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**Faculty of Engineering Economics and
Management**



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INTRODUCING PADDLE TENNIS IN LATVIA

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Thank you all.

I declare that I worked on my thesis on my own and that I used only the sources listed in the Bibliography and Internet sources.

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Carmen Herrero Hernández

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1. INTRODUCTION

1.1 *Aims*

The objective of this Bachelor Thesis is the development of a Business Plan in which the characteristics of the business model of a sports center and the procedures and strategies to be developed for the introduction of the paddle are defined.

In this way, it seeks to know if this investment is viable economically, financially and technically and provides a certain return to the investors of the business. Know the attractiveness and feasibility of opening a business in the form of profitability and on the other hand, through the availability of sufficient means and resources.

To achieve this main objective, it is necessary to achieve several secondary objectives:

- Analysis of the environment in which it will be necessary to know the current economic situation, to know the public and the position of the competition
- Determine the technical specifications necessary for installation, both material and human
- Define as closely as possible the structures of expenditure and income with the objective of estimating if the expected income will be sufficient to cover these costs and obtain some profitability

1.2 *Task*

The purpose of this project is to develop a business plan to achieve the objectives listed above.

Therefore, the project's mission is to follow the established steps for the development of a business plan, adapted to this specific project.

1.3 *Limitations*

The main limitations, with which I have found throughout the project, have been in the search of numerical data. The main ones have been:

- The search of the number of sports facilities where they dedicate exclusively to tennis or squash

- The data on paddle, as I have had to rely on forecasts, similar to those that have occurred in England. (As the case is the most similar to this one)
- The prices of the use of the facilities, as I have no precedent on which to base the establishment of rates

1.4 Description of methodology

The methodologies used in the development of the business plan were as follows:

- The division of stakeholders according to R. Edward Freeman
- The classification of the importance of stakeholders about the company based on the Power / Dynamism and Power / Interest matrix
- Use of the weighted sum method in benchmarking for the classification of the alternatives according to a series of criteria
- The methodology of calculating the cash flow to determine the profitability of the project

1.5 Information about sources

The sources of information in which I have supported to look for the information can be divided into three groups:

- Websites; Especially pages within the economic sphere
- Scientific books as Strategic Management: A Stakeholder Approach by R. Edward Freeman
- Business plans developed by other students and that I could find in the Google scientific search engine

1.6 Description of chapters

The project is divided into two main blocks:

- Theoretical
- Practical

Both contain the same points and have been developed in parallel, in such way, the first performed was the practical part in which included all the information necessary for the project to be adequately explained and later elaborated the theoretical part in which I have been supported in scientist books and internet sources explained the methods developed in the practical part.

2. THEORETICAL PART

2.1 *Product description*

A business plan is a written document for the entrepreneur or businessperson. This document that describes in detail a business, usually a new one but sometimes a business plan is prepared for an established business that is moving in a new direction, analyzed the market situation and the actions to be undertaken in the future, along with corresponding strategies to be implemented for the promotion and production.

The business plan is an instrument to communicate a business idea to sell it or get a positive response from investors. It is also a tool for internal use for the entrepreneur, because it allows them to assess the feasibility of their ideas. A good business plan starts with an executive summary of the business; includes a detailed description of the business, its services and/or products; and states how the business intends to achieve its goals. It should also provide at least an overview of the industry of which the business will be a part, and how it will distinguish itself from its potential competitors. Moreover, it is important that the business plan is developed in a way that allows be updated with the inherent changes of the market dynamism and the situation of the company.

Figure 1: Structure of a business plan



Source: <https://www.linkedin.com/pulse/how-make-business-plans-small-india-pooja-kumar>

- Definition of the business: the description of the business and the products or services that will be offered, the main features and basic business data, such as name and location are indicated.
- Market study: describes the main characteristics of the target audience, future competition and all affected users involved.
- Situation analysis: analysis from external data to the company with which we can determine the feasibility of the project in terms of potential users or interest of society in the project.
- Benchmarking: an analysis of the company or product based on what do their competitors.
- Technical Study: necessary for running the business requirements, the production process, infrastructure and size of local production capacity and plant layout are described.
- Financial study: in this part it is noted the investment that will be required to start the business and make it work, also the external funding be searched if applicable. Including the sales budget, the projected cash flow and the operating budget and projected losses.

2.2 Stakeholder

The emergence of the stakeholder approach to strategy was in the mid-1980's. The publication of R. Edward Freeman's *Strategic Management- A Stakeholder Approach* in 1984 was one of the focal point in this movement. Based on the process work of Ian Mitroff and Richard Mason, and James Emshoff. The goal of stakeholder management was to try to build a framework in which companies were concern of unprecedented levels of environmental and social changes. Due to which, the current strategic framework at the time was not right to create new opportunities in companies due to the big changes mentioned above. As Freeman observed *"Our current theories are inconsistent with both the quantity and kinds of change that are occurring in the business environment of the 1980's...A new conceptual framework is needed."*

A stakeholder approach was a response to this challenge, by defining stakeholders as *"Any group or individual who is affected by or can affect the achievement of an organization's objectives"*. The purpose of stakeholder management was to look for new methods to manage all of those people affected by the company and their relationships in a strategic way.

The use of the term stakeholder grew out of the pioneering work at Stanford Research Institute (now SRI International) in the 1960's. SRI's work, in turn, was heavily influenced by concepts that were developed in the planning department of Lockheed and these ideas were further developed through the work of Igor Ansoff and Robert Stewart.

SRI argued that to achieve long-term success, companies needed to understand the concerns of shareholders, employees, customers, suppliers, lenders and society, in order to develop objectives that stakeholders would support. Therefore, companies should know its relationships with all stakeholders in order to develop business strategies.

7 Values linked to STAKEHOLDERS:

- 1. Pluralism: is the recognition of the rights of all stakeholders and respect for cultural diversity within the community. That needs to be accepted in all legitimate ways of the organization.
- 2. Mutuality: The fundamental right of all is to obtain mutual benefit associations forming part and the right not to be tied to any other association that poses a permanent disadvantage.
- 3. Autonomy: This principle states that the individual engaged in the service, must be delegated in the freedom and independence as permitted dignity, trust and solidarity that unites everyone in the community to involve members in free agency and cooperativism the

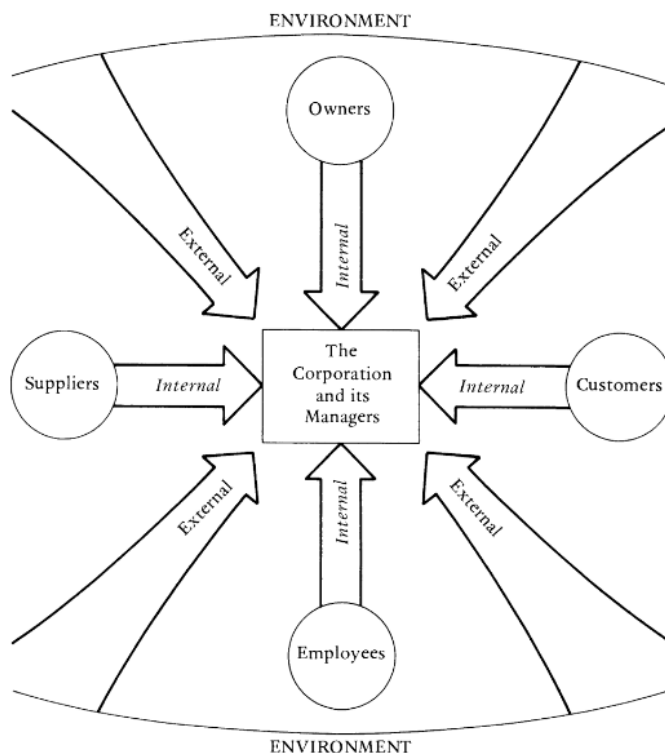
responsibilities and obligations to their stakeholders and the fulfillment of its purposes.

- 4. Distributive: means for creating wealth and a fair share, creating a line with economic activity and economic necessity in employment and fair trade for all participants and stakeholders.
- 5. Natural: accepted guidelines in all bodies towards a fair, independent and impartial treatment by the manager or administrator and in the process of administration.
- 6. People: the principal goal for the companies is to achieve benefits, but also serve better to the people, especially resource management and growth of people.
- 7. Multiple work: the importance of work for the welfare of the individual and the community.

As Freeman, stakeholders were divided into two big groups:

- Internal change: Such changes are internal to the conceptual system that the Managerial View represents. Internal change requires us constantly reassess current objectives and policies in light of new demands by groups that we are used to dealing with such as customers, employees, owners, suppliers and their relationships. Internal change occurs within the current "*filig system*"; it happens according to well-understood rules; and, difficult as it is, internal change is what we are used to dealing with on a daily basis.

Figure 2: Internal division groups



Source: Strategic Management : A stakeholder approach. By R.Edward Freeman

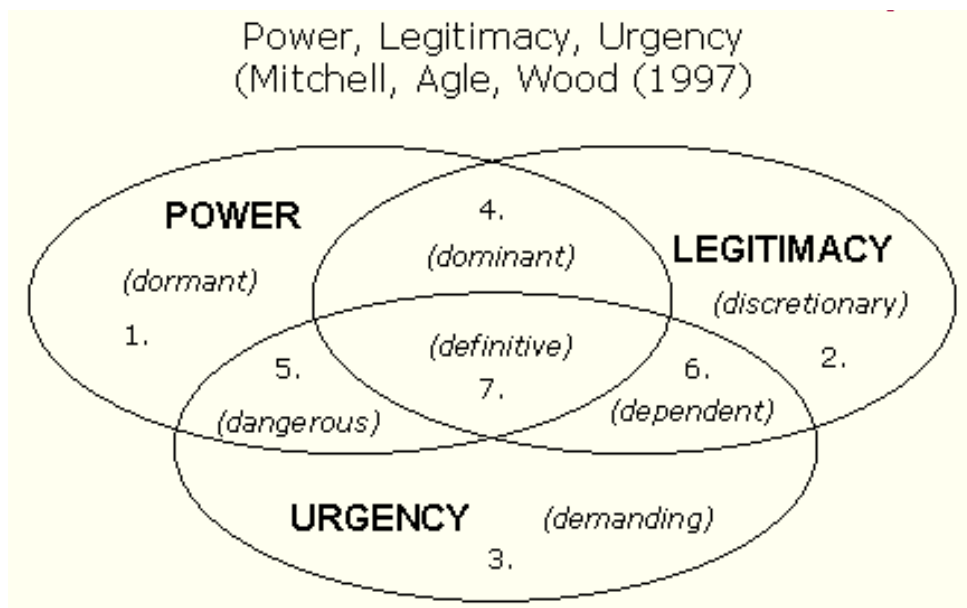
- Owners: They have a financial interest in the organization in the form of shares and/or bonds. They expect the company or organization management assures them a return of benefits in exchange for his "bet". The interests of the owners will be different depending on the type of property they own.
- Customers: are consumers of the product offered by companies, these consumers are the main source of profit of the company so it is necessary to know the needs of these to offer them a product tailored to those needs.
- Suppliers: They are vital to the success of the company. They are responsible for supplying the company with the necessary material resources which determine product quality and price. Therefore, the company is a customer of the suppliers.
- Employees: They are all those who receive remuneration from the company. The most common interests of workers are basically three: their job, their retirement and employability. The company meanwhile expects for workers to follow their instructions and to be careful and responsible in the communities in which the company operates.
- External change: This group is composed of all those people, companies or organizations that affect or are affected indirectly by the company. They cannot be controlled by the company itself, so the company has to keep an eye on them in order to address the potential opportunities and threats.
 - Governments: *The government may have a great influence on the performance of the company, including guarantees that: unfair trade practices, standards of health and safety at work, are avoided correct tax amounts, laws consumer protection and labor law were paid.*
 - Competitors: Those businesses that offer products or services that satisfies the same need on the client, even when they do differently, or are located within the same locality.

Although in case of different products, they can meet the same need for the consumer.

- Media: Mass communications technology has indeed changed the role of the media with regard to business. More than ever, large organizations live in a fishbowl with their every action open to some form of public scrutiny. The media represents another form of external change for the executive who wishes to succeed in today's environment.
- Special Interest Groups: *It is a group of people, organized by a common interest, in order to act together in defense of that interest. They make known their claims, such as environmental protection or prevention of cruelty to animals. They are also called pressure groups using the means at its disposal seeking ways to dominate public opinion.*

Managers have a special responsibility to work for the welfare of the individual and the community to ensure the quality of working life in the activities affected by their decisions. And it is therefore that the stakeholders have attributes and the most important are: legitimacy, power and urgency; which will be explained below:

Figure 3: Stakeholder mapping model power-legitimacy-urgency



Source: http://www.12manage.com/methods_stakeholder_mapping_es.html

- Legitimacy: is the perceived validity of the demand for stakeholders.
- Power: The ability or capacity to produce an effect on the company. Power by itself does not contribute to the perception of complexity of its action in these interactions, but, it demands knowledge of whom or what is really important to management. In Max Weber's sociological perspective (1947), "*Power is linked to the possibility of a given actor "A," within a determined social group, being able to influence another*

actor “B,” so that he does something which he would not have done without the power of persuasion of actor “A.”

- Urgency: The degree of demands that require immediate attention.

The classification of the importance of stakeholders about the company is made based on the Power/Interest matrix of Gardner et al. (1986) and Power/Dynamism Mendelow. (1991).

These matrices are used to decide the strategy for each stakeholder.

