



BUSINESS PLAN

IN URBAN AGRICULTURE

Name of the activity: Setting up an online marketplace and online shop with advice service

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Company name: Novomeški plac in trgovina Pametni urbanc

SUMMARY:

There is only one market in Novo mesto, which is small and only open a few days a week. It is also less accessible. This limits the supply of locally produced food for the citizens, while on the other hand, producers do not have adequate access to potential customers. This problem could be solved by good advertising, but there is no platform for the Novo mesto area to reach a large number of people; sales are therefore mainly based on peer recommendations.

In Novo mesto, urban farming is slowly developing, but the 'smart farming' approach is not being applied. This concept is even more theoretical in Slovenia and is currently mainly used only on large farms. The problem is that most people do not feel technologically literate enough to introduce smart technical equipment into urban agriculture.

For these two issues, I came up with the following solution:

To improve contact/communication between buyers and producers, I would create an online marketplace where buyers would post their preferences and producers would post their produce.



In addition, I would use this platform to advertise ideas, tips for efficient production in an urban environment. I would show how to use smart technology (solar panels, timer pumps, etc.) and sell them in the online shop.

The target market of the activity is Novo mesto and its surroundings. However, as it is an online platform, some of it will also be carried out outside this area, but not outside Slovenia. The two main target groups are: the urban population, which values locally produced food and does not have sufficient production capacity to meet its needs, and local agricultural producers, who produce surplus for sale.

The online marketplace has almost no competition in the target area; I found only one Facebook group, which covers the whole Dolenjska region. I have also not found any shop selling the kind of equipment I intend to sell in the proposed online shop.



The financial plan of the proposed activity consists of the following items:

COSTS

- design and maintenance of two websites (a marketplace and a shop)
- purchase of products for sale
- purchase/rental of video production equipment
- payment of salaries and other benefits

SALES

- -submission of advertising space on the marketplace site
- sale of products for smart urban farming

PROFITABILITY

- it will be sufficient for the market to cover the costs of setting up and maintaining it's own website
- the shop will be the main source of profit

MILESTONES

- to cover the costs of setting up the marketplace website with advertising and sponsorship revenues within the first 24 months
- within the first 12 months, to cover the costs of setting up the marketplace website with the revenues from the sale of items on the website

1. COMPANY IDENTIFICATION DATA:

The proposed company will be of the s.p. (sole proprietorship) type, as the content on the marketplace is intended to be published by the users themselves, whereas one person is sufficient for an online shop.

The company will be located on the outskirts of Novo mesto (depending on available premises).

I will run the company myself.

The partners will be subcontractors (accounting service, web designer). I will also invite volunteers and various associations to create content on urban farming.



2. SCOPE OF THE ACTIVITY: NACE CODES

G47.410 - Retail sale in specialised stores of computer equipment and software

G47.590 - Retail sale in specialised stores of furniture, lighting and other household articles n.e.c.

G47.762 - Retail sale in specialised stores of gardening equipment and pet animals

G47.789 - Other retail sale in other specialised stores

G47.790 - Retail sale of second-hand goods in specialised stores

G47.910 - Retail sale via mail order or internet

J59.110 - Motion picture, video, television programme production

J62.020 - Consultancy services on computer equipment and software

J62.090 - Other information technology and computer service related activities

J63.120 - Operation of web portals

J63.990 - Other information activities

M71.129 - Other technical design and consulting activities

M73.120 - Advertising space rental services

R92.002 - Gambling, except in casinos

S95.110 - Repair and maintenance services of computers and peripheral units

S95.290 - Repair of other personal or household goods

1. GOALS:

1. Preserving local food production
2. Ensuring the widest possible range of foodstuffs for the local population
3. Demonstrating urban farming in practice
4. providing farmers with technical equipment
5. increasing the self-sufficiency of the local population in an urban environment
6. making use of unused green spaces in the city

4. PRODUCTS/SERVICES:

- Setting up, promoting and maintaining an online marketplace
- Text and video material on urban farming in practice
- Sale of technical aids/smart technology to customers and other peripherals
- Advice and assistance in the implementation of equipment

Sales/services plan:

Item No.	Product name	Quantity in year 1	Quantity in year 2	Quantity in year 3
1	Online marketplace	1	0	0
2	Educational content	1	0	0
3	Pumps	50	100	120
4	Solar kit	50	60	80
5	Sensor kit	50	120	150
6	Irrigation system	40	60	100
7	Opening mechanism	60	100	150
8	Hour of consultation	50	100	150
9	Tool set	30	50	70
10	Portable lamps	30	50	70

5. MACHINES, TOOLS AND EQUIPMENT:

Personal computer, internet connection, server, storage space, camera, portable lamps, microphone, racks, boxes.

