



TERRER

Business report

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Project Description

PROJECT IDEA AND CONTEXT:

Aim of our project is to create a Co-Working office in Santa Maria city - Sal island, Cabo Verde. Main reason to invest in this business opportunity is a fact, that after the pandemic, this is the perfect timing to invest in businesses to support digital nomads & remote workers. Sal island has a lot of demand for remote workers due to perfect weather conditions, relaxed lifestyle, short distance from Europe, safety and easiness to enter the country and to get short-term visas. Another supportive reason is that there are no Co-working offices yet in Santa Maria - and it is a very touristic city with a lot of apart hotels, guest houses, hostels. The business name is “**TERRER - Co-working office in Sal island**”.

At the beginning, we aim to start first co-working office facing the beach - perfect location and small to start (capacity for 8 people). If it goes well, we will expand to other locations in the same city. We have found the commercial space to rent and are currently negotiating with the owner. Nowadays, the company has been already made. We have received a small funding to start buying the equipment the office will need. We plan to start it in April 2022. The main target are primarily international remote workers or entrepreneurs with small businesses, who live in Sal island or staying there temporarily and need a space to work

Team project organization

As a team, we have created a WhatsApp Group and have discussed the options. The chosen project was very easy as the group immediately agreed it would be a great idea to work on a business idea that is currently trying to be put in place for real, by one of the group members.

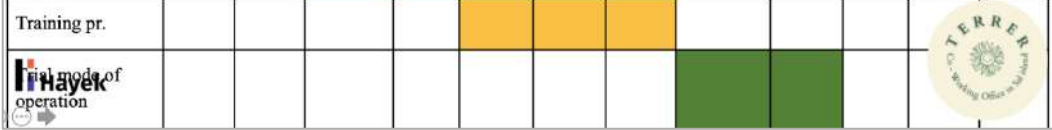
Organization Chart:



Among the biggest expected challenges by team members are working time and different time zones. The group members have full time jobs, therefore a weekly tight schedule. The group members live in three different time-zones, therefore they will need to reinforce their communication through alternatives. Beside these limitations, our team is able to work effectively with an enormous passion for its project using collaborative tool that is called JIRA.

Project Gant diagram

TASK	TIMING											
	Jan	Feb	March	Apr	May	June	July	August	Sept	Oct	Nov	Dec
Brainstorming	Orange											
Business plan/Strategy	Orange											
Administration		Green	Green									
Set up co-working		Brown	Brown	Brown								
Hiring process			Green	Green								
Training pr.					Yellow	Yellow	Yellow					
First mode of operation								Green	Green			



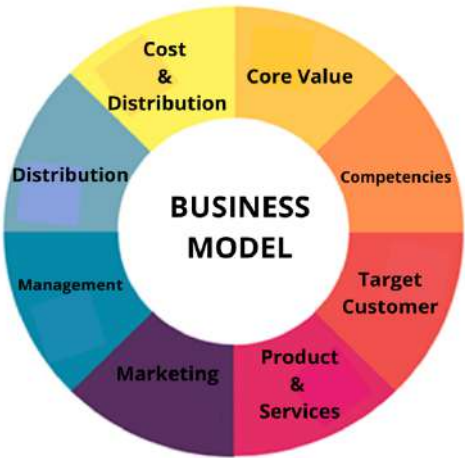
Market analysis

Based on the market analysis, we have calculated the following criterias: average price rent, reasonable price for office rent, majority respondents are, majority respondents age, preference of the office location and complementary services which they prefer.