Figure 4: Power/Dynamism Matrix

		Dynamism	
		Low	High
Power	Low	A Fewer problems	B Unpredictable but manageable
	High	C Powerful but predictable	D Greatest danger or opportunities

Source: http://www.12manage.com/methods_stakeholder_mapping_es.html

Figure 5: Power/Interest Matrix

		Interest	
		Low	High
Power	Low	A Minimal effort	B Keep informed
	High	C Keep satisfied	D Key players

Source: http://www.12manage.com/methods_stakeholder_mapping_es.html

2.3 *Situation analysis*

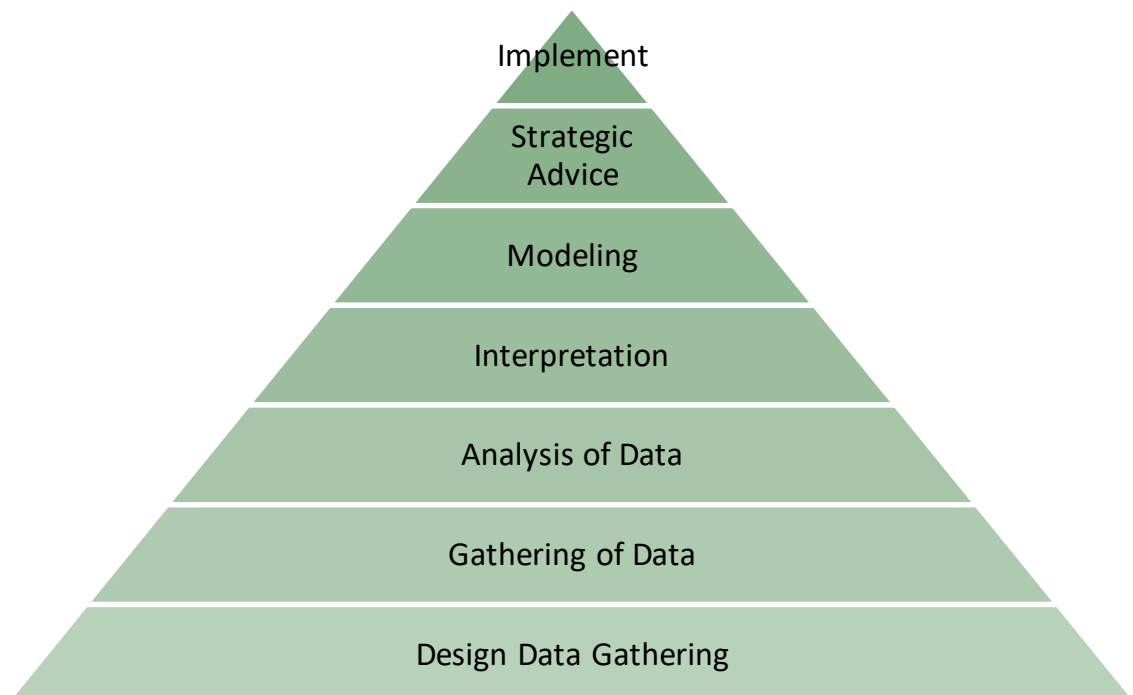
An analysis is a thorough study of a subject, object or situation in order to meet its foundations, its bases and reasons for its emergence, creation or root causes. Comprises the outer area of the problem, in which the parameters and conditions will be subject to a more specific study are established, they denote and define the variables that should be the subject of intense study and comprehensive analysis of the subject of the thesis begins.

In the thorough analysis disintegrates a whole in all its parts and essential components, that, reveals the nature of what is being studied, their origin and purpose, the why of things begins with an experiment discussed exhaustively each component of the object or situation under test.

For a company to function properly it is necessary to consider carefully what happened, what is happening and what can still happen within the organization, and be aware to avoid facts that lead us to failure.

Data analysis is a technique and through it inspected, purify and transform data, with the aim of highlighting all the information that is useful, in order to draw conclusions that support in decision-making.

Figure 6: Phases for decision making based on data



When you drill or survey researchers must go through different stages within it, once the person culminates the stage of collecting and processing data, it begins the most important step in any research work: data analysis this may be qualitative or quantitative.

- The analysis of qualitative data is defined as the process through which is structured and the information gathered by investigators, to establish links, translate, extract meanings and conclusions are handled.
- Meanwhile, quantitative data are analyzed in terms of numbers and variables that can be measured, in order to be able to establish statistics. This type of analysis is capable of displaying more accurate conclusions.

Some difficulties encountered in this type of analysis are two:

- The magnitude of the collected data, that is, the abundance of information.
- The lack of data or unreliable sources of information gathering.

2.4 Benchmarking

Traditional competitive analyses focus on performance parameters, strategies and products within a given industry sector. Such analyses result in a picture of how business compares with its peers and how much it deviates from the standards, or benchmarks, across any number of operations and parameters. From this a business derives an indication of its relative standing and its comparative strengths and weaknesses. These enable it to set targets to achieve parity with the recognized industry leaders

Such analyses have a place in corporate strategy they have the potential to inhibit performance improvement and growth. Comparisons with look-alike businesses in similar markets and situations are unlikely to identify or lead to significant breakthroughs which could overturn the paradigms of the sector.

Instead, benchmarking is: As defined by David T. Kearns, CEO of Xerox Corporation *"a systematic and continuous process to evaluate products, services and work processes of the best recognized organizations, those toughest competitors"*. Benchmarking is applied to key operational processes within a business. It means determining the critical success factors across the organization. Processes governing those factors are analyzed. The best one's are established.

In summary, benchmarking involves taking as reference the best and adapt their methods, strategies, within the law.

The main objectives set the benchmarking are: level of quality and productivity, both are the points where companies compete for leaders.

- Quality: The value created on a product considering its price and the costs necessary for their manufacture and sale.
- Productivity: Businesses compare how much they produce and how much they consume to get that amount in order to compare process efficiency.

This need to look for cooperatives partnerships has led to the evolution of three distinct 'types' on benchmarking:

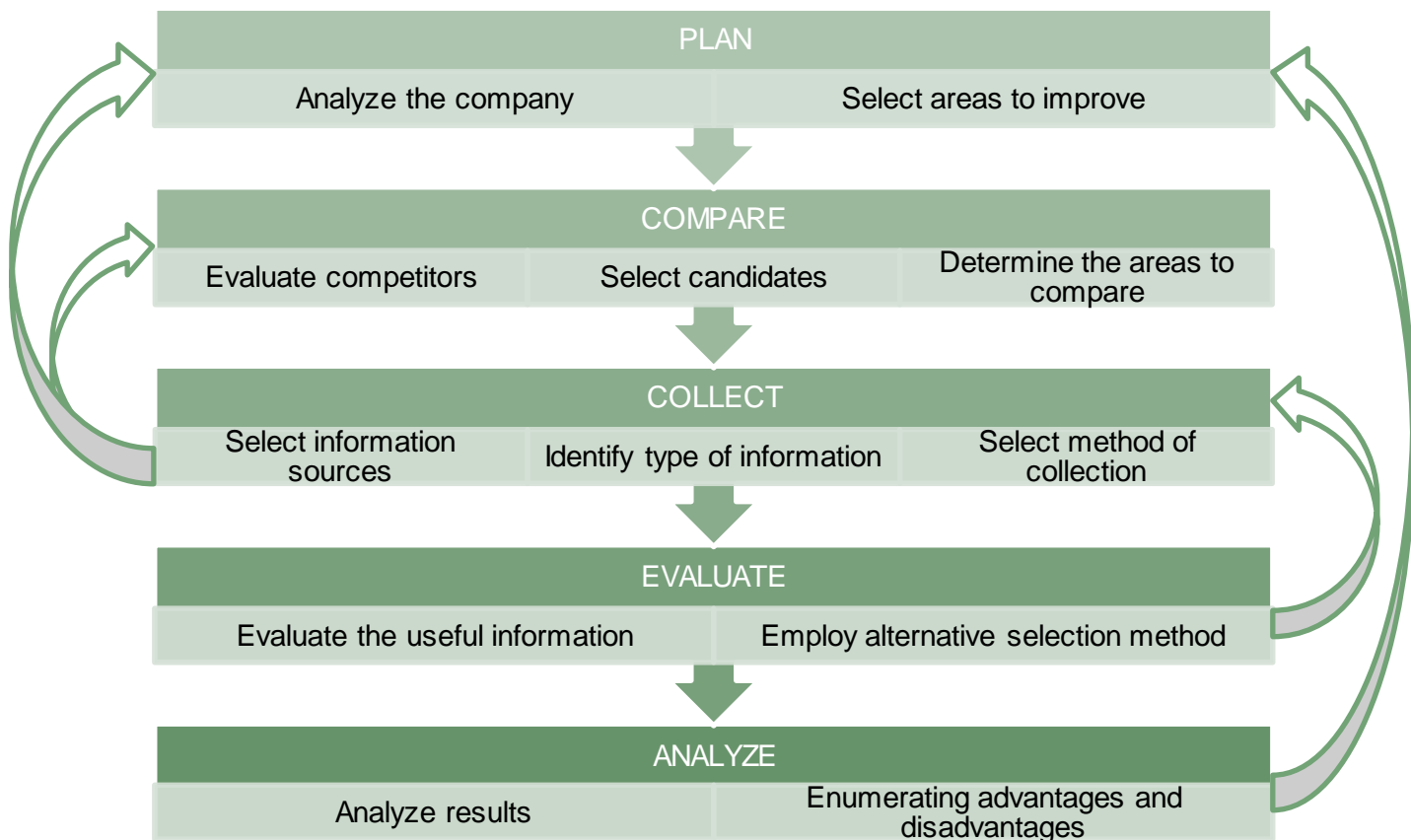
- Internal: Usually occurs in big companies formed by numerous departments and/or divisions, which is very common compares the levels achieved within the same organization.
- Competitive: It is used when there is aggressive competition, comparing some aspects with more direct competitors or market

leaders on a certain product. Normally, it is more complicated type of benchmarking to carry out given the limited information companies provide about their processes.

- Functional: Consists compared with companies that do not belong to the same industry; with this it is possible to get the advantage of obtaining the necessary information to not be a competitor of the company.

Apply benchmarking involves continuous monitoring and evaluation of competitors, especially the leaders, in order to identify best aspects or practices; however, it is also possible to apply benchmarking to certain areas in which we want to improve.

Figure 7: Steps for apply benchmarking in an enterprise



1. Determine the aspects that will be subject to benchmarking

The first step in applying benchmarking is to identify areas that will be subject to benchmarking; the aspects where you want to improve and, therefore, are going to take as a reference the competence.

2. Select the companies that are to be analyzed

Determined the aspects that will be subject to benchmarking companies or products to be analyzed are selected, which would be those, directly competitive or not, having or better do what they want to improve.

3. Determine the information to be collected and collect information

Once the information collected is determined, which would be the information related to the aspects that will be subjected to benchmarking of enterprises/products selected.

We proceed to collect it by going to the sources of information and using appropriate methods.

4. Evaluate information

Proceeds to analyze aspects of comparing selected with themselves and with other businesses, and identifying the best and that could also be applied in the company.

The **Weighted Sum** tool provides the ability to weight and combine multiple inputs to create an integrated analysis.

The method weighted sum, calculates the weighting of the alternatives as a result of the sum of the product of the weight of each variable by the value taken for this alternative the corresponding variable.

The process starts with the normalized value of the variables for each alternative and weight or weight of each variable.

Normalized weights represent the weighting of all assets included the Problem based on all the explanatory variables and their importance or weight.

Up to this point we would be in implementing the method of Weighted Sum exclusively as multi-criteria method. The result indicates a sort of assets based on their weight or weight.

5. Analyze information

Finally an analysis of the information obtained is done, listing advantages and disadvantages of competitors/products and ourselves, in this way, may make known the strengths and weaknesses on which to focus, as well as those of competitors, from whose weaknesses we can take advantage and monitor its advantages.

6. Feedback

The evolution of the situation analysis is not unidirectional, but there is feedbacks on some of its points are as follows:

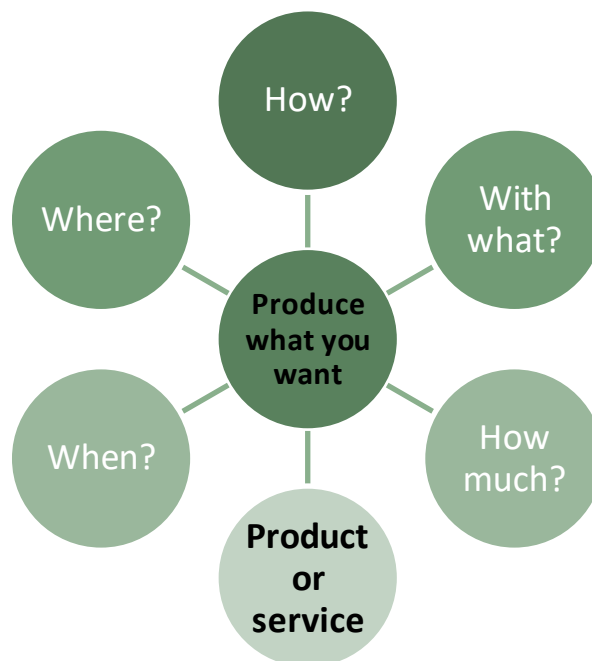
- Plan/Collect: In the event that the information collected is not that belonging to selected areas to improve or there are no safe sources/collection methods adapted to the information of such areas.
- Compare/Collect: In seeking the information is most relevant information from competitors or other areas to compare.
- Collect/Evaluate: The information is not useful or is not valid for the method of selection of alternatives.
- Plan/Analyze: the results don't reveal relevant information from the data so it will be necessary to start again taking another point of view.

2.5 Technical study

A technical study is a study that is done once the situation analysis is finished, giving the basis for calculating financial and economic evaluation of a project to be completed. Proposes and analyzes the various technological options to produce the required goods or services, which also allows verifying the technical feasibility of each option. This analysis identifies the materials, equipment, facilities and skilled labor needed for the project, also identifies suppliers and creditors of raw materials and tools to help achieve development of the product or service and create a strategic plan setting out the way forward and process capability to achieve meet the estimated demand planning. With the above given, we can make a cost structure of the aforementioned assets and, therefore, investment costs and operating these represent, as well as working capital will be necessary.

In short, *"it is to resolve questions regarding where, when, how much, how and what to produce what you want, so the operating technical aspect of a project includes everything that is related to the functioning and operation of the own project"* (Baca, 2001).

Figure 8: Questions to ask for the technical study



This study is usually divided into four parts:

- Determination of the optimal plant size: the size of a project is its installed capacity, usually expressed in units produced per year, although there are other indirect indicators such as the amount of investment, the amount of effective occupation labor or other effects on the economy.

The determination of such capacity is quite complex, in addition to the techniques used for their determination are iterative and there is no accurate and direct method for calculation. The size of the plant depends on the required facilities, equipment, workers and demand which will give the service.

The size, location and the productive process are interdependent. There are production processes that require a minimum size and there are companies that can have production capacity in one place or in three places. But this depends largely on the market and how this distributed demand.

The criteria for deciding the size of plant depends on a financial assessment or social. The financial evaluation can be used the minimum unit, maximum total or maximum rate of return, cost utility the only problem is the time factor on these criteria.

The project must include a justification for the size, process analysis, location, availability of inputs, cost analysis and physical works.

