

fólego

MANUAL FOR SUSTAINABLE BUSINESS GUIDANCE

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The Guidebook for Sustainable Businesses is the result of the “Sustainable Businesses” Workshop developed within the scope of the Fôlego project between February and March 2023. It reflects the content presented in five 7-hour sessions by their respective authors, enriched by the sharing of experiences, doubts, and ambitions of a group of participants driven by creativity and the desire to revitalize, solidify, or create businesses in the territories of Mação, Oleiros, Proença-a-Nova, Sertã, and Vila de Rei. It aims to be a working tool for these and other entrepreneurs to explore new paths towards the sustainability of their businesses.

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CHAPTER I

ENTREPRENEURSHIP:
FROM IDEA TO BUSINESS

ISABEL NEVES

I. IDEA: INNOVATION AND IDEATION

I.I. INNOVATION IS ABOUT CREATING SOMETHING NEW; IDEATION IS ABOUT GENERATING, DEVELOPING, AND CREATING NEW IDEAS.

Innovation is often seen as synonymous with changes and/or improvements to something that already exists and should be understood as the process of doing something different or in a different way. It implies action and movement.

An idea is considered the basic unit of thought while innovation represents action towards change. Ideas are generated from who we are—our identity, experience, and personality—but they can and should be stimulated by the external environment.

One of the most effective ways to stimulate them is to value the emergence of new ideas and those who champion them, creating an entrepreneurial environment and ecosystem that fosters new business ideas and entrepreneurs.

Every successful business is based on a great idea. Moreover, for the business to be successful over time, it will need many ideas: the key to success lies more in execution than in conception. The value of a good idea depends on the ability to transform it into true market innovation, which is distinct from an invention not oriented to customer needs.

Innovation can consist of a technological disruption, a completely innovative product or service, performance quality, cost, design, accessibility, or business model. There are

various ways to detect good business opportunities, and interpreting social and consumption trends can be critical for successfully launching a business.

When detecting a compelling business opportunity, it is necessary to create a value proposition capable of fully exploiting the potential of that opportunity.





1.2. WHAT IS THE VALUE OF AN IDEA?

How much is a good business idea worth? It depends on various factors, such as the degree of development of the idea and, especially, the ability to successfully implement it. It is not easy or even possible to measure the value of an idea abstractly.

Try approaching an investor or entrepreneur and saying, “I have a highly innovative, disruptive idea capable of changing market rules, but I have no idea how it can be developed in practice. However, I believe it can create a \$100 million business in three years with an EBITDA of over 40%. How much are you willing to give me for an idea like this?”

I believe the focus should not be on trying to quantify the value of an idea but rather on answering a more useful question: **How to move from the value of an idea to an idea with value?**

An idea will be valuable if it can be implemented sustainably. To succeed, entrepreneurs must be able to innovate by mobilizing the necessary resources. This is the way to be true entrepreneurs and not mere inventors.

1.3. FORMS OF INNOVATION

Innovating in the market means finding a business opportunity. Business opportunities arise when consumers have unmet or unsatisfied needs. To capitalize on the business opportunity, the entrepreneur must offer the

market an innovative product or service sustainably. This product or service should correspond to a unique value proposition, different from competing offers and valued by the market.

Three Generic and Alternative Ways to Detect a Good Business Opportunity:



A. SOLVING A PROBLEM

Some problems are obvious and universally acknowledged, like major humanitarian crises (hunger, disease, war aftermaths).

However, other issues faced by organizations or individuals constitute real problems for which there are no satisfactory solutions yet.

The scarcity of qualified people is a problem for companies, especially in Information Technologies; food allergies that appear suddenly are much more frequent than imagined, constituting an inconvenience and even a life risk for many people.

Products and services that effectively, economically, and sustainably solve or mitigate these problems are clear business opportunities and do not require consumer behavior studies to validate their market adoption.

B. MARKET FAILURES

For various reasons, some products and services are already known or easily conceivable but are not available, at least in a certain geographic area.

When this happens, it is said that there is a market failure because there is no available supply for a known demand.

Most Portuguese families would like to have bread delivered to their door every morning in time for breakfast, but the old bread vendors who used to do this no longer exist.

Products and services launched to fill a market gap will certainly have demand, but it is necessary to consider that in most cases, this gap exists because competitors concluded that these are not profitable businesses or ones that justify the effort.

Information technologies, however, often allow the business model to be reinvented, making a market opportunity that previously wasn't attractive. For example, *Farfetch* enables access to shopping in physically distant stores, thus extending the market of these stores, which was previously local, to the entire globe.



C. OBSERVING TRENDS

This is perhaps the most difficult and least certain way to detect business opportunities.

For this very reason, it is also the one that, when successful, provides the greatest return as it typically relies on highly innovative and disruptive value propositions.

A classic example is Sony's launch of the first Walkman in the late 70s, allowing individuals to listen to music individually and on the go.

More recently, Airbnb launched a business model that allows some to travel cheaper and equally safely and others to earn income from a source that previously didn't exist.

Today, concern for sustainability is a clear trend. Starting with the sustainability of our bodies through the consumption of healthy and organic foods.

An example is the Celeiro stores. The first one opened in downtown Lisbon and was focused for decades on a niche market of mainly macrobiotic people. When they realized the new trend, they turned to the global market, opening multiple stores in various locations.

There are other ways to innovate, notably those that meet environmental, social, inclusion, and other concerns.

In this context, a concept that is becoming increasingly relevant is that of impact projects.

Investors are increasingly demanding, with individuals and institutions claiming to only make impact investments.

For instance, the EIB only invests in projects that are not harmful to the environment, refusing other types of investments.

The well-known NGO Ashoka prioritizes support for social entrepreneurship, advocating for a world where **each of us is a changemaker.**

1.4. SUSTAINABLE DEVELOPMENT GOALS

Any idea or business project today must have underlying sustainable development goals and contribute to their achievement in any of their aspects.

These goals were identified and referenced in 17 areas (the 17 SDGs) as established by the UN's 2030 Agenda. The 2030 Agenda addresses various dimensions of sustainable development (social, environmental, and governance) aiming to promote peace, justice, and effective institutions.

The 2030 Agenda and the 17 Sustainable Development Goals constitute the principles of a common vision for humanity.

The relationship between businesses and the market has shifted from a traditional model of supply, demand, risk, and opportunity to a new model where Sustainability plays a fundamental role.

Businesses are now evaluated not only on economic considerations but also on their sustainability performance, as this affects risk. Companies that do not consider the impact of sustainability factors like Human Rights, Corporate Governance, Decarbonization, Digitalization, Global Ethics, Diversity, or Supply Chain Management on business performance represent a risk not only for investors but also for businesses.



SUSTAINABLE DEVELOPMENT GOALS





2. ENTREPRENEURIAL PROFILE

Many people have ideas and the desire to start a business.

But do they all have the profile to create, develop, and carry out their objectives?

Having a good idea, knowledge of the subject matter, talent, or even guaranteed and necessary funding is not enough. Obviously, all of this is indeed important, but it's not sufficient!

An entrepreneur must possess characteristics that allow them to create, innovate, gather the necessary resources, develop, and sustain their business.

There are characteristics that can be developed, but others must be innate.

Evaluating the entrepreneurial profile of each individual should therefore be one of the first aspects to consider before creating a business.

Being an entrepreneur means being someone who produces new ideas with creativity and is capable of gathering the means necessary to implement them.

CREATIVITY is vital for generating new ideas, but it's not enough.

The entrepreneurial spirit goes beyond creativity.

To this, **VISION** must be added to understand how the idea can address a problem and/or be an opportunity for the market.

And having **AMBITION**, the ambition to achieve the desired result, and **PROACTIVITY**, seeking the necessary resources for this purpose.

Often, the initial idea will be challenged, as well as the ability to carry any project forward, so a massive dose of **SELF-CONFIDENCE** is necessary.

To build an idea and turn it into a business, it will be necessary to convince partners, investors, teams, suppliers... a whole set of stakeholders, so the ability to **PERSUADE** cannot be lacking.

Along the way, you will hear many no's, have to deal with many difficulties, and even after launching the business, there will be many ups and downs until achieving some stability, for which enormous **PATIENCE** is necessary, and above all, **RESILIENCE**.

And for the success of the business and especially for its sustainability and affirmation, two crucial factors in a true entrepreneur are: **ETHICS** and **LEADERSHIP CAPACITY**.

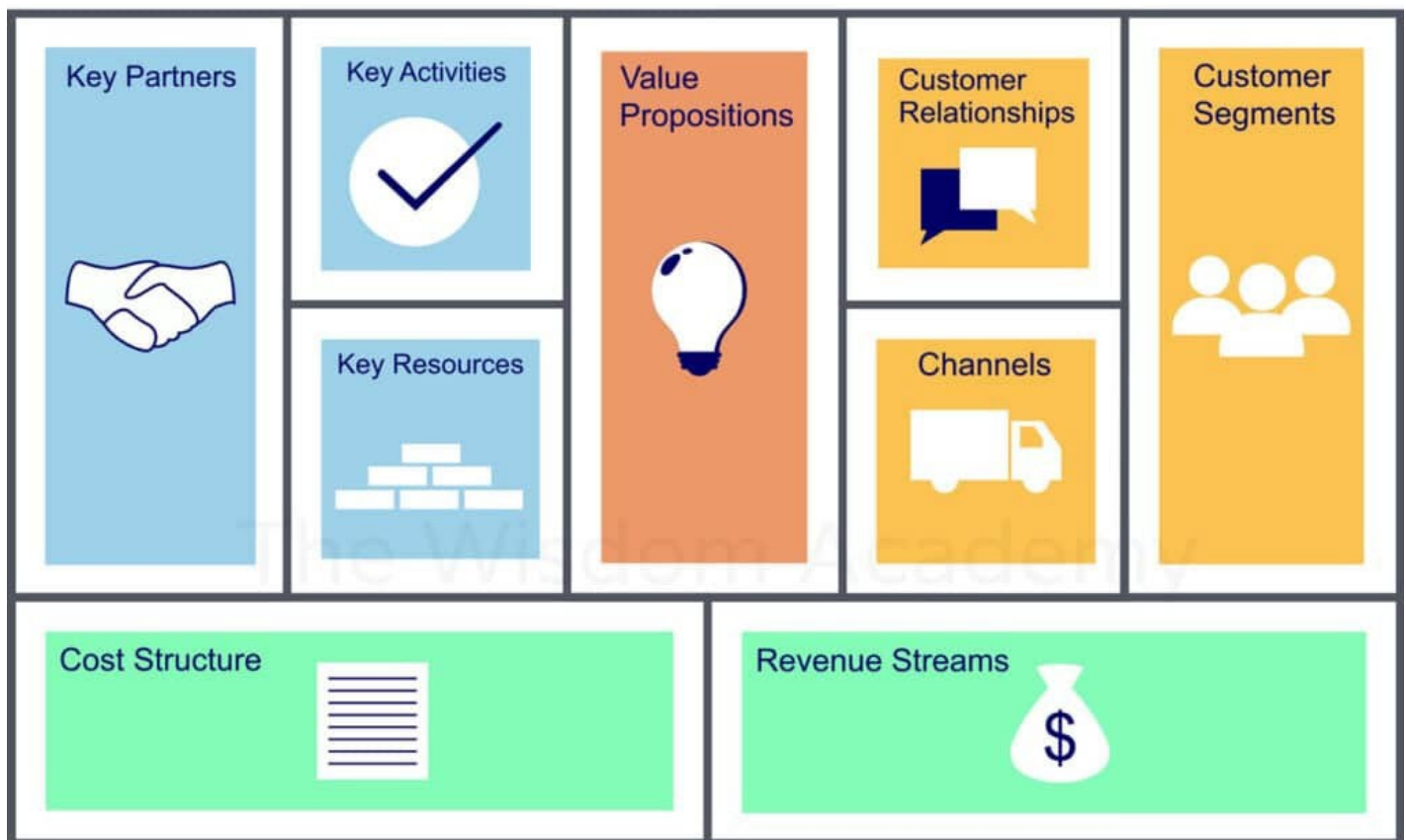
A good entrepreneur is a Leader who inspires everyone around them with **PASSION FOR WHAT THEY DO!**



3. BUSINESS PLAN: THE CANVAS MODEL

The Business Plan is the basic tool for gaining a deeper understanding of the business one intends to open and the market it's inserted in, providing powerful insights that can even drastically alter the initial idea.

