“Restoration Brokerage Service”
Mini business plan development

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1) EXECUTIVE SUMMARY

In Italy, many buildings fall under the protection of the Ministry of Culture and Cultural Heritage. Most of properties managed by Lionard are castles, palaces, or villas of historical, artistic, and cultural significance. Therefore, in accordance with “D. Lgs. 42/2004 Part Two ‘Cultural Heritage' " they are subject to constraints that regulate any intervention of modification, restoration, or restructuring. [3].

According to an article from Il Sole 24 Ore titled “*Inglese, Arabo, Russo o Cinese: I Nuovi 'Castellani' Non Parlano Italiano,*” there is discussion about the growing interest from young and foreign buyers in acquiring castles in Italy. However, it emphasizes the need for particular attention in the maintenance and restoration of such properties. A second article by Elledecor interviewing Bill Thomson chairman of the Italian network of Knight Frank also highlights the fact that “*restore and renovate can be a highly complex undertaking, and buyers have increasingly less time and patience to take it on.*" [2, 13].

The concept behind our business idea is to provide an additional service to our clients who want to intervene on properties subject to restrictions, allowing us to satisfy all their needs. The additional package consists of restoration consulting, documentation processing, and work execution, all carried out in coordination with local architectural studio and companies holding the necessary permits (SOA OG 2) to make interventions on restricted buildings.[1]

2) COMPANY DESCRIPTION

Dimitri Corti started Lionard Luxury Real Estate in Florence in 2008. The business began by realizing that the luxury real estate market was unorganized, extremely fragmented, and not customer oriented. Its innovative strategy, which is founded on data, organization, and awareness of the changing demands and preferences of consumers, is responsible for its success.

Lionard currently operates six offices in Italy, which are thoughtfully located in the most influential cities (Florence, Milan, Rome, Naples, Venice, Porto Cervo). They are going to open the seventh office in Forte Dei Marmi in 2024, while the future plan is to open other 11 offices in different locations.

In comparison to their rivals, Lionard's present market position keeps them at the top of the luxury real estate market in Italy. With a portfolio of over three thousand properties, ranging from exquisite villas with stunning views of the sea, to majestic estates in the countryside, frescoed historical buildings to contemporary penthouses in the major cities, and restored castles to contemporary mountain chalets.

Differently from their rivals, they focus on houses valued over $10 million. [4, 5]

3) MARKET ANALYSIS, POSITIONING AND OPPORTUNITY DESCRIPTION

The (Italian) Luxury real estate market represents a niche one, especially referring to historical buildings. The reported value is extremely high, and this is one of the key reasons why it needs to be deepened to properly place the proposed idea tackling the related opportunity [5, 6][1].

3.1) Market overview and statistics

Italian luxury real estate market is demonstrating a good strength: on the demand side, it has been experienced a growth in sales of 9% with respect to pre-covid values, along with a decreased time-to-sell of 6,7 months (2 short of 2019). These data are quite consistent with our interest segment, in fact it has been declared by both Lionard and one of its main competitors, during an interview, that the demand for *historical* villas and castles is rising consistently [6, 7, 2].

Considering the supply, it is going well too, with an increased overall share corresponding to 2,3% of the total Italy's real estate market. Luxury buildings are mainly concentrated in Milan (€6 billions), Rome (€4,5 billions), Versilia (€3,5 billions) and Ligurian coast (€2,9 billions). Considering the Historical establishments (of our company) instead, we have a higher concentration in Tuscany (~34%,), Lombardy (~21%), Piedmont and other regions [6, 7, 2].

Customers are mainly identified by HNWI and UHNWI[2], who are expected to grow during the next five years, with an average age between 50 to 70 years old. Even if it is true for the overall luxury market, these last information are slightly inconsistent with what it is reported for the historical-interested part of the demand: buyers here are mainly catering companies, and firms are experiencing an increasingly demand from younger people (up to 40 y.o.) who usually present entrepreneurial careers, leaving space for a clear inference about their expectable lower capital and a different risk profile [6, 8, 2].