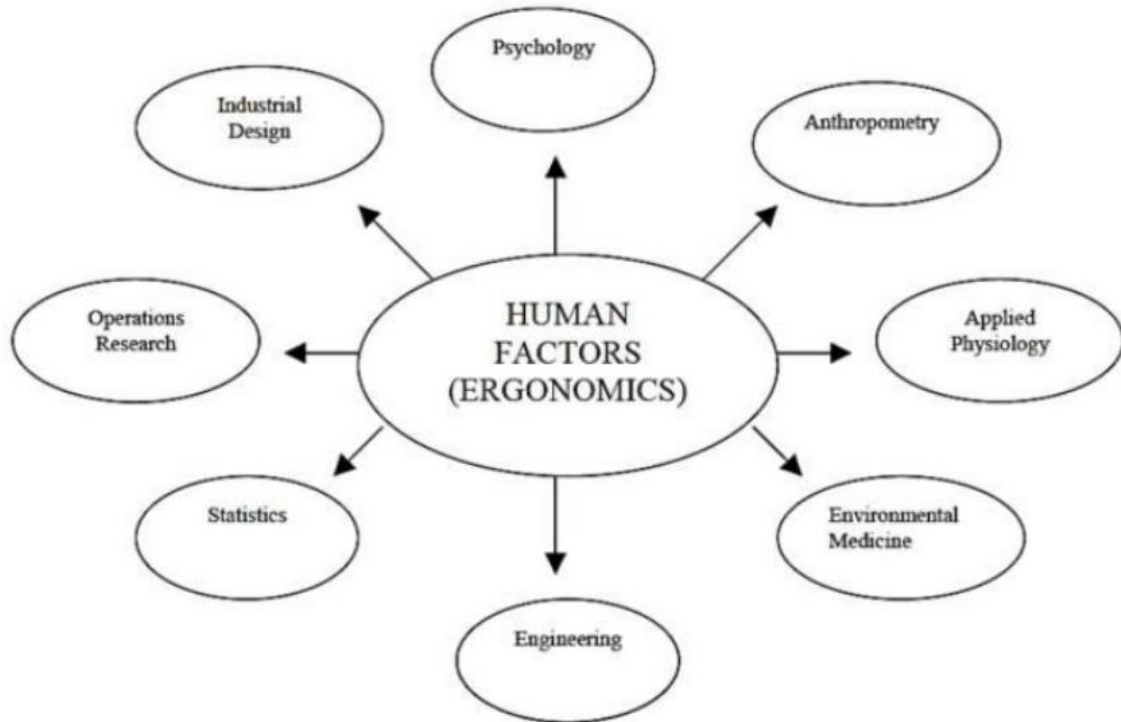
- Determination of the optimal location of the plant: determine the optimal location of the project is what contributes most to achieve a higher rate of return on capital or to obtain the minimum unit cost. When choosing where to place the plant must take into account two aspects:
- The macro location: the ergonomics needed.

Ergonomics studies human skills to adapt jobs and work environments to people. It guarantees the adjustment of jobs to the human being and is aimed at the disinfection of operating procedures, equipment, tools and working environments.

Ergonomics is a multidisciplinary science, since for its application requires knowledge of many disciplines, among which are:

- Health science
- Technological sciences

Figure 9: Ergonomic aspects that affect the operation of a company



Source: <http://www.learneasy.info/MDME/MEMmods/MEM30008A-EcoErgo/Ergonomics/Ergonomics.html>

- The micro location: Closeness to the consumer market, the type of infrastructure that connects and services.

Other factors that may affect the location are called "external economies" such as fiscal support, the attitude of the community, complementary industries or water quality; help filter the number of possible locations.

- Engineering project: The general objective is to solve everything concerning the installation and operation of the plant. From the description of the process or service, the procurement of equipment and materials and the optimal distribution facilities of the plant are determined.

A good distribution plant is providing acceptable working conditions and allows for more economical operation, while maintaining the security and welfare of workers and customers. The basic principles are:

- Full integration of all factors affecting the distribution.
 - Minimum distance of travel.
 - Using the cubic space.
 - To ensure the security and welfare of both workers and customers.
 - Flexibility. The distribution can be adjusted to changes in demand.
- Administrative analysis: It involves the breakdown of the number of positions and functions of each of the workers belonging to the project.

This makes it easier to know the cost of human resources.

Another objective of this analysis is to define the profile of those who must occupy each of the positions identified.

In the initial stages of the project are included activities as legal constitution, government procedures, licenses, land acquisition, construction or adaptation of the building, staffing, among others, these should be scheduled, coordinated and controlled.

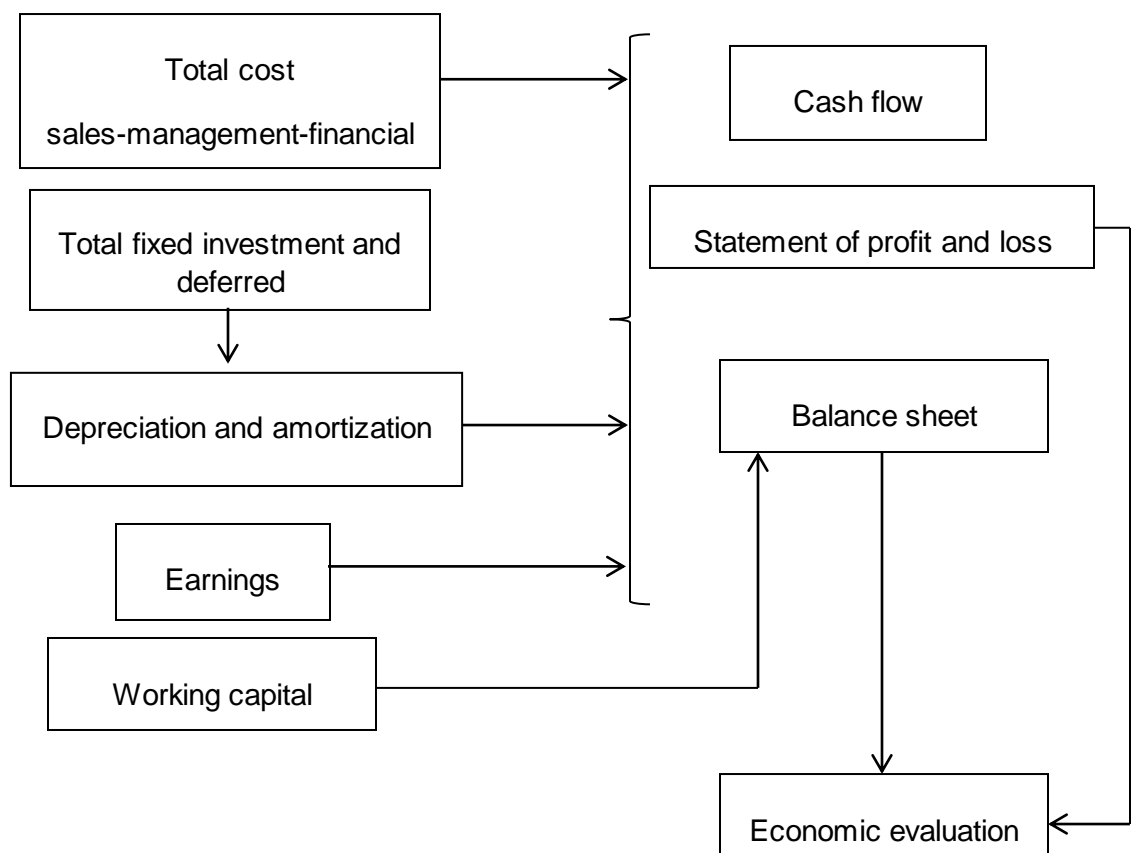
2.6 Financial study

The financial study aims are to organize and systematize the quantitative information provided by the previous stages and develop the analytical tables for deciding and observe the viability of a business plan, in them the behavior of the necessary operations is integrated to a business work.

Hence the importance that starting any business idea must contemplate the variables involved in the development and implementation, they consider the actual cost involved in the operation of the project in financial terms involved: the cost of working capital, acquisitions of assets fixed and pre-operational expenses. With them we obtain financial indicators in the financial statements as: The Balance Sheet, Statement of Profit and Loss and Cash Flow.

The following figure shows the global structure of economic analysis is shown. The arrows indicate where the information obtained in each frame is used.

Figure 10: Global structure of economic analysis



It starts with the determination of total costs and initial investment, whose base are engineering studies, since both costs and investment depend on the technology selected.

- Cost: the economic cost caused by the production of goods or the supply of a service. This concept includes the purchase of supplies, payment working hand, expenditure on the production and management, among other activities.

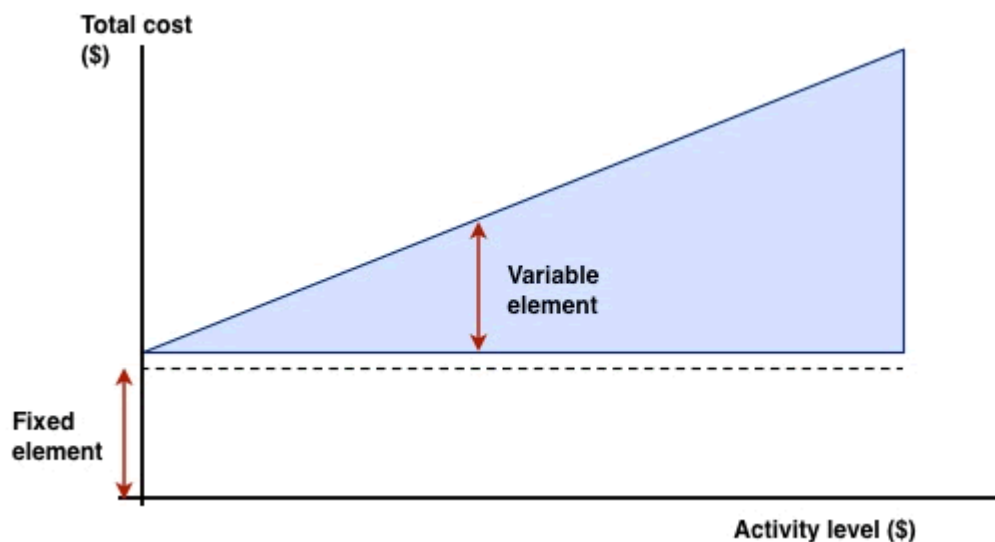
In addition the concept of cost can be classified taking as a starting point several criteria, some examples are:

Cost variation:

- Fixed costs: These costs are included in the expenses of the company beyond the production obtained, that means its value will not be greater or less because of what occurred. Fixed costs can only be prescribed short term and that over time will eventually vary. Some cases are paying rents, taxes, etc.

- Variable cost: in this case the variation of the cost is in relation to what is produced, meaning that if production is increased these costs will be higher and vice versa. Examples include water or energy, among others.

Figure 11: Curve of fixed, variable and total costs



Source: <http://opentuition.com/fia/ma1/cost-classification/>

Relationship factors of production and products:

- Indirect costs: these costs have an impact on production in full, means cannot be established a certain product, for those costs should be shared equally. An example of this type of cost is increased wages for workers.

- Direct costs: as opposed to the previous case, these costs can be assigned to each good or service in particular. An example would be increasing flour would have a direct impact on the production of bread or increased ink on book production.

- **Investment**: economic term that refers to the placement of capital in an operation, project or business initiative in order to get it back with interest if it generates profits.

For the economy and finance investments are as much about saving, as the location of capital and aspects related to consumption. An investment is typically an amount of money available to others, of a company or a set of actions in order that the same product of the profits generated by the fund or business project increases.

Every investment involves both a risk and an opportunity. A risk to the extent that the return of the money invested is not guaranteed, nor profits. An opportunity for both investment successes may involve multiplying the money placed.

Continues with the determination of the depreciation and amortization of all the initial investment.

- **Amortization and depreciation**: They refer to wear or exhaustion suffering an asset to the extent that their use contributes to the generation of company revenue.

Depreciation: refers exclusively to fixed assets and the law has set explicitly the life of each of them

Amortization: refers to intangible assets and deferred assets and are amortized according to the nature and conditions of each of them, and so overall the level of depreciation is fixed at the discretion of the merchant or company.

Another important point is the calculation of working capital, although it is part of the initial investment, not subject to depreciation and amortization.

- **Working capital**: defined as the difference between current assets and current liabilities, that is to say is capital to invest in the project prior to

receiving any type of income. It covers the costs of purchase of materials, payment to the direct labor and cash amount to cover the daily expenses of the company.

One of the most important points is the earnings.

- **Earnings:** An income is a voluntary and desired asset recovery, means, an increase of economic resources. They are derived from transactions made by the company to the outside world that lead to positive changes in equity of the same.

The General Accounting Plan (GAP), in its first part, Framework, defines income as *"Increases in equity of the company during the year, either in the form of inflows or increases in the value of assets, or decrease in liabilities, provided they do not originate in contributions, monetary or not, partners or owners, in their capacity as such"*.

With the above items we can move to the calculation of the financial statements. First cash flow is calculated:

- **Cash flow:** Financial economic term indicating the documented record of the inflows and outflows of money a company has in a given time period, and used to determine their solvency and liquidity. In the event that the balance is subtracting expenses to revenues, this would be favorable, if the balance is not positive, it is important for the employer to make predictions on whether to make cash purchases in excess or resort to borrowing decide if there is an excess new investment or refinance their debts.

Cash flow at a given time is calculated by subtracting the charges that have taken place during those period payments.

There are 3 types of Cash Flows

- Operating Cash Flow: cash flow is coming in and out of the company in relation to its business.
- Cash Flow from investing activities: The received or spent by the company's investments.
- Financing Cash Flow: The cash received from the issuance of shares or debt minus cash paid as dividends and re-acquisition debt.

Figure 12: Statement of Cash Flow

Statement of Cash Flows
Cash Flow from Financing (CFF)
+ Sell equity
+ Issue debt
- Pay dividend
Cash Flow from Investing (CFI)
- Buy assets (PP&E)
Cash Flow from Operations (CFO)
+ Make sales (collect cash)
- Buy inventory
- Pay costs
- Pay interest on debt
- Pay taxes
Net Cash Flow = CFF + CFI + CFO

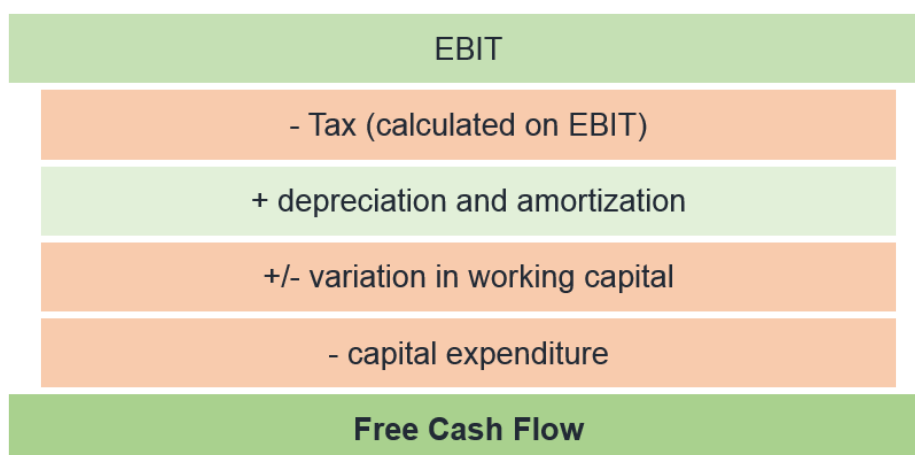
Source:

<http://www.investopedia.com/university/financialstatements/financialstatements3.asp>

Derivatives of these cash flows; we can find one of the variables most followed by analysts, which is the Free Cash Flow.

