



BUILDING A SUSTAINABLE & INCLUSIVE  
HORTICULTURE SECTOR

# Workbook For Horticulture Value Chain SMEs On Writing of Business Plans



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## PREFACE ON HORTINIGERIA

### 1.1 Context

The Embassy of the Kingdom of the Netherlands in Nigeria (EKN) acknowledges that in the horticulture sector, substantial opportunities exist for increased resilience of households, given the huge numbers of workers (including women and youths) employed therein. Accordingly, in 2021 the EKN unveiled HortiNigeria, a four-year program, which aims to enhance the productivity and income of 60,000 smallholder farmers (50% youth and 40% women) through agronomic practices that are eco-efficient.

In four states of Nigeria (Kaduna and Kano in the north-west and Ogun and Oyo in the south-west), HortiNigeria is being implemented by the International Fertilizer Development Center (IFDC) and its consortium partners East-West Seed Knowledge Transfer (EWS-KT), Wageningen University & Research (WUR) and KIT Royal Institute.

HortiNigeria would also sustainably expand cultivated land by 15,000 hectares, promote innovations and regional diversifications to reduce seasonal risks faced by 2,000 entrepreneurial farmers, increase access to finance for 50 agro-SMEs, enhance sector coordination and facilitate 200 business-to-business linkages. The program concentrates on tomato, okra, onion, and pepper value chains in the domestic markets, and its implementation is occurring through four components as follows:

1. Increasing Productivity and Incomes in Kaduna and Kano States;
2. Piloting Production Systems Innovations and Regional Diversification in Ogun and Oyo States;
3. Increasing Access to Finance for SMEs and
4. Enhancing Sector Coordination and Business-to-Business Linkages.

### 1.2. The Need for Capacity Building

HortiNigeria recognizes that access to finance is a tipping point necessary for smallholder farmers (SHF) and other value chain actors (VCAs) if they are to sustainably adopt eco-efficient practices and innovations and expand to wider markets. This would occur if the targeted VCAs get into the formal financial network, where opportunities abound for injection of capital from usually, commercial sources.

One key requirement for an enterprise seeking for funds, is that the promoters should be able to develop basic proposals that give, not only an overall view of the business, but also, details of all interrelated activities and how they fit into the operating environment, particularly in relation to the prospects of sustainable business growth.

This document on the development of business plans is the third of three training manuals

Unless otherwise specifically referenced, all photographs contained in the manuals were originally taken by (and belong to) Dabrandcity Limited.

## 2. Training on Development of Business Plans

### 2.1. Objectives of the Training

This training has two main objectives, namely:

- To equip participants with knowledge of what prospective investors look-out for, in a business plan and
- To enlighten the participants on the key components of a typical business plan

### 2.2. Expected Outcomes

After the training, the participants are expected to have a reasonable understanding of:

- (a) The need for preparing business plans
- (b) How far-off (or near to) they have been in formally recognizing important features of their businesses
- (c) How to draw-up a simple business plan and
- (d) Areas in which they had fallen short in their previous attempts to develop business plans

## 3 Business models

### 3.1 One page Business Plan

The nine components of the Business Model Canvas.

#### Key partnerships

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#### Key activities

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#### Key resources

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Value proposition

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Customer relationships

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Customer segments

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Channels

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Cost structure

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Revenue streams

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### 3.2 Comprehensive Business Plan

#### Section 1 Executive Summary

Title	Description	Participants answers
Overview of the Business	Describe your business in a few sentences	
Mission Statement	What is your business's mission?	
Vision Statement	What vision do you have for the future of your business?	
Objectives	List your business objectives.	
Keys to Success	Identify and describe your keys to success.	

#### Section 2 Company Description

Title	Description	Participants answers
Company	Tell investors about when you started your business, why you started and what you have achieved so far	
Legal Structure	Is your agro-processing business a legally registered in Nigeria, if yes, what type of registration did you do?	
Location and Facilities	Describe your business location and facilities., tell investors why you located the business there and the benefits of the location to you	
Products and Services	What are the products or services you are selling to customers?	
Current Status	Describe the current status of your business, are you a micro business, small	

	business or Medium enterprise	
Future Plans	Outline your future business plans and why you need support	

### Section 3 Industry Analysis

Title	Description	Participants answers
Industry Overview	Describe the industry you are in, talk about the trend, statistics other industrial	
Market Needs	Identify the needs of your market, in terms of desires, gaps, expectations, customers' needs, logistics etc	
Market Trends	Describe the trends in your market, innovation, value chain flow,	