AVERAGE PRICE RENT	452,78
REASONABLE PRICE FOR OFFICE RENT	199,500
MAJORITY RESPONDENTS AREA	Portugal
MAJORITY RESPONDENTS YEAR	31 - 40
PREFERENCE OF OFFICE LOCATION	Santa Maria - city centre
COPLEMENTARY SERVICES	coffee, restaurant

Business opportunity

There is na evidence of a great business opportunity because there is not a similar business in the area where our business wants to be settled and operated. Another great opportunity is claimed for our clients. There are three different price categories. A fee will be charged per day, week or month and the client could have a access to a desk and chair, unlimited internet access, shared bathroom, small business room and social area, access to some additional services such as printer, belonging to the digital nomads community in Sal island and discounts with several suppliers in the island.





Strategy adherence

Mission statement

Our mission or mission statement aligns people and aligns our organization. And it is the thing that will help us accomplish our vision. Our mission statement, like all parts of strategic plan, help us focus our team on what we need to work on.

Mission

At TERRER we provide our customers with the most comfortable and pleasant shared office spaces, well equipped in order to support their professional and personal work outcomes.

Vision

To become the innovative leader of coworking spaces underlined by authenticity and local culture.

Values

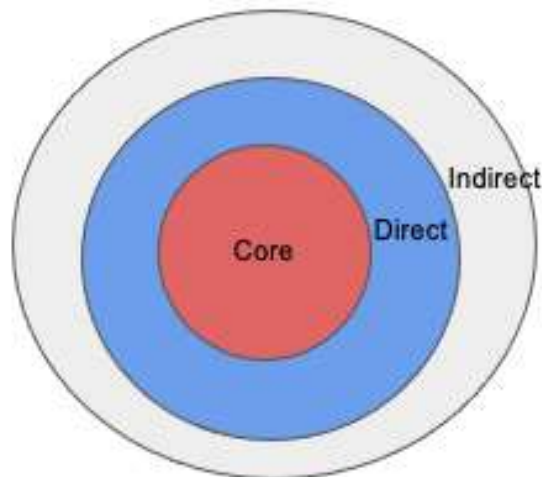
- Comfort,
- Innovation,
- Local,
- Authenticity,
- Inclusion

Strategic drivers and stakeholder mapping

Stakeholder mapping is considered to be the visual process of laying out all the stakeholders of our service that we would like to provide on one map. The main benefit of a stakeholder map is to get a visual representation of all the people who can influence our planned project and how they are connected. They are considered to be our strategic drivers too.

There are the following:

- a) Suppliers: furniture carpenter, internet provider (CVMovel); owner of the commercial space we will rent;
- b) Internal staff (1 office manager (Armando Junior) + Cleaning lady
- c) Shareholders: Our team, and the investors (BOOTCAMP EMPREENDEDORES) and also the partnership we are doing with the 2 platforms: GoRemote and GO HUB
- d) Customers - freelancers and working people
- e) Regulators: Câmara Municipal do Sal, IGAE, Finanças de Cabo Verde, INPS
- f) Local and regional communities: digital nomads Sal community

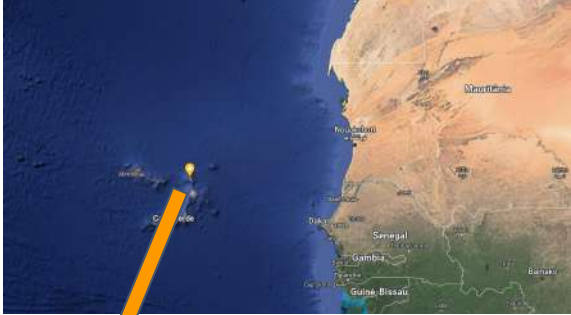


Project economical and technical evaluation

Project location

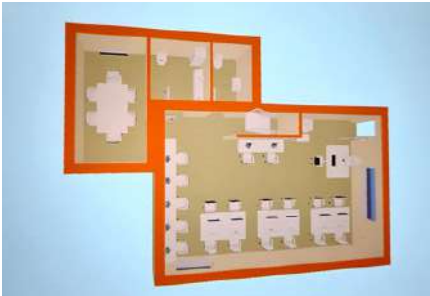
Concretely:

Bairro Praia António Sousa
Santa Maria
Sal island, Cabo Verde



Project detailed scope and technical design

Visualisation helps to understand the planned inside and outside of co-working Terrer.