- Free Cash Flow: this money is still available for the company to carry out expansion projects, acquisitions, or maintain financial stability in difficult times.

Figure 13: Obtaining the free cash flow from EBIT

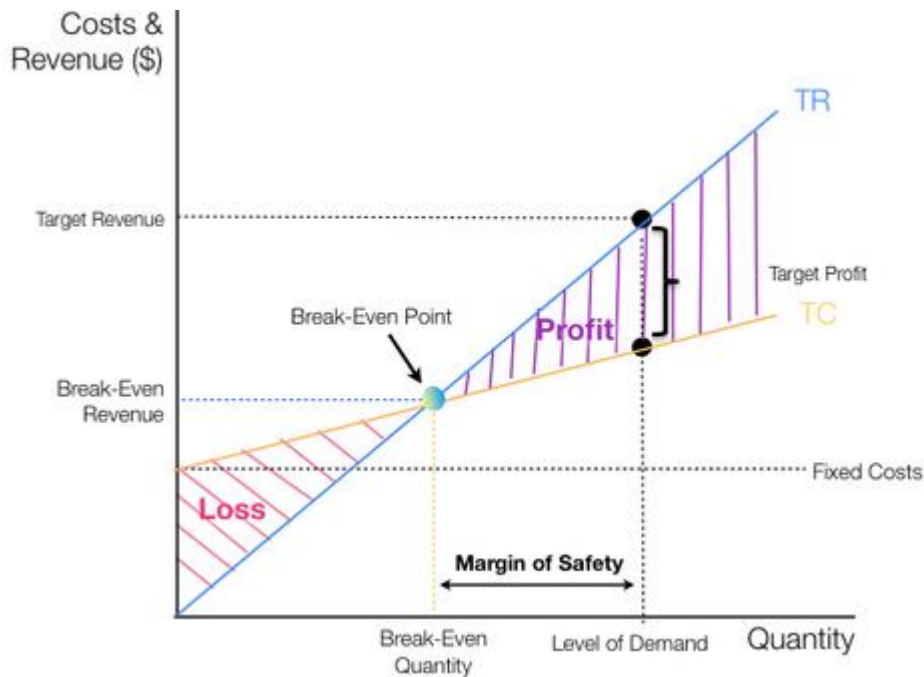


Source: <http://blog.coachingassembly.com/interview-question/calculate-fcf/>

- Capital Expenditure or CAPEX: is the expense that is incurred to buy productive assets.

- **Statement of profit and loss:** the purpose of calculating the profit and loss is calculated net income and net cash flows of the project, which are the real benefit of the operation of a plant, and are obtained by subtracting from revenues all costs incurred by the plant and taxes payable.

Figure 14: Statement of profit and loss curve



Source: <http://blog.naver.com/PostView.nhn?blogId=hopester&logNo=110186409121>

- **Balance sheet:** a financial statement is made up of a document showing in detail the assets, liabilities and equity available to a company at a given time.

Assets include:

- Money that is physically located in the company or the money you have in the bank.
- The physical elements available to the company for their operations and have a permanent duration or have a temporary duration.
- Debts that customer have with the company.

Liabilities include:

- The debts that the company has with its suppliers.

- You have outstanding debts with banks and other financial institutions.

While equity includes:

- The contributions made by the partners or shareholders.
- The benefits or profits that the company has obtained.

Figure 15: Assets, liabilities and equity balance sheet

ASSETS	LIABILITIES
Current Assets	Current Liabilities
Cash	Accounts payable
Accounts receivable	Accrued Expenses
Inventory	Current portion of debt
Prepaid expenses	Income taxes payable
Total Current Assets	Total Current Liabilities
Fixed Assets	Long-term Liabilities
Land	Mortgage
Buildings	Other long-term liabilities
Plant & equipment	Total Long-term Liabilities
Furniture & fixtures	
(less accumulated depreciation)	
Total Net Fixed Assets	Shareholders' Equity
TOTAL ASSETS	Common stock
	Retained earnings
	Total Shareholders' Equity
	TOTAL LIABILITIES & EQUITY

Source: <https://business.tutsplus.com/tutorials/how-to-read-a-balance-sheet--cms->

3. PRACTICAL PART

3.1 *Product description*

The following work deals with the introduction of a new sport in the Latvian country, but first of all a description of the sport in question is needed.

Paddle tennis is a sport with little history, it could be said that it is a young sport, as it exist with regulated way since the eighties. Its name comes from the English word paddle which refers to the instrument used by the players of the sport during the game.

The paddle tennis is a sport that could be considered as a mix between tennis and squash for the characteristics and similarities it has with both.

That new sport is also a racket sport, although the characteristics of the racket are somewhat different from those we might find in tennis or squash.

The similarities with tennis are huge but the main one is that paddle tennis is also played on a court with a net and against an opponent either double or single, although is usually played in doubles.

By the other hand, the greatest similarity and one of the most important characteristic in paddle tennis is the use of the walls in the game inasmuch as are included in the court.

Being a non-stationary sport and in which players can participate at any age, are two advantages that have made it an attractive sport that it is expanding into ever more countries.

Therefore the product itself which is about this business plan, is the way it will introduce a new sport, as have been done in other countries where it has now been introduced as has happened in England. The way it will be done is through sports organizations working together that can achieve to introduce paddle tennis.

3.2 Stakeholder

This sport involves a lot of stakeholders, which will be listed below and explained in more detail in appendix 1.

The stakeholders are going to be grouped into two main groups as it is explain in the theoretical part, according to division by Freeman: Internal change and external change.

- Internal change: they are the ones with whom the company works on day to day. This group has also a subdivision in the next four groups: owners, customers, suppliers and employees.

- Owners: this group involves all those people who are beneficiaries of the work done by the company. For this project concretely the owners are:

- Carmen Herrero
- Shareholders

- Customers: This sport is especially geared to the public that is in good condition for any sport. Therefore the client can be set for players from 8 to 70. As further discussed in the situation analysis, I have determined that the total eligible population to play paddle around 3% would be interested. What makes a number of about 1.700 potential customers in Latvia.

- Suppliers: It includes all the organizations that supply with the material needed either to the sports facilities until sport shops with the equipment needed for play the sport. As there are a lot of suppliers will divide into two:

- Suppliers of paddle courts construction:

- Supplier of artificial turf
- Network suppliers
- Screws suppliers
- Supplier of methacrylate walls
- Supplier of metal mesh

- Suppliers of maintenance:

- Light suppliers

- Water suppliers
- Heating suppliers
- Electricity suppliers
- Suppliers of equipment:
 - Balls suppliers
 - Rackets suppliers
- Other suppliers: All those suppliers necessary for the operation of other facilities such as gym, nursery or office area.
- Employees:
 - On the one hand we have the subcontractors:
 - Construction company
 - Companies of electricity, gas, heating and water, internet and telephone
 - Kindergarten animation
 - Security service
 - Maid service
 - The own employees of the company:
 - Monitors/coaches
 - Maintenance workers
 - Administrative staff and customer service: who manage things like: courts booking, hiring paddle lessons and their respective payments.
 - First-aider
 - Management staff: It includes: general manager, commercial director, CFO, human resources director and CEO.
- External change: as happens with the internal change, this group is also divided into four different groups: competitors, the government, social media and finally Special Interest Groups.
 - Competitors: Competitors can be viewed from two perspectives:
 - Sports centers offering tennis.

- Sports centers offering squash.
- The government: Latvian government
- Media: all organizations responsible for giving news or publicize the paddle tennis, such as:
 - Sports channels either on television or radio
 - Sports magazines
 - Sporting events
 - Advertisements in media
 - Social networks
- Special Interest Groups:
 - Paddle federation
 - Sports shops
 - Sports facilities
 - Colleges and universities

In the Appendix 1. Stakeholder register, are all groups have been considered affect in this study.

The classification of the importance of stakeholders about the company based on the Power/Dynamism and Power/Interest matrix.

Figure 16: Power/Dynamism Matrix

		Dynamism	
		Low	High
Power	Low	<ul style="list-style-type: none"> - Suppliers of paddle courts construction - Suppliers of maintenance - Other suppliers - Subcontractors - First-aider 	<ul style="list-style-type: none"> - Monitors/coaches - Maintenance workers - Administrative staff - Suppliers of equipment - SIG
	High	<ul style="list-style-type: none"> - Government - Media 	<ul style="list-style-type: none"> - Carmen Herrero - Shareholders - Customers - Competitors - Management staff

Figure 17: Power/Interest Matrix

		Interest	
		Low	High
Power	Low	<ul style="list-style-type: none"> - Other suppliers - Suppliers of paddle courts construction - Suppliers of maintenance - Subcontractors 	<ul style="list-style-type: none"> - Monitors/coaches - Maintenance workers - Administrative staff - Suppliers of equipment - First-aider - SIG
	High	<ul style="list-style-type: none"> - Government - Media 	<ul style="list-style-type: none"> - Carmen Herrero - Shareholders - Customers - Competitors - Management staff

3.3 Situation analysis

This section provides a situation analysis, it is mean, data analysis obtained from various internet sources and based on which the decision will be taken whether the project is viable for potential customers and the competition among others.

First, an analysis of the population in Latvia between 2009-2016 is shown. This, is divided into 8 groups from 0 to +70 years, further subdivided in the total number, men and women in each group.

By this we analyze the trend of the population, to forecast the future and determine whether there are enough users to make the project succeed. And observe which the groups of interest are.

Table 1: Evolution of the annual population per ages

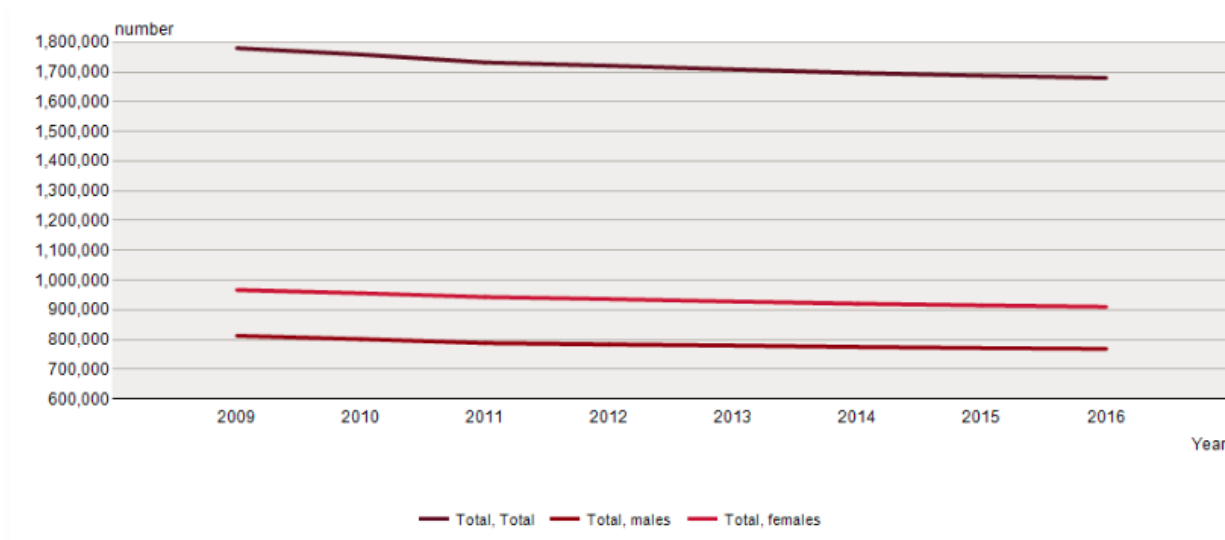
		2009	2010	2011	2012	2013	2014	2015	2016
0-9	<i>total</i>	198.932	199.987	197.161	196.649	196.498	197.473	199.999	202.977
	<i>males</i>	101.540	102.032	100.777	100.781	100.857	101.228	102.624	104.332
	<i>females</i>	97.392	97.955	96.384	95.868	95.641	96.245	97.375	98.645
10-19	<i>total</i>	232.086	215.615	201.357	191.437	181.501	176.281	172.848	172.752
	<i>males</i>	117.829	109.787	102.755	97.781	92.802	90.356	88.697	88.575
	<i>females</i>	114.257	105.828	98.602	93.656	88.699	85.925	84.151	84.177
20-29	<i>total</i>	291.941	285.507	277.951	276.213	273.186	263.873	253.519	241.773
	<i>males</i>	144.829	141.827	138.277	138.440	137.619	133.343	128.548	122.791
	<i>females</i>	147.112	143.680	139.674	137.783	135.567	130.530	124.989	118.982
30-39	<i>total</i>	215.426	246.470	240.319	236.737	234.993	234.911	235.309	235.580
	<i>males</i>	122.102	119.227	116.031	114.495	113.996	114.411	114.914	115.350
	<i>females</i>	129.324	127.243	124.288	122.242	120.997	120.500	121.395	120.230
40-49	<i>total</i>	242.760	239.707	236.549	234.770	232.925	230.946	229.712	229.049
	<i>males</i>	113.870	112.747	111.255	110.607	110.152	109.425	108.964	108.545
	<i>females</i>	128.890	126.960	125.294	124.163	122.773	121.521	120.748	120.504
50-59	<i>total</i>	204.769	208.246	212.756	216.740	220.076	222.947	223.811	222.374
	<i>males</i>	90.110	91.896	94.096	96.307	98.256	99.749	100.546	100.246
	<i>females</i>	114.650	116.350	118.660	120.433	121.820	123.198	123.265	122.128
60-69	<i>total</i>	172.382	171.249	169.258	166.524	163.862	161.836	162.870	166.350
	<i>males</i>	67.519	66.985	66.467	65.432	64.659	64.085	64.711	66.475
	<i>females</i>	104.863	104.264	102.791	101.092	99.203	97.751	98.159	99.875
70+	<i>total</i>	185.834	191.345	196.455	201.455	205.370	208.366	209.577	209.156
	<i>males</i>	55.435	57.230	58.804	60.507	61.823	62.979	63.203	63.049
	<i>females</i>	130.390	134.115	137.651	140.948	143.547	145.387	146.374	146.107
<i>total</i>	<i>total</i>	1.780.130	1.758.126	1.731.806	1.720.525	1.708.411	1.696.633	1.687.663	1.680.011
	<i>males</i>	813.252	801.731	788.462	784.340	780.164	775.576	772.207	769.363
	<i>females</i>	966.878	956.395	943.344	936.185	928.247	921.057	915.456	910.648

Source: Central Statistical Bureau of Latvia

From the above table it is noteworthy that the number of female population in the first groups is much less than male population, according to several medical researches is because there are greater natural abortions when it comes to girls, but as age increases this change notably, it is because women have a higher life expectancy than men.

