

Exploring the Possibilities to Run Agroforestry Business in Greece

Matina Nasiakou (matinanas@teilar.gr) & Michael Vrahnakis (mvrahnak@teilar.gr)

Department of Forestry and Management of Natural Environment, TEI of Larissa, GR-43100, Karditsa, GREECE

Outline: The poster presents the Business Canvas Model of the hypothetical Agroforestry firm AgroFor® which supposedly will run to cover the demands of the agro-market of Thessaly region, Greece, and elsewhere. The research is part of the M.Sc. thesis of the first author. Several social research trials are planned to conduct this autumn (2012) in order to explore the possibilities for a successful entry and a sustainable outcome. No results are available yet.

Key Partners

Who are our Key Partners?

Who are our key suppliers?

Which Key Resources are we acquiring from partners?

Which Key Activities do partners perform?

1. Key partners: 2 Local representatives: 1 forester and 1 agronomist / prefecture of Greece, hired in annual basis, 1 Academic (counseling, information)

2. Key suppliers: (a) 1 "conventional" agronomic firm per prefecture providing durables and consumables for agronomic use (e.g. organic inputs), (b) (Special) plastic tubes providers

3. Key resources (partners): Local representatives: Knowledge, Own equipment (laptop, cell phone, photo-camera etc.), own vehicle. Academic: Updated knowledge for Agroforestry

4. Key activities (partners): Local representatives: Promoting AgroFor® (and agroforestry) in the rural areas of their territory, Plan executives, Supervision, Monitoring, Referring to AgroFor®. Academic: Transferring of updated knowledge

Key Resources

What Key Resources do our Value Propositions require?

1. Key resources: AgroFor® headquarters: Larissa. Regional Offices: Larissa, Kavala, Thessaloniki, Ioannina, Pyrgos, Sparta, Athens, Iraklio (Kriti)

Human Resources: Each office: Scientific staff: 6 agronomists for plant production (2 for orchards, 2 for croplands, 2 for irrigation specialists), 4 foresters (2 Arc-GIS specialist, 2 forest technicians), 2 agronomists for animal production, 2 veterinarians, 4 specialists for EU subsidies and legislation, 2 economists, Rest staff: 4 clerks, 5 field-workers, Management office (Larissa): 1 CEO, 1 HR manager, 1 PR/Marketing manager, 1 Operations manager, 2 Project managers. Equipments: ITs, 2 vehicles (van-type), 2 tractors, 2 planting machineries, hoeing tools, etc. Buildings: rented in early years, bought later

Financial Resources: Early years (Larissa): a) Developmental EU, national funds, b) owner financed, Later years (1+7 Regional Offices): self-financed (by agrofor-activities)

Brand equity Well-established, well-named, environmental compatible (*green*) agroforestry services all over Greece (AgroFor®)

Key Activities

What Key Activities do our Value Propositions require?

Our Distribution Channels?

Customer Relationships?

Revenue streams?

1. Key activities: 3 customer segments (1. farmers, 2. stock breeders, 3. Forest Logging Cooperatives (FLCs) – for *farmers*: proposals/installation for the best crop or orchard in terms of both economic return (ER) and ecological integrity (EI), for *stock breeders*: proposals for the best stocking rate for optimum ER/EI, for FLCs, proposals for the best management practices (pruning, thinning, etc.) to achieve optimum ER/EI

2. Distribution channels: Local representatives

3. Customer relationships: For all customer segments relationships will vary from more intense and personal to less intense and personal. The type of relationships will become more impersonal as the AgroFor® (and agroforestry as well) establish its position in the agro-market.

4. Revenue streams: Selling (agroforestry plans, plastic transparent tubes, knowhow), commissions (percentage of EU subsidies in annual rate)



Value Propositions

What value do we deliver to the customer?

Which one of our customer's problems are we helping to solve?

What bundles of products and services are we offering to each Customer Segment?

Which customer needs are we satisfying?

