Business Plan For Our Farm

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1.0 Executive summary

Our farm is a moderately priced farm that provides families with a variety of food substances like fruits, vegetables, chicken, meat, eggs, and other products, which may be fresh or organic. Further, the farm will provide speciality choices and deliver these products to clients' homes. Also, the company will allow its clients to pay for these services either before the deliveries are made or after the delivery using a convenient mode of payment, such as visa or cash. The company's inventory is formulated so that when the customers pick the products that they want from the farm, they are given the opportunity to state their location of residence and the exact time that they need the products to be delivered. This service is only available for the clients who require it and especially for those who are ready to pay a certain amount, depending on how far the location is from the farm. Concerning the area where the office will be located, the association is planning to lease a piece of land closer to the farm, which will make operations easier. Therefore, the location will require renovation to fit the requirements of the office. Further, other equipment like telephones and call centres will aid in customer relations management. On the other hand, the sales projections assume a total of 1700 customers per week, which results in sales of 7,614 OMR monthly and 395,775 OMR yearly. This is equivalent to approximately 302 per square foot within the sales yearly, thus positioning Our Farm as a highly desirable farm within the Sultanate of Oman. Overall, the total startup cost is stipulated at 139,753 OMR, of which 66,989 OMAR is supposed to be contributed by the company owner while the remaining amount will be secured as a bank loan.

1.1 Business objectives

The main objectives of the business plan for Our Farm are:

- To offer quality services and products at reasonable prices.
- To be the leading farm producing the best products across the country.
- To realize the prime cost ratio that is lower than 65%
- To achieve a cover ratio of 1.00X at the end of the daily sales.

1.2 Mission statement

The mission of the company is to offer unique and quality farm products that are above the average products in the market. Our Farm will strive to realize the set goals through:

- Through providing the list of farm products sold on the farm and incorporating these quality products at reasonable prices.
- The company will also be mindful of all the customers' well-being and ensure that the staff are trained on how to treat the clients without preferences and with respect to maintaining the clients.

1.3 Guiding Principles

One of the most important principles that the company should sustain is being mindful of the customers and the employees on one Farm. By societal values, the company is expected to treat both the workers and the clients in a manner that ensures customer loyalty and employee satisfaction. Further, the company will constantly show gratitude for the employees and the customers because of the dedicated input, time, and labour they put into the success of the farm. Overall, the farm will ensure that they offer the warm and friendly services that are expected from the farm, as well as good customer and management relationships that will make the clients satisfied with the services and make them loyal to the farm.

1.4 Keys to Success

The primary success factor that the farm promotes is repeat business. The farm ensures that all the customers who come in to purchase the products are satisfied with all the services. As a result, the clients will find it easier to return and buy from the farm. Moreover, when the customers are satisfied with the services, they will use word of mouth to recommend the company to other people who will make the farm famous. This is a vital strategy for marketing the services and products provided on the farm. The hiring of the right people with the right skills and experiences in dealing with the farm and managing the company as a whole is essential. Hence, with the right people in the management sector, customer relationships with the farm will be enhanced. Moreover, it is important to employ the right individuals who know how to deal with the far products. This is because the farm deals with food substances that should be handled with great care to ensure the health of both the customers and the employees.

The location of the farm is another key factor in success. Before setting up the farm and the management company, the management should identify the main market since, for the company to succeed, being closer to the market is the primary factor. It is common knowledge that people who travel a long distance tend to lose interest in the company. Therefore, recognizing who the company's customers are. Finally, the variety of products offered on the farm. People believe that it is easier to purchase all they require as a whole and not in small pieces. Thus, the farm with all the products that the customers require will naturally have a range of customers. Further, reasonable prices should be provided, not just for the company to concentrate on making a profit but also for ensuring that the customers have the products at a reasonable price. Besides, understanding the customers and analyzing their income strategy will help in formulating the prices for the products. Otherwise, the farm will not have the number of clients expected.