### Section 4 Target Market

Title	Description	Participants answers
Target Market Overview	Describe your target market, write generally about the horticultural market in Nigeria, Africa and globally and what is happening	
Market Segmentation	Segment your market across the value chain. Wholesalers, retailers, consumers, processors, crate makers, tomato farmers, vegetable farmers, supermarkets etc	
Customer Demographics	Detail the demographics of your customers. Age, gender, location, demographics, wants, needs, desires, expectations etc	

Customer Needs and Preferences	Describe the needs and preferences of your customers, taste etc	
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### Section 5 Competitive Analysis

Title	Description	Participants answers
Direct Competitors	Identify your direct competitors, who are those selling same product like you	
Indirect Competitors	Identify your indirect competitors, who are those in same industry but not selling exactly what you are selling, but their business affects you	
Competitive Advantages	List your competitive advantages, Write your unique values and the extra things you add to your business that makes your business special	

### Section 5.1 SWOT Analysis

<b>Strengths</b> -The potentials in your business	<b>Weakness</b> - Internal challenges you currently have
<b>Threats</b> to your business	<b>Opportunities</b> you can leverage on in the horticultural space



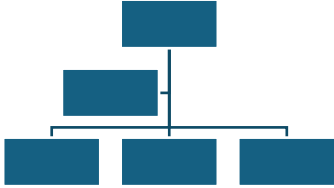
**Section 6 Marketing Strategy**

Title	Description	Participants answers
Marketing Plan	Outline your marketing plan, how you plan to reach numerous customers inline with how your customers want to be contacted	
Pricing Strategy	Describe your pricing strategy, e.g markup prices, discounts, pay as you go, buy one get one, credits, competitive pricing etc	
Advertising and Promotion	Detail your advertising and promotion plans, and state how you will be advertising your horticultural products	
Sales Channels	Identify your sales channels, what are you selling and who are you selling to, when, how etc	

**Section 7: Sales Strategy**

Sales Process	Describe your sales process.	
Sales Goals	List your sales goals, how many products do you want to sell monthly and annually, when	
Sales Forecast	Provide your sales forecast, how many tomatoes or horticultural products do you predict selling	

**Section 8: Organizational Structure**

Organizational Chart	Create an organizational chart, from top to bottom	
Management Team	Describe your management team, who are the leaders	
Ownership Structure	Detail your ownership structure, is it partnership, sole proprietor, board of directors, shareholders	

**Section 9 Human Resources Plan**

Staffing Plan	Create a staffing plan, how many staff do you need for your agribusiness,	
Employee Training and Development	Outline your employee training and development plans e.g technical training on pruning, packaging, harvesting, record keeping etc	
HR Policies	Describe your HR policies, what is allowed and what is not allowed by staffs of the company	

**Section 10 Product or Service Line**

Product or Service	Describe your products or services.	
Product Lifecycle	Outline the lifecycle of your products.	
Research and Development	Detail your research and development plans.	
Intellectual Property	Describe your intellectual property.	

**Section 11 Operational Plan**

Business Location	Describe your business location.	
Facilities and Equipment	Detail your facilities and equipment.	
Technology Plan	Outline your technology plan.	
Production Process	Describe your production and or processing procedure	
Quality Control	Detail your quality control procedures	
Logistics and Distribution	Describe your logistics and distribution plans for your horticultural products	

**Section 12 Inventory Management**

Inventory System	Describe your inventory system.	
Suppliers and Vendors	Who are you buying from and what are you getting from them	
Inventory Control Procedures	Outline your inventory control procedures.	

**Section 13 Customer Service Plan**

Customer Service Policies	Describe your customer service policies. How will ensure your customers are satisfied and managed profitably	
Customer Support	Outline your customer support plans, and channels, e.g use Chat, website, calls, etc	
Feedback and Improvement	Detail how you will gather and use customer feedback for improvement.	

**Section 14 Financial Plan**

Funding Requirements	List your funding requirements.	
Use of Funds	Describe how you will use the funds.	
Financial Statements	Prepare your financial statements.	

## Section 15 Financial Projections

- Income Statement Projections Provide your income statement projections.
- Cash Flow Projections Provide your cash flow projections.
- Balance Sheet Projections Provide your balance sheet projections.
- Breakeven Analysis Conduct a breakeven analysis.
- Financial Ratios Calculate your financial ratios.

## Section 16 Risk Analysis

Risk Assessment	Identify potential risks.	
Risk Mitigation Strategies	Describe your risk mitigation strategies.	
Contingency Plan	Outline your contingency plan.	

## Section 17 Sustainability and CSR

Environmental Impact	Assess your environmental impact.	
Corporate Social Responsibility (CSR)	Outline your CSR initiatives.	
Sustainability Practices	Describe your sustainability practices.	



# TRAINING MANUAL FOR HORTICULTURE VALUE CHAIN SMEs ON WRITING OF BUSINESS PLANS



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<https://ifdc.org/projects/hortinigeria>

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