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## **Template – Business Proposal (General)**

## **Executive Summary**

A typical business plan begins with an executive summary that is prepared after the plan is written. The purpose is to communicate the plan in a convincing way to important audiences (e.g. financial institutions or possible partners/investors).

## **Introduction/background of the promotor**

A summary of the business activities of the company/FO (Promotor), history and the position in the marketplace should be provided here. This part gives an overview of the promotor, its vision and objectives, including the following elements:

### **1. Presentation of the promotors**

Creation date, geographic area, number of members (FO), types of commodities/products, plot size operated by each farmer member, number of staff (Company), ongoing services provided by the promotor, property, equipment and infrastructure.

### **2. Focus and overview of the business** the promotor is aiming to develop within its business plan.

### **3. Vision and mission**

The vision is what the promotor aspires to and what it will concentrate its energies and resources on to make the business profitable. The mission is to be achieved through the objectives of the promoters' business plan.

### **4. Objectives/goals**

This section includes production and/or financial-related objectives specific to the plan. Objectives should be SMART (Specific, measurable, achievable, realistic and time bound)

## **Market & Supply Analysis**

1. Brief introduction on the current market for the product that the promotor is focusing on in the country/region/sub region: current marketing and pricing systems, potential buyers of produce.
2. Brief introduction on the type of product targeted by the promotor (conventional sector, organic, fair trade, raw, processed, etc.).

3. Areas to improve efficiency of marketing system: what are the potential areas where the promotor could improve efficiency and reduce the costs of the current marketing system (transport, processing, etc.)?
4. Possibility of market development: what is the potential for the development of new markets? Is there potential for the promotor to directly market produce nationally, internationally, etc.? If there is, would this be a more profitable option?
5. Current produce volumes and prices from potential membership/dealership or contract farmers: what prices are members/contract farmers/dealers receiving for produce, who they sell produce to (in case of FO), what are transport arrangements etc.
6. Current buyers of crops/finished products produced by potential members/processor/company: who are the key buyers of produce/finished products, what are the 'links in the chain' after the initial purchase is made.
7. Current volume of input purchase, current suppliers of inputs, prices of inputs, input supply marketing channels.
8. Current assets and equipment (warehouses, production and/or processing equipment belongs to the promotor).
9. Characterization of the FO/company business partnerships with buyers, types of contracts, price, quantity, etc.
10. Differences between sales through the FO and sales without involvement of the FO (prices, terms and conditions, etc.).
11. SWOT analysis of the ongoing capacities of the FO/company (diagnostic elements) to manage its economic services in relation to the planned business in terms of;
  - Production
  - Processing of products
  - Marketing
  - Export
  - Certification
  - Financial management
  - Administration
  - Management

## **Proposed Partnership**

### **1. Project goals & objectives**

Goals are high level statements that provide overall context for what the partnership is trying to achieve, and should align to SAPP/IFAD goals. Objectives are lower level statements that describe the specific, tangible products and deliverables that the partnership will deliver within a time frame.

### **2. Problem Identification**

Problem Statement/Partnership **Rationale** is a brief analysis or summary of the problems identified relating to the partnership or issue to be addressed by the intervention. It has to be precise and point-to-point basis.

### **3. Project Solution for the problem**

This related to the problem identification and should highlight how the intervention can address the identified problem.

### **4. Project outputs**

This section should present the desired outputs expected through the partnership and should be **measurable**.

### **5. Project Beneficiaries**

The target group should comprise of smallholder farmers **(with land holdings below 1 ha and rely on agriculture for at least 50% of their household income)**, with special focus on women and landless, especially the youth. However, to provide assurance for steady and adequate supply to reach the demand, 20% could be accommodate from the upper bracket of the poor to have sustainable value chains. Further, indirect beneficiaries need to be specified with their specific roles in the partnership.

### **6. Project geographical coverage**

The programme is entitled for **national coverage**, though special attention and preference would need to be given to **low income districts** and where Agri-production potential is high.

### **7. Project overall benefits**

This should emphasize the overall benefits to smallholder beneficiaries, promotor and country as a whole.

