**ASSIGNMENT**

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**ID#16763**

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**Managerial Economics**

1. **BUSINESS OVERVIEW:**

Legal Name: Organic Bites.

Trading Name: Organic Bites.

Description of the Business: Organic Bites aim to provide people with healthy & organic food items, freshly farm grown fruits and vegetables in a natural and recreational environment and a healthy experience of farm tour for children and adults. A day at our farm would definitely be a healthy, libel and a fun filled day that would be worth giving a shot.

Major Demographic, Economic, Social & Cultural Factors: In organic food industry, it is beneficial for marketers to understand both demographic and socioeconomic characteristics of organic food for the consumers. According to a research report, consumers pay more attention to food quality claims, particularly food safety claims. Here we would be facilitating all the age groups either it be adults or children. Our products would be offered at quite reasonable prices and the quality would be worth the price. Our farm has potential to attract today’s health conscious society and provide a healthy family environment.

Major Players (suppliers, Distributors, clients): Organic Bites would be purchasing dairy products, organic eggs, organic honey and our fertilizers and seeds etc. from the suppliers. Distribution would be through retailing and the clients would be family, children, more specifically the health conscious and the nature loving class.

Nature of the Industry: Food industry.

Trends in the Industry: People now a day are more health conscious and they prefer more hygienic and healthy food products, with a quality worth the price.

Government Regulations: For government, it is necessary or expedient for maintaining supplies of any foodstuffs for securing its equitable distribution and availability at fair prices, may, by notified order, provide for regulating or prohibiting the keeping, storage, movement, transport, supply, distribution disposal, acquisition, use or consumption thereof and trade and commerce there in.

1. **MARKET:**

Market Segment: According to the analysis performed regarding consumer attitudes towards organic food, there are three segments: favorable, neutral and unfavorable. The results show that the consumer segment with more favorable attitudes toward organic foods are highly health conscious and exhibits socially responsible consumption behavior when compared to the other consumer segments.

Products & Services: Our farm Organic Bites would provide customers with cooked healthy and organic meals, uncooked freshly plucked veggies and fruits, organic dairy products and poultry and a lively farm tour experience especially aimed at children recreation which could act as a societal benefit.

Pricing & Distribution: The pricing strategy would simply be, to cover the cost and offer our product at quite reasonable prices. The distribution would be done through retailing.

Market Trends: The basic traits of the customers in our targeted market are the health orientation, socially responsible consumption, Environmental responsibility, and values and lifestyles.

Implications or Risk Factors: As the market for organic food does not as such exist in KPK but as our farm starts operating, there are chances of establishment of more such farms because the market is completely unsaturated.

Planned Response: Our response towards the risk factor of competition is that we would be welcoming changes in our products and would modify our products and items with time to time with the change in demand.

1. **COMPETITION:**

Competitors & Type of Competition: We do not have any organic food farm in KPK at the moment.

Competitors’ Strengths & Weaknesses: No competitors.

Competitive Advantage: The entire business is unique and has no market at the moment which gives us an edge.

1. **SALES AND MARKETING PLAN:**

Customers:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **NAME/ADDRESS** | **TERMS** | **PRODUCT/SERVICE** |
|  | **1** | Schools of Hayatabad | Cash | Provide them the best environment in the farm as recreational or trip activities. |
|  | **2** | Families of Hayatabad and Ring Road side. | Cash | Deliver organic food and provide them the best environment in the farm. |
|  | **3** | People living in housing societies like in City area, Gulbahar area and the University Road area. | Cash | Deliver organic food and provide them the best environment in the farm. |

Suppliers:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **NAME/ADDRESS** | **TERMS** | **PRODUCT/SERVICE** |
|  | **1** | Milk shops/ Palosi, Tehkal bala | Cash | Dairy products |
|  | **2** | Chicken farm/ Dalazak Road near motorway pull. | Cash | Organic eggs |
|  | **3** | Natural fertilizers and seeds/ Tarnab farm Nowshera road | Cash | Fertilizers and seeds |
|  |  |  | | | |

Advertising & Promotion: Advertising and Promotion will be done through social media marketing, websites, billboards, handouts and public relations.

Pricing & Distribution: Pricing of organic food will range from Rs 500 – 1500, drinks from Rs 150-300 and organic products will be sold on market price. Distribution will be among customers who come to restaurant and order the food or buy the products.

Customer Service Policy: One person will be assigned the job to check if the customers are satisfied with products given to them through feedback, staff will show professional attitude towards the customer, a system will be set up to document the customer complaints and comments.

1. **OPERATING PLAN**

Location: Hayatabad, Ring road.

Size & Capacity: 8 kanal.