Regarding customers' provenance, the picture is divided in a 70/30 composition: only the 30% of the demand comes from Italy, while the 70% is represented by foreign buyers. The latters are mainly made up of Soviets (decreased by approximately 3%), European and Americans (stable), and Arabic, Chinese, Indians, and Japanese citizens (increasing). Combining these data with what was said by Lionard's CEO during the above-mentioned interview, we can expect a diminishing demand by Soviets (mainly due to the current geo-political situation) and a main increase in demand by Indian and Asian customers [8, 2, 9].

The last relevant fact to cite is customers' purchase purposes with the acquired locals. An interesting article of '*We-wealth.com*' in our sources can offer a better view on this matter for the general Italy's luxury RE[3]

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[1] All statistical data and related sources are mainly based on Italy's '*dati statistici notarili*', which are all updated and based on a research-work which goes up to 2022. This is quoted everywhere, in/by source *[6]*.

[2] High net worth individuals (at least 1 million $ capital); Ultra high net worth individuals (at least 30 million $ capital) [8].

[3] Real Estate

"*Tra acquisto e affitto, la prevalenza (con una media del 70%) va per la prima soluzione, mentre se si analizzano le finalità che spingono a comprare una residenza di pregio, le motivazioni legate alla prima casa per nuove esigenze abitative possono arrivare a coprire fino al 40% delle richieste, rispetto a quella di sostituzione in ottica migliorativa della propria abitazione (35%).Ovviamente dipende da città a città, così come se la motivazione alla base dell'acquisto è legata a fini di investimento. A Milano, per esempio, lo scorso anno solo il 10% di tutte le compravendite è avvenuto come prima casa, mentre la finalità della sostituzione ha riguardato il 70% dei casi e il restante 20% l'investimento. Situazione completamente diversa da quella di Santa Margherita Ligure, dove su 100 compravendite solo circa 5 hanno avuto come oggetto la prima casa, 35, invece, la sostituzione e addirittura 60 l'investimento.*" [6].

Combining what has been said above with Lionard reported use and interest of its customers, it is verified a simple segmentation of the historical offerings' usage: Living-aim and Investment-aim [6, 2, 9].

3.2) Opportunity identification

About the previous analysis, it has been found and enlightened a huge opportunity for the company: restoration. Italy is famous around the world, not only for good appraisals but also for the highly eradicated bureaucracy, which does not spare historical buildings and their restoration in particular [11].When an individual or firm wants to perform any public architectural work on a certain kind of buildings such as historical ones ("*Categoria catastale A9*" [12]), it has to detain a specific certification called *SOA*, which gives the ability to participate in the assignment of those kinds of work when they are superior to €150 thousands. SOA certification's category for restorations on historical constructions and cultural goods is called *OG 2*, which in turn presents other difficulties and requirements to be faced. First, they are actions that cannot be performed by every organization or individual: the candidate has to present a certain grade of experience and previous works on the same asset category and a subscription to the '*Albo professionale Sezione A degli Architetti, Pianificatori, Paesaggisti e Conservatori*' / master's degree in cultural assets. Secondly, since these constructions represent part of the history of the country itself, Italy has a public institution called 'Soprintendenza Archeologica, Belle Arti e Paesaggio', which takes care of safeguarding them to preserve their original looking and historicity [1, 10, 11, 12].

All what was mentioned can be summarized by quoting what it has been said by an article from 'Immobiliare.it': "*Chi acquista una dimora storica in vendita deve dunque tenere presente che non potrà disporre dell'immobile in totale libertà e che sarà soggetto a dei vincoli.*" [12]. This list of difficulties is the base of the opportunity we propose to seek making a partnership with some specialized, local-based, historical-restoration firms, in order to get rid of that step-in place of the customer, enlarging the market share of Lionard in the Luxury (historical-related) real estate sector. According to the retrieved data and overall analysis, the window of opportunity is open and will remain open enough to build a sustainable and remunerative business, since it proposes a solution to an actual problem that will persist as long as historical buildings are on the market and in the company's portfolio.