The importance of business processes cannot be overstated. Optimizing business processes can help us avoid mistakes and delays, improving cost-effectiveness, productivity, supplier relationships, and customer satisfaction.

Technical process of Terror includes:

- a) Product Design: ROOM SKETCHER app
- b) R&D - What technologies do we need to develop?
 - Website, Social networks pages, bookings platform (which will be associated to GO REMOTE WORLD Platform)
- c) Corporate Governance/ Operational: What technologies do we need to use for daily operations?
 1. Booking system (through goremote.world platform)
 2. Website (wordpress)
 3. Social networks (facebook, instagram, linked in, youtube)
 4. For communications: WhatsApp, phone calls, Emails, viber, messenger, skype, customer support on website
 5. For project management/ operations planning/ mentoring and reporting: TRELLO, google drive and Slack

Project financing

INFLOWS	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	Total
Income													
Desks rental	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Side services	80	80	80	80	80	80	80	80	80	80	80	80	960
Other intows													
Shareholders capital	2,000												
Bootcamp sponsorship	1,800												
Total INFLOWS	5,380	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	22,760
OUTFLOWS													
Business Expenses (CAPEX)													
1 month rental apaco guarantee	500												500
Production of 20 wooden desks	1,000												1,000
20 office chairs	1,800												1,800
Installation of 1 x air conditioner	730												730
1 small meeting room desk	60												60
4 chairs for small meeting room	200												200
Security code system for the air	800												800
Wooden signage in the entrance	150												150
1 storage cabinet with lockers	200												200
Printer + ink + paper to start	288												288
Some random decorations, con	300												300
Water boiler	25												25
Coffee machine Detal Q with 3l	40												40
Trash bins - one per desk, one	5												5
Internet line installation - estim	100												100
Purchase of Terror.com - terror	40												40
Electrical installation of plugs o	150												150
City Hall permit	100												100
Cost to open the company	200												200
Business Expenses (OPEX)													
rental fee of the chosen office	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Water & electricity costs	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Fiber wireless internet	50	50	50	50	50	50	50	50	50	50	50	50	600
Cleaning(3 x week RESILIMPC	5	5	5	5	5	5	5	5	5	5	5	5	54
Consumables expected costs (l	60	60	60	60	60	60	60	60	60	60	60	60	720
Salary of the responsible perso	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Contract with GO REMOTE WK	5	5	5	5	5	5	5	5	5	5	5	5	60
Taxes	60	60	60	60	60	60	60	60	60	60	60	60	720
Total OUTFLOWS	7,168	880	880	880	880	880	880	880	880	880	880	880	16,942
NET CASH FLOW	-1,788	700	700	700	700	700	700	700	700	700	700	700	5,918

Source: Own projections

Risk analysis

We have chosen a PESTEL analysis to provide clear overview of risk analysis because it is considered as a framework or tool used by marketers to analyze and monitor the macro-environmental (external marketing environment) factors that have an impact on an organization, company, or industry.

Our business is impacted by the following factors:



First year budget (P&L)

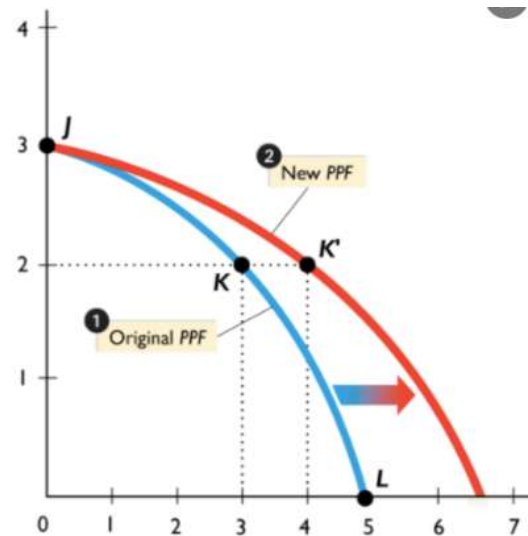
For our business is budgeting crucial because it helps us control spending, track expenses, and save more money. Additionally, budgeting can help us make better financial decisions, prepare for emergencies, get out of debt, and stay focused on your long-term financial goals. We estimate to be positive based on the calculation below.