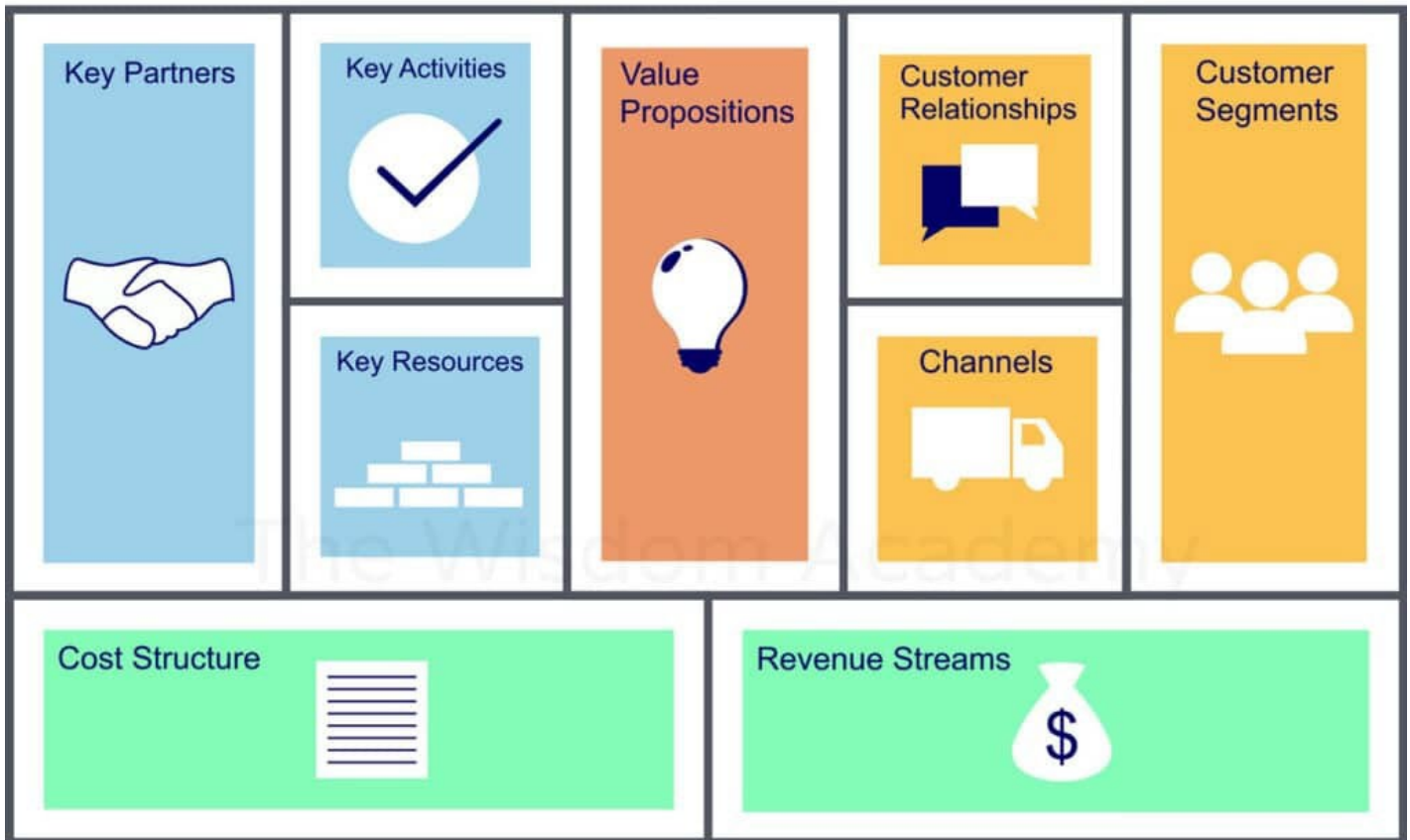
It's nothing more than a document, the product of a period of reflection and study by the partner(s) before embarking on the creation of the company.



3.1. STRUCTURE OF THE BUSINESS MODEL CANVAS

In the initial phase, this simple tool should be used: the Business Model Canvas. In this model, the main points of the business are

presented in 9 items, all displayed on a single page.



3.2. THE 9 DIVISIONS OF THE BUSINESS MODEL CANVAS

1. CUSTOMER SEGMENTS

Who is the target audience we aim to reach?
Focus on a specific segment?

2. VALUE PROPOSITION

In the value proposition, we define the offer we want to make to the market that will generate value.

3. CHANNELS

What channels for customer acquisition; how to generate demand and maintain customers.

4. CUSTOMER RELATIONSHIPS

How do we intend to establish relationships with different customer segments?

5. REVENUE STREAMS

How will revenue be generated?

6. KEY ACTIVITIES

What services will be performed to deliver on your value proposition?

7. KEY RESOURCES

What resources are needed to carry out key activities? What type of resources?

8. KEY PARTNERSHIPS

These are strategic alliances that complement the services offered.

9. COST STRUCTURE

What are the costs?



4. THE IMPORTANCE OF COMMUNICATION: MARKETING STRATEGY

To obtain clients, it's necessary to identify their customer segment. Who is your product or service aimed at, and then it's vital to know how to communicate with them.

The ability to **COMMUNICATE** or to **KNOW**

HOW TO COMMUNICATE is decisive for launching a business!

In a highly competitive world, creating a good Marketing Plan is extremely important!

5. THE TEAM

One of the key factors of any business is the team!

A good team can turn a less-than-good idea into a successful business. A bad team can turn an excellent business idea into a disaster.

Each of us has a talent, or even luck to have several, but no one gathers talent in all areas. Therefore, it's necessary to build a good team that combines talent and synergies to produce good results.

This team can be made up of partners, employees, or partners.

Especially in the initial phase, with people who can collaborate as partners, mentors, or service providers who can support.

It is in this measure that the entrepreneur's Leadership and Team Leading capacity is important in order to get everyone to share their vision and want to contribute to the final success.





6. GENERAL DATA PROTECTION REGULATION

Concerns arising from technological challenges and the necessity of safeguarding individual persons as a fundamental right led to the development of this Regulation.

What are personal data?

Information concerning an identified or identifiable natural person, "data subject." A natural person can be identified directly or indirectly, particularly by reference to an identifier (name, identification number, location data, electronic identifiers, or one or more specific aspects of the physical, physiological, genetic, mental, economic, cultural, or social identity of that

natural person).

This Regulation applies to natural persons, i.e., citizens, and does not apply to legal persons. This subject matter is extensive, and we won't have the opportunity to analyze it in detail. However, I emphasize three fundamental principles that underpin this Regulation, and understanding them facilitates better organization of ideas and, consequently, the implementation of the respective rules and procedures in companies.

NECESSITY PRINCIPLE

(Of particular relevance) Personal data must be limited to what is necessary for the purposes for which it is processed.

- Access should be restricted based on necessity; in other words, we should only collect the data we need for our activity and only grant access to those who need the data to work.

CONSENT PRINCIPLE OF THE DATA SUBJECT

This presupposes a freely given, specific, informed, and unambiguous indication of the data subject's wishes by which they, by a statement or by a clear affirmative action, signify agreement to the processing of personal data relating to them.

- The rule is that there is no implicit or tacit consent!
- The need for consent and authorization for data usage must be in writing and with a determination of the purposes for which they are intended.
- The need to demonstrate that consent has been given means that we must pay more attention than ever to the need for contracting, confidentiality agreements, the introduction of specific clauses even in employment contracts, etc.

TRANSPARENCY PRINCIPLE

Natural persons whose data is processed should be alerted to the risks, rules, guarantees, and rights associated with the processing of personal data, and this information should be easily accessible and understandable.

- The data retention period should be limited to a minimum, whenever possible.
- The data controller must set deadlines for erasure or review.

- Security and confidentiality in data processing must be ensured.
- The data subject must know the identity of the data controller and the purposes for which the processing is intended and be informed of the processing operations.

Conclusions to retain for a good application of the regulation in our companies:

- Need for adoption of internal procedures in companies/organizations regardless of their size.
- Need for review of forms, contracts, confidentiality agreements, etc.
- Contracts marked only with crosses or the motto "silence gives consent" are no longer valid.
- Need for the elaboration of confidentiality agreements with external entities providing services to companies and accessing their databases.
- Whenever a situation of difficult understanding and/or practical application or a gray area arises, request prior information from the National Data Protection Commission.



7. REGISTERING MY TRADEMARK

A TRADEMARK can consist of a sign or a combination of signs capable of being represented graphically, including words, including personal names, drawings, letters, numbers, sounds, the shape of the product, or its packaging, provided that they are suitable for distinguishing the products or services of one company from those of other companies.

The trademark can also consist of advertising slogans for the products or services to which

they relate, provided they possess distinctive character, regardless of the protection recognized to them by copyright.

Registration grants its holder the right to ownership and exclusive use of the trademark for the products and services it is intended for.

The Trademark can be: National, European Union, and International, with the filing and processing instructions differing for each.

Registration must be done at the National Institute of Industrial Property by the interested party or the right holder; an official industrial property agent; a lawyer or solicitor; or a third party domiciled in Portugal with power of attorney for this purpose.

Currently, national trademark registration can be done online (inpi online services), and the company portal also offers a "brand at the moment" service, which provides a set of

pre-approved brands, similar to the "company at the moment" service (portugal.gov.pt or justica.gov.pt).

The European trademark can also be done online, through the EUIPO (European Union Intellectual Property Office).

The national, regional, and EU-level systems are complementary and function in parallel with each other.

EU trademarks confer protection in all Member States of the European Union.

Never forget that a Trademark is an ASSET of a company



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CHAPTER 2

CREATIVE CHALLENGES:
AN IDEA AT EVERY
CORNER

MIGUEL ABREU

CREATIVE AND SUSTAINABLE ECOSYSTEMS

I - A CREATIVE BUSINESS, PART I

When we gathered in Mação, around a table, a diverse group of people from Central Portugal interested in assessing their possibilities and capacities to undertake a creative business, several questions arose: does it make sense? Why? For whom? With whom? How? And first and foremost, they asked: what exactly is a creative business?

Indeed, and first and foremost, from a technical and pragmatic perspective, it seems important to ensure that our business idea falls within the so-called "creative businesses," which in Portugal - at least currently, meaning that these classifications vary - can be of two different categories: the category of the core culture or the category of cultural industries, which are different from creative industries.





Therefore, and simplifying, if your business idea fits into one of the so-called creative activities classified in Portugal, you will have a creative business.

CREATIVE ACTIVITIES IN PORTUGAL

CULTURAL AND CREATIVE SECTOR

CORE ACTIVITIES

- **Performing Arts** (Circus, Dance, Festivals, Theater)
- **Visual Arts and Literary Creation** (Fine Arts, Photography)
- **Cultural Heritage** (Archives, Libraries, Historic Places, Museums, Archaeological Sites)

CULTURAL INDUSTRIES

- **Music**
- **Audiovisual** (Cinema, Radio, Television, Video)
- **Publishing**

CREATIVE INDUSTRIES

- **Architecture**
- **Design**
- **Advertising**
- **Software / Multimedia Services**

(Source: Guide to Culture and Creativity Supports / Ministry of Culture of Portugal / GPEARl - Planning, Strategy, Evaluation and International Relations Office)

WHAT ARE CREATIVE INDUSTRIES?

The 2010 Creative Economy Report, produced within the scope of the United Nations, defines creative industries as “cycles of creation, production, and distribution of products and services that utilize creativity and intellectual capital” as primary inputs. These are knowledge-based activities focused, among other areas, on the arts, which potentially generate sales revenues and intellectual property rights. While it's evident that countries can adopt different concepts of creative industries, the United Nations highlights the necessity for each to clearly identify all creative products and services and their mapping.

Portugal, as we have seen, distinguishes the core culture from cultural industries and, in turn, separates them from creative industries. But, as a whole, the Creative Sector in Portugal

encompasses all activities and all professionals working in the clearly identified "sub-sectors," allowing for local and international comparisons.

II – CREATIVE ECOSYSTEMS AND THE PEDESTRIAN THINKING TECHNIQUE

I. DELIMITING THE TERRITORY AND THINKING WITH YOUR FEET

The territorial area that has called us to think about writing these lines brings together five municipal communities: Mação, Oleiros, Proença-a-Nova, Sertã, and Vila de Rei, framed within the so-called Southern Interior Pine of the central zone of mainland Portugal. Rural municipalities, as opposed to urban municipalities. With low population density. Beset by climate change and especially forest fires.

What interests us at this moment - identifying creative and sustainable ecosystems - is to be aware, before anything else, of the context in which we are inspired because this statement of "an idea in every corner" is a challenge to our five senses to develop inspiring flows based on the territories of action.





Delimiting a territorial space is, in our view, the first step to work in order to be inspired by that same territory. To draw our specific cartography. It is very much in function of this territory, and the sub-territories or territorial layers it encloses, that we question ourselves about ourselves and our real will to stay or leave that territory, to create or not create a business in that territory and why. And when. And how. And for whom. And for what... In other words, to what extent the territory inspires us, moves us emotionally, creates expectations for the future. Or doesn't, and why.

To delimit a territory to contemplate it, to smell it, to taste it, to explore it. By walking through the delimited territories, we will build thought and critical mass, action, utopias and dystopias... Some might call this activity a kind of pre-market study, but we prefer to call it simply and solely "pedestrian thinking." Thinking with our feet, as sociologist José Machado Pais teaches us in his book *Sociology of Everyday Life* (IES-Institute of Social Sciences, 2002)

THINKING WITH YOUR FEET

It seems interesting and as a transversal methodology of creative thinking, to follow some methods of the so-called sociology of everyday life, where the maxim "thinking with your feet" incites us to the action of walking towards thinking, towards reflection, literally using our feet, in slow walks, very attentive to the daily information of the territory.

Reading the terrain, the territory, as one reads the "market," or thinks about the market, appeals to sensitivity and advises to prepare our sight, our hearing, our smell, our taste, our touch, for the latent creativity in numerous details. In short, understanding the importance of the base territory from where we start, delimiting it and observing it meticulously, mapping it, in order to inspire us and to know the market opportunities.

We talk about the importance of knowing the territory because it is from there that we will try to ensure our survival, preferably through creative businesses, our challenge. It will give us answers that will either fix us or distance us from it - It is in the territory that we will find, or not, the creative ecosystem essential to our survival through creative businesses. And, if it doesn't exist, are we able to create that ecosystem with other people and entities?