Another feature to note is that young people aged between 20-40 years are the groups with higher number of population.

Figure 18: Citizens of Latvia by age and sex at the beginning of the year



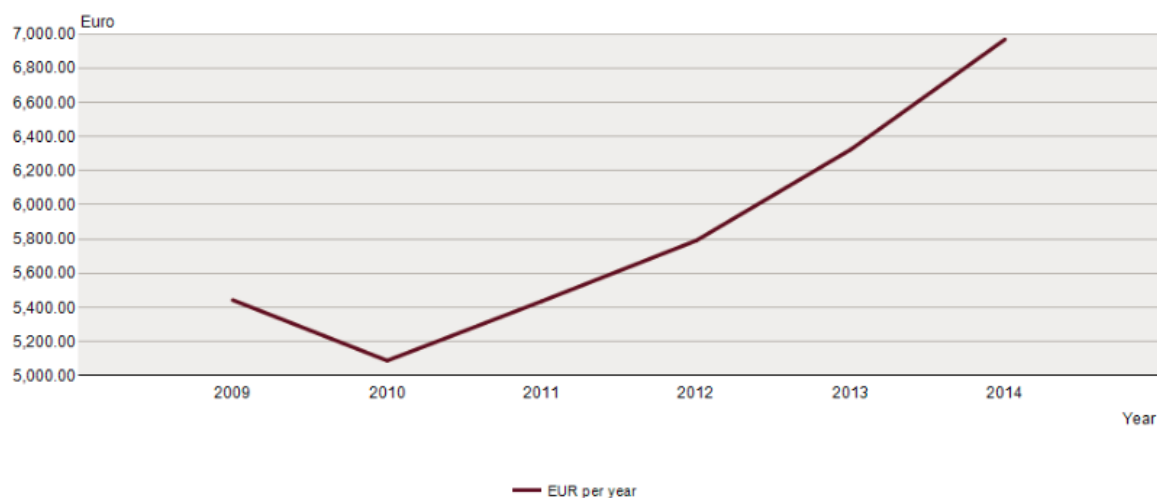
Source: Central Statistical Bureau of Latvia

The graph shows that the population has decreased in recent years and also the female population has declined more than male. Although life expectancy has increased, today the young population declined markedly due to largely incurable diseases.

Table 2: The average disposable income per one equivalent consumer data

	2009	2010	2011	2012	2013	2014
<i>EUR per year</i>	5.443,11	5.088,42	5.435,82	5.790,91	6.323,75	6.969,53

Source: Central Statistical Bureau of Latvia

Figure 19: Average disposable income per one equivalent consumer

Source: Central Statistical Bureau of Latvia

As we can see from the chart, the incomes declined significantly until 2010, which is the minimum, from which there is a recovery. Probably due to the economic crisis that reached its peak point in 2010 and today Europe is still recovering from her.

Table 3: Household consumption expenditure

	2009	2010	2011	2012	2013	2014	2015
HOUSEHOLD CONSUMPTION EXPENDITURE	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Food and non-alcoholic beverages	26,7	28,5	28,8	28,0	28,2	27,5	26,5
Alcoholic beverages and tobacco	3,6	3,4	3,4	3,3	3,3	3,2	3,3
Clothing and footwear	5,3	5,9	5,5	5,1	5,8	5,8	6,1
Housing, water, electricity, gas and other fuels	15,5	16,4	16,6	16,8	16,5	16,1	15,6
Furnishings, household equipment and routine household maintenance	5,2	4,2	4,1	4,1	4,2	4,6	4,7
Health	5,3	5,9	6,1	5,9	6,2	6,3	6,4
Transport	13,1	12,0	12,4	14,1	13,2	12,9	13,1
Communication	5,1	5,0	4,9	4,7	4,2	4,3	4,4
Recreation and culture	7,0	7,1	6,7	6,7	7,1	7,9	7,9
Education	1,8	1,8	1,5	1,6	1,4	1,5	1,3
Hotels, cafes, restaurants	4,3	4,0	4,4	4,5	4,4	4,7	4,9
Miscellaneous goods and services	6,1	5,8	5,6	5,1	5,6	5,2	5,7

Source: Central Statistical Bureau of Latvia

The trend observed is that the population is becoming healthier; there is less consumption of tobacco and alcoholic drinks and home routines but more consideration on health and exercise.

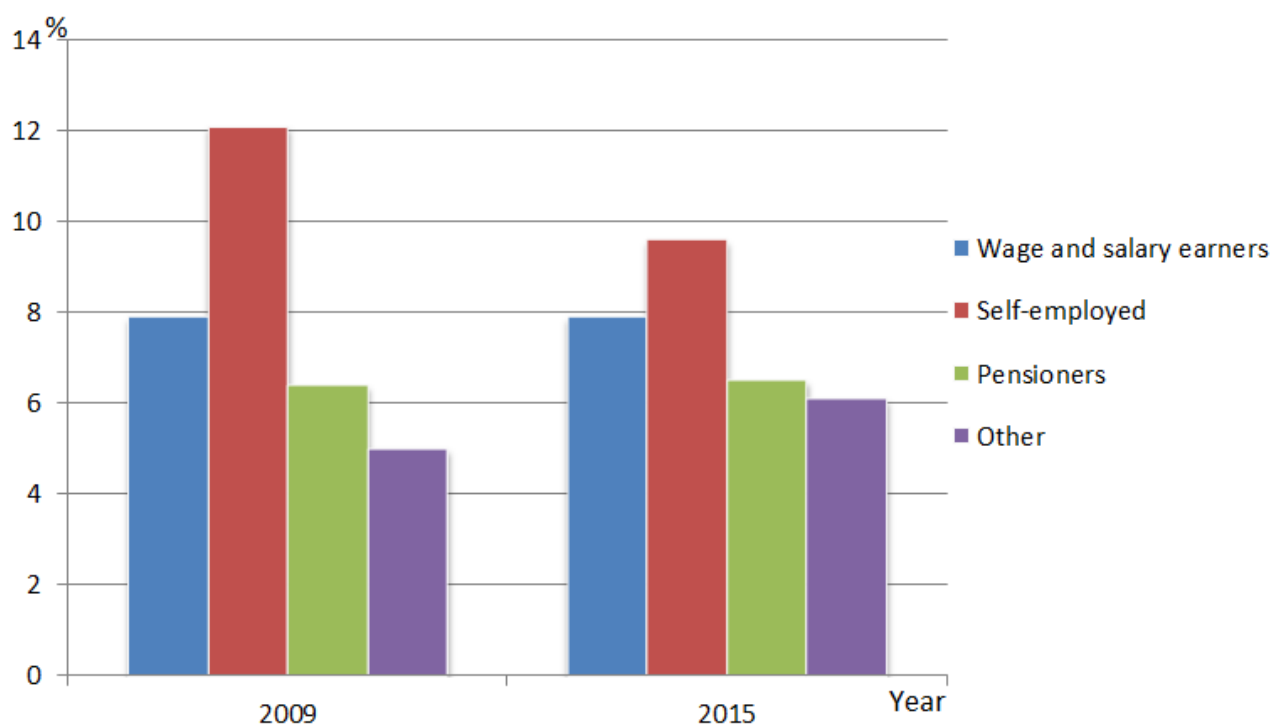
Lacking a section intended for sport, I considered that is included in the section on recreation and culture. The reason considered in this section and not the health has been based on the data. As shown in the following table, divided by groups, section health is higher for pensioners, this makes sense because they are elderly and conversely section recreation and culture is higher in the workforce.

Table 4: Household expenditure by population groups

		%			
		Wage and salary earners	Self-employed	Pensioners	Other
2009	Health	4,0	4,4	12,1	3,3
	Recreation and culture	7,9	12,1	6,4	5,0
2015	Health	4,9	5,0	14,2	5,1
	Recreation and culture	7,9	9,6	6,5	6,1

Source: Central Statistical Bureau of Latvia

Figure 20: Expenditures by population groups in 2009 and 2015



Source: Central Statistical Bureau of Latvia

The following tables show data related to organizations and sports centers in Latvia.

It should be added that the data were in two separate tables between 2000-2009 and 2009-2014, the reason for this is because the way the data call is renamed.

Table 5: Organizations and sports centers in Latvia

	2000	2009	2010	2011	2012	2013	2014
Sports federations and other unions	89	1.024	1.032	762	781	852	867
Sports associations	444	101	96	84	92	91	89
Sports facilities	2.779	113,8	93,2	68,8	72,8	61,9	65
Enrolment in sports clubs, associations, federations and other organisations, thsd	154	3.077	3.109	3.166	3.167	2.971	2.974
Sports officials-specialists	3.968	5.107	4.678	4.322	4.570	4.613	4.449
Sport managers	642	928	1.050	675	704	992	840
Coaches	1.189	1.881	1.743	1.572	1.782	1.899	1.833
Sport teachers and lecturers	2.137	2.298	1.885	2.075	2.084	1.792	1.776

Source: Central Statistical Bureau of Latvia

The highlight of the above data is the significant decrease of sports federations, sport associations, sports facilities and sport teachers. The reason for this is not because such associations have disappeared, but have joined one to each other to create stronger and specialized sports centers.

Another reason why sports have declined facilities may be due to the sale of these spaces in the countryside in order to use them for other uses that give them more profitable to the ground.

The following table shows the division of existing sports centers in Latvia depending on the sport to which they are intended.

Table 6: Sports center division by sports

In latvia	2000	2009	2010	2011	2012
Sports facilities – total	2,779	3,077	3,109	3,166	3,167
Stadiums	40	50	49	49	49
Sports grounds, combined	196	134	135	134	134
Sports grounds	1,288	1,274	1,250	1,262	1,262
Swimming pools (closed and open)	71	76	80	81	81
Sports halls	962	1,193	1,207	1,223	1,223
Sports maneges	18	17	27	27	27
Shooting galleries	92	69	68	68	68
Paddling centres	10	10	10	9	9
Mountain skiing tracks	27	55	55	55	55
Skiing tracks	9	16	15	15	15
Road vehicle tracks	11	14	12	14	14
Motor sports tracks	20	20	18	18	18
Cycle tracks (BMX)	17	12	14	15	15
Yacht clubs	7	8	8	8	8

Source: Central Statistical Bureau of Latvia

This table there is no data related to tennis or squash in Latvia so I made one final table with the existing courts in Riga, as well as swimming pools, gyms and sports centers that could act both as alternatives to paddle, therefore competitors, as interested in including paddle in their facilities.

Table 7: Other sports facilities of interest for the project

Riga	2016
Swimming pools	19
Gym	20
Sports fields	12
Tennis courts	76
Squash courts	36

In short, it appears that although the population decline over the years, the quality and standard of living is higher. In addition, there is a greater tendency to be healthier, which includes making more sports.

This we see our potential customers are greater today than a few years ago.

3.4 Benchmarking

As explained in theory, that is how it will be done benchmarking, taking the following points.

Briefly, is to compare our product with the two main competitors, analyze them according to a set of parameters and applying the methodology of weighted sum for decision-making we can get a result on which to work to improve the product.

Since we will compare ourselves with our direct competitors, the type of benchmarking employed is the external.

5 steps for the implementation of benchmarking:

1. The product offered is the introduction of a new sport: paddle tennis, which includes processes such as customer service, business strategies or business policies.
2. Products chosen for comparative have been two:

The main paddle competitors are tennis and squash due to the similarities between the three sports, so below there is a table to obtain the similarities and differences that keep the three sports.

Table 8: Differences between tennis, squash and paddle

	Tennis	Squash	Paddle
Court measures	Individual: 23,77 m * 8,23m Doubles: 23,77 m * 10,97 m	Individual: 9,75 m * 6,40 m Doubles: 9,75 m * 7,62 m	20 m * 10 m
Court characteristics	Opened	Completely closed: wall / glass	Completely closed: wall / glass and mesh
Court ground	Grass, dirt or asphalt	Wood	Synthetic material
Racket	Larger and light. Surface wound with string.	Larger and light. Surface wound with string (narrower ropes).	Small, heavier. Hard surface with holes.
Ball characteristics	White or yellow. Bounce more.	Smaller and rubber. They are classified according to hardness.	White or yellow. Bounce less.
Ball measures			
- Measure	6,35-6,67 cm	4-4,5 cm	6,36-6,77 cm
- Weight	56,7-58,5 g	24-25 g	56-59,4 g
- Pressure	5,8-6,8 kg/inch ²	6-7,5 kg/inch ²	4,6-5,2 kg/inch ²
Rules :			
- Serve	- Throw the ball up and hit in the air. The player can't have one foot in the service	- The player must have one foot in the service box. The ball must hit the wall below the top	-Mandatory pre boat. Without exceeding waist height The player can't have

- Walls	box. - Walls are not involved in the game.	line and above the service. - The ball can hit anywhere on the front wall, always below the top line and above the band needed.	one foot in the service box. - The ball can hit anywhere on the wall always with a previous boat on the floor.
Technique	Major technical level due to the more explosive and lateral movement of the ball. It focuses on training the upper body.	Squash is essentially a technical game, which is the most strategic and technical game. The body is used to the maximum and that requires a lot of strength, flexibility, speed and endurance. It is a demanding cardiovascular.	Simpler, easier plays and dynamic. It focuses on training the lower body.
Physical training			
Injury	The main lesions are at the knees due to lateral displacements.	The lesions are usually in tendons and joints by constant acceleration and sudden movements.	The main injuries are on the knees due to sudden changes of direction.
Players	Individual: 2 players Double: 4 players In single game court margins are not included.	Individual: 1 player Double: 2 players The court is smaller for 1 player than for 2 players.	Individual: 2 players Double: 4 players Court margins are included.
Network	The height in the center of the network is 0,914 m while the sides is 1.07 m.	There is not a net.	The maximum height in the center of 0.88 m, while in the end it will rise to 0.92 m.