Here are some potential firms Lionard could make a partnership with:

Tuscany: Giannoni & Santoni; https://giannonisantoni.com;
Lombardy: Fratelli Navarra; https://fratellinavarra.it;
Latium: Studio Federico Celletti; https://www.federicocelletti.it/restauro-architettonico/ ;
Veneto: DucaleRestauro; https://www.ducalerestauro.it/ ;
Campania: Mastio restauri; https://mastiorestauri.com;

4) VALUE PROPOSITION FOR KEY STAKEHOLDERS

Stakeholders can be defined as those parties who have an interest in a company and can either affect or be affected by the business. Depending on their entity (social or non-social) and relevance (primary or secondary), four groups of stakeholders can be identified.
In this case, the "audience" involved in our operations comprehends:

- *Primary Social Stakeholders*
  - *HNTI* and *UHNTI*, those affluent individuals interested in purchasing and restore luxury historical properties. Since the consultation service offers them professional advice and assistance throughout the restoration process, they stand to gain the most from it. In this approach, clients' preferences are considered and accommodated, ensuring that the solution suits their tastes, while the value of the property is preserved, enhancing the value of their investment. A track record of successful restoration projects, personalised design solutions, and targeted consultancy services might draw in wealthy clientele looking to invest in opulent historical houses.
  - *Architecture firms*, employing professionals in architecture which are fundamental to the business. Through our collaboration, they can take part in prestigious projects and work with high-profile clientele. Given their unique credentials, this represents a chance to demonstrate their expertise in the field, as well as to enjoy professional fulfilment and acknowledgment for their contributions to the preservation of cultural heritage.
  - *Lionard's employees and managers*, who actively participate in both the delivery of services provided and the accomplishment of established strategic objectives. By broadening Lionard's scope of operations, they may be able to acquire and enhance their expertise in the field of historic architecture and restoration, which would advance their professional experience and make it possible to be promoted to positions with greater responsibility.
- *Secondary Social Stakeholders*
  - *Regulatory authorities*, including government agencies responsible for upholding artistic legacy. They can benefit from antique properties being preserved, as this contributes to maintaining the integrity and value of cultural heritage.
  - *National Government,* playing a key role in shaping the regulatory environment, promoting economic growth, and facilitating infrastructure development through policies, laws, and initiatives, all of which can have a significant impact on both the business and the industry Lionard operates in.
  - *Local communities* surrounding the properties, which may not be directly involved in restoration projects but can still be impacted on an economic, social, and cultural level.

Indeed, the preservation of what may deemed their cultural identities is tied to the regions' history and traditions.
  - *Tourism authorities* promoting the cultural heritage of the region, as restorations of magnificent and exclusive properties can enhance the appeal of their surroundings to tourists.

- *Primary Non-social Stakeholders*
  - The *Inherent Environment*, which includes the landscape, vegetation, and geological features contributing to properties' setting and ambiance. To protect it and maintain its integrity, preservation and restoration activities should aim to minimise any adverse effects.
  - *Future Generations*, the long-term beneficiaries of historical preservation initiatives, as restorations allows to safeguard cultural heritage and architectural treasures.
  - *Non-Human Species*, which refer to the wildlife and plant species that inhabit or rely on the properties (living organisms such as animals, birds, insects, and plants etc.) and their surrounding ecosystems. Restoration efforts must consider the ecological needs and habitat requirements of these species to minimize disruption and preserve biodiversity.
- *Secondary Non-social Stakeholders*
  - *Environmental organisations* advocating for sustainable development and conservation. Indeed, implementing energy-efficient technologies, locally sourced materials, and sustainable design practices can lessen the property's impact on the environment.[4]

4.1) Value proposition

Through our exclusive restoration brokerage and consulting services, we eliminate the burdensome process of sourcing top-tier architects and navigating complex bureaucratic approvals, providing discerning buyers with a seamless journey from vision to reality. Our meticulous attention to detail ensures that each project surpasses expectations, delivering exquisite residences which can become timeless legacies. Thanks to our unparalleled expertise and dedication to excellence, trust us to curate your heritage with unmatched convenience and results. Elevate your restoration experience with us, where exclusivity meets excellence.

