 €	34.801,08 €	28.724,90 €
Cycle Requirements		1.719,27 €	1.974,71 €	2.234,50 €	2.569,24 €	3.042,09 €	3.472,93 €	3.507,66 €	3.542,74 €	3.578,16 €
Cycle Resources		3.568,90 €	3.812,98 €	4.107,43 €	4.455,28 €	4.995,24 €	5.397,23 €	5.370,90 €	5.253,55 €	5.615,97 €
<b>Working Capital Requirement</b>		-1.849,63 €	-1.838,27 €	-1.872,93 €	-1.886,04 €	-1.953,15 €	-1.924,30 €	-1.863,24 €	-1.710,82 €	-2.037,80 €
Treasury Assets		14.489,70 €	14.162,93 €	11.833,55 €	24.222,61 €	51.084,10 €	58.866,27 €	53.504,76 €	41.306,33 €	35.803,63 €
Treasury Liabilities		3.375,39 €	3.548,92 €	3.731,39 €	3.923,23 €	4.124,93 €	4.337,01 €	4.559,99 €	4.794,43 €	5.040,93 €
<b>Net Treasury</b>		11.114,32 €	10.614,00 €	8.102,16 €	20.299,38 €	46.959,17 €	54.529,26 €	48.944,77 €	36.511,90 €	30.762,70 €
<b>CONTROL: NT = NWC - WRC</b>		11.114,32 €	10.614,00 €	8.102,16 €	20.299,38 €	46.959,17 €	54.529,26 €	48.944,77 €	36.511,90 €	30.762,70 €
NWC Variation			-488,95 €	-2.546,50 €	12.184,11 €	26.592,68 €	7.598,95 €	-5.523,44 €	-12.280,45 €	-6.076,18 €
WCR Variation			11,36 €	-34,66 €	-13,11 €	-67,11 €	28,86 €	61,05 €	152,43 €	-326,99 €
NT Variation			-500,31 €	-2.511,84 €	12.197,22 €	26.659,79 €	7.570,09 €	-5.584,49 €	-12.432,87 €	-5.749,19 €



Business Risk Indicators										
Gross Margin		61.078,70 €	70.399,50 €	80.145,39 €	92.144,32 €	108.291,09 €	123.660,94 €	124.897,55 €	126.146,52 €	127.407,99 €
Operating Leverage		-949%	32937%	797%	476%	339%	288%	329%	402%	545%
Break Even Point	75.668,99 €	74.800,83 €	74.955,34 €	71.277,45 €	71.583,08 €	71.872,16 €	72.286,50 €	72.983,64 €	73.735,16 €	74.398,16 €
Margin of Safety		-14,05%	-1,13%	18,36%	35,50%	58,60%	80,07%	80,14%	80,08%	80,26%