2.0 Company Description

The farm will be solely owned and managed by a group of students from Sohar College. Also, the farm will serve different classic home-style favourites for meat, chicken, and poultry, as well as various fruits naturally grown. The far will have its working days and hours stipulated as shown in the table below;

Day	Time
Monday	8.00 am – 9.00 pm
Tuesday	8:00 am – 9:00 pm
Wednesday	8:00 am – 9:00 pm
Thursday	8:00 am – 9:00 pm
Friday	8:00 am – 9:00 pm
Saturday	9:00 am – 7:00 pm
Sunday	9:00 pm– 5:00 pm

Table 1: working days and hours.

2.1 Ownership

The ownership of the farm is mainly by a section of the students. They will manage the farm and offer all the necessary equipment and skills required.

2.2 Legal Form

Our farm is anticipated to be organized as a sole proprietorship, solely owned by the group of students from Sohar Collage, the farm that satisfies the needs of the clients at all times. The farm is registered as an Oman property, a for-profit organization.

2.3 Start-Up Summary

The company calculated the cost of a startup business, which is both the farm and head office, at 24,255 OMR. The main expenditure for setting up the office that will be used for booking and operating the farm and the equipment that will be used on the farm is 42,349 OMR. Further, the location of the office and farm needs several builds out as well as renovation, which is approximately 19,249 OMR and will take roughly 30 to 40 days to complete. Significantly, the owners of the business will pay 67,374 OMR of the startup cost from their primary source of income, which is the combination of liquid assets as well as marketable securities, mainly from the existing management and farming businesses.

3.0 Services

3.1 Daily Operations and Production

Our Farm will be operational seven days a week from the stipulated time in table one. Due to the fact that some students specialize in agricultural engineering, they will be responsible for all the activities on the farm, including farm management. The farm schedules generated by the students will be written in a form that will permit the ability to decrease or increase the input labour following the volume of sales in order to sustain consistent labour cost control in both the farm and the company. Further, the proper labelling, as well as rotation tactics accompanied by the ample storage facilities in the farm, will make sure that the high-quality products will be adequately available in order to meet all the demands of the customers during the peak of business hours. The remaining replenishment and ongoing preparation that is not completed within the 30 to 40 days set for the preparation will continue during the off-peak period of business hours to ensure that the business runs concurrently with the remaining repairs.

On the other hand, other students will be responsible for all the dealings with the clients. That is, receiving, ordering, booking and maintaining the stuffiest inventory on the farm to meet all the production demands of the customers. Further, ordering schedules will be staggered, with the perishable products being booked multiple times per week with the aim of preserving their freshness. Also, the standard supply orders and groceries will be ordered less frequently, under the predetermined schedule and the capacity of storage on the farm. Moreover, the far owners will depend on the operational checklist to validate that every shift of work on the farm has been adequately prepared to ensure that all the operational standards are followed before, during, and after all the work shifts. The farm and company layout includes the farm with all the products and an office that is responsible for all the booking and delivery of the products to the customers. The farm is structured to have different sectors as it produces a variety of products. Therefore, it is structured in a way that allows the customers to walk around the farm, check all the products that are available and pick the preferred product.

Upon the arrival of the clients on the farm, they are greeted by either the assistant manager or the manager of the company. Then, he/she is taken over the services offered on the farm and is allowed to go to the farm and check the products to see if they are available. If the clients do not wish to check the products from the farm, they are allowed to pick from the list with the prices and purchase it.

The other customers who do not have the time to travel to the company and farm call the company through the caller centre, which is operated by a very skilled employee. The client is able to call the company and order the actual product and the location of residence. The customers are permitted to either pay before the delivery or at the point of delivery plus the price accorded for the delivery. The inventory, after the booking, will automatically be printed and kept in the inventory to keep track of the orders, and the orders placed will always be tracked until the orders are completed.

3.2 Competitive Comparison

The Oman agricultural farm includes approximately 400,000 farms with a combined yearly revenue of roughly 154 OMR billion. Many agricultural companies in the market are already developed compared to Our Farm. These companies hold 20% of the current market. The main local competitor in the market is the Sun Farm Company. While the Company is in the process of developing, farms such as Sun Farm have already developed and are operational in the Country. Therefore, this offers stiff competition to the company, pushing it to always be on its toes in terms of growth.

3.3 Suppliers

Due to the company owner’s years of experience combined with their existing agricultural and management career, the group have established and maintained relationships with qualified suppliers. These suppliers provide the farm with reasonably priced farm products delivered according to the farm and company schedule.