### Proposed activities and investment

1. **Cost table:** Contribution from each partner of the partnership (Promotor, SAPP, PFI, Farmers etc.)
2. **Activity plan:** Time line to implement proposed activities. Ideally through a gunnett chart.
3. **Fund requirement plan:** This should be aligned with activity plan.
4. **Extension service plan:** In this section, it is expected to highlight how promotor is planning to monitor and support beneficiaries during the implementation of the project. (Ex: How many staff, number of visits per beneficiary/month etc.)
5. **Monitoring & evaluation plan:** This should explain how promoter would monitor and evaluate the implementation of the partnership together with PMU. This could be through PMU staff (VCD officer) or with the support of government officers as well.

### Financial analysis

1. Financial assumptions with and without additional investment
2. Financing requirement for production.
3. Valuation of business (evaluation of in-kind contribution)
4. Calculation of net present value and internal rate of return
5. Financing plan and cash flow estimation (Profit and loss account, balance sheet and cash flow statements)
6. Sensitivity analysis (If needed)

### Risks analysis

Categorize risk factors (See the below chart) involve in the proposed project according to probability of occurrence and the severity (Impact) with a scale to be included in the matrix as given below.

The **risk mitigation** step involves development of **mitigation** plans designed to manage, eliminate, or reduce **risk** to an acceptable level. Once a plan is implemented, it is continually monitored to assess its efficacy with the intent of revising the course-of-action if needed.

#### Simple Risk Matrix

	Consequences		
Likelihood	Minor	Moderate	Major
Likely			
Possible			
Unlikely			

#### Risk Treatment Key

Intolerable Risk Level. Immediate action required
Tolerable Risk Level. Risks must be reduced so far as is practicable.
Broadly Acceptable Risk Level. Monitor and further reduce where practicable.

### Gender equity and social inclusion strategies

This sector should include how to transform and distribute of opportunities, choices and resources available to women and men so that they have equal power to shape their lives and participate in the process of value chain and the proposed partnership.

Further, social inclusion refers to the process of improving the conditions of disadvantaged individuals and groups - such as victims of natural disasters, indigenous peoples, or other vulnerable communities to be included in the partnership.

### Environmental sustainability and climate change resilience

This area should focus on Improvement of sustainable farming practices, soil and water conservation, plant protection methods, use of organic matter and Good Agricultural Practices (GAP) in proposed partnership together with an analysis to identify the climate related major risks along with mitigation measures.

Submitted proposal would be evaluated based on the below rating system through both internal and external evaluation committees.

<b>Evaluation Criteria</b>	<b>Weight (%)</b>	<b>Relevance</b>
<b>Overall concept</b>	12.5	<ul style="list-style-type: none"> <li>• Concept</li> <li>• National priority &amp; import substitution</li> <li>• Problem identification</li> <li>• Goals &amp; objectives</li> <li>• Geographical coverage (Low income)</li> <li>• Sustainability</li> </ul>
<b>Social &amp; Entrepreneurship development</b>	20	<ul style="list-style-type: none"> <li>• Vulnerability &amp; resilience (Rural systems)</li> <li>• Cultural norms &amp; beliefs</li> <li>• Gender related empowerment</li> <li>• Youth involvement</li> <li>• Job creation</li> <li>• Strengthening of FO/PGs/COOPs</li> <li>• Nutrition sensitivity</li> </ul>
<b>Legal &amp; Environment aspects</b>	10	<ul style="list-style-type: none"> <li>• Protection of public health</li> <li>• Reduction of hazardous waste toxicity</li> <li>• Statutory compliance</li> <li>• Impact on national heritage, protected areas and natural resources</li> <li>• Climate resilience</li> </ul>
<b>Access to Technology and Market</b>	15	<ul style="list-style-type: none"> <li>• Technology dissemination</li> <li>• Innovation</li> <li>• Raw material price, quality &amp; availability</li> <li>• Marketing plan</li> <li>• Post-harvest technology &amp; management</li> </ul>
<b>Economic &amp; Financial aspects</b>	30	<ul style="list-style-type: none"> <li>• Investment plan (Capital structure and contribution of partners)</li> <li>• Cost of production</li> <li>• Sales forecast</li> <li>• Incremental income</li> <li>• Cash flow &amp; profitability</li> <li>• Loan structure &amp; repayment</li> </ul>
<b>Management &amp; schedule</b>	12.5	<ul style="list-style-type: none"> <li>• Organizational structure and ground level operation.</li> <li>• Identification of risk and mitigation</li> <li>• Training &amp; development assessment and plan</li> <li>• Financial strength of the promotor</li> <li>• Implementation, monitoring &amp; fund disbursement plan</li> </ul>
<b>Overall</b>	100	