"Elevating Tradition, Redefining Luxury"

5) SERVICE LINE

When purchasing properties of historical, cultural, and artistic significance, the Ministry of Cultural Heritage imposes the most severe condition to bet met, according to 'D.LGS 42/2004'[3]. This constraint requires that any modification or work on such properties must be approved in advance, resulting in a considerable expenditure of time and energy for the client. To address this issue, we have developed an additional package that initially can be offered to the client during the property sales process. By taking on the responsibility of conducting the necessary research and obtaining all required authorizations, this option substantially simplifies

[4] See also appendixes

the procedure. It also takes care of selecting an architecture studio or business that has permission to work on properties with restrictions.

The service is provided by collaborating with companies working in different regions that have been chosen for their expertise and familiarity with the distinctive architectural and artistic characteristics of each area. These companies not only have the required operational authorizations (SOA OG 2) [1], but also extensive prior experience in working with local superintendencies, the regional authorities that grant authorizations for regulated works. With this service, the client does not have to worry about handling the intricate bureaucratic process; instead, they can have the property "turnkey", with the needed restoration or improvements.

Unlike previous services, which required the client to find authorized companies and obtain necessary authorizations on their own, our package provides an exhaustive and integrated solution to deal with this unpleasant situation. This additional service will initially be offered at the time of purchasing a property. In the future, though, it might be made available to clients who want to restore properties they currently own or have purchased from other luxury real estate companies. The company could be able to generate additional revenue from this additional service by turning it into a stand-alone bundle to be sold separately.

6) ORGANIZATION AND MANAGEMENT

6.1) Marketing and Sales Strategy

In addition to Lionard's existing press service and excellent marketing strategies presented on its official website, an opportunity to enhance the presentation of the "Brokerage Restoration service" could be represented by the introduction of supplementary elements and peculiar aspects characterizing it, to further unlock the considerable potential inherent in the proposed service.

6.1.1) Fit Between Market Needs and Capabilities/Resources:

In the real estate market, the term "trophy asset" is used to entail the definition of a property that is exceptionally rare and in high demand by investors and generally it is referred to iconic buildings in prime locations.

It is reported that the ultrahigh segment of the residential market is continuing to seek out trophy property acquisitions as a safe and secure avenue for wealth preservation, growth, and enjoyment [16]. The sustained global interest in this investment category demonstrates customers' confidence in this type of investment, its characteristics and ability to maintain and increase its value across short, medium, and long term. This allows to ensure buyers that, given the growing market demand and the attention to details of the restoration, properties not only maintained their value at the time of a possible sale, but have significantly increased it.

Regarding Lionard's resources, they could be identified within two main categories:

1) Tangible Resources

- *Physical resources:*
  - 3862 properties in total, of which 1855 are displayed online and with an average value of 5.37M. More in detail, Lionard's portfolio is composed by 1282 villas, 143

exclusive properties, 167 lofts, 268 hamlets, 91 castles and 199 hotels for sale. The total portfolio value is estimated to be 20.57B€ [17].
  - The Agencies are in the most exclusives cities in Italy: Florence, Milan, Rome, Naples, Venice, Porto Cervo, and seventh office will be opened in Forte Dei Marmi in 2024.
- *Financial resources:* 0.297% probability of default, scored between 71-90 regarding Leverage and 91-100 regarding profitability [18].
- *Technological Assets:* Lionard Technical System 1 (LTS1); the company relies 50% on technology and digitalization and 50% of its luxury real estate portfolio. The website includes a client's reserved area and wishlist.
- *Organizational Resources:*
  - Lionard Websites, Internal press, info@lionard.com;
  - In the commercial department, the organizational chart is developed as follows: Managing Partner, Branch Manager, Senior Executive Manager, Executive manager, Senior analyst executive manager, analyst executive manager, VIP client advisor, Senior client advisor, Advanced Client Advisor, Client advisor, Senior acquisition specialist, acquisition specialist, VIP senior analyst assistant, senior analyst assistant, sales Analyst assistant, senior assistant, and Junior Analyst [15].