3. Once it has been selected the products that are going to be analyze, it is necessary to determine the information to be collected, which would be the information related to the aspects that will be subjected to benchmarking of selected products.

The information on which we will be focus first is:

- Price: It refers to the price to play paddle, it covers costs made with the kit (racquet, balls, clothing and sneakers) and the cost of using the court and lighting.
- Technique: is the difficulty of understanding the game and the application of the rules.
- Physical training: Physical capacity necessary to support the physical effort required in the game.
- Space: space required for the facilities.

- Potential players: all those players fit to practice the sport frequently.

They are evaluated according to a number of parameters evaluated 1- 5.

Choosing the type of criteria and write in different fields:

- Decreasing: it means that the product with the less value is optimal. That is, in this case 1 is the best value and 5 the worst value.
- Increased: unlike the previous case, the higher value is the best option. 1 is the worst value and 5 is the best value.

Table 9: Characteristics for analyze

	Price	Technique	Physical training	Space (m ²)	Potential players
Tennis	20-35 €	3	2	260	10.000
Squash	6-15 €	5	5	60	2.000
Paddle	17 €	2	2	200	1.700

Table 10: Weighted characteristics between 1-5

	Price	Technique	Physical training	Space	Potential players
Tennis	2	3	2	4	5
Squash	4	5	5	1	2
Paddle	3	2	2	3	2

Table 11: Type of criteria

Type of criteria	decreasing	decreasing	decreasing	decreasing	increased
------------------	------------	------------	------------	------------	-----------

- The next step is use the appropriate method in order to get the results analysis. The method chosen is the weighted sum, which is explained in the theoretical part and which have obtained the following results.

Table 12: Results. Alternative order

	Assessment	Alternative order	Alternative order
Tennis	10,92063703	1	Tennis
Squash	6,913361289	3	Paddle
Paddle	8,949375642	2	Squash

5. Finally, we list the advantages and disadvantages of each one, thus is easier for choose the right proposal and can see the strengths and weaknesses of each competitor and our own.

Table 13: Advantages and disadvantages of each sport

	Advantages	Disadvantages
Tennis	<ul style="list-style-type: none"> - Ideal for children and youth - Very spread worldwide - Facilities are not excessively costly 	<ul style="list-style-type: none"> - Difficult to practice - Require too much physical and psychological demands - Training time - Cost of specific equipment
Squash	<ul style="list-style-type: none"> - Less expensive equipment - More adapted to the level of the player - It does not depend on more players 	<ul style="list-style-type: none"> - Much physical effort - Not for everyone - More injuries occur than in other sports
Paddle	<ul style="list-style-type: none"> - Fewer injuries - Promotes social relations - Prevents heart problems - For all ages 	<ul style="list-style-type: none"> - Price is higher - Dependence on others to play - Specific Equipment (adapted player) - Little known worldwide

In conclusion, according to the advantages and disadvantages indicated above, paddle is a suitable sport for the great majority of the population, in my opinion among the three racket sports I have talked about above, is the most suitable either for ease of the game or by physical needs. The problem is that there is no external influence to attract such a sport to the citizens of Latvia, so potential customers are currently very low.

3.5 *What make this product attractive to customers?*

The most important question to ask before starting the project is:

Why customers would want to play paddle tennis?

The reasons for starting a new sport are not others like: doing healthy exercise, to be able to meet new people, is a sport that can involve men, women and children practically of all ages and many more positive reasons, but, why in Latvia? Latvia is a country in which the cold months predominate so it takes that sport need the possibility to play covered but also discovered to take advantage of months of good weather, these are two features that fulfills paddle tennis.

Another reason why the paddle is an attractive sport for customers is the large number of tennis courts that has the country, which means, that there is a large number of potential customers interested in paddle tennis.

But, why paddle and not tennis nor squash? As seen in the previous point, paddle is much more intuitive and easy to play, the rules are simple, does not require the same physical effort than the other two so, much players who cannot play tennis or squash they are potential customers for the paddle.

Another important reason is that it does not cause as many injuries as may result in tennis or squash and as a point in favor, favors social relationships as it is usually a game between four people.

3.6 *Technical study*

As seen in the analysis of situation, there is a demand for sports facilities, to build the population to a healthier life.

To enter the paddle as a sport for the first time in Latvia, it has opted for diversification.

This consists of: as discussed, the country tends to have sports facilities where not only focus on one sport but it offers a variety of activities, thus it is possible that all family members attend sports and everyone can qualify for this sport that suits physical condition.

In the following four points will analyze the technical requirements for required space and determine the optimal location for implant, as well as the necessary human resources and distribution plant.

3.6.1 **Determination of the optimal plant size**

- Surface

The space required for the construction of the entire facility will be around 4.000 m². The option that was chosen for being the most profitable has been to rent a space already built and appropriately be conditioned for later use in sports properly equipped.

The plot consists of 7.000 m² in which the warehouse is located occupying 4.170 m². It will be made a subdivision into 2 blocks, one belonging to the sport area which consists of 4.000 m² and the other remaining block of 170 m² will be used as office area.

The height of the entire warehouse is 9 meters, with a useful height of 8 meters. Attached to the office area, height is also of 9 meters divided between three floors thus the height of each of the plants is approximately 3 meters.

- Description of the plot

The plot has access from two streets, which will both access to parking and the building.

The plot consists of an open space for the parking. As an open but covered superiorly area which will be used for the cafeteria during the summer months.

- Description of the warehouse

Distribution

Projecting the warehouse is a plant consists of a rectangular area which is subsequently divided into two rectangular areas and of similar dimensions. I decided to look for this geometry because the drawings and calculations are simpler for this kind of geometry than others, which means savings of capital in the project.

The warehouse consists of a plant for the sports area and three floors for offices and commercial area. So definitely the warehouse consists of two distinct areas. One for offices and areas for employees and another for sports facilities and customer-oriented services.

The lobby will be located in the adjacent office area on the ground floor.

The cafeteria will be placed on the right side of the warehouse taking advantage of the open area as a terrace area.

Figure 21: Warehouse perspectives





Source: <http://www.rentinriga.lv/en/warehouse/rent/33288>

Materials:

The actual structure is formed by metal structures.

The cover or enclosure of the structure to which panels are used overlapping sheet and screwed to the straps. When the cover is necessary to include a heat insulator sheet panel (called "sandwich").

Panels of corrugated sheet materials with which the walls of the warehouse are made. A higher heat insulation plates to which are added insulating materials are included.

Both on the walls and cover translucent panels are used to illuminate naturally inside the structure. Thus obtaining important advantages:

It allows access to natural light, which means a saving of:

- Electricity: the glass will provide light.
- Heating: producing the greenhouse effect.

The entire floor is concrete installation.

Supplements are those elements that are required for the best equipment of industrial halls. They are varied, ranging from fans and translucent to heating, electrical and plumbing.

3.6.2 Determination of the optimal location of the plant

- Micro location

The plot is located in the neighborhood of Iļģuciems located in the north of Riga, surrounded by neighborhoods Spilve, Kipsalas, Dzirciema and Imanta, Latvian population of the city of Riga. The plot has entrances both on the street Tvaikoņu and down the street Daugavgrivas.

Iļģuciems neighborhood is one of the oldest neighborhoods in the city, which makes it a bit touristy though residential area. More precisely industries adjacent properties are active and abandoned industrial properties.

- Macro location

The reason why I have opted for locating facilities in Riga has been mainly, which is the capital of the country, which means that it is the highest percentage of population, and this population is generally young due it is the city where the largest number of universities are grouped.

The situation Ilģuciems neighborhood is located near the city center and a few minutes from Kipsala, known as the university area.

The parcel area is a wide and finished area with all basic services both electronic and sanitation: gas heating, Internet access and a large elect.

The area also has video surveillance service throughout the day, this monitoring service includes: access to alarms, security guards, video surveillance and closed territory.

Some Technical Characteristics of the plot are: entrance of the building facade, facade house, new project and guaranteed parking in the courtyard.

Finally the location is suitable for both private transport accesses to public transport as good connections to the city center.

⇒ **Ergonomics**

Within the macro location the light, temperature and water needs necessary for the adequacy of the facilities are developed to be sufficiently comfortable for the users who use them, both clients and workers.

In this study the premises will be divided into the office area, the paddle court area and the rest.

The lighting*- Paddle courts*

The artificial lighting will be uniform and in a way that does not hinder the vision of the players, the referee team nor the spectators. It will have the following minimum lighting levels:

Table 14: Paddle courts lighting levels

MINIMUM LIGHTING LEVELS	Horizontal illumination E med (lux)	Uniformity E min / E med
International and national competitions	750	0,7
Regional competitions, high level training	500	0,7
Local competitions, training, school use and recreation	300	0,5

No luminaire shall be placed in the roof area above the surface of the runway to avoid glare.

*- The sports facilities***Table 15: Sports facilities lighting levels**

LIGHTING LEVELS	Minimum E min (lux)	Maximum E max (lux)
Gym	250	500
Aerobics room	350	500
Spinning room	350	500
Kindergarten	200-300	500-750
Changing room	50	300
Storage room	50	400
Cafeteria	100	500

*- The offices***Table 16: Office lighting levels**

LIGHTING LEVELS	Minimum E min (lux)	Maximum E max (lux)
Offices	450	750
Services	50	300
Stairs/common places	100	500
Entrance	300	600

Temperature*- Paddle courts***Table 17: Paddle courts optimal temperature**

TEMPERATURE(°C)	Summer	Winter
Paddle courts	No more than 8 between inside and outside	14-21

*- The sports facilities***Table 18: Sports facilities optimal temperature**

TEMPERATURE(°C)	Summer	Winter
Gym	No more than 8 between inside and outside	14-21
Aerobics room	No more than 8 between inside and outside	14-21
Spinning room	No more than 8 between inside and outside	14-21
Kindergarten	22-25	19-22
Changing room	22	20
Storage room	20	20
Cafeteria	22-25	19-22

*- The offices***Table 19: Office optimal temperature**

TEMPERATURE(°C)	Summer	Winter
Offices	23-27	17-24
Services	22	20
Stairs/common places	20-25	14-20
Entrance	20-25	14-20

Humidity*- Paddle courts***Table 20: Paddle courts humidity**

HUMIDITY (%)	Summer	Winter
Paddle courts	60- 65	35

*- The sports facilities***Table 21: Sports facilities humidity**

HUMIDITY (%)	Minimum	Maximum
Gym	35	60
Aerobics room	40	60
Spinning room	40	60
Kindergarten	40	50
Changing room	55	70
Storage room	60	75
Cafeteria	35	40

*- The offices***Table 22: Office humidity**

HUMIDITY (%)	Minimum	Maximum
Offices	40	60
Services	50	70
Stairs/common places	50	65
Entrance	40	60

- Location plan

Figure 22: Location plan in Latvia



Source: Google images from Latvia

Figure 23: Location plan in Riga



Source: Google images from Riga

Figure 24: Location plan in Ilģuciems



Source: Google maps Ilģuciems

Figure 25: Location plan in detailed



Source: Google maps Ilģuciems

3.6.3 Engineering project

- Indoor distribution

The management area (the annex) comprises a large reception area and registration which includes advertising space on the ground floor. On the first floor are premises for rent to foreign companies such as sports shops, spas and massages, etc. On the second floor are office areas, meeting rooms and break rooms for employees, including changing rooms and toilet area for the staff.

The warehouse has four paddle courts fully equipped with benches and fountains, a gym, a spinning room and aerobics room with all needs included.

Two dressing rooms and three bathrooms, one of which intended for use by people with disabilities, for customers.

A cafeteria with terrace area opens during the summer months.

A playground with babysitting service for children.

Finally there will be a section with nursing and cleaning and storage rooms of materials and machinery necessary to carry out the maintenance of facilities.

- Entrance: in it there were placed the reception, turnstiles and stairs and elevators for access to other plants.
- Cafeteria: will be located near the entrance as this service will not be exclusive just to members but it is open to the public. It will have both a cafeteria and restaurant. 400 m²
- Paddle courts: a total of four paddle courts, each of which measures 10 * 20 m so that a total of 800 m². Notably around them there will be needed corridors on which will take place the necessary elements of lighting.
- Aerobics room: two rooms oriented for aerobic activities. It will be a free obstacles room, rectangular measures 5 * 14 m which has a capacity of 35 people having the necessary space per person is about 2 m².
- Spinning room: Annexed to the previous room, with same measures. Each bike needs at least 2 m², so the capacity of the room is determined by the number of available machines, up to 35 people.
- Gym: the measures of the gym will be 15 * 15 m this space is occupied with special fitness machines, which give approximately capacity about 33 people will be located.

- Kindergarten: space for the smallest, this room has everything you need to entertain children between 4 -10 years. The space for them will be 100 m².
- Changing rooms: two dressing rooms, one male and one female. Will have changing areas with lockers and banks, shower area and toilet area. The space for each will be 70 m².
- Services: besides of the services included in the changing room, on the ground floor there will be a service for men, one for women and another for the disabled. (18 (3 * 6) -18-6)
- Areas of staff: staff room where they can relax and leave their belongings during work. Six rooms for different uses, each one will measure 15 m²
- Storage room: room where the necessary materials for cleaning and maintenance staff take place. The cleaning room will occupied 30 m², while the maintenance room 50 m².
- Warehouse: are the materials necessary to play paddle tennis, available to customers for a price of rent for the time necessary. 34 m².
- Nursery: Being a sports facility is required a nursery equipped with the essentials to treat minor injuries and give a primary care nurse. This space will be about 63 m².
- Commercial for rent: for lease to companies from outside, such as sports shops or beauty salons.