3.4 Management Controls

The company owners will practice effective management processes in order to control costs, make sure that the company has quality products, and offer friendly client service. The system will use several systems by the management sector. One of these management systems is an order guide.

The farm will ensure the use of an item, particularly an order guide, to track the history of the orders and sustain the designated levels of all the products within the company inventory. Also, the inventory system should be maintained weekly. The management will conduct the weekly inventory in order to determine the valuation for use within the preparation of the weekly loss and profit reports. Finally, the company should conduct daily inventory tracking. The daily inventory must be taken on particular items on the farm. Furthermore, the movement of the sales data will be compared to make sure that the designated products have all been appropriately accounted for on the farm.

3.5 Administrative Systems

With all the limited employees on the farm, it is essential that the owners of the company remain current with all the daily outlay. Moreover, the purchase of the POS system (point of sales system) will entirely help the farm in the daily administrative reports;

Daily cash control. The receipts and sales documented by the POS system should be compared to the definite cash and credit card deposits per day at the end of the business. Further, the acceptable short amounts of the farm will be restricted to 1.54 OMR per day. Therefore, all the discrepancies that are higher than 1.54 OMR will inform the management to conduct an immediate audit to account for the presented differences. The monthly totals will then be compared to the actual P&L statements for accuracy. Overall, the credit cards, cash, and debit card receipts will then be deposited into the farm's deposit account. (U.S. Small Business Administration, n.d.)

Weekly Prime Cost Report. The management of the farm will prepare the report weekly, which will show the gross profit margin after the cost of the products sold, as well as the cost of labour, has been subtracted from the revenue of the sales. Further, the prime cost for the farm and company category is anticipated to range from 50% to 55%. Overall, the suitable control of the prime cost is the most efficient factor in the ability of management to operate the farm.

Purchasing Records and Payables. The farm will require a part-time bookkeeper to record and process the invoices as well as credits on a daily basis. The report describing the account payable transaction, cash expenses and payment by check will be readily available. The bookkeeper is also responsible for the preparation of all the check disbursements. However, the singing of checks authorized for the general operation of the farm is only conducted by the general manager of the company.

Payroll Processing. The payroll checks on the farm are issued twice a month. The general manager of the farm will then run the reports from the attendance and time system, prepare for the transfer to the company's payroll system, and make the essential adjustments. All the payroll will be managed by the payroll processing services.

3.6 Future Services

The farm plans to offer these farm services to other unions in the future and expand the market of agricultural products to international countries that, at the moment, do not have these products. This can open up other potential and a large portion of the gross sales for the company. Further, the farm has a target of year 2 to hire a sales agent to directly market all the products to other parts of the country that are not yet aware of the existence of the farm.

4.0 Market Analysis

The farm industry is one of the largest and most advanced businesses in Oman. The industry sales are estimated to reach 223.3 OMR billion in 2010, which is an increase of 2.5% compared to that of 2009. Further, the agricultural industry sales are projected to the sum of 233 OMR billion in the year 2011 which is equivalent to 4% increase to that of 2009. Thus, the entire economic influence of the agricultural industry is anticipated to exceed 0.65 OMR trillion in the year 2011.

4.1 Industry Analysis

The industry includes the establishments mainly involved in the provision of food services to customers who order and the others who come to buy the products without ordering or requiring the products to be delivered to their homes and either pay after the delivery or before using the mode they see fit and convenient. Moreover, these establishments can offer food services to clients in combination with selling the fruits of the clients' choice and offering carry-out services for clients purchasing farm products. On the farm, the tastes of the customers, demographics, and individual income drive the market demands. The large companies in this industry have the advantage in purchasing, marketing and finance, while the small companies like Our Farm can only provide superior farm products and services. Therefore, the industry is labour-intensive.

The wages are based on the significant ratio of the cost of operation on the farm. The existence of the legal minimum wage in most parts of Oman enhances the requirement for the players to maintain another cost that, in turn, increases the significance of the suppliers on the farm. However, the slight complication is in some parts of the country, the farms offering the food services, and the employers are in a position to provide tips to their workers, hence contributing to the high wages they are paid at the end of every month. Therefore, in those parts, the policy increases the minimum salary from the perspective of the employers. Thus, putting the annual revenue per employee on the farm is less than 19,250 OMR. Further, the farm carefully manages the inventory of all the perishable food products, especially fruits, in order to reduce the amount of food that spoils, which causes the farm to incur losses.