Annual Net Income Estimation	
Reveneue	22.760
Costs of Services Sold	0
Gross Profit	22.760
Expenses	
rental fee of the chosen office	6000
Water & electricity costs	1200
Fiber wireless internet	600
Cleaning(3 x week RESILIMPO 7h - 8h)	54
Consumables expected costs (toilet paper, soap)	720
Salary of the responsible person for bookings	1200
Contract with GO REMOTE WORLD Platform	60
Total Expenses	9.834
Earnings Before Tax	12.926
Taxes	720
Net Earnings	12.206

Source: Own projections

Production curve 5 years

The production possibilities curve (PPC) is a graph that shows all of the different combinations of output that can be produced given current resources and technology. Sometimes called the production possibilities frontier (PPF), the PPC illustrates scarcity and tradeoffs. In our business we estimate in 5 years to shift the PPF to the right position (red). This will be a positive shift based on the advances in technology, changes in resources, word of mouth, more training and possible changes in the labour force.



MONTHLY ESTIMATED REVENUE		UNIT REVENUE	TOTAL REVENUE	NOTES
Estimated revenue with rental of the desks (considering an average of 100€/ month and 15 customers)	15	100,00 €	1 500,00 €	
Possible extra revenues with side services (parties, printings, coffees)	1	80,00 €	80,00 €	
TOTAL			1 580,00 €	
TOTAL OF MONTHLY NET PROFIT				580,59 €
BREAK EVEN POINT		NOTES		
Shar	4 652,60 €			
Total number of months necessary to get the Break Even	8,01	Around 8 months to achieve the break even		

Pricing analysis

PROJECT FINANCE		UNIT PRICE
Shareholders capital	1	2 000,00 €
Bootcamp sponsorship	1	1 800,00 €

Capex detail and 5 years forecast

INVESTMENT'S COST		UNIT PRICE	TOTAL PRICE	NOTES	CAPEX OR OPEX
1 month rental space guarantee in advance	1	500,00 €	500,00 €		
Production of 20 wooden desks 1m x 60cm	20	50,00 €	1 000,00 €	Preço Henry	CAPEX
20 office chairs	20	80,00 €	1 600,00 €	Ordered in Italy	CAPEX
Installation of 1 x air conditioning	1	730,00 €	730,00 €	Eloy	CAPEX
1 small meeting room desk	1	60,00 €	60,00 €		CAPEX
4 chairs for small meeting room	4	50,00 €	200,00 €		CAPEX
1 microwave and small fridge - owned by the partners already	1	- €	- €	Cabo MICE	CAPEX
Security code system for the entrance	1	600,00 €	600,00 €	chaves maristas	CAPEX
Wooden signage in the entrance of the office	1	150,00 €	150,00 €		CAPEX
1 storage cabinet with lockers	1	200,00 €	200,00 €		CAPEX
Printer + Ink + paper to start	1	288,00 €	288,00 €	worten	CAPEX
Some random decorations, consumables for WC etc - estimated cost	1	300,00 €	300,00 €		CAPEX
Water boiler	1	25,00 €	25,00 €	em cv	CAPEX
Coffee machine Detal Q with 30 capsules	1	40,00 €	40,00 €	worten	CAPEX
Trash bins - one per desk, one for the WC and 1 for meeting room	22	5,00 €	110,00 €		CAPEX
Internet line installation - estimated	1	100,00 €	100,00 €		CAPEX
Social media, Logo creation etc - Made by the partners	1	- €	- €		
Purchase of Terrer.com, terrer.cv and terrercaboverde.com Domains	1	59,00 €	59,00 €		CAPEX
Electrical installation of plugs or USB doors on each desk	1	150,00 €	150,00 €		CAPEX
City Hall permit	1	100,00 €	100,00 €	estimated, annual fee	
Cost to open the company	1	200,00 €	200,00 €		
TOTAL			6 432,00 €		