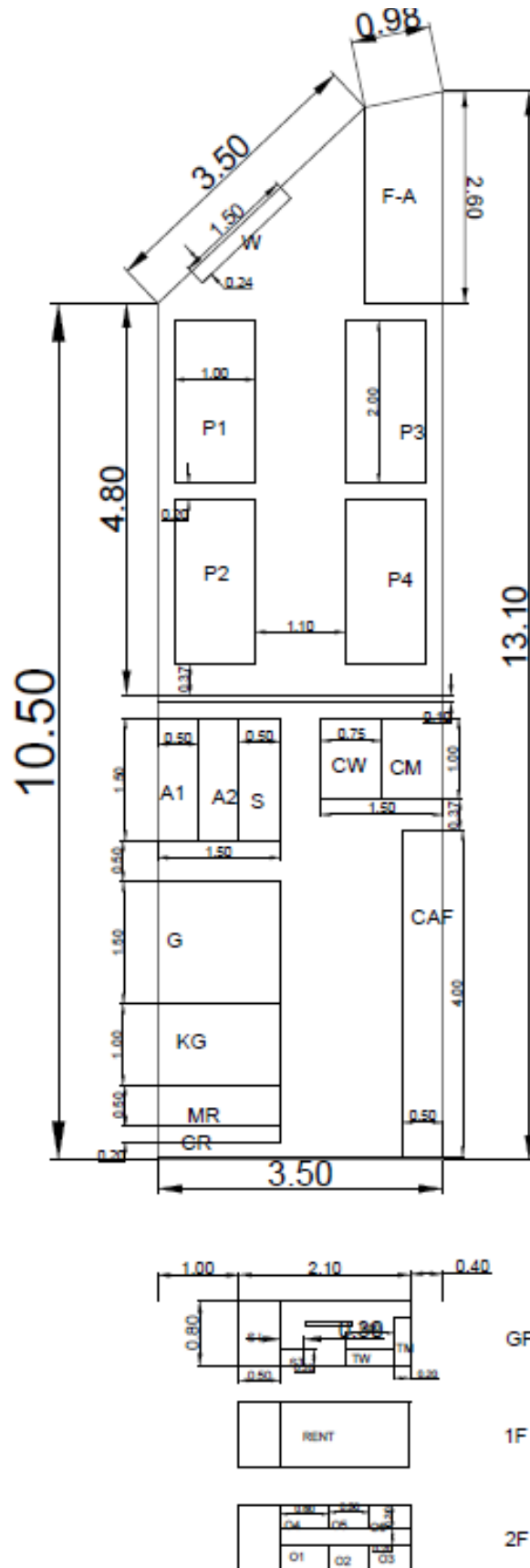
Table 23: Rooms abbreviations and measures

ROOM	Abbrev	m²	m³
Cafeteria	CAF	400	
Paddle courts	P1-P2-P3-P4	200	
Aerobic rooms	A1-A2	70-70	
Spinning room	S	70	
Gym	G	225	
Kindergarten	KG	100	
Changing rooms	CW-CM	70-70	
Services	ST-TW-TM	6-18-18	
Areas of staff	O1-O2-O3-O4-O5-O6	18-15-15-18-15-15	
Storage room	MR-CR	50-30	
Warehouse	W	34	
Nursery	F-A	63	
TOTAL WAREHOUSE		4.000	36.000
Commercial for rent	RENT	128	
Ground Floor	GF		
First floor	1F		
Second floor	2F		
Lift-stairs	S-L	40	
TOTAL OFFICE		170	1.530
TOTAL		4.170	37.530

In Appendix 2. Material's list is a list of all materials that will be needed initially to launch facility is attached.

- Floor plan

Figure 26: Floor plan distribution



3.6.4 Administrative analysis

- Human resources

In the next point is done a list with all the necessary employees to launch the facility. In each of them is done a brief description of the functions they perform and the profile is sought for each job, which will help to find the perfect candidate for the job when hiring.

Before starting, the schedule of the facilities will be from Monday to Sunday from 9:00 am until 22:00 P.M except for:

The kindergarten will only work Monday through Friday in the afternoon and during the weekends and public holidays on the full schedule of the facilities. Those responsible for the animation of the smallest will be done by outsourcing.

The cafeteria service reserves their schedule to choose for themselves, since this service is external to the operation of facilities, so the management it will be distinct.

The monitoring service, like the cafeteria is an external service so it is also a distinct management.

The offices will only work on working days in the morning.

Maid service will be outsourced; their schedule will be every day before they open the facilities to customers, for two daily hours. The schedule will be set between the directors of human resources of both companies.

Starting with the senior roles, the management staff:

- General Manager: Its functions are to plan the aims of the facility, make decisions, manage planned activities, analyze problems of financial aspect and hire the right staff. The skills that must possess the person for this position are: be accustomed to working in teams, be objective, leader attitude, have the gift of control, their own initiative and ability to make decisions.
- Commercial Director: among its functions include sales planning based on the analysis of demand; sales program development and supervision of the activities are carried out as planned. Among their skills they are, to have leadership skills, work under pressure, motivation of their staff, be responsible, dynamic and take initiatives.
- CFO: It has several areas of work charge, first it deals with the optimization of the administrative process and the entire financial management process of the organization. Like all

directors their skills should be very similar, but older should have a good numerical and computational capacity.

- Human resources: The two main functions are to identify and manage templates staff, it means, identifying the needs of the facility and search and select the right staff and on the other hand should manage the existing staff. Among its qualities are the ability to control, practical judgment and skills to execute, persuade and direct.
- CEO: It is responsible for planning the business plan, organize, coordinate, manage and control the various departments. The profile of a CEO must be entrepreneurial, with long-term commitment to the company and with sufficient moral authority to carry out its objectives.

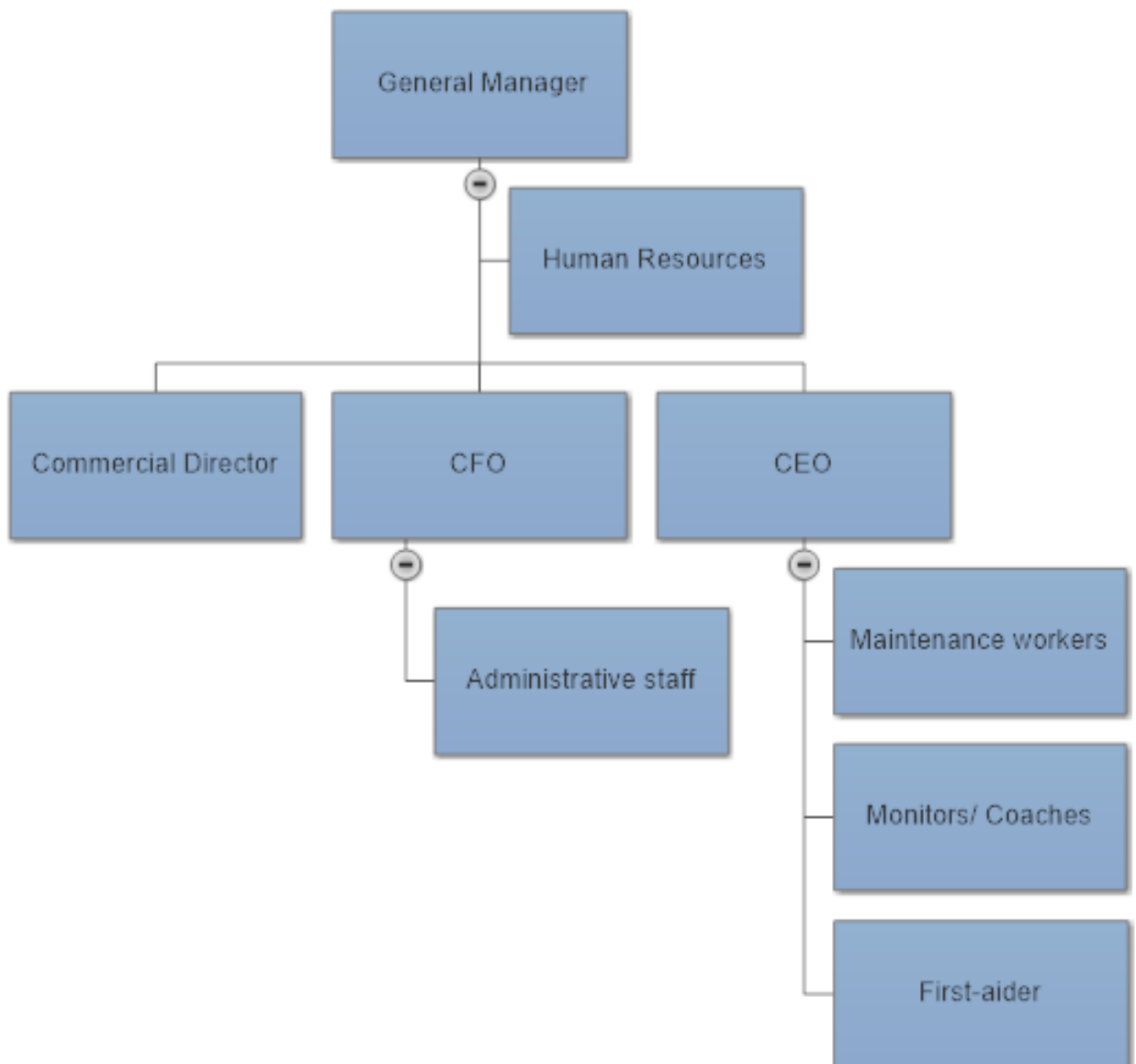
After the description of the high command of the company continue with other employees such as:

- Monitors / trainers: in this group both teachers paddle as aerobics and spinning instructors and coaches in the gym are included. Their skills must be the effort and people skills to attract customers.
- Maintenance workers: these workers have a similar schedule the cleaning company. The reason that these workers are not subcontracts is that the company refers to both internal and today there is no company in Latvia who knows how it should carry out maintenance of a paddle court. Therefore it has been decided that the contracts will be made by the company and thus may explain and train these workers in carrying out their activities.
- Administrative staff: will be responsible for performing the tasks of receiving, reserves tracks, inform customers and make records and inscriptions. Its functions will also be the maintenance of the website of the facilities.
- First-aider: person trained in the medical aspect and also has knowledge in sports injuries.

In Appendix 3. Staff's list will be needed initially to launch facility is attached.

- Organization chart

Figure 27: Organization chart



3.7 Financial study

All the data that appear in the table is considered as value in euros per year.

3.7.1 Costs

The costs of the initial disbursement are shown in the excel sheet, but the following is a brief summary of the activities and purchases to be made.

- Furniture: this section includes the investment in the furniture of the installation. The full list is shown in the appendix 4. Furniture costs.
- Communication equipment: The purchase of a telephone and computer accessories such as computers and printers to carry out administrative activities.

Table 24: Communication equipment costs

Communication equipment	€
Computer	3.000
Telephone	70
TOTAL	3.070

- Inventory: an initial stock will be available for the rental of rackets and balls for the users of the facilities.

Table 25: Paddle inventory costs

Paddle inventory	€/per year
Paddle rackets	160
Paddle balls	12
TOTAL	172

- Rental: within the initial payment will include the rental costs of the warehouse and the offices corresponding to the cash needed for the operation of the company.

Table 26: Warehouse rental cost

Rental	€/per month
Warehouse	18.000
Offices	1.700
TOTAL	19.700

- Civil works and installation: It is necessary to carry out an important work in the field in order to adapt it to the activities to be carried out.

Table 27: Civil works costs

Civil works	€
Construction	166.000
Services and changing room intallation	120.000
Lift installation	30.000
Licenses	4.200
Cafeteria installation	500.000
TOTAL	820.200

- Operating expenses: costs derived from heating, electricity, water and maintenance services and telephone and internet.

Table 28: Operating expenses

Operating expenses	€/per year
Electricity cost	1.201,56
Maintenance cost	220
Water cost	720
Heating cost	1,56

- Human resources: monthly payments to the workers of the company, both internal and subcontracted.

Table 29: Human resources costs

Human resources	€/per year/total
General manager	67.000
Commercial director	42.880
CFO	40.200
Human resources	27.470
CEO	34.840
Monitors/coaches	117.120
Maintenance workers	13.176
Administrative staff	40.000
First-aider	36.000
Kindergarten animation	29.280
Security service	45.000
Maid service	12.078
TOTAL	534.324

3.7.2 Investment

In order to begin the activity, some reforms and purchases of material will have to be carried out, which will entail a considerable initial outlay.

The partners of the company will contribute to the project a capital equal to 160.000.

This capital does not cover all the expenses planned for the opening of the complex, for that reason, will be chosen to finance the remaining amount.

We opted for an inverter for the part centered in the paddle. In this case it would be interesting that the investor was an important sportsman of the sport, as it has been done in other sports centers in Spain or England, as it would give good publicity to the center. Its investment would be the one related to the expenses from the construction of the zone destined to the paddle, that is to say, 450.000.

Finally, a last investor for the area destined to the rest of the facilities, fitness zone and offices. That inverter does not have to have any specific requirement. The investment will be 1.200.000.

The type of financing chosen is 11% interest and repayment of the 20-year loan.

Table 30: Characteristics of the investment

Investment requested	1.810.000 €
Annual interest rate	11,00%
Months period of time	180

3.7.3 Amortization and depreciation

The total amount of amortization expenses amounts to the amount of 567,253 € the first year, 567,145 the second and the third years. The depreciation percentages applied to calculate amortization expenses were as follows:

Table 31: Material amortization and depreciation

Element type	Maximum linear coefficient	Period of maximum years	Cost €/per year
Warehouse	3%	68	5,4
Offices	2%	100	0,34
Medical equipment	15%	14	2,25
Furniture	10%	20	29,425
Glassware	50%	4	4,35
Electronic equipment	20%	10	14,14
Paddle courts	3%	68	19,8
Cafeteria	3%	68	150
Paddle rackets	65%	3	1,04
Paddle balls	90%	1	0,108
Changing rooms	2%	100	12
Lift	24%	30	50,4
Gymnasia apparatus	20%	10	278

3.7.4 Earnings

Earnings will be made from three sources:

- One from rent the free locals of the second floor, to which they will be charged per square meter of rent. This price will be the price for which the whole ship is rented plus a commission. Therefore the price will be: $13 \text{ €} / \text{m}^2 + \text{lighting} + \text{heating} + \text{VAT}$.
- Second is the income from the payment of customers to the facilities for the use of their services.

As a subscriber of the sports center they can enjoy all the facilities (Fitness Room, guided activities, paddle courts), as well as discounts on other services not included in the monthly fee (aerobics, spinning, paddle, Nursery) and also in services of external companies such as the cafeteria or premises rented on the second floor of the center.