Indicators	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Economic Indicators</b>										
Growth Rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Operational Efficiency	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%
Sales Operating Margin	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%
Gross Profit Margin	32%	32%	33%	33%	33%	33%	33%	33%	33%	33%
<b>Economic-Financial Indicators</b>										
Return On Investment (ROI)	37%	39%	41%	42%	43%	44%	45%	46%	48%	49%
Return on Asset (Gross ROA)	50%	52%	54%	55%	57%	58%	60%	61%	63%	65%
Asset Turnover	116%	122%	125%	128%	131%	135%	139%	142%	146%	150%
Fixed-Asset Turnover	255%	308%	338%	435%	457%	550%	517%	770%	1061%	3067%
Return on Equity (ROE)	41%	42%	43%	44%	45%	47%	48%	49%	51%	53%
<b>Financial Indicators</b>										
Equity Ratio	91%	95%	95%	95%	95%	94%	94%	94%	94%	94%
Debt-to-Equity ratio	10%	5%	5%	6%	6%	6%	6%	6%	6%	7%
Debt ratio	9%	5%	5%	5%	5%	6%	6%	6%	6%	6%
Long-Term debt to Equity	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Liquidity Indicators</b>										
Current ratio	580%	1172%	1235%	1303%	1341%	1351%	1329%	1349%	1420%	1490%
Acid Test Ratio	576%	1165%	1228%	1296%	1334%	1344%	1322%	1342%	1413%	1483%
<b>Financial Equilibrium Indicators</b>										
Capital Employed	105.536,78 €	106.639,44 €	105.191,62 €	103.387,06 €	101.549,41 €	99.661,95 €	97.775,63 €	95.888,17 €	94.091,40 €	92.294,16 €
Fixed Assets	53.057,64 €	44.347,88 €	40.821,29 €	32.066,22 €	30.829,03 €	25.907,61 €	27.803,79 €	18.852,57 €	13.820,92 €	4.830,81 €
<b>Net Working Capital</b>	52.479,14 €	62.291,56 €	64.370,34 €	71.320,84 €	70.720,39 €	73.754,34 €	69.971,84 €	77.035,60 €	80.270,48 €	87.463,35 €
Cycle Requirements	3.613,95 €	3.650,09 €	3.686,59 €	3.723,45 €	3.760,69 €	3.798,29 €	3.836,28 €	3.874,64 €	3.913,39 €	3.952,52 €
Cycle Resources	5.633,35 €	5.812,10 €	5.669,79 €	5.928,92 €	5.697,21 €	5.896,98 €	5.692,75 €	6.169,66 €	6.079,61 €	6.293,67 €
<b>Working Capital Requirement</b>	-2.019,40 €	-2.162,01 €	-1.983,21 €	-2.205,47 €	-1.936,52 €	-2.098,68 €	-1.856,48 €	-2.295,02 €	-2.166,23 €	-2.341,15 €
Treasury Assets	59.798,64 €	64.453,57 €	66.353,54 €	73.526,31 €	72.656,91 €	75.853,02 €	71.828,32 €	79.330,62 €	82.436,71 €	89.804,49 €
Treasury Liabilities	5.300,10 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
<b>Net Treasury</b>	54.498,54 €	64.453,57 €	66.353,54 €	73.526,31 €	72.656,91 €	75.853,02 €	71.828,32 €	79.330,62 €	82.436,71 €	89.804,49 €

*Business Plan of a Rural Hotel in the county of Sertã*

CONTROL: NT = NWC - WRC	54.498,54 €	64.453,57 €	66.353,54 €	73.526,31 €	72.656,91 €	75.853,02 €	71.828,32 €	79.330,62 €	82.436,71 €	89.804,49 €
NWC Variation	23.754,24 €	9.812,42 €	2.078,77 €	6.950,51 €	-600,45 €	3.033,95 €	-3.782,50 €	7.063,76 €	3.234,88 €	7.192,86 €
WCR Variation	18,40 €	-142,61 €	178,80 €	-222,26 €	268,94 €	-162,16 €	242,21 €	-438,54 €	128,79 €	-174,92 €
NT Variation	23.735,84 €	9.955,03 €	1.899,97 €	7.172,77 €	-869,40 €	3.196,11 €	-4.024,70 €	7.502,30 €	3.106,09 €	7.367,78 €
<b>Business Risk Indicators</b>										
Gross Margin	128.682,07 €	129.968,89 €	131.268,58 €	132.581,26 €	133.907,07 €	135.246,14 €	136.598,61 €	137.964,59 €	139.344,24 €	140.737,68 €
Operating Leverage	221%	219%	218%	218%	218%	218%	217%	217%	217%	217%
Break Even Point	75.081,77 €	75.738,48 €	76.450,72 €	77.120,63 €	77.876,49 €	78.597,76 €	79.382,76 €	80.079,88 €	80.825,98 €	81.537,10 €
Margin of Safety	80,41%	80,63%	80,74%	80,96%	81,00%	81,13%	81,13%	81,35%	81,47%	81,69%