

INTEGRATED SYSTEM'S BUSINESS PLAN FOR AGRI-FOOD PRODUCTION

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ABSTRACT: *Începuturile afacerilor organizate în sistem integrat pentru producția agro-alimentară sunt dependente de conceperea, scrierea și prezentarea unor planuri de afaceri cât mai complete, convingătoare față de partenerii – persoane lucrative sau finanțatori/creditori. În lucrare se face o prezentare a structurilor planurilor de afaceri și de marketing.*

KEY WORDS: *plan de afaceri, plan de marketing, sistem integrat de producție agro-alimentar*

1. INTRODUCTION

An agri-food production system can be appreciated like an unit, or integrated system, when this unit assures an internal cycle operation like: obtain of raw material, processing of raw material and sell the products which results from processing.

All this operation gets profit at the end, or by components. In this situation the system is developing, but exist the situation when the system consume resources and produce damage, loses, and in the end it will be forced to close the unit. Usually this kind of systems is closing because bad administration and management command.

For a good start in business it is necessary to concept a good plan, writing it and many presentations to possible partners, for work or financing.

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume.

The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.

2. BUSINESS PLAN

The importance of a comprehensive, thoughtful business plan cannot be overemphasized. Much hinges on it: outside funding, credit from suppliers,

management of your operation and finances, promotion and marketing of the business, and achievement of your goals and objectives. *"The business plan is a necessity. If the person who wants to start a small business can't put a business plan together, he or she is in trouble,"* says Robert Krummer, Jr., chairman of First Business Bank in Los Angeles.

Thinking of starting a business or raising money to expand an existing one it must to know about

- evaluate the profitability of the business idea,
- estimate operating expenses,
- prepare cash flow,
- create profit and loss forecasts,
- determine assets, liabilities and net worth,
- find potential sources of financing (up-to-date sources provided),
- think first before borrowing from friends and relatives,
- present your plan to lenders and investors, etc.

Despite the critical importance of a business plan, many entrepreneurs drag their feet when it comes to preparing a written document. They argue that their marketplace changes too fast for a business plan to be useful or that they just don't have enough time. But just as a builder won't begin construction without a blueprint, eager business owners shouldn't rush into new ventures without a business plan.

Before to begin writing the business plan, it must consider four core questions:

- What service or product does the business provide and what needs does it fill?
- Who are the potential customers for your product or service and why will they purchase it from you?
- How will it reach the potential customers?
- Where will it get the financial resources to start the business?

The business plan can be divided into four distinct sections:

- 1) Description of the business
- 2) Marketing
- 3) Finances
- 4) Management

The Elements of a Business Plan are:

I. The Business:

- Description of business;
- Marketing;
- Competition;
- Operating procedures;

- Personnel;
- Business insurance.

II. Financial Data:

- Loan applications;
- Capital equipment and supply list,
- Balance sheet;
- Breakeven analysis;
- Pro-forma income projections (profit & loss statements);
- Three-year summary;
- Detail by month, first year;
- Detail by quarters, second and third years;
- Assumptions upon which projections were based;
- Pro-forma cash flow.

III. Supporting Documents:

- Tax returns of principals for last three years
- Personal financial statement (all banks have these forms);
- For franchised businesses, a copy of franchise contract and all supporting documents provided by the franchiser;
- Copy of proposed lease or purchase agreement for building space;
- Copy of licenses and other legal documents;
- Copy of resumes of all principals;
- Copies of letters of intent from suppliers, etc.

3. MARKETING PLAN

A marketing plan is key to the success of the business. It should include the market research, the location, the customer group targeted, the competition, positioning, the product or service it are selling, pricing, advertising, and promotion.

"You're in business to serve a customer need," says Derek Hansen, founder of American Capital Access. *"If you're not sensitive to customers, don't know who your customers are, how to reach them and, most of all, what will convince them to buy your product or service, get help."*

Effective marketing, planning and promotion begins with current information about the marketplace. It can visit local institution or markets, to talk to customers, to study the advertising of other businesses from the community, and to consult with any relevant industry associations. This interactive tool will help to assess the marketing strengths and weaknesses.