Table 32: Registration cost for those embedded in Riga

EMBEDDED IN RIGA	
ADULTS REGISTRATION	42 €/first month
AGE GROUPS REGISTRATION	21,2 €/first month

Table 33: Registration cost for those not embedded in Riga

NOT EMBEDDED IN RIGA	
ADULTS REGISTRATION	51 €/first month
AGE GROUPS REGISTRATION	25 €/first month

**Registration cost includes the first month fee.

Table 34: Monthly fee for those embedded in Riga

EMBEDDED IN RIGA	
Family monthly fee (two or more relatives)	25,40 €/month/member
Monthly fee adult (18-65 years old)	36 €/month
Monthly fee age groups (4-17 and over 65 years old)	18 €/month

Table 35: Monthly fee for those not embedded in Riga

NOT EMBEDDED IN RIGA	
Family monthly fee (two or more relatives)	30,50 €/month/member
Monthly fee adult (18-65 years old)	43,20 €/month
Monthly fee age groups (4-17 and over 65 years old)	22 €/month

Table 36: Monthly fee for special collectives

SPECIAL COLLECTIVES	
Monthly fee large family (5 or more members, at least 3 minors, single fee without registration)	90 €/month/hole family
Monthly fee unemployed	No registration

Table 37: Punctual entries and bonds costs

	PUNCTUAL ENTRIES	BONDS (9+1)
Minors (4-17 years old)/Students	3,50 €	31,50 €
Adults	7 €	63 €

Paddle courses:

- Adults: We will adapt the offer to the schedules of the students, mainly workers, to serve all their demands, according to ages and levels. The groups will have a minimum of three students and a maximum of four, and the minimum age is 14 years.
- Children: The teaching program is based on pedagogy, with the methods most appropriate to each age and each group and with the aim of providing a sports-educational service. Groups will open with a minimum of four students and a maximum of six, with priority to schedules from 3 pm to 7 pm from Monday to Friday and throughout the weekend. From 4 to 13 years old, both inclusive.

Table 38: Paddle session costs

MONTHLY RATES		
	SUBSCRIBER	NOT SUBSCRIBER
1 session/week adult	30 €	45 €
2 session/week adult	45 €	68 €
1 session/week children	15 €	23 €
2 session/week children	23 €	34 €

- In the third place, by renting the paddle courts to those who are not subscribe to the sports center.

Table 39: Paddle court rental cost

	Mornings Monday- Friday Afternoons Saturday-Sunday	Afternoons Monday- Friday Mornings Saturday- Sunday
Paddle court (per hour)	15 €	20 €

3.7.5 Cash flow

In this section the previous data are summarized in a table. With this table you can conclude whether or not the business is profitable. In € per quarter.

Table 40: Cash flow pessimistic framework

	2016			2017			2018		
	1st quarter	2nd quarter	3rd quarter	1st quarter	2nd quarter	3rd quarter	1st quarter	2nd quarter	3rd quarter
Investment	1.810.000,00								
Net income	74.383,28	30.969,42	22.155,42	47.331,35	55.443,72	82.865,99	134.828,65	101.347,33	77.724,24
Expenses (-)	1.165.897,37	149.364,12	149.364,12	149.364,12	149.364,12	149.364,12	149.364,12	149.364,12	149.364,12
Am/dep (-)	189,08	189,08	189,08	189,05	189,05	189,05	189,05	189,05	189,05
EBIT	718.296,82	-118.583,79	-127.397,79	-102.221,83	-94.109,46	-66.687,19	-14.724,52	-48.205,85	-71.828,93
Interest rate (-)	66.366,67	66.366,67	66.366,67	66.366,67	66.366,67	66.366,67	66.366,67	66.366,67	66.366,67
VAT(-)	150.842,33	-24.902,60	-26.753,54	-21.466,58	-19.762,99	-14.004,31	-3.092,15	-10.123,23	-15.084,08
Am/dep (+)	189,08	189,08	189,08	189,05	189,05	189,05	189,05	189,05	189,05
Expenditures (-)									
FREE CASH FLOW	501.276,91	-159.858,78	-166.821,84	-146.932,86	-140.524,09	-118.860,49	-77.809,99	-104.260,24	-122.922,48

The result is a negative FCF which means that the company must sell part of its investments, increase the debt or issue shares in order to maintain its planned operating level. But as the FCF also remains negative for several years, it is possible that the company has many difficulties to issue new debt and new shares. Therefore, the company is not profitable.

The attached excel sheet specifies the details of the operations performed to obtain the previous results.

Based on the previous results and data analysis of the population in Latvia and more specifically in Riga, it is predicted that the facilities will be profitable from the tenth year of operation.

3.8 *Cost optimization*

In this section of the project, the aim is to reduce costs by up to one-third of the original costs. The ways of reducing costs have been as follows:

- Second-hand furniture will be used.
- Fitness machines such as static bicycles will also be second-hand, thus saving big costs.
- Pre-built materials will be used as much as possible to save on construction and installation costs, such as in the installation of the cafeteria, changing rooms or the services.
- Paddle courts will use prefabricated materials that are easier to install.
- The number of employees will be reduced.
- The salary of all employees will be adjusted.
- Reduce the investment made by the shareholders by 60% so that the costs to return the investment will be lower.

The tables with the costs are in Appendix 5. Optimization costs and the calculations performed are on the excel sheets attached to the document.

Once the necessary adjustments have been made, the FCF is recalculated with the following results.

Table 41: Cash flow optimistic framework

	2016			2017			2018		
	1st quarter	2nd quarter	3rd quarter	1st quarter	2nd quarter	3rd quarter	1st quarter	2nd quarter	3rd quarter
Investment	543.000,00								
Net income	74.383,28	30.969,42	22.155,42	47.331,35	55.443,72	82.865,99	134.828,65	101.347,33	77.724,24
Expenses (-)	429.757,88	112.589,26	112.589,26	112.589,26	112.589,26	112.589,26	112.589,26	112.589,26	112.589,26
Am/dep (-)	73,60	73,60	73,60	73,57	73,57	73,57	73,57	73,57	73,57
EBIT	187.551,79	-81.693,44	-90.507,44	-65.331,48	-57.219,11	-29.796,84	-22.165,82	-11.315,50	-34.938,59
Interest rate (-)	19.910,00	19.910,00	19.910,00	19.910,00	19.910,00	19.910,00	19.910,00	19.910,00	19.910,00
VAT(-)	39.385,88	-17.155,62	-19.006,56	-13.719,61	-12.016,01	-6.257,34	-4.654,82	-2.376,25	-7.337,10
Am/dep (+)	73,60	73,60	73,60	73,57	73,57	73,57	73,57	73,57	73,57
Expenditures (-)									
FREE CASH FLOW	128.329,52	-84.374,21	-91.337,27	-71.448,30	-65.039,53	-43.375,93	-2.325,43	-28.775,68	-47.437,92

The results remain the same as the previous ones, the profit is negative in all but the first case (due to the initial investment of the shareholders), so the business is not profitable enough to be carried out. In € per quarter.

As in the pessimistic framework, in the optimist we do not obtain any period with gains, although it is anticipated that the fourth year will yield certain gains. In a way, this forecast is based on the reduction of expenses that are observed as the years pass. In the pessimistic framework being the 60% higher expenses the forecast of profitability is extended 6 years more than the optimist.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 *Conclusions*

The main conclusion of the project is that it is not possible to introduce paddle tennis in Latvia. The reason is that it would not be profitable as we have seen in the cash balances carried out in the practical part of the project.

In spite of this, the proposed data regarding costs of the materials and prices of the facilities are subject to changes; that is to say, Prices are subject to a hypothetical market and not to the real market.

On the other hand, this sport is not currently attractive since, Latvia is characterized by its long and cold winters and brief months of heat, therefore citizens tend to participate in hockey or ice skating sports.

In spite of all this, I believe that in the long term it may be possible that paddle is a sport in Latvia. I believe this because there is also a great boom in racquet sports such as tennis or squash. As discussed in the benchmarking as the main competitors of the paddle, a conclusion was reached that tennis and paddle were very equal in terms of advantages for users, whereas squash is the sport that received the worst score.

Finally, as a summary to all this, I can conclude based on the data, this project is not profitable at present.

4.2 *Recommendations*

According to the above conclusions, the recommendations that would be made to this project are two:

- Try to introduce the sport in facilities that already exist in such a way we would save all the costs of starting a new installation.
- Paddle is an unknown sport in the Baltic countries, so a solution would be to extend this sport to European countries closer to Spain and extend this sport throughout Europe. In this way the sport will become more known and therefore, its welcome would be greater.

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APPENDIXES

Appendix 1. Stakeholder register

Appendix 2. Material's list

Appendix 3. Staff's list

Appendix 4. Furniture costs

Appendix 5. Optimization costs

Appendix 1. Stakeholder register

Table 1: Stakeholder register

INTERNAL/EXTERNAL CHANGE		STAKEHOLDER	CONCERNS IN THE PROJECT	CURRENT POSITION	DESIRE POSITION	POTENTIAL STRATEGIES FOR SUPPORT OR REDUCE OBSTACLES
Internal	Owner	Shareholders	Get benefit.	In favor	In favor	Keep them informed about the project needs.
		Carmen Herrero	Get benefit.	In favor	In favor	Being pioneer and attract new customers.
	Customers	Customers	Try new sports.	In favor	In favor	Make attractive the sport with comfort facilities.
	Suppliers	Suppliers of paddle courts construction	Get benefit.	In favor	In favor	Explain the project needs to detail the materials are of the expected quality.
		Suppliers of maintenance	Get benefit.	Neutral	In Neutral	
		Suppliers of equipment	Get benefit.	In favor	In favor	Attract new customers and be released in new markets.
		Others suppliers	Get benefit	Neutral	Neutral	
	Employees	Construction company	Get benefit and be known as builders of such facilities.	Neutral	Neutral	Convince them that it is an expanding market and show them the benefit of being experts in the construction of such facilities.
		Electricity, gas, heating and water companies.	Get benefit.	Neutral	Neutral	

		Kindergarten animation	Get benefit.	Neutral	Neutral	
		Security service	Get benefit.	Neutral	Neutral	
		Maid service	Get benefit.	Neutral	Neutral	
		Monitors/coaches	Source of income.	In favor	In favor	Attract potential players from similar sports. Making them participants in the project.
		Maintenance workers	Have good working conditions.	Neutral	In favor	Good communication with them and agree good working condition. Listen to their proposals, making them participants in the project.
		Administrative staff and customer service	Have good working conditions and the possibility of promotion.	Neutral	In favor	Good communication with them and agree good working condition. Listen to their proposals, making them participants in the project.
		First-aider	Have good working conditions.	Neutral	In favor	Grant a work area suitable medical needs listen to proposals and take them into account.
		Management staff	Have good working conditions and the possibility of promotion.	In favor	In favor	Good communication with them and agree good working condition. Listen to their proposals, making them participants in the project.
External	Competitors	Competitors	Be a threat and try to capture a greater number of customers.	Against	Neutral	Watch them in order to anticipate possible threats that they pose to our project.
	Government	The government	They want the project boots the local economy.	Neutral	In favor	Follow the rules and comply with relevant laws.

	Media	Media	Get benefit and carry pioneer news.	Neutral	In favor	Tell them what kind of advertising campaigns are needed in the project.
	SIG	Paddle federation	Settling in a new country, create a new organization.	In favor	In favor	Maintaining good relations for common events where they can benefit both.
		Sports shops	Offer new services and get benefit of them.	In favor	In favor	Contact them with the main brands dedicated to the marketing of paddle equipment.
		Sports facilities	Attract new customers and offer a greater variety.	Neutral	In favor	Offer the possibility of including paddle among its facilities, showing the benefits that would entail.
		Colleges and universities	Healthier population.	Neutral	In favor	Educate the young people of the need for exercise and healthy living.

Appendix 2. Material's list

Table 2: Material's list

ROOM	MATERIAL	QUANTITY	TOTAL
Entrance	Computer	1	
	Table	1	
	Chair	1	
	Telephone	1	
	Lift	1	
Cafeteria	Bar	1	
	Table	10	
	Chair	45	
Paddle Court	Network	1	4
	Artificial turf	200 m ²	800 m ²
	Methacrylate walls (3x2m)	12	48
	Methacrylate walls (2x2)	4	16
	metal poles	275 m ²	1.100 m ²
	metal mesh	120 m ²	480 m ²
	light bulbs	4	16
	union elements	64	256
	screws	56	224
	Benches	2	8
Aerobic room	pad	35	70
	speakers	2	4
	music player	1	2
Spinning room	static bicycles	35	
	music player	1	
	speakers	2	
Gym	benches	10	
	gymnasia apparatus		
	mirror	12 m ²	
	pad	5	

Kindergarten	toys		
	table	3	
	chair	20	
	school supplies		
	shelve	2	
changing rooms	benches	2	
	shower	4	
	lockers	15	
	mirror	4 m ²	
	toilet	2	
	sink	2	
Services	toilet	6	
	sink	5	
	mirror	5 m ²	
Areas staff	lockers	10	
	table	4	
	computer	2	
	chair	20	
Storage room	shelve	5	
Nursing	strecher	1	
	medical kit	1	
Maintenance room	shelve	3	
Cleaning room	shelve	2	

Appendix 3. Staff's list

Table 3: Staff's list

STAFF	QUANTITY
General manager	1
Human resources	1
CFO	1
CEO	1
Commercial director	1
Administrative staff	4
Maintenance workers	3
Monitors/coaches	2
First-aider	2

Appendix 4. Furniture costs

Table 4: Furniture costs

FURNITURE	COST
Table	640
Chair	840
Bar	1.000
Bar table	700
Bar chair	1.575
Benches	540
Pad	1.200
Speakers	4.000
Music player	
Static bicycles	14.000
Gymnasia apparatus	125.000
Mirror	870
School chair	300
School table	90
Toys/ school supplies	400
Shelve	1.200
Shower	3.200
Locker	4.000
Sink	2.800
Toilet	4.800
Stretcher	1.000
Medical kit	500
Computer	3.000
Telephone	70
Lift	21.000
TOTAL	192.725

Appendix 5. Optimization costs

Table 5: Furniture optimization costs

FURNITURE	COST/total
Table	130
Chair	620
Bar	350
Bar table	100
Bar chair	225
Benches	970
Pad	200
Speakers	1.140
Music player	
Static bicycles	8.750
Gymnasia apparatus	55.000
Mirror	300
School chair	40
School table	15
Toys/ school supplies	100
Shelve	420
Shower	1.840
Locker	1.800
Sink	700
Toilet	2.080
Stretcher	700
Medical kit	450
Computer	600
Telephone	20
Lift	8000
TOTAL	84.550

Table 6: Staff optimization costs

STAFF	COST/per person/per year	Number of workers
General manager	35.000	1
Human resources	14.350	1
CFO	21.000	1
CEO	18.200	1
Commercial director	22.400	1
Administrative staff	12.000	2
Maintenance workers	1.830	2
Monitors/coaches	14.640	2
First-aider	12.000	1
Kindergarten animation	7.320	2
Security service	25.000	
Maid service	976	2