2) Intangible Resources

- *Human assets and intellectual capital:*
  - Ongoing training is provided through Lionard Academy [19], offering more than 80 training courses (in parenthesis) and 24 months of continued training in 9 macro areas: Metodo Lionard (20), Economia (10), Luxury Lifestyle (8), Aspetti di Diritto (8), Tax (9), Business English for Real Estate (6), Architettura e Urbanistica (8), Comunicazione, Vendite e Public Speaking (7) e Management e direzione D'Impresa (8).
  - Leadership Skills: the company motto is: "*non ti cerchiamo per quello che sai, ti scegliamo per quello che vuoi sapere*."[5]
  - Services offered regards: Marketing, Owner and Buyer service, Dedicated searches, After-sales and Law and fiscal studies [20].
- *Brands, company image and reputational assets:* the company's name is a fusion between Leonardo and Lion, while the logo displays a gryphon that symbolizes power and perfection but also custody and supervision. Winner of 2023 prize of "Best Managed Companies Award" promoted by Deloitte Private for strategy, expertise, innovation, and corporate culture, governance and performance measurement, corporate and social responsibility, internationalization, and supply chain [21].
- *Relationships:* starting from an Italian geographic reach, a broader market coverage is guaranteed through public relations, international partnerships, and joint ventures with abroad societies, as part of a niche differentiation strategy [22].
- Company culture and incentive system: a highly proactive attitude driving employees to strive for excellence.

[5] In english: *we are not looking for you for what you know,we choose you for what you want to know*

Regarding opportunities as the capacity to combine previous resources, Lionard is currently a leader in Italian luxury real estate after combining an algorithm that allows the site to be automatically updated with a personalized service aimed at satisfying the requests of each customer and represents the firm's competitive asset. The staff is continuously formed through ongoing training programmes, which has allowed to establish a solid brand over time. The company successfully blends sales proficiency with artistic and architectural expertise in the luxury real estate sector, capitalising on a market niche not yet developed at the time of its foundation, thus emerging as a leader in the sector nowadays.

6.1.2) Attracting Resources and Building Capabilities:

The resource needs of the "Restoration Brokerage service" may concern:

1) *Tangible resources and relative capabilities*

- *Technological assets:* Lionard's Algorithm should be updated to automatically locate prestigious real estates which may need restoration, as well as alternatives for partners who could be involved in the project, to grant a bespoke service and get in touch with a real estate agent.
- *Organizational resources:*
    - Introduction of Restoration Broker Analyst figure: he/she could be entailed to act as an intermediary between the Superintendency, the architecture firms and the clients.
    - Industry experts of restoration and customers assistance.

2) *Intangible resources and relative capabilities*

- *Human assets and intellectual capital:* a Restoration intermediation and legislature course could be introduced to train the real estate agents in developing knowledge about the Regulations behind Superintendence, since they act as an intermediary and make the clients aware of the process.
- *Relationships:* alliances, joint ventures, or partnerships that provide access to technologies, specialized know-how, or geographic markets; networks of dealers or distributors; the trust established with various partners (see chapter 3.2) who are recognized by Superintendence and can shorten bureaucratic path behind restoration.

6.1.3) Service Development:

Considering Lionard's overreaching mission and vision to reach and preserve top-quality level and the customer's request for a more specialized service, our project aligns closely with the company's ethos by offering an intermediary consulting services pertaining the restoration of historical property which, because of the peculiar entity of the work and the bureaucratic iter to be undertaken, could be considered as a "pain" and disincentive the transaction. The service is personalised to meet the specialized demand and preferences of high-net worth clientele, thereby furthering Lionard's commitment in providing bespoke services of the highest caliber.