In addition, computerized data systems can enhance and connect foodstuff and ordering operations.

The farm can enhance the use of touch screen ordering techniques, which ensures that there is accuracy in the communication of clients' orders. Further, the timing system monitoring the order procedures can alert the farm workers if the client's order is running later than the scheduled period. This will ensure that the customers get the ordered goods at the right time without delays. The early reservation of the products ensures that the farm makes the products that the customers need available in time. Moreover, the inventory system in the farm tracks the supply level, hence helping the company reduce the waste that it might incur due to the spoilage of the products. Additionally, the cost accounting programs will assist the farm in determining the profitability of a specific product on the farm.

4.2 Target Market

The segment strategy that the company owners selected the subject region for the location of both the office and the farm mainly due to its area near the main and busy countryside of Oman. This location was primarily selected because many people are able to assess it, and it is along the roadside, which makes it visible to all the road users within the area. Moreover, the road is connected to the busy interstate near the shopping Centre. This is an added advantage, that is, all individuals coming to the centre to shop can easily see the farm.

4.2.1 Market Needs

The region selected is ideal for the farm. The section where the farm is located is a common joint where various people come to shop, and it's known for the collection of businesses done there. Therefore, with all the other businesses there, what the joint lacks is a farm to buy fresh agricultural products. The added benefit of the location is that there is no farm stipulated within the area, which makes it easier for the farm to develop and attract the intended customers. Moreover, the setup of the farm in this location will ensure that people do not travel a long distance to get the services that Our Farm can offer. The farm will also be a source of employment for the residents and promote growth as well as development in the community.

4.2.2 Market Growth

It has been observed that the Oman clients' spending on services for buying farm products from the farm and no other outlets have increased by 1.8% compared to the previous years. Thus, the average Oman retail price of food services, specifically that influences the spending of the customers, has also risen to 13.1% compared to last month. Moreover, Oman's tourism spending for food services directly from the farm, compared to last year's sales, has also increased by 6.1%. This is the indicator that the individuals in Oman now trust the food products that they purchase directly from the farm rather than other food outlets. Hence, Oman is opening up to new businesses, such as farm businesses, and has been evaluating the growth of the market over the years.

4.3 Positioning

People always believe that buying food from the supermarket is easier than buying from any other outlet in the market. Therefore, the farm will position itself as the premier quality and ensure that the farm products reaching the customers are fresh and reasonably priced to compete with the other outlets in the market. Moreover, Our Farm will make sure that the customers are happy and content with the services to make them loyal to the company. Other than that, the company will constantly inspect the stores and warehouses on the farm to ensure that the products the farm sells are healthy and fresh all through. Overall, the farm will continuously review the prices and discounts to modify them as per other farms and the recommendations of the clients since the farm values the customers and listens to them in case of any concern.

5.0 Marketing Strategy and Implementation

The farm is striving to be the best in the farm industry in Oman and has the inspiration to be known not only in Oman but also in international countries. The farm is planning to do this by providing quality and fresh farm products that are superior to the ones sold in other outlets. The farm believes that the clients will enjoy doing business with the farm due to the products offered at an affordable price to the residents. The farm has well-trained employees on the customer relationship and is always at their best when it comes to their services.

Other farms have tried to offer bulletproof products. However, they have failed in the sector of the personal aspect of the business. The farms do not concentrate on the feedback of the clients after purchasing their products and have no effective customer relationship with the management of the company. Our Farm has taken a step ahead, identified all the loopholes in the market, and ensured that we are customer-centred. The product and prices are formulated as per the client's request. On the farm, the customers are placed first before the profit since the company was established not only to make a profit but also to ensure that the local residents have quality products at affordable prices and are content with the services. Moreover, the farm trains the employees on how to deal with the customers who either call to order the products or are instantly purchasing the foodstuff.

