

ESTABLISH AGRI-ENTERPRISE

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UNIT DESCRIPTION

This unit specifies the competencies required to establish an agri-enterprise. It involves selecting and registering an agrienterprise, carrying out SWOT analysis, developing agri-enterprise business plan, preparing agri-enterprise budgets and mobilizing required resources.

ELEMENTS AND PERFORMANCE CRITERIA

ELEMENT	PERFORMANCE CRITERIA
These describe the key outcomes which make up workplace function (to be stated in active)	These are assessable statements which specify the required level of performance for each of the elements (to be stated in passive voice) <i>Bold and italicized terms are elaborated in the Range</i>
1 Select agri enterprise	1.1 Target market is identified based on the type of proposed business 1.2 Data is collected as per the standard data <i>gathering tools and procedures</i> 1.3 Data is analyzed in accordance with <i>data analysis methods</i> 1.4 Specific problems and gaps in the market are identified on the basis of <i>industry trends</i> and analyzed data 1.5 Business ideas are generated and refined using the business model canvas for startups as per identified problems and gaps
2 Register agri enterprise	2.1 <i>Form of business</i> is selected depending on the capital available and agripreneur's preference and ease of doing business 2.2 Agribusiness registration requirements are identified based on the form of business and the requirements of the office of registrar of companies. 2.3 Business location is selected in line with customer base and government laws. 2.4 Business registration documents are assembled as per government procedures of business registration and type of business. 2.5 Business name is registered in accordance with regulations of the office of the registrar of companies. 2.6 Business permits and licenses are acquired depending on the type and size of business. 2.7 Business bank account(s) are opened based on the requirements of the business

3 Carry out SWOT analysis	<p>3.1 Enterprise <i>strengths</i> are identified in accordance with the outcome of market scan, available resources and capabilities of the business.</p> <p>3.2 Enterprise <i>weaknesses</i> are identified based on the outcome of market scan, available resources and capabilities of the business.</p> <p>3.3 Enterprise <i>opportunities</i> are identified on the basis of assessment of the external environment and outcome of the market scan.</p> <p>3.4 Enterprise <i>threats</i> are identified in accordance with the external environmental assessment and outcome of the market scan.</p> <p>3.5 Action plans are prepared as per the SWOT matrix.</p>
4 Develop agri-enterprise business plan	<p>4.1 Agri enterprise objectives and long-term goals are developed based on the SWOT analysis report</p> <p>4.2 Agri enterprise vision and mission statements are developed in accordance with the long-term goals of the business</p> <p>4.3 Business location and form of ownership is identified in line with existing government regulations and Agripreneur preference</p> <p>4.4 <i>Marketing plan</i> is developed based on the nature of the agri-enterprise product and service</p> <p>4.5 <i>Production and operational plans</i> are developed as per the nature of the agri-enterprise product/ service and industry standards</p> <p>4.6 <i>Management plan</i> is developed based on the type of business</p> <p>4.7 <i>Financial plan</i> is developed on the basis of the type of business</p> <p>4.8 Agri enterprise business plan is prepared based on the type of business and objectives</p>
5 Prepare agri-enterprise budgets	<p>5.1 Agri enterprise activities are identified based on the Business plans, GAP and GMP</p> <p>5.2 <i>Types of budgets</i> are identified on the basis of the size of agri-enterprise.</p> <p>5.3 Costs are allocated based on materials and inputs required and prevailing market prices.</p> <p>5.4 Budgets are prepared in accordance with business activities</p> <p>5.5 Operating expense budgets are prepared in accordance with the business plans.</p>

	5.6 Work plan is drawn based on the time frame schedule and market demand
6 Mobilize agri-enterprise resources	<p>6.1 <i>Types of resources</i> required are identified in accordance with the budgets</p> <p>6.2 <i>Methods of resource mobilization</i> are assessed and selected based on <i>established criteria</i></p> <p>6.3 Agri enterprise resources are acquired and utilized in line with the financial plan</p>

RANGE

This section provides work environments and conditions to which the performance criteria apply. It allows for different work environments and situations that will affect performance.

VARIABLE	RANGE
1. <i>Industry trends</i> includes but not limited to;	<ul style="list-style-type: none"> • History of the industry • Outcome of tools such as journey mapping
2. <i>Data gathering tools and procedures</i> includes but not limited to;	<ul style="list-style-type: none"> • Oral interviews • Questionnaire • Reviewing published data • Observations • checklists
3. <i>Data analysis methods</i> includes but not limited to;	<ul style="list-style-type: none"> • Frequency measures (mean, mode, median) • Identifying similarities, sampling and weighting
4. <i>Form of business</i> may include but not limited to;	<ul style="list-style-type: none"> • Sole proprietorships • Partnerships • Limited liability company
5. <i>Strengths</i> includes but not limited to;	<ul style="list-style-type: none"> • Patents rights • Strong brand names • Good reputation among customers • Cost advantages from proprietary know-how • Exclusive access to high grade raw materials • Favorable access to distribution networks • Possession of high end technology • Workers with unique competencies • All other positive things internal to the enterprise/firm
6. <i>Weaknesses</i> includes but not limited to;	<ul style="list-style-type: none"> • Limited capital • High workers turnover. • High bureaucracies that limit workers creativity and innovative abilities.