The company, leveraging its high experience in the Real Estate field, already possesses all the resources that could be used to pursue this project without the need of requiring funding.

Using Lionard's algorithm, the company could easily identify the historical villas and castles in need of restoration and automate the brokerage process by providing valuable insights and analysis for property evaluation and listing. Considering this development, the customers are continually informed about the company and industry experts that will be involved in the restoration, ensuring a clear communication. Along with offering a tailored service, its innovativeness makes Lionard a "pioneer" in the restoration brokerage services. As there is no competitor currently providing this type of service, and since it addresses a vacant niche in the market, it could be considered and developed to gain a competitive advantage.

6.1.4) Marketing, Sales, and Delivery:

The restoration brokerage service represents an "added value" to the sale of the historically prestigious properties because, as they are subject to the supervision by the Superintendency for the presence of frescoes, the objective is to preserve its value and restore it. The building can be renovated according to a very accurate "philological" approach, which involves a faithful reproduction of the original appearance of the structure, using the same materials when possible, imitating the most ancient construction techniques [23]. However, this is not the only solution. We can also rely on a refined combination of ancient and modern elements faithful to the original architecture, with the addition of highly refined contemporary details.

A marketing plan idea, whose strategic approach is to highlight the value proposition of the service offered, is presented below:

1) *Communicate the value proposition*: Share and explain the value proposition to make the client aware of the uniqueness of the service offered, define and emphasize the post-sale service, setting Lionard apart from competitors.
2) *Presence on social media*: Leverage the power of social media such as Instagram, LinkedIn, YouTube and Facebook to acquire and increase the audience as well as to generate interest in the project to make it appealing and compelling.
3) *Luxury Magazine BeLionard*: Use of the *BeLionard* to present the high potential of the restoration brokerage by showcasing castles, villas and historical palace or apartment along with element that could be restored so to enhance prestige. The focus could be put on the manufacts, frescoes and masterpieces that characterize the real estate and proceed recommending the best artisans and industry experts who can be involved in the restoration process. Before-and-after photos of the restoration could be published in the magazine, together with anonymous testimonials from customers to protect their privacy.
4) *Partnerships and Collaborations*: Establish business relationships with potential artisans, craftsmen, and industry experts to broaden the network, while keeping in touch with professionals that can take part to the restoration. Some partnerships, like the one with *Antico Setificio Fiorentino*, could be implemented; in fact, it is defined as the emblem of the artistic craftmanship and textile production and involved for over two hundred and fifty years in revolutions, restorations, patents, and artifices [24]
5) *Bespoke Guide*: The comprehensive knowledge and know-how of the real estate agents should be emphasized and continually verified to assure that a bespoke service is

offered, explaining the law behinds restoration and bureaucracy to make the potential customer well-informed and aware of the "exclusivity" of the service offered.

6) *Feedback collection*: Gather feedback and testimonials regarding service from satisfied clients through quality control and customer satisfaction divisions. The attention should be put on the value of the service itself and by how much this has increased the value by the preservation of the historical "soul" of the trophy asset.
7) *Search Engine Marketing:* Through Search engine marketing, which Lionard already employs, it would be possible to maximize visibility by reaching a major audience of potential high-net worth customers who are looking for an extremely personalized experience. The use of key words related to restoration brokerage is essential to attract clients that could be discouraged by the bureaucracy behind the restoration of the historical real estate.

Leveraging the longstanding trust cultivated with clients, Lionard's expertly trained staff, and its esteemed reputation, this service solidifies Lionard's position as a leader and industry standard-bearer in restoration brokerage as it encompasses ongoing customer engagement post-sale while increasing customers' loyalty.