The farm values the feedback offered by the customers. This is the main way of knowing what the clients want, how the market has transformed and what the farm should be adjusting to meet all the demands of the clients. Moreover, the farm has developed a website with a list of the products on the farm, a map showing the exact location of the farm, and driving directions for people who are not residents of the area. The farm also uses other social media platforms like Twitter and Facebook to market the products. On the farm website, all the possible questions that can be asked by the customers are answered, and a telephone number is given in case a person wants to order the services.

Besides, the farm has ensured the identification of the products that people within the location love but are very difficult to get. As a result, the people will have their heart-desired food closer to them, handled by the class employees and delivered to them at any moment they order it, so long as it is within the company's working hours. This will help the farm remain relevant in the market. (U.S. Department of Agriculture, Economic Research Service, n.d.)

Other than the products and the clients, the farm ensures that the employees are satisfied with their work and are developing as well. Employees are very important assets in the company; hence, for the success of the farm, the workers should be satisfied with their work. Further, at the farm, there are no preferences when employing the workers. All the applicants are subjected to the same criteria of application and employment. All the applicants are treated equally. The farm has flexible working hours, which address the needs of the workers and also allow the employees to develop their personal lives. The farm pays the workers a competitive wage. Constant training and rewards, such as promotions for hard-working employees, are common on the farm. Nevertheless, the workers who do not get their work done as expected are not reprimanded but are encouraged and given another chance to do the right thing.

5.1.1 Strengths

One of the strengths of the farm is its location. The farm is located in an easy-access area. Also, the farm has generated billboards that point to the direction where the farm is located in case a client did not get the direction guide on the website. Moreover, the farm has acquired exceptional employees with the right attitude for business. The farm always retains its workers through the best salary compared to other farms, work satisfaction, and flexible working hours. As a result, the workers are at their best all the time and in doing their jobs due to the fact that the owners are agricultural and management expats and with their experiences, the farm enjoys the already established client market as well as approved vendors for the farm. The other strength of the farm is its size. Because of the size of the farm, it is easy to manage and to ensure that it produces exceptional quality through the hand selection of the market specials compared to the large farm competitors. Finally, the farm has the best employees since, at the employment, the applicants are hand-selected and not computer programs. This makes sure that the farm has the best employees who strive to provide unsurpassed services.

5.1.2 Weaknesses

The main challenge the farm faces is recruiting and training the quality employees required in the industry. It is costly to support the constant training of employees on the farm. This somehow pulls the farm to the ground, no matter how much it tries. Since the farm is still at the stage of development, it is hard, though necessary, for the farm to constantly train the employees on the new market trends in order for the farm to remain relevant in the market.

5.1.3 Opportunities

The first opportunity that the farm has is the little barriers. It is important to note that the few barriers to entry permit instant business opportunities. Further, the farm has the opportunity to offer customers fruits that are different from the main products.

5.1.4 Threats

The main threat the company faces is the Oman government mandates. These mandates include farm operations, the protection of employees, safety, and sanitation. Therefore, this will require the company to spend more to ensure that all the facilities required on the farm are operational. Further, if the farm does not run as the owners anticipate, they risk losing the capital funds they had put in to start up the business. Moreover, after the startup, there might be a problem of increased operational costs, which, in turn, will paralyze the effective running of the company.

5.2 Unique Selling Proposition (USP)

Our Farm will provide quality farm products at a flexible price for the clients. Further, the average price for these products is calculated at a rate between 3.1 OMR and 5.8 OMR, which appears to be in line with the industry standards. Due to the current expertise with the hired vendors and the farm's excellent credits. The farm can also negotiate better credit terms than when starting the farm business. Moreover, the farm can maintain a list of the items that are the advantages of seasonal farm products, which, in turn, reduce the prices set. Overall, the farm will keep in check all the prices through meticulous monitoring of controlling the expenditures, keeping a close eye on the farm's prime cost report as well as inventory. Thus, at the start, the company will recruit close family members on the farm to work at a lower salary as the farm develops. This will help reduce the expenses, especially in salary.

5.3 Competitive Edge

The farm's competitive advantage is in the individual involved in the company. The success of the company is solely dependent on the employees within the company. Their satisfaction with the work they do on the farm is directly connected to the success of the farm. The long-term objectives and goals of the farm are to recruit team members who are hand-selected and not use computer software to recruit the employees. This will ensure that the company have employees who are honest and truly dedicated to the farm projects. Compared to the large farm competitors, due to the farm's lean size, the company can turn on a dime at the point when economically pushed, as well as quickly and effectively make changes, allowing the farm to be proactive.