Which leads us to think: do we work based on cooperation or competition? Do we value sharing and complementarity or secrecy?

Let's think about it because it is a very important question to outline the profile of the ecosystem that we can, or cannot, create or take advantage of.

2. URBAN TERRITORIES VS RURAL TERRITORIES

We also think it important, at this moment, to reflect a little on what today constitutes an urban territory and a rural territory since, increasingly, they intertwine, or can be intertwined, with each other.

In fact, reading the delimited territory, whose borders we can expand or reduce according to the cartography we draw, is done in an area considered urban, as well as in a rural territory.

Urbanites and rural residents feel increasingly closer to each other, looking at and feeling each other's worlds - the urban world and the rural world - as close realities, following new rules of relationship, in search of a complementarity that ensures development in the service of survival. Survival of people's territories. (SOURCE: Portuguese Journal of History t XXXVI (2002-2003) pp 417-429 (vol.2) - Urban and Rural: the convergence of two concepts or other ways of "looking" at the territory? Fernando Delgado Cravidão / João Luís Fernandes).

It is therefore convenient to discuss what survival means for each of us, and for our nearest community.

This will not be the first question that arises when we want to be inspired, because it is good for ideas to flow, no matter how absurd they may seem to us, without great constraints... but, when filtering each idea, it seems pertinent to think about how it could contribute to our survival, individually and collectively.

First, it's important for each resident in the communities of the central region (South Interior Pine Forest) of the country to ask themselves: how to survive, in the interior of

Portugal, through creativity and creative entrepreneurship, in 2023 and the following years? This is a pertinent question for those who live, study, and work with "creativity" in Mação, for example, as well as for those who may consider wanting to move, live, and work creatively in this territory.

Second, we need to objectively evaluate the idea that rural development seems to be taking on a new dimension, especially in those territories where the population is more active, often stimulated by the emergence of new local actors - foreigners, outsiders, new residents not born in the land or returning as descendants. Claiming a participatory and critical citizenship, with the capacity for self-valorization and self-direction of their personal and collective lives. New local actors arrive in rural areas with new ideas, demands, and possibilities of mobility. Of course, this equation arises from the moment there are indeed new people arriving in rural areas and capable of interacting with the natives and vice versa. So, the question arises: have new people been arriving in these territories? And who are these people? Why? For what purpose?



It is evident that the ecosystem must be prepared to attract new people, new talents, other ways of "seeing" and "breathing" the territory, questioning it, provoking it, creating what are called creative tensions, usually with economic and social impacts. The ecosystem changes at the speed of the will and availability of the people and entities in each territory to receive creative-based projects, whether indigenous or from relationships created outside the territory. To facilitate and stimulate development, and the will for survival, it is essential to create spaces and times for socializing. Promoting meetings to socialize and exchange ideas, often informally, is extremely necessary for the creation of an attractive ecosystem - even if starting from concrete and difficult problems, such as the issue of fires and climate change. How can we summon creators from these dramatic situations to help implement more balanced and secure ecosystems that promote respect for nature, mutual assistance among populations, and the valorization of natural, material, and immaterial heritage?

In turn, major problems typically reveal other problems prior to the first detected problem, such as low population density or weak local debate and critical mass, or the realization of weak or unbalanced collective energy, low expectations for the future, etc.

We also note that many of these problems of

conviviality, or rather the lack of conviviality, and especially cosmopolitan conviviality, result from mobility difficulties - both territorial and social (also intellectual). The issue of mobility is inexorably associated with the equation of survival (not only financial but also individual freedom) in, and for, a territory. That is, a territory with low population density, little mobility and interaction between local and outsider populations, with mutual unfamiliarity, if it does not create conditions for conviviality among strangers, misses opportunities for social and creative development. It wastes the famous "social capital", hence also wasting cultural and creative capital. It fosters alienation, numbness, inactivity, or conversely, stimulates the departure of the most active, restless, and visionary individuals. Therefore, facilitating and stimulating mobility by attenuating ideas such as long distances, or reinforcing measures to attract and retain populations, through ecological and clean environments, hospital and social network, education network, transportation network, etc., is extremely important for creating the aforementioned creative ecosystem. But its embryo must be previously conceived and designed by the local forces of civil and political society and presented as a guiding design, a platform of trust.

Most, if not all, of us already know this; however, public policies and individual desires for change have not been able to meet in the formulation of a local and national design for the occupation of the territorial areas of the country's interior. This consciously complicates the lives of those who wish to set up a creative business, as they will sometimes have to create the aforementioned ecosystem almost alone, which clearly should not be their task.

In these cases, it is helpful to seek out other individuals, singular or collective, and create a community of sustainable interests among themselves, which, in some way, creates a context ecosystem and support network.

Still within the scope of mobility, if roads and other terrestrial, aerial, and maritime communication routes are very important, the internet also plays a fundamental role, not only by allowing telecommuting or remote work, but also because it provides other opportunities for occupying Time, namely leisure time, and immediate connection with the World. And, we hope, it facilitates another awareness of the global world and other possibilities of Knowledge. That is, physical mobility, but not only. Also intellectual mobility, associated with knowledge and information, training, and recognition. And, in this concern for mobility, obviously, social and cultural mobility, which is desired to be achieved through the creation of common opportunities based on talents and capacities.

That is, the ecosystem for creativity implies understanding, promoting, and facilitating mobility in all its dimensions (physical, intellectual, socioeconomic...).

On the other hand, there is now a greater awareness of respect for the environment, where human relations with its resources are beginning to concern many of our citizens - a renewed ideology of returning to nature. An opportunity not to be overlooked. Stimulated by a sense of responsibility towards future generations, the idea of sustainability is gaining ground, occupying public and media discussion spaces, since the late 1970s. Development is increasingly being drawn in terms of future generations, in order to ensure not only the existence of the planet but also a pleasant daily life for all people.

So the idea of survival can be developed based on a present committed to a near future, which can facilitate an open-mindedness towards the appreciation of ideas that previously might have seemed unambitious, small, rudimentary...But their relationship with sustainability has come to value them, and, by extension, also to value the personal life stories associated with each creative product or service (and we are thinking of the cloth dolls of one of our training companions), ancestral techniques, historical and mythological narratives, landscapes, collective characteristics of a village or city, etc...

For example, "creating" from ways of being like Vagar, inspiring a creative ecosystem in Évora, which will favor the development of research projects and artistic and cultural projects, but also communication in the service of the city's tourism, circular economy, public works, leisure time, health, international relations with other cultures where Vagar is a way of being, socializing, and living, etc. (Évora, European Capital of Culture, 2027).

And in the Central region, we could also see how, from the unfortunate circumstances of the fires, relationships between municipalities (people) and States (Portugal, Norway, Iceland) were established, within the scope of the Fôlego project.



3. APPLYING PERMACULTURE ADVICE

In these creative contexts where mobility and the environment play structuring roles, what can we learn from permaculture? Can permaculture be an inspirational model for organizing the creative businesses proposed by cultural and creative entrepreneurs concerned with the environment? We consider it an interesting challenge to think about creative businesses according to the ethics and principles of permaculture proposed by Graham Burnett, which can be applied in multiple circumstances.

Permaculture is not an occult science; rather, it is a way of thinking and organizing life and the world to meet our current needs without compromising the satisfaction of future generations, which is a clear statement of the desired sustainability for the planet. But beyond this crucial idea, there are two structuring concepts that any entrepreneur in creative businesses should embrace: the notion of accountability and the idea of individual empowerment (you are capable!).

By appealing to continuous observation, reflection, and the willingness to experiment and take risks—remembering that to err is human—we can protect ourselves through small projects. From their successful outcomes, we can gain confidence in ourselves and our individual and social competencies. Or we may come to understand our unsuitability for entrepreneurship, even if we are brimming with seemingly interesting ideas.

In other words, permaculture helps us understand how important it is to evaluate ourselves as individuals and projects seeking to increase autonomy, economic independence, and simultaneously ensure the surrounding environmental quality.

This could serve as a good starting point for deeper reflection and consideration: how to achieve these three life goals through creative businesses in a specific territory. Is that territorial ground capable of fostering an environment that generates positive energy, focused on health and life?

Permaculture challenges us to think about how to enhance ecologically-oriented creative projects in harmony with nature, environmentally sustainable projects. These projects should value clean air, potable water, and humanly enriching work and leisure. They should cater to consumers who are also concerned about the state of the planet, with their own well-being intertwined with nature, and aligned with communities worldwide increasingly focused on these same values of safeguarding the natural world and humanity.

Therefore, projects should target conscious "consumers" and endeavor to raise awareness among "consumers."

Clearly, there are ethics and a set of permaculture principles to consider when contemplating creative businesses today. In this regard, all creative projects should be guided by fundamental values such as respect for the Earth (Planet), for individuals (diversity of people and their rights, while raising awareness of their duties), and for Sharing (seeking to share...).

Beyond those overarching ethical principles, there are also some pertinent pieces of advice for designing creative businesses today:

a) Work with nature, not against it.

First, listen to nature and intervene as little as possible—although sometimes intervention may be necessary, avoid changing things just for the sake of change. Let's consider the importance of prioritizing interventions—what to intervene in, why, and when? This question is especially relevant when considering creating a business, whether creative or not...

b) Turn problems into solutions.

Often, solving a problem depends solely on how we perceive things. A slight change in perspective can help us find new solutions. By adopting an attitude of tolerance towards things, people, and life, and valuing apparent trivialities! (Example: a dilapidated house that becomes an inspiration and a treasure, a bean cake with emotional history associated with its gastronomic quality, which becomes valued as a

village treasure...).

c) Each function should be ensured by several elements and means, not just one path.

That is, avoid monoculture and value polyculture. In other words, each function should be ensured by multiple elements.

Maintaining a core business may advise the development of parallel businesses that utilize the same physical or land structures, use the same distribution channels and means, etc., not becoming completely dependent on one activity, culture, or market to survive and ensure quality of life.

d) Each element should gather various competencies.

The more competencies a person (creative) has, the more defended they are to ensure their independence and financial autonomy as well as to interact and relate with others, even if they wish to implement a system of direct exchanges and/or complementarity.

e) Income is only limited by imagination.

Typically, income refers to the quantity of "matter" produced, calculated in relation to the resources and efforts invested... thus, there is no reason not to expand this definition to include in the idea of income the information and lessons learned, the experience gained, the advantages of doing what you love, environmental benefits (clean air, beach, countryside), and time, pleasure. Income should be understood today as a calculation of personal and intimate benefits. Creators are people who always value aspects that often go beyond the economic-financial issue. This does not mean that they do not need money, but only that money may not fully fulfill them, often, just like many other people in other sectors of activity. Once a certain economic threshold that is considered sufficient and dignified is reached, there are other aspects that are valued or can come to be valued. Ultimately, trying to eliminate the limited reasoning in the classic phrase, "if it doesn't make money, why do it?"



f) The importance of synergies.

For a more productive ecosystem, one must be attentive and motivated by the synergistic relationship that can develop within the structure itself and even lead to opening up new areas of complementary activity or business. Synergy is important for bringing together departments of the same structure (and why not think of the city or town or neighborhood or street as a structure?) so that, together, solutions can be found to the most diverse problems, creating a true atmosphere of cooperation. When there is synergy, work and workforce complement each other, responsibilities are appropriately divided, dialogue is constant and fluid.

g) Coexistence in diversity - stacking.

Contrary to the organization of gardens cultivated by man, we see that nature does not compartmentalize its crops by species, placing ornamental plants on one side, vegetables on

another, and fruit trees on yet another. In the forest, large and small trees coexist, along with shrubs, plants, etc., occupying the same space and stacking on top of each other, each seeking its space according to its needs, within the system. How can we take advantage of this lesson from nature to find space for conviviality and complementarity between creative businesses instead of destructive competition? That is, to stimulate interfaces between people and ideas, with benefits for each, and how each can protect the other and thus promote a whole succession of sustainable projects that are also anchored together, strengthening each other.

III - RESOURCE

What is understood today by "resource"? Whatever it may be, a resource functions in relation to Time and Space, according to the needs of a specific community, and also in accordance with the available technology. The concepts of Time and Space interact with the idea of what a resource may be - not all people, living at different speeds, classify the same reality as a resource. On the other hand, the concept of resource expands and strengthens with the inclusion of immaterial components: for example, the importance of sustainable tourism based on the identities of each place and the cultural specificities of each population. A specific and vital knowledge of each territory, along with its traditions and beliefs, which amplify feelings of self-esteem, become resources, reproducible, creatively, into other resources.

Today, diversity, creativity, and innovation are valued, not only in urban areas, as might seem obvious, but also, paradoxically, in the more sparsely populated rural areas where Time seems to expand, the air tends to be purer, and security is a growing value compared to the dangers of the city.

In other words, in each territory, in this case in the so-called rural territory, there are potentialities, resources, to be discovered, explored, or enhanced, aiming for a more qualified life for its populations without harming the environment. On the other hand, culture and creativity, in their human genesis and in the composite of human relations (social

capital, there it is!), which nourish cultural and creative practice, are inexhaustible resources.

In the Center, can I have time (resource) to look at the landscape (resource), cultivate and eat organic apples (resource), develop a video game (resource), and thus sustain myself through the practice of a creative business?