6. MARKETING AND SALES:

a) Potential suppliers for the company

No.	Name of the supplier	Product	Quantity (per year)	Price per unit.	Value (EUR) in a year
1	GOREC d.o.o.	Website	1	2450	2450
2	GOREC d.o.o.	Webstore	1	3660	3660
3	GEN-I	Electric power	17.500 kW	0,22	3.850
4	Telekom Slovenije	Internet	Unlimited	50	50
5	Relex Slovenija	Solar kit	60	90	5.400
6	MimoVrste	Computer	1	1000	1000
7	MimoVrste	Camera	1	300	300
8	MimoVrste	Microphone	1	50	50
9	AliExpress	Portable lamps	50	50	2.500
10	AliExpress	Pumps	100	30	3.000
11	Loxone.com	Sensor kit	120	40	4.800
12	AliExpress	Irrigation system	60	70	4.900



13	Luxone.com	Opening mechanism	100	20	2.000
14	Green Room	Tool set	50	30	1.500

b) Potential customers

No.	Customer	Value (in €)	% of sales
1	Farmer beginner	6.025	25
2	Farmer with average skill	12.050	50
3	Farmer with advanced skill	6.025	25
Total		24.100	100%

c) Competition

- Dolenjska tržnica (Facebook site/group)
- VELOG d.o.o. (webstore in Ljubljana)
- Elektro nabava (local brick & mortar store)

7. ORGANIZATION AND MANAGEMENT:

I will run the company myself. I will be responsible for setting up the website and for selling, packing and shipping orders.

I will subcontract the website development and maintenance. I will also outsource most of the business to an accountancy service.

I will initially produce the visual and textual content myself, but eventually I would like other enthusiasts and perhaps customers of the shop to help me with this. It will also be left to customers/buyers and local producers to post content on the online marketplace. In the second/third year of the business, I intend to recruit another person to help me as needed: either in the shop or by creating video content. This is conditional on the business being successful and sales growing regularly.



8. SWOT ANALYSIS:

STRENGTHS +	WEAKNESSES -	
<ul style="list-style-type: none"> • 1. Easy contact between sellers and buyers • Online shop enables informed purchasing • practical use cases will be available for the items sold • 4. the market will support local agriculture 	<ul style="list-style-type: none"> • Supply will be modest from the start • A lot of advertising will be needed to make the business a success • The success of the marketplace depends on user engagement • If the marketplace does not generate enough traffic, the maintenance costs will be passed on to the shop's operations • The whole business depends on the actual implementation of the urban farming concept by the local population 	INTERNAL FACTORS
OPPORTUNITIES +	THREATS -	
<ul style="list-style-type: none"> • Opportunity for great success; the only market of its kind in the area • Opportunity for good business; the only shop of its kind in the area • Opportunity to revitalise local sales of locally produced produce • 4. Opportunity to preserve the environment; shortening transport routes 	<ul style="list-style-type: none"> • Supply will be modest from the start • A lot of advertising will be needed to make the business a success • The success of the marketplace depends on user engagement • If the marketplace does not generate enough traffic, the maintenance 	EXTERNAL FACTORS



	<p>costs will be passed on to the shop's operations</p> <ul style="list-style-type: none">• The whole business depends on the actual implementation of the urban farming concept by the local population	
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9. CANVAS BUSINESS MODEL:

Business model Canvas				
Key partners	Key activities	Value propositions	Customer relations	Customer segments
<p>The key supplier is Gorec d.o.o.</p> <p>Other urban agriculture enthusiasts are key partners. From them I will draw content to promote farming. The supplier will carry out the website maintenance activity and the partners will carry out the farming activity.</p>	<p>Key activities for distribution are to disseminate information about our activities as widely as possible. We need audience engagement activities. The service must be focused on customer satisfaction; we need to offer as much help as possible.</p> <p>Key activi</p>	<p>By offering content, we will help customers with the problem of smart farming practical implementation. We will offer customers advice, complete equipment or individual components - depending on the customer's knowledge. In this way, we will address the customer's need to increase their efficiency in cultivation.</p> <p>By offerin</p>	<p>Customers who are new to the industry expect much more attention - even after the purchase - than customers who have some experience. The business model relies heavily on already established relationships with customers, as they are expected to produce content. So, they will bring added value to the company.</p>	<p>We will create value for local urban populations and district producers. But for us, the most important customers are the people who want to grow their own produce. The customer base is therefore a niche market. We create</p>
	<p>Key resources</p> <p>To deliver on our value propositions, we need intellectual resources (video content) and human resources (to disseminate information and help each other). That is why the relationship with our customers is of paramount importance. These two sources are also where the majority of the revenue stream comes from.</p> <p>To deliver</p>		<p>Channels</p> <p>I want to reach customer segments through social networking channels (Facebook, YouTube, Instagram, TikTok) and through interpersonal recommendations. I do not use any of these channels at the moment. These channels will be tightly integrated into the business model - with the online marketplace and the local community. The most cost-effective channel is the interpersonal recommendation channel and the most effective</p>	



