What is a Business Plan

A well prepared document, showing the projections of goods to be purchased, estimated sales, required financial resources, proposed marketing strategy and projected loss and profit in a given period of business.
Objective of a business Plan

• The primary objective of an agri input business plan is to project the financial needs and make arrangements to secure financial and other requirements necessary for the implementation of the business plan.
Contents of a business Plan

A business plan should contain:
- Estimates of income and expenditure
- Period of plan
- Estimates of procurement and sales
- Product, market and crop wise sale projections
Contents of a business Plan

• Well defined Marketing strategy
• Carefully worked out Pricing system including sales incentives, credit and off season rebates etc
• Need based sales promotion strategy
• Projected cash flow
• Estimates of financial requirements and credit needs if necessary
Contents of a business Plan

• Projected sources of credit and cost of credit
• Logistics planning including cost of storage, inventory holding and transportation
Contents of a business Plan

- Manpower requirements and costing
- Estimates of sales and income tax
- Estimates of gross and net financial returns
- Estimates of loss and profit
- Risk factors and proposed safety measures
Requirements for preparation of Business Plan

• Input demand estimates for market area
• Cropping pattern
• Current pattern of input use
• Popular brands of inputs/ size of packing
• Peak selling and off season period.
• Major input consumption areas
Requirements for the preparation of Business Plan

• Competitors activities and if possible the business plans
• Knowledge of social and political environment
• Government Policies on agriculture
Requirements for the preparation of Business Plan

An adequate knowledge of:

1. Products to be sold
2. Customers and their needs
3. Marketing strategy
Requirements for the preparation of Business Plan

- Major donor funded agri development projects and their operational area.
- Govt. schemes of irrigation or market development
Steps in Business Planning

1. Analyze the market opportunities
2. Research and select target markets
3. Develop competitive marketing strategies
4. Develop a sales promotion campaign
5. Implement the marketing program
6. Control the marketing effort
Six R's for agro dealers

A dealer must supply to Farmers;

1. The right products—whether it is seed, fertilizer, or CPPs.
2. From the right place where convenient to the farmer.
3. At the right time when the farmer needs it most.
Six Rs for agro dealers

4. In the **right quantity** (and packaging) and quality that the farmer wants or should get.

5. At the **right price** and terms of sales.

6. And with the **right advice** on how to safely and properly use the inputs.