The answer will be, in our view, as follows: why not? However, the evaluation, to find an honest and balanced answer about the risks associated with existing resources, implies considering various circumstances of personality and personal context (myself), and others, endogenous and exogenous to the territories, such as: a) mobility; how far is Mação from the sea? And how far is Oleiros? And Vila do Rei? And from the airport? And from the Hospital? And from the School? Or the train? And from Paris? Or New York? Or Luanda? Or São Paulo? In other words, pondering the socioeconomic distances in their relationship with locomotive distances; b) pondering the divergence between demographic and economic curves - possible low population density; c) evaluating the existence of urban centers (strong? weak?) that are dynamizers, and their polarizing powers. On the other hand, it is important not to forget that Globalization, presupposing an increase in the circulation of populations and investments and an intensification of the mobility of material and immaterial flows, alters, or can alter, rural and urban landscapes. With opportunities and threats.



The heritage, material and immaterial, that the country holds, is a wealth - will it be a path, even if only an alternative one, of affirmation? What is the material and immaterial heritage of the Center of Portugal?

Is the preservation of the rural world that still exists also a wealth? We think so, and more and more people think so - but only if accompanied by innovation, organizational capacity, people, and processes of valorization.

In other words, a potentiality is only a resource if it is supported by an organizational network that allows the production of consumable goods, products, or services, both by indigenous populations and by exogenous markets.

So, we need to survive; the question is to rethink how much we need to survive.

In short, there seems to be a growing appreciation of rural areas by an increasing

number of people, gaining a new dimension: cultural, social, environmental, and also educational. Opening up new possibilities for creative businesses – for example, rural tourism. So it is pertinent to question whether this rural tourism allows for logics of internationalization of these territories where it develops and assumes a role as a local settlement structure, because the so-called "social march" by itself does not mean local development and can even, paradoxically, cause damage and loss of identity.

However, what seems important to us for now is the awareness that there is a multifunctionality and growing flexibility of rural territories, very important for the germination of creative environments, exactly as in urban territories.

IV - HOW TO DESIGN A CREATIVE ECOSYSTEM IN A TERRITORY?

To put our brains and hearts to work and start designing a creative ecosystem for a given territory, we can start with simple exercises, such as asking ourselves: What color do I associate with the territory? What painting would I associate with the territory? What book, or books, do I associate with the territory? What music or songs does the territory inspire me to listen to, or what do I associate with the territory? What music would I listen to at sunset? And what time would I leave home for a walk through the fields or for a trip to the beach? What is the architecture of local commerce like? What is understood by comfort in the territory? Is silence valued? Is there racism or xenophobia? Or gender and sexual

orientation discrimination?

The weight of religion or religions? Are there theaters or museums? Are there factories? Where do local populations socialize the most?



It is also advisable, as a method, for each of us to ask ourselves a set of questions, even if it is a micro-organization, to help think about to what extent our ideas are aligned with major concerns, interests, and motivations of the contemporary world - ultimately, to be attentive to some of the major questions and causes of our collective future, nationally and globally.

Jonathan Porritt wrote an interesting book "The World we made" (Phaidon, London, 2013), where he challenges readers to some reflections that can also unsettle and inspire us. How do I see my world today and how do I project it in 2050? How is the solar revolution interacting with us, with our landscape, with our daily life? Water as a matter of life or death – or the need for water for all. And the internet, how are we dealing with the internet and artificial intelligence? Climate change - the end of the oil age? Companies, cooperatives, and capitalism. Spiritual activism – wasting food is a sin, especially in the face of the idea of great hunger and the urgency to feed the world. Unlimited education. Working to the rhythm of nature and putting nature to work. Security in the cyber world. The population time bomb. Minds and machines. Urban reforms in the design and construction of cities. The rebirth of manufacturing. Biotechnology control. Work,

wealth, and well-being. The sea and maritime resources. Empathy. In short, many other questions arise in a world of constant change, and we should try to know, identify, systematize, and cross-reference them with our ideas and expectations... How do these major questions, among others, interact with my ecosystem, my context, my idea of life and creative business?

V - SO? A CREATIVE BUSINESS – PART 2

Let's go back to the beginning of this chapter. Do we have a creative business? We now delve a little deeper into the question with the reflections we have been sharing in the previous sub-chapters.

What is a business?

The word "business" comes from the Latin "negotium," which means occupation, work, activity. It is important to bear this etymological origin in mind, as it reinforces the idea of occupation, work, and activity.

In Portuguese, it means, in the sense that now interests us most, a commercial transaction.

What is a creative business?

The concept of a creative business implies a commercial transaction involving a creative good, product, or service. It is a commercial transaction based on culture and creativity; in other words, artistic and creative activities can be transformed into commercial transactions, into businesses, if they are regularly designed to generate profit, satisfying market demand.

We think it important to return to the Latin meaning of "negotium" because by reinforcing the idea of occupation, work, and activity, we help to pose the following question to the artist and the creative: what importance does artistic and creative activity have for your survival? Is it an amateur activity, done for pleasure, as a pastime, or to fill leisure time, or is it, on the contrary, your main source of income to support yourself and your family, providing you with professional fulfillment at the same time? To decide to live professionally from art and creativity implies assuming the risks of this professionalism; that is, activities must be carried out that produce goods, products, or services that someone (a client, spectator, user), or someone on their behalf, is willing to pay for, since these goods, products, or services – artistic and/or creative – are essential to their life (a need or, on the contrary, a lack of awareness of this need, which partly justifies

public support for artistic and cultural projects ignored by a large number of consumers) or provide something they really like or are unaware of (a desire, a curiosity).

But the idea of "negotium" also helps us to calculate the value of the remuneration or price to negotiate for the creative work developed – is money all that interests me? Do we value artistic or creative pleasure? Or other values? What percentage of money versus artistic pleasure, or the sense of opportunity, should we consider when setting a price or accepting a monetary value for the service or the creative product or good?





VI - WHO AM I?

I, as a creative, do I want to be an entrepreneur? Do I want to turn my talent, my creative activity, into a business, preferably a successful one (regardless of what each person may understand by success), one that ensures my survival and the survival of the planet? Am I willing to take on a set of commitments, such as: working while considering the citizens and their needs, or the customers and their desires; studying the competition; preparing appropriate technical and artistic training; calculating costs; dedicating time to legal knowledge; disciplining myself and planning activities...

In short, do I have the profile and the desire to be an entrepreneur?

Above all, you must be able to outline your objectives well. What are your motivations and goals? Why did you decide to turn your creative activity into a business? What result do you expect to achieve with this decision? What do you think needs to be done to achieve these objectives? What facts or situations could

hinder the success of your business, and what decisions will you make to overcome the difficulties?

In addition to finding answers to these questions, the creative individual must also self-assess by examining themselves intimately and truthfully and by seeking to hear others' truths about themselves. Your physical and personality characteristics, your talents, your health, your moods, your family situation, your financial ambition and artistic recognition, etc., all the qualities and flaws of your self must be considered and weighed before making decisions about whether you actually want to be an entrepreneur and if so, which path to take.

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CHAPTER 3

**COMMUNICATION: OUT
OF SIGHT, OUT OF MIND**

SUSANA LOPES

OUT OF SIGHT, OUT OF MIND

In the digital age, where the world is constantly changing, the ability to stand out in the crowd becomes increasingly challenging. The offerings are growing, and the capacity to differentiate ourselves is becoming more of a challenge.

While having a quality product/service is important, the truth is that it's becoming more limiting, and the need to make ourselves known, to be present with coherent communication, and to be recognized for adding value to the market, has an increasingly significant impact on business success.

Communication systems, in the current era, are part of what's called the soft skills of entrepreneurs; they are powerful tools that can determine the success or failure of a project.

Out of sight, out of mind! An old saying that increasingly reflects the harsh reality of today, as communication channels continue to expand, message dispersion increases, and consumers become more demanding.

MARKETING STRATEGY

I. WHAT IS MARKETING?

"Marketing is the art of winning and retaining customers."

There are various definitions of Marketing found in books and the digital world. Marketing is a set of strategies aimed at adding value to brands, products, services, and, primarily, fostering positive relationships between companies, customers, employees, partners, and the community.

A good marketing strategy should identify and satisfy the needs of all parties involved, from the beginning to the end of the process. Involving each party, making them feel important throughout the process, increases their participation and the spread of the message, leading the target audience to make purchases.



2. WHAT ARE THE OBJECTIVES OF MARKETING?

Most of the time, we define the concept of a business area perfectly, but we are not quite sure where to go or how to achieve the goals we set.

We define 7 objectives, which can be easily achieved with the implementation of a good marketing strategy:

Sell More: Strategies to attract customers;

Customer Loyalty: Companies should stay close to the customer;

Visibility: Strategy focused on people;

Create a Brand: Branding (logo, values, mission...);

Build Relationships: Create bonds with audiences (customers, partners, employees...);

Educate: Educate consumers about the solutions we offer;

Employees: The happier they are in their workplace, the more "commercial" they become.

3. MARKETING MIX

The marketing mix is a tool that guides planning and ensures that strategies have an

impact on the market. Over time, there has been an evolution from the 4Ps to the current 8Ps of the marketing mix.

Product: What you deliver to the customer: concept, functions, brand. It determines the success (or failure!) of your business.

Price: It's necessary to create strategies so that people identify the value of your product.

Place/Market: It's how the customer acquires your product or service (physical store, points of sale, online store, marketplace, etc.).

Promotion: Promotion is different from discount. They are marketing strategies to sell the product/service.

Target Audience: Study the target audience to understand the persona.

Processes: All techniques and methodologies that represent the workflow. Define who is responsible for each stage: from product creation to after-sales.

Positioning: It's a way of doing business with your customers to get a good positioning for your brand. It analyzes: visual presentation, work team, dissemination channels, and consumer behavior.

Performance: It's the pillar of quality and also of the productivity of your brand. KPIs are chosen in this phase to analyze the performance of sales strategies for the product in the market. This analysis is important for evaluation.





COMMUNICATION STRATEGY

Communication strategy is the plan by which a company, its products, or services are communicated to the external (customers/partners/opinion leaders/influencers) or internal (employees) public, according to its business strategic planning.

I. DIAGNOSIS

A communication strategy must be coherent and based on the current reality of the company. Conducting a thorough diagnosis, answering some questions, can help:

- How is the company/project characterized?
- What is its market?
- Who are the buyers and consumers?
- Who are the competitors?
- What range of products/services does it sell?
- What are its sales objectives?
- How does it promote its company?

The answers to these questions will result in the positioning of your company.

"Positioning is the relative position that brands, products, and services occupy in the minds of their respective consumers."

Positioning results from two essential aspects of the business:

- **Market:** Study the target market;

- **Differentiation** of the products/services/ideas you sell through branding and the experience you offer to the consumer.

Once the positioning is defined, it will be easier to establish the objectives to communicate, always starting from the principle that the ultimate goal is to lead the audience to purchase:

create awareness; inform; experiment; disclose; stimulate purchase; convey trust; sell; build loyalty.



2. TARGETS

In many cases, all people who may someday acquire our product are considered possible customers. In reality, this idea leads us to always communicate to a general audience, with people with such different needs. This is undoubtedly the most complex phase for many entrepreneurs.

For the message to be precise and meet the objective need, it's necessary to know who we are communicating to and who has the power of decision. The marketing target is different from the communication target. An example of this is children's product campaigns: we communicate to them, but the ones with purchasing/decision power are the parents.

Understanding the target audience and defining the persona have a significant impact on action/purchase, besides avoiding unnecessary expenses, and remember, not always the consumer is the purchaser.

3. MARKET INFLUENCERS

In this digital era, we increasingly have access to information of any kind, anywhere in the world, which increasingly influences our decision to acquire products/services.

The sharing of individual brand experiences on social networks has had a huge impact on the market. We are not limited to the information brands transmit to us but to the opinions of those who have experienced them.