5.4 Positioning Statement

Our Farm will be the premier farm products company in the Sultanate of Oman. The farm will offer a reasonably priced agricultural product delivered to the customer’s residence as the client desires. Moreover, the company has a broad list of items that the customers can choose from: poultry, meat, chicken, eggs and fruits according to the desire of the clients. The farm office is open seven days a week, and the products are always available on the farm with the best employees.

5.5 Sales Strategy

In the farm, the client’s services are the most significant. The survey done on customer participation shows that only one in twenty clients will feel free to tell the management in case of any problem with the farm or the farm products. Therefore, the goal of the farm is to ensure that the employees provide wonderful and quality products with superior client services. Moreover, the training program for the workers will be geared towards trimming the workers on the service attitude, ways to handle the customer’s complaints, as well as client perception about the farm. All the customer complaints are acknowledged by the workers and referred to the farm management. Further, programs will be placed on the farm for all the categories of customer complaints. The more serious complaints will be documented in the company files and dealt with effectively.

5.5.1 Sales Forecast

The farm is expecting a conservative 5% rise in the sales avenues yearly over a period of three years. The growth of the business will be then adjusted to the inflation, with the addition of fruit revenue, the sales will be increased by the 12.93% in the second year and 6.02% in the third year of establishments. The table below shows the anticipated sales forecast for the next three years on the farm.

		Yearly Sales Forecast		Year 1	Year 2	Year 3
		Sales		OMR	OMR	OMR
		The farm products		395,937	515,734	436,521
		Additional Revenues		0	31,415	39,269

		Total Sales		395,937	447,150	475,790
		Manageable Costs				
		COGS		154,811	159,456	164,234
		Payroll		103,944	124,375	130,909
		Total Prime Cost		254,755	283,831	295,148
		Manageable Profit		137,182	163,318	180,642

Table 2: Annual Sales Forecast

5.5.2 Sales Programs

The farm will encourage the workers to grow the client base as well as offer enticements and regular bonuses to the customers for the recommendations and the repeat customers on the farm. However, these initiatives are not available on the farm because they are in the planning stages and have not been implemented on the farm. There is a need to hire other employees who will be responsible for such activities on the farm. Thus, this will form the role of the employee's culture on the farm. Also, it is expected that as the farm develops, along with the new products offered on the farm, like fruits, which were initially not on the list, there will be the need to hire a sales director in order to facilitate this portion of the farm business. The farm will pay the sales director in a similar way to how they are paid by other governmental institutions.

6.0 Organization and Management

6.1 Organizational Structure

Our Farm expects to recruit 19 workers. Together, the students will, in person, select every candidate who is aspiring to work with the farm. They will use the efficient interview procedures planned to staff the farm with highly skilled individuals for every position in the farm and office. Further, every applicant will be evaluated and rated in accordance with the predefined set of standards planned for every position on the farm. The background checks on the applicants will be used for the designated positions. Overall, hiring employees will also depend on the credible referrals listed by the applicant.

6.2 Management Team Gaps

At the start of any business, it is common for any business to face a lot of challenges. The management gaps are inclusive. Over the period, the farm owners have planned to recruit a sales director, a general manager, and a farm manager. In order to meet all the gaps connected to payroll, cost accounting, and inventory management, the farm owners will be expected to buy the POS, which will simplify the communication between the farm and the office of order. Therefore, with all these in place, when the client orders a product from the farm, the order goes to the computer in the office, directly to the farm printer. Other than that, the POS system is vital in tracking everything that goes in and out of the farm and the office. Moreover, because the POS system works as a time clock, it can also be significant in preparing the payroll, which in turn will serve some cash used in the bookkeeping department. Overall, along with the daily operations of the farm, the POS system can help in organizing the losses and profit statements as well as sales tax.