Opex detail and 5 years forecast

MONTHLY ESTIMATED COST		UNIT PRICE	TOTAL PRICE	NOTES	CAPEX OR OPEX
rental fee of the chosen office	1	500,00 €	500,00 €		OPEX
Water & electricity costs	1	100,00 €	100,00 €		OPEX
Fiber wireless internet	1	50,00 €	50,00 €		OPEX
Cleaning (3 x week RESILIMPO 7h - 8h)	12	4,59 €	54,41 €		OPEX
Consumables expected costs (toilet paper, soap, printer ink and paper, etc)	1	60,00 €	60,00 €		OPEX
Salary of the responsible person for bookings and to daily manage the space	1	100,00 €	100,00 €		OPEX
Contract with GOREMOTÉ WORLD Platform to take advantage of their marketing and bookings system - 5% of each customer	15	5,00 €	75,00 €		OPEX
Taxes	1	60,00 €	60,00 €		OPEX
TOTAL			999,41 €		

NPV calculations

WEIGHTED AVERAGE COST OF CAPITAL

WACC = Cost of Equity * % Equity + Cost of Debt * % Debt

WACC = 15% * 0.526 + 0 * 0.473 = 7,89%

Equity = 2.000 (shareholders capital: 52,6%)

"Debt" = 1.800 (Bootcamp sponsorship: 47,3%)

DISCOUNTED CASH FLOW

Discount monthly rate: 0.2%

1st Month 880 / (1.002)

2nd Month 880 / (1.002)^2

3rd Month 880 / (1.002)^3

4th Month 880 / (1.002)^4

5th Month 880 / (1.002)^5

6th Month 880 / (1.002)^6

7th Month 880 / (1.002)^7

8th Month 880 / (1.002)^8

9th Month 880 / (1.002)^9

10th Month 880 / (1.002)^10

11th Month 880 / (1.002)^11

12th Month 880 / (1.002)^12

In HP12C: n = 12 | i = 0.2 | PMT = 880 | PV = 10.423

Total: 10.423

NPV & IRR Analysis

Calculation in HP12C

		HP12C
Discount monthly rate	0.2%	i
Initial outflow:	-1780	CFo
2nd inflow:	880	CFj
3rd inflow:	880	CFj
4th inflow:	880	CFj
5th inflow:	880	CFj
6th inflow:	880	CFj
7th inflow:	880	CFj
8th inflow:	880	CFj
9th inflow:	880	CFj
10th inflow:	880	CFj
11th inflow:	880	CFj
12th inflow:	880	CFj
NPV:	8.634,99	NPV
IRR:	49.02%	IRR

Source: Own projections

Execution

To explain the execution of our project, we have used Business model canvas, that describes detailly the supply chain, project organization and management and the other business details.

1. KEY PARTNERS:

Who are our Key Partners? Go Remote World; Go Hub Cabo Verde; Cabo MICE

Who are our key suppliers? Carpenters, furniture stores, technology stores, commercial space owner.

Which Key Resources are we acquiring from partners? Cash investment, and a few equipments and furniture

Which Key Activities do partners perform? Managers/ Public relations / promotion / financing

MOTIVATIONS FOR PARTNERSHIPS:

When we started working on the project, we have realized that there was another company investing on the same business, so we have decided to establish a partnership, which will join forces with the 2 co-working offices, and we will take advantage of the broader platform created by our partner (go remote world), which has included a promotion/marketing strategy and a booking system which will include our office in their offers). Also, partnerships with existing companies to help us promote our services and to help us create a community of discounts and advantages for our users is key

2. KEY ACTIVITIES

What Key Activities do our Value Propositions require?

