MODULE 3 – BUSINESS PLANNING

This module will help you to go from a vision (Module 1) to planning to "make it happen". We will distinguish between three basic planning levels:

- Strategic planning (long-term);
- Programme planning (mid-term);
- Operational planning (short term).

Module 3 is very short, not because it is not important; quite to the contrary, because it is so important, a lot of material already exists. Rather than repeating other sources, we will guide you towards existing toolboxes, guides and manuals.

STRATEGIC PLANNING

A strategic plan is a coordinated and systematic process aimed at establishing a course and direction for your company. A strategic plan should be developed by a team including the key players in the enterprise and discussed with the main members of the organization and business partners. A strategic plan may facilitate negotiations with financial service providers. Strategic planning is recommended in the following situations: when you start a business / if you are preparing for a new venture such as a product launch / when markets are changing / if the business environment (laws, regulations, business practices) is changing. Strategic planning broadly consists of two components: the analysis of an enterprises' strengths, weaknesses, opportunities and threats (SWOT analysis, see Module 1), and the development of strategies. For more information regarding strategic planning, see the website of the Business Development Bank of Canada (<www.bdc.ca/en/my_project/Projects/articles/strategic_planning.htm?context={2CE16A35-5040-4F1C-9DA0-E4D911FDFDC9}>). Your strategic planning may take the following structure (adapted from the **Export Marketing Plan Builder of the Centre for the Promotion of Imports from Developing Countries (CBI), available at: <www.cbi.eu/?pag=7>**):

> 1. Introduction and mission
> 2. Current market position (product, place, price and promotion)
> 3. Main market trends
> 4. SWOT analysis
>   4.1   Strengths and weaknesses (company audit)
>   (Men, Means, Methods, Machines, Measurables)
>   4.2.   Opportunities and threats (market audit)
>   4.3   SWOT conclusions
> 5. SWOT analysis of the competition
> 6. Marketing strategy
>   6.1   Market entry strategy
>   6.2   Markets and segments
>   6.3   Positioning strategy
>   6.4   Branding strategy
>   6.5   Product strategy (unique selling proposition, product development, packaging)
>   6.6   Pricing strategy
>   6.7   Distribution strategy
>   6.8   Promotional strategy
> 7. Budget and forecasts (see Module 4)

For more information regarding the drafting of an export marketing plan, see Module 7.

OPERATIONAL PLANNING

ACTION PLAN

After developing a business or export plan, you should draft an action plan listing the activities needed to reach your objectives. This action plan clearly defines who should be doing what and when. For example, if one of the objectives of your marketing strategy is to increase your organization's product range, the activities necessary to reach this objective may include: obtaining quotations from suppliers of new packaging materials, obtaining and testing samples, ordering the chosen packaging material, training workers, pricing the new product, etc. Action plans are often presented in Excel sheets, indicating the required actions in the rows and the corresponding timeframe in the columns.

Activity	Staff member	September				October		
		Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	...
ICS & quality								
Internal inspection	**Internal inspectors**							
Internal inspection decisions	**ICS manager**							
Training regarding problems encountered upon inspection	**Field officer**							
...								
Marketing & sales								
Send Biofach application form	**Marketing officer**							
Develop new promotion materials	**Marketing officer**							
...								

CHECKLIST

We advise you to draft an even more detailed checklist or "script" for your organizations' export activities. List all necessary activities (including information on who needs to do what and when) in chronological order.

Take note of your organization's first activities – how are they being carried out, which problems are encountered? This will help you draft more detailed and precise checklists in the future. If your export manager falls ill, his colleagues can take over his activities on the basis of the checklist.

The table below provides an example of a checklist for export activities.

Do not copy this example! Each organization – and each product – requires its own checklist. The contents of the checklist may vary according to the product (perishable or non-perishable), the value added by your organization (processing), whether you export directly or sell to an exporter, etc. A checklist for export activities may easily run for several pages.

Example of a checklist for export activities

Activity	Duration	Start date	End date (deadine)	Staff member	Costs	Inputs
Train produce agents/harvesting teams					21	
Plan target volume						
Discuss buying terms with farmers						
Obtain prefinancing						
Inform buyers on volumes and start contract negotiations						
Buy packaging material						
Send samples to buyers						
Finalize prefinancing and contracts with buyers						
Secure transportation to packaging facility and obtain shipping/flight schedules						
Hire and train temporary workers						
Harvest/buy produce, label for traceability, record transactions						
Transport to packaging facility and secure shipping/flights						
Final sorting and packaging, label for traceability, keep records						
Insure products						
Transport to (air)port, offload and transit storage and fumigation						
Export documents (phytosanitary documents, certificate of origin, EUR movement certificate)						
Loading; send bill of lading to buyer and make request for payment						
Upon payment, pay back prefinancing and loans, pay taxes and any outstanding payments to farmers and service providers						
Request feedback on delivery from buyer (quality, timeliness, etc.)						
Locate source of problems, investigate and solve						
Calculate profit and loss						