6.3 Personnel Plan

Yearly Sales Forecast	Year 1	Year 2	Year 3
Owner / General Manager	0	0	0
Asst. Manager / Cashier	9,96I OMR	10,259 OMR	10,567 OMR
Department directors	14,747 OMAR	15,189 OMR	15,645 OMR
Sales department	23,285 OMR	23,983 OMR	24,702 OMR
Farm management	18,036 OMR	18,577 OMR	19,135 OMR
Office management	9,249 OMR	9,527 OMR	9,812 OMR
Bookkeeper (p/t)	3,326 OMR	3,426 OMR	3,529 OMR
Sales Agent	0	7,700 OMR	7,930 OMR

		Other Employees	0	7,096 OMR	9,135 OMR
		Total	78,593 OMR	95,745 OMR	100,444 OMR

Table 3: Personnel Plan

7.0 Financial Plan

The sections below outline the farm’s financial management plan.

- The needed startup cost
- Losses and profits
- The cash flow in the farm
- The farm’s balance sheet

7.1 Important Assumptions

- The farm products range from 3.08 to 5.77 OMR
- The average foodstuff price is 3.38 OMR
- The average fruit price is 55.72 OMR
- The farm will have 19 workers on the farm and the managing offices
- The target revenue of 331,053 to 461,934 OMR.
- Yearly 3% increment for the information as well as 5% yearly revenue increase.

7.2 Start-Up Costs

The sum of the total cost of starting up the farm is stipulated at 139,735 OMR, where the farm owners will contribute the sum of 66,980 OMR while the remaining amount is secured from the bank.

Start-Up Expenses	Amount
Graphics Logo and Name Creation of the farm	385 OMR
Permits for the business	462 OMR

Eventuality		3,849 OMR
Outdoor Sign		1,155 OMR
Renovations		19,247 OMR
Working Capital		66,403 OMR
Pre-Opening Expenditures		5,697 OMR
Sum of Start-Up Expenditures		97,198 OMR
Start-Up Assets		
Creation		308 OMR
Three delivery vehicles		25,406 OMR
Four motorbikes for delivery		12,703 OMR
storage		1,424 OMR
	Track lighting	847 OMR
	Cash register + POS System	1,5400 OMR
	Sum of Start-Up Assets	42,536 OMR
	Sum of Required Start-Up Costs	139,735 OMR

Table 4: Start-Up Costs

7.3 Source and Use of Funds

The sum of the startup cost is approximated at 139,735 OMR. The main cost for starting up the business is linked to the equipment needed to set up both the farm and office. The sum of the total cost of the items is estimated at 42,536 OMR. Further, the cost is related to the renovation of the office and the farms in order to offer the updated creation of additional space in the farm for inspection and for the clients to select whatever agricultural products they may require, which is approximated at 19,247 OMR. In addition, the startup expenditures are in the category of working capital as well as a contingency, which is 70,252 OMR. The farm owner will be responsible for putting up a capital of 66,980 OMR, while the 72,754 OMR will be informed of a bank loan. The secured loan is anticipated to be paid within five years of the farm operation.

	Source and Use of Funds in the Farm			
	Sources of Funds			
	The Owners' and other investments			66,980 OMR
	Bank loans			72,754 OMR
	Other loans			–
	Total Source of Funds			139,735 OMR
	Use of Funds			
	Investments			–
	Payment of the loan			19,247 OMR
	Capital equipment			42,536 OMR
	Location/administration expenses			5,697 OMR

	Opening inventory		–
	Advertising and promotional expenses		1,540 OMR
	Other expenses		462 OMR
	Eventuality fund		3,849 OMR
	Working capital		66,403 OMR
	Total Use of Funds		139,735 OMR

Table 5: Source and Use of Funds

7.5 Projections

7.5.1 Projected Profit and Loss

The losses and profits demonstrate a modest increment in the revenues over a period of three anticipated years with adjustments for inflation.