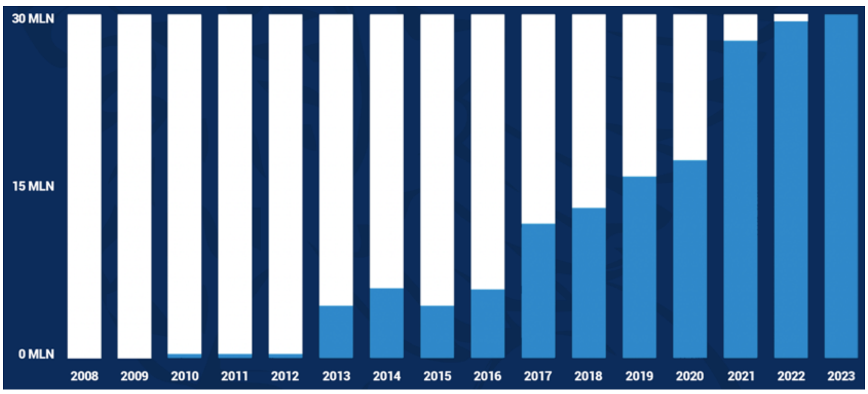
7) FINANCIAL PROJECTIONS

Having a look at the company's financial summary data, the following ratios and percentages witness the increasing financial position of Lionard S.p.A.

Company Fundamentals			
Company Name	Lionard SpA(5066547688)		
Country of Headquarters	Italy		
TRBC Industry Group	Real Estate Operations		
CF Template	IND		
Consolidation Basis	Consol.Priority		
Scaling	Millions		
Period	Annual		
Financial Summary	2020A	2021A	2022A
Probability/Return (%)			
EBITDA Margin %	58.7%	70.2%	73.9%
Operating Margin %	57.8%	55.6%	62.3%
Net Margin %	42.2%	42.4%	46.9%
Return on Invested Capital	36.6%	45.1%	55.5%
Return on Average Common Equity	36.6%	45.1%	55.5%
Return on Average Total Assets	28.8%	37.1%	45.9%

[18]

Reported growth of Revenues



[15]

Considering the growing trend highlighted, today Lionard is a leader in the luxury real estate sector, surpassing historical competitors such as Italy's Sotheby's Realty, Christie's, Knight Frank and Engel&Volkers for properties between 3-5M, 5-10M and over 10M. Lionard shows a solid financial background and, considering both the constant growth during years and the growing number of buyers interested in purchasing a prestigious property in Italy, future forecasts are more than favorable as the company develops and maintains the strategy around achieving 3 pillars:

1) Exclusivity and personalization of the service;
2) Transparency in market dynamics;
3) Efficiency and speed in every phase of customer management. [25]

The growing global demand for the acquisition of "trophy assets" in Italy would be perfectly combined with the offer of prestigious properties in iconic locations offered by Lionard. With the introduction of the "Renovation Intermediation service", the company could also attract potential buyers of the size who might be discouraged by a long bureaucratic process by becoming a leader and overtaking the competition [16].

8) APPENDIX

Porter's 5 Forces Analysis:

- *Rivalry among competing sellers:* Medium ~ weak.

According to what is reported by the company itself, the competition inside the industry can be recognized as medium: despite differentiation is high, the number of firms competing in the market is placed on the opposite. In addition, the industry is showing strength and increasing growth with no sensible downwards pressure on profitability. On the opposite, rivalry can be seen as weak if it is considered the historical constructions and services section only: in fact, almost every company offers post-sales assistance, but any of them quotes historical buildings' restoration services [2, 8, 14, 15].

- *Threat of new entrants:* High.

Barriers to entry, mainly due to the diversification level, capital requirements and access to distribution are high, along with the capabilities & resources needed could discourage new entrants. The same cannot be said for the specific segment we refer to and the service we are offering it is something that everyone who is already in the market could start to offer, as the entry barriers from this point of view are not that high [2, 7, 14, 15].

- *Threat of substitute products:* Weak.

'*Substitute product*' stands for a similar service from a different industry that can do as a substitute for our one. It is assumed to be the weakest among all the five forces, since it could not exist a substitute service: we want to face the need of restoring historical buildings for allowing certain use-purposes of our buyers, hence it cannot be found a similar product/service from a different '*near*' industry that can possibly substitute the one we are proposing, unless it is an already restored property.