1) Renting of proper prepared and equipped office, that individuals can rent by day, week or month to work on their remote jobs

2) Creation of a community of remote workers in Sal, which allow networking opportunities, support with the logistics of people staying in the island temporarily and offer of special conditions with several services in the island

Our Distribution Channels? Social networks, Co-working office marketplace apps, Go Remote world website and other similar partnerships we will be able to make; our website

Customer Relationships?

- Understanding the needs of our customers.
- Emotionally Engage with our potential and actual customers (through videos, social events, influencing marketing, etc)
- Leveraging insights to create a better purchasing experience.
- Developing new side products and services that customers will want to buy.
- Creating go-to-market strategies that reach the proper customer target.
- Generating demand for this kind of services we offer - it is a new market that is starting in the island.

Revenue streams? The rental fee each customer will pay (daily, weekly or monthly packages); Extra side sales we can make such as printings, coffee, tea, events we create

CATEGORIES

Production: Physical space; online platform

Problem Solving : Create the most comfortable and complete office possible, in the best location possible in the city and that will allow to receive a number of daily users that create revenue for the business

Platform/Network : office + website + social media

3. KEY RESOURCES

What Key Resources do our Value Propositions require? A space to rent in the best location and with the needed characteristics; proper furniture and equipments

Our Distribution Channels? Social media, Email, whatsapp or viber, phone, apps

Customer Relationships? Communication to advertise and connect with our target

Revenue Streams? customers rental fees & side services

TYPES OF RESOURCES

Physical: coworking office different type of spaces (high stools and table more basic; proper table with separations. in the future: private cabins)

Variety of sizes

Prime Downtown Location and Accessibility

Intellectual (brand patents, copyrights, data)

App and website / domain

Human: staff/ team and Community

Financial: sponsorship from entrepreneurs programme; partners capital

4. VALUE PROPOSITIONS

What value do we deliver to the customer? Access to a very comfortable and well located co-working office and to a Marketplace to connect remote workers in Sal island

Which one of our customer's problems are we helping to solve? Lack of co-working offices spaces in the city of Santa Maria

What bundles of products and services are we offering to each Customer Segment? a package with access to the office where they can use the desk, comfortable chair, good internet dedicated access, space to store things, a small meeting room when needed and also possibility to be part of the remote workers local community and for them to network with the other users

Which customer needs are we satisfying? Time saving; Trustable platform; Need for organized info in a digital platform; easy booking and payment systems; ease on finding a comfortable space with good internet access to work in his digital jobs

CHARACTERISTICS

Newness: Not yet existing business in this island; and with a recycling and giving back to the community concept

Performance: easy bookings, easy access to the office, functional and comfortable equipments

Customization: We can adapt the offer of spaces/desk to each style of customer

“Getting the Job Done”

Design: recycled materials when possible, support local artists on the decoration and local suppliers for what we need to buy, clean design

Brand/Status: practicality, Social responsibility, sustainability, freedom, independence, Z generation

Price: Broad: accessible to remote workers generation both higher level corporate workers or lower financial level digital nomads

Cost Reduction: For bookings over 15 days

Risk Reduction: Association with GO REMOTE WORLD platform

Accessibility & Convenience/Usability: Always have one person to assist in loco, besides the online customer support

5. CUSTOMER RELATIONSHIPS

What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Easy and quick communication via messenger and whatsapp; client support 24/7 - create good human relations with our customers as they are using the office - they need to feel supported

Which ones have we established? We need a team of customer service to deal with the customers and to always be available to help them during all the customer journey.