1. Values: (i) extensified production, (ii) green production, (iii) a sequence of harvests, (iv) additional income, (v) entrepreneurship, (vi) bringing EU provisions to the farm

2. Solved problems: (i) increasing income, (ii) more-"relaxed" income, (iii) better exploitation of aquifers, (iv) lower agrochemical input

3. Products and services: (i) planning a case-studied sustainable agroforestry system, (ii) establishing such system, (iii) monitoring its course in time, (iv) exploitation of EU subsidies, (v) training customers on new production demands

4. Customer needs satisfied: (i) Increasing income, (ii) less exposed to agrochemicals (demands for healthy works), (iii) social acknowledgement (contribution to biodiversity, effective water exploitation), (iv) new products in agro-markets



Customer Segments

For whom are we creating value? Who are our most important customers?

1. Creating value for: farmers, stock breeders, FLCs (i.e. making business in the niche market of those who are professionally involved with land primary production)

2. Important customers: Among them farmers are most important, since (i) the majority of them is having their own proprietary land, (ii) are higher in numbers, (iii) are well distributed all over Greece, (iv) are more susceptible and reflexible in changing customs and occupations (e.g. changing cultivation from tobacco to cotton), (v) are better informed on EU provisions

Revenue Streams

For what value are our customers Really willing to pay?

For what do they currently pay? How are they currently paying?

How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?

1. Value to pay: a) maximizing productivity and profitability per square meter, b) green practices (biodiversity, sustainable water use, health care, etc.), c) exploitation of CAP provisions

2. Currently paid: a) maximizing productivity and profitability by the use of agrochemicals, b) none to green practices, c) none to CAP's provisions

3. Ways to currently paid: For maximizing productivity and profitability they pay before the selling of their products

4. Prefer to pay: Payments (to AgroFor®) prior (buying agrofor plans) or after product liquidation (e.g. commissions to AgroFor®)

5. Revenue stream contribution: Selling (agroforestry plans, plastic transparent tubes, knowhow), and commissions (percentage of EU subsidies in annual rate) will equivalently contribute to overall revenues

Customer Relationships

What type of relationship does each of our Customer

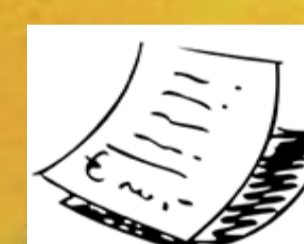
Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?

1. Expected relationships: (i) dedicated personal assistance (local representatives), (ii) help them establishing community with other agroforestry producers, (iii) offering board for co-creation

2. Established: none

3. Integration: Through establishing such relations information will flow from all levels of organization. AgroFor® is a knowledge-based and knowledge-adapted organization. Customers will be benefited from real-time information (e.g. EU subsidies, alternative cultivations, green measures, etc.), thus enhancing their entrepreneurship, while the brand value of AgroFor® will be further appreciated

4. Cost: A significant part of external costs will be allocated to such relationships (dedicated personal assistance) to the customers (e.g. costs allocated to keep dedicated local representatives)



Cost Structure

What are the most important costs inherent in our business model?

Which Key Resources are most expensive? Which Key Activities are most expensive?

The AgroFor® is both cost driven (mostly extensive outsourcing to local representatives), and value driven (costs related to value creation, e.g. agroforestry planning and monitoring)

1. Important costs: a) customer contacts (e.g. telephone bills), b) market research, c) public relations, d) salaries (external academic included), e) rents, f) utilities, g) travelling cost

2. Expensive key resources: a) Buying the rights for plastic tubes selling, b) HRs, c) brand equity

3. Expensive key activities: a) building customer relationship, b) promotion, c) outsourcing, d) building brand value, e) external (academic) counseling

Acknowledgements:

(i) Business Model Canvas is based on www.businessmodelgeneration.com
(ii) Background painting: *Canola Grampians* by Elizabeth Moore Golding