	Pro Forma Profit and Loss	Year 1	Year 2	Year 3
	Income			
	Sales	395,886 OMR	447,092 OMR	475,729 OMR
	Cost of Goods Sold	(154,791 OMR)	(159,435 OMR)	(164,218 OMR)
	Gross Profit	241,095 OMR	287,657 OMR	311,511 OMR
	Expenses			
	Accounting and Legal	4,619 OMR	4,758 OMR	4,901 OMR

	Bad Debts		9,897 OMR	10,194 OMR	10,5OO OMR
	Reduction		34,645 OMR	35,684 OMR	36,755 OMR
	Credit Card Fees		7,918 OMR	8,155 OMR	8,400 OMR
	Insurance		28,871 OMR	29,737 OMR	30,629 OMR
	Miscellaneous		16,981 OMR	17,490 OMR	18,015 OMR
	Payroll Taxes		0	0	0
	Permits and Licenses		2,832 OMR	2,917 OMR	3,004 OMR
	Rent		26,176 OMR	26,962 OMR	27,770 OMR
	Salaries		4,750 OMR	4,893 OMR	5,040 OMR
	Wages		103,930 OMR	124,360 OMR	130,892 OMR
	Total Expenses		240,620 OMR	265,149 OMR	275,905 OMR
	Net Profit		475 OMR	22,507 OMR	35,605 OMR

Table 6: Pro Forma Profit and Loss

7.5.2 Projected Cash Flow

The table below shows the cash flow, depicting the incoming and outgoing cash of the farm business.

	Pro Forma Cash Flow		Year 1	Year 2	Year 3
	Cash Received				

	Cash from Operations	57,011 OMR	11,931 OMR	4,389 OMR
	Cash Sales	395,886 OMR	447,092 OMR	475,729 OMR
	Cash from Receivables	0	0	
	Subtotal Cash from Operations	452,897 OMR	459,024 OMR	459,023 OMR
	Additional Cash Received	72,755 OMR		
	Sales Tax			
	Owners Investment	66,980 OMR		
	Subtotal Cash Received	592,632 OMR	459,023 OMR	480,118 OMR
	Expenditures			
	Expenditures from Operations	294,526 OMR	159,435 OMR	164,218 OMR
	Cash Spent	273,379 OMR	281,580 OMR	290,028 OMR
	Bills Paid			
	Subtotal Spent on Operations	567,905 OMR	441,015 OMR	454,246 OMR
	Additional Cash Spent			
	Sales Tax			
	Loan Payment	12,796 OMR	13,619 OMR	14,495 OMR
	Subtotal Additional Cash Spent	12,796 OMR	13,619 OMR	14,495 OMR

	Subtotal Expenditures		580,701 OMR	454,634 OMR	468,740 OMR
	Net Cash Flow		11,931 OMR	4,389 OMR	11,377 OMR
	Cash Balance		11,931 OMR	16,321 OMR	27,698 OMR

Table 7: Pro Forma Cash Flow

7.5.3 Project balance sheet

			Pro Forma Balance Sheet		Year 1	Year 2	Year 3
			Assets				
			Current Assets				
			Cash		24,252 OMR	25,464 OMR	27,374 OMR
			Accounts Receivable		9,624 OMR	10,105 OMR	10,863 OMR
			Inventory		5,389 OMR	5,659 OMR	6,083 OMR
			Other Current Assets		49,850 OMR	52,343 OMR	56,269 OMR
			Total Current Assets		89,115 OMR	93,571 OMR	100,588 OMR
			Long Term Assets				
			Long Term Assets		55,625 OMR	58,406 OMR	62,786 OMR
			Accumulated Depreciation		0	0	0
			Total Long Term Assets		103,358 OMR	108,526 OMR	116,665 OMR

			Total Assets		192,473 OMR	202,096 OMR	217,253 OMR
			Liabilities and Capital				
			Current Liabilities				
			Accounts Payable		11,163 OMR	11,722 OMR	12,601 OMR
			Current Borrowing		577 OMR	606 OMR	652 OMR
			Other Current Liabilities		10,971 OMR	11,519 OMR	12,383 OMR
			Subtotal Current Liabilities		22,712 OMR	25,636 OMR	0
			Long Term Liabilities		72,755 OMR	76,392 OMR	82,122 OMR
			Total Liabilities		106,630 OMR	111,991 OMR	120,358 OMR
			Paid In / Invested Capital		85,843 OMR	90,135 OMR	96,895 OMR
			Retained Earnings				
			Earnings				
			Total Capital		85,843 OMR	90,135 OMR	96,895 OMR
			Total Liabilities and Capital		192,473 OMR	202,096 OMR	217,253 OMR
			Net Worth		85,843 OMR	90,135 OMR	96,895 OMR

Table 8: Project Balance Sheet

References

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