	<ul style="list-style-type: none"> ● Limited workers skills and expertise. ● Liquidity problems ● Low market reputation ● Poor corporate culture. ● Poor service levels. ● Limited production capacity
7. <i>Opportunities</i> includes but not limited to;	<ul style="list-style-type: none"> ● an unfulfilled customer need ● arrival of new technologies ● loosening of regulations e.g no of permits required ● removal of international trade barriers
8. <i>Threats</i> includes but not limited to;	<ul style="list-style-type: none"> ● Internal risks to business ● External risks to business
9. <i>Marketing plan</i> may include but not limited to;	<ul style="list-style-type: none"> ● Customers ● Competitors ● Products ● Distribution channels ● Sales promotion strategies
10. <i>Production and operational plans</i> may include but not limited to;	<ul style="list-style-type: none"> ● Facility layout ● Technology to be applied ● Production costs ● Sourcing of raw materials
11. <i>Management plan</i> may include but not limited to;	<ul style="list-style-type: none"> ● Positions to be filled ● Organization structure ● Duties and responsibilities to be performed ● Relevant list of advisors
12. <i>Type of budget</i> include but not limited to;	<ul style="list-style-type: none"> ● Cash flow budget ● Operational budget ● Whole farm budgets ● Partial budgets
13. <i>Types of resources</i> may include but not limited to;	<ul style="list-style-type: none"> ● Physical resources ● Financial resources ● Human resources
14. <i>Methods of resource mobilization</i> may	<ul style="list-style-type: none"> ● Personal finance ● Loans ● Friends and relatives

include but not limited to;	<ul style="list-style-type: none"> ● Venture capitalist ● Subsidies and grants ● Bootstrapping strategies
15. <i>Established criteria</i> may include but not limited to	<ul style="list-style-type: none"> ● Cost of capital ● Desired level of control of the business ● Repayment period ● Amount required ● Legal requirements

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit of competency.

Required Skills

The individual needs to demonstrate the following skills;

- Analytical skills
- Basic computer application skills
- Budgeting skills
- Business plan writing skills
- Communication skills
- Entrepreneurial skills
- Innovation skills
- Leadership skills
- Management skills
- Marketing skills
- Numeracy / Arithmetic skills
- Pitching skills
- Planning skills
- Presentation skills
- Problem solving skills
- Reading and writing skills

Required Knowledge

The individual needs to demonstrate knowledge of:

- Basic principles of agribusiness (entrepreneurship) management.
- Types / legal forms of business enterprises
- Sourcing business ideas
- Business capital
- Basic business plan components
 - Cover page (Business name and contact information)
 - Executive summary
 - Business background (mission, vision, history, legal structure, ownership and location)

- Management plan(human resource plans)
- Production plans for products or operational plan for service entities
- Marketing plan
- Risk management plan
- Financial plans
- Importance of planning
- Business systems (procurement, human resource management, sales and marketing).
- Development of vision and mission statements for a business.
- Development of broad and specific business objectives.
- Work plan development.
- Microsoft computer packages (Ms. Word and Ms. Excel).
- Agribusiness sectors and their economics.
- Cash flow statement preparation
- Product knowledge
- Costing
- Branding
- SWOT analysis
- Legal and regulatory requirements when starting an agri-enterprise
- Procedure for starting an agri-enterprise
- Factors considered in selecting a location for the business
- Business financing and budgeting
- Basic arithmetic
- Government policies that benefit micro and small enterprises such as Access to Government Procurement Opportunities (AGPO)

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EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

1 Critical Aspects of Competency	<p>Assessment requires evidence that the candidate:</p> <ol style="list-style-type: none"> 1.1 Generated and refined a business idea 1.2 Registered business and obtained relevant business permits and licenses. 1.3 Prepared agri enterprise business plan 1.4 Prepared start up and operating expense budgets 1.5 Obtained business resources from suitable sources.
2 Resource Implications	<p>The following resources should be provided:</p> <ol style="list-style-type: none"> 2.1 Access to relevant workplace or appropriately simulated environment where assessment can take place 2.2 Materials relevant to the proposed activity or tasks 2.3 Data analysis tools 2.4 Business planning templates/questionnaires 2.5 simple excel sheet budgeting templates 2.6 Computers with internet access

	2.7 SWOT templates 2.8 Stationery
3 Methods of Assessment	Competency in this unit may be assessed through: 3.1 Oral 3.2 Written 3.3 Observation 3.4 Third party 3.5 Projects 3.6 Case study
4 Context of Assessment	Competency may be assessed on the job, off the job or a combination of these. Off the job assessment must be undertaken in a closely simulated workplace environment.
5 Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.