How are they integrated with the rest of our business model? make part of the HR defined for the project, we will need to develop technology to integrate all the contacts in all platforms and direct it all to our customer support team

How costly are they? We will need to pay a fee to the platforms we will use

EXAMPLES

Personal assistance: dedicated team to be reachable by chat, email or phone, as well as social media

Self-Service: automatic bookings made via the GO remote platform

Automated Services : Ecommerce platform: automatic availability check and bookings made via the GO remote platform

Communities : get part of digital nomads or entrepreneurs existing platforms

Co-creation: involve service providers, create partnership with local services, which will be good promoters of our space as well

6. CHANNELS

Through which Channels do our Customer Segments want to be reached? Social media, Email, whatsapp or viber, phone, apps

How are we reaching them now? Mainly social media

How are our Channels integrated? Through our website, and through the platform Go REMOTE WORLD

Which ones work best? We expect it to be social media and booking platforms (apps and GO REMOTE Website)

Which ones are most cost-efficient? Social media

How are we integrating them with customer routines? Targeted ads

CHANNEL PHASES

1. Awareness : through social media ads, maybe podcast / partnership with influencers, articles, printed press, linkedIn

2. Evaluation: whenever a booking is submitted, some verification is needed; we shall conduct satisfaction queries to the existing clients or when clients check out, so that we can keep improving

3. Purchase : Verification of payment methods, clear T&C for cancelations and rescheduling

4. Delivery: make sure doors are open daily at the specified time, make sure space is clean and tidy and ready for people to use them; make sure that what is promised is met when customers get to the office (clear and transparent communication)

5. After sales: Again we have to ask for feedback to improve, make sure we let the user know they matter, give incentives for longer use, give incentives for referrals and reviews, make them want to come back

7. CUSTOMER SEGMENTS

For whom are we creating value? Remote workers from worldwide: digital nomads, corporate remote workers, expats/residents working remotely or which are small business owners; visitors who are choosing to spend some time in Sal island to enjoy lifestyle but also keep working remotely

Who are our most important customers? Mass Market : All type of Remote workers

Niche Market: Long-term remote workers who have high incomes and value a comfortable office to work

Segmented: Young remote workers who practice "WORKATION" lifestyle, from any country in the world with easy access to technology

Diversified: Self-employed and salaried workers with freedom to work out of the office

Multi-sided Platform: website, App, social medias

8. COST STRUCTURE

What are the most important costs inherent in our business model? Rental space, purchase of the furnitures and equipments, promotion costs, human resources

Which Key Resources are most expensive? The office rental fee and the purchase of equipments, which need to be bought mainly abroad

Which Key Activities are most expensive? the operational logistics to run the office

IS YOUR BUSINESS MORE: Cost Driven: Value Driven: Value Driven. We aim to solve a practical problem attending a new work-life-balance behaviour.

9. REVENUE STREAMS AND PRICING

For what value are our customers really willing to pay? An average of 80-120 euros per month

For what do they currently pay? Adapted spaces for co-working (restaurants) that are charging 10€ per day within limited schedule

How are they currently paying? cash or card

How would they prefer to pay? We believe that by credit card.

How much does each Revenue Stream contribute to overall revenues?

Coworking Spaces rentals: 95%

Side services revenues: 5%



Discussion



Aim of our project is to develop a co-working space called Terror that will be addressed to primarily international co-workers or freelancers that are enjoying the specific holiday location. Our recommendations are described that shareholders will need to find funding to support the investment

amount already arranged, in order to face the estimated CAPEX. Our team shall try to negotiate the rental fee of the co-working office for the first 6 months, in order to recover from the initial investment and be able to face the possibility that in the beginning we may not have the predicted optimal occupancy rate achieved. It will be wise to delay a little bit the estimated time to open our co-working office, as the other co-working office is due to open soon and that will give us an idea of how the market reacts to this new type of business. Based on the statements mentioned in our business report, we suggest to invest in this particular business opportunity and use the most efficient ways of financing.