			channel is the social networking channel. I want to	
Cost structure		Revenue streams		
<p>The most important costs will be the purchase of products and the initial investment in setting up the websites. Promotion (at least initially) and publicity activity to attract customer interest will also be expensive. The business will be oriented towards the most favourable cost structure and value oriented. Fixed costs will be linked to the maintenance of the website and utilities. Variable costs will be incurred on the purchase of products (economy of quantity); starting with lower quantities and higher purchase prices.</p> <p>The most i</p>		<p>Different customer segments will be willing to pay different values. Less informed customers will be willing to pay more to avoid having to do in-depth research. At the moment, customers are paying less financially and wasting their time. I assume that customers would rather spend more money than their time and therefore the proposed company will offer them this type of solution. The main revenue stream will be product sales (80%) and I would like to cover the rest by advertising on the online marketplace. Product prices will be fixed (set according to product characteristics).</p>		

10. GANTT BUSINESS CHART:

BEGINNING OF WEEK DATE	WEEK 1							WEEK 2							WEEK 3						WEEK 4								
	23/10/2023							30/10/2023							06/11/2023						13/11/2023								
	23	24	25	26	27	28	29	30	31	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
ACTIVITY	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	
NOVOMEŠKI PLAC IN TRGOVINA PAMETNI URBANC																													
Task 1: Concluding contracts with suppliers																													
Task 2 Purchase of equipment and sales products																													
Task 3: product delivery and storage																													
Task 4: Preparing visual and textual content for publication																													
Task 5: Promotion of activity																													
Task 6: Testing of websites																													

11. FINANCIAL FORECASTS

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Profit and loss projection	Year 1	Year 2	Year 3
Revenue			
Anticipated sales (products*price)	15.400	25.400	35.400
Grants and other revenue	1.200	1.900	2.500
Total revenue	16.600	26.300	37.900
Expenditure/Costs			
Start-up costs	6.110	0	0
Maintenance of websites	300	200	200
Procurement of products	5.810	9.205	13.265
Computer and recording equipment	1.450	0	1.000
Accounting service	1.500	1.000	500
Utility costs	3.900	3.900	3.900
Opening promotion	1.700	0	0
Sales and marketing	2.700	1.500	1.500
Taxes	3.652	5.786	8.338
Total expenditure/costs	27.122	21.591	28.703
Net profit (loss) = total revenue- total costs	-10.522	4.709	9.197

12. SUSTAINABILITY OF THE PROJECT AND IMPACT ON THE AREA/PEOPLE:

The company's activities will have a positive impact on the social sphere, especially in and around Novo mesto. The online marketplace will provide a better link between local residents and producers in the surrounding area. The market will serve as a meeting point for people interested in urban agriculture and similar activities.

The impact on the economy will be lower as the enterprise will not employ a large number of people. I foresee here a positive impact on the increase of produce sold by the growers.

On the other hand, the shop will have a positive impact on the environment, as its operations will promote urban agriculture and thus increase the green areas in the city, i.e. in the urban environment. In addition, the operation of the market and the shop will increase the sale of locally produced food to the local population, which will help to shorten transport routes.

13. PROJECT FINANCING:



I will try to finance the start-up as much as possible with the help of current European funds and financial support offered by the government (P2, SK75, SI-SK). The start-up costs are quite high and I will find it difficult to cover them on my own. Due to the type of company, it does not make sense to crowdfund it, and private investors are not an option either (I do not want them).

14. RISKS:

There are several risks for the whole activity. There is still a lot of uncertainty in urban farming, as the concept is still new in Slovenia. There is therefore a considerable risk of unfavourable legal regulations and other bureaucratic complications from the municipality or the state.

The functioning of the market depends on the commitment of customers and producers/users. However, the risk is low, as there are almost no alternatives in the surrounding area.

For the trade, there is a risk of making products more expensive or less choice. Most of the products sold are sourced from Asian countries (China), with which the EU has recently had unstable market relations due to tariffs and embargos or additional taxes. But the current outlook suggests that this risk is reduced.