The elements of a marketing plan are:

1. Definition of the business, (product or service, geographic marketing area - neighborhood, regional or national; competition; differ from the competition - what makes special; price; the competition's promotion methods; promotion methods; distribution methods or business location);

2. Definition of the customers, (current customer base: age, sex, income, neighborhood; how the customers learn about your product or service - advertising, direct mail, word of mouth, Yellow Pages; patterns or habits the customers and potential customers share - where they shop, what they read, watch, listen to; qualities of customers value most about your product or service - selection, convenience, service, reliability, availability, affordability; qualities of customers like least about the product or service - can they be adjusted to serve the customers better?; prospective customers whom it aren't currently reaching).

3. Define the plan and budget, (Previous marketing methods it has used to communicate to the customers; methods that have been most effective; cost compared to sales; cost per customer; possible future marketing methods to attract new customers; percentage of profits it can allocate to the marketing campaign; marketing tools it can implement within the budget - newspaper, magazine or Yellow Pages advertising; radio or television advertising; direct mail; tele-marketing; public relations activities such as community involvement, sponsorship or press releases; methods of testing the marketing ideas; methods for measuring results of the marketing campaign; the marketing tool it can implement immediately).

The final component in the marketing plan should be the overall promotional objectives: to communicate the message, create an awareness of the product or service, motivate customers to buy and increase sales, or other specific targets. Objectives make it easier to design an effective campaign and help to keep that campaign on the right track. Once it has defined the objectives, it is easier to choose the method that will be most effective.

4. BUILDING AN INTEGRATED STRATEGY

The planning responsibility of senior management includes conceiving and implementing an **integrated** business strategy that results in profits, growth, and clear direction for the entire organization.

For those in leadership positions, the major planning challenges are to: think strategically and gain a competitive advantage in crowded markets; link the leader's vision, the overall business plan, and the departmental strategies; decide among future market, product, and technology opportunities; and obtain multifunctional commitment to implementation.

The action is repeated five times. If the area with yellow depositions are found again, in the some places, are needed another re-design solutions. If the

depositions's areas are different, isolated, but persist is studied all the constructive solution.

For to build an Integrated Strategy it must think strategically while working the day-to-day business issues. Deciding which comes first: technology, product, quality, market, manufacturing, distribution, or finance. Understanding the influence of culture and values Selecting a dominant strategy that integrates marketing, R&D, and production strategies Focusing on the winners, dropping the losers; Examining your firm's mission and strategic intent, Measuring integrated, strategic planning progression.

For executing the plan it is important to know the leader's role, making strategy happen—the key to success, getting the people to assume 'ownership' for implementation, importance of communication, organization, and culture; using TQM, MBO, matrix management, process, and network teams for implementation; measuring and rewarding successful planning; making strategy planning a process, not a one-time event; with follow up and flexibility for change.

4. CONCLUSION

For the integrated systems the begin of management activities is based in same time on the business plan and the marketing plan. Both are complex but everyone is different, with specific destination.

A typical marketing plan calls for an assessment of the current marketing situation: the size and growth trends in the target market; the sales, prices, margins for major product; the competitive situation - size, goals, market share, product quality, marketing strategies; trends and changes in distribution; and the macro-environmental trends - socio/cultural, demographic, economic, political, legal, and technological.

With this information the market opportunities and threats, strengths and weaknesses will be assessed along with issues facing the product.

For to realize the investment for each technologic flux it must to specify in the business plan with theirs values. But it's really necessary an unit vision, with the possibility to preview all causes for block the system, then we must remark the zone with high-risk possibilities.

It's preferable to use the integrated systems for agri-food production, where can use minimum an available element (raw material source, the personal land, equipment for processing, personal network marketing, other).

The both plans can be goods when its are exactly, are completely, with good predictions. If don't use correct and full all the knowledges of management, for this situation the results are unpleasant.

Also it must consider all the risk of this kind of business. The advantages of integrated systems can give the possibilities to see the system like a whole unit with many economics aspects, in special between the departments.

In the business plan must be considered the difference between the distinct sub-systems: economical, commercial, industrial and production integrated system, even between them exist a lot of interconnection.

The business plan must be concept by the specialized persons, because in the final its must have SUCCES for the business and for the investitors.

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