Influencers: They influence others to buy, often paid by brands;

Opinion Leaders: They can often change the opinion of their followers;

Prescribers: They impose the purchase;

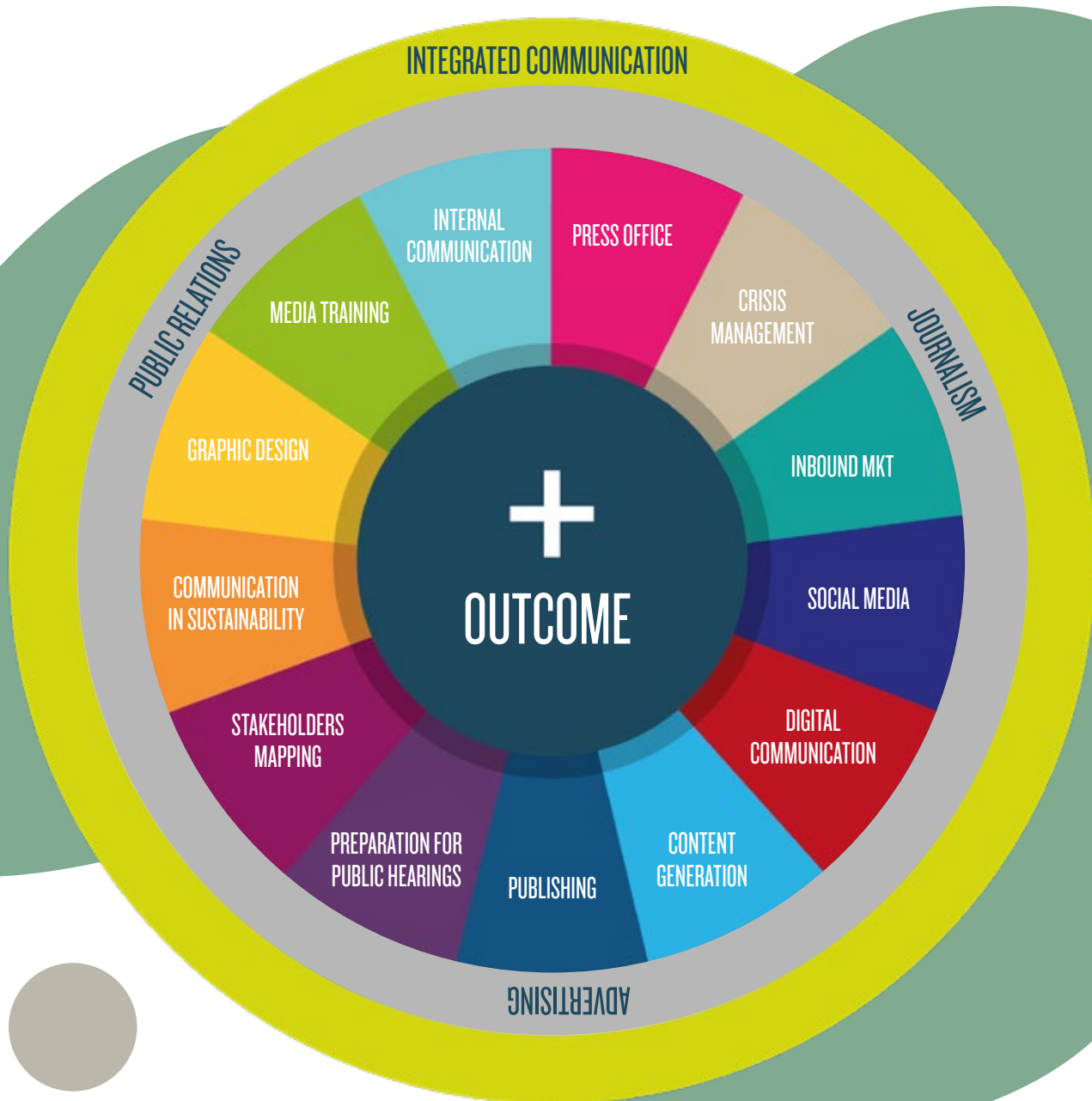
Communities: Groups on social networks that have direct experience with products/services. They are increasingly important due to their credibility.

Other criteria to consider are socioeconomic and demographic.

4. COMMUNICATION MIX

Currently, one of the biggest challenges, due to the diversity of areas that communication encompasses, is the strategic articulation of all these aspects and communication tools to unify the message we intend to convey. Only then can we maximize the results, whether to add value to your brand, consolidate your image and improve your reputation, sell your services/products, or increase your exposure and visibility to your audiences.

Choosing communication channels to reach our audience is a decisive factor for the success of the campaign. Therefore, it's extremely important to know the habits of our audience, so we can understand where they are, when they are, what they do, and thus understand where our investment is going, whether it's by creating an advertisement in a newspaper or if social networks are where they spend the most time.





5. CREATIVE STRATEGY

With an increasingly competitive market, the differentiating factor is becoming more and more important. Standing out from the competition.

Investing in a creative, impactful, direct strategy that surprises the consumer and at the same time creates a dialogue with them is becoming increasingly necessary in today's market. Therefore, we suggest these 6 steps:

- 1. Define the objective:** what do we intend to achieve with this campaign?
- 2. Copy:** How can we convince customers to buy our products or services instead of a competitor's? A simple phrase that answers this question.
- 3. KPIs:** Evaluate the campaign based on the initial objectives.

- 4. Communication channels:** What communication channels will we use? How will we communicate: the tone, the style, always with a focus on the initial objective.
- 5. Budget:** Create a precise budget.
- 6. Timeline:** It's essential for cost forecasting, team management, and the final result of the campaign.

6. COMMUNICATION PLAN

The communication plan defines the company's communication actions toward specific and measurable objectives, reaching the target audience with the right messages.

We have reached the point where everything starts to take shape for the outside world. The communication plan should be simple and direct, with the ability to adjust in the short, medium, and long term, whenever metrics indicate such a need.

The communication plan is the basis of any project's communication strategy. Therefore, when developing it, we must consider the following steps:

Positioning

Objectives and goals (SMART)

Target audience

Timeline

Testing

Results and feedback

PLANO DE COMUNICAÇÃO	OUTUBRO					NOVEMBRO				DEZEMBRO					IMPACTO	BUDGET	
	1	2	3	4	5	1	2	3	4	1	2	3	4	5			
ASSESSORIA DE IMPRENSA press release(s), press meeting e hit map															1.000	R\$	6.000,00
MATERIAL INSTITUCIONAL criação do sales kit: a) institucional - b) qualificação dos leads * folder, vídeos, testemuniais, ficha de produtos, web															500	R\$	20.000,00
CAMPANHAS a. definição do tema, conceito, assets visuais e call to action b. mapear os pontos de contato com o público alvo																R\$	5.000,00
PLANO DE MÍDIA a. premissas #1: afinidade sem dispersão b. premissas #2: abrangência com frequência * mapear os pontos de contato com o público alvo															50.000	R\$	100.000,00
EVENTOS roadshows, feiras, congressos, seminários, eventos patrocinados															3.000	R\$	200.000,00
MATERIAL DE PONTO DE VENDAS take ones, spiff, degustação															3.000	R\$	150.000,00
PROGRAMAS DE RELACIONAMENTO																	
ESTRATÉGIA ON-LINE																	
SITE conteúdo relevante para públicos específicos															50.000	R\$	15.000,00
LAND PAGE promoção de produtos e/ou campanhas com call-to-action específico															70.000	R\$	8.000,00
REDES SOCIAIS criar comunidades afins para oferecer o *conteúdo relevante															2.000	R\$	5.000,00
MÍDIAS SOCIAIS - GoogleAd, FacebookAd, LinkedIn, Twitter ... promover o 1) LANDPAGE 2) SITE 3) REDE SOCIAL premissa #1: CPC, regionalizado, segmentado, personalizado															50.000	R\$	50.000,00
ECOMMERCE																	
														229.500	R\$	559.000,00	

	%	PÚBLICO ALVO	R\$	ROI
ABRANGÊNCIA	100%	229.500		
IMPACTO - GTM	50%	114.750		
CONVERSÃO	35%	40.163		
TICKET MÉDIO			R\$ 120,00	R\$ 120,00
INVEST. GTM			R\$ 559.000,00	R\$ 559.000,00
ROI / R\$1,00				8.62

7. CREATIVE PROCESS

Each communication medium has a specific objective and a distinct viewing time. How we communicate on each of them must capture the audience's attention. The AIDA funnel is a widely used technique to ensure results in campaign creation.

A: Attract the consumer's attention.

I: Create interest, empathy. Respond to a need.

D: Create desire in the consumer.

A: Lead to action.

From television to billboards, magazine ads, emails, and radio ads, whatever the medium, for a campaign to be successful, it must capture the consumer's attention.



DIGITAL MARKETING

Digital marketing is an increasingly unavoidable reality, being a powerful tool to elevate brands to a higher level, allowing consumers to make an immediate decision.

Today, more than ever, having a marketing strategy is essential for brands. If until now the consumer was only led to action at the first contact with the product,

Today, this is becoming less and less important. The digital world allows consumers, through posts and shares, to form initial impressions even before the first physical contact.

A digital strategy becomes increasingly necessary.

I. WHAT IS DIGITAL MARKETING?

Digital Marketing is the set of activities that a company (or person) carries out online, with the aim of attracting new business, creating empathy, and developing a brand identity. Among its main strategies are SEO, Inbound Marketing, and Content Marketing.

Digital marketing is a powerful tool in creating and consolidating relationships between brands and customers.

There are numerous advantages to digital marketing, from greater interactivity with the public to immediate data acquisition, the ability to attract consumers anywhere in the world, better understanding of the audience, and immediate access to information.

However, if everything seems easy, it should be noted that in the digital world, nothing is controlled. The consumer assumes a role of participative control, and here it is important to be very careful with the positioning and communication each brand assumes. What could be wonderful until now can turn into a nightmare.

2. DIGITAL PRESENCE AND COMMON MISTAKES IN DIGITAL MARKETING

Whether we like it or not, we are all present in the digital world. From the citizen identification system to social networks, whether by choice or not, the truth is that it is impossible to escape this world.

A digital marketing strategy implies first having a business strategy, and aligning these two aspects results in objective communication with your audience.

Digital presence alone does not require a business strategy; we are simply there. This is one of the biggest shortcomings of many brands: communication without an objective. A business in the digital world is not just about having a page and putting products/services on it and now waiting for sales! Some of the most common mistakes:

- **Not knowing the target audience;**
- **Not planning or measuring results;**
- **Lack of value-added content and its promotion;**
- **Waiting for everything to be perfect to act;**
- **Lack of consumer incentive to take action;**
- **Focusing on aggressive sales.**





3. DIGITAL CHANNELS

Digital channels allow any project, regardless of its budget, to communicate in this wonderful world. If in traditional marketing everything was counted to the penny, here, with a well-defined strategy aligned with the business, we can make millions with just one click.

From social networks to websites, there are several tools that we can use simply and economically to reach our customers. All we have to do is follow the rules and understand that there are many ways to articulate and share information, always keeping our goal and the available tools in mind.

The old question: Social Networks or website?

Both. Yes, both. We often assume that digital tools are all very similar and have the same objective. Wrong!

While a Website allows us to present the brand in a more institutional, structured way, where we can control all content and monitor statistics and work with search engines directly, on social networks we completely lose control. We control the information that comes from the base, but we do not control the opinion shared by the consumer, and we quickly run the risk of going from great to terrible. Therefore, aligning strategies is important.



Should I be on all social networks?

I would say yes, but not in the same way. It's important to know my audience well and understand what they are looking for on different networks. If Facebook is more about opinions, we know that Instagram thrives on beautiful photos, and YouTube on good videos.

There are no rules that apply to all businesses; each business is unique, with a measured added value, with a different audience, and the most plausible thing is to test and adjust.

In summary, there are no perfect tools for every business; the secret is to use the existing tools, test them, and adjust them according to the audience. More than using any tool, if you don't know the needs, what the audience is looking for, success is unlikely.

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CHAPTER 4

LEGALITY:
BETTER SAFE THAN
SORRY

ALEXANDRA SARAIVA FONSECA

BETTER SAFE THAN SORRY

LEGAL FORMS

The choice of the appropriate legal form for the objectives to be implemented depends on:

1. How you will organize and develop your work (individually or jointly with others)
2. The activities you will carry out and the objectives you intend to achieve (development of an economic activity - commercial, industrial, or agricultural - or an activity for general or altruistic purposes, non-profit, such as promoting a sector or a region)
3. The size of the project (whether it may or may not require significant initial investment, hiring permanent or temporary employees, full-time or part-time, creators, artists or technicians, service providers in general, suppliers of goods, leasing of spaces, among others)
4. The risk of the project and the degree of responsibility one is willing to assume (whether to limit their liability to a certain asset or to respond with the entirety of their personal assets for the debts of the activity)
5. Whether it is a public or private entity

PROJECTS DEVELOPED BY A SINGLE PERSON

A) EXERCISE, ON ONE'S OWN BEHALF, OF A PROFESSIONAL OR BUSINESS ACTIVITY

1. Independent Professional

Provides services, including scientific, artistic, or technical nature and income generated from intellectual property (copyrights and related rights or income from industrial property)

2. Sole Trader

Engages in commercial, industrial, agricultural, forestry, or livestock activities: Buying and selling; Manufacturing; Sale of shows; Entertainment and leisure activities; Tourist activities, hotel industry, catering, and beverages; Crafts; Beekeeping, etc.

In both cases:

- The activity is carried out by a single individual or natural person without the creation of a new entity
- There is no separation between personal assets and business assets, so the entrepreneur/sole trader/independent professional's own assets are used for the economic activity
- Liability is unlimited, meaning that the entrepreneur/sole trader/independent professional is

liable for the debts incurred in the course of the activity with all assets comprising their estate

- Mandatory insurance includes self-employed accident insurance and professional liability insurance
- Regarding the trade name:
 - The individual merchant/entrepreneur must adopt a single name, composed of their full or abbreviated name, as necessary for identification, and may add a nickname or expression alluding to the activity carried out (DL 129/98 of May 13 - article 38th)
 - Other individual entrepreneurs who habitually carry out, on their own behalf and for profit, an economic activity legally not qualified as commercial or as a liberal profession may adopt a trade name under which they are designated in the exercise of that activity and may sign the respective documents with it (DL 129/98 of May 13 - article 39th)

3. Sole Proprietorship with Limited Liability

Intended for the exercise of commercial activity through the allocation of part of the assets of a natural person, the value of which corresponds to the initial share capital.