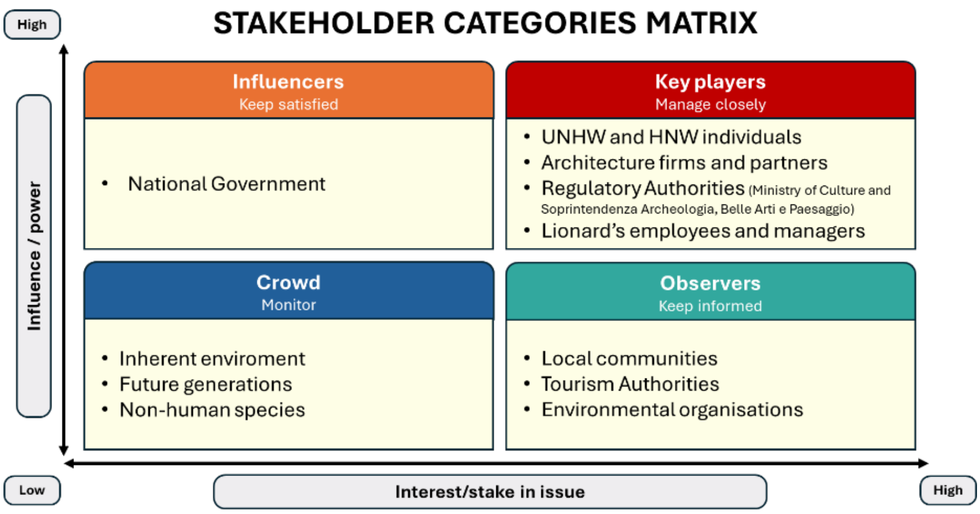
- *Bargaining power of suppliers:* High.

In this context, suppliers are considered as the companies Lionard would form a partnership with to offer the restoration service. They are highly differentiated and locally based, as required by the nature of the service, posing a low availability of substitutes and few number of firms that offer historical restorations in general. Nonetheless, there are possibilities of backward integration, but they would be difficult to pursue (look at chapter 3, paragraph 2). [1, 10, 11, 12, 14].

- *Bargaining power of buyers:* Weak.

First, in the luxury sector, customers have high bargaining power and that is verified also in our market, where technology and other tools are increasingly supporting customer relationships and sales. Regarding to castles and historical constructions, it has also been said by Lionard's CEO that customers' ability to obtain discounts is diminishing: when talking about historical restorations, people (both buyers and companies, in this case) are not free to act like they could expect, (see chapter 3, paragraph 2) due to the strict surveillance of the related public entities. Overall, it can be stated that neither customers nor Lionard have a high bargaining power towards each other. Instead, they both have a weak bargaining power towards the Italy's cultural goods institutions [1, 12, 14].

Stakeholder Categories Matrix:



9) SOURCES:

[1] https://www.soasemplice.it/categoria-soa-og2/

[2] https://www.ilsole24ore.com/art/inglese-arabo-russo-o-cinese-nuovi-castellani-non-parlano-italiano-AEq8WDd

[3] https://www.brocardi.it/codice-dei-beni-culturali-e-del-paesaggio/parte-seconda/

[4] https://careers.lionard.com/it/faqs/in-cosa-si-differenzia-lionard-rispetto-alle-altre-societa-immobiliari

[5] https://cdn2.lionard.com/profile/lionard_company_profile-it.pdf

[6] https://www.we-wealth.com/news/immobili-di-lusso-in-italia-gli-acquirenti-esteri-sono-il-70

[7] https://www.immobiliare.it/news/il-lusso-continua-a-performare-bene-domanda-in-crescita-sul-pre-covid-151143/

[8] https://www.imcconsulting.it/blog/scenari-di-settore/immobili-di-lusso-niente-crisi-in-italia/

[9] https://quifinanza.it/interviste/boom-del-mercato-immobiliare-lusso-intervista-dimitri-corti-lionard/747265/

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