Advantages/Disadvantages:

1. Land available on cheap price (Rs. 30,000/year)
2. Location associated within 2 to 3 Km of proposed housing societies.
3. Enough space available for visitors.

Lease or Ownership Details: Yearly rent Rs. 30,000/-

Equipment, Furniture & Fixtures:

1x tractor

3-4x shovels

1x pickup car for farmers and other workers.

Research & Development:

* Taking industry-specific courses, in person or online.
* Participating in social media networks with people in your field to share findings, ideas and advice.
* Broadening your awareness of industry, market area, consumer, industry issues and opportunities.

Environmental Compliance: Food safety will be a priority and we guarantee compliance to all applicable local laws, regulations as well as internal policies, principles and standards with full transparency in all activities, products and services being carried out.

1. **HUMAN RESOURCES PLAN:**

Key Employees:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | NAME OR TITLE  (NO OF POSITIONS) | | KEY  RESPONSIBILITIES | QUALIFICATIONS |
|  | 1 | 1. Farm managing head | Managing and analyzing the work done at farm | | Degree in agriculture |
|  |  | 1. Financial manager | Managing the finances | | Degree in Finance |
|  |  | 2 | 1. Marketing manager | Marketing of the products and the business | | Degree in marketing |
|  |  | 3 | 1. Production manager | Planning, coordination and control of manufacturing processes | | Degree in food production management |

Owners of the company themselves will be actively involved in the managing department based on the qualification. Chef of the restaurant will also be one of the key employees.

**Policies & Procedures:**

Hours of Operations: Farm will be taken care of 24/7 with work shifts and the restaurant after its opening will operate on weekends between 6am-5pm.

Number of Employees: 12-15

Performance Assessment: Owners of the company themselves will do the assessment on the daily basis until there are enough finances to hire a regular assessment or operation manager.

Training & Development:

1. Job shadowing — involves one employee following another employee, like a shadow, to learn all the aspects of a given job.
2. Conferences, seminars, workshops and courses.
3. Online courses — a cost-effective way of introducing new ideas and approaches. Especially when you need to train a large number of staff e.g. to demonstrate compliance with health and safety regulations.
4. Create a personal development plan for each employee. Identify employee strengths and weaknesses and mentor them in a way they like to learn. Review what you’ve assigned with your employees at least once a year to evaluate progress. After completion of any training, discuss how their learning will be put into action.

Remuneration & Benefits:

This policy applies to the entire staff.

* paying staff on time;
* ensure staff are fairly and equitably remunerated for their work;
* value the contributions by the staff;
* manage staff leave entitlements in a way that benefits staff;
* employee discount on yearly basis;
* job training;
* encourage, recognize and reward employees giving their high-performance;

Later after some success, we will introduce benefits like diversity program, legal assistance and professional development.

1. **ACTION PLAN:**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **ACTION** | |
|  | **1** | Buy a land for farming and production of organic products |
|  | **2** | Recruit farmers and a farm managing head |
|  |  | **3** | Allocation of the resources for farming |
|  |  | **4** | Production of organic products |
|  |  | **5** | After the production of fresh organic products, comes the opening of the restaurant for brunches |
|  |  | **6** | Recruitment of the employees and resource allocation |
|  |  | **7** | Marketing of the business |

1. **EXECUTIVE SUMMARY:**

Objectives/ Description of the Project: The objective of the project is to reach out to the people and provide healthy food under reasonable cost, provide the best quality food to the people who pay for it and attract people towards the pure organic farm food.

Business History/ Nature of Operations: Our business does not have a history at this point. Nature of operation is legal. The business will be legally registered.

Product & Services: Products include organic food like organic honey, eggs and other fruits and vegetables. Services include brunches on weekends and food stalls for the selling of the organic products as well.

Project Financing: The main idea for project financing is to invest some of the money our self and some through other individuals or institutions like i2i (invest to innovate).

Risk Assessment & Contingency Plan: The risk assessment depends on the threats that business faces and will be done through group brainstorming, interviews, surveys, review of past accident reports, SWOT Analysis. In our business the threat would be the finances and weather as we are doing the organic food and farming so for that we would consider partnership with people who are qualified and balance the finances. In case of risk, the business can handle it through risk reduction, sharing or transferring the risk and risk retention. Risk managers will be hired to create detailed plans to deal with the most likely situations the organization will face or those that will do the most harm.

Supporting Documents:

Following documents will be provided:

* Audited financial report.
* Copies of leases, contracts and other legal documents.
* Licenses, permits, patents, and other intellectual property information.
* Details of marketing studies.
* Business organization documents.
* Legal agreements.