- It is held by a natural person
- Share capital cannot be less than €5,000 and can be paid in cash, goods, or rights that may be subject to attachment, with the cash portion not being less than €3,333.33
- It is not recognized as a legal entity
- There is a separation between the personal assets of the entrepreneur and the assets allocated to the company, with the entrepreneur's own assets not being allocated to the economic activity
- Only the assets allocated to the activity are liable for debts resulting from economic activity, except in the event of insolvency, if it is proven that the principle of patrimonial separation was not properly observed in the management of the establishment
- The name must necessarily contain the name of the holder, in full or abbreviated, and the expression "Sole Proprietorship with Limited Liability" or "EIRL," with the reference to the branch of activity being optional (DL 129/98 of May 13 - article 40th)

B) DEVELOPMENT OF AN ECONOMIC ACTIVITY THROUGH THE CONSTITUTION OF A LEGAL ENTITY: COMPANY (COMMERCIAL COMPANY)

Single-Member Limited Liability Company

- It has a single shareholder (can be a natural or legal person) who holds the entire capital
- Once constituted and registered, the company acquires its own legal personality, distinct from that of its shareholder, with a separation between their respective assets
- There is no minimum amount required for the constitution of share capital, so its amount is freely determined
- The company name must be formed by the expression "Single-Member Company" or by the word "Single" before the word "Limited" or the abbreviation "Ltd.": Example: Praça Films, Single, Ltd.

PROJECTS DEVELOPED BY A GROUP OF INDIVIDUALS

PRIVATE SECTOR

1. **Commercial Companies**
2. **Professional Societies**
3. **Associations**
4. **Cooperatives**
5. **Private Foundations**

PUBLIC SECTOR

1. **Municipal, Intermunicipal, and Metropolitan Companies [Local Business Sector]**

EGEAC - Municipal Company of Lisbon responsible for the Management of Equipment and Cultural Animation, under the supervision of the Lisbon City Council

ÁGORA – Culture and Sports of the Porto Municipality, under the supervision of the Porto City Council

2. **Public Companies [State Business Sector]**
3. **Public Foundations (e.g., UNIVERSITY OF PORTO)**

I. COMMERCIAL COMPANIES

1. Development of economic activity with a profit-making purpose, jointly with one or more persons, with continuity, contributing with money or other assets and seeking to generate, through it, a distributable profit among the partners[e.g., production and sale of shows; tourist entertainment, leisure, catering, hotel industry, audiovisual and multimedia production; publishing; film distribution]
2. After incorporation and registration, the company acquires its own legal personality distinct from each of the partners. As a legal entity, it holds rights and obligations distinct from those of the individuals who created it.
3. They adopt one of the forms provided for in the Commercial Companies Code [CSC]: General Partnerships | Limited Liability Companies | Public Limited Companies | Commandite Companies

GENERAL PARTNERSHIPS

- Does not require a mandatory minimum amount for share capital, as the partners are jointly and severally liable for the company's social obligations
- It is a company with unlimited liability, so the partners are jointly and severally liable towards the company and jointly towards each other
- The firm may be composed of the full or abbreviated name, the surname, or the firm of all, some,

or at least one of the partners, followed by the mandatory addition in full "and Company," abbreviated "C.^a," or any other indication of the existence of more partners, notably "and Brothers"

LIMITED LIABILITY COMPANIES

1. Minimum number of partners: 2
2. Minimum share capital: not specified. Its amount freely set in the company's articles of association, corresponding to the sum of the shares subscribed by the partners
3. name: designation followed by the word "Limited" or the abbreviation "Ltd."
4. Capital structure: the capital is divided into shares, whose nominal values may vary, but none may be less than €1. Shares cannot be represented by securities
5. Liability of partners: limited to their share of capital/share. Only the company is liable, with its social assets, to the creditors for its own debts
6. Organization of corporate bodies:
 - * General Meeting
 - * Management
 - * Oversight Body (only mandatory when they exceed a certain size)
7. Examples: *Biogate Ltd., Teatro da Cornucópia Ltd., Pixbee Ltd., Cassefaz – Cultural Shows, Videos and Publications Ltd.*

PUBLIC LIMITED COMPANIES

1. Minimum number of shareholders: 5
2. Minimum share capital: 50.000 €
3. name: designation followed by the words "public limited company" or the abbreviation "S.A."
4. Capital structure: the share capital is divided into registered shares, all with the same nominal value and represented by securities
5. Liability of shareholders: limited to the value of the shares subscribed. Only the company is liable, with its social assets, to the creditors for its own debts.
6. Organization of corporate bodies:
 - * Board of Directors and Audit Committee (or Single Auditor)
 - * Board of Directors, comprising an Audit Committee and Official Auditor of Accounts (ROC)
 - * Executive Board, General Supervisory Board, and ROC

PROCESS OF INCORPORATION OF COMMERCIAL COMPANIES (INCLUDING SOLE PROPRIETORSHIPS BY SHARES)

1. Request for admission of social name/firm (RNPC - National Registry of Legal Persons)
2. Social pact: drawn up by public deed, by a lawyer or notary, with the constitution subsequently subject to commercial registration (Commercial Registry Offices)

3. Procedure for company creation on the spot: allows, on the same day and at a single counter, the creation of a company and its commercial registration, available at the commercial registry offices (pre-approved pact model)
4. Online company creation (pre-approved pact model): the service is available at <https://eportugal.gov.pt/espaco-empresa/empresa-online>, to any citizen, provided they hold an activated Citizen Card with a digital signature or Digital Mobile Key (CMD). Lawyers, notaries, and solicitors who have the digital certificate of their profession can also create a company online
5. Note: if lawyers, notaries, and solicitors are involved, they can personally recognize the handwritten signatures of the partners

2. CIVIL SOCIETIES OF PROFESSIONALS

Society constituted for the exercise of a professional activity specifically provided for in the list of activities referred to in article 151 of the IRS, in which all individual partners are professionals in that activity (architects, designers, psychologists, trainers, lawyers, etc.)

3. ASSOCIATIONS

(Articles 167 and following of the Civil Code)

1. Legal entity, endowed with legal personality, whose constitution is based on the motivation of a group of people in the development of an activity, altruistically, for the benefit of a broader interest, such as the revitalization of a specific region, the dignification of the status of a professional group, support for the integration of minorities and vulnerable social sectors, the dissemination and support of new artistic trends, accessibility to the arts, the promotion of a specific artistic sector, such as classical music, or others
2. The positive results of its activity must always revert in favor of the association and the implementation of its social purpose, and can never be distributed among the associates
3. Minimum number of members: 9
4. No minimum share capital required
5. Corporate bodies: General Meeting (Board) | Board of Directors | Fiscal Council
6. Recognition of Public Utility: associations that pursue goals of general interest or of the national, regional, or local community and cooperate with the central or local administration in pursuing those objectives may be declared of public utility, with the possibility of enjoying tax benefits, namely IRC exemption under article 10 of the CIRC

Youth Associations (Law 23/2006 of 23/6: legal framework for youth associations):

- more than 75% of the members aged 30 or younger and proportionally represented in each of the corporate bodies
- registered in the National Registry of Youth Associations (RNAJ) and may benefit from support from the Portuguese Institute of Youth, under the Youth Associations Support Program

Association Establishment Process

1. Request for admission of social name/firm (RNPC - National Registry of Legal Persons)
2. Social pact: drawn up by public deed, by a lawyer or notary, with the constitution (social pact or statutes) subsequently subject to commercial registration (Commercial Registry Offices)
3. Procedure for creating an association on the spot: allows, on the same day and at a single counter, the creation of an association and its commercial registration: available at the commercial registry offices (pre-approved statute model)

4. COOPERATIVES

(Cooperative Code – Approved by Law 119/2015 of August 31) + Article 66 of the Statute of Tax Benefits (Tax Benefits for Cooperatives) + Complementary Legislation specifically applicable to various branches of the cooperative sector

1. autonomous legal entity of individuals who voluntarily join together, at their own risk and through the cooperation and mutual assistance of their members, to satisfy common economic, social, and cultural aspirations and needs (non-profit nature), through a jointly owned enterprise, democratically managed and in accordance with cooperative principles (e.g., a newspaper, a theater or dance company).
2. Surpluses: allocated to reserves | capital remuneration | distribution to members
3. branches of the cooperative sector: Consumer | Marketing | Agricultural | Credit | Housing and construction | Worker production | Handicraft | Fisheries | Culture | Services | Education | Multi-sectoral social solidarity
4. types of cooperatives:
 - * 1st Grade (those whose members are individuals or legal entities)
 - * Higher Grade (unions, federations, and confederations)
5. minimum number of members: 3 in 1st grade cooperatives
6. cultural cooperatives: exercise of activity within the scope of cultural action areas, namely, creativity, dissemination, information, dynamism, and animation (e.g., film, music, audiovisual, circus, publishing, visual arts, journalistic cooperatives). Members are those who engage in productive activities therein.
7. share capital: variable | minimum | realized in cash, assets, or rights | minimum mandatory cash contributions | capital titles | minimum nominal value | minimum contribution of each member
8. responsibility of members: limited to subscribed capital
9. corporate bodies: General Assembly, Administration, and Supervision
10. recognition of public utility: cooperative regimes
11. CASES (Cooperativa António Sérgio para a Economia Social)
12. exemplos: *Companhias de Teatro O Bando, A Comuna, Circolando | Árvore – Cooperativa de Atividades Artísticas, Cosa Nostra – Cooperativa Cultural*

Cooperative Establishment Process

1. Request for approval of social name/firm (RNPC - National Register of Legal Entities)
2. Social pact: drafted by founding members, with the constitution (social pact or statutes) then subject to commercial registration (Commercial Registry Offices)
3. Procedure for creating a cooperative on the spot: allows, on the same day and at a single counter, the creation of a cooperative and its commercial registration: available at commercial registry offices (pre-approved pact model)
4. The following cannot be created at cooperative on-the-spot counters:
 - Credit cooperatives
 - Higher education cooperatives
 - Insurance cooperatives
 - Public interest cooperatives
 - Higher grade cooperatives
 - European Cooperative Society
 - Cooperatives whose capital is contributed in kind
 - Cooperatives with investor members.
5. Registration on the CASES (António Sérgio Cooperative for Social Economy) portal with incorporation documents and obtaining Credential

5. FOUNDATIONS

Legal entities whose defining element is the fact that their constitution is based on a set of assets dedicated to the pursuit of certain socially relevant, altruistic purposes.

Public Foundations

Established by the State, with public means, for the pursuit of public purposes. They are created by legislative act (decree-law)

Private Foundations

Can be established by "inter vivos" or "mortis causa" act, for recognition by the State, for the pursuit of various collective interests, whether cultural, educational, recreational, scientific, or even social solidarity. The establishment "inter vivos" depends on a public deed; in the latter case, it is done by will.

Foundation Establishment Process

- Establishment (endowment): occurs when someone expresses the will to allocate certain assets to the pursuit of a lasting and socially relevant purpose (by will or public deed)
- Recognition: grants legal personality to the foundation, which must meet two requirements: purpose and endowment. Recognition must be requested from the Prime Minister's Office
- Registration: the foundation must be registered with the RNPC (National Register of Legal

Entities) and the act of incorporation and respective statutes published in the Official Gazette III series.

TRADEMARKS

TRADE NAME VS TRADEMARK

The trade name of an individual or legal entity, private or public, is not to be confused with the trademark that the entity may create in the course of its activity or activities. The trademark is a distinctive trade sign aimed at distinguishing, in the market, lines of products and services by reference to the entity that sells the products or provides the services.

The trademark is subject to registration with the National Institute of Industrial Property, in accordance with Articles 208 and following of the Industrial Property Code, with a registered trademark constituting an exclusive right of industrial property for the promoter. However, registration only protects the trademark with respect to the classes of products and/or services specified in the registration application (or related products or services).

Example:

A company that has a registered trademark to indicate appliances can object to the use of an identical or similar trademark by a company providing appliance repair services, but it cannot do so, in principle, against another company that manufactures computer equipment using that trademark.

TRADEMARK PROTECTION REQUIREMENTS

Novelty + Distinctiveness

The trademark can consist of a sign or set of signs capable of graphic representation, namely, words, including names of individuals, drawings, letters, numbers, sounds, the shape of the product or its packaging, provided they are suitable for distinguishing the products or services of one entity from those of other entities.

It can also consist of advertising phrases for the products or services to which they relate, provided they are distinctive.

Distinctiveness ≠ Originality

Trademark law does not require the sign itself to be original or new. What needs to be new is not the act of creating the sign but the act of applying that sign to a different kind of product or service. The sign is distinctive when, in itself, in the abstract or concrete plane, it is capable of distinguishing a product or service.

DURATION OF TRADEMARK PROTECTION

The registration duration is 10 years from the date of grant, and can be indefinitely renewed for equal periods.

TYPES OF TRADEMARKS

- **Nominative Marks**

Suggestive and Arbitrary: with conceptual meaning.

Fantasy: without conceptual meaning.

- **Graphic Marks**

Purely Graphic: evoke only the image of the used sign.

Figurative: evoke not only a visual image (composed of elements like drawings, images, or figures) but also a certain concrete concept.

Mixed Marks: combine nominative and graphic elements. Sound Marks: composed of sounds.

Three-dimensional Marks: composed of the shape of the product or its packaging.

Slogans Marks: composed of advertising phrases, regardless of their copyright protection ("Go with your fingers").

- **Collective Marks**

In addition to marks that are intended to identify and distinguish products or services, there are also collective marks, which can be either of association or certification.

The registration of a collective mark gives its holder the right to regulate the marketing of the respective products, under the conditions established by law, statutes, or internal regulations.

Association Mark: a sign belonging to an association of natural or legal persons, whose members use it, or intend to use it, for products or services related to the association's purpose.

Certification Mark: a sign belonging to a legal entity that controls the products or services, or establishes standards that they must comply with. This sign is intended to be used on products or services subject to that control, or for which the standards have been established.

NON-DISTINCTIVE MARKS

- composed, exclusively or essentially, of elements describing the product or service: characteristics, qualities, geographical origin, etc.
- composed of elements common in commercial language
- composed of specific shapes: shape imposed by the nature of the product itself, shape of the product necessary to achieve a technical result, or shape that confers substantial value to it
- by a single color

Examples:

Shoes | Shoes (to identify footwear)

Cinema Tickets (for ticket sales services)

Hydration Cream (for cosmetic products)

24H Repair (for repair services)

Wash More (for laundry detergents)

Super Credit (for financial and credit services)

A trademark composed, exclusively or essentially, of these elements (excluding colors) may still be registered if it has acquired distinctive effectiveness in commercial practice.

Whenever these elements - not registrable on their own - are combined with others that are distinctive (words or figures, for example), the trademark can be registered, even if the descriptive, generic, or usual aspects are not exclusively appropriated by the respective owner.

Examples:

Shoes by SpaciX - ("SpaciX" is the distinctive element, so the descriptive term "shoes" does not become, despite registration, exclusively for the use)

LKH Cinema Tickets - ("LKH" is the distinctive element, so "Cinema tickets" does not become, despite registration, exclusively for use)

Principle of Secondary Meaning

Phenomenon of converting a sign originally devoid of distinctive capacity into a distinctive sign for products and services, recognized as such, in economic traffic, through its "secondary meaning," as a result of use and semantic or symbolic mutations.

Example:

The Court of Justice of the Communities considered, in the case Nestlé v. Mars (Decision of 7/7/2005, Case C-353/03), that the "distinctive character of a trademark (...) can be acquired as a result of the use of that trademark as part of a registered trademark or in conjunction with that trademark." The case concerned Nestlé's application for registration in the UK of the mark "Have a Break," which is part of the registered composite mark "Have a Break... Have a Kit Kat." The ECJ held that Nestlé could invoke the partial "secondary meaning" of this mark to register only the originally indistinct expression "Have a Break."

MARKS WITH NON-POSSIBLE SIGNS

Only marks capable of graphic representation are admissible, so aromatic, gustatory, and tactile signs are excluded.

MARKS LIKELY TO MISLEAD THE CONSUMER

These are marks that can cause consumer confusion, particularly regarding the nature, qualities, utility, or origin of the product or service.

Examples:

ASTRAL - Like Silk (to indicate cotton clothing)

ZEUS Fitness Center (to indicate ironing services)

MARKS CONTRARY TO LAW AND PUBLIC ORDER OR OFFENSIVE TO MORALITY AND GOOD CUSTOMS

Example:

DRINK & DRIVE

MARKS WITH PROHIBITED SIGNS

Marks containing State symbols, emblems of public or foreign entities, coats of arms, medals, names, or portraits of individuals, signs with high symbolic value, notably religious ones (except with authorization from the competent authorities).

MARK ≠ LOGOTYPE

MARK

Distinguishes lines of products and services.

LOGOTYPE

Distinguishes an entity, individual or collective, public or private, that carries out a specific economic activity, whether or not it has a profit motive, with or without an entrepreneurial organization. The logotype can consist of a sign or set of signs capable of graphic representation, namely, nominative, figurative elements, or a combination of both. It must be suitable for distinguishing an entity that provides services or markets products, and can be used, notably, in establishments, advertisements, printed materials, or correspondence.

LOGOTYPE ≠ NAME OR TRADE NAME

Both signs are intended, first and foremost, to distinguish subjects, but the firm or trade name has a strictly registration, statistical purpose (included in the National Register of Legal Entities), and the Logotype aims to distinguish entities that operate in the market and want to be known and recognized by the public.

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CHAPTER 5

**MANAGING AND FINANCING:
MONEY DOESN'T FALL FROM
THE SKY**

RITA SOUSA GUERREIRO

MONEY DOESN'T FALL FROM THE SKY

I. MANAGEMENT AND SUSTAINABILITY

The concept of sustainability refers to the good management of resources and means, preserving their continuity. Business management involves a set of tasks aimed at ensuring the efficient and effective use of resources (human, material, financial) to ensure their long-term viability.

Efficiency promotes the best use/reuse of resources, often scarce. Effectiveness focuses on achieving results.

Managing a business's financial resources should be done with three main objectives in mind:

I - ACHIEVING RESULTS

Rationalize expenses and optimize revenues to ensure a result above zero (profit), which stimulates innovation and rewards the risks taken, providing a return on the investment made and a lever for the economic sustainability of the business.

Not for "profit at any cost," but for creating shared value for all stakeholders and for assuming social and environmental responsibility within a productive ecosystem and dignified work framework.

Non-profit organizations can and should generate positive outcomes and reinvest them in new projects. They simply cannot distribute them, as companies do.

2 - GENERATING CASH-FLOW

"Cash-flow" means cash flow/treasury and is an indicator of the ability to generate monetary resources through payments and receipts, reducing dependence on external sources of financing.

Revenue refers to the value of the service/product sold regardless of its receipt. Receipt represents the actual inflow of money.

Just as expenses reflect the value of the product/service consumed regardless of its payment, which means the actual outflow of money.



3 - ENSURING FINANCIAL HEALTH

Through control of the entity's solvency, i.e., assessing to what extent its equity is sufficient to cover its debts, avoiding insolvency and/or bankruptcy threats.

2. FINANCIAL STATEMENTS

It is the accountant's responsibility to prepare the official Financial Statements from the information and documentation (expense vouchers, revenues, payments, and receipts) provided by the manager.

The most important summary financial statements are the Balance Sheet and the Income Statement.

INCOME STATEMENT

Shows how the entity achieved a certain result, presenting the different revenues and expenses and calculating their difference.

$$\text{TOTAL REVENUES} - \text{TOTAL EXPENSES} = \text{NET RESULT}$$

BALANCE SHEET

It is like a snapshot of the entity's financial condition, including three groups of information:

Assets - includes the means available to the entity (cash, assets, and rights over third parties).

Liabilities - short, medium, and long-term debts to third parties (e.g., suppliers, government, banks).

Equity - the funds made available to the entity

by its "owners," results from previous years, and the net result of the current year, which was determined in the income statement.

The total of ASSETS, which reflects the total value of fund deployment, must be equal to the total value of fund sources (LIABILITIES and EQUITY).

$$\text{ASSETS} = \text{EQUITY} + \text{LIABILITIES}$$

These statements provide a set of essential information for the analysis of:

Potential investors, who use financial statements to assess the potential of a business they intend to invest in.

Banks, which analyze balance sheets and income statements from previous years whenever they decide on loans to grant.

And of course, **managers** who assess the economic-financial situation of their business.



3. MANAGEMENT CYCLE

The first phase of management is Planning and involves conducting a thorough analysis of the internal (strengths and weaknesses) and external (opportunities and threats) situations.

Planning allows for informed decision-making on whether or not to proceed to the implementation phase of the business.

Planning is essential but doesn't mean "predicting the unpredictable".

The second phase of management is Implementation, which presupposes the execution of what was planned, but taking into account the existence of unforeseen events and deviations from the plan.

The management cycle is completed with the Control phase, which evaluates whether the implementation of tasks is proceeding as planned, triggering measures to correct deviations from the planned.

4. BUDGET FORECAST

4.1 WHEN SHOULD IT BE DONE?

During the business planning phase, as far in advance as possible, considering its characteristics and associated risks (e.g., size, team experience, dependence on external financing).

4.2 WHAT MODEL SHOULD BE FOLLOWED?

More than the budget format, it is important to

structure its content and rigorously analyze it. The manager can choose the budget matrix that best suits the specificities of their business area and their working methodology.

Even in the case of applications for financing programs, where there is a requirement to use a specific budget model, there should be an internal budget, prepared in advance, which will serve as its basis.

4.3 WHAT ELEMENTS SHOULD IT CONTAIN?

Activity expenses (e.g., raw materials, advertising, logistics) and structural expenses (e.g., office rent and related equipment, electricity, accountant, insurance), properly organized by categories with respective subtotals and a final total.

Activity revenues (e.g., ticket sales, artwork sales, service provision, sponsorships) and structural revenues (e.g., subsidy for factory improvements or administrative equipment purchase), properly organized by categories with respective subtotals and a final total.

Allocation refers to the distribution of general costs, also known as fixed costs or overheads, among the activities.

The allocation percentage can be calculated based on different criteria:

- Equal to the % of revenue or quantity sold in each activity, relative to the total of activities
- Equal to the % of expense or quantity produced in each activity, relative to the total of activities
- Equal to the % of exploitation time of each activity, relative to the total time of activities

In the case of applications for funding programs, an allocation criterion is often defined. For example: an amount equivalent to 15% of the total human resources budget or the acquisition of services.

Contingencies - a minimum of 5% of total expenses, increasing as the manager's confidence/experience decreases, but within reasonable limits to avoid jeopardizing the project's viability.

Operating Result (EBITDA) - result before interest, taxes, depreciation, and amortization = operating revenues - operating expenses

Net Result = operating result +/- interest - depreciation and amortization - taxes

4.4 WHAT IS THE MAIN OBJECTIVE?

To analyze the economic and financial viability of the business. This will be viable if the forecast result is greater than or equal to zero, and only in this case should the manager proceed to the business implementation phase.

It is normal for the business plan to not be profitable in the early stages of implementation, even considering subsidies and other support, so the solution to overcome revenue insufficiency may involve resorting to bank loans.

BREAK-EVEN-POINT (BEP) is a tool for analyzing the economic viability of the business, allowing to determine the number of units of the product/service that need to be sold to equalize the total revenue value with the total expense value. But the value of this tool is not in the fact that the company focuses on the volume that produces a null result. One of the objectives of this analysis is to establish a measure for the company's safety margin, i.e., to know to what extent the sales volume can decrease for it to move from a profit situation to a loss situation.

If the BEP for launching a particular product is 50,000 units and the company can only produce 10,000, or if the space for an event has a maximum capacity of 1000 people and the break-even is 5000, the company will have to evaluate the possibility of changing the space and/or increasing the selling price and/or finding other revenue sources and/or reducing expenses.

BEP is obtained by dividing the total fixed costs (FC) by the unit contribution margin (average unit selling price - unit variable costs). Contribution means that it contributes to covering fixed costs.

$$\text{BEP} = \frac{\text{Fixed Costs}}{\text{Average unit price} - \text{Unit variable costs}}$$

Fixed costs - do not vary according to changes in sales. E.g., accountant's fees, office rent, loan interest, etc.

Variable costs - vary in proportion to sales activity, whether in sales volume or sales revenue. E.g., raw materials, packaging, customs duties, sales commissions, etc.

The decision on whether labor costs are fixed or variable should be made based on the type of business in question. In some cases, work can be assessed on a "freelance" or subcontract basis to fulfill specific tasks.

Some fixed costs have occasional flexibility; for example, if sales volume suddenly increases, you may have to opt for overtime work, leading to extended company hours which would increase electricity expenses.

The break-even point is never zero, but rather the point at which the difference between revenues and expenses is zero. From this point onwards, there will be positive results.

It is up to the manager to decide the profit margin they want to achieve, based on the profitability goals they have set for their business, taking into account the market in which they operate.

The return on investment (ROI) is calculated by dividing the income by the total investment. For example: ROI = 20% means that for every euro invested in the project, you recover that euro plus an additional 20 cents.

ROI is a indicator used by investors to support the decision to enter a particular business over another. This analysis is combined with the project's risk analysis; between two businesses with the same profitability rate, the choice will be for the one involving lower risk.

4.5 HOW TO MINIMIZE FORECASTING RISK?

- Estimate different financial scenarios (up to 3)
- Diversify revenue sources
- Index costs to the value of revenues and/or results (e.g., payment of fees or rental of space based on a percentage of sales value).
- Analyze the historical expenses/revenues/results of the business and/or similar businesses.
- Perform Benchmarking - strategic analysis of best practices used by companies in the same sector.
- Consider a margin for unforeseen events.
- Optimize the potential for revenue generation, in terms of both time and space (e.g., planning the itinerancy of an exhibition, the internationalization of a business)

4.6 HOW TO ESTIMATE REVENUES?

In general, estimating revenues is more difficult than estimating expenses, especially those involving direct sales to the public. One should avoid excessive optimism or pessimism and start from sales records, historical occupancy/traffic rates, competition analysis, and market studies.

When determining the selling price of a product/service, one should consider:

- The costs of the products sold (e.g., cost of raw materials) and other variable operating costs (e.g., packaging, customs duties, sales commissions from agencies)
- Fixed costs, defining the allocation rule (e.g., hourly labor cost)
- The profit margin
- The market price (e.g., the value that the consumer/client is willing to pay)

Whenever there is a price list for the same service (e.g., regular ticket, discounted ticket) or a mix of products with different prices, the average price can be calculated, obtained by the weighted average of the sales percentages forecasted for each price, considering that the total of the percentages must sum up to 100%.

$$\text{Average price} = (50\% * 20\text{€}) + (40\% * 15\text{€}) + (10\% * 10\text{€}) = 17\text{€}$$

The VAT on sales (settled VAT) is not revenue, so only the net price without VAT should be considered, dividing by (1 + VAT rate).

Example: concert ticket for €10, with 6% VAT included

$$\text{Net price without VAT} = \text{€}10 / 1.06 = \text{€}9.43$$

4.7 HOW TO OPTIMIZE REVENUES?

Implementing businesses in low-density territories involves a problem of lacking critical mass, which represents a threat to their viability.

As mentioned earlier, diversifying revenue sources is essential to ensure the economic-financial viability of any business.

Some strategies include:

- Obtaining revenue from complementary goods or services (e.g., a ceramist who, in addition to selling their pieces, holds workshops; a local honey producer who also makes honey chocolates)
- Establishing partnerships, creating synergies with other entities (e.g., a local producer of medicinal plants partnering with an alternative medicine clinic in Lisbon; a local sausage producer selling their product in hypermarket chains)
- Creating an online sales channel
- Obtaining public and private funding, nationally, from Europe, and internationally



5 - FUNDING SOURCES

A - SPONSORSHIPS

Sponsorship is a communication tool that involves providing support, either financial or in kind, to a particular project, in exchange for benefits such as communication rights and promotion associated with the image of that project.

In recent years, we have seen an increase in the social responsibility awareness of companies, making them more attentive and receptive to supporting businesses that generate social, environmental, and cultural impact.

Critical success factors in the sponsorship acquisition process include:

1. Analyzing and studying the sponsorship history and trends of companies (e.g., information available on the website, presence of logo in ads, presence at events, interviews given by directors, etc.).
2. Constantly updating the contact list, ideally by calling to find out who is the department/person responsible (attention because it may vary depending on whether the sponsorship is in cash or in kind).
3. Presenting sponsorship proposals well in advance, knowing that most companies finalize their marketing plan in the last quarter of the previous year. If the proposal arrives later, the available budget will already be smaller. Follow up approximately two weeks after sending the proposal.
4. Being objective in presenting the proposal, focusing on communicating clearly and objectively the benefits of your business from the sponsor's perspective and its target audience, rather than trying to sell the most subjective and emotional characteristics.
5. Characterizing the target audience of your business and indicating estimated audience/customers, properly substantiated.
6. Presenting the support modalities, their amounts, and the package of benefits, seeking

to create comprehensive packages of rights/benefits that can be valued by different sponsors, regardless of their category of support (exclusive sponsor/official sponsor/sponsor/support/media partner/institutional partner).

7. Being creative in presenting the benefits, considering, for example, that logo placement in media is already of little value, and exploring differentiated solutions, for example, through brand activation actions, product placement, or naming of an event.

In the case of projects in the cultural field, the question of the limits of the brand's presence in the artistic space often arises, and for this, it is important that the manager has the sensitivity to mediate the relationship between the artist and the sponsor.

8. Calculating the value of the sponsorship to be requested, starting from the financing need calculated in the budget, but bounded by the values of "sponsorship market." You can also calculate the cost per contact of the investment (sponsorship value/number of impacted customers) and assess the reasonableness of this value compared to other investment options that the sponsor may choose.

9. You can and should contact competing brands but never close with more than one. Note that an insurance company can be a competitor of a bank because the latter also sells insurance.

10. Maintaining continuous dialogue with the sponsor - once the sponsorship is confirmed, you should confirm if everything is going according to expectations, correcting deviations, and preparing a final report. It is important not to forget that it is more difficult to secure sponsorship than to keep it!

Preparation of the sponsorship proposal

The sponsorship proposal should be sober, clear, and assertive, conveying confidence and credibility in the entity and the business, ideally sent by email, including:

1 - Presentation

- Aims to provide a summary presentation of the proposal.
- Should be personalized, with specific and synthesized information.
- Answers the questions: who (the entity), what (the business), when, where, for whom.
- Presents the range of sponsorship values and the generic benefits of the project, always tailored to the sponsor's objectives, arousing interest for reading the attached dossier.
- Ends with a paragraph requesting a meeting appointment.
- Should contain the organization's logo and contacts.

2 - Dossier

- Sent as an attachment to the presentation.
- Includes a more detailed description, with objective and appealing speech, whenever possible complemented by images.
- Justifies the mission and objectives of the business considering the sponsor's needs.



B - PHILANTHROPY

Traditional Philanthropy:

Primarily involves donating money in the form of a donation and responds to specific, immediate situations that require an emergency response, not transforming situations and therefore generating less impact and sustainability.

Strategic Philanthropy:

Adopts a different approach in which a foundation identifies a problem or emerging sector and takes on the role of leader and catalyst in the creation and maturation of that sector. For this, it develops its projects and energizes the development of the ecosystem by supporting structuring projects.

Impact Philanthropy:

Seeks tangible results, maximizing financial and non-financial resources to adopt a results-oriented financing process. It is therefore the combination of results-oriented financing along with capacity-building services and mentoring with the aim of helping supported organizations increase their capacity to generate social impact.



C - CROWDFUNDING

It is a collaborative financing system, especially disseminated through the internet, which consists of an investment modality where several people, through anonymous donations, invest small amounts of money in a certain business idea or project. It functions as an alternative "starter" for start-ups.

The entrepreneur presents the project, through video and/or text, indicating, for example, their idea, how they want to execute it, the minimum amount they need, and the fundraising period. If they reach the desired amount within the specified period, they receive funding for their idea/business/project. On the other hand, if they do not reach that value, the funds will be returned to the investors.

Examples:

- **PPL:** One of the most well-known Portuguese platforms, operates online for any entrepreneur to gather support, with the help of other people, quickly and transparently.

- **KissKiss BankBank:** an international crowdfunding platform where you can promote your project and obtain the financing you need to implement it. This platform is oriented mainly towards projects dedicated to creativity, innovation, solidarity, and entrepreneurship.

- **Kickstarter Crowdfunding:** helps artists, musicians, filmmakers, designers, and other creators find the resources and support they need to realize their ideas and projects.

D - EQUITY CROWDFUNDING

Functions as a public offering of securities by companies in the early stages of their life cycle or with growth potential that is intermediated by specialized websites in organizing collective financing campaigns. Equity crowdfunding allows companies to sell part of their "shares" (equity) on a platform where individuals register and can buy them. Like an online "shark tank."

Examples:

- **Wefunder:** Equity Crowdfunding leader in the United States, entered the European market in 2023, allowing capital to be raised from around 1.6 million investors.

E - CROWDLENDING

It is based on peer-to-peer lending, without the involvement of any bank.

Ex:

Goparity - an investment platform in impact projects through crowdlending. Citizens and companies can invest sustainably and responsibly, with the invested capital returned with interest. It represents an alternative financing option for businesses with positive social and environmental impacts.

Raize - a platform for collective lending that allows for safe and profitable investment while promoting social development and convergence.

F - MICROLOANS

Aims to support entrepreneurship and job creation through loans to individuals who cannot obtain other types of credit from institutions due to their limited debt capacity.

Ex:

SOU MAIS – National Microcredit Program (PNM) is a measure that supports business creation projects, promoted not only by people who have special difficulties accessing the job market, but also by microentities and cooperatives with up to 10 workers, presenting viable projects with a net creation of jobs, especially in the area of social economy. This instrument facilitates access to credit for projects with small investment and financing amounts – up to €20,000, and provides technical support for project creation and consolidation.

MICROCRÉDITO ANJE- CGD

G - VENTURE CAPITAL

Also known as investment capital, development capital, venture capital, and private equity - it is an investment modality characterized by the presence of a professional investor: one who invests in companies with high growth potential, through the acquisition of stakes in the share capital of companies with the expectation of obtaining gains from their investment within a short or medium-term horizon.

Ex:

Portugal Ventures; Capital Criativo, Associação Portuguesa de Business Angels, Start-up Portugal, BETA-I.

H- AWARDS AND CONTESTS

Tourism.UP: Acceleration program promoted by Territórios Criativos and Turismo de Portugal designed to support tourism-related entrepreneurship projects and the promotion of endogenous products.

BPI Foundation Awards "la Caixa" – Empowerment, Solidarity, Seniors, and Childhood - aimed at financially supporting projects of private non-profit institutions that promote the improvement of quality of life and equal opportunities for residents of Portugal in situations of social vulnerability.



I - NATIONAL PROGRAMS

PORTUGAL 2030 - Implements the Partnership Agreement between Portugal and the European Commission to apply €23 billion in European funds to projects that stimulate and develop the Portuguese economy between 2021 and 2027.

The total amount available to finance projects will be distributed through programs, organized by themes and regions. The beneficiaries of the support will be defined in the opening notice of each application - individuals, companies, municipalities, and other public bodies, cooperatives, associations, private social solidarity institutions, and other private entities.

The Fund Desk is the platform through which open tender notices are consulted and applications are submitted for programs under Portugal 2030 and PRR. A support line is available:

Funds Line

www.digitalfundos.pt/balcao/LinhaDosFundos

1 - THEMATIC PROGRAMS

COMPETE 2030

[Consult full program version](#)

PESSOAS 2030- Demography, Qualification, and Inclusion Program

[Consul full program version](#)

SUSTENTÁVEL 2030- Climate action and sustainability program

[Consult full program version](#)

MAR 2030

[Consul full program version](#)

2 - REGIONAL PROGRAMS

CENTRO 2030; NORTE 2030; LISBOA 2030; ALENTEJO 2030; ALGARVE 2030; MADEIRA 2030; AÇORES 2030

EUROPEAN TERRITORIAL COOPERATION PROGRAMS

European Territorial Cooperation aims to reinforce, in coordination with the strategic priorities of the Union, joint interventions by Member States in actions for integrated territorial development.

Vertente A – Transfronteiriça POCTEP Espanha-Portugal

Vertente B – Transnacional -Espaço Atlântico SUDOE /EuroMED/ NEXT MED

Vertente C – Interregional EUROPE/ URBACT/ESPON/INTERACT

Vertente D – Regiões Ultraperiféricas MAC 2021-2027

PRR - RECOVERY AND RESILIENCE PLAN

It has an execution period until 2026 and aims to implement a set of reforms and investments aimed at restoring sustained economic growth after the pandemic. An investment plan for all Portuguese, based on three structural dimensions: Resilience; Climate Transition; Digital Transition.

recuperarportugal.gov.pt/candidaturas-prr/



J - OTHER NATIONAL SUPPORTS

Regional Directorates of Culture / CIM - Intermunicipal Communities / Municipalities / Parish Councils

ADC - Agency for Development and Cohesion

IAPMEI - Agency for Competitiveness and Innovation

IEFP (Institute of Employment and Vocational Training)

Portuguese Institute of Sport and Youth

ACM (High Commission for Migration)

IPLB (Portuguese Institute of Books and Libraries)

SANTA CASA DA MISERICÓRDIA

CASES (António Sérgio Cooperative for Social Economy)

**CALOUSTE GULBENKIAN FOUNDATION
CAMÕES INSTITUTE**

BILATERAL ORGANIZATIONS - Luso-American Foundation; Luso-Brazilian Foundation; Cervantes Institute; Goethe Institut; British Council; Oriente Foundation, etc.

DGARTES (General Directorate for the Arts)

GDA FOUNDATION

K - EUROPEAN UNION SUPPORT

ERASMUS + - supports education, training, youth, and sport. The 2021-2027 program places a strong emphasis on social inclusion, ecological and digital transitions, and the promotion of youth participation in democratic life.

CERV - Citizen, Equality, Rights and Values- supports children's rights, citizenship and European memory, prevention and combating gender-based violence

EUROPEAN HORIZON I Cluster2: Culture, Creativity, and Society

EUROPEAN SOLIDARITY CORPS - the role of Youth to build a more inclusive society

CREATIVE EUROPE 2021-2027 - support for European cooperation projects in the cultural and creative sector, which may include partners from other sectors, with priorities such as sustainability (New Green Deal and New European Bahaus) and social inclusion, digital transition, social inclusion, and audience development.

M - INFORMATION SOURCES ON FINANCING AND PARTNER SEARCH

In cooperation programs, websites usually have areas for partner and project searches. It is suggested to subscribe to newsletters and register as an available partner.

EU Projects Partner Search

<https://www.linkedin.com/groups/2842114/>

GEOFUNDOS

<https://www.geofundos.org/>

CIEJD - Jacques Delors European Information Center

<https://eurocid.mne.gov.pt/>



FINAL NOTE

It is the responsibility of the Ministry of Territorial Cohesion to implement effective territorial cohesion policies that contribute to the valorization of inland areas, with a view to reducing territorial inequalities and achieving balanced territorial development, taking into account the specificities of low-density areas of the country.

The difficulty of attracting people and businesses to low-density territories is evident, and the balance of the programs created to attract population to the interior is unfortunately still not positive. "They are symbolic programs that are not very effective. Attracting 7,500 inhabitants to the interior in three years is insignificant. Symbolically, these programs show that the State has not

abandoned these territories and has some kind of benefits to support the change, but that's all." "In addition to attracting new populations, it is also necessary to recover those who left in the last decades. An interesting fact is that many immigrants are arriving in these regions... We need to be able to retain them. Furthermore, either more people arrive, or the economy starts to decline because it ceases to function fully." (Pedro Góis, sociologist, researcher at the Center for Social Studies of the University of Coimbra)



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FUNDADO POR

Iceland
Liechtenstein
Norway grants

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REPÚBLICA
PORTUGUESA

PATRIMÓNIO
CULTURAL

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HDANCE
HIGH-QUALITY

MAPA

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MAÇÃO

OLEIROS

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SERTÃO

VILA DE RUI

FINANCIADO POR

OLEIROS

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